



Overstock.com, Inc. Q2 2011 Financial Results

July 28, 2011



Safe Harbor

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 with the SEC on February 28, 2011. 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 = \$235.0 million (2% growth vs. Q2 2010)
- Gross profit dollars = \$39.8 million (-4% growth vs. Q2 2010)
- Gross margin = 16.9% (vs. 18.0% in Q2 2010)
- Sales and marketing expense = \$13.7M (vs. \$14.2M in Q2 2010)
- Contribution dollars* = \$26.1 million (-5% growth vs. Q2 2010)
- Contribution margin* = 11.1% (vs. 11.8% in Q2 2010)
- Net loss = \$(7.8) million (vs. \$(1.3) million in Q2 2010)

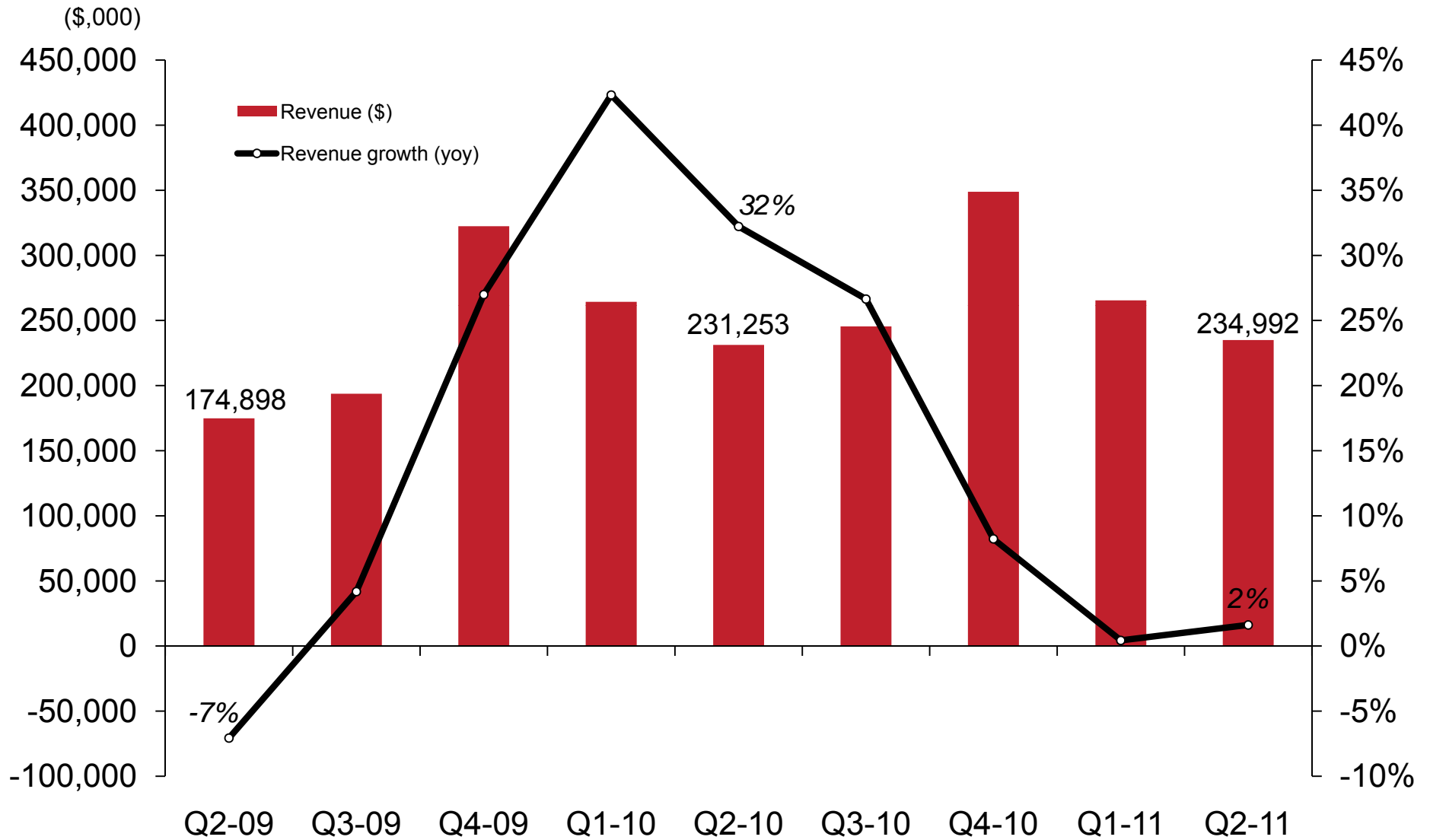
* non-GAAP



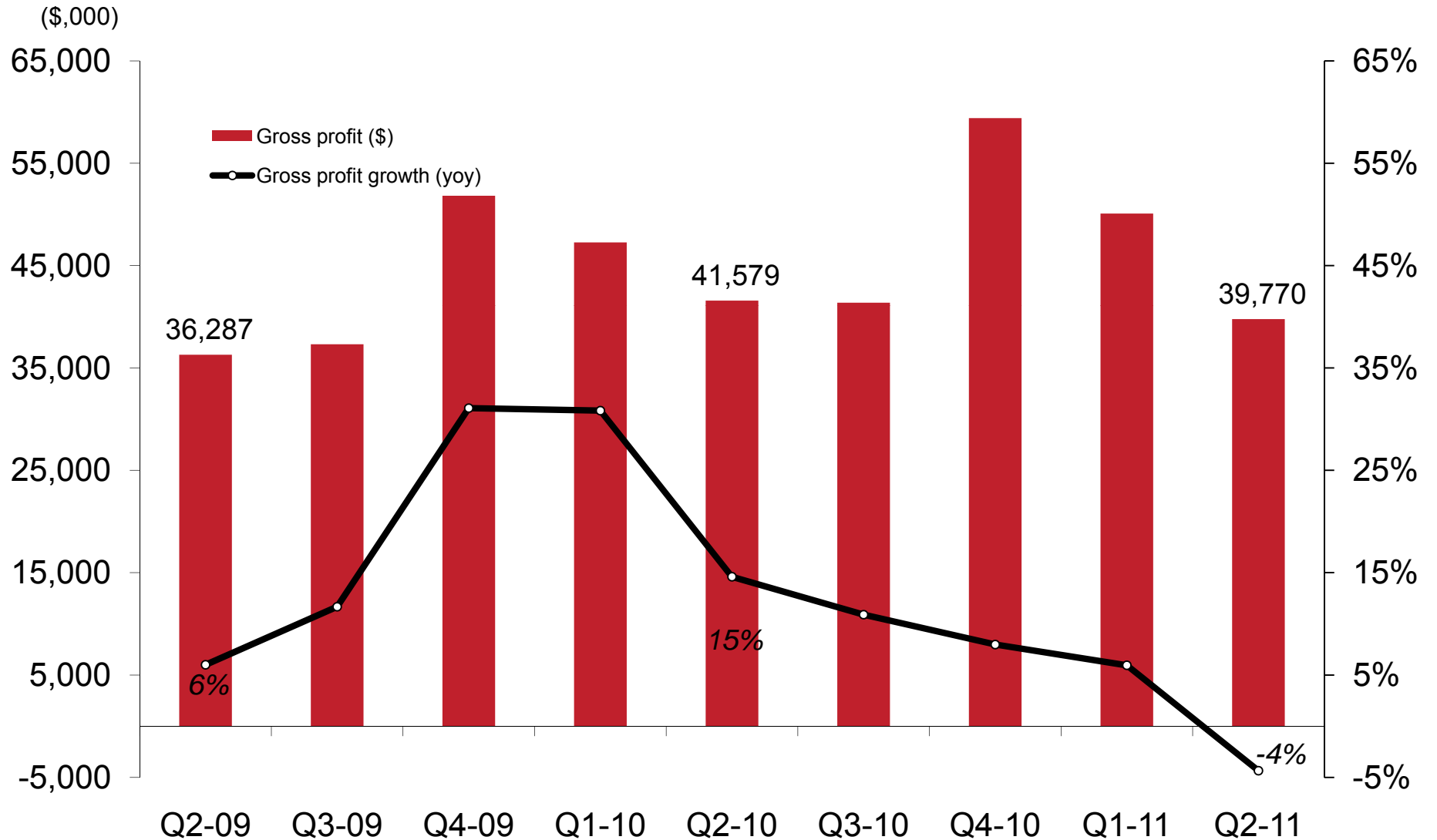
Q2 2011 Events

- Launched discounted vacations platform
- Unveiled O.co Coliseum in Oakland/Alameda County, California
- Worldstock launched carbon-neutral shipping program

