



March 7, 2012

## TheStreet Reports Fourth Quarter and Full Year 2011 Results

NEW YORK, March 7, 2012 (GLOBE NEWSWIRE) -- TheStreet (Nasdaq:TST), a leading digital financial media company, today reported financial results for the fourth quarter and full year of 2011. The Company reported revenue of \$57.8 million, a net loss of \$(8.2) million and Adjusted EBITDA<sup>(1)</sup> of \$2.0 million for the year and revenue of \$14.3 million, a net loss of \$(2.4) million and Adjusted EBITDA of \$1.2 million for the quarter.

"During the fourth quarter, our business continued to make solid progress in a number of our key strategic initiatives," said Daryl Otte, the Company's Chief Executive Officer. "The size of our audience continued to grow, fueled in large part by the expanding distribution associated with our new TheStreet Business Desk™ service, which is seeing excellent adoption rates. Download and usage patterns of our new mobile services accelerated and we saw steady growth from our new institutional premium service. We faced certain challenges in monetizing our growing audiences during the quarter, which we believe was due in part to a softness in the digital financial media vertical during the quarter, as retail investors were less active, and due in part to some execution issues. To address the latter, we initiated changes late in 2011 to flatten parts of the organization, lower costs and improve our capabilities. Even with this quarter's challenges, we benefited from the diversity of our revenue streams and careful cost management. For the full year, we delivered on our promise of maintaining good progress on our key investment initiatives while showing revenue growth, positive Adjusted EBITDA and positive operating cash flow," Mr. Otte concluded.

### Financial Highlights of Full Year and Fourth Quarter 2011

The Company's revenue from ongoing businesses<sup>(2)</sup> of \$57.8 million during fiscal year 2011 was an increase of 2% as compared to the prior year. For the fourth quarter of 2011, the Company's revenue was \$14.3 million, a decrease of 3% as compared to the prior year period.

- Premium Services revenue from ongoing businesses increased 4% in fiscal year 2011 and 4% in the fourth quarter of 2011, as compared to the respective prior year periods.
- Premium Services bookings increased 6% in fiscal year 2011 and decreased 7% in the fourth quarter of 2011, as compared to the respective prior year periods. Bookings grew sequentially by 7% in the fourth quarter of 2011 over the third quarter of 2011.
- The average number of paid subscriptions was 88,422 in the fourth quarter of 2011, compared to an average of 90,640 in the fourth quarter of 2010, a decrease of 2%.
- Average monthly churn<sup>(3)</sup> increased to 3.8% in fourth quarter of 2011, compared to 2.7% in the third quarter of 2011 and 3.6% in the fourth quarter of 2010. As a reminder, there will be moderate quarterly fluctuations in churn due to the quarterly fluctuations in the size of the subscription renewal pools and other factors.
- Marketing Services revenue decreased 2% in fiscal year 2011 and decreased 16% in the fourth quarter of 2011, as compared to the respective prior year periods.
- Average monthly unique visitors to the Company's network of sites for the fourth quarter of 2011, as measured internally, were up 25% as compared to the prior year period.

Operating expenses from ongoing businesses for the full year 2011 were \$66.6 million, an increase of 6% as compared to the prior year. The increase in operating expenses from ongoing businesses for the year is primarily due to restructuring and other costs of \$1.8 million and investments in cost of sales and sales and marketing offset in part by a 12% decrease in general and administrative expenses. In addition, 2010 operating expenses from ongoing businesses were positively impacted by a \$1.3 million gain on the disposition of assets, offset in part by a \$0.6 million asset impairment charge. Operating expenses for the fourth quarter of 2011 were \$16.8 million, an increase of 1% as compared to the prior year period, as decreases in cost of sales, sales and marketing, general and administrative and depreciation and amortization expenses were more than offset by the \$1.8 million restructuring charge.

The Company had a net loss from ongoing businesses of \$(8.2) million and \$(2.4) million in fiscal year 2011 and the fourth

quarter of 2011, respectively, as compared to a net loss from ongoing businesses of \$(5.4) million and \$(1.7) million during the respective prior year periods. The Company reported basic and diluted net loss per share attributable to common stockholders of \$(0.27) for the full year of 2011, as compared to \$(0.18) for the full year of 2010. The Company reported basic and diluted net loss per share attributable to common stockholders of \$(0.08) and \$(0.08), respectively, in the fourth quarter of 2011, as compared to \$(0.06) and \$(0.06), respectively, in the prior year period.

