

Updated March 2010

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OVERVIEW

The average American has more than a dozen unused gadgets in their home worth hundreds of dollars. The solution? Gazelle is an online service that offers the simplest, fastest and most trusted means for people to trade in or recycle their electronic gadgets for cash. As both the largest and fastest-growing player in the reCommerce industry, Gazelle's vision is to completely redefine the consumption of electronic devices and change the way people think about buying, owning, selling and recycling those devices. Since its inception in 2007, 75,000 consumers have used Gazelle to reCommerce more than 100,000 products and responsibly recycle thousands more.

Rather than dealing with complicated peer-to-peer marketplaces, Gazelle takes the guesswork out of the process and is as easy as 1,2,3: Get an offer online, send in your item (shipping is free) and get paid right away. Gazelle has removed all the barriers, including concerns about shipping, data erasure, payment, responsible recycling, and all the inconveniences of peer-to-peer sales.

Gazelle Fast Facts

- In 2006, Israel Ganot and Rousseau Aurelien founded Gazelle under the name Second Rotation.
- In January 2008, Gazelle announced it closed its first round of funding, raising \$4.4 million. The funding round was led by Venrock, a premier venture capital firm founded by the Rockefeller family, and also included angel investors Austin Ligon, Ashton Peery and Henry Vogel.
- Gazelle is leading the reCommerce industry as both the largest and fastest-growing player; achieving 300% annual growth in 2009.
- Since inception, more than 75,000 consumers have gazedled more than 100,000 products and responsibly recycle thousands more.
- Gazelle currently offers trade-in for 20 distinct item categories that represent approximately 200,000 different consumer electronic products
- A consumer that gazelles their electronic devices receives on average \$100 in cash.
- In 2009, Gazelle expanded took its trade in service to leading retailers and today powers Electronic Trade In Programs for Costco (Costco.gazelle.com), Sears and Walmart.com (walmart.gazelle.com).
- Company headquarters are located in Allston, Massachusetts.

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FREQUENTLY ASKED QUESTIONS

General Gazelle Questions

What is Gazelle?

Gazelle is the largest and fastest-growing player in the reCommerce industry, offering consumers the opportunity to trade in gadgets they no longer use and get cash. Since 2006, 75,000 consumers have worked with Gazelle to reCommerce over 100,000 products and responsibly recycle thousands more.

How and when were you founded?

One of the key motivations for the founding of the company came from a personal experience had by co-founder Israel Ganot who, when trying to recycle a couple of used cell phones at a local retailer that offered a recycling drop off, was told he would be charged \$10. Israel decided not to pay the fee and later learned the old phones were actually worth twice what the retailer had wanted to charge to recycle. What Israel took away was a feeling that nobody ever would or should pay to recycle. Gazelle was founded to reward consumers for smart behavior and make it simple and free to recycle.

How does Gazelle work?

Gazelle is an online service. Visit gazelle.com to find the value of your electronic device, then send the item to Gazelle - shipping is free on all transactions of at least \$1 and shipping materials are provided for smaller items. Once the item arrives at Gazelle, it is evaluated by a trained member of the gadget lab team and payment is processed.

How does Gazelle make money?

Gazelle makes money by reselling items into reuse. By trading in with Gazelle, customers are purchasing convenience and reliability, as well as trust that their items will be treated responsibly. Gazelle then ensures that these items extend their life in a new, happy home.

What are the core benefits of working with Gazelle to reCommerce your electronic devices?

Gazelle allows consumers to upgrade to the latest technology, declutter their homes and contribute to a cleaner planet. Gazelle has removed all the barriers, including concerns about shipping, data erasure, payment, responsible recycling, and all the inconveniences of peer-to-peer sales. And of course it's fun. Go to gazelle.com to see how much your items are worth, send them in and then you get cash!

What kinds of items does Gazelle accept for reCommerce or recycling?

Gazelle currently offers the largest breadth and depth of categories in the industry: 20 item categories, representing about 200,000 different consumer electronic products including mp3 players, cell phones, digital cameras, gaming consoles, home audio, eBook readers, desktop computers, satellite radios, laptop computers, and more.

