

Rosetta Stone Inc.
Business Metrics
(in thousands)

	Quarter-Ended				
	3/31/10	6/30/10	9/30/10	12/31/10	2010
Revenue by Market					
US Consumer	41,407	38,748	36,902	44,516	161,573
International Consumer	9,815	7,651	9,708	15,516	42,690
Worldwide Consumer	51,222	46,399	46,610	60,032	204,263
Worldwide Institutional	11,792	14,249	14,316	14,248	54,605
Total	63,014	60,648	60,926	74,280	258,868
YoY Growth (%)					
US Consumer	5%	-8%	-28%	-25%	-16%
International Consumer	297%	154%	137%	101%	147%
Worldwide Consumer	22%	3%	-16%	-10%	-2%
Worldwide Institutional	39%	23%	21%	26%	26%
Total	25%	7%	-9%	-5%	3%
% of Total Revenue					
US Consumer	66%	64%	61%	60%	62%
International Consumer	15%	13%	16%	21%	17%
Worldwide Consumer	81%	77%	77%	81%	79%
Worldwide Institutional	19%	23%	23%	19%	21%
Total	100%	100%	100%	100%	100%

	Quarter-Ended				
	3/31/11	6/30/11	9/30/11	12/31/11	2011
US Consumer	28,061	38,606	37,710	52,794	157,171
International Consumer	14,601	12,014	11,002	13,238	50,855
Worldwide Consumer	42,662	50,620	48,712	66,032	208,026
Worldwide Institutional	14,316	16,123	15,490	14,494	60,423
Total	56,978	66,743	64,202	80,526	268,449
US Consumer	-32%	0%	2%	19%	-3%
International Consumer	49%	57%	13%	-15%	19%
Worldwide Consumer	-17%	9%	5%	10%	2%
Worldwide Institutional	21%	13%	8%	2%	11%
Total	-10%	10%	5%	8%	4%
US Consumer	49%	58%	59%	66%	58%
International Consumer	26%	18%	17%	16%	19%
Worldwide Consumer	75%	76%	76%	82%	77%
Worldwide Institutional	25%	24%	24%	18%	23%
Total	100%	100%	100%	100%	100%

	Quarter-Ended				
	3/31/12	6/30/12	9/30/12	12/31/12	2012
US Consumer	42,671	36,895			
International Consumer	12,617	8,074			
Worldwide Consumer	55,288	44,969			
Worldwide Institutional	14,161	15,843			
Total	69,449	60,812			
US Consumer	52%	-4%			
International Consumer	-14%	-33%			
Worldwide Consumer	30%	-11%			
Worldwide Institutional	-1%	-2%			
Total	22%	-9%			
US Consumer	62%	61%			
International Consumer	18%	13%			
Worldwide Consumer	80%	74%			
Worldwide Institutional	20%	26%			
Total	100%	100%			

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	Quarter-Ended					Quarter-Ended					Quarter-Ended				
	3/31/10	6/30/10	9/30/10	12/31/10	2010	3/31/11	6/30/11	9/30/11	12/31/11	2011	3/31/12	6/30/12	9/30/12	12/31/12	2012
Consumer Revenue by Channel															
DTC	31,026	25,142	27,500	34,496	118,164	31,856	30,984	31,177	42,368	136,385	36,839	30,951			
Kiosk	9,391	8,683	7,392	9,533	34,999	7,312	7,368	6,987	8,504	30,171	6,483	4,564			
Global Retail	9,608	11,200	9,832	15,413	46,053	2,585	10,752	9,015	14,265	36,616	10,999	8,122			
Home School	1,197	1,374	1,886	590	5,047	909	1,516	1,533	895	4,854	967	1,332			
Total	51,222	46,399	46,610	60,032	204,263	42,662	50,620	48,712	66,032	208,026	55,288	44,969			
YoY Growth (%)															
DTC	24%	-5%	-6%	-2%	2%	3%	23%	13%	23%	15%	16%	0%			
Kiosk	14%	-7%	-25%	-28%	-14%	-22%	-15%	-5%	-11%	-14%	-11%	-38%			
Global Retail	34%	46%	-27%	-12%	0%	-73%	-4%	-8%	-7%	-20%	325%	-24%			
Home School	-19%	-12%	-28%	-50%	-26%	-24%	10%	-19%	52%	-4%	6%	-12%			
Total	22%	3%	-16%	-10%	-2%	-17%	9%	5%	10%	2%	30%	-11%			
% of Total Consumer Revenue															
DTC	61%	54%	59%	57%	58%	75%	61%	64%	64%	66%	66%	69%			
Kiosk	18%	19%	16%	16%	17%	17%	15%	14%	13%	15%	12%	10%			
Global Retail	19%	24%	21%	26%	23%	6%	21%	19%	22%	17%	20%	18%			
Home School	2%	3%	4%	1%	2%	2%	3%	3%	1%	2%	2%	3%			
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			
Unit Metrics Updated															
Consumer unit volume (in thousands)	132.1	120.0	128.3	173.4	553.8	114.2	139.9	145.7	221.7	621.5	190.8	182.5			
Average Net Revenue per Unit	\$ 388	\$ 387	\$ 363	\$ 346	\$ 369	\$ 374	\$ 362	\$ 334	\$ 298	\$ 335	\$ 290	\$ 246			
YoY Unit Metrics Growth (%)															
Consumer unit volume	10%	-3%	-18%	-11%	-7%	-14%	17%	14%	28%	12%	67%	30%			
Average Net Revenue per Unit	12%	7%	3%	1%	5%	-4%	-6%	-8%	-14%	-9%	-22%	-32%			
# of Kiosks (end of period)															
US	190	186	180	173	173	144	117	114	103	103	57	56			
Europe	9	10	13	15	15	15	16	14	13	13	1	1			
Asia Pacific	41	50	64	71	71	78	76	69	58	58	44	42			
Total # of Kiosks (end of period)	240	246	257	259	259	237	209	197	174	174	102	99			
Revenues by Geography															
United States	52,476	52,139	50,390	57,624	212,629	41,271	53,418	51,708	65,725	212,122	54,914	50,810			
International	10,538	8,509	10,536	16,656	46,239	15,707	13,325	12,494	14,801	56,327	14,535	10,002			
Total	63,014	60,648	60,926	74,280	258,868	56,978	66,743	64,202	80,526	268,449	69,449	60,812			
Revenues by Geography (as a %)															
United States	83%	86%	83%	78%	82%	72%	80%	81%	82%	79%	79%	84%			
International	17%	14%	17%	22%	18%	28%	20%	19%	18%	21%	21%	16%			
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%			