Adjusted EBITDA from ongoing businesses improved \$0.8 million to \$2.0 million in the fiscal year 2011, as compared to \$1.2 million in the prior year. For the fourth quarter of 2011, Adjusted EBITDA from ongoing businesses improved \$1.2 million to \$1.2 million, as compared to \$0.0 million in the prior year period.

The Company ended the quarter with cash and cash equivalents, restricted cash and marketable securities of \$75.3 million, a decrease of \$1.5 million as compared to September 30, 2011. The Company achieved free cash flow <sup>(1)</sup> for the full year 2011 of \$1.6 million.

The Company paid a dividend of 2.5 cents per share during the quarter and 10 cents per share during the year.

Today, the Company also announced that it has hired Elisabeth DeMarse as Chief Executive Officer and President and a director of the Company, effective later today. In December, the Company announced that Daryl Otte, the Company's Chief Executive Officer and a director, would be resigning his positions by March 31, 2012 and assisting the Company with the transition to a successor and he will do so. "We are very excited to announce the hiring of Elisabeth, who previously served as Chief Executive Officer of Bankrate and CreditCards.com, and we again wish to express our appreciation to Daryl for the putting in place during the past three years many of the foundations for the Company's future growth," said Woody Marshall, the Company's Chairman.

## Conference Call Information

TheStreet will discuss its financial results for the fourth quarter and full year 2011 today at 4:30 p.m. ET.

To participate in the call, please dial 800-649-5127 (domestic) or 914-495-8549 (international). The passcode for the call is 48050825. This call is being webcast and can be accessed on the Investor Relations section of TheStreet website at [www.t.st](http://www.t.st).

An audio replay of the conference call also will be available approximately two hours after the conclusion of the call. The audio replay will remain available until Wednesday, March 14, 2012 at 11:59 p.m. ET and can be accessed by dialing 855-859-2056 (domestic) or 404-537-3406 (international) and entering the replay passcode 48050825. A replay of the webcast will be available approximately two hours after the conclusion of the call and remain available for approximately ninety calendar days.

## About TheStreet

TheStreet, Inc. is a leading digital financial media company that distributes its content through online, social media, tablet and mobile channels. The Company's network of brands include: *TheStreet*, *RealMoney*, *RealMoney Pro*, *Stockpickr*, *Action Alerts PLUS*, *Options Profits*, *ETF Profits*, *Chat on TheStreet*, *MainStreet* and *Rate-Watch*. For more information on TheStreet's business, visit [www.t.st](http://www.t.st). For financial and business news, actionable trading ideas, stock quotes and more, visit [TheStreet.com](http://TheStreet.com) via your web browser, follow TheStreet on [Facebook](#) and [Twitter](#), visit [TheStreet.mobi](http://TheStreet.mobi) from your mobile device and access TheStreet through all major tablet platforms.

The TheStreet, Inc. logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=11420>

<sup>(1)</sup> To supplement the Company's financial statements presented in accordance with generally accepted accounting principles ("GAAP"), the Company uses non-GAAP measures of certain components of financial performance, including "EBITDA," "Adjusted EBITDA" and "free cash flow." EBITDA is adjusted from results based on GAAP to exclude interest, income taxes, depreciation and amortization. This non-GAAP measure is provided to enhance investors' overall understanding of the Company's current financial performance and its prospects for the future. Specifically, the Company believes that the non-GAAP EBITDA results are an important indicator of the operational strength of the Company's business and provide an indication of the Company's ability to service debt and fund capital expenditures. EBITDA eliminates the uneven effect of considerable amounts of noncash depreciation of tangible assets and amortization of certain intangible assets that were recognized in business combinations. Adjusted EBITDA further eliminates the impact of noncash stock compensation and impairment expenses, and other non-standard one-time charges. A limitation of these measures, however, is that they do not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the Company's businesses. Management evaluates the investments in such tangible and intangible assets through other financial measures, such as capital expenditure budgets and investment spending levels. "Free cash flow" means net loss plus non-cash expenses net of gains/losses on dispositions of assets, less changes in operating assets and liabilities and capital expenditures. The Company believes that this non-GAAP financial measure is an important indicator of the Company's financial results because it gives investors a view of the Company's ability to generate cash.