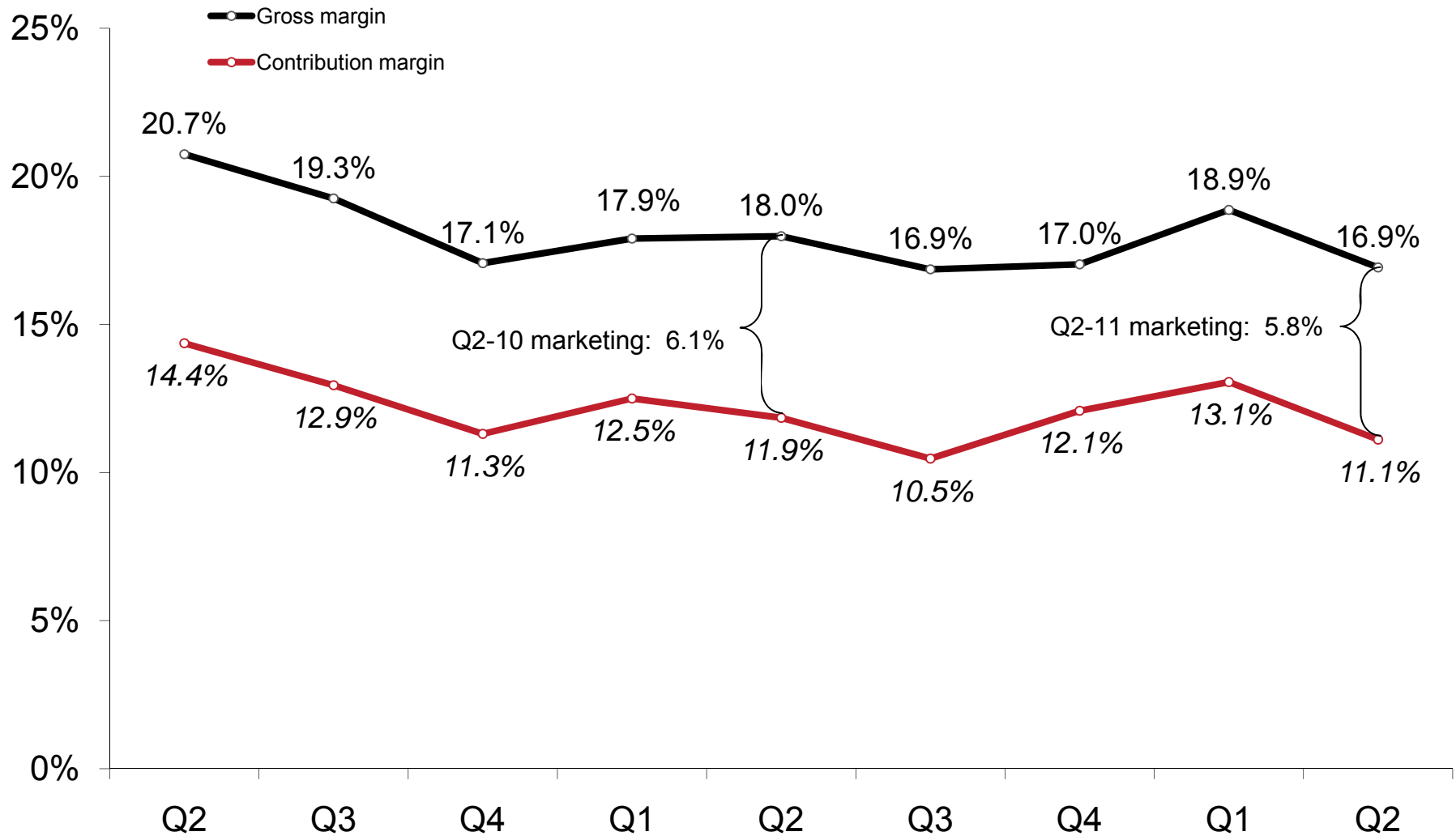
Quarterly Revenue Growth



Quarterly Gross Profit Growth

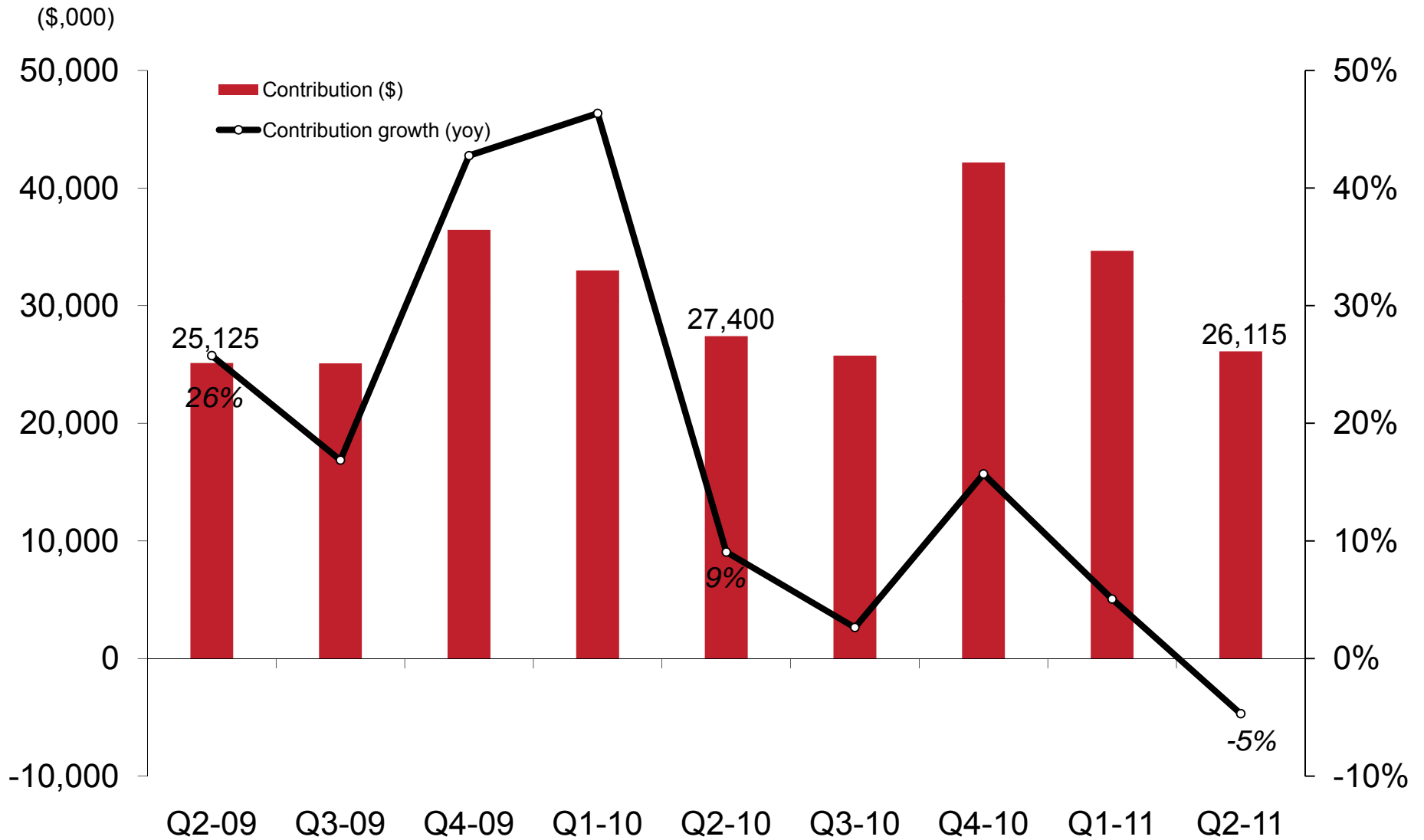


Quarterly Gross Margin and Contribution*



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

