



# Overstock.com, Inc.

## Q3 2011 Financial Results

October 27, 2011

The information presented herein may contain forward-looking statements. Our actual results may vary materially from those described in the forward-looking statements for a wide variety of reasons, including changes in economic conditions, changes in consumer spending levels or purchasing patterns, changes to our anticipated levels or timing of expenditures, operational difficulties, including any difficulties relating to our infrastructure or inventory management or to the third parties on which we depend for a variety of services including product fulfillment and delivery, difficulties with credit card or other types of fraud, difficulties with new product or services offerings we may make, including our recent entries into automotive, real estate and international sales efforts, and adverse developments in legal proceedings. Further, worldwide economic issues may increase financing costs and decrease the availability of financing for an extended period of time, and may have unpredictable effects on our business. Additional important factors that could cause results to differ from those expressed in, or implied by, any forward-looking statements are described in our periodic filings with the SEC, including our Report on Form 10-K for the year ended December 31, 2010 which we filed on February 28, 2011, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2011 which we filed on July 28, 2011, and other subsequent filings with the SEC. We undertake no obligation to update or revise any forward-looking statements. The following information includes non-GAAP financial measures. Our investor relations website, located at <http://investors.overstock.com>, includes a presentation of the most directly comparable financial measures calculated and presented in accordance with GAAP, as well as a reconciliation of the differences between the non-GAAP financial measures with the most comparable financial measures presented in accordance with GAAP.

- Revenue = \$239.7 million (2% decrease vs. Q3 2010)
- Gross profit dollars = \$38.4 million (7% decrease vs. Q3 2010)
- Gross margin = 16.0% (vs. 16.9% in Q3 2010)
- Sales and marketing expense = \$13.8M (vs. \$15.6M in Q3 2010)
- Contribution dollars\* = \$24.6 million (5% decrease vs. Q3 2010)
- Contribution margin\* = 10.2% (vs. 10.5% in Q3 2010)
- Net loss = \$(7.8) million (vs. \$(3.4) million in Q3 2010)

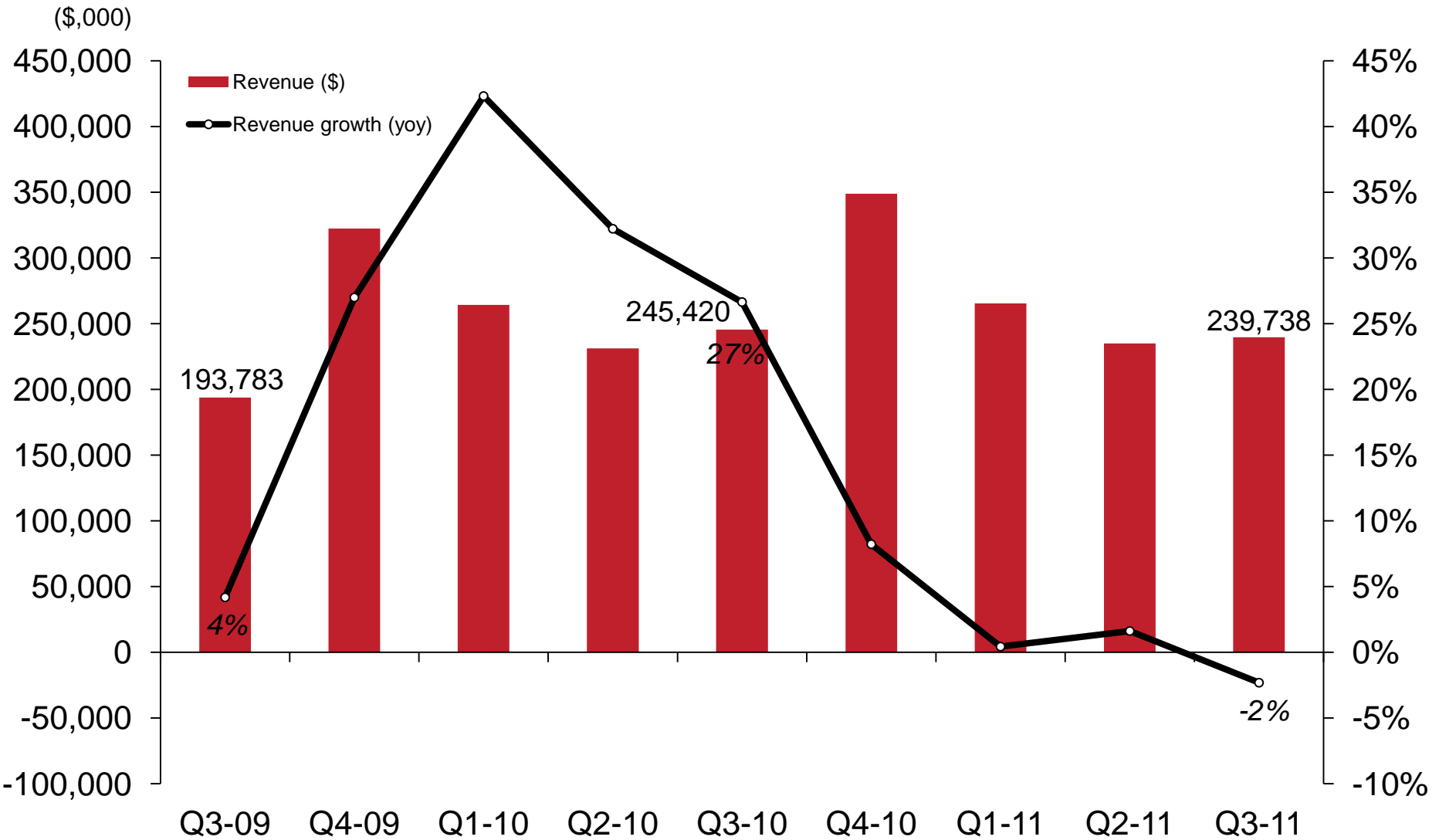
\* non-GAAP

- Redeemed all 3.75% senior convertible notes due December 1, 2011
- O.co victorious in patent troll lawsuit with Alcatel-Lucent USA, Inc.
- Launched insurance platform (auto and home)
- Worldstock fair trade celebrated its 10<sup>th</sup> anniversary



