



LookSmart Acquires Net Nanny

Combination Will Enhance the Leading Online Filtering Software and Provide High-Quality Proprietary Search Traffic for LookSmart

SAN FRANCISCO, Apr 29, 2004 /PRNewswire-FirstCall via COMTEX/ -- LookSmart (Nasdaq: LOOK, ASX: LOK), a leader in search, today announced that it has acquired the business and assets of Net Nanny® for approximately \$5 million in cash and stock from privately held BioNet Systems LLC, a provider of software solutions that secure access to critical data and network resources. Net Nanny is the world's leading brand name in consumer online filtering.

"This acquisition is both strategic and prudent for LookSmart," said Damian Smith, LookSmart's CEO. "Strategic, because integrating our search technology into Net Nanny provides a stronger product for their users, while also providing LookSmart with a desktop platform from which to launch high margin search and paid listings applications. Prudent, because Net Nanny is expected to produce positive margin contribution for LookSmart in 2004."

Though PC Magazine awarded Net Nanny 5.0™ four out of five stars in January, 2003, David Kopp, vice president of product management for LookSmart points out that even the best parental control and content filtering solutions today fall short.

"To-date, both ISPs' parental control offerings and stand-alone software-based solutions have very crude integration of search and filtering, often providing un-filtered search results pages but then blocking access to the actual results...or searching such a small list of approved sites that the Internet loses its tremendous capacity to entertain and educate children," said Kopp. "By extending the Net Nanny 5.0 product and adding appropriateness-filtered search results, LookSmart will produce a measurably better product."

LookSmart has a long history of providing family friendly search results for its partners. Since 1998, the company has filtered out pornographic content from its search results, including banning adult advertising. This is the first application of LookSmart's strategy to deliver innovative solutions to underserved but appealing sectors of the consumer search market, and to leverage its strong search technology and paid listings assets.

Included in the acquisition are all Net Nanny software products and Web-based assets, as well as the Net Nanny brand name. Net Nanny applications include: Net Nanny 5.0™, the world's leading parental control software; Net Nanny's Pop-Up Scrubber™, which blocks pop-up ads; Net Nanny's Ad-Free®, which blocks a broad range of Internet ads, spyware and profiling cookies; and Net Nanny's Chat Monitor®, which monitors and filters instant messaging and other online chat.

Conference Call

LookSmart will discuss the Net Nanny acquisition on its regularly scheduled first quarter financial results conference call. The call will be held today at 5:00 p.m. ET. To listen to the call from the U.S., dial 1-800-218-0204; from Australia, dial 1-800-730-220. The call will also be available live by Webcast on LookSmart's Investor Relations Web site at <http://www.shareholder.com/looksmart/>.

For more information on Net Nanny, please visit www.NetNanny.com. For more information on LookSmart, Ltd, visit www.LookSmart.com.

About LookSmart

LookSmart is a leader in commercial search services and a developer of innovative web search solutions. The Company provides consumers with highly relevant search results through a distribution network that includes LookSmart.com and other top portals and ISPs, while delivering targeted sales leads to online businesses. LookSmart is based in San Francisco, California. For more information, visit www.looksmart.com

About BioNet Systems, LLC

BioNet Systems, LLC, a privately held company located in Issaquah, Washington, is a provider of software solutions that secure

access to critical data and network resources, while improving process efficiencies and decreasing IT costs. The company's flagship product, BioPassword[®], is a patented software-only solution that uses keystroke dynamics, a security technology based on biometrics, to accurately identify a user by the way they type.

Forward-Looking Statements

This press release contains forward-looking statements, such as references to our projected traffic growth, margins, ability to integrate search into Net Nanny products, quality of the resulting traffic, and other characterizations of future events or circumstances. 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 we may fail to effectively integrate search and filtering technology, that the integrated platform may not provide significant gains in proprietary traffic, that Net Nanny may not produce a positive margin contribution, that we may fail to preserve our expertise in search product development, that we may incur unexpected technical challenges or expenses which prevent us from realizing gains from Net Nanny technology, that we may fail to derive sufficient revenues from new and existing products to meet our financial projections, or that we may have unexpected increases in costs and expenses. In addition, you should read the risk factors detailed in our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other documents filed with the Securities and Exchange Commission.

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

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