

Rosetta Stone Inc.
Business Metrics
(in thousands)

	Quarter-Ended					Quarter-Ended		
	3/31/09	6/30/09	09/30/09	12/31/09	2009	3/31/10	6/30/10	9/30/10
Revenues - Consumer vs. Institutional								
Consumer	40,350	42,902	50,935	65,083	199,270	49,450	43,698	42,726
Institutional	9,934	13,558	16,281	13,228	53,001	13,564	16,950	18,200
	50,284	56,460	67,216	78,311	252,271	63,014	60,648	60,926
YoY Growth (%)								
Consumer	41%	15%	12%	16%	19%	23%	2%	-16%
Institutional	43%	32%	15%	29%	27%	37%	25%	12%
Total	41%	18%	12%	18%	20%	25%	7%	-9%
% of Total Revenue								
Consumer	80%	76%	76%	83%	79%	78%	72%	70%
Institutional	20%	24%	24%	17%	21%	22%	28%	30%
	100%	100%	100%	100%	100%	100%	100%	100%
Consumer Revenue by Channel								
DTC	24,945	25,944	28,470	34,643	114,002	30,668	24,702	26,761
Kiosk	8,222	9,279	9,776	13,141	40,418	9,356	8,645	7,344
Global Retail	7,183	7,679	12,689	17,299	44,850	9,426	10,351	8,621
	40,350	42,902	50,935	65,083	199,270	49,450	43,698	42,726
YoY Growth (%)								
DTC	32%	25%	7%	14%	18%	23%	-5%	-6%
Kiosk	34%	16%	-3%	8%	11%	14%	-7%	-25%
Global Retail	101%	-12%	42%	29%	29%	31%	35%	-32%
	41%	15%	12%	16%	19%	23%	2%	-16%
% Revenue by Channel								
DTC	62%	60%	56%	53%	57%	62%	57%	63%
Kiosk	20%	22%	19%	20%	20%	19%	20%	17%
Global Retail	18%	18%	25%	27%	23%	19%	24%	20%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Unit Metrics								
Consumer unit volume (in thousands)	116.3	118.8	143.5	190.3	568.9	127.4	111.6	116.3
Consumer average sales price per unit	\$ 347	\$ 361	\$ 355	\$ 342	\$ 350	\$ 388	\$ 392	\$ 405
YoY Unit Metrics Growth (%)								
Consumer unit volume	8%	-9%	0%	13%	3%	10%	-6%	-19%
Consumer average sales price per unit	30%	26%	12%	3%	16%	12%	8%	14%

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# of Kiosks (end of period)								
US	154	172	207	201	201	190	186	180
Europe	3	6	10	9	9	9	10	13
Asia Pacific	4	5	7	32	32	41	50	64
Total # of Kiosks (end of period)	161	183	224	242	242	240	246	257
Revenues by Geography								
United States	47,477	53,128	62,379	69,820	232,804	52,476	52,139	50,390
International	2,807	3,332	4,837	8,491	19,467	10,538	8,509	10,536
	50,284	56,460	67,216	78,311	252,271	63,014	60,648	60,926
Revenues by Geography (as a %)								
United States	94%	94%	93%	89%	92%	83%	86%	83%
International	6%	6%	7%	11%	8%	17%	14%	17%
	100%	100%	100%	100%	100%	100%	100%	100%