also known as Overstock.com®

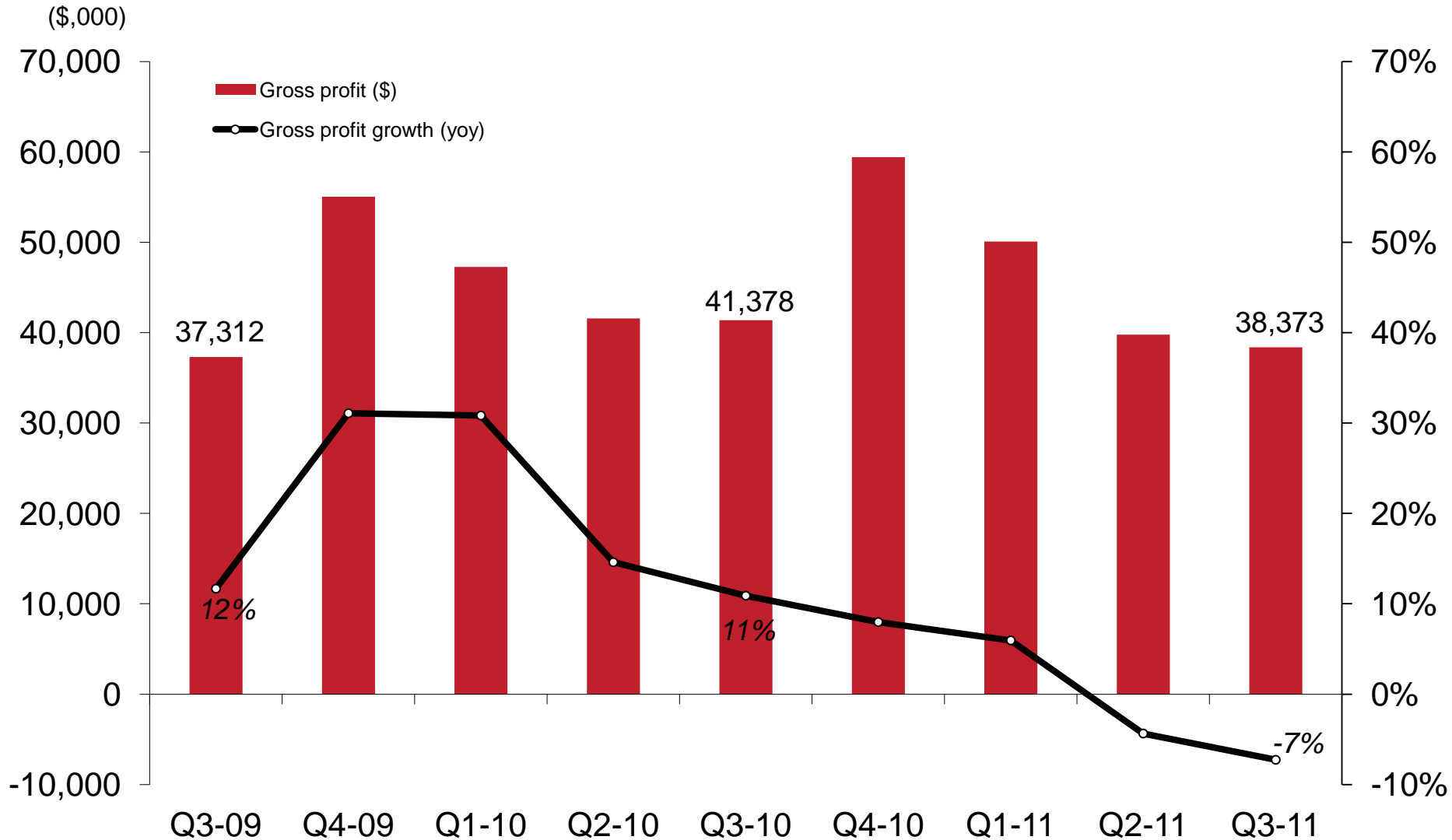
# Quarterly Revenue Growth





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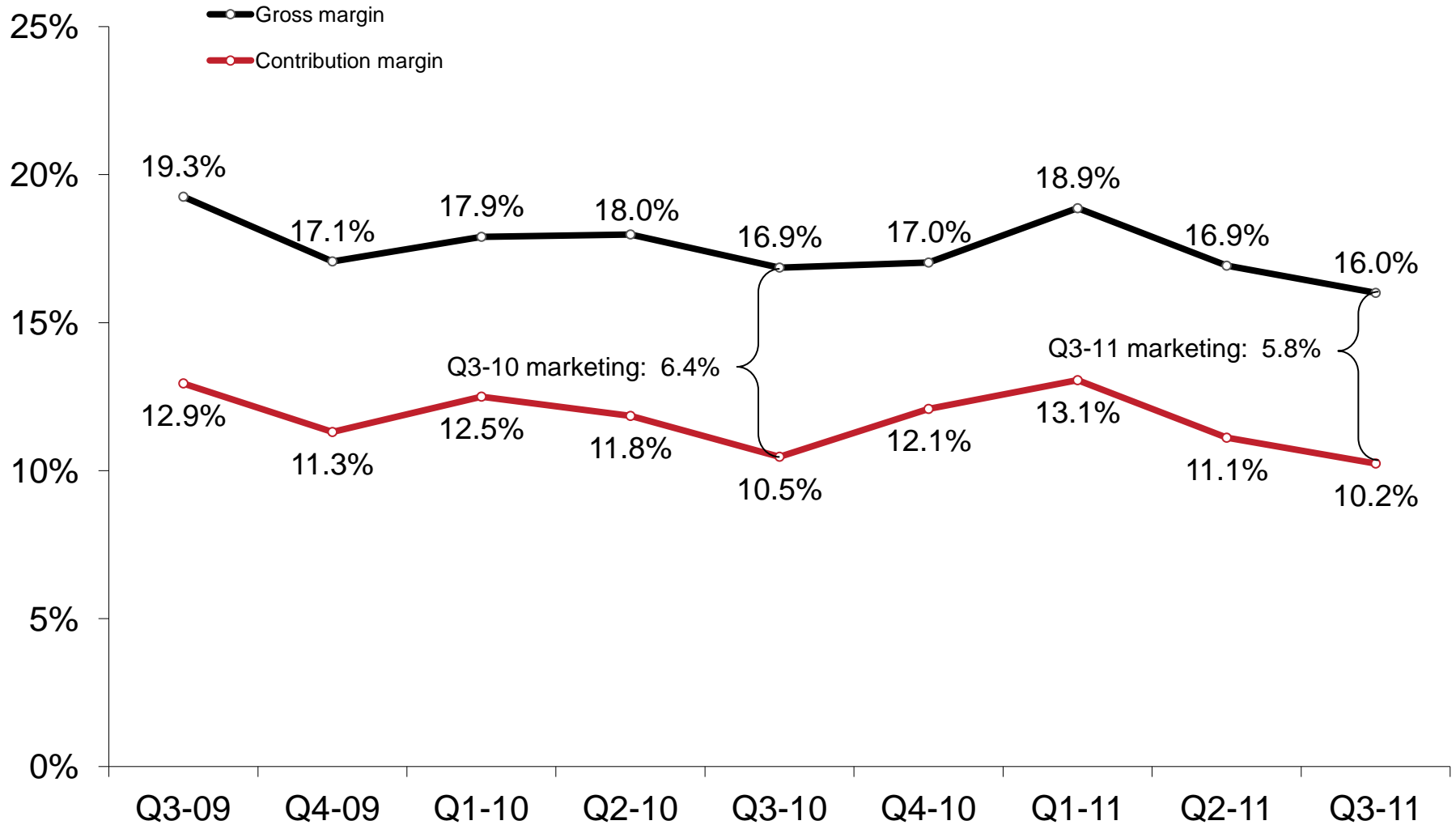
# Quarterly Gross Profit Growth





