

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

uBid continues trend toward profitability

Net Loss improves \$1,184,000 or 43.5% over the year-ago period- - Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) and non-cash compensation charge was a loss of \$1.2 million compared to a loss of \$2.5 million in the second quarter of the prior year

Chicago, IL, August 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 auction marketplaces in the U.S., today announced results for the second quarter ended June 30, 2007.

Highlights for the second quarter of 2007 include:

- Net Revenues in uBid's Certified Merchant Program, a key business metric, were up 26.6% to \$1.3 million compared to \$1.1 million one year ago.⁽¹⁾
- Gross Profit for the quarter increased \$752,000 or 35.5% over the same period prior year. The gross profit percentage increased to 21.0% from 11.1% in the prior year.
- Net loss of \$1.5 million compares to a net loss of \$2.7 million in second quarter 2006.
- Adjusted Earnings before for Interest, Taxes, Depreciation, Amortization (EBITDA) and non-cash compensation improved 50.0% in the second quarter versus the second quarter of the prior year.⁽²⁾
- uBid's Certified Merchant Program grew by 119.8% to 2,873 approved merchants at June 30, 2007 from 1,307 merchants at June 30, 2006. This also represents an increase of 14.3% from March 31, 2007.
- Active auction participants totaled 342,000, while the number of auction events increased 29.3% to approximately 619,000 from 478,000 in the second quarter of 2006.
- Customer registrations totaled approximately 60,000 in the second quarter of 2007 compared to approximately 52,000 in the second quarter of 2006.
- Operating Expenses decreased \$430,000 or 8.8% in the second quarter of 2007 compared to the prior year.
- Total current assets at June 30, 2007 were \$18.0 million, which includes \$10.5 million in cash and cash equivalents. During the quarter we used \$2.4 million in cash to repurchase 11% of our outstanding stock.

Commenting on the results for the period, Robert H. Tomlinson Jr., CEO of uBid.com Holdings, Inc. stated, "We have discussed uBid's transformation for several quarters now and we can now see its impact with a 36% growth in gross profit and transaction fees and a more than doubling of our Certified Merchants over last year." Tomlinson added, "The trend towards profitability in the first half of 2007, coupled with an 11% stock buyback in April, continues to enhance uBid's value proposition for our Shareholders."

Additional highlights include:

April 25, 2007 – uBid announced that it has repurchased in a private transaction 2,135,550 shares of common stock and 580,397 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.

May 14, 2007 – uBid announced that it has increased its Board from five to six members and elected Mr. Casey Gunnell as an additional director and elected him to serve as Chairman of the Audit Committee.

Conference Call

uBid.com Holdings, Inc. will host a conference call on August 14, 2007 to discuss second quarter financial results at 4:30 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 1-866-578-5771, or for international callers 1-617-213-8055. A replay will be available one hour after the call and can be accessed by dialing 1-888-286-8010 or 1-617-801-6888 for international callers; the conference ID is 15011243. The replay will be available until August 21, 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		Six Months Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
GMS	\$ 26,368	\$ 30,286	\$ 49,769	\$ 61,453
Cancellations	(3,258)	(2,327)	(5,935)	(5,237)
Backlog	(791)	(682)	(791)	(682)
GAAP Entry	(8,277)	(7,628)	(19,083)	(15,231)
Returns	<u>(379)</u>	<u>(552)</u>	<u>(690)</u>	<u>(1,118)</u>
Net Sales	<u>\$ 13,663</u>	<u>\$ 19,097</u>	<u>\$ 23,270</u>	<u>\$ 39,185</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

(Dollars in Thousands)

	Three months Ended June 30,		Six months Ended June 30,	
	2007	2006	2007	2006
Net Revenue				
Direct	\$ 9,002	\$ 14,949	\$ 16,770	\$ 31,253
UCM	1,341	1,059	2,797	2,068
Business to Business	3,035	2,992	3,096	5,679
Other	285	97	607	185
Total	\$ 13,663	\$ 19,097	\$ 23,270	\$ 39,185
Gross Profit				
Direct	\$ 873	\$ 892	\$ 1,633	\$ 2,314
UCM	1,341	1,059	2,797	2,068
Business to Business	370	69	384	459
Other	285	97	607	185
Total	\$ 2,869	\$ 2,117	\$ 5,421	\$ 5,026
Gross Profit %				
Direct	9.7%	6.0%	9.7%	7.4%
UCM	100.0%	100.0%	100.0%	100.0%
Business to Business	12.2%	2.3%	12.4%	8.1%
Other	100.0%	100.0%	100.0%	100.0%
Total	21.0%	11.1%	23.3%	12.8%

