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ChoiceStream Secures \$7 Million in Series A Funding to Meet Increase in Market Demand for Scalable, Effective Personalization Solutions

Funding Led by General Catalyst Partners

Cambridge, Mass., February 22, 2005 – ChoiceStream®, Inc., the leading provider of personalization solutions for online consumer services, search services, e-retailers and iTV providers, today announced that it has raised \$7 million in a Series A financing round led by Cambridge, Mass.-based General Catalyst Partners. Proceeds will fund the rapid expansion of engineering and development activities to meet the increase in market demand for enterprise-wide personalization solutions.

Fueled by increased competition and lack of differentiation, online services are embracing personalization as a way to connect more directly to their audiences. In a press release issued by eMarketer, Geoff Ramsey, CEO of eMarketer, stated, “The shifts we are seeing in e-business are toward content, advertising and technologies that are increasingly targeted to specific individuals or groups. As a result, eMarketer is predicting those developing and distributing products or services of that nature will need a deep understanding of who their audiences are in 2005 in order to reach and engage them.”¹ ChoiceStream is meeting this need with personalization capabilities that enable the one-to-one targeting of Web content, community, search results, advertising, and commerce opportunities.

ChoiceStream’s patent-pending technology serves personalized content to millions of users every day and offers the only solution proven to deliver tangible business benefits in real-world deployments. Recent tests conducted at a major online service provider show that ChoiceStream’s unique approach to personalization has increased clickthrough rates by more than 600 percent, generated sessions that are 240 percent longer, and increased the number of user visits by 300 percent.

“The personalization market has come into its own as online businesses seek ways to differentiate themselves,” said Joel Cutler, managing director, General Catalyst Partners. “ChoiceStream’s patent-pending approach and proven track record with industry leaders like AOL and other leading portals put the company in the envious position of being able to take advantage of the dramatic growth in this market.”

¹ “eMarketer: 2005 Will Be the Year of Personalization”

“Our investment demonstrates our strong belief in ChoiceStream and its ability to fundamentally revolutionize the way consumers interact with online sites and services,” said Larry Bohn, managing director, General Catalyst Partners. “The management team has deep experience in both the technology involved in personalization as well as in building successful, lasting enterprises. We’re thrilled to be working with them and look forward to a series of exciting customer and product developments in the coming year.”

ChoiceStream’s Unique Approach to Personalization

ChoiceStream works with category leaders to develop consumer-facing services that drive relevance across their online businesses through personalization. The company’s unique approach goes beyond just providing software to include the full range of services required to make true one-to-one personalization a reality for an organization. This includes personalization strategy and design services, the Internet’s most extensive collection of consumer preference data, a revolutionary software platform proven scalable to millions of users, and implementation services that ensure a successful deployment.

“Over the past year, we’ve seen a sharp increase in demand for personalization technology that goes beyond the simple pattern recognition capabilities of collaborative filtering. Online services need technologies that can effectively determine what a consumer wants, and then provide them with the content, ads, commerce and community that most closely map to those desires,” said Steve Johnson president and CEO of ChoiceStream. “ChoiceStream will use this funding to continue revolutionizing the consumer experience for sites and services relying on one-to-one targeting to maintain a competitive edge.”

About ChoiceStream

ChoiceStream develops personalization solutions for online consumer services, search services, e-retailers and iTV providers. Relied on by the world’s largest online services providers, including AOL, ChoiceStream’s patent-pending technology helps companies increase customer retention and drive sales by automatically delivering the most relevant content and products to each consumer. For more information, please visit our Web site at www.choicestream.com.