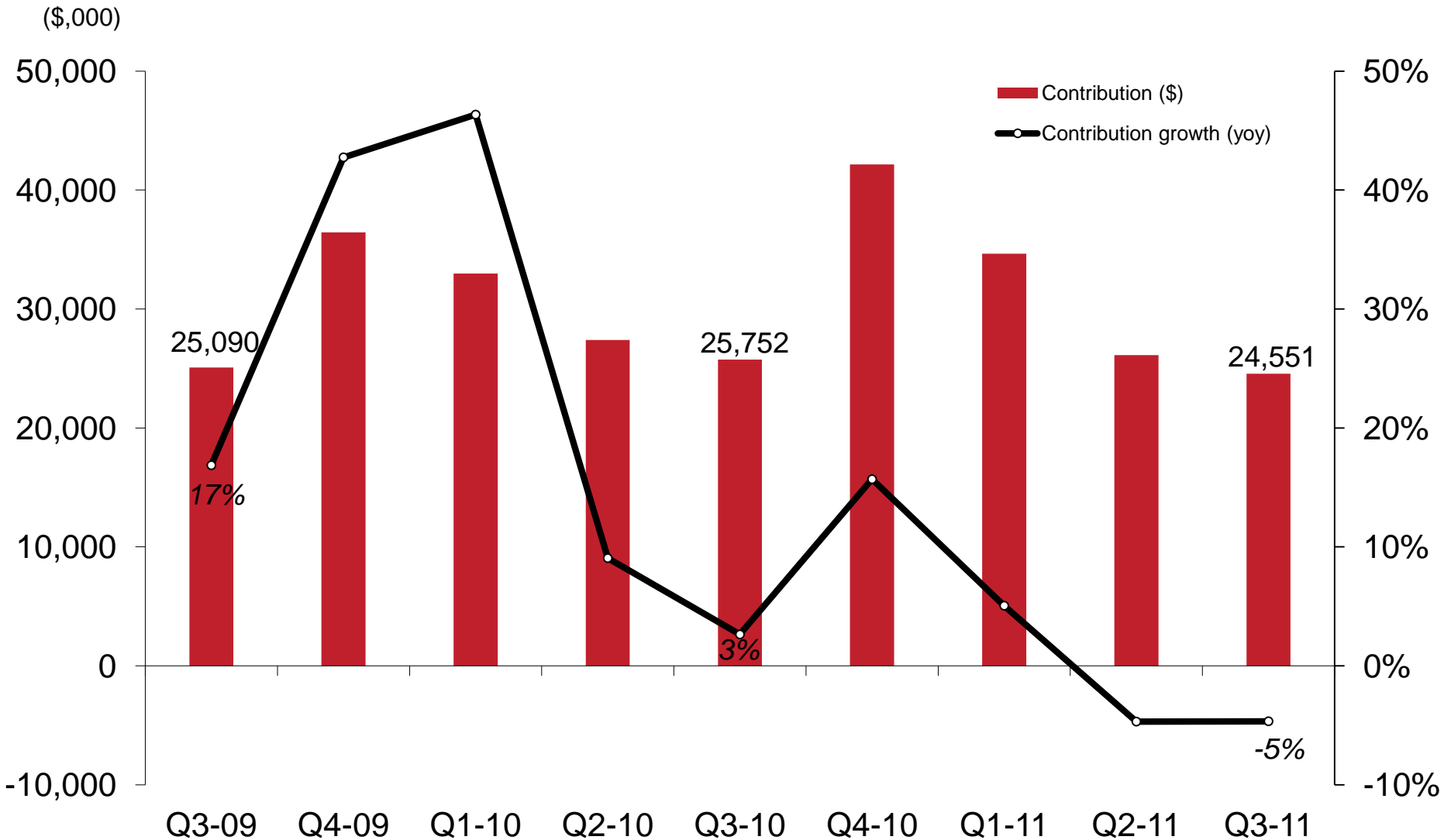
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# Quarterly Gross Margin and Contribution\*



\*Contribution margin = Gross margin less Sales & Marketing percentage.

