

## DoubleClick Agrees to Acquire Performics, A Leader in Search and Affiliate Marketing



**May 17, 2004 – NEW YORK, NY.** DoubleClick Inc. (NASDAQ: DCLK), a leading provider of marketing solutions for advertising agencies, marketers and web publishers, today announced that it has agreed to acquire Performics, a leading performance-based online marketing services and technology company specializing in search engine marketing and affiliate marketing. The acquisition will benefit DoubleClick's existing client base of marketers, agencies and web publishers by offering them increased marketing effectiveness through an even more comprehensive suite of marketing solutions.

The agreement represents an all-cash deal totaling \$58 million, plus an earn-out of up to \$7 million (for a potential total of \$65 million). The transaction is expected to close by mid-June and is subject to certain closing conditions including Hart-Scott-Rodino antitrust clearance.

In addition to Performics's search engine marketing and affiliate marketing products, following the close current Performics customers will also have access to DoubleClick's entire range of performance-oriented marketing solutions, including online ad management, email and website analytics, through one partner.

Significantly, eleven of Performics' Top 15 customers, in terms of 2003 revenue, are also DoubleClick customers. In addition, Performics and DoubleClick are each leaders in the catalog sector, and the acquisition will expand DoubleClick's full suit of online and offline marketing tools to the shared customer base of catalogers.

### **Search Marketing**

Performics provides the technology and support to clients to automate their paid placement, paid inclusion and comparison shopping listings across multiple search providers. Its trafficking and submission capabilities generate and classify keywords, upload keyword submission to the search engines and distribute updated product information to directories and comparison shopping engines. Performics' bid management technology tracks and measures performance of keyword buys, giving marketers the tools and data they need to optimize their campaigns.

Once the deal closes, a newly-branded product, DART® Search, will benefit agencies, web publishers and marketers through the planned integration with DART® for Advertisers. The integration will allow clients to leverage the existing tracking capabilities within the DART system and measure the performance of their entire online spend, including search keywords, banners and rich media, in one location. In addition, DART Search will also have logical overlap with DoubleClick's analytics solution, SiteAdvanceSM, which measures website performance and the outbound marketing campaigns that drive traffic and conversion.

### **Affiliate Marketing**

Performics also provides the infrastructure for marketers to manage, track and report on their offers across multiple affiliate sites. In turn, Performics helps publishers monetize inventory through those sponsored links. These agreements translate into a revenue share of associate sales for the publishers, while the marketer only pays for performance (sales leads).

"Marketers and agencies that use search marketing face the challenge of managing numerous keywords – sometimes into the thousands – across multiple search engines. DoubleClick's role in search marketing will be in meeting those needs through scalable keyword trafficking, submission and reporting, as well as efficient bid management," said Kevin Ryan, CEO, DoubleClick. "Our marketer and agency clients have been telling us that they want to work with DoubleClick to build and buy search through our media planning tools, and Performics is already used by many of our clients for their search engine and affiliate marketing needs. Affiliate marketing is a natural complement to search for performance-based customer acquisition and therefore will also bring enormous benefits to our clients."

"At Performics we have prided ourselves on building world-class offerings in both affiliate marketing and marketing and search engine marketing," said James Crouthamel, CEO, Performics. "By combining our products and expertise with that of DoubleClick, our shared clients both domestically and international will benefit from a premier collection of online advertising and data marketing solutions – both in the short term and into the future."

Performics' 200-plus clients include: America Online, Bose, Eddie Bauer, HP Shopping, Kohl's, L.L. Bean, Motorola, Northern Tool, Target and Williams-Sonoma. Performics also works with all the major search engines to ensure that its bid management tool interacts efficiently with search engine infrastructure for paid placement, paid inclusion or comparison shopping. DoubleClick plans to continue to base Performics's search engine marketing and affiliate marketing capabilities in Chicago.

DoubleClick will be giving detailed financial guidance on its second quarter earnings call in July, although some preliminary information follows. Performics expects revenues to increase by 50% from 2003 to 2004. DoubleClick believes that Performics is the leader in the burgeoning area of improving paid listings results for marketers, and that spending on these sorts of products should outpace the overall growth in Search spending.

Since the company expects the deal to close at the end of Q2, it expects to recognize an additional \$10 million in revenue over the second half of 2004, with search management revenues accounting for a little less than half of that total. The company will report search engine marketing and affiliate marketing revenue as another component of its TechSolutions segment. DoubleClick anticipates that with the addition of Performics's business, total operating expenses and cost of revenue will increase by just under \$9 million the second half of the year.

The company anticipates that Performics will be immediately accretive in terms of EBITDA. However, it will not be accretive on a GAAP basis due to non-cash charges related to acquired intangible assets. These acquired intangible assets will be valued by a third-party. The company expects that upon closing, Performics will have 130 employees, and DoubleClick plans to add additional headcount in this area by end of year.

DoubleClick will be hosting a conference call on May 17, 2004 at 1:00 pm EST time to further discuss this transaction. For dial-in information please call DoubleClick Investor Relations at 212-683.0001. The call will also be available at [ir.doubleclick.net](http://ir.doubleclick.net).

**Gridley & Company LLC acted as financial advisor to DoubleClick in connection with the transaction.**

#### **About DoubleClick Inc.**

DoubleClick is a leading provider of solutions for advertising agencies, marketers and web publishers to plan, execute and analyze their marketing programs. DoubleClick's online advertising, email marketing and database marketing solutions help clients yield the highest return on their marketing dollar. In addition, the company's marketing analytics solutions help clients measure performance within and across channels. DoubleClick Inc. has global headquarters in New York City and maintains 20 offices around the world.

## **About Performics**

Performics provides performance-based online marketing services and technologies for leading multi-channel marketers. Clients benefit from Performics's custom approach to affiliate marketing, search engine marketing and lead generation programs. The company's proprietary tracking and reporting technology platform, advanced market expertise, and active account management enable clients to acquire and reacquire online customers. Performics is the only recognized industry leader providing both Search Engine Marketing and Affiliate Marketing Services.

*Note: This press release includes forward-looking statements, including the statement regarding Performics being accretive by year end, and the information about the impact of this transaction on DoubleClick's results for the remainder of the year. The results or events predicted in these statements may vary materially from actual future events or results. Factors that could cause actual events or results to differ from anticipated events or results include: lack of growth or decline in online advertising or marketing, intense competition in DoubleClick's industry, failure to manage the integration of acquired companies, changes in government regulation, failure to successfully manage DoubleClick's international operations and other risks that are contained in documents which DoubleClick files from time to time with the Securities and Exchange Commission, including DoubleClick's most recent reports on Form 10-K and Form 10-Q.*