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

Reconciliation of EBITDA and Adjusted EBITDA
(Dollars in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2007	2006	2007	2006
Net Loss	\$ (1,537)	\$ (2,721)	\$ (2,953)	\$ (4,724)
Interest Income	(51)	(49)	(175)	(195)
Depreciation & Amortization	227	73	410	143
EBITDA	(1,361)	(2,697)	(2,718)	(4,776)
Stock Based Compensation	127	230	365	460
Adjusted EBITDA (2)	\$ (1,234)	\$ (2,467)	\$ (2,353)	\$ (4,316)

Included in this press release is our unaudited Consolidated Balance Sheet and Consolidated Statement of Operations for the period ended June 30, 2007.

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

	June 30, 2007	December 31, 2006
Assets		
Current Assets		
Cash and cash equivalents	\$ 10,355	\$ 14,785
Restricted investments	216	214
Accounts receivable, less allowance for doubtful accounts of \$215 and \$215, respectively	2,114	1,810
Merchandise inventories, net	4,303	4,054
Prepaid expenses and other current assets	1,037	1,189
	18,025	22,052
Total Current Assets	18,025	22,052
Property and Equipment, net	840	924
Purchased Intangible Assets, net	377	602
	19,242	23,578
Total Assets	\$ 19,242	\$ 23,578
Liabilities and Shareholders' Equity		
Current Liabilities		
Flooring facility	\$ 978	\$ 152
Accounts payable	2,386	2,239
Accrued expenses:		
Advertising	242	428
Other	731	1,024
	4,337	3,843
Total Current Liabilities	4,337	3,843
Shareholders' Equity		
Common stock, \$.001 par value (200,000,000 shares authorized; 18,197,783 and 20,333,333 issued and outstanding, respectively)	20	20
Treasury stock, 2,135,550 shares of common stock and 580,937 warrants at cost	(2,242)	-
Stock warrants	8,086	8,086
Additional paid-in-capital	37,213	36,848
Accumulated deficit	(28,172)	(25,219)
	14,905	19,735
Total Shareholders' Equity	14,905	19,735
Total Liabilities and Shareholders' Equity	\$ 19,242	\$ 23,578

The accompanying notes are an integral part of these consolidated condensed financial statements.

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

	For the Six Months Ended		For the Six Months Ended	
	June 30,		June 30,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Net Revenues	\$ 13,663	\$ 19,097	\$ 23,270	\$ 39,185
Cost of Revenues	<u>10,794</u>	<u>16,980</u>	<u>17,849</u>	<u>34,159</u>
Gross Profit	<u>2,869</u>	<u>2,117</u>	<u>5,421</u>	<u>5,026</u>
Operating Expenses:				
General and Administrative	3,326	3,451	6,348	6,984
Sales and Marketing	<u>1,131</u>	<u>1,436</u>	<u>2,200</u>	<u>2,961</u>
Total Operating Expenses	<u>4,457</u>	<u>4,887</u>	<u>8,548</u>	<u>9,945</u>
Loss From Operations	<u>(1,588)</u>	<u>(2,770)</u>	<u>(3,127)</u>	<u>(4,919)</u>
Other Income (Expense):				
Interest Expense	(98)	(110)	(210)	(158)
Interest Income	149	159	324	353
Miscellaneous Income	-	-	60	-
Total Other Expense, Net	<u>51</u>	<u>49</u>	<u>174</u>	<u>195</u>
Net Loss	(1,537)	(2,721)	(2,953)	(4,724)
Preferred Stock and Other Deemed Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Loss Available to Common Shareholders	<u>\$ (1,537)</u>	<u>\$ (2,721)</u>	<u>\$ (2,953)</u>	<u>\$ (4,724)</u>
Net Loss per share - Basic and Diluted	\$ (0.08)	\$ (0.13)	\$ (0.15)	\$ (0.23)
Weighted Average Shares - Basic and Diluted	18,761,005	20,333,333	19,542,826	20,156,911

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.