# Quarterly Contribution Growth\*



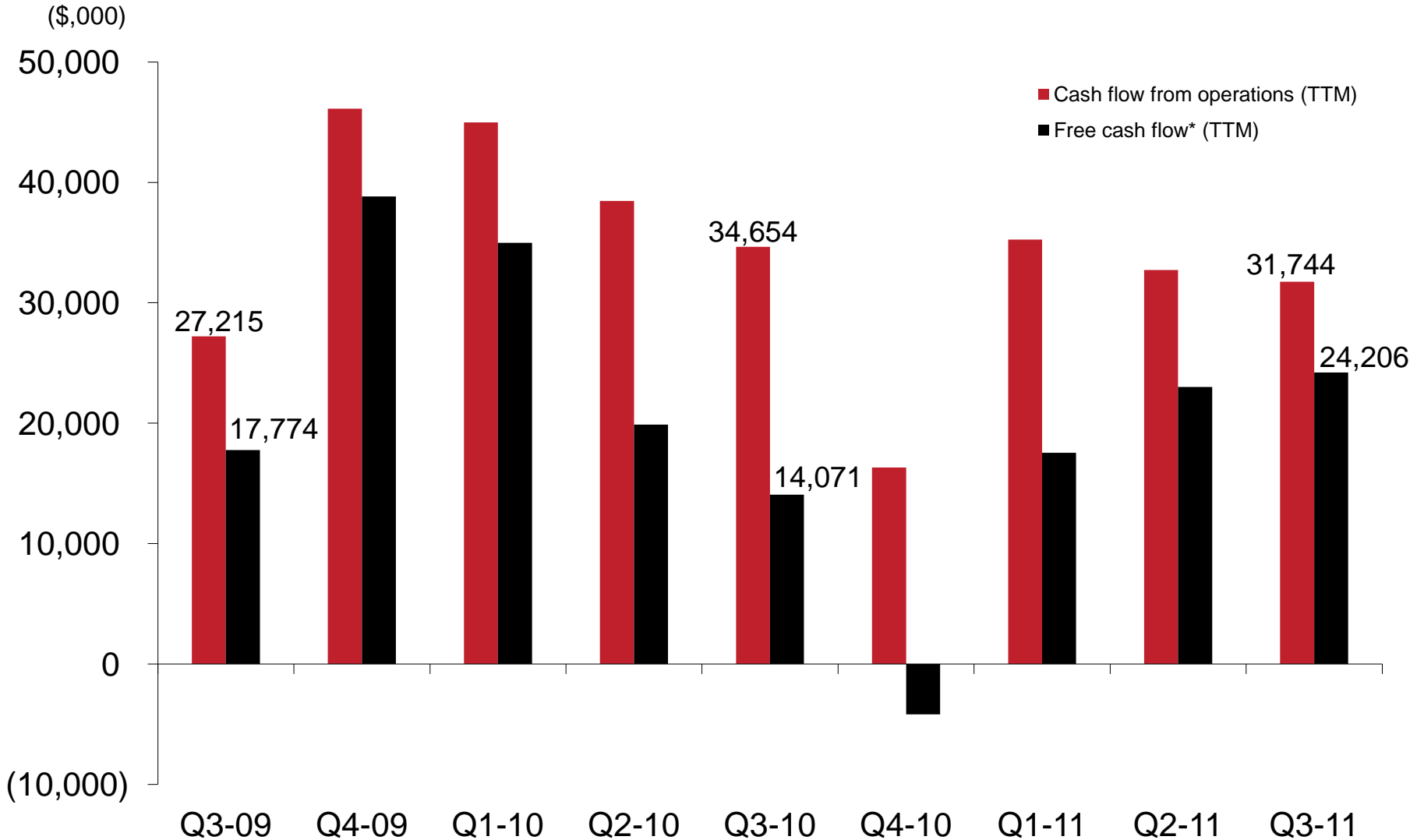
\*Contribution dollars = Gross profit less Sales & Marketing expense





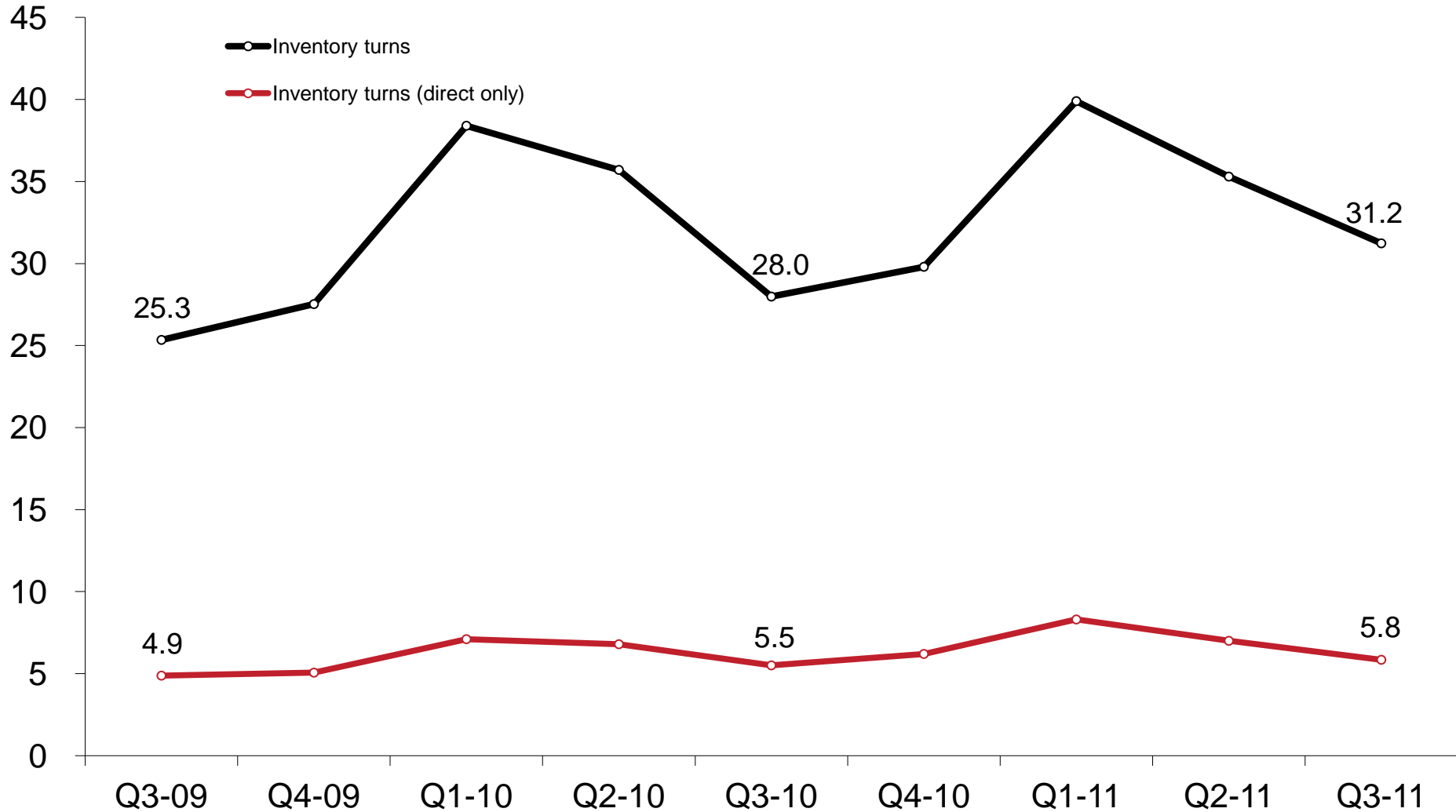
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# Operating & Free Cash Flow (TTM)

