

TRX, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP FINANCIAL MEASURES
TO NON-GAAP FINANCIAL MEASURES
(In thousands)

Reconciliation of Transaction and Other Revenues to Adjusted Revenues and Net (Loss) Income to Adjusted EBITDA

	Three Months		Twelve Months	
	Ended December 31,		Ended December 31,	
	2007	2006	2007	2006
Transaction and other revenues	\$ 18,588	\$ 26,111	\$ 89,532	\$ 113,504
Deferred data reporting revenues (1)	3,477	-	6,505	-
Adjusted revenues	<u>22,065</u>	<u>26,111</u>	<u>96,037</u>	<u>113,504</u>
Net (loss) income	(4,164)	1,315	(8,043)	7,300
Depreciation and amortization	2,735	2,423	11,217	10,121
Interest expense (income), net	114	(180)	227	(675)
Provision (benefit) from income taxes	-	213	(51)	213
EBITDA	(1,315)	3,771	3,350	16,959
Stock compensation expense	(318)	21	366	1,057
Restructuring expenses (2)	-	-	-	691
Deferred data reporting revenues (1)	3,477	-	6,505	-
Adjusted EBITDA	<u>\$ 1,844</u>	<u>\$ 3,792</u>	<u>\$ 10,221</u>	<u>\$ 18,707</u>

Reconciliation of Data Reporting Revenues to Adjusted Data Reporting Revenues

	Three Months		Twelve Months	
	Ended December 31,		Ended December 31,	
	2007	2006	2007	2006
Data reporting revenues	\$ 3,300	\$ 5,149	\$ 20,885	\$ 17,849
Deferred data reporting revenues (1)	3,477	-	6,505	-
Adjusted data reporting revenues	<u>\$ 6,777</u>	<u>\$ 5,149</u>	<u>\$ 27,390</u>	<u>\$ 17,849</u>

- (1) Data reporting services provided to Citibank which are required to be deferred under US GAAP until the Company's sale of a non-exclusive DATATRAX license, previously announced in July 2007, occurs. Management currently expects the \$4.5 million license sale to occur in the first half of 2008.
- (2) In fiscal 2006, we recorded restructuring expenses for severance, lease abandonment and associated asset impairment charges from the closure of certain customer care operations.