Quarterly Contribution Growth*

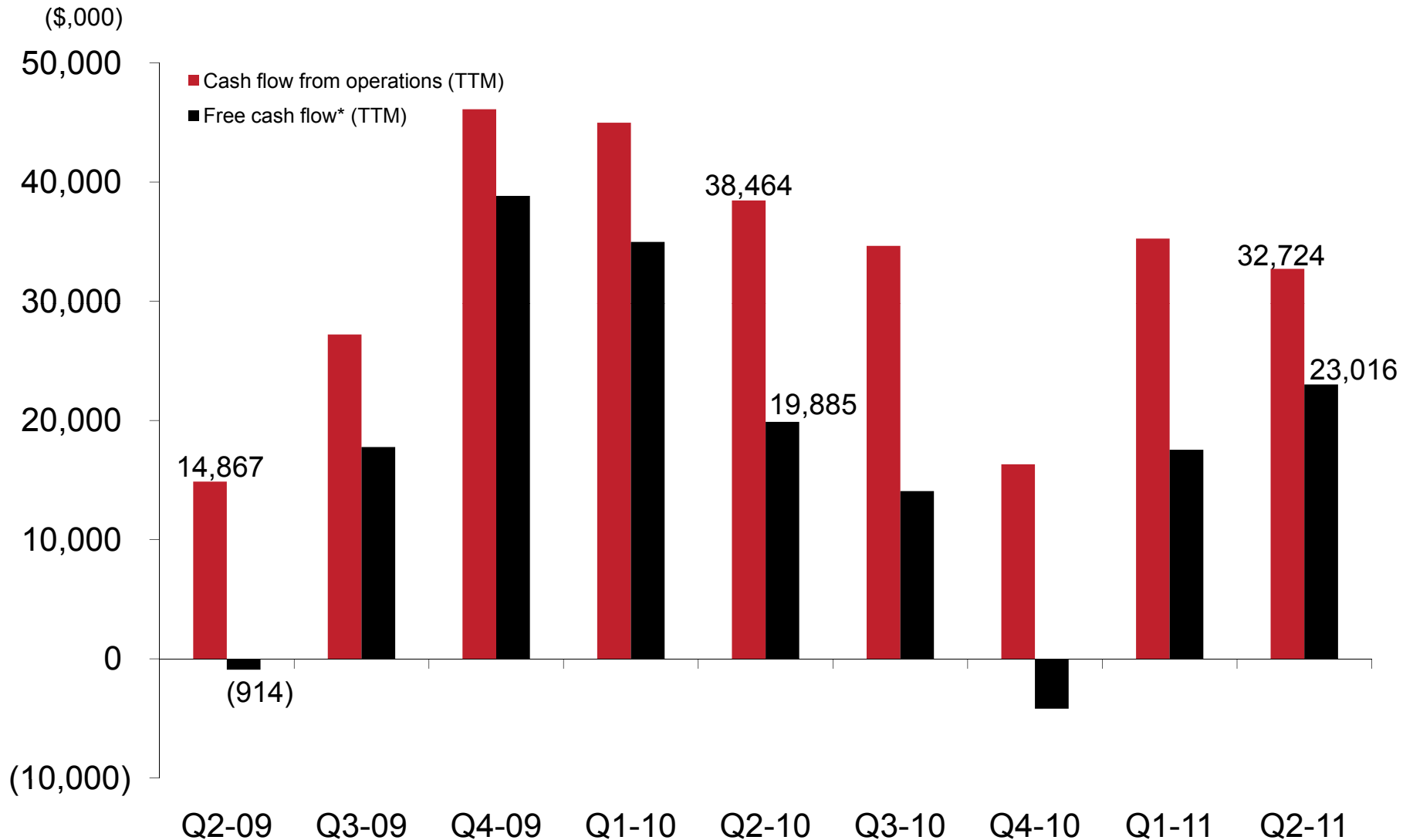


*Contribution dollars = Gross profit less Sales & Marketing expense



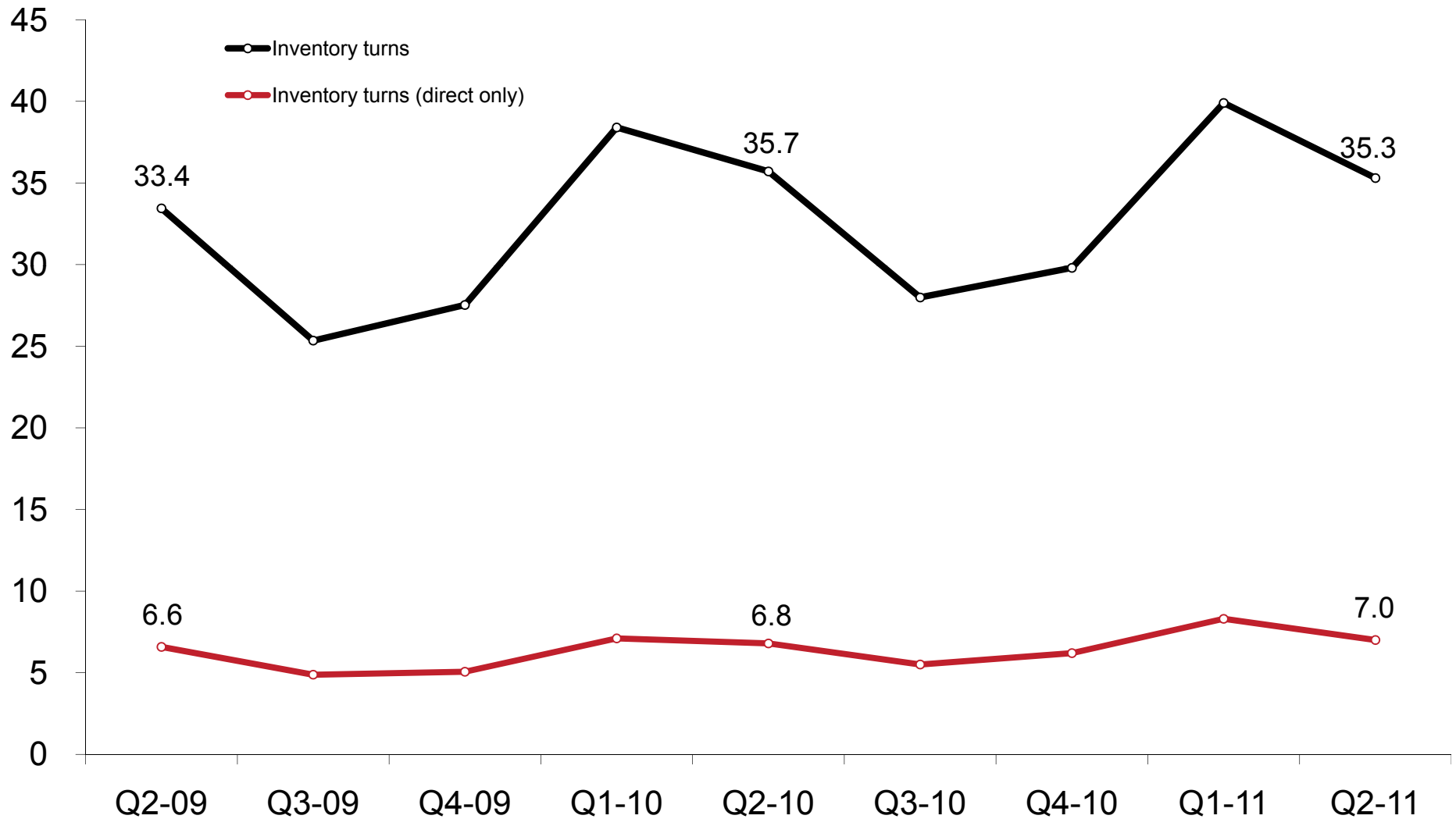
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Operating & Free Cash Flow (TTM)