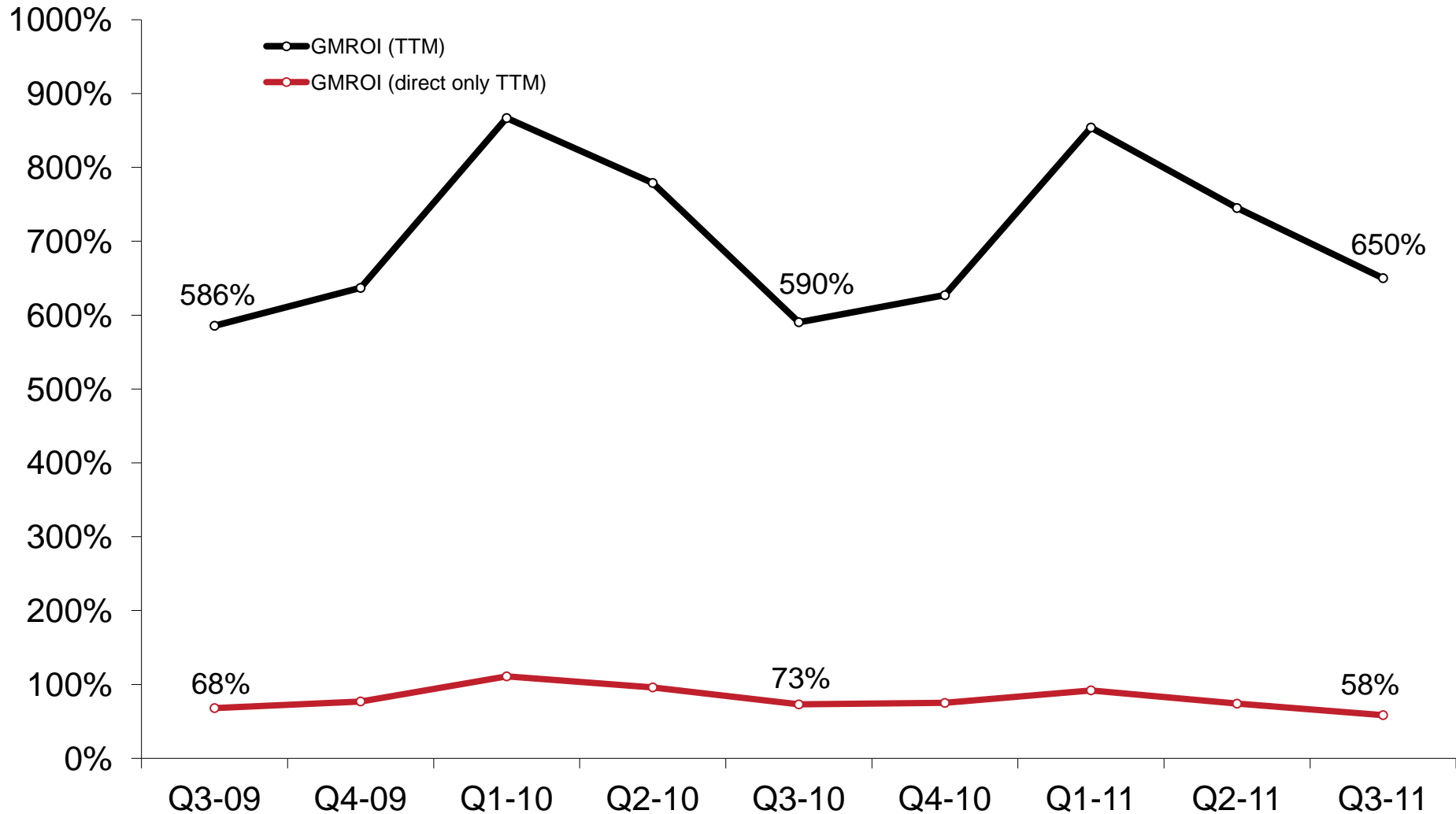


\* non-GAAP

# GAAP TTM Inventory Turns

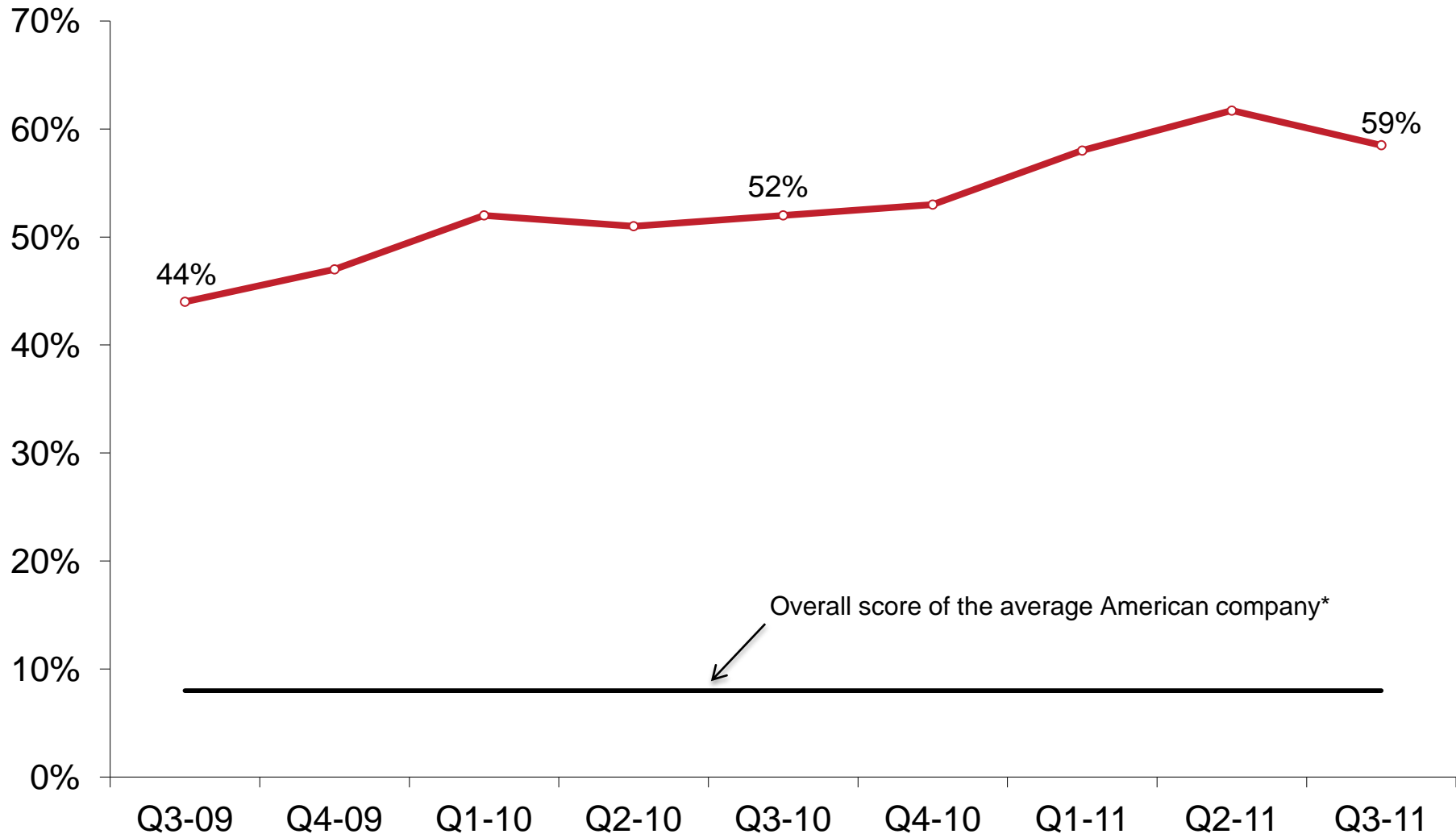


