

Overstock.com, Inc.
Q4 2008 Financial Results Presentation

January 30, 2009



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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 are likely to 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/A for the year ended December 31, 2007 and subsequent filings. 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.

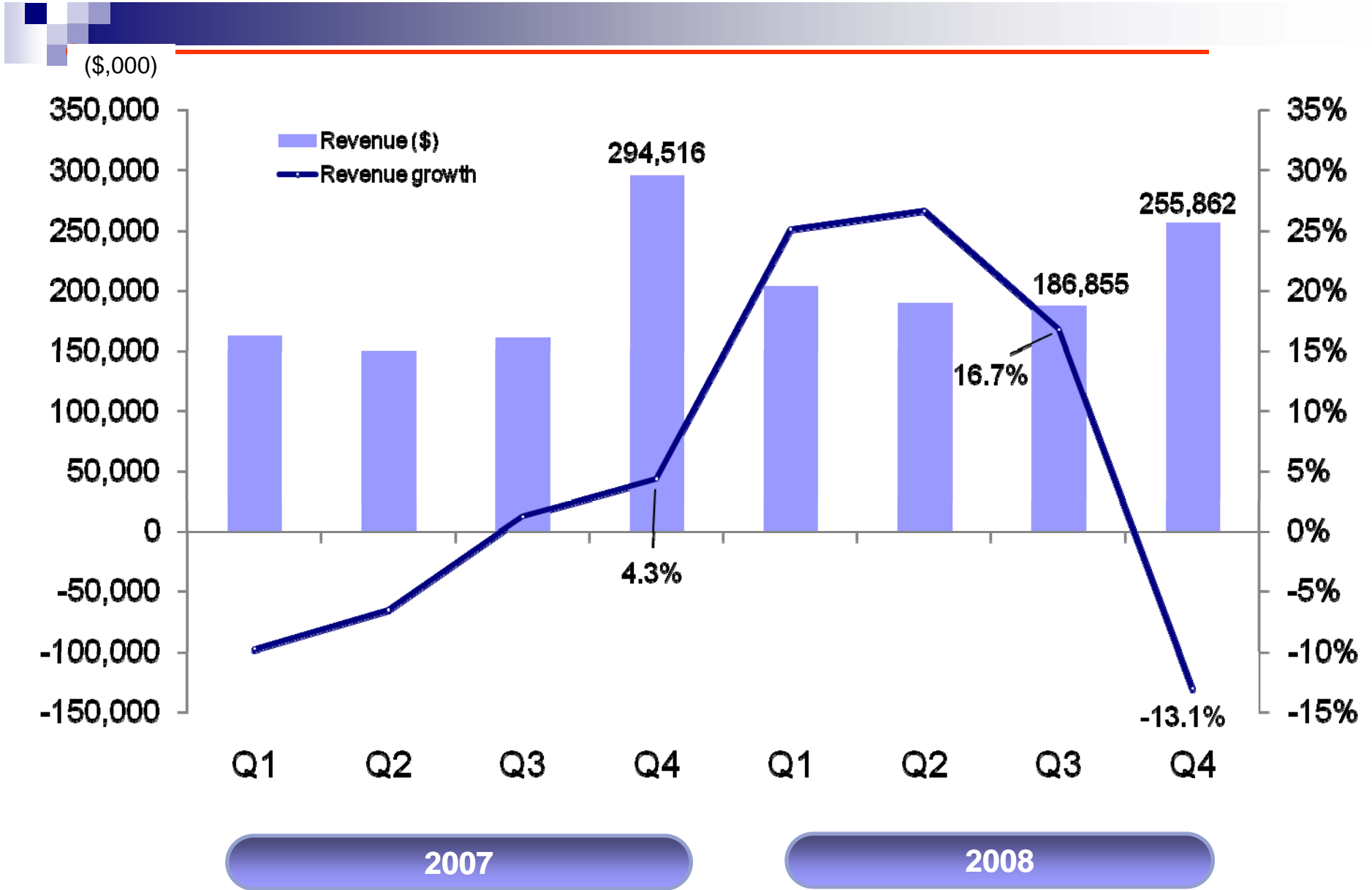
- Page 5 – 15: Q4 2008 review
- Page 16 – 23: FY 2008 review

“I think I said on the conference call at the beginning of the year, look for growth to come back. But... that we would get back there first at the contribution dollar level, then at the gross profit dollar level, and then the very top line would be the last to begin its growth.”

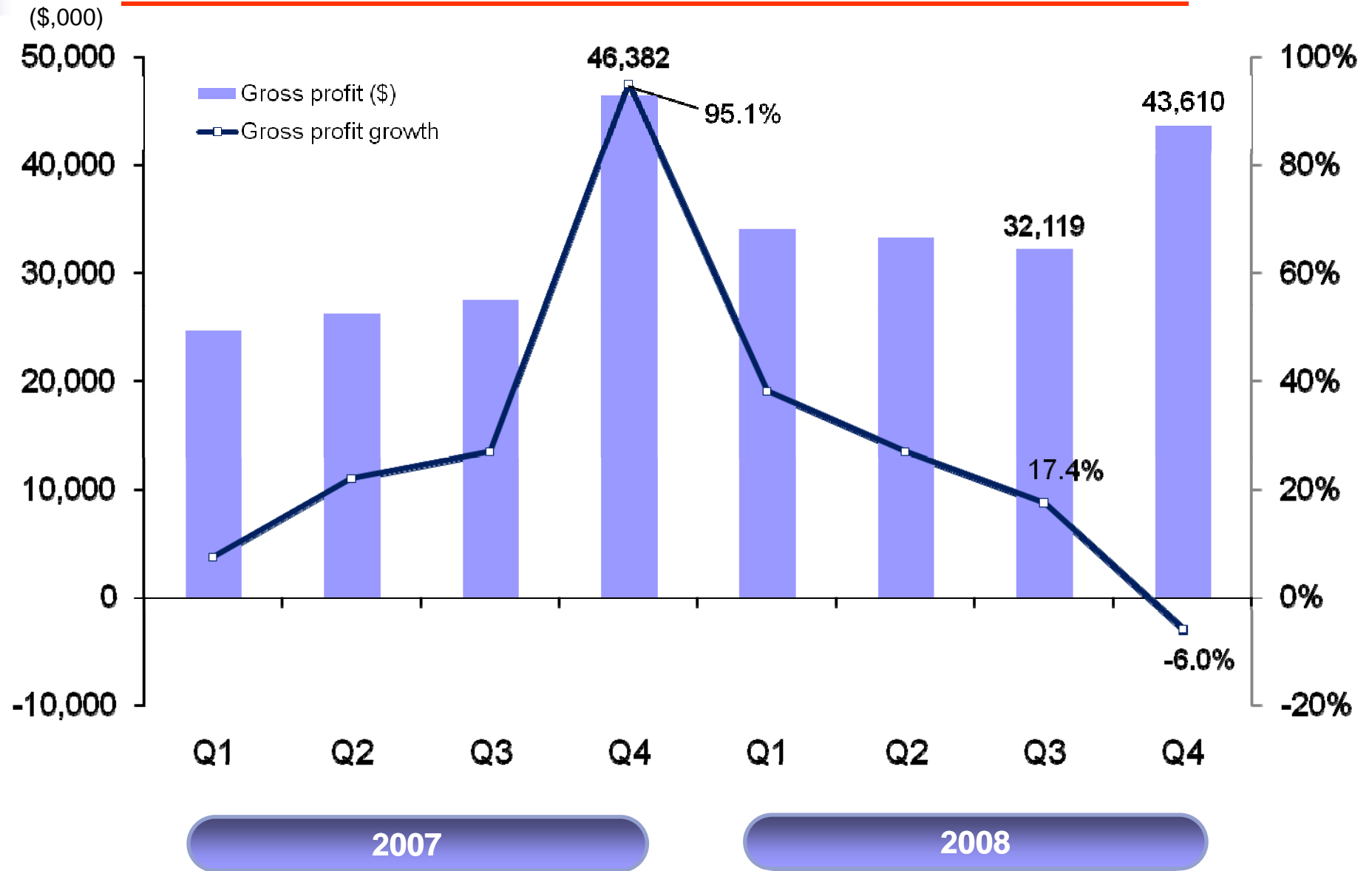
July 31, 2007 - Q2 2007 conference call

- 17.0% gross margin
- 40% yoy decrease in marketing expenses (6.4% of revenue)
- 10.6% contribution margin
- 4th consecutive quarter of positive Adjusted EBITDA
 - Q4: \$9.9M
 - TTM: \$15.1M
- \$2.0M TTM operating cash flow (7th consecutive quarter)