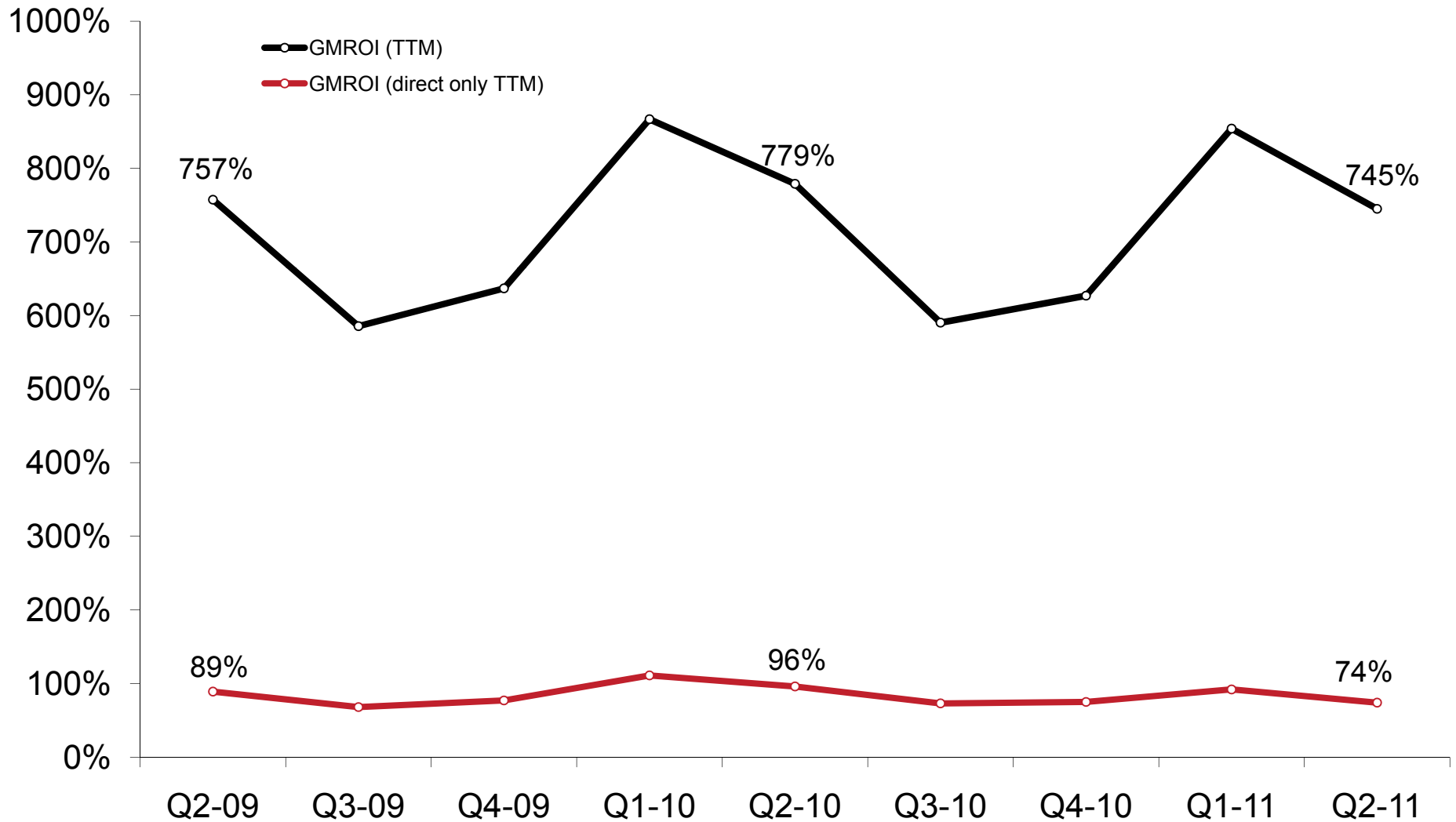


* non-GAAP

GAAP Annualized Inventory Turns



Annualized GMROI*

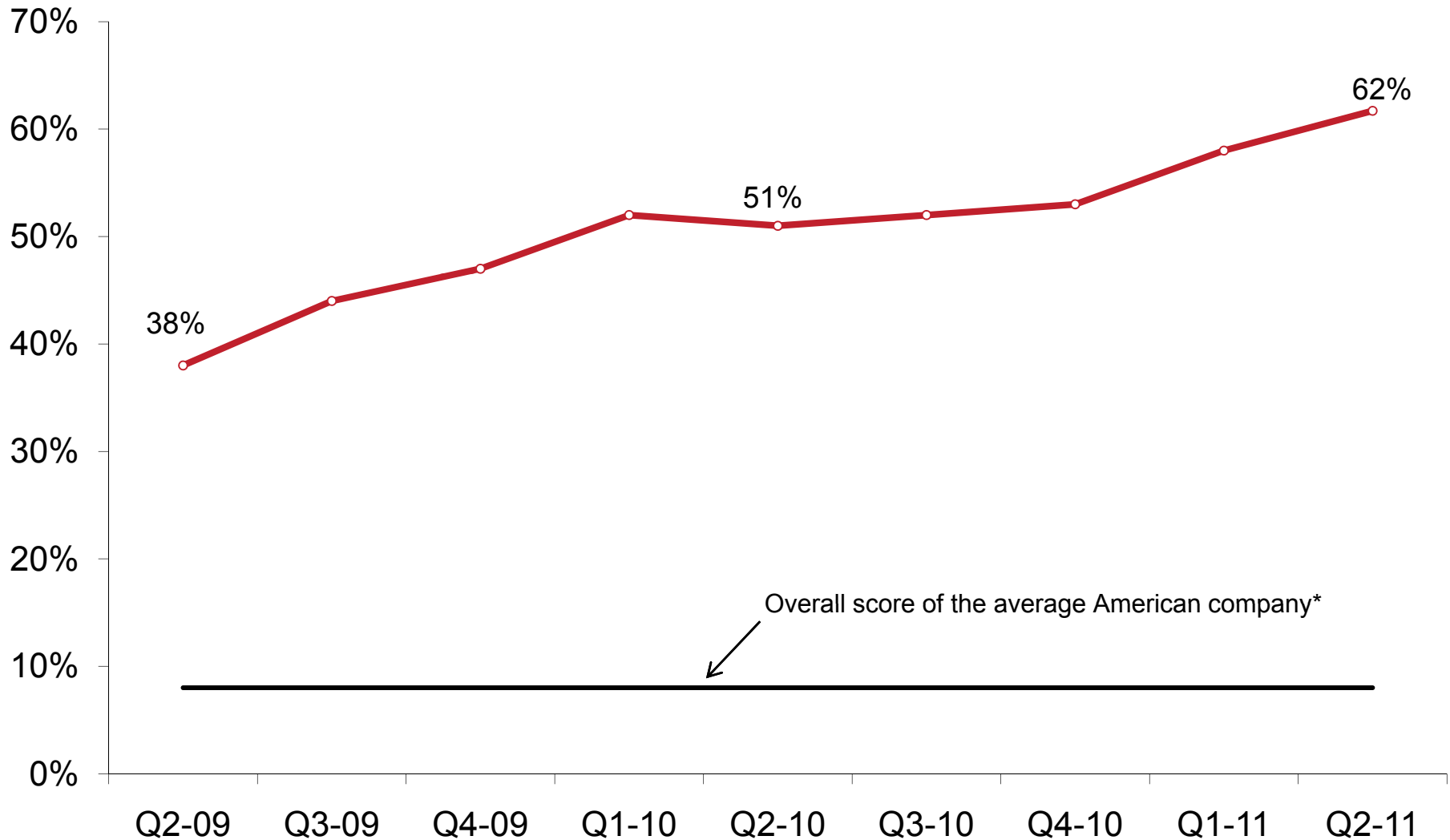


