

PUBLIC (REDACTED) VERSION

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT LIST)	Docket No. MC2013-57
ADDING ROUND-TRIP MAILER)	
COMPETITIVE PRODUCT PRICES)	Docket No. CP2013-75
ROUND-TRIP MAILER (MC2013-57))	

ANSWERS OF GAMEFLY, INC., TO CHAIRMAN'S INFORMATION REQUEST NO. 2

(January 17, 2014)

GameFly, Inc., ("GameFly") respectfully submits its answers to Chairman's Information Request No. 2 (issued December 18, 2013). Each question is quoted verbatim and then followed by GameFly's answer. These answers were prepared under the supervision of David Hodess, CEO of GameFly.

Respectfully submitted,

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January 17, 2014

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[END GAMEFLY PROPRIETARY]

Question 2. For the period FY 2006 through FY 2013, please provide GameFly's total annual revenue and volume from product sales distributed:

- a. Via round-trip mailer;
- b. Via other First-Class Mail;
- c. Via downloading over the Internet; and
- d. Via all other means (please specify).

Answer: [BEGIN GAMEFLY PROPRIETARY]

a. [REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]							
[REDACTED]							
[REDACTED]							
[REDACTED]							
[REDACTED]							
[REDACTED]							
[REDACTED]							
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[REDACTED]							
[REDACTED]							

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Question 3. Please provide the average and incremental costs of using different methods to deliver (a) rentals; and (b) sales via the delivery methods identified in questions 1 and 2.

Answer: [BEGIN GAMEFLY PROPRIETARY]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[END GAMEFLY PROPRIETARY]

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Question 4. Please provide all studies and analyses prepared by or on behalf of GameFly concerning the feasibility and/or cost of distributing its products via delivery means other than the Postal Service.

Answer: **[BEGIN GAMEFLY PROPRIETARY]**



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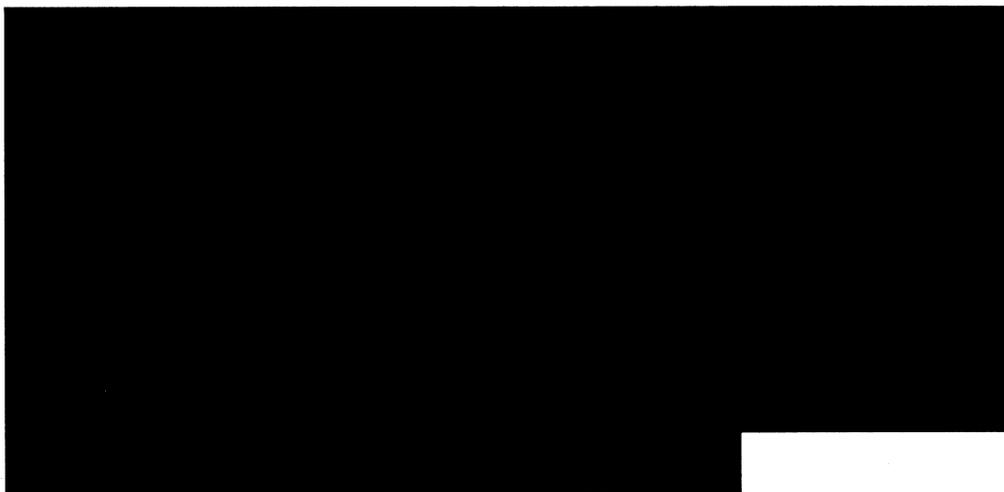
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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GameFly Exhibit CHIR 2, Q4
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GAMEFLY EXHIBIT CHIR 2, Q4
GameFly Digital Operating Income

[BEGIN GAMEFLY PROPRIETARY]

	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Total
Revenue (1)													
Cost of Revenue													
Gross Profit													
G & A													
Marketing													
Product Development													
Customer Service													
Distribution													
Depreciation and Amortization													
Operating Expenses													
Operating Income													
Gross Revenue (2)													
Net Revenue Margin (row 7/row 21)													

(1) GAAP net revenue recognized by GameFly (Gross revenue less revenue share payments to publishers)
 (2) Total amount charged to consumers

[END GAMEFLY PROPRIETARY]

GAMEFLY EXHIBIT CHIR 2, Q4
GameFly Kiosk Operating Income

[BEGIN GAMEFLY PROPRIETARY]

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Total
Revenue											
Cost of Revenue											
Gross Profit											
G & A											
Marketing											
Product Development											
Customer Service											
Distribution											
Depreciation and Amortization											
Operating Expenses											
Operating Income											

[END GAMEFLY PROPRIETARY]

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Question 5. What percentage of GameFly's current customers use:

- a. Internet streaming service only;
- b. DVD-by-mail service; and
- c. Both Internet streaming and DVD-by-mail services?

Answer: **[BEGIN GAMEFLY PROPRIETARY]**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[END GAMEFLY PROPRIETARY]