(2) The Company's ongoing businesses exclude (i) the banking and insurance ratings business of TheStreet Ratings, which the Company divested in May 2010 and (ii) revenue derived from the global research legal settlement that expired in July 2009.

(3) Average monthly churn rate is defined as subscriber terminations/expirations in the quarter divided by the sum of the beginning subscribers and gross subscriber additions for the quarter, then divided by three. Subscriptions that are on a free-trial basis are not regarded as added or terminated unless the subscription is active at the end of the free-trial period.

All statements contained in this press release other than statements of historical facts are deemed forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, including those described in the Company's filings with the Securities and Exchange Commission that could cause actual results to differ materially from those reflected in the forward-looking statements. All forward-looking statements contained herein are made as of the date of this press release. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, the Company cannot guarantee future results or occurrences. The Company disclaims any obligation to update these forward-looking statements, whether as a result of new information, future developments or otherwise.

**THESTREET, INC.**  
**CONSOLIDATED BALANCE SHEETS**

| ASSETS  | December 31,   |                |
|---|----------------|----------------|
|   | 2011           | 2010           |
| <b>Current Assets:</b>  |                |                |
| Cash and cash equivalents   | \$ 44,865,191  | \$ 20,089,660  |
| Accounts receivable, net of allowance for doubtful accounts of \$158,870 at December 31, 2011 and \$238,228 at December 31, 2010                    | 6,225,424      | 6,623,261      |
| Marketable securities   | 20,895,238     | 26,502,945     |
| Other receivables   | 356,219        | 663,968        |
| Prepaid expenses and other current assets   | 1,421,955      | 1,785,007      |
| Restricted cash   | 660,370        | --             |
| Total current assets  | 74,424,397     | 55,664,841     |
| Property and equipment, net of accumulated depreciation and amortization of \$13,466,365 at December 31, 2011 and \$12,845,359 at December 31, 2010 | 8,494,648      | 10,887,732     |
| Marketable securities   | 7,894,365      | 30,302,428     |
| Other assets  | 172,055        | 243,611        |
| Goodwill  | 24,057,616     | 24,057,616     |
| Other intangibles, net of accumulated amortization of \$5,529,730 at December 31, 2011 and \$4,174,403 at December 31, 2010                         | 5,370,135      | 6,725,462      |
| Restricted cash   | 1,000,000      | 1,660,370      |
| Total assets  | \$ 121,413,216 | \$ 129,542,060 |

**LIABILITIES AND STOCKHOLDERS' EQUITY**

|  |              |              |
|--|--------------|--------------|
| <b>Current Liabilities:</b>            |              |              |
| Accounts payable                       | \$ 2,305,589 | \$ 2,455,894 |
| Accrued expenses                       | 7,970,802    | 8,239,064    |
| Deferred revenue                       | 17,625,666   | 17,431,381   |
| Other current liabilities              | 509,214      | 184,328      |
| Liabilities of discontinued operations | --           | 1,871        |
| Total current liabilities              | 28,411,271   | 28,312,538   |
| Deferred tax liability                 | 288,000      | 288,000      |
| Other liabilities                      | 4,569,497    | 2,948,181    |
| Total liabilities                      | 33,268,768   | 31,548,719   |

**Stockholders' Equity:**

|  |                       |                       |
|--|-----------------------|-----------------------|
| Preferred stock; \$0.01 par value; 10,000,000 shares authorized; 5,500 shares issued and 5,500 shares outstanding at December 31, 2011 and December 31, 2010; the aggregate liquidation preference totals \$55,000,000 as of December 31, 2011 and December 31, 2010 | 55                    | 55                    |
| Common stock; \$0.01 par value; 100,000,000 shares authorized; 38,461,595 shares issued and 32,131,188 shares outstanding at December 31, 2011, and 37,775,381 shares issued and 31,667,600 shares outstanding at December 31, 2010                                  | 384,616               | 377,754               |
| Additional paid-in capital   | 270,230,246           | 270,644,658           |
| Accumulated other comprehensive income   | (394,600)             | 331,311               |
| Treasury stock at cost; 6,330,407 shares at December 31, 2011 and 6,107,781 shares at December 31, 2010  | (11,010,149)          | (10,478,838)          |
| Accumulated deficit  | <u>(171,065,720)</u>  | <u>(162,881,599)</u>  |
| Total stockholders' equity   | <u>88,144,448</u>     | <u>97,993,341</u>     |
| <br>   |                       |                       |
| Total liabilities and stockholders' equity   | <u>\$ 121,413,216</u> | <u>\$ 129,542,060</u> |