*GMROI (annualized) = TTM GM% * (TTM Revenue / Average Inventory)



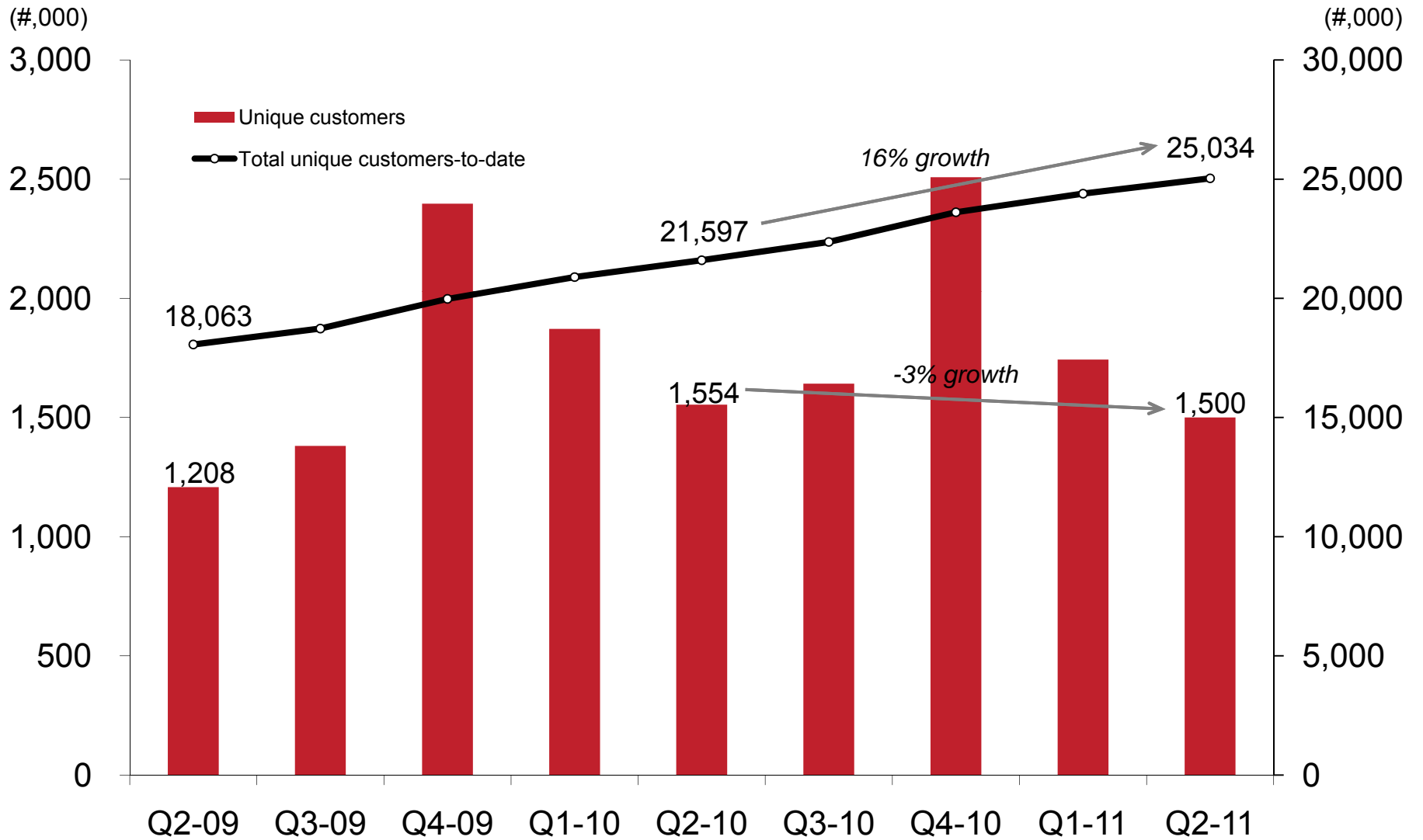
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Customer Service Net Promoter Score

