



LookSmart Launches Breakthrough Consumer-Oriented Internet Navigation Service

Easy-to-use "next generation" service from reader's digest subsidiary provides consumers with high quality, easy-to-access, information

New York, NY, October 28, 1996 - LookSmart, a breakthrough "next generation" consumer-oriented navigation service that allows easy access to the informational riches of the Internet, was launched today by LookSmart Limited, an Australia-based subsidiary of The Reader's Digest Association (NYSE: RDA, RDB).

"With more than 35 million people currently accessing the Internet, according to most market research figures," said Evan Thornley, President and CEO of LookSmart as he demonstrated the LookSmart service to the press on a Sony PCV-90 personal home computer, "the Internet is quickly becoming a legitimate mass medium."

"Today's Internet user is moving beyond the early adopter phase that was previously dominated by young, white 'techie' males," continued Thornley, "to include a much broader spectrum of users—real people with kids, jobs, mortgages, and faced with the pressures of everyday living. Unfortunately, the needs of this growing consumer market are being served by search and directory products that users say are difficult and frustrating to use."

LookSmart today introduces a Web directory that is fundamentally different in its ease of use, editorial approach and in the quality environment that it provides for both consumers and advertisers. The graphical interface features a clear roadmap showing where the consumer is heading, and quickly gets to relevant web sites that have context and value. LookSmart has virtually eliminated the cumbersome process of scrolling through thousands of unrelated web sites, and replaced it with a simple point-and-click approach.

For people who prefer using keywords to find information, LookSmart has created a significant advancement with the creation of "refined search," which places the query in the context of LookSmart's category structure. Specifically, someone doing a search for "fish" will receive a contextual response helping the user to find web sites for "fishing industry," "fish recipes," and "fishing equipment" without having to touch the keyboard again.

LookSmart has also assembled a "favorites" section, which allows the user to access and personalize frequently needed resources, including news, online "zines," shopping, local information, software and web chat. The news area will provide, on one page, links to the major national news media. Similarly, the magazine area will provide a starter template of 18 nationally recognized electronic publications, which the user can change out with more than 100 consumer and trade publications. The "My Town" area currently features more than 80 major cities, assembling the "best of the Web" for each of the cities listed.

Local users can review the television guide, community calendar or local sports and recreation scene, while travelers heading to a destination can check out local restaurants or accommodations.

LookSmart delivers an attractive template or "dashboard" environment which easily serves the user during their entire session on the Internet. Because searches are fulfilled within the LookSmart template, and subsequent searches are easier to initiate, LookSmart becomes a logical starting homepage for everyone on the Web.

"When we originally set out to create LookSmart," said Thornley, "our focus was on newer users and women, who we felt were particularly underserved by existing products. Independent research validated that these groups found LookSmart quite easy and intuitive to use."

"Those who profoundly appreciated the product, however, were the experienced veterans of the Web. They understood the more subtle and sophisticated capabilities of LookSmart and its editorial excellence. We were surprised to find that it was this group, which is typically pretty tough on new products, that significantly preferred us over their existing mode of searching the Web."

In addition to its consumer-oriented features, LookSmart has been designed from an advertiser's viewpoint, with Java-enabled advertising, timed ad exposures and guarantees that advertising will actually be seen. Internet advertising is projected to be a \$5 billion business by the year 2000, according to Peter Storck, senior analyst for Jupiter Communications.

LookSmart combines advanced Java™ enabled technology with the editorial and condensation expertise of The Reader's Digest to completely change the way in which people find information on the World Wide Web.

LookSmart draws on a team of dozens of editorial experts who have built a highly relevant base of 145,000 sites from the millions of sites that clutter the Web, saving the user from having to sort through irrelevant or offensive sites. The service presents the selected sites in a hierarchy of over 12,000 categories dealing with the needs of everyday consumers.

Each stage of the development of LookSmart was researched with consumers in order to optimize ease-of-use and relevancy. As development was nearing completion, an independent market research firm, Spectracom, conducted major quantitative research comparing LookSmart with its competition. LookSmart was rated higher than every one of the major competitive search directories, even by their own core customers.

Industry analysts have been similarly impressed. Michael T. Heylin, Senior Associate at the research firm Creative Strategies said, "LookSmart is an impressive and well thought out approach to serving the needs of Internet users. It's easy to use and highly intuitive navigational process turns the Web into a valuable resource for everyone, regardless of their skill level. The Reader's Digest Association partnership adds credibility to the editorial content, and the Java platform is significantly more forward thinking than any of the search tools for the Internet. This allows for a visually appealing product that provides a high level of functionality, without compromising performance."

LookSmart is available for free on the Internet. Its URL is: www.looksmart.com.

LookSmart International Pty Limited, an Internet publishing company, is a majority-owned subsidiary of Reader's Digest with operations in Melbourne, Australia, and San Francisco. The company has developed LookSmart, a technically advanced navigation service for the World Wide Web that provides highly relevant information to users in an Easy-To-Use manner.

The Reader's Digest Association, Inc. is the preeminent global publisher and direct marketer of magazines, books, music, videos, and new media that inform, enrich, entertain and inspire. Total revenues were \$3.1 billion in fiscal 1996. International operations generate 60 percent of company revenues. Global headquarters is in Pleasantville, N. Y.