

MARCHEX, INC. AND SUBSIDIARIES  
Condensed Consolidated Statements of Operations  
(unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2009</b>
Revenue	<u>\$ 37,042,327</u>	<u>\$ 26,570,949</u>
Expenses:		
Service costs (1)	18,887,315	11,861,694
Sales and marketing (1)	6,971,748	7,588,915
Product development (1)	4,187,104	4,154,200
General and administrative (1)	4,959,109	4,070,540
Amortization of intangible assets from acquisitions	4,052,362	2,134,966
Total operating expenses	<u>39,057,638</u>	<u>29,810,315</u>
Gain on sales and disposals of intangible assets, net	<u>144,691</u>	<u>930,239</u>
Loss from operations	(1,870,620)	(2,309,127)
Interest income and other, net	<u>284,326</u>	<u>15,157</u>
Loss before provision for income taxes	(1,586,294)	(2,293,970)
Income tax benefit	<u>(339,953)</u>	<u>(620,933)</u>
Net loss	(1,246,341)	(1,673,037)
Convertible preferred stock dividends and discount on preferred stock redemption, net	<u>(10,888)</u>	<u>-</u>
Net loss applicable to common stockholders	<u>\$ (1,235,453)</u>	<u>\$ (1,673,037)</u>
Basic net loss per share applicable to Class A and Class B common stockholders	\$ (0.03)	\$ (0.05)
Diluted net loss per share applicable to Class A and Class B common stock holders	\$ (0.03)	\$ (0.05)
Shares used to calculate basic net loss per share applicable to common stockholders		
Class A	10,977,348	10,931,216
Class B	26,601,190	23,735,958
Shares used to calculate diluted net loss per share applicable to common stockholders		
Class A	10,977,348	10,931,216
Class B	37,580,492	34,667,174
(1) Includes stock-based compensation allocated as follows:		
Service costs	\$ 139,571	\$ 94,510
Sales and marketing	530,710	457,854
Product development	410,709	183,405
General and administrative	1,986,482	1,716,258
Total	<u>\$ 3,067,472</u>	<u>\$ 2,452,027</u>



MARCHEX, INC. AND SUBSIDIARIES  
Reconciliation of GAAP Net Income (Loss) to Operating Income Before Amortization (OIBA) and  
Adjusted Operating Income Before Amortization (Adjusted OIBA)  
(unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2009</b>
Net loss applicable to common stockholders	\$ (1,235,453)	\$ (1,673,037)
Convertible preferred stock dividends and discount on preferred stock redemption, net	<u>(10,888)</u>	<u>-</u>
Net loss	(1,246,341)	(1,673,037)
Income tax benefit	<u>(339,953)</u>	<u>(620,933)</u>
Loss before provision for income taxes	(1,586,294)	(2,293,970)
Interest income and other, net	<u>(284,326)</u>	<u>(15,157)</u>
Loss from operations	(1,870,620)	(2,309,127)
Stock-based compensation	3,067,472	2,452,027
Amortization of intangible assets from acquisitions	<u>4,052,362</u>	<u>2,134,966</u>
Operating income before amortization (OIBA)	5,249,214	2,277,866
Gain on sales and disposals of intangible assets, net	<u>(144,691)</u>	<u>(930,239)</u>
Adjusted operating income before amortization (Adjusted OIBA)	<u>\$ 5,104,523</u>	<u>\$ 1,347,627</u>

MARCHEX, INC. AND SUBSIDIARIES  
Reconciliation from Net Cash provided by Operating Activities to Adjusted EBITDA  
(unaudited)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2009</b>
Net cash provided by operating activities	\$ 6,657,174	\$ 4,173,782
Changes in asset and liabilities, net of effects of acquisitions	1,653,478	(622,131)
Income tax benefit	(339,953)	(620,933)
Other item - facility relocation	(4,635)	-
Interest income and other	(283,825)	(14,717)
Income and excess tax benefits related to stock options	33,161	11,064
Adjusted EBITDA	<u>\$ 7,715,400</u>	<u>\$ 2,927,065</u>
Net cash provided by (used in) investing activities	<u>\$ (877,331)</u>	<u>\$ 454,214</u>
Net cash used in financing activities	<u>\$ (7,783,864)</u>	<u>\$ (6,284,101)</u>

MARCHEX, INC. AND SUBSIDIARIES  
Reconciliation of GAAP EPS to Adjusted Non-GAAP EPS  
(unaudited)

	Three Months Ended March 31,	
	2008	2009
Adjusted Non-GAAP EPS	\$ 0.08	\$ 0.02
Net loss per Class B share applicable to common stockholders - diluted (GAAP EPS)	\$ (0.03)	\$ (0.05)
Shares used to calculate diluted net loss per Class B share applicable to common stockholders	37,580,492	34,667,174
Net loss applicable to common stockholders	\$ (1,235,453)	\$ (1,673,037)
Discount on preferred stock redemption	(26,106)	-
Stock-based compensation	3,067,472	2,452,027
Amortization of intangible assets from acquisitions	4,052,362	2,134,966
Gain on sales and disposals of intangible assets, net	(144,691)	(930,239)
Interest income and other, net	(284,326)	(15,157)
Estimated impact of income taxes	(2,182,679)	(1,093,485)
Adjusted Non-GAAP net income applicable to common stockholders	\$ 3,246,579	\$ 875,075
Adjusted Non-GAAP EPS	\$ 0.08	\$ 0.02
Shares used to calculate diluted net income (loss) per Class B share applicable to common stockholders	37,580,492	34,667,174
Weighted average common share equivalents for redeemed preferred shares	(1,954)	-
Weighted average stock options and warrants and common shares subject to repurchase or cancellation (if applicable)	3,641,416	2,399,011
Shares used to calculate Adjusted Non-GAAP EPS	41,219,954	37,066,185

For Adjusted Non-GAAP EPS, the impact of restricted stock (common shares subject to repurchase or cancellation) is based on the weighted average of restricted stock outstanding as compared with diluted shares for GAAP purposes, which included restricted stock on a treasury stock method basis.