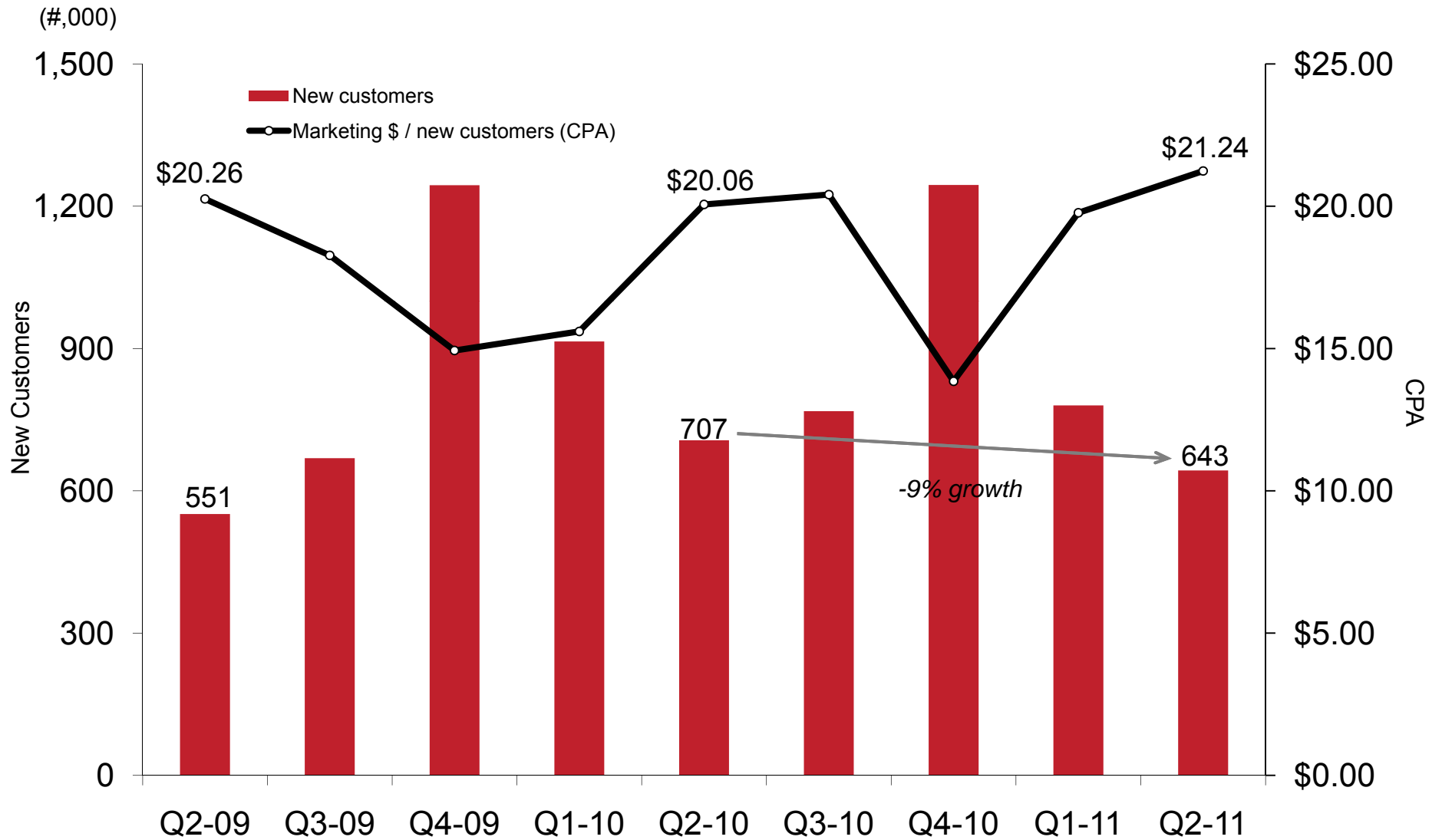


*As defined in The Ultimate Question, by Fred Reichheld, page 20. Published 2006

Unique Customers