Quarterly Revenue Growth



Quarterly Gross Profit Growth

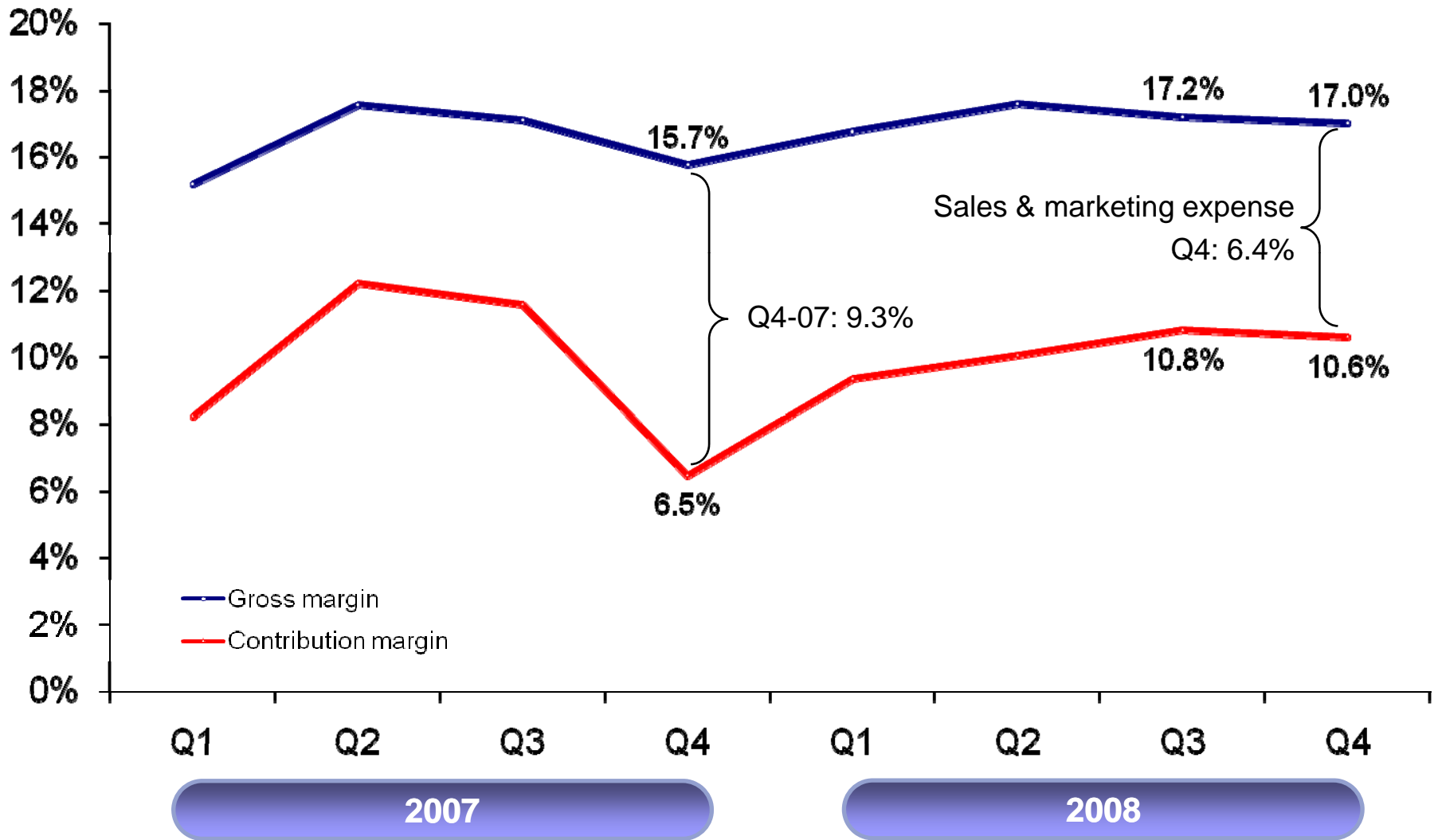


Quarterly Contribution Dollars*



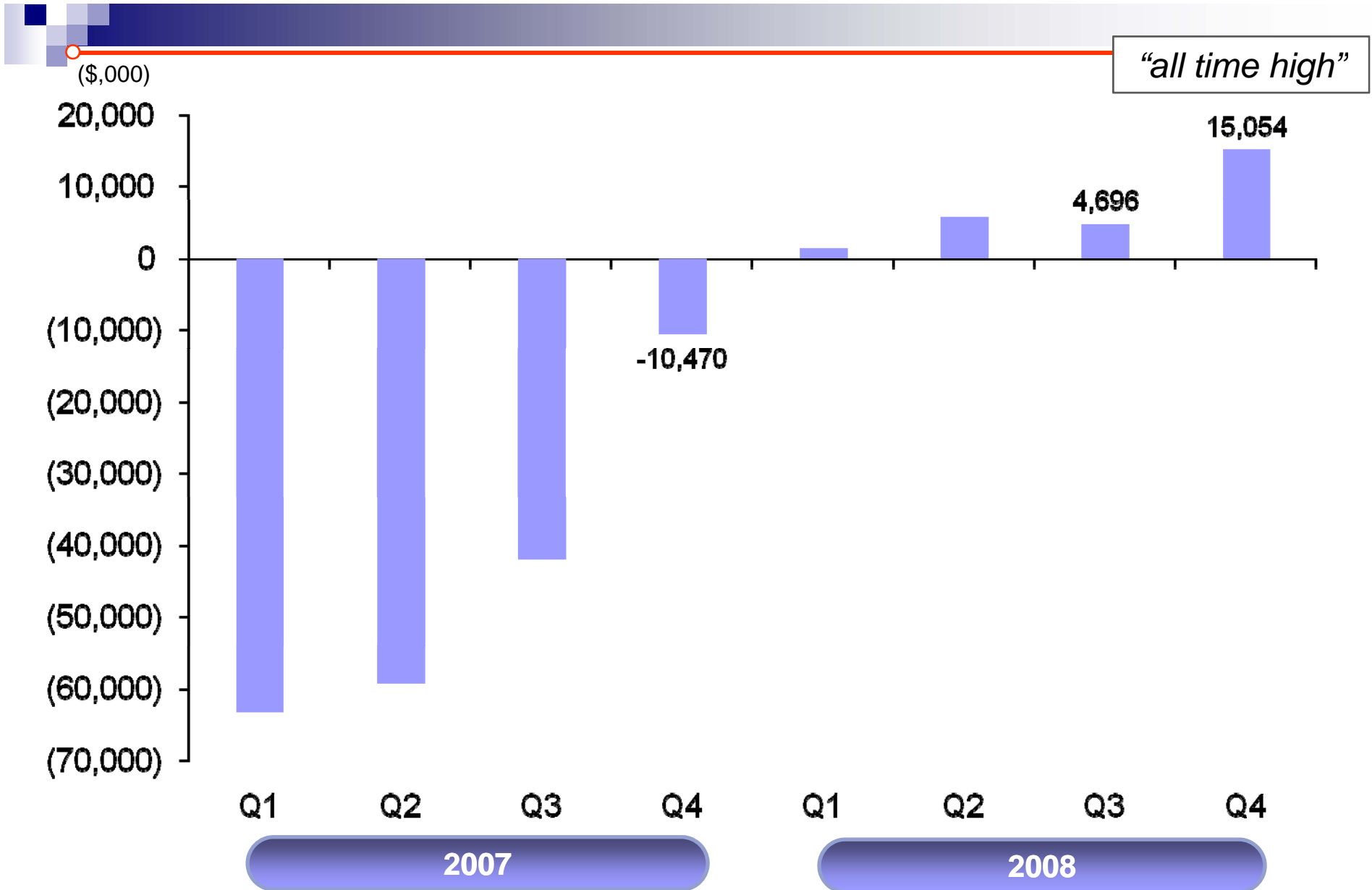
*Contribution dollars = Gross profit less Sales & Marketing expense

