

STAMPS.COM INC  
Form 10-Q  
May 10, 2011

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended March 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-26427

Stamps.com Inc.  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)

77-0454966  
(I.R.S. Employer Identification No.)

12959 Coral Tree Place  
Los Angeles, California 90066  
(Address of principal executive offices, including zip code)

(310) 482-5800  
(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to

submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 30, 2011, there were approximately 14,339,644 shares of the Registrant's Common Stock issued and outstanding.

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STAMPS.COM INC. AND SUBSIDIARY  
 FORM 10-Q QUARTERLY REPORT FOR THE QUARTER ENDED MARCH 31, 2011

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## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

STAMPS.COM INC. AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
(In thousands, except per share data)

	March 31, 2011 (unaudited)	December 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,160	\$ 8,071
Short-term investments	12,291	12,291
Accounts receivable, net	6,180	4,868
Other current assets	4,367	4,015
Total current assets	32,998	29,245
Property and equipment, net	1,624	1,694
Intangible assets, net	873	885
Long-term investments	13,595	14,937
Deferred income taxes.	7,650	7,650
Other assets	3,092	3,031
Total assets	\$ 59,832	\$ 57,442
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 9,447	\$ 9,011
Deferred revenue	4,335	4,193
Total current liabilities	13,782	13,204
Commitments and contingencies		
Stockholders' equity:		
Common stock, \$.001 par value, Authorized shares: 47,500 in 2011 and 2010, Issued shares: 24,834 in 2011 and 24,757 in 2010, Outstanding shares: 14,392 in 2011 and 14,490 in 2010	47	47
Additional paid-in capital	609,935	608,522
Accumulated deficit	(443,929 )	(446,603 )
Treasury stock, at cost, 10,442 shares in 2011 and 10,267 shares in 2010	(120,343 )	(118,151 )
Accumulated other comprehensive income	340	423
Total stockholders' equity	46,050	44,238
Total liabilities and stockholders' equity	\$ 59,832	\$ 57,442

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

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STAMPS.COM INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF INCOME  
(In thousands, except per share data)  
(Unaudited)

	Three Months Ended March 31,	
	2011	2010
Revenues:		
Service	\$17,237	\$16,018
Product	3,365	3,073
Insurance	833	394
PhotoStamps	1,381	1,501
Other	1	3
Total revenues	22,817	20,989
Cost of revenues:		
Service	3,580	3,483
Product	1,292	1,139
Insurance	262	114
PhotoStamps	1,090	1,078
Total cost of revenues	6,224	5,814
Gross profit	16,593	15,175
Operating expenses:		
Sales and marketing	8,276	7,984
Research and development	2,273	2,170
General and administrative	3,460	2,967
Total operating expenses	14,009	13,121
Income from operations	2,584	2,054
Interest and other income, net	156	171
Income before income taxes	2,740	2,225
Income tax expense	65	80
Net income	\$2,675	\$2,145
Net income per share		
Basic	\$0.18	\$0.14
Diluted	\$0.18	\$0.14
Weighted average shares outstanding		