How are you a green business?

Gazelle offers a naturally green service because it enables and promotes more responsible and efficient consumption of consumer electronics. Gazelle makes it simple for customers to recycle electronic devices and rewards them for their good behavior. In addition, we continuously improve our processes to make them more environmentally responsible, from using FSC certified printers, to reusing packing material, and improving in-office recycling programs.

Who are your current retail partners:

We currently power Electronic Trade In Programs for Costco, Walmart.com, OfficeDepot, and Sears.

Will you develop additional retail partnerships?

In 2009, retail relationships made up about 5% of our overall revenue. We are actively looking to forge relationships with more retailers and expect that by 2012 these relationships could account for nearly 30% of our revenue.

Questions About the Gazelle Process

What happens to my gadget once Gazelle receives it?

Every item is evaluated by a trained member of the Gazelle gadget lab team, who checks the gadget out to make sure it is the right model and in the appropriate condition. Gadget lab team members are also responsible for removing all data from each device.

What about data erasure?

The Gazelle team is trained to remove data using department of defense software. Data is erased from every item before it is sold into reuse.

What do you do with electronic devices once they are inspected?

Many items are sold through retail channels such as eBay and Amazon while others are sold for reuse to wholesale partners. A smaller number are responsibly recycled through Gazelle's domestic recycling partners.

What about recycling - how does that work?

Gazelle works with premier US based recycling partners to responsibly recycle all electronics according to US government standards, including zero landfill policy and no overseas shipment.

What's so bad about throwing away electronics?

E-Waste is the fastest growing part of the US garbage stream. Every day, Americans throw out more than 350,000 cell phones, more than 100 million per year. An additional 130,000 computers are discarded daily. These e-waste items, if improperly disposed of, leak lead, cadmium, mercury, chromium, and polyvinyl chloride, materials that have toxicological effects that range from brain damage, kidney disease, to mutations, various forms of cancers affecting the quality of clean water, agriculture and soil used for food supplies.

Gazelle offers a simple and worry-free way to recycle electronics- and many people are surprised to learn that we will actually pay them cash for their items.

How much money does Gazelle offer for electronic devices?

Gazelle calculates a unique offer for each device based on condition and current market value. However, the average consumer that gazelles their gadgets receives \$100 on their transaction.

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ENVIRONMENTAL AND COMMUNITY IMPACT

Every day, Americans throw out more than 350,000 cell phones, more than 100 million per year. An additional 130,000 computers are discarded daily. These e-waste items, if improperly disposed of, chemicals that have toxicological effects that impact the quality of clean water, agriculture and soil used for food supplies.

Everyone knows that they aren't supposed to throw away electronics. The real challenge is that we don't know what we are supposed to do with them. Gazelle eliminates that "question mark." Now everyone has a simple and worry-free way to recycle electronics.

More reCommerce is good everyone:

Today, less than 1% of consumer electronics participate in reCommerce at their end of use and only about 20% are properly recycled at their end of life. Gazelle believes that during the next 5 years it will lead the way to increasing reCommerce rates to nearly 10% in the US, while providing a free and convenient recycling service that will encourage more consumers to responsibly dispose of recyclable gadgets. When this occurs, high quality goods will stay in the marketplace longer and fewer new electronics will need to be manufactured.

The Three R's: Reuse, Reduce, Recycle.

Everyone is familiar with the 3Rs- reduce, reuse, recycle and most consumers now know what to do with their used plastic, paper, and glass. Gazelle makes it just as simple with electronics and is rewarding consumers for their smart behavior. Gazelle *reduces* the number of electronics in people's homes, promotes *reuse* as the first form of recycling and enables simple responsible *recycling* of consumer electronics

Since 2006, 75,000 consumers have used Gazelle to reCommerce more than 100,000 products and responsibly recycle thousands more.

Gazelle currently offers trade-in for 20 distinct item categories that represent approximately 200,000 different consumer electronic products including mp3 players, cell phones and laptop computers. Gazelle works with premier US based recycling partners to responsibly recycle the items that cannot be resold into reuse (typically about 10% of trade-ins). These products are then recycled according to US government standards that include zero landfill policy and no overseas shipment.

