

CHOICESTREAM RECOMMENDS A BETTER SOLUTION FOR NETFLIX'S MOVIE SERVICE

RealRelevance™ Personalization Already Delivered to Millions of Consumers Each Day

Cambridge, Mass. — October 6, 2006 — ChoiceStream, Inc. today announced it has the answer to Netflix's call for anyone who can create a better personalization solution to help power its DVD recommendation service. Netflix recently announced a \$1 million prize as part of an initiative to improve its personalized delivery of movie recommendations. As the leading provider of personalization solutions for online entertainment services, e-retailers, TV and mobile providers, ChoiceStream has powered personalization for companies like AOL and Yahoo! for years.

ChoiceStream was founded in 2000 to help consumers find relevant content quickly and easily when faced with an overwhelming number of choices. Today, ChoiceStream is the leader in developing personalization solutions for today's biggest online brands. Its customers rely on ChoiceStream's proprietary, proven technology to provide millions of consumers with accurate personalized recommendations and services each day.

Netflix uses collaborative filtering, a first-generation approach to personalization that relies on clickstream patterns and trends to predict consumer behavior. Netflix acknowledged on Monday that its recommendation system needs improvement and announced its search for a new approach to deliver more relevant DVD choices to its subscribers.

"I applaud Netflix for motivating creative minds to devise new, innovative ways to personalize the consumer's experience," said Steve Johnson, chief executive officer and co-founder of ChoiceStream. "But, what Netflix seeks—accurate recommendations that provide more relevant DVD choices to its members—already exists. ChoiceStream has been successfully delivering relevant content to MILLIONS of consumers each day for brands like Yahoo!, AOL, Akimbo, Vongo, eMusic, and so many more."

Proven Superior in the World's Largest Networks

ChoiceStream's RealRelevance is the only personalization system of its kind to profile both people and content. ChoiceStream automatically classifies all types of content—music, movies,

TV shows, games—based on its various characteristics, otherwise known as attributes. ChoiceStream then learns from these attributes and each consumer’s interaction with the content to better understand the consumer’s unique tastes and preferences. ChoiceStream’s patent-pending personalization, Attributed Bayesian Choice Modeling, enables ChoiceStream to learn about a consumer quickly and accurately, avoiding *out-in-left-field* results that can immediately undermine consumers’ faith in the recommendations they’re receiving.

ChoiceStream’s unique knowledge-based approach promotes discovery of new movies. Instead of using a *more like this* or pattern-matching approach to personalization, ChoiceStream bases recommendations on consumers’ actual, underlying movie preferences, enabling its clients to dig deeper into inventory and always reveal the most relevant recommendations that genuinely match consumers’ interests. Finally, ChoiceStream easily copes with new, ever-changing content—that which drive the entertainment industry—resolving the *cold start* problem that afflicts antiquated personalization approaches, like collaborative filtering.

About ChoiceStream, Inc.

ChoiceStream is the premier personalization solution for the world’s largest entertainment, e-retail, TV and mobile networks, including AOL and Yahoo!. In today’s marketplace of ‘superabundance’, ChoiceStream’s RealRelevance™ restores control to consumers by delivering personally relevant choices when and where they want it. ChoiceStream accurately presents consumers with their favorite music, movies, news, sports, and products wherever they are: online, using a mobile device, or watching television. For consumers, ChoiceStream delivers on the promise of instant gratification. For content providers, ChoiceStream produces measurable business results and a powerful approach to building lifetime customer loyalty.

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