



November 7, 2008

PFSweb Reports New Client Developments

PLANO, Texas, Nov 07, 2008 (BUSINESS WIRE) --

--Announces client contract non-renewal for 2009

--Reaffirms previous 2008 Adjusted EBITDA and non-GAAP net income guidance

PFSweb, Inc. (Nasdaq: PFSW), an international business process outsourcing provider of end-to-end web commerce solutions and an online discount retailer, today announced five new Service Fee client engagements and the non-renewal of one large Service Fee client contract for fiscal 2009. The Company also reiterated its previous Adjusted EBITDA and non-GAAP net income guidance for fiscal year 2008.

Four of the five new client wins are directly attributable to PFSweb's end-to-end eCommerce initiative launched earlier this year. These four end-to-end eCommerce engagements each involve widely recognized luxury or fashion apparel brands within a single global portfolio of premium brands. Under a master agreement, PFSweb is leveraging its eCommerce technology and interactive marketing services as well as order fulfillment, warehousing, and logistics services to provide a comprehensive end-to-end eCommerce solution to support each of the four brands. As part of its end-to-end eCommerce solution, PFSweb utilizes the DemandWare eCommerce platform to create advanced front-end web storefronts that empower each brand's marketers with the tools to drive continual innovation and growth. PFSweb is also providing custom-tailored, high-touch fashion and apparel customer care services for each brand. Implementation of these brands' programs is currently expected to be completed throughout the 2009 calendar year, with the first site expected to launch in the first quarter of 2009. Under the master agreement, additional brands within the portfolio may be added as additional client engagements in the future.

PFSweb has also been selected by a large footwear retailer with global operations to provide a seamless customer service solution that supports its multi-channel business operations. Under the agreement, PFSweb will provide customer contact services from its Plano, Texas and Memphis, Tennessee facilities. PFSweb will fully integrate and interface with the client's systems to provide a seamless brand representation and customer service solution.

Mike Willoughby, President of PFSweb's services division, stated, "These five new engagements represent a significant expansion of our growing portfolio of image and luxury fashion and apparel brands, and we are excited to be partnering with each of these prestigious brands. With more than 15 years experience supporting some of the world's best known brands, and with offices in the U.S., Canada, Europe and Asia, our clients are partnering with one of the most experienced eCommerce services companies in the world. In light of the current economic uncertainty, we are pleased with our continued growth in new business as well as the strong prospective sales pipeline we maintain, which we believe is a result of continued strong demand for global eCommerce solutions."

After considering the five new client wins, PFSweb is reporting a current pipeline for potential new business that is in excess of \$30 million including a contract currently being finalized. This new business pipeline value is in line with the Company's expectations for this time of year and is still targeted to increase through the remainder of the calendar year.

PFSweb also announced today the non-renewal, effective early in 2009, of a large client engagement with an agency of the U.S. government. Mr. Willoughby commented, "The non-renewal of this client is clearly disappointing and it will impact our growth outlook for 2009. Nevertheless, our business is designed with flexibility in mind and we are targeting to redeploy certain technology and equipment infrastructure to other clients and reduce variable expenses directly attributable to this client."

Fiscal Year 2008 Guidance

PFSweb now targets total consolidated revenues for 2008 excluding pass-through revenues, of approximately \$425 million to \$440 million as compared to the range of approximately \$445 million to \$475 million previously communicated. The change in revenue guidance is a result of lower Q4 forecasts recently received from numerous clients and attributed to slowing consumer demand as a result of the weakening worldwide economic conditions. However, the Company is maintaining its Adjusted EBITDA and non-GAAP-net income guidance for 2008 as it expects to include a larger percentage of higher margin project activities in Q4 2008 than previously forecast and it has instituted additional cost control measures in the businesses. PFSweb continues to target consolidated Adjusted EBITDA of \$10 -- \$12 million and non-GAAP net income, which excludes the impact

of stock-based compensation and amortization of identifiable intangible assets, of approximately \$1 - \$3 million for 2008. As previously noted, further weakening in worldwide economic conditions may cause the Company to fall toward the lower end of these targets.

About PFSweb, Inc.

PFSweb develops and deploys integrated business infrastructure solutions and fulfillment services for Fortune 1000, Global 2000 and brand name companies, including third party logistics, call center support and e-commerce services. The company serves a multitude of industries and company types, including such clients as LEGO, Discovery Commerce, Riverbed, Hewlett-Packard, International Business Machines, Hawker Beechcraft Corp., Rene Furterer USA, Roots Canada Ltd. and Xerox.

Through its wholly owned eCOST.com subsidiary, PFSweb also serves as a leading multi-category online discount retailer of high-quality new, "close-out" and manufacturer recertified brand-name merchandise for consumers and small to medium size business buyers. The eCOST.com brand markets approximately 170,000 different products from leading manufacturers such as Sony, JVC, Canon, Hewlett-Packard, Garmin, Panasonic, Toshiba, Microsoft, Kitchen Aid, Panasonic, Black & Decker, Cuisinart, Coleman, Wilson and Nike primarily over the Internet and through direct marketing.

To find out more about PFSweb, Inc. (NASDAQ: PFSW), visit the company's websites at <http://www.pfsweb.com> and <http://www.ecost.com>.

The matters discussed herein include forward-looking information under the Private Securities Litigation Reform Act of 1995, which is subject to and involves risks and uncertainties, which could cause actual results to differ materially from the forward-looking information. PFSweb's Annual Report on Form 10-K for the year ended December 31, 2007 and Form 10-Q for the quarter ended June 30, 2008 identify certain factors that could cause actual results to differ materially from those projected in any forward looking statements made and investors are advised to review the Annual and Quarterly Reports and the Risk Factors described therein. These Risk Factors include the risk of contract terminations. PFSweb undertakes no obligation to update publicly any forward-looking statement for any reason, even if new information becomes available or other events occur in the future. There may be additional risks that we do not currently view as material or that are not presently known.

SOURCE: PFSweb, Inc.

PFSweb, Inc.

Mark C. Layton, 972-881-2900

Senior Partner and Chief Executive Officer

or

Thomas J. Madden, 972-881-2900

Senior Partner and Chief Financial Officer

or

KCSA Strategic Communications

Investor Relations

Todd Fromer / Garth Russell

212-896-1215 / 212-896-1250

tfromer@kcsa.com / grussell@kcsa.com