

uBid.com Holdings, Inc. Announces First Quarter 2007 Results

Net Loss improves \$600,000 or 30% over the year-ago period - Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and non-cash compensation charge was a loss of \$1.1 million compared to a loss of \$1.8 million in the first quarter of the prior year

Chicago, IL, May 14, 2007 – uBid.com Holdings, Inc. (OTCBB: UBHI) whose uBid, Inc. subsidiary is one of the leading business-to-consumer and business-to-business online marketplaces in the U.S., today announced results for the first quarter March 31, 2007.

Highlights for the first quarter of 2007 include:

- Net Revenues in uBid’s Certified Merchant Program, a key business metric, were up 50.0% to \$1.5 million compared to \$1.0 million one year ago.⁽¹⁾
- Net loss of \$1.4 million compares to a net loss of \$2.0 million in first quarter 2006.
- Adjusted Earnings before for Interest, Taxes, Depreciation, Amortization (EBITDA) and non-cash compensation improved 39.4% in the first quarter versus the first quarter of the prior year.⁽²⁾
- uBid’s Certified Merchant Program grew by 164.8% to 2,513 approved merchants at March 31, 2007 from 949 merchants at March 31, 2006. This also represents an increase of 22.6% from December 31, 2006.
- Active auction participants totaled 341,000, while the number of auction events increased 75.2% to approximately 545,000 from 311,000 in the first quarter of 2006.
- Customer registrations totaled approximately 64,000 in the first quarter of 2007 compared to approximately 57,000 in the fourth quarter of 2006.
- Total current assets at March 31, 2007 were \$22.3 million, which includes \$14.0 million in cash and cash equivalents.

Commenting on the results for the period, Robert H. Tomlinson Jr., CEO of uBid.com Holdings, Inc. stated, “With 50% revenue growth in our Certified Merchant Program, given that the first quarter is not seasonally our strongest, indicates we are continuing to execute on the strategy, strengthening merchant relationships and increasing our presence in the market.” Tomlinson added, “Profitability still remains a core objective which is reflected in our net loss improvement over last year and is in line with our expectations.”

Additional highlights include :

April 25, 2007 – uBid announced that it has repurchased in a private transaction 2,135,550 shares of common stock and 580,937 warrants for the treasury at a combined price of \$1.05 for the common stock and for the warrants for an aggregate total of \$2,242,328 from a private

investor. The repurchase represents 11% of the common stock and warrants currently outstanding. The Company has 18,197,783 outstanding shares of common stock after the repurchase.

Conference Call

uBid.com Holdings, Inc. will host a conference call on May 14, 2007 to discuss first quarter financial results at 5:00 P.M. ET. Hosting the call will be Robert H. Tomlinson Jr., President and Chief Executive Officer, and Miguel A. Martinez Jr., Vice President of Finance.

The conference call can be accessed live over the phone by dialing 1-800-811-8824, or for international callers 1-913-981-4903. A replay will be available one hour after the call and can be accessed by dialing 1-888-203-1112 or 1-719-457-0820 for international callers; the conference ID is 4083129. The replay will be available until June 10, 2007. The call will be webcast live from the Company's website at www.ubid.com, under the Investor Relations section.

About uBid.com Holdings, Inc.

uBid.com Holdings, Inc. and subsidiaries (the "Company") operate a leading on-line business-to-consumer and business-to-business marketplace that enables itself, certified merchants, manufacturers, retailers, distributors and small businesses to offer high quality excess, new, overstock, close-out, refurbished and limited supply brand name merchandise to consumer and business customers primarily located in the United States. Through the Company's website, located at www.ubid.com, the Company offers merchandise across a wide range of product categories including but not limited to computer products, consumer electronics, apparel, housewares, watches, jewelry, travel, sporting goods, home improvement products and collectibles. The Company's marketplace employs a combination of auction style and fixed price formats. uBid.com Holdings, Inc. is publicly traded on the NASD OTC bulletin board (UBHI).

⁽¹⁾ This news release contains the financial measure gross merchandise sales ("GMS") that is not an Accounting Principle Generally Accepted in the United States of America ("GAAP"). GMS represent the retail value of all sales transactions, inclusive of freight, which flow through the uBid.com platform, whether or not uBid.com is the seller of the merchandise, or records the full amount of such sales on its financial statements. We use gross merchandise sales as a metric for operating our business. We believe that investors will have a more thorough understanding of our historical revenue trends if they have visibility to GAAP net revenue as well as the non-GAAP financial measure gross merchandise sales. We believe that certain non-GAAP performance measures and ratios, which our management uses in managing our business, may provide users of this financial information additional meaningful comparisons between current results and results in prior operating periods. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our reported operating results or cash flow from operations or any other measure of performance prepared in accordance with GAAP. In addition, our presentation of these measures may not be comparable to similarly titled measures other companies use.

The table below is a reconciliation of GMS to the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles.

Reconciliation of GMS to GAAP
(Dollars in Thousands)

	Three Months Ended	
	March 31,	
	<u>2007</u>	<u>2006</u>
GMS	\$ 23,402	\$ 31,167
Cancellations	(2,677)	(2,910)
Backlog	(943)	(726)
GAAP Entry	(9,864)	(6,877)
Returns	<u>(311)</u>	<u>(566)</u>
Net Sales	<u>\$ 9,607</u>	<u>\$ 20,088</u>

GMS	Total revenue in auctions closed and Business to Business transactions
Cancellations	Auctions that will not be shipped due to credit and other issues
Backlog	Auctions & orders pending review in credit & approved orders at warehouse pending shipment
GAAP Entry	Entry required to eliminate sales under revenue sharing and commission arrangements under accounting principles generally accepted in the United States of America ("GAAP")
Returns	Credits issued to customers for return products and customer satisfaction and related reserves

(2) Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization adjusted for stock based compensation, a non-cash item.

