



## **LookSmart Launches Its Newest Ad Serving and Optimization Product: Contextual Targeting**

### **Contextual Joins Search and Backfill Products to Maximize Publisher Revenues and Advertiser Opportunities**

SAN FRANCISCO, May 08, 2007 (BUSINESS WIRE) -- LookSmart (NASDAQ: LOOK, ASX: LOK), an online advertising and technology company, today announced the launch of contextual ad serving and optimization, the latest offering in LookSmart's AdCenter. With the addition of contextual, LookSmart is the only company to offer publishers a comprehensive, private-labeled platform from which they can develop and grow direct relationships with advertisers, while maintaining any other ad network relationships.

The platform provides control over the relevance of the matched ads and the presentation of those ads on a publisher's site. The technology behind the contextual capabilities performs a semantic analysis of a page's content to determine the relevant topics for ads. This--combined with the yield-based algorithms inherent in the Ad Center--serves a more relevant ad to the visitor and helps improve ROI for advertisers.

Contextual advertising completes the first phase of LookSmart's comprehensive AdCenter for Publishers, which now includes: search and contextual ad serving; ad "backfill" capabilities; high yield-focused ad serving algorithms; both Advertiser and Publisher APIs, and robust reporting.

"With the addition of contextual, publishers now have a complete ad serving and revenue optimization solution that they totally control," says Dave Hills, president and CEO of LookSmart. "This single platform delivers revenue, scalability and differentiation via its white-labeled deployment and open system. Now publishers can truly take control of their business to best serve themselves, their audience and their advertisers."

LookSmart licenses its AdCenter to top publishers, including Ask.com and Reed Business Information, a division of Reed Elsevier. This hosted advertising sales and service platform allows search engines, media companies, social networking sites, retail sites, directories, ISPs and portals to manage their advertiser relationships and accounts.

In April, LookSmart announced an ad backfill capability which uses ad network feeds from other publishers to help increase revenue and bidding activity.

In addition to its publisher network and ad distribution partners, LookSmart's sponsored search and contextual products are distributed on the Company's 180+ vertical search sites and FindArticles.com--reaching a segmented, demographically focused audience.

#### About LookSmart

LookSmart is an online advertising and technology company that provides relevant solutions for advertisers, publishers and consumers. LookSmart offers advertisers targeted, pay-per-click (PPC) search advertising and banners via its consumer Web properties and a monitored ad distribution network; a customizable set of private-label solutions for publishers, and vertical search sites and web tools for consumers. LookSmart is based in San Francisco, California. For more information, visit [www.looksmart.com](http://www.looksmart.com) or call 415-348-7000.

#### Forward-Looking Statements

This press release contains forward-looking statements, such as references to enhancing our products and industry and customer acceptance of our products. 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 be unable to gain or maintain customer acceptance of our publisher solutions products, that existing and potential customers for our publisher solutions products may opt to work with, or favor the products of, others due to more favorable products or pricing terms. In addition, you should read the risk factors detailed in our Annual Report on Form 10-K for the year ended December 31, 2006, filed with the Securities and Exchange Commission.

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

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