



LookSmart Acquires Zeal Media, the Leader in Community Directory Technology

LookSmart Extends Leadership in Web Directory Products as First to Combine Professional Editorial, Proprietary Technologies and Community Involvement

SAN FRANCISCO--(BUSINESS WIRE)--Sept. 28, 2000--LookSmart (Nasdaq:LOOK), the global leader in Web directories, today announced the acquisition of Zeal Media, Inc., the leader in community directory technology. Zeal's technology allows active members ("Zealots") to submit and publish categorized descriptions of Web sites. The acquisition extends LookSmart's leadership in Web directories, creating the first integration of professional editorial, proprietary technologies and community involvement.

Through this acquisition, LookSmart expects to rapidly increase the scale of its directory, outpacing competitors and maintaining its leadership in quality while keeping cost structures flat. The contributions of Zeal's community will be integrated into the LookSmart directory and maintained and supported by LookSmart's professional editorial team, maximizing the benefits of Zeal's next generation technology and vibrant community of Zealots. Zeal's technology platform will be used to develop reviews of non-commercial Web sites for LookSmart's directory.

"LookSmart's strategy is to be the ubiquitous directory for all of the Internet by offering partners superior products and monetization," said Evan Thornley, chairman and chief executive officer of LookSmart. "The acquisition of Zeal dramatically extends our leadership in directory products. Zeal's technology recognizes the power of community involvement while overcoming the pitfalls associated with community directories."

LookSmart is the world's largest professionally edited directory with over 2 million URLs organized into 200,000 categories. LookSmart is committed to editorial integrity and does not receive payment for preferred placement in its directories, nor does it accept porn, hate or spam in its directories. With over 250 editors representing 100 nationalities, LookSmart provides locally relevant, culturally-sensitive content for 28 countries in 13 languages.

"We are combining the best professional editorial team on the Internet with the passion and knowledge of the community at large," said Kate Wingerson, editor-in-chief of LookSmart. "Zeal has developed technologies and processes that empower a self-regulating community to ensure an objective, comprehensive approach to organizing Web content. This is a perfect complement to our professional editorial team."

"This is a great win for the Zeal community and the Web community," said Brian Goler, chief executive officer of Zeal. "We are excited about the prospect of working with LookSmart's vast distribution network, and demonstrating how the community can help make the best directory on the Web even better. The Zeal community will now have the opportunity to publish for and draw new members from LookSmart's network, reaching more than 4 of 5 U.S. Internet users."

Zeal's founders, Brian Goler and Kevin Berk will be joining LookSmart as vice presidents, and will be leading LookSmart's community efforts. Zeal will be relocating to San Francisco.

Under the terms of the agreement, approximately 1.4 million shares of LookSmart common stock will be exchanged for all outstanding shares, options and warrants of Zeal. Based on the average of LookSmart's closing price during the ten trading days prior to the execution of the agreement, the all-stock transaction has an aggregate value of approximately \$20 million. LookSmart expects to account for the transaction under the purchase method of accounting. The transaction is expected to close in the quarter ending December 31, 2000.

About LookSmart

LookSmart is the world leader in Web directories. With 31 directories spanning 28 countries, and 13 languages, LookSmart is committed to organizing the Web. LookSmart's databases currently reach more than 64 million U.S. Internet users through partnerships with Microsoft's MSN, Netscape Netcenter, AltaVista, Excite, TimeWarner, Sony, Macromedia, Road Runner, Cox Interactive Media and US West. LookSmart's search directories are also distributed through BT and other global partners to countries throughout Europe and the Pacific Rim.

About Zeal

Zeal is the leading community-driven directory technology featuring Web site ratings and reviews. The Zeal Web directory provides tools that make it easy for people to share their knowledge, passion, and experience. The directory is compiled, edited, and enhanced by the Zeal community, and every member has the opportunity to rate, review, and submit new sites to

the directory. Zeal was founded in 1999 by Brian Goler and Kevin Berk, and is based in Culver City, California. More information about Zeal can be found on the company's Web site at <http://www.zeal.com>.

Forward-Looking Statements

This press release contains forward-looking statements based on our current expectations and projections about our industry, our management's beliefs and assumptions made by us. Words such as "should", "expects," "intends," "plans," "believes," "may," "will" and variations of these words or similar expressions are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances, including any underlying assumptions, are forward-looking statements. These statements are not guarantees of future performance and are subject to risks and uncertainties. Our actual results could differ from those expressed in these forward-looking statements including our potential inability to implement the Zeal acquisition successfully, the potential inability to assimilate the Zeal communities into the LookSmart Web properties, the possibility that users of the Zeal product will not utilize the services of the combined entities, the possibility that we will not be able to retain key personnel and various other risks inherent in a business combination of this nature. You should also refer generally to the risks outlined in our annual report on Form 10-K filed with the Securities and Exchange Commission on March 30, 2000, as well as our quarterly reports on Form 10-Q filed with the Securities and Exchange Commission.

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