

| | Q1 | Q2 | Q3 | Q4 | Total | Q1 | Q2 | |
|----------------------------------------|-------------------------------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue (\$000) | Service Revenue | \$15,197 | \$15,577 | \$15,435 | \$15,347 | \$61,556 | \$15,314 | \$15,207 |
| | Store Revenue | \$2,483 | \$2,583 | \$2,326 | \$2,515 | \$9,906 | \$2,617 | \$2,580 |
| | Insurance Revenue | \$389 | \$377 | \$376 | \$433 | \$1,574 | \$404 | \$395 |
| | PC Postage Revenue | \$18,068 | \$18,537 | \$18,136 | \$18,295 | \$73,036 | \$18,335 | \$18,182 |
| | PhotoStamps Revenue | \$3,004 | \$2,873 | \$2,020 | \$3,979 | \$11,876 | \$1,713 | \$1,995 |
| | Other Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$5 |
| | Total Revenue | \$21,072 | \$21,410 | \$20,156 | \$22,274 | \$84,912 | \$20,048 | \$20,182 |
| Customer Metrics ⁽¹⁾ | Prior Quarter Paid Customers (000s) ⁽²⁾ | 292.8 | 305.2 | 313.7 | 312.4 | | 310.7 | 321.4 |
| | New Paid Customers (000s) ⁽³⁾ | 47.2 | 47.6 | 36.1 | 38.7 | | 49.8 | 43.7 |
| | Lost Paid Customers (000s) ⁽⁴⁾ | (34.8) | (39.0) | (37.3) | (40.5) | | (39.1) | (48.0) |
| | Current Quarter Paid Customers (000s) ⁽²⁾ | 305.2 | 313.7 | 312.4 | 310.7 | | 321.4 | 317.0 |
| | Paid Customer Cancel Rate ⁽⁵⁾ | 3.4% | 3.7% | 3.6% | 3.8% | | 3.6% | 4.4% |
| | Subscriber Related Revenue (\$000s) ⁽⁶⁾ | \$15,568 | \$16,133 | \$16,004 | \$16,226 | \$63,932 | \$16,564 | \$16,638 |
| | Avg. Monthly Sub Rev Per Paid Customer ⁽⁷⁾ | \$17.00 | \$17.14 | \$17.07 | \$17.41 | \$17.16 | \$17.18 | \$17.50 |
| | PC Postage Cust Acquisition Spend (\$000s) ⁽⁸⁾ | \$6,235 | \$5,625 | \$5,625 | \$6,174 | \$23,660 | \$6,386 | \$6,691 |
| | Cost per Gross New Registered Customer ⁽⁹⁾ | \$101 | \$94 | \$115 | \$94 | \$100 | \$122 | \$126 |
| Other Metrics | Enhanced Promotion Revenue (\$000s) ⁽¹⁰⁾ | \$2,500 | \$2,404 | \$2,132 | \$2,069 | \$9,104 | \$1,771 | \$1,544 |
| | Enhanced Promotion Marketing Spend (\$000s) ⁽¹¹⁾ | \$1,557 | \$1,499 | \$1,246 | \$1,141 | \$5,443 | \$841 | \$646 |
| | Customer Postage Printed (\$000s) | \$78,205 | \$77,148 | \$76,632 | \$87,365 | \$319,350 | \$85,003 | \$83,105 |
| | PhotoStamps Sheets Shipped (000s) | 178 | 171 | 120 | 243 | 712 | 104 | 118 |
| Financial Metrics | PC Postage Gross Margin | 79.3% | 82.0% | 80.4% | 79.5% | 80.3% | 77.8% | 77.9% |
| | PhotoStamps Gross Margin | 29.2% | 27.2% | 26.3% | 29.2% | 28.2% | 24.1% | 23.7% |
| | Total Gross Margin | 72.2% | 74.7% | 75.0% | 70.5% | 73.0% | 73.2% | 72.5% |
| | GAAP Net Income (\$000s) | \$5,199 | \$1,305 | \$2,063 | \$1,597 | \$10,164 | \$1,222 | \$1,052 |
| | Non-GAAP Net Income (\$000s) ⁽¹²⁾ | \$2,752 | \$2,917 | \$3,354 | \$2,803 | \$11,826 | \$2,222 | \$2,297 |
| | Non-GAAP EPS ⁽¹²⁾ | \$0.14 | \$0.15 | \$0.17 | \$0.16 | \$0.61 | \$0.13 | \$0.14 |

Definitions & Footnotes: (Note: Contains Non-GAAP numbers. For reconciliations between Non-GAAP and GAAP for Sales & Marketing, Cost of Sales, Net Income or EPS see the Company's prior 8K filings):

- All metrics under the Customer Metrics section are total PC Postage customers excluding all activity in the Company's "enhanced promotion" channel, which consists of online programs where prospective customers are offered an additional promotion beyond the ordinary Stamps.com promotion. Activity from enhanced promotion was excluded from this section owing to the high trial nature of the channel.
- Unique customers successfully billed at least once during the quarter. Estimated excluding all enhanced promotion activity.
- Customers who were successfully billed for the first time during the quarter. Estimated excluding all enhanced promotion activity.
- Customers who were successfully billed in the previous quarter but not successfully billed in the current quarter, less recaptured paid customers. Estimated excluding all enhanced promotion activity.
- Monthly cancellation rate calculated as [(Lost Paid Customers) / (Prior Quarter Paid Customers + New Paid Customers) / 3]. Estimated excluding all enhanced promotion activity.
- Includes service fee, store and package insurance revenue and excludes other revenue and PhotoStamps revenue. Estimated excluding all enhanced promotion activity.
- Calculated as [Subscriber Related Revenue / Current Quarter Paid Customers / 3]. Annual number calculated using the average of each quarter. Estimated excluding all enhanced promotion activity.
- PC Postage related marketing expenses plus promotional costs (under Cost of Revenues) excluding SFAS-123R expenses. Estimated excluding all enhanced promotion activity and excluding enterprise marketing spend beginning Q1-08.
- PC Postage Customer Acquisition Spend divided by Gross New Registered Customers (with verified billing method) acquired during the quarter. Estimated excluding enhanced promotion activity and excluding enterprise beginning Q1-08.
- Includes service fee, store and package insurance revenue and excludes other revenue and PhotoStamps revenue. Estimated based only on enhanced promotion activity.
- Estimated PC Postage related sales and marketing expenses plus PC Postage promotional costs (under Cost of Revenue) (excluding all SFAS-123R expenses) in the enhanced promotion channel only.
- Non-GAAP Net Income equals GAAP Net Income plus SFAS-123R expenses plus asset write-off plus litigation charge less non-cash income tax benefit plus tax adjustment for temporary suspension of use of CA NOLs. Non-GAAP EPS = (Non-GAAP Net Income) / (Fully Diluted Shares). See Company's prior 8-K filings for reconciliation of Non-GAAP to GAAP.