

QuinStreet Enters Into Voluntary Agreement Regarding Education Marketing

June 27, 2012. QuinStreet announced today that it has voluntarily entered into an Assurance of Voluntary Compliance agreement (the "Agreement") with the attorneys general of multiple states relating to online marketing for education companies. QuinStreet cooperated fully with the attorneys general and collaborated with them in developing the Agreement.

The Agreement was developed through discussions involving representatives of attorneys general offices from several states. The company believes, therefore, that it represents a significant step forward in helping to clarify expectations for school advertising online, and for related website design and content. QuinStreet, long a leader in ethical marketing practices online, does not engage in deceptive marketing practices and does not believe that its websites were misleading prior to the Agreement. QuinStreet believes that entering into the Agreement provides greater clarity and certainty, and avoids a potentially longer, more costly and distracting process. A copy of the Agreement has been filed as an exhibit to a Current Report on Form 8-K filed by QuinStreet today.

Under the Agreement, QuinStreet will donate the URL "GIBill.com" to the United States Department of Veterans Affairs. The donation will ensure that there is no confusion about the website's ownership or government affiliation. GIBill.com has never been a material contributor to QuinStreet revenue. Also under the Agreement, QuinStreet will provide expanded disclosures on other military-oriented and education-related websites and will pay a total of \$2.5 million to the settling states to reimburse them for the cost of the investigation and negotiating process. The Agreement closes the civil investigation by the attorneys general disclosed in the company's latest 10Q filing with the SEC.

The new disclosures and disclaimers under the agreement could negatively affect media conversion rates. Early test results indicate that the company should not suffer material diminishment of revenue. The tests have not yet been exhaustive, so the full effects cannot be assessed with certainty at this time. The company believes that any negative effects we may experience could be mitigated by ongoing optimization efforts. The company also believes that the changes are likely to be adopted more broadly in the industry, reducing or eliminating any relative disadvantage.

The company reaffirms the outlook provided on its April 30, 2012 earnings call. It continues to expect revenue of \$360-\$370 million for fiscal 2012 and to target adjusted EBITDA margin of 20% for the year, excluding the \$2.5 million paid under the Agreement.

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