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ChoiceStream Closes \$13.1 Million in Series B Funding to Continue Market Expansion

Financing to Accelerate Growth in Online Retail, TV and Mobile Markets

Cambridge, Mass. — June 1, 2006 — ChoiceStream[®], Inc., the leading provider of personalization solutions for online entertainment services, e-retailers, TV and mobile providers, today announced it has closed on \$13.1 million in Series B funding led by Sutter Hill Ventures of Palo Alto, CA. Greg Sands, managing director of Sutter Hill Ventures, will join ChoiceStream's Board of Directors. ChoiceStream also announced that noted Internet visionary and author Esther Dyson and venture advisor David Weiden of Khosla Ventures have joined the company's Advisory Board.

This latest round of financing includes participation from Series A investors General Catalyst Partners and Sage Hill Partners, both of Cambridge, MA. The funding will be used to accelerate the company's growth in new markets and high opportunity areas, including e-retail, TV and mobile entertainment delivery, as well as build upon ChoiceStream's success with existing clients like AOL, Yahoo!, Starz Entertainment Group's Vongo, Akimbo and Movielink.

Dyson's enthusiasm reflects ChoiceStream's growth opportunity and revolutionary approach. "Consumers want to be catered to as individuals, not as segments or 'demos.' Businesses that achieve a one-to-one, trusted relationship with their customers will lead the pack," said Dyson. "I love the way ChoiceStream uses hard-edged technology to provide a nuanced, personal experience to millions of consumers each day. The challenge for most sites now is not search but default choices, and that's what ChoiceStream does best."

Weiden, whose Internet experience dates to his time with Netscape said, "The digital content explosion creates a great opportunity for ChoiceStream. Digital content providers and merchandisers want to deliver great selection to their customers, but consumers only care about what is relevant to them individually and expect simplicity. ChoiceStream allows businesses to deliver meaningful recommendations of content, goods and services ideally suited for each individual."

Sands, managing director of Sutter Hill, will be joining the ChoiceStream Board of Directors in June. He has more than 15 years experience guiding high tech companies and is a veteran of Netscape and Cisco Systems, as well as a member of the Board of Trustees for the Stanford Business School Trust.

"Businesses should use customer interactions to align their offers more closely with what the consumer wants. Yet, until now, it has been beyond the reach of most of them to personalize their offerings so users see recommendations that match their interests and tastes," noted Sands. "ChoiceStream has proven it has the ability and knowledge to do just that for online, TV providers and other businesses that provide content and products to the consumer market. That's why Sutter Hill Ventures is thrilled to invest in the company to help fulfill that vision."

ChoiceStream delivers a one-to-one experience to millions of consumers every day. Relied on by the world's largest networks, including AOL and Yahoo!, ChoiceStream helps companies provide personalized entertainment recommendations, one-to-one product merchandising, targeted promotions and direct marketing to consumers based on their individual preferences.

ChoiceStream creates a much more relevant experience for consumers, which drives revenue, strengthens loyalty and builds brand for businesses.

ChoiceStream's unique approach to personalization is rooted in its rich understanding of content in terms consumers care about. Instead of using a pattern-matching, or collaborative filtering approach to personalization, ChoiceStream bases its recommendations on consumers' actual preferences, enabling companies to dig deeper into their inventory and recommend content that matches consumers' interests. ChoiceStream combines its understanding of each consumer's preferences with the insight it gains from interacting with more than 30 million users across multiple sites. This pooled knowledge enables ChoiceStream to offer the richest, most accurate personalized experience for each consumer.

"Today, *all* providers of digital media understand that they must deliver relevant content to time-constrained consumers overwhelmed by too many choices. ChoiceStream is the leader in solving this problem and their momentum continues to grow with exciting opportunities in new markets." said Joel Cutler, managing director, General Catalyst Partners.

Since 2000, ChoiceStream has been successfully providing personalization solutions to online entertainment services like, AOL, eMusic and Starz Entertainment Group's Vongo. But as ChoiceStream grows, its mission has expanded to creating a more valuable, one-to-one experience for consumers shopping online, watching TV, or 'surfing' with their mobile device. These venues are growing rapidly, and consumers need help navigating these vast content spaces to access the choices that interest them most. As a result, online retailers, TV and mobile providers have embraced personalization as a way to ensure that consumers always have the right choices at their fingertips.

"Sutter Hill and General Catalyst are great partners for ChoiceStream because they share our vision of delivering a personalized experience to consumers everywhere and anywhere," noted Steve Johnson, founder and CEO of ChoiceStream, Inc. "Today, consumers are busier than ever and businesses rely on us to quickly capture their consumers' attention by immediately delivering a highly relevant experience. ChoiceStream's RealRelevance™ personalization solutions drive consumer convenience online, in living rooms and on mobile phones around the globe. This investment positions ChoiceStream to more rapidly expand into each of these high growth markets."

About ChoiceStream

ChoiceStream, the leading personalization solutions provider, delivers real relevance to consumers and real results to businesses providing services online, on TV and on mobile devices. Relied on by the world's largest networks, including AOL and Yahoo!, ChoiceStream's patent-pending personalization solutions and expert client services build brand, increase retention and drive profitability by automatically delivering the most relevant content and products to each consumer. For more information, please visit www.choicestream.com.

About Sutter Hill Ventures

Sutter Hill Ventures is a venture capital firm that finances technology-based start-up and early-stage companies pioneering products or services in growth markets, especially those in information technology and health care. Founded in 1964, it is one of Silicon Valley's original venture capital firms. Companies backed by Sutter Hill include: Netapp, Legato, Quantum, Storage Tek, Tellabs, Alteon, Linear Technology, NVIDIA, BroadVision, Vitria, Molecular Devices, Cor Therapeutics, Amylin Pharmaceuticals, Omnicell, and eLoyalty.

About General Catalyst Partners

General Catalyst Partners is a venture capital firm that invests in exceptional entrepreneurs who are building the technology-based companies that will lead innovation and transform industries. Founded in 2000, General Catalyst Partners leverages its principals' extensive operational,

business development and technological expertise to provide portfolio companies with a catalyst for success through business-building and partnership development assistance. General Catalyst has approximately \$1 billion under management and is headquartered in Cambridge, Mass. For more information, please visit: www.generalcatalyst.com.

About Sage Hill Partners

Sage Hill Partners works with outstanding entrepreneurs to commercialize new technologies and develop sustainable businesses. Sage Hill Partners is an early-stage venture capital firm led by seasoned entrepreneurs with deep operating and technical backgrounds. Its partners have experience founding and building numerous early stage companies.

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