Quarterly Gross Margin and Contribution*



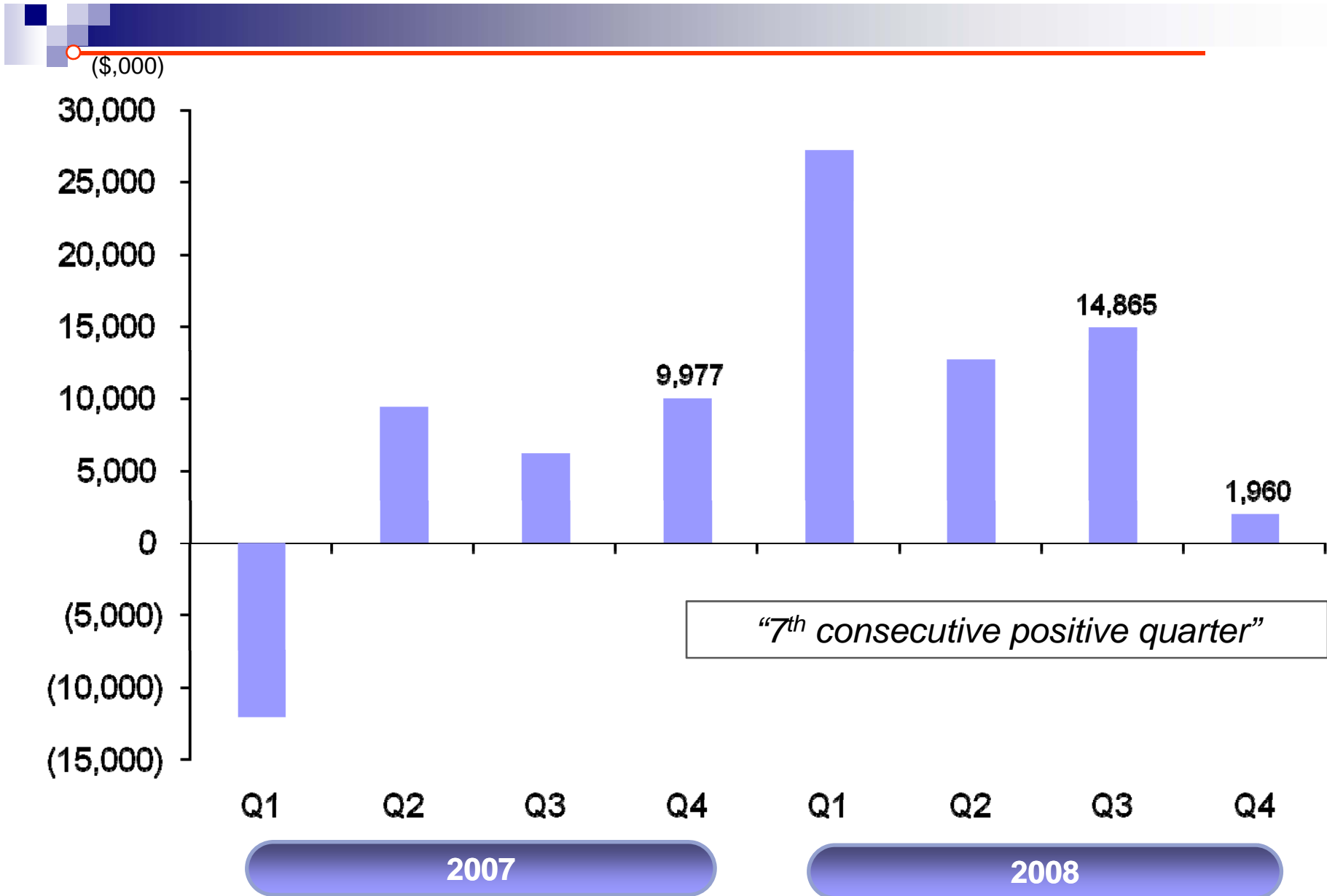
*Contribution margin = Gross margin less Sales & Marketing percentage. Percentages may not tie due to rounding.

Quarterly Adjusted EBITDA (TTM)*

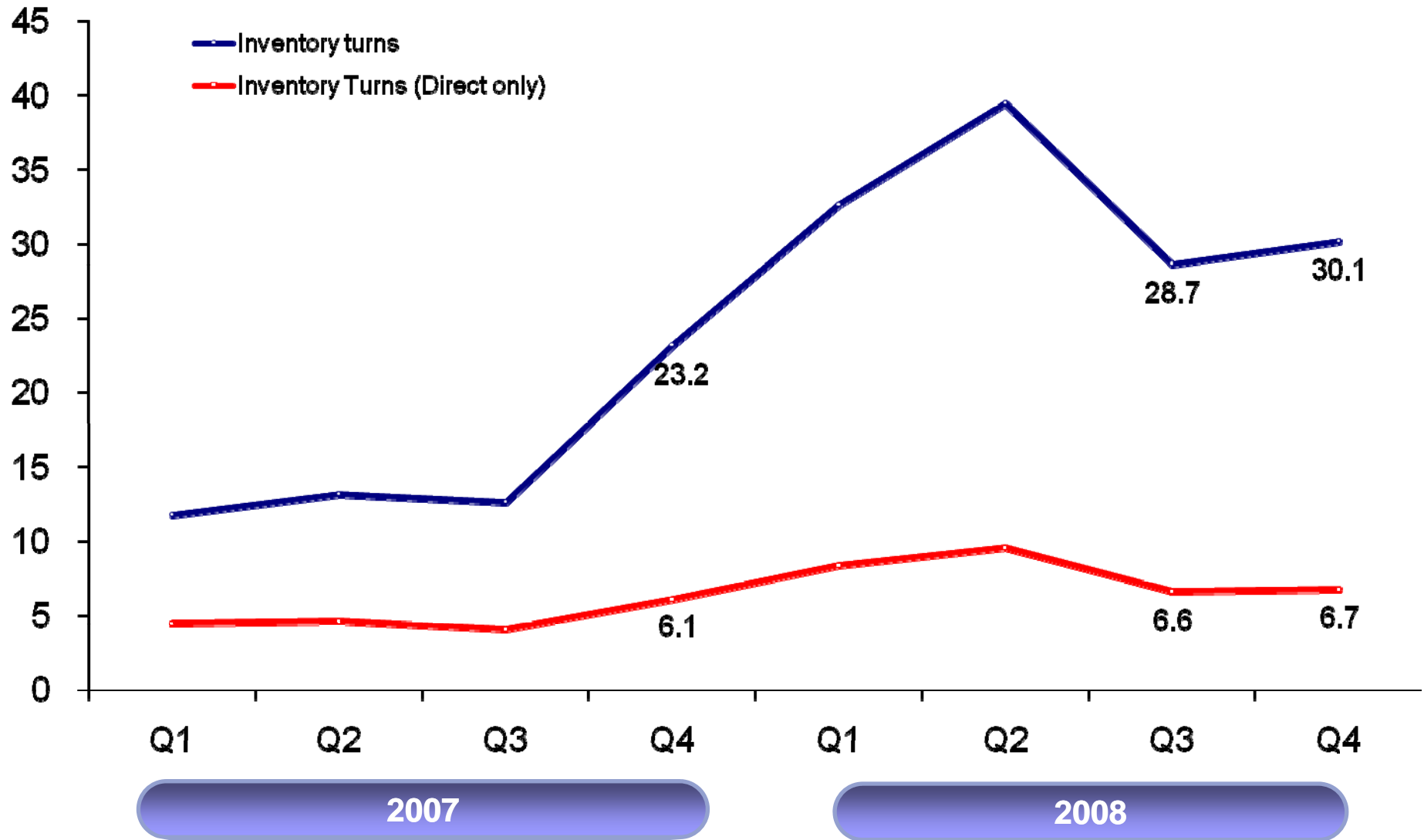


*Excludes stock-based compensation

Quarterly Cash Flows From Operations (TTM)

