



LookSmart Launches Pay Per Click Search Advertising Model with Optimal Pricing

Pricing Initiative Optimizes Network Structure and Services for Efficiency, Value

SAN FRANCISCO, Aug 10, 2009 (BUSINESS WIRE) -- [LookSmart, Ltd.](#) (NASDAQ:LOOK), the search advertising network and management company, today announced the launch of Optimal Pricing: a new initiative to deliver better performance to search advertisers by segmenting and pricing traffic according to that traffic's value. Optimal Pricing offers advertisers a unique opportunity to reach and attract audiences outside of the major search engines, while managing to meet and exceed return-on-investment (ROI) goals.

"LookSmart is focused on delivering search advertisers the most effective advertiser networks and services for reaching customers outside of the big three search engines; building Optimal Pricing into the AdCenter platform is a major advancement to that end," said Ted West, CEO and President of LookSmart. "Optimal Pricing is consistent with our longstanding track-record of innovation and improved search advertiser performance."

Optimal Pricing aggregates keyword search traffic on the LookSmart Advertiser Network, and classifies performance data so that the full spectrum of that traffic is priced appropriately according to traffic type, quality, and volume. The model relies on information about advertiser campaign objectives and network structure to provide each advertiser a chance to bid on the most valuable traffic at all price points. As the customer case diagram illustrates, this approach, when compared to a simple "blended pricing" approach more common in the search advertising industry, allows advertisers to generate more paid clicks and conversions, and to realize conversions at a lower cost-per-conversion.

Built on over a decade of experience optimizing search traffic, LookSmart is able to leverage the scope and scale of its network and partnerships to the best advantage for its advertisers, offering access to incremental traffic at optimal value. The Optimal Pricing initiative was introduced to a small group of search advertisers, in beta release during the second quarter, and based on success in these cases, is now being rolled out to a broader cross-section of advertisers in the third quarter.

Eventually, LookSmart expects most advertisers with larger campaigns to adopt Optimal Pricing in their campaigns on the LookSmart Advertiser Network.

LookSmart continues to drive performance innovation in search advertising networks. The release of Optimal Pricing follows the full release during the second quarter of SmartRotation, an industry-first CPA-optimized ad rotation feature that serves the best-converting ad creative based on tracking pixel data. These two innovations helped the company gain recognition as a finalist for the 2009 Search Engine Watch "Best Search Ad Platform" award, which LookSmart took home last year.

LookSmart will be available to discuss Optimal Pricing, SmartRotation, and the other features and ROI performance of the AdCenter platform at booth #609 at SES San Jose, August 11th and 12th.

Forward-Looking Statements

This press release contains forward-looking statements, such as references to our business prospects. These statements, including their underlying assumptions, are subject to risks and uncertainties and are not guarantees of future performance. Results may differ due to various factors such as the possibility that our efforts to control expenses may not be successful, that our efforts to increase revenue and improve gross margin may not succeed, that we may be unable to gain or maintain customer acceptance of our publisher solutions or ad backfill products, that existing and potential customers for our products may opt to work with, or favor the products of, others due to more favorable products or pricing terms, that we may be limited in our ability or unable to retain and grow our ad and customer base, and that we may be limited in our ability to, or be unable to, enhance our products or our network of distribution partners. Additional risks that could cause actual results to differ materially from those projected are discussed in our Annual Report on Form 10-K for the year ended December 31, 2008, as filed with the Securities and Exchange Commission and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date hereof.

The statements presented in this press release speak only as of the date of the release. Please note that except as required by applicable law we undertake no obligation to revise or update publicly any forward-looking statements for any reason.

NOTE: "LookSmart" is a trademark of LookSmart, Ltd., and/or its subsidiaries in the U.S. and other countries. All other trademarks mentioned are the property of their respective owners.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=6025916&lang=en>

SOURCE: LookSmart, Ltd.

Horn Group

Jaime Lovejoy, 415-905-4039

jlovejoy@horngroup.com

Copyright Business Wire 2009