**THE STREET, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS**

|   | <u>For the Three Months Ended December 31,</u> |                       | <u>For the Year Ended December 31,</u> |                       |
|---|--|-----------------------|--|-----------------------|
|   | <u>2011</u>                                    | <u>2010</u>           | <u>2011</u>                            | <u>2010</u>           |
| Net revenue:  |  |                       |  |                       |
| Premium services                                    | \$ 9,835,537                                   | \$ 9,432,205          | \$ 39,514,153                          | \$ 38,597,877         |
| Marketing services                                  | <u>4,433,703</u>                               | <u>5,253,194</u>      | <u>18,245,847</u>                      | <u>18,588,502</u>     |
| Total net revenue                                   | <u>14,269,240</u>                              | <u>14,685,399</u>     | <u>57,760,000</u>                      | <u>57,186,379</u>     |
| Operating expense:                                  |  |                       |  |                       |
| Cost of services                                    | 6,462,815                                      | 6,584,437             | 26,499,085                             | 25,557,162            |
| Sales and marketing                                 | 3,559,380                                      | 4,551,870             | 16,681,562                             | 15,841,470            |
| General and administrative                          | 3,651,415                                      | 4,049,472             | 15,810,994                             | 18,052,633            |
| Depreciation and amortization                       | 1,264,840                                      | 1,466,552             | 5,757,365                              | 4,692,520             |
| Restructuring and other charges                     | 1,825,799                                      | --                    | 1,825,799                              | --                    |
| Asset impairments                                   | --   | --                    | --                                     | 555,000               |
| Gain on disposition of assets                       | --   | --                    | --                                     | (1,318,607)           |
| Total operating expense                             | <u>16,764,249</u>                              | <u>16,652,331</u>     | <u>66,574,805</u>                      | <u>63,380,178</u>     |
| Operating loss                                      | (2,495,009)                                    | (1,966,932)           | (8,814,805)                            | (6,193,799)           |
| Net interest income                                 | 137,924  | 203,674               | 667,822                                | 846,157               |
| Loss on sale of marketable securities               | (35,340)                                       | --                    | (35,340)                               | --                    |
| Other income  | --   | --                    | --                                     | 20,374                |
| Loss from continuing operations before income taxes | (2,392,425)                                    | (1,763,258)           | (8,182,323)                            | (5,327,268)           |
| Benefit (provision) for income taxes                | --   | --                    | --                                     | --                    |
| Loss from continuing operations                     | (2,392,425)                                    | (1,763,258)           | (8,182,323)                            | (5,327,268)           |
| Discontinued operations:                            |  |                       |  |                       |
| Gain (loss) from discontinued operations            | --   | 16,091                | (1,798)                                | (7,339)               |
| Net loss  | (2,392,425)                                    | (1,747,167)           | (8,184,121)                            | (5,334,607)           |
| Preferred stock cash dividends                      | <u>96,424</u>                                  | <u>96,424</u>         | <u>385,696</u>                         | <u>385,696</u>        |
| Net loss attributable to common stockholders        | <u>\$ (2,488,849)</u>                          | <u>\$ (1,843,591)</u> | <u>\$ (8,569,817)</u>                  | <u>\$ (5,720,303)</u> |
| Basic and diluted net loss per share:               |  |                       |  |                       |
| Loss from continuing operations                     | \$ (0.08)                                      | \$ (0.06)             | \$ (0.26)                              | \$ (0.17)             |

|   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|
| Loss from discontinued operations                     | --                | 0.00              | (0.00)            | (0.00)            |
| Net loss  | (0.08)            | (0.06)            | (0.26)            | (0.17)            |
| Preferred stock dividends                             | (0.00)            | (0.00)            | (0.01)            | (0.01)            |
| Net loss attributable to common stockholders          | <u>\$ (0.08)</u>  | <u>\$ (0.06)</u>  | <u>\$ (0.27)</u>  | <u>\$ (0.18)</u>  |
| Weighted average basic and diluted shares outstanding | <u>32,014,179</u> | <u>31,660,752</u> | <u>31,953,683</u> | <u>31,593,341</u> |