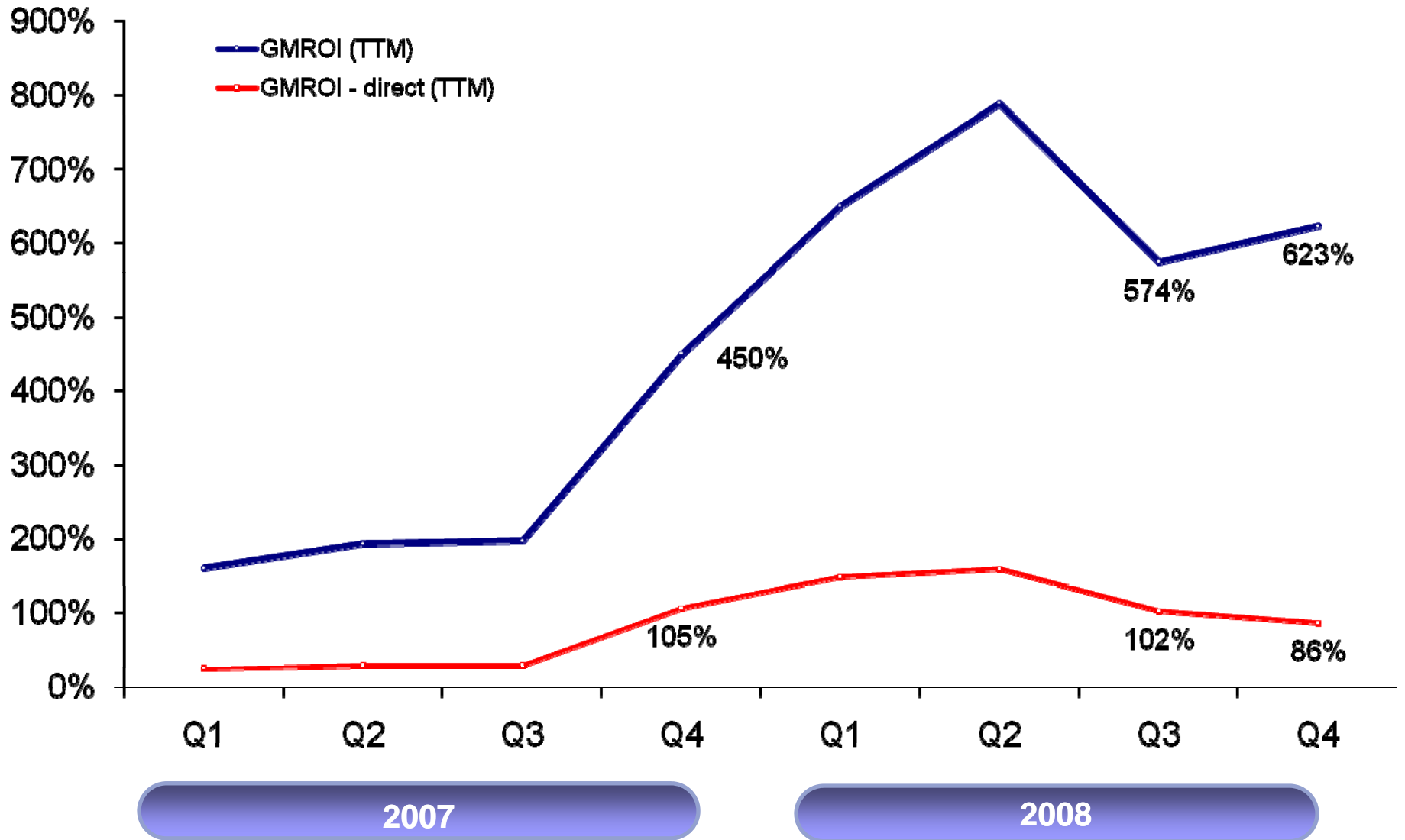


GAAP Annualized Inventory Turns



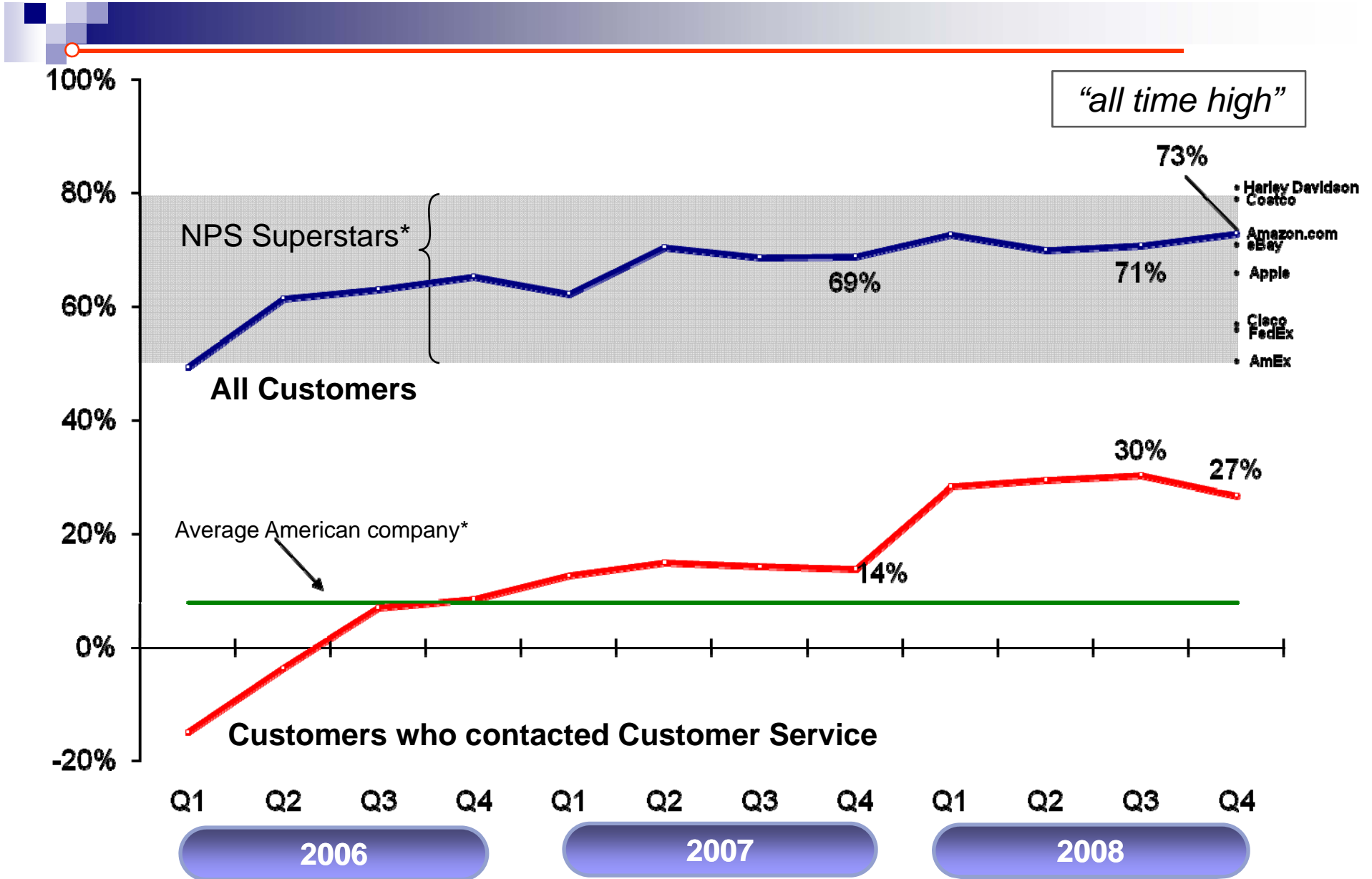
Annualized Inventory Turns: TTM COGS / 12-month Average Inventory

