



## LookSmart Provides Update on Strategic Initiatives

### Company Plans Reverse Stock Split to Reduce Share Count and Maintain Nasdaq National Market Listing

SAN FRANCISCO, Sept 19, 2005 /PRNewswire-FirstCall via COMTEX/ -- LookSmart (Nasdaq: LOOK; ASX: LOK), an online media and technology company providing vertical search to consumers and control to publishers, today provided an update regarding its recent business progress.

"Since the beginning of this year, we've been focused on executing a turnaround plan for the Company that leverages our ad network, consumer vertical search products and the licensing of our technology and content to build long term shareholder value over time through performance," said David B. Hills, chief executive officer of LookSmart. "We are implementing this plan, and I'm encouraged to see that our ad network is providing increasingly positive results for our customers, our new vertical search clusters are starting to be released and we're executing on our technology and content licensing deals."

#### Paid Listings

LookSmart has taken a leadership position regarding eliminating fraudulent traffic on its network, developing and deploying technology and systems to detect and remove this traffic. The Company believes these measures will benefit partners and shareholders through improved performance, and advertisers are responding well to the positive changes in LookSmart's network.

#### Proprietary Traffic

LookSmart continues to roll out new vertical sites providing visitors with "essential versus exhaustive" search content and related tools to fulfill a passion, need or repetitive task. Building on the initial traction of its "LookSmart Education" cluster of sites, the Company recently launched its second cluster of 11 sites under the "LookSmart Money" category. These sites are expected to fill a vital consumer need and should continue to attract commercial opportunities to expand and enhance LookSmart's consumer products.

LookSmart will launch additional clusters over the next several months as the Company seeks to grow its proprietary traffic and provide highly targeted opportunities for advertisers. In addition to paid listings and contextual search, the Company has expanded its advertising products within the clusters to include targeted banners and other graphic media.

#### Licensing

LookSmart's Solutions for Publishers offers a customizable set of content, services and technology designed to augment publishers' online audience and revenue-building efforts. The Company's first three top-tier media customers have recently implemented search and advertising technology from the LookSmart platform within their network of sites. LookSmart has licensed its advertiser center, search content and Furl.net products, leveraging its existing technology assets to create new revenue streams while allowing publishers the flexibility to brand these products according to their needs.

#### Reverse Stock Split

Today LookSmart filed a preliminary proxy statement with the SEC seeking shareholder approval to amend its charter to effect a 1:3, 1:5 or 1:7 reverse stock split at the discretion of its Board of Directors. This reverse split is intended, among other things, to increase the Company's minimum bid price to meet the continued listing requirements of the Nasdaq National Market. "While our first and foremost priority is always improving operational performance to build shareholder value, we believe that maintaining our Nasdaq National Market listing and 'right-sizing' our share count is also an important element of our strategy. The Board of Directors believes that it is prudent to complete this process now so we can continue to focus on improving operational performance," concluded Mr. Hills.

#### About LookSmart

LookSmart is an online media and technology company specializing in vertical search. The company provides relevant content, advertising and technology solutions for consumers, advertisers and publishers. LookSmart's owned and operated vertical

search sites are where customers look for what they need, and the sites and web tools offer essential search results with the ability to find, save and share articles. In addition to owned and operated properties, LookSmart's distribution network includes selected, monitored syndicated publishers and search engine partners that maximize advertiser ROI. Distribution partners include Lycos, CNET, InfoSpace (Excite, MetaCrawler, Webcrawler), Cox Interactive, Apple's Sherlock, and U.C. Berkeley. LookSmart offers a comprehensive and customizable set of syndicated solutions for publishers to grow their advertiser relationships and audience. LookSmart is based in San Francisco, California. For more information on LookSmart, visit [www.looksmart.com](http://www.looksmart.com) or call 415-348-7500.

#### Forward-Looking Statements

This press release contains forward-looking statements, predictions and estimates, such as references to our future product plans, operating results and financial performance, including the Company's ability to grow revenue, customer acceptance of new products and services, our plans to maintain and/or expand our network of distribution partners and our advertiser base, the effectuation of our proposed reverse stock split and other financial and business results. These statements, including their underlying assumptions, are based on current expectations, estimates, beliefs, assumptions, goals and objectives, are subject to risks and uncertainties and are not guarantees of future performance. Results may differ materially due to various factors. The risks and uncertainties that could cause actual results to differ include, but are not limited to: our inability to generate sufficient revenues to fund our future product plans; increases in costs and expenses; lack of customer acceptance of new products and services; our failure to preserve our expertise in search product development; potential distribution partners opting to work with competitors; our stockholders declining to approve the reverse stock split, changes in the distribution network that may lead to decreases in traffic volumes; our inability to improve our match rate, average CPC or other advertiser metrics; our customers deciding to reduce spending or terminate their relationships with us for reasons beyond our control; and other factors. We also refer you to the Company's SEC filings, including our Form 10-K dated March 16, 2005 and our Form 10-Q dated August 9, 2005, for other important risk factors that could cause actual results to differ materially from those contained in any forward looking statement, all of which are incorporated by reference. All forward-looking statements reflect the current belief of the Company as of this date, and we expressly disclaim any obligation to update these forward-looking statements.

NOTE: LookSmart is a registered trademark of LookSmart, Ltd.

Investor Contact: Jennifer Jarman  
The Blueshirt Group  
415-217-7722  
[jennifer@blueshirtgroup.com](mailto:jennifer@blueshirtgroup.com)

Media Contact: Carmella Lyman  
Lyman Public Relations  
707-256-3834  
[carm@lymonpr.com](mailto:carm@lymonpr.com)

#### SOURCE LookSmart

investors, Jennifer Jarman of The Blueshirt Group, +1-415-217-7722, or [jennifer@blueshirtgroup.com](mailto:jennifer@blueshirtgroup.com), for LookSmart; or media, Carmella Lyman of Lyman Public Relations, +1-707-256-3834, or [carm@lymonpr.com](mailto:carm@lymonpr.com), for LookSmart

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