Reconciliation of EBITDA
(Dollars in Thousands)

	Three Months Ended	
	March 31,	
	<u>2007</u>	<u>2006</u>
Net Loss	\$ (1,415)	\$ (2,003)
Interest Income	(124)	(146)
Depreciation & Amortization	<u>182</u>	<u>70</u>
EBITDA	(1,357)	(2,079)
Stock Based Compensation	<u>238</u>	<u>231</u>
Adjusted EBITDA (2)	<u>\$ (1,119)</u>	<u>\$ (1,848)</u>

(3) Net loss adjusted for impact of inventory markdowns, severance and for stock based compensation, a non-cash item.

Reconciliation of Net Loss
(Dollars in Thousands)

	Three Months Ended	
	March 31,	
	2007	2006
Net Loss	<u>\$ (1,415)</u>	<u>\$ (2,003)</u>
Inventory Markdowns	127	120
Severance	9	-
Stock Based Compensation	<u>238</u>	<u>231</u>
Adjusted Net Loss (3)	<u>\$ (1,041)</u>	<u>\$ (1,652)</u>

Included in this press release is our unaudited Consolidated Balance Sheet and Consolidated Statement of Operations for the Period ended March 31, 2007.

uBid.com Holdings, Inc and Subsidiaries
Consolidated Condensed Balance Sheets
(Dollars in Thousands, except par value data)
(Unaudited)

	March 31, 2007	December 31, 2006
Assets		
Current Assets		
Cash and cash equivalents	\$ 13,779	\$ 14,785
Restricted investments	216	214
Accounts receivable, less allowance for doubtful accounts of \$215 and \$60, respectively	1,223	1,810
Merchandise inventories	6,127	4,054
Prepaid expenses and other current assets	910	1,189
	22,255	22,052
Total Current Assets	22,255	22,052
Property and Equipment, net	859	924
Purchased Intangible Assets	512	602
	23,626	23,578
Total Assets	\$ 23,626	\$ 23,578
Liabilities and Shareholders' Equity		
Current Liabilities		
Flooring facility	\$ 501	\$ 152
Accounts payable	3,371	2,239
Accrued expenses:		
Advertising	462	428
Other	734	1,024
	5,068	3,843
Total Current Liabilities	5,068	3,843
Shareholders' Equity		
Common stock, \$.001 par value (200,000,000 shares authorized; 20,333,333 issued and outstanding)	20	20
Stock warrants	8,086	8,086
Additional paid-in-capital	37,086	36,848
Accumulated deficit	(26,634)	(25,219)
	18,558	19,735
Total Shareholders' Equity	18,558	19,735
Total Liabilities and Shareholders' Equity	\$ 23,626	\$ 23,578

uBid.com Holdings, Inc. and Subsidiaries
Consolidated Condensed Statements of Operations
(Dollars in Thousands, except for Share and per share data)
(Unaudited)

	Three Months Ended March 31,	
	2007	2006
Net Revenues	\$ 9,607	\$ 20,088
Cost of Revenues	7,055	17,178
Gross Profit	2,552	2,910
Operating Expenses		
General and administrative	3,022	3,534
Sales and marketing	1,069	1,525
Total operating expenses	4,091	5,059
Loss From Operations	(1,539)	(2,149)
Interest Expense	(112)	(47)
Interest Income	176	193
Other Income (Expense), net	60	0
Net Loss	\$ (1,415)	\$ (2,003)
Net Loss per share - Basic and Diluted	\$ (0.07)	\$ (0.10)
Weighted Average Shares - Basic and Diluted	20,333,333	19,955,536

SEC Filings and Forward-Looking Statements

Additional information about uBid.com Holdings, Inc. is available in the company's annual report on Form 10- K as amended, filed with the Securities and Exchange Commission. Certain statements made in this release are forward-looking statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business of uBid.com Holdings, Inc. and the industries and markets in which uBid.com Holdings, Inc. operates. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions, which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied by these forward-looking statements. Factors which may affect the forward looking statement identified above and uBid.com Holdings, Inc.'s business, financial condition and operating results generally include the effects of adverse changes in the economy, reductions in consumer spending, declines in the financial markets and the industries in which uBid.com Holdings, Inc. and its partners operate, adverse changes affecting the Internet and e-commerce, the ability of uBid.com Holdings, Inc. to develop and maintain relationships with strategic partners and suppliers and the timing of its establishment or extension of its relationships with strategic partners, the ability of uBid.com Holdings, Inc. to timely and successfully develop, maintain and protect its technology and product and service offerings and execute operationally, the ability of uBid.com Holdings, Inc. to attract and retain qualified personnel, the ability of uBid.com Holdings, Inc. to successfully integrate its acquisitions of other businesses, if any, and the performance of acquired businesses. uBid.com Holdings, Inc. expressly disclaims any intent or obligation to update these forward-looking statements, except as otherwise specifically stated by uBid.com Holdings, Inc.