**THE STREET, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

|  | <u>For the Years Ended December 31,</u> |                     |
|--|---|---------------------|
|  | <u>2011</u>                             | <u>2010</u>         |
| <b>Cash Flows from Operating Activities:</b>   |   |                     |
| Net loss   | \$ (8,184,121)                          | \$ (5,334,607)      |
| Loss from discontinued operations  | 1,798                                   | 7,339               |
| Loss from continuing operations  | (8,182,323)                             | (5,327,268)         |
| Adjustments to reconcile loss from continuing operations to net cash provided by operating activities: |   |                     |
| Stock-based compensation expense   | 2,777,886                               | 2,336,443           |
| Restructuring and other charges  | 647,152                                 | --                  |
| Provision for doubtful accounts  | 150,825                                 | 62,559              |
| Depreciation and amortization  | 5,757,365                               | 4,692,520           |
| Deferred rent  | 663,020                                 | 1,703,614           |
| Noncash barter activity  | (107,210)                               | (76,060)            |
| Impairment charges   | --                                      | 555,000             |
| Gain on disposition of assets  | --                                      | (1,318,607)         |
| Gain on disposal of equipment  | --                                      | (20,600)            |
| Changes in operating assets and liabilities:   |   |                     |
| Accounts receivable  | 214,891                                 | (672,611)           |
| Other receivables  | 74,870                                  | 314,054             |
| Prepaid expenses and other current assets  | 469,366                                 | (53,061)            |
| Other assets   | 37,904                                  | (97,115)            |
| Accounts payable   | (150,305)                               | 292,477             |
| Accrued expenses   | (69,262)                                | 659,907             |
| Deferred revenue   | 1,272,137                               | 488,571             |
| Other current liabilities  | 6,330                                   | 50,455              |
| Other liabilities  | --                                      | 15,167              |
| Net cash provided by continuing operations   | 3,562,646                               | 3,605,445           |
| Net cash used in discontinued operations   | (3,669)                                 | (228,633)           |
| Net cash provided by operating activities  | <u>3,558,977</u>                        | <u>3,376,812</u>    |
| <b>Cash Flows from Investing Activities:</b>   |   |                     |
| Purchase of marketable securities  | (24,854,469)                            | (130,963,472)       |
| Sale of marketable securities  | 52,144,328                              | 94,473,125          |
| Sale of <a href="http://Promotions.com">Promotions.com</a>   | 265,000                                 | 1,746,876           |
| Sale of certain assets of TheStreet Ratings  | --                                      | 1,348,902           |
| Capital expenditures   | (1,974,406)                             | (6,717,749)         |
| Proceeds from the sale of fixed assets   | --                                      | 43,300              |
| Net cash provided by (used in) investing activities  | <u>25,580,453</u>                       | <u>(40,069,018)</u> |

**Cash Flows from Financing Activities:**

|  |                      |                      |
|--|----------------------|----------------------|
| Cash dividends paid on common stock                  | (3,446,892)          | (3,349,755)          |
| Cash dividends paid on preferred stock               | (385,696)            | (385,696)            |
| Restricted stock                                     | --                   | 41,709               |
| Purchase of treasury stock                           | (531,311)            | (66,886)             |
| Net cash used in financing activities                | (4,363,899)          | (3,760,628)          |
| Net increase (decrease) in cash and cash equivalents | 24,775,531           | (40,452,834)         |
| Cash and cash equivalents, beginning of period       | 20,089,660           | 60,542,494           |
| Cash and cash equivalents, end of period             | <u>\$ 44,865,191</u> | <u>\$ 20,089,660</u> |

## Supplemental disclosures of cash flow information:

|   |                     |                       |
|---|---------------------|-----------------------|
| Cash payments made for interest             | <u>\$ --</u>        | <u>\$ 1,720</u>       |
| Cash payments made for income taxes         | <u>\$ --</u>        | <u>\$ --</u>          |
| Net loss                                    | \$ (8,184,121)      | \$ (5,334,607)        |
| Noncash expenditures                        | 9,889,038           | 7,934,869             |
| Changes in operating assets and liabilities | 1,854,060           | 776,550               |
| Capital expenditures                        | (1,974,406)         | (6,717,749)           |
| Free cash flow                              | <u>\$ 1,584,571</u> | <u>\$ (3,340,937)</u> |