As the leader in the reCommerce industry, Gazelle is empowering smarter consumers.

Gazelle customers become smarter buyers, owners, sellers, and disposers of their electronics. When buying, they care about how green a product is and what its potential long-term value is likely to be. Gazelle customers only own products that are in active use and sell those that become inactive. And when their product has reached the end of its life, they always ensure that it is responsibly recycled.

In a recent survey, 90% of Gazelle customers said that using Gazelle has made them more aware of how green electronics are that they are purchasing, and 70% said that using Gazelle has made them consider the potential long-term resale value of a new item they are buying. On average, Gazelle customers have 75% fewer inactive products at home than the average consumer. In the same survey, more than half of Gazelle customers reported that if Gazelle did not exist they would have either thrown their electronic away or left it sitting lifeless in a drawer or closet.

Gazelle is serious about being green.

Gazelle is an active member of numerous organizations, including International Association of Electronic Recyclers and the National Recycling Coalition. Gazelle recycling partners are rigorously selected and must meet a strict set of criteria, adhering and committing to the following:

- **No export policy** with regard to unprocessed recyclable e-waste material

- **No landfill policy** to prevent any and all e-waste from entering solid waste landfills
- **No use of prison labor** as defined in Basel Action Network's creed
- **Data Security:** All products are wiped free of personal data prior to destruction

Additionally, Gazelle recycling partners must also be associated or accredited by one or more of the following:

- Independently audited ISO 9001:2000 and/or 14001 certifications
- A state issued ID # or recognized equivalent from the EPA
- A documented EMS (Environmental Management System)
- A safe, environmentally sound workplace free from any OSHA violations or citations.

Gazelle has also partnered with EarthEra help balance the carbon impact of its daily business operations, and expand the experience to Gazelle customers through the EarthEra Climate-Friendly Shipping program. Gazelle offers EarthEra Climate-Friendly Shipping free to their customers for a limited time, and then will allow customers voluntarily participate in the program. The EarthEra Climate-Friendly Shipping program provides Gazelle customers an added opportunity to balance the carbon impact associated with the shipment of their gadgets.

At home, Gazelle employees practice what they preach.

In addition to in-office recycling and paper reduction efforts, Gazelle reuses shipping boxes for inbound and outbound delivery, uses FSC certified printers, purchases carbon offsets to balance the impact of hosting Gazelle.com, and encourages taking public transit, walking and biking to work. Gazelle employees are active members of the Boston community and regularly participate in volunteer work throughout the city, including environmental initiatives such as local beach and park clean ups.

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ISRAEL GANOT CEO, PRESIDENT and Co-Founder



Under the leadership of Israel Ganot —CEO, President and Co-Founder of Gazelle — the company has emerged as the largest and fastest-growing player in the reCommerce industry with 300% growth in revenues and product acquired in 2009. Israel has established Gazelle as the reCommerce leader, drawing more than 75,000 consumers to trade in their used electronic devices.

At age 18, Israel enrolled in NYU planning to join the ranks on Wall Street, but upon graduation, professors suggested he instead pursue a PhD. He applied to Harvard's DMB program and began working, writing business case studies for a Harvard professor. His first assignment took him to Seattle to visit an emerging company and its leader, and to study the business' future potential. The company? Microsoft. And the man? Bill Gates. This meeting changed Israel's career path and precipitated his passion for technology.

Israel now brings 19 years of e-commerce and offline retail experience to Gazelle, having spent six years at eBay and PayPal, where he was instrumental in the company's international expansion in Europe, Latin America and Asia. Israel also served as Director of Finance & Operations at eBay UK Ltd., where he helped scale the local business to \$300 million. He began his career as a retail analyst with Goldman Sachs.

As a leading authority on e-commerce and reCommerce, Israel has been interviewed by top news outlets, including *The Wall Street Journal*, *Forbes*, *New York Times*, CNN and FOXNews. Israel holds an MBA from Harvard and a bachelors degree from New York University's Stern School of Business.