Annualized GMROI*




*GMROI (annualized) = TTM GM% * (TTM Revenue / 12-month Average Inventory)

Net Promoter Score



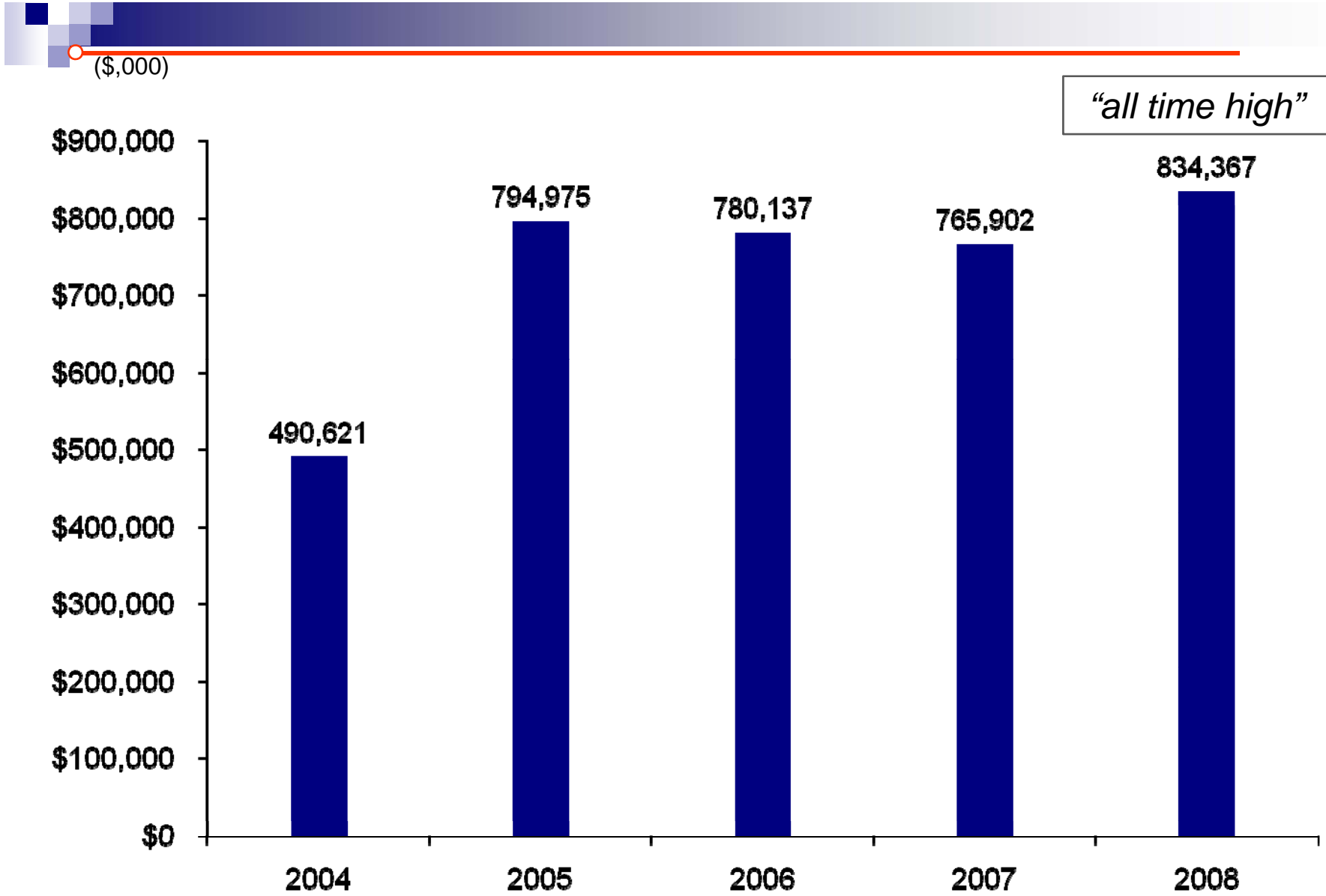
*As defined in The Ultimate Question, by Fred Reichheld, page 20. Published 2006

2008 NRF/AMEX Survey:

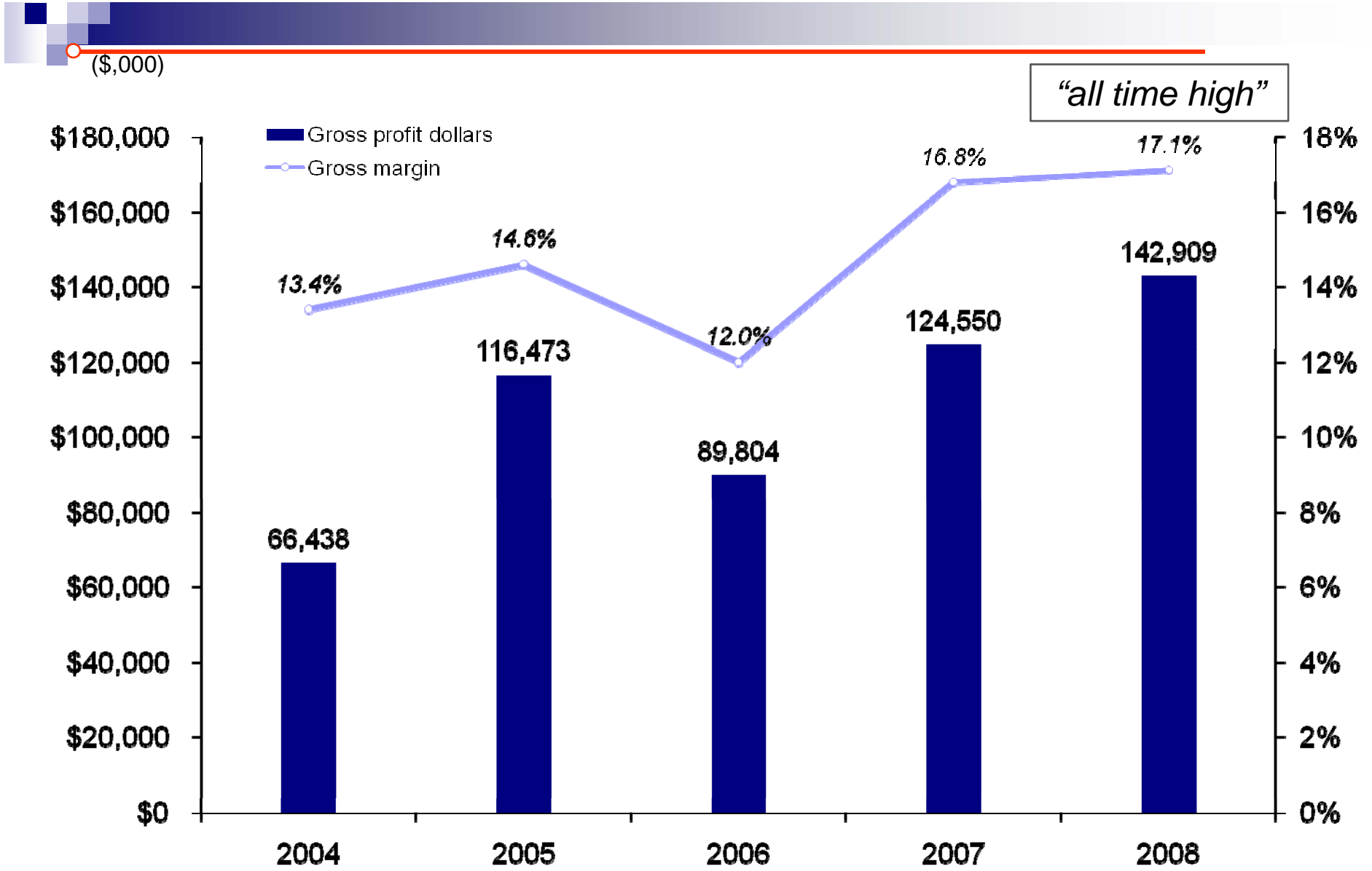
1. L.L.Bean
 2. overstock.com®
 3. Zappos.com
 4. Amazon.com
 5. Lands' End
 6. Newegg
 7. JC Penny
 8. QVC
 9. Coldwater Creek
 10. Nordstrom
-