**THESTREET, INC.****CONSOLIDATED STATEMENTS OF OPERATIONS****For the Three Months Ended December 31, 2011 For the Three Months Ended December 31, 2010**

|                                       | <u>As Reported</u>    | <u>Pro Forma Adjustments</u> | <u>Pro Forma Results</u> | <u>As Reported</u>    | <u>Pro Forma Adjustments</u> | <u>Pro Forma Results</u> |
|---------------------------------------|-----------------------|------------------------------|--------------------------|-----------------------|------------------------------|--------------------------|
| Net revenue:                          |                       |                              |                          |                       |                              |                          |
| Premium services                      | \$ 9,835,537          | \$ --                        | \$ 9,835,537             | \$ 9,432,205          | \$ 2,000                     | \$ 9,430,205             |
| Marketing services                    | 4,433,703             | --                           | 4,433,703                | 5,253,194             | --                           | 5,253,194                |
| Total net revenue                     | <u>14,269,240</u>     | <u>--</u>                    | <u>14,269,240</u>        | <u>14,685,399</u>     | <u>2,000</u>                 | <u>14,683,399</u>        |
| Operating expense:                    |                       |                              |                          |                       |                              |                          |
| Cost of services                      | 6,462,815             | --                           | 6,462,815                | 6,584,437             | --                           | 6,584,437                |
| Sales and marketing                   | 3,559,380             | --                           | 3,559,380                | 4,551,870             | --                           | 4,551,870                |
| General and administrative            | 3,651,415             | --                           | 3,651,415                | 4,049,472             | --                           | 4,049,472                |
| Depreciation and amortization         | 1,264,840             | --                           | 1,264,840                | 1,466,552             | --                           | 1,466,552                |
| Restructuring and other charges       | 1,825,799             | --                           | 1,825,799                | --                    | --                           | --                       |
| Total operating expense               | <u>16,764,249</u>     | <u>--</u>                    | <u>16,764,249</u>        | <u>16,652,331</u>     | <u>--</u>                    | <u>16,652,331</u>        |
| Operating loss                        | <u>\$ (2,495,009)</u> | <u>\$ --</u>                 | <u>\$ (2,495,009)</u>    | <u>\$ (1,966,932)</u> | <u>\$ 2,000</u>              | <u>\$ (1,968,932)</u>    |
| Net loss                              | <u>\$ (2,392,425)</u> | <u>\$ --</u>                 | <u>\$ (2,392,425)</u>    | <u>\$ (1,747,167)</u> | <u>\$ 2,000</u>              | <u>\$ (1,749,167)</u>    |
| Net loss                              | \$ (2,392,425)        | \$ --                        | \$ (2,392,425)           | \$ (1,747,167)        | \$ 2,000                     | \$ (1,749,167)           |
| Net interest income                   | (137,924)             | --                           | (137,924)                | (203,674)             | --                           | (203,674)                |
| Loss on sale of marketable securities | 35,340                | --                           | 35,340                   | --                    | --                           | --                       |
| Depreciation and amortization         | <u>1,264,840</u>      | <u>--</u>                    | <u>1,264,840</u>         | <u>1,466,552</u>      | <u>--</u>                    | <u>1,466,552</u>         |
| EBITDA                                | (1,230,169)           | --                           | (1,230,169)              | (484,289)             | 2,000                        | (486,289)                |

|                                 |                     |              |                     |                  |                 |                  |
|---------------------------------|---------------------|--------------|---------------------|------------------|-----------------|------------------|
| Noncash compensation            | 611,725             | --           | 611,725             | 529,360          | --              | 529,360          |
| Restructuring and other charges | 1,825,799           | --           | 1,825,799           | --               | --              | --               |
| Transaction related costs       | 40,069              | --           | 40,069              | (28,374)         | --              | (28,374)         |
| Adjusted EBITDA                 | <u>\$ 1,247,424</u> | <u>\$ --</u> | <u>\$ 1,247,424</u> | <u>\$ 16,697</u> | <u>\$ 2,000</u> | <u>\$ 14,697</u> |

Note: Pro forma adjustments for 2010 exclude TheStreet Ratings revenue from global research settlement.