# TTM GMROI\*

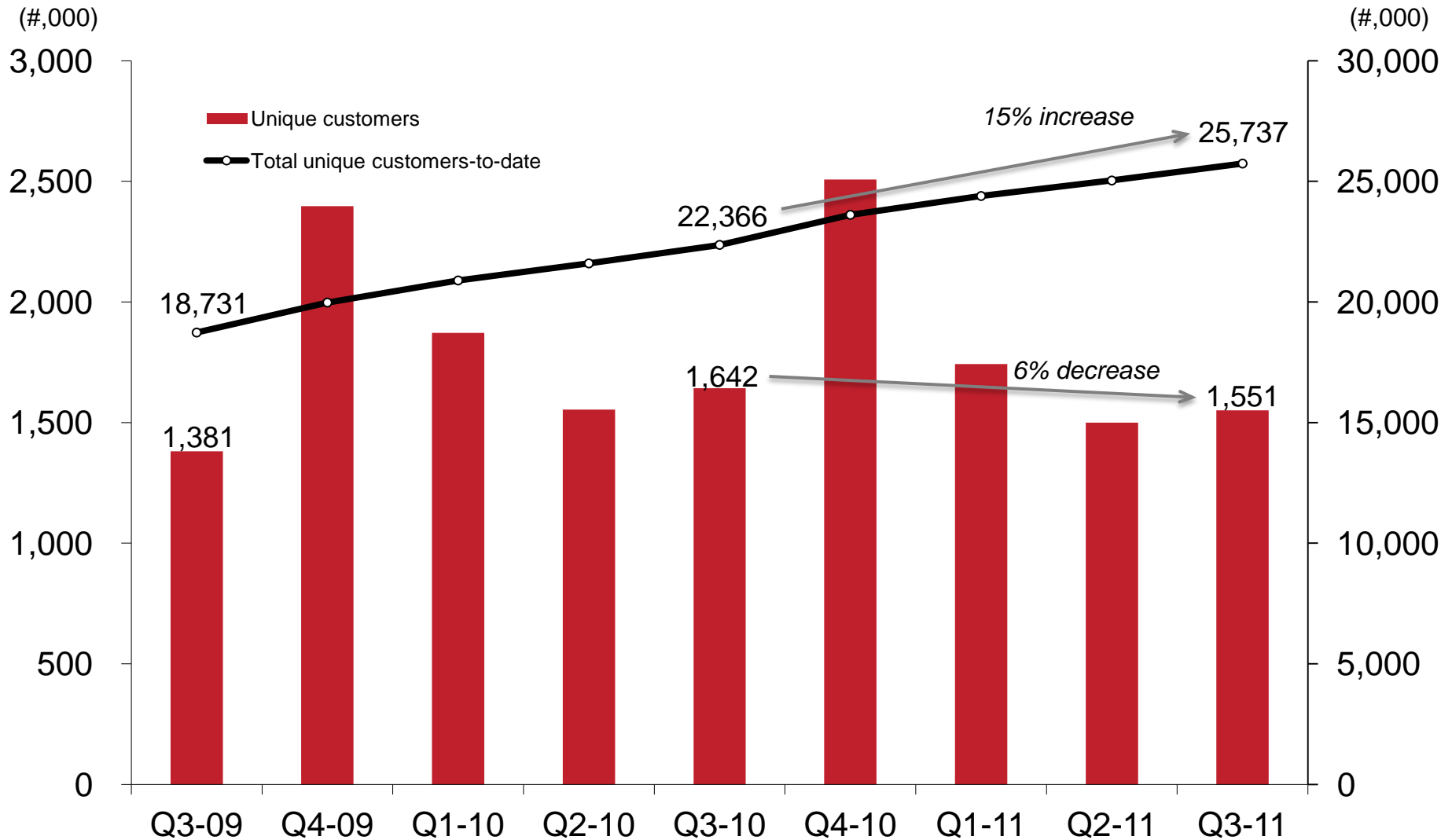


\*GMROI (TTM) = TTM GM% \* (TTM Revenue / Average Inventory)