- Revenue growth: 8.9%
- Gross margin: 17.1% (historical best)
- Contribution margin: 10.2% (historical best)
- Operating expense growth: -9.1%
- Positive operating cash flow: \$2.0 million

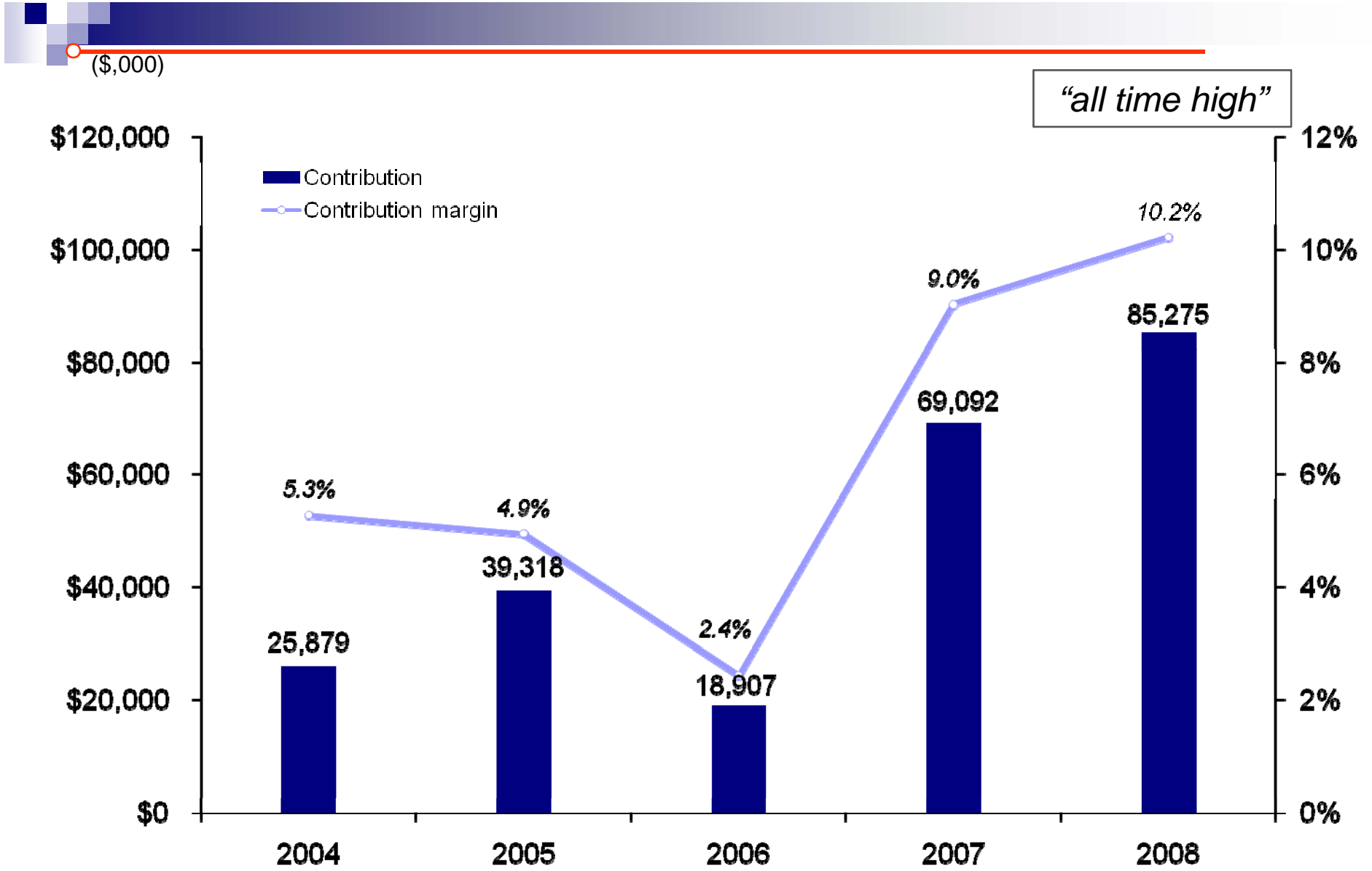
Annual Revenue



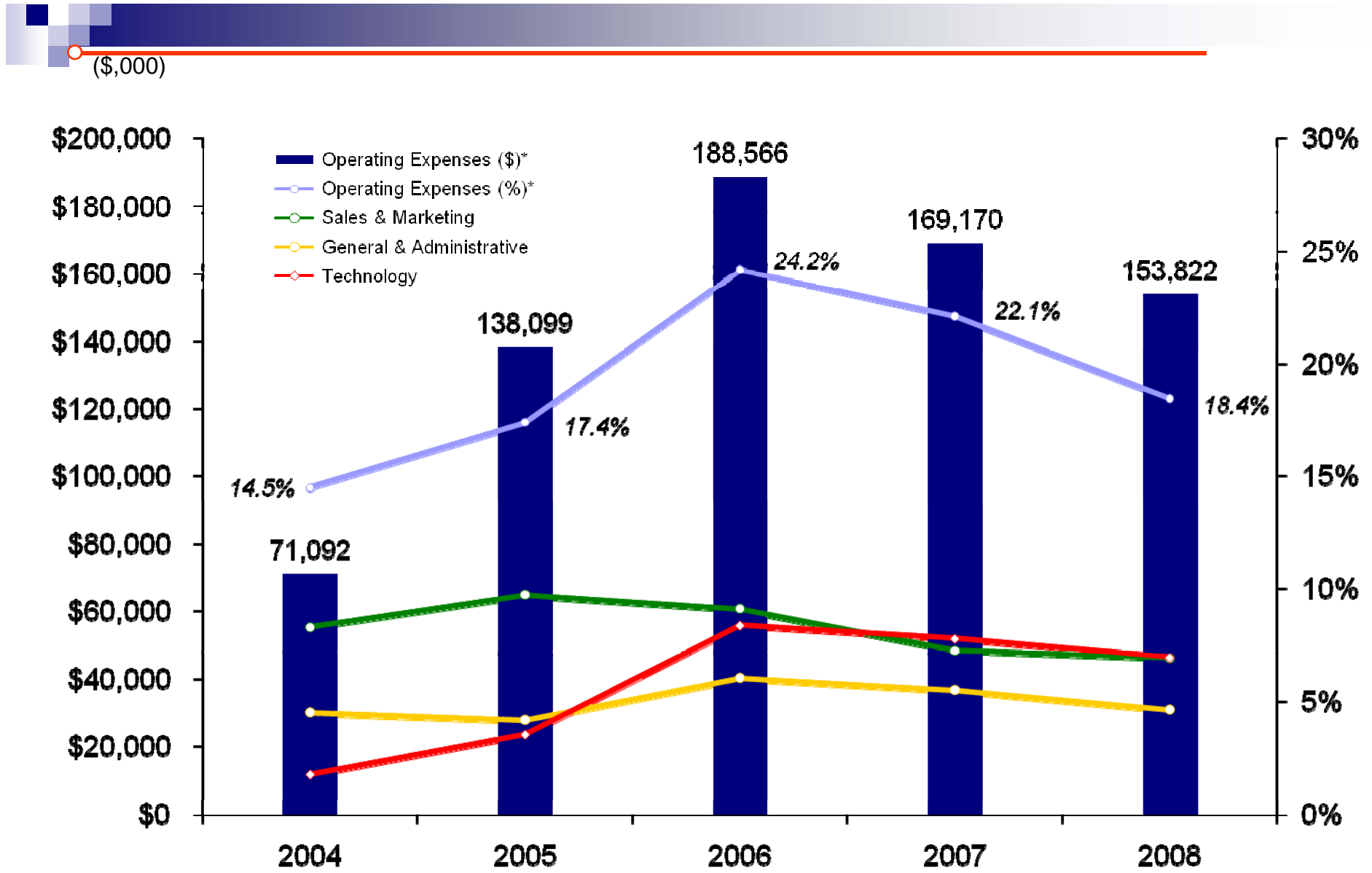
Annual Gross Profit



Annual Contribution

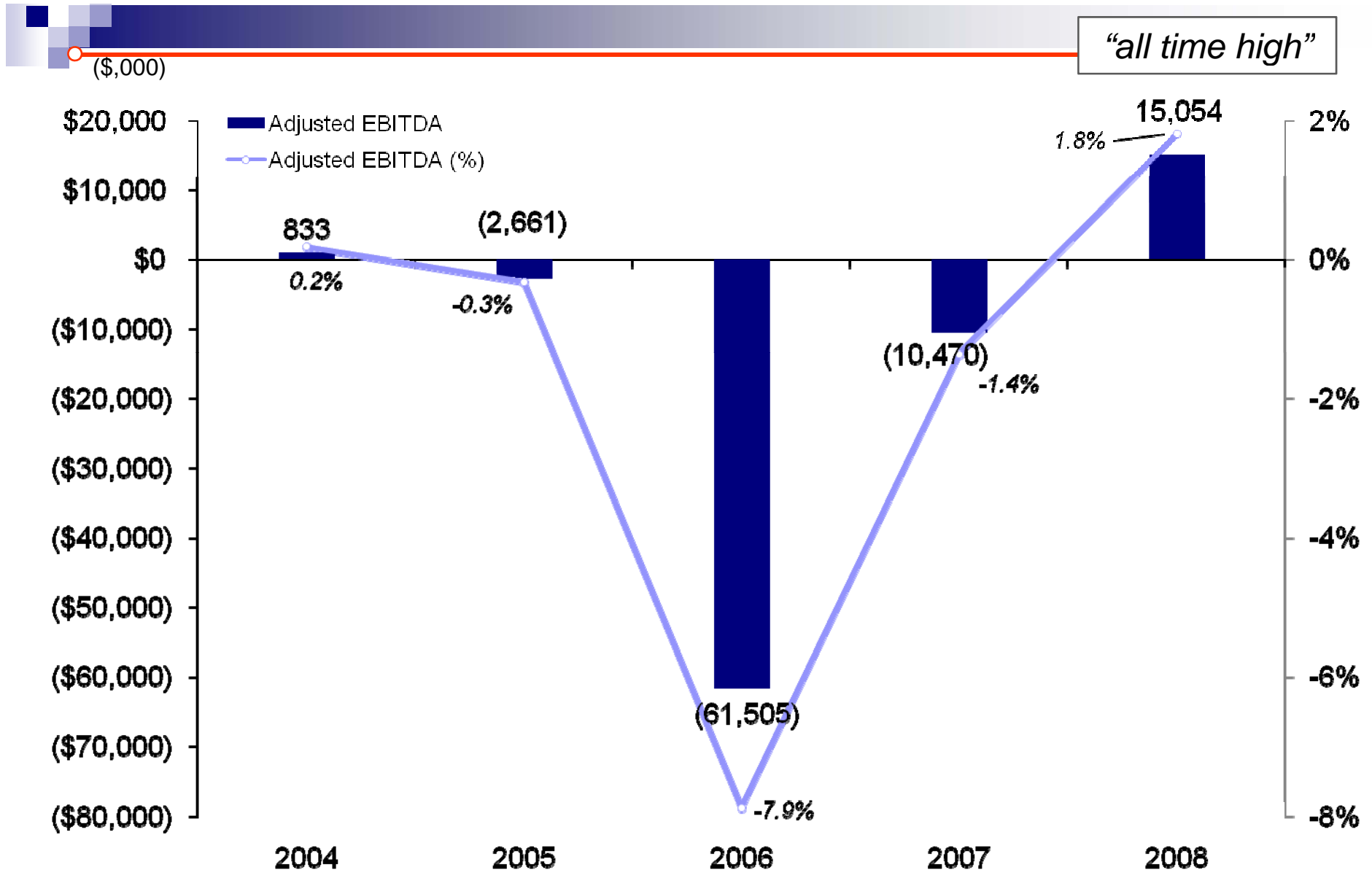