**THESTREET, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

|                                       | For the Year Ended December 31, 2011 |                       |                       | For the Year Ended December 31, 2010 |                       |                       |
|---------------------------------------|--------------------------------------|-----------------------|-----------------------|--------------------------------------|-----------------------|-----------------------|
|                                       | As Reported                          | Pro Forma Adjustments | Pro Forma Results     | As Reported                          | Pro Forma Adjustments | Pro Forma Results     |
| Net revenue:                          |                                      |                       |                       |                                      |                       |                       |
| Premium services                      | \$ 39,514,153                        | \$ --                 | \$ 39,514,153         | \$ 38,597,877                        | \$ 465,008            | \$ 38,132,869         |
| Marketing services                    | 18,245,847                           | --                    | 18,245,847            | 18,588,502                           | --                    | 18,588,502            |
| Total net revenue                     | <u>57,760,000</u>                    | <u>--</u>             | <u>57,760,000</u>     | <u>57,186,379</u>                    | <u>465,008</u>        | <u>56,721,371</u>     |
| Operating expense:                    |                                      |                       |                       |                                      |                       |                       |
| Cost of services                      | 26,499,085                           | --                    | 26,499,085            | 25,557,162                           | 345,205               | 25,211,957            |
| Sales and marketing                   | 16,681,562                           | --                    | 16,681,562            | 15,841,470                           | 41,510                | 15,799,960            |
| General and administrative            | 15,810,994                           | --                    | 15,810,994            | 18,052,633                           | 18,774                | 18,033,859            |
| Depreciation and amortization         | 5,757,365                            | --                    | 5,757,365             | 4,692,520                            | --                    | 4,692,520             |
| Restructuring and other charges       | 1,825,799                            | --                    | 1,825,799             | --                                   | --                    | --                    |
| Asset impairments                     | --                                   | --                    | --                    | 555,000                              | --                    | 555,000               |
| Gain on disposition of assets         | --                                   | --                    | --                    | (1,318,607)                          | --                    | (1,318,607)           |
| Total operating expense               | <u>66,574,805</u>                    | <u>--</u>             | <u>66,574,805</u>     | <u>63,380,178</u>                    | <u>405,489</u>        | <u>62,974,689</u>     |
| Operating loss                        | <u>\$ (8,814,805)</u>                | <u>\$ --</u>          | <u>\$ (8,814,805)</u> | <u>\$ (6,193,799)</u>                | <u>\$ 59,519</u>      | <u>\$ (6,253,318)</u> |
| Net loss                              | <u>\$ (8,184,121)</u>                | <u>\$ --</u>          | <u>\$ (8,184,121)</u> | <u>\$ (5,334,607)</u>                | <u>\$ 59,519</u>      | <u>\$ (5,394,126)</u> |
| Net loss                              | \$ (8,184,121)                       | \$ --                 | \$ (8,184,121)        | \$ (5,334,607)                       | \$ 59,519             | \$ (5,394,126)        |
| Net interest income                   | (667,822)                            | --                    | (667,822)             | (846,157)                            | --                    | (846,157)             |
| Loss on sale of marketable securities | 35,340                               | --                    | 35,340                | --                                   | --                    | --                    |
| Depreciation and amortization         | 5,757,365                            | --                    | 5,757,365             | 4,692,520                            | --                    | 4,692,520             |
| EBITDA                                | (3,059,238)                          | --                    | (3,059,238)           | (1,488,244)                          | 59,519                | (1,547,763)           |
| Noncash compensation                  | 2,777,886                            | --                    | 2,777,886             | 2,336,443                            | --                    | 2,336,443             |
| Restructuring and other charges       | 1,825,799                            | --                    | 1,825,799             | --                                   | --                    | --                    |
| Asset impairments                     | --                                   | --                    | --                    | 555,000                              | --                    | 555,000               |
| Gain on disposition of assets         | --                                   | --                    | --                    | (1,318,607)                          | --                    | (1,318,607)           |
| Other income                          | --                                   | --                    | --                    | (20,374)                             | --                    | (20,374)              |
| Transaction related costs             | 459,637                              | --                    | 459,637               | 1,177,868                            | --                    | 1,177,868             |
| Adjusted EBITDA                       | <u>\$ 2,004,084</u>                  | <u>\$ --</u>          | <u>\$ 2,004,084</u>   | <u>\$ 1,242,086</u>                  | <u>\$ 59,519</u>      | <u>\$ 1,182,567</u>   |

Note: Pro forma adjustments for 2010 exclude the Company's May 2010 divestiture of our Banking and Insurance Ratings product line as well as TheStreet Ratings revenue from global research settlement.

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