# Customer Service Net Promoter Score



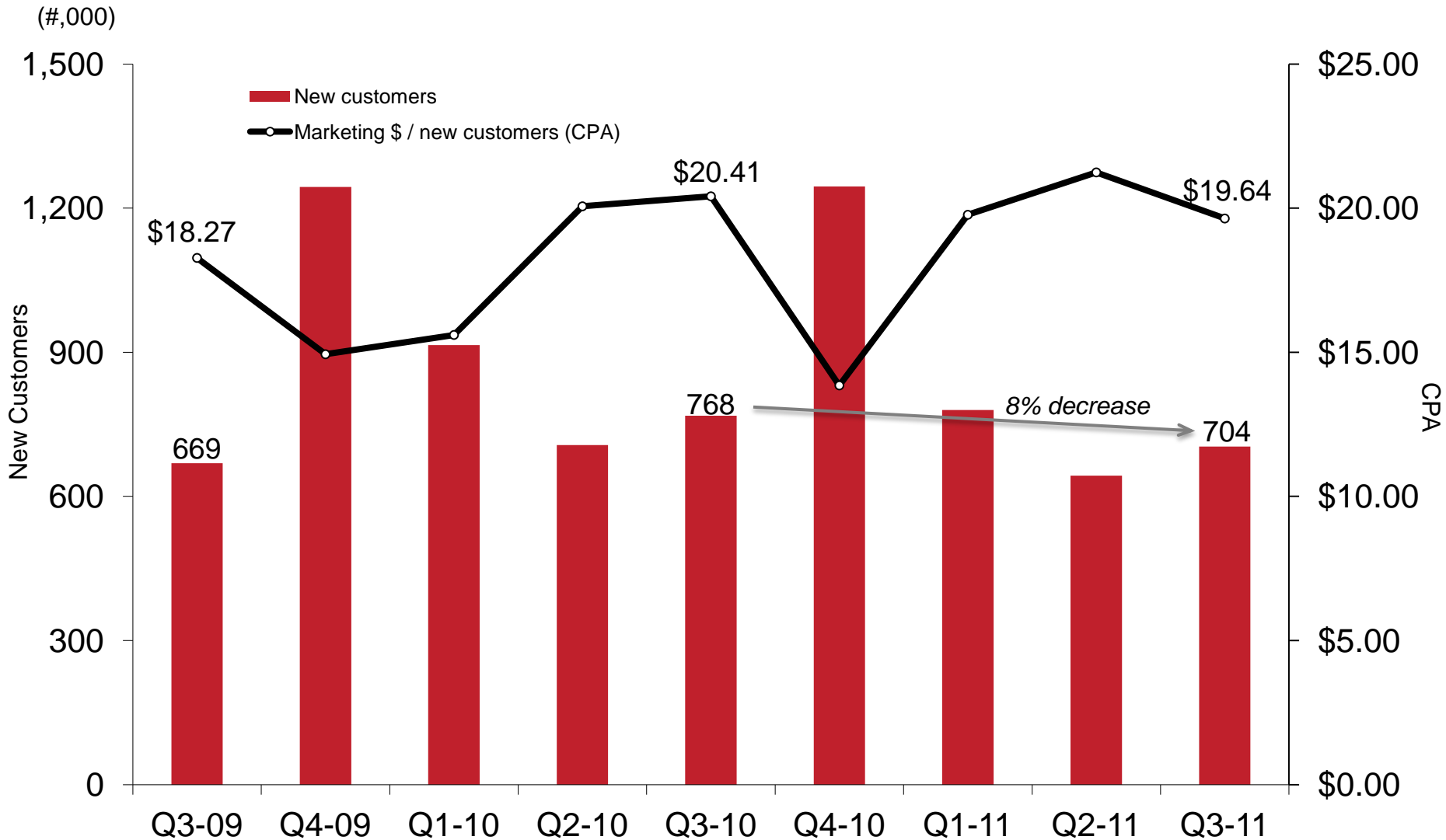
# Unique Customers





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# New Customers & CPA\*

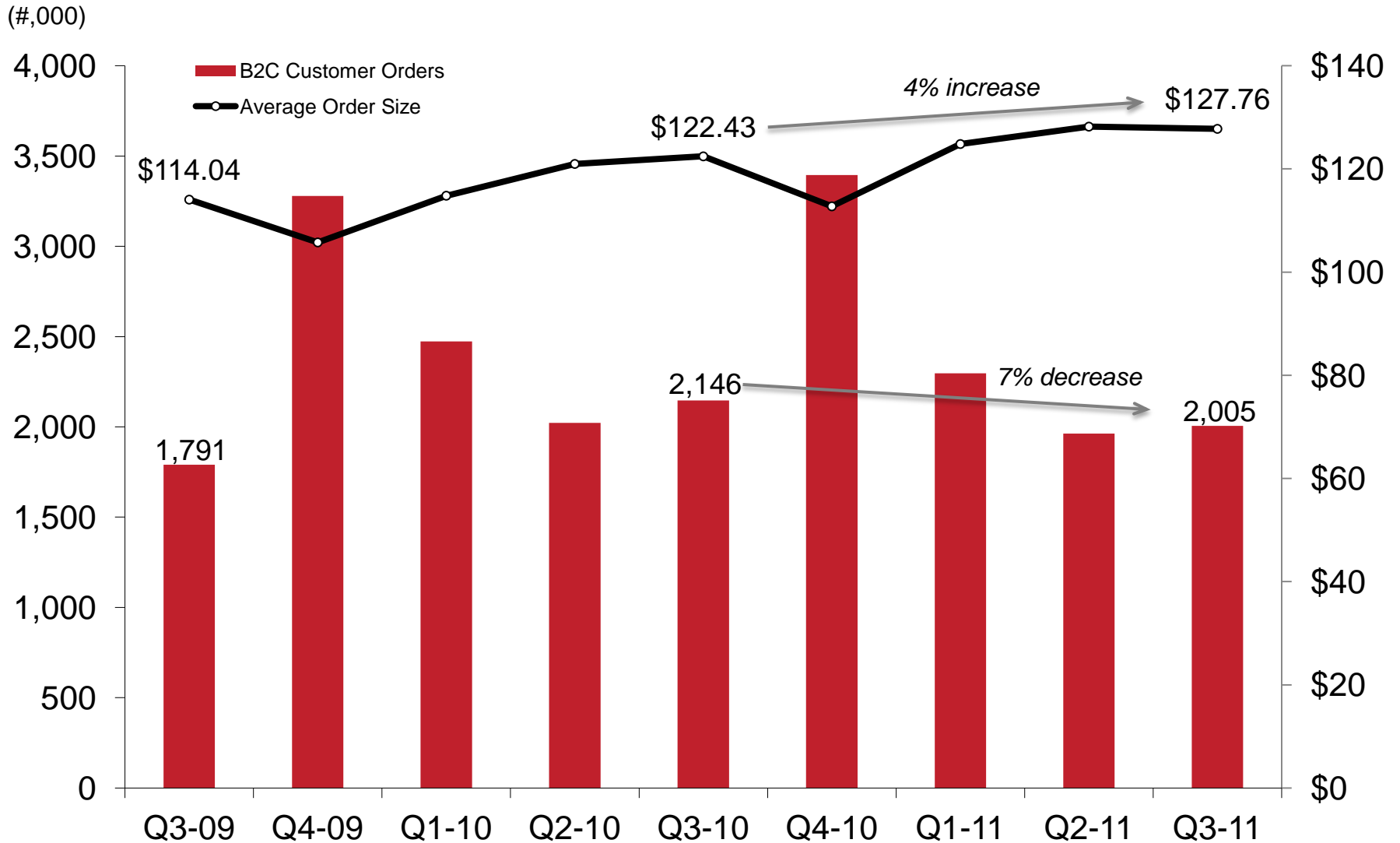


\*Excludes cars, insurance, and vacations