Annual Operating Expenses



*Includes restructuring expenses

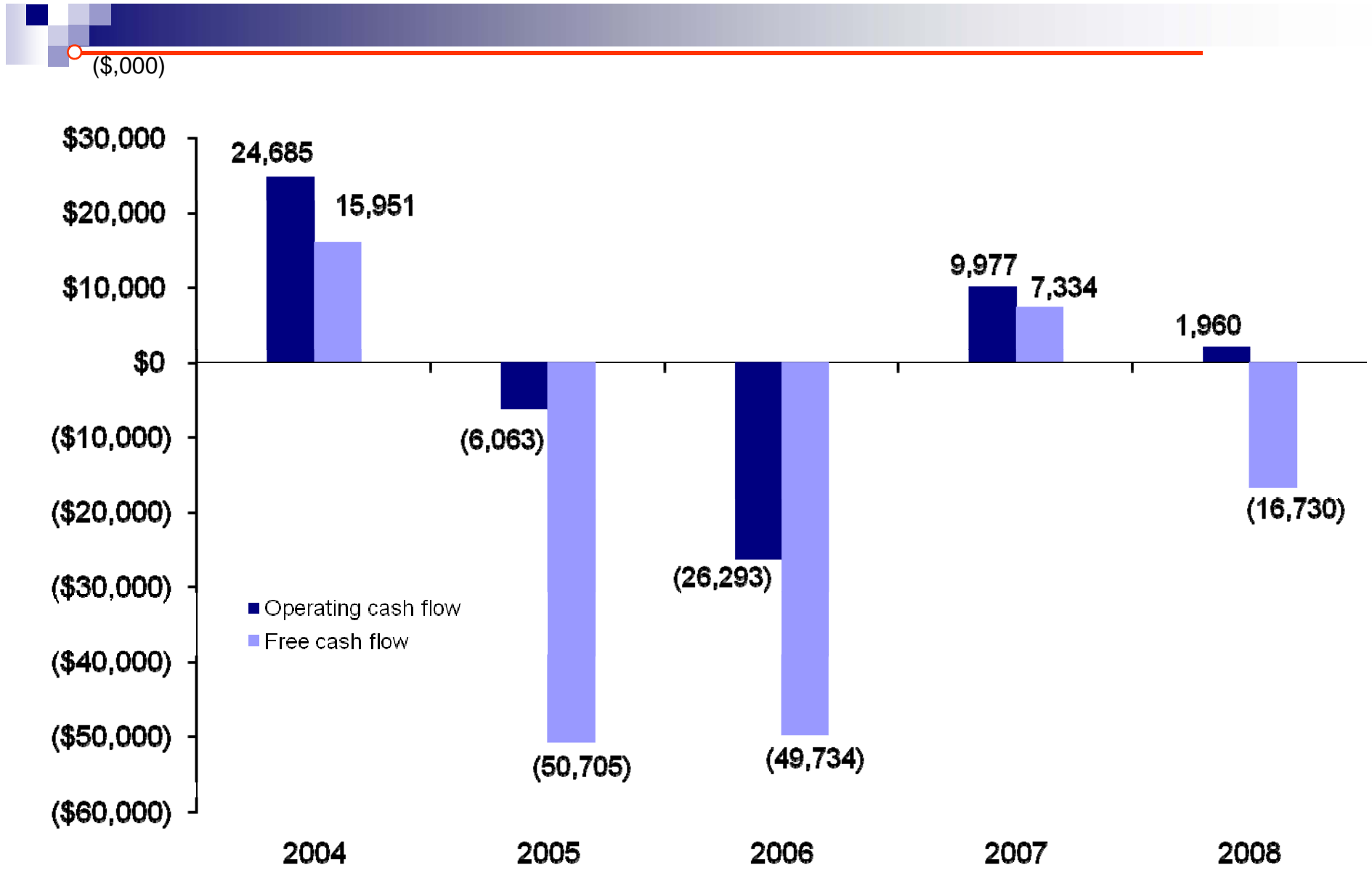
Annual Adjusted EBITDA*



*Excludes stock-based compensation

NOTE: 2005 - 2007 amounts were incorrectly shown during the Q4 2008 conference call and have subsequently been corrected per our 1/30/09 8-K.

Annual Cash Flows

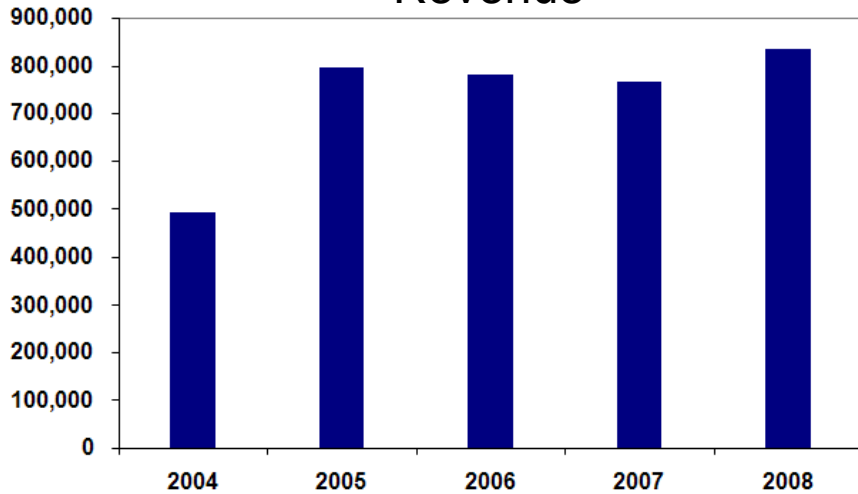