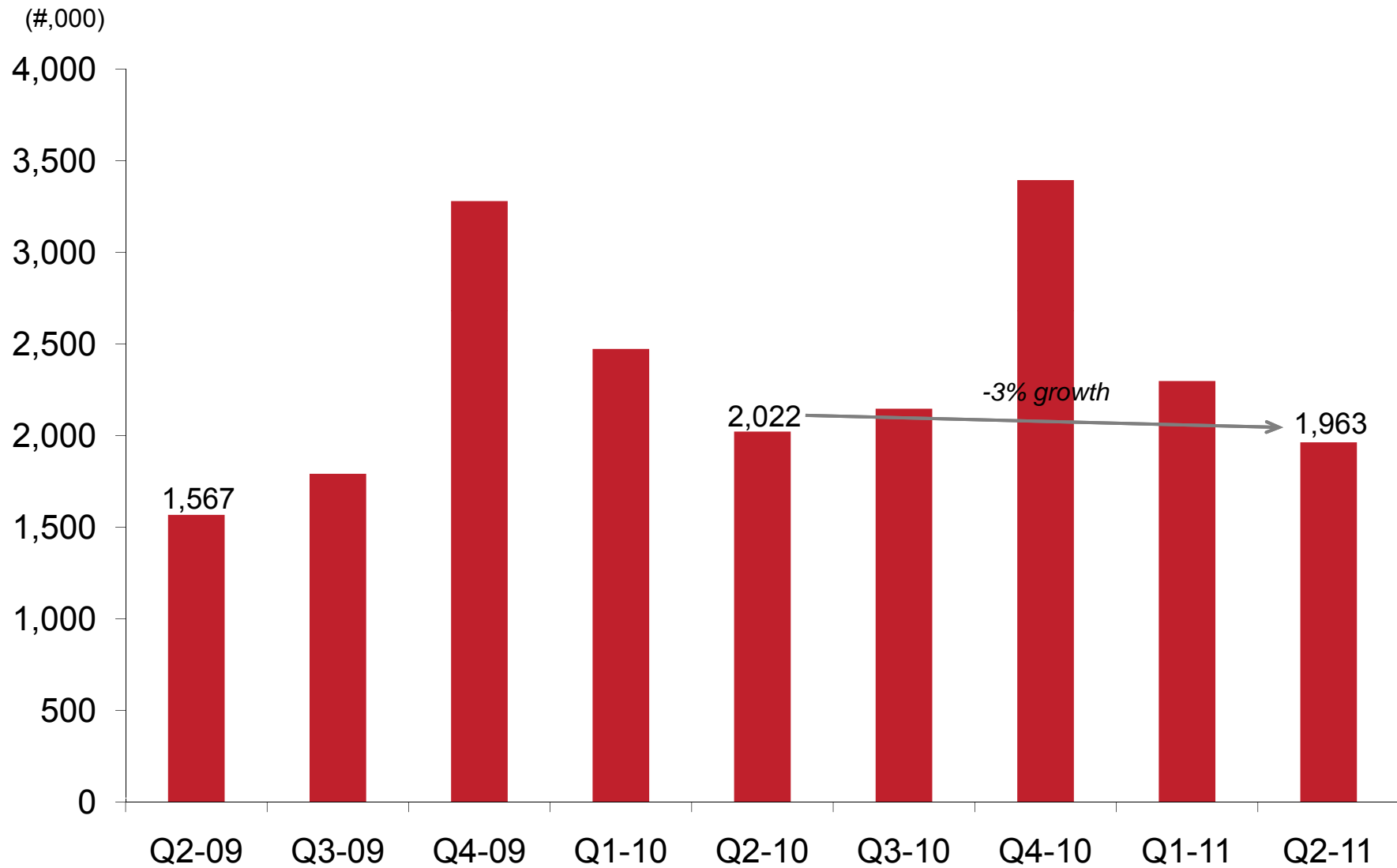


New Customers & CPA*

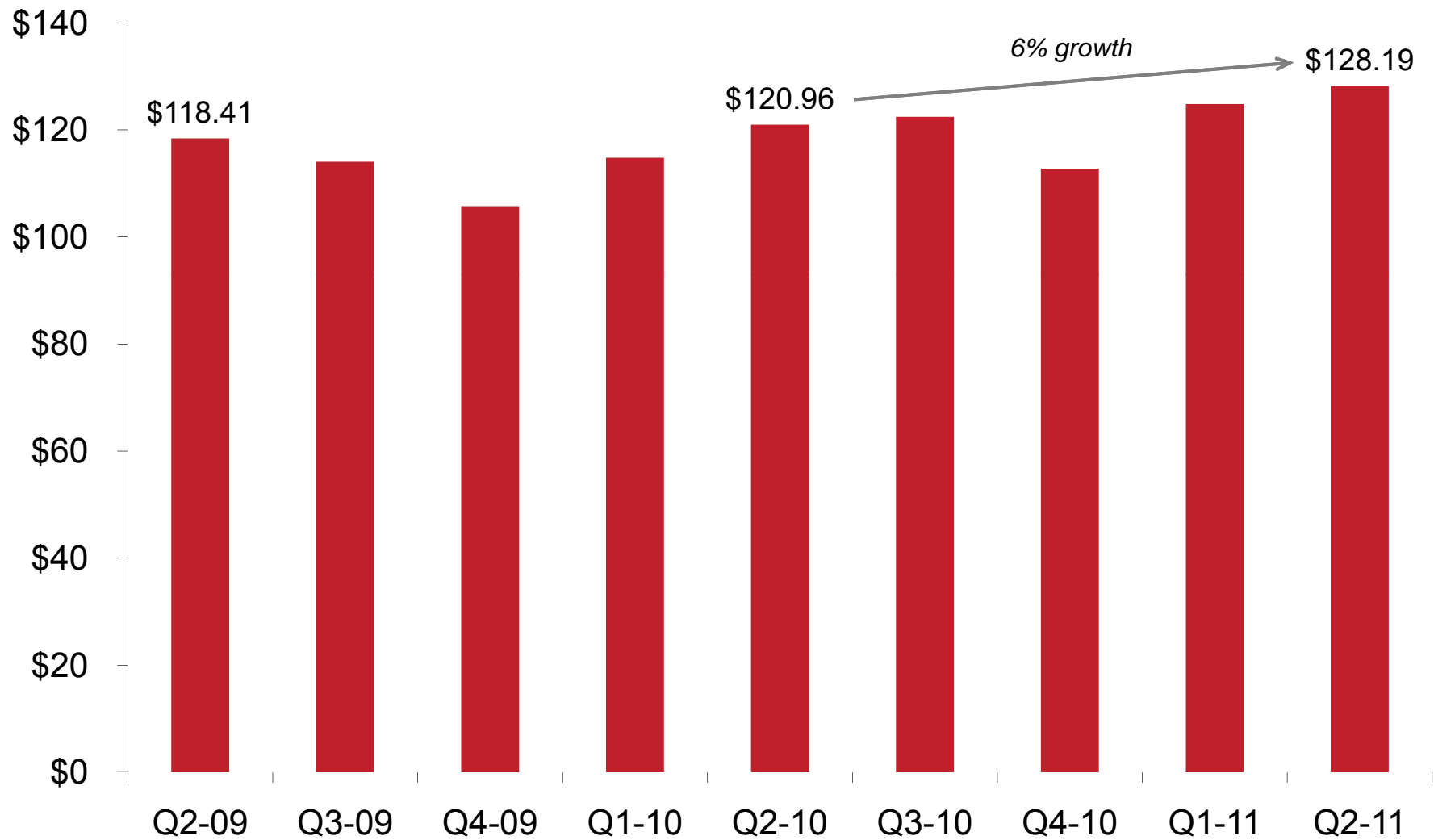


*Excludes marketplace, cars and real estate

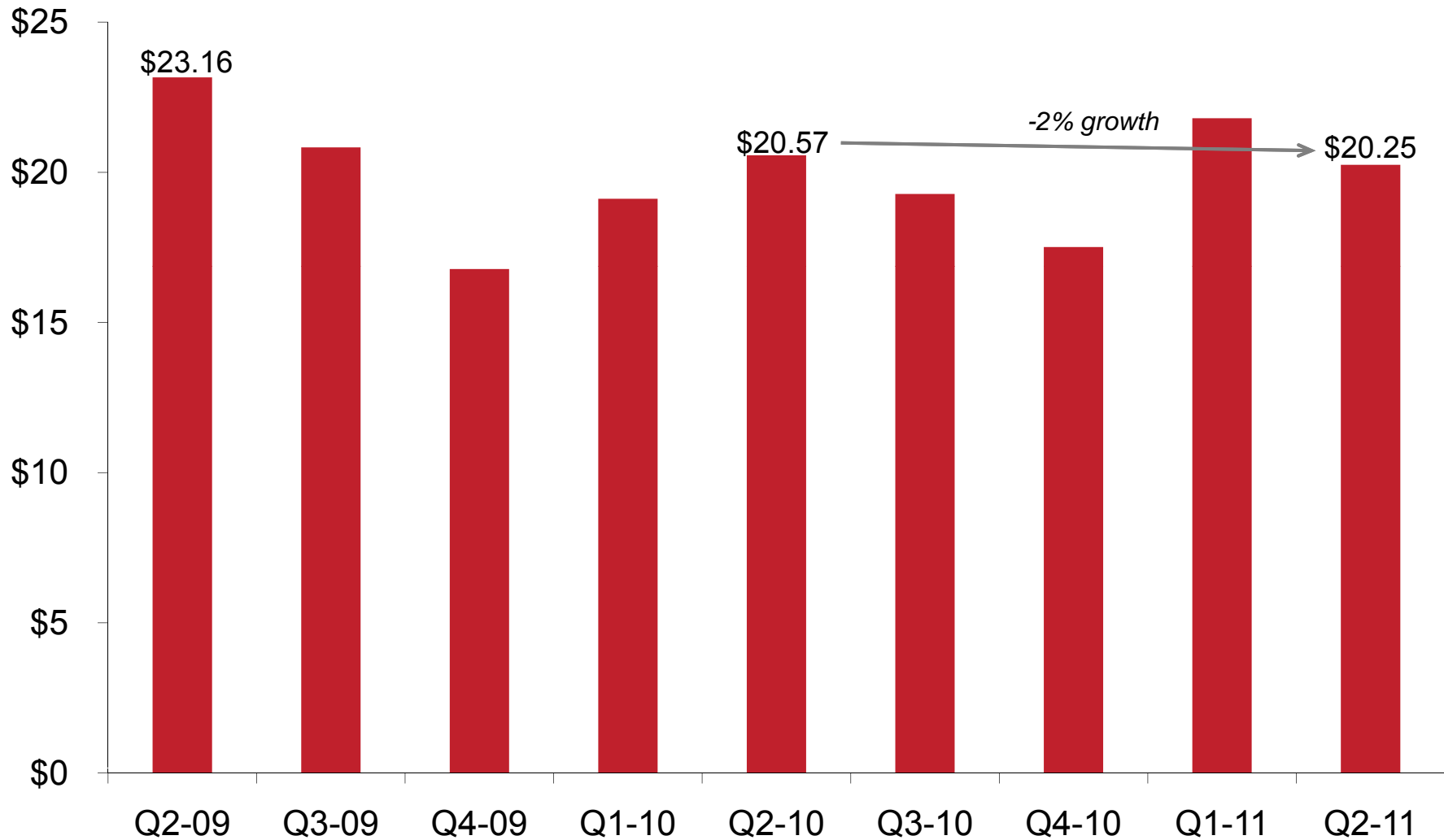