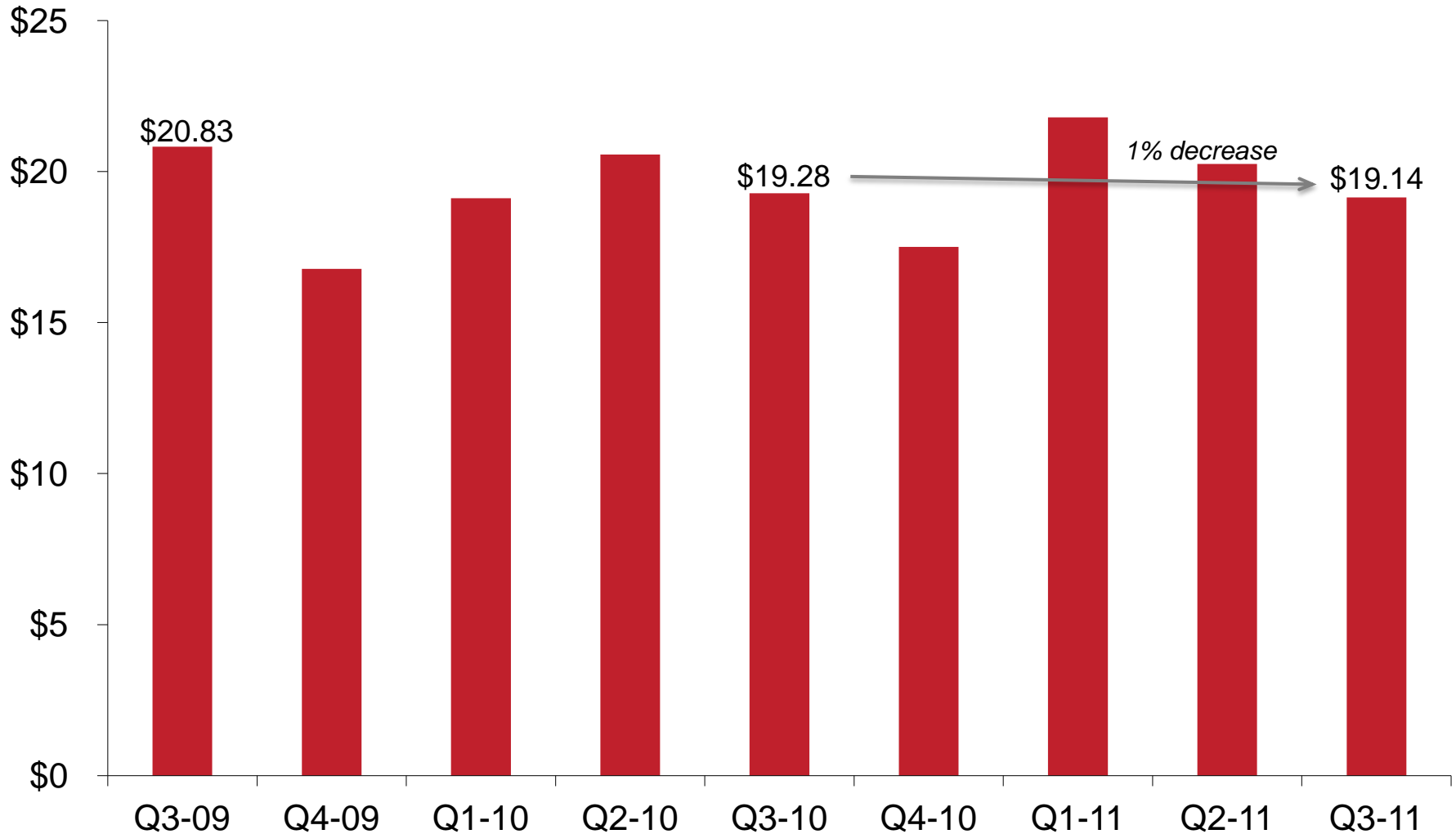


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# Customer Orders & Average Order Size

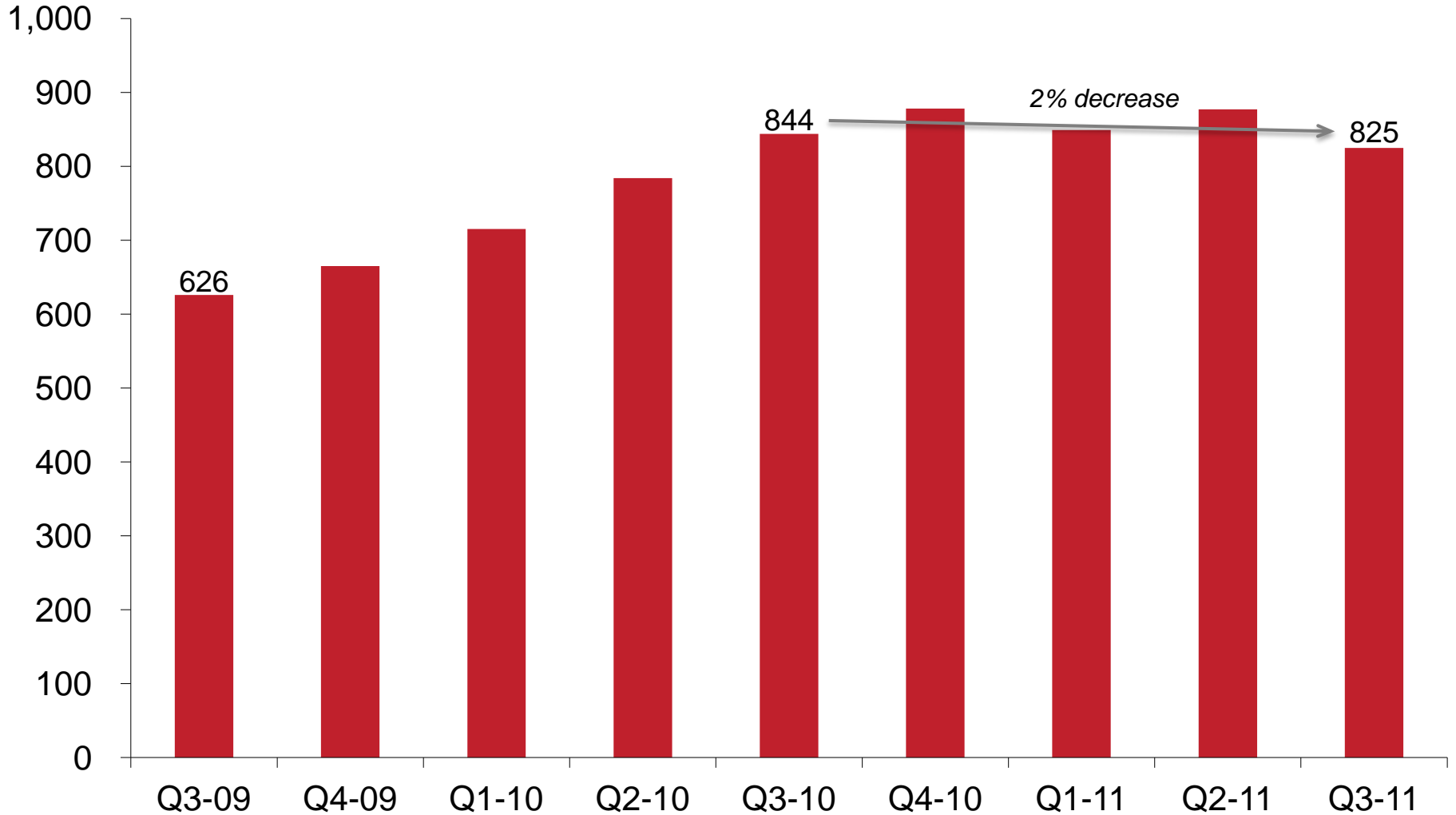


# Gross Profit per Transaction





# Corporate Employees



# Questions