Free cash flow = operating cash flow less capital expenditures

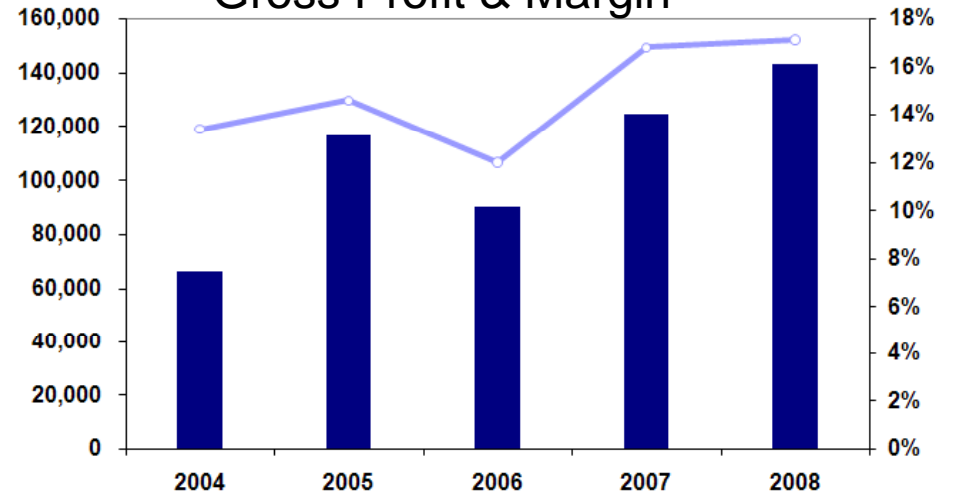
2008 Highlights

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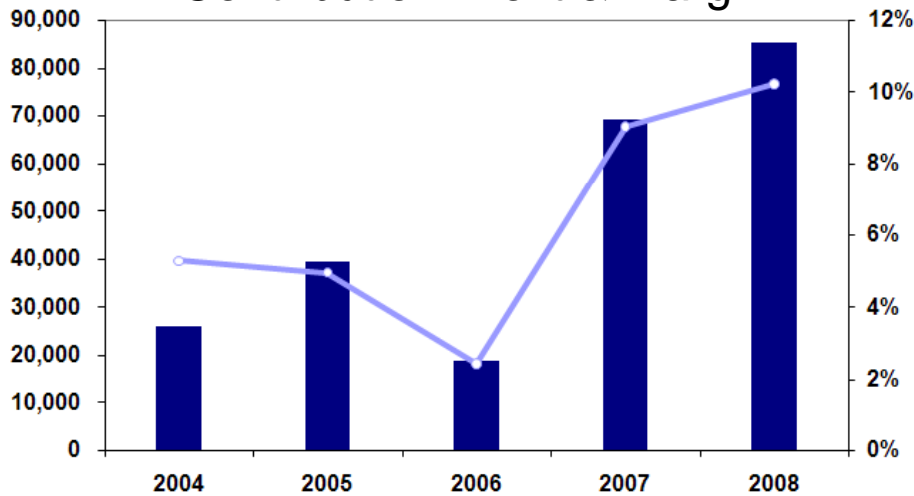
Revenue



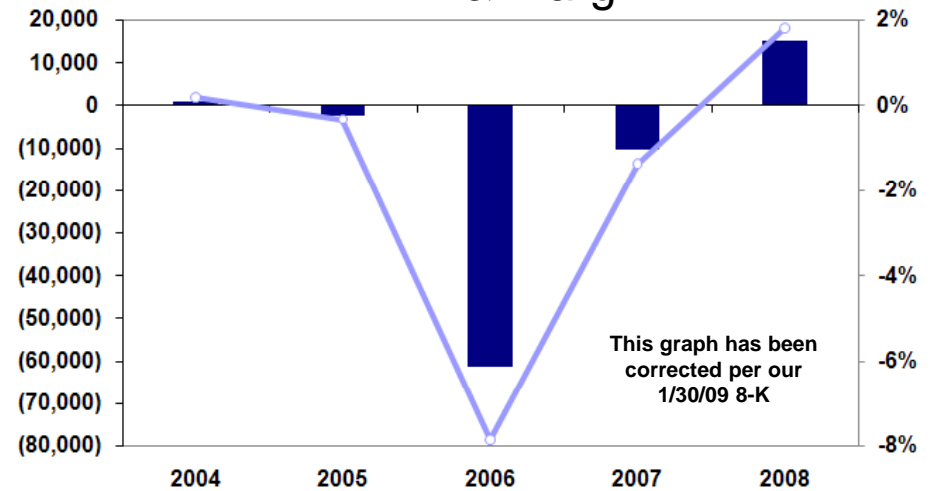
Gross Profit & Margin



Contribution Profit & Margin



EBITDA & Margin



QUESTIONS?