B2C Customer Orders



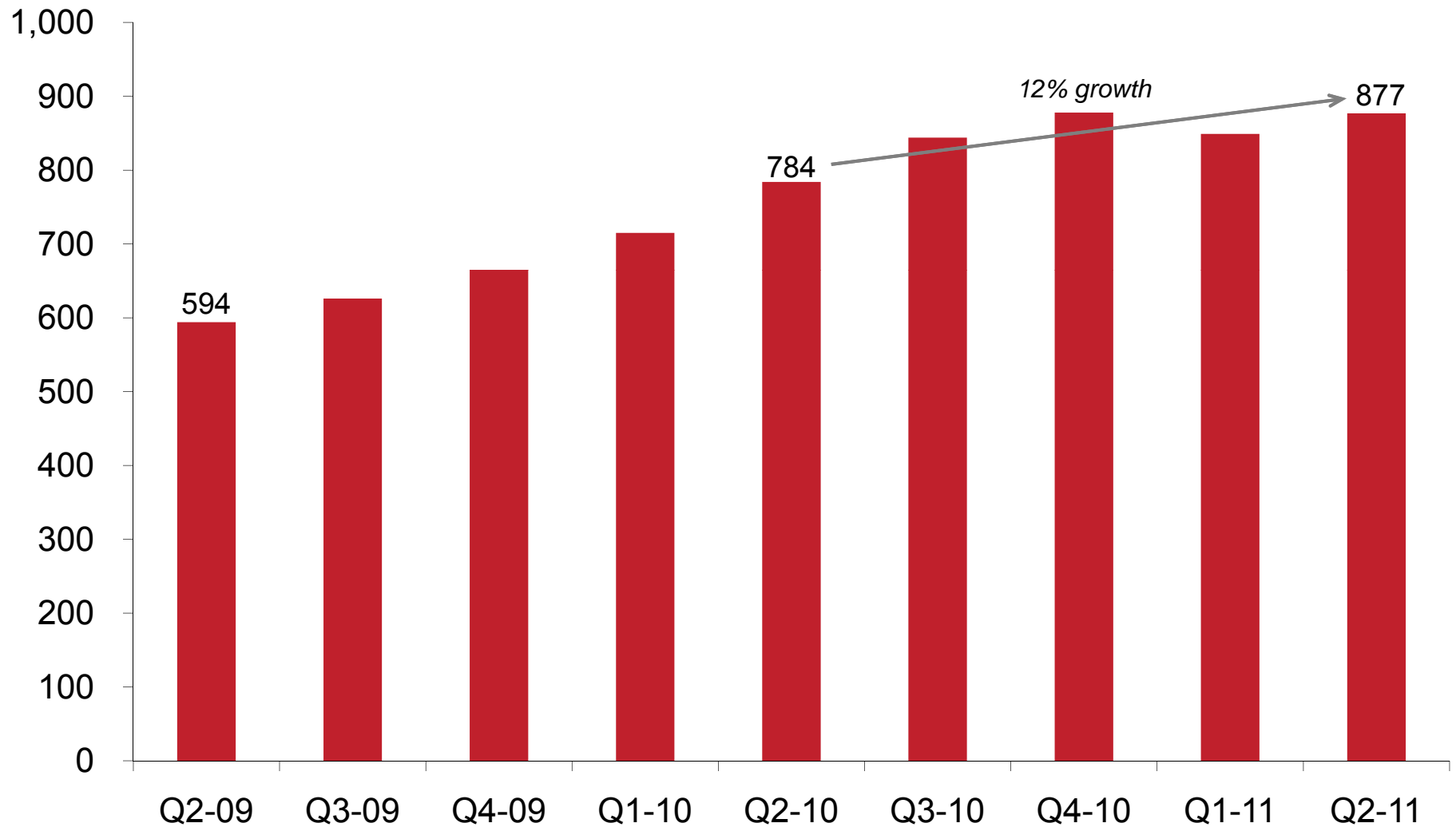
Average Order Size



Gross Profit per Transaction



Corporate Employees





Questions