



ContextWeb Closes \$9 Million Series B of Funding
Udata Partners Leads Round to Fuel Rapid Growth

NEW YORK – June 20, 2005 – ContextWeb, a leading provider of high-precision, real-time contextual advertising solutions, today announced that it has closed a \$9 million Series B round of funding, led by Udata Partners. This round of funding, combined with an initial round led by Draper Fisher Jurvetson (“DFJ”) Gotham Ventures, brings ContextWeb’s total equity investment to date to more than \$12 million.

“Internet based, contextual advertising technology is one the largest and fastest growing markets available today,” said Conor Mullett, general partner of Udata Partners.

“ContextWeb has a unique and differentiated technology and highly profitable business model that we believe will allow it to be a market leader in its space. This is evidenced by its significant revenue momentum and acquisition of leading customers such as Meredith Corporation and HighBeam Research. We are excited to support the ContextWeb team in building a market leader.”

In conjunction with the financing, Conor Mullett has been appointed to ContextWeb’s Board of Directors. Existing members of the board include Anand Subramanian, CEO of ContextWeb; Jeremy Sterns, CTO of ContextWeb; Chip Meakem, Managing Director of Draper Fisher Jurvetson Gotham; and Bill Wise, CEO of Did-It.

ContextWeb Secures \$9 Million Second Round

ContextWeb will use the latest round of financing to fuel the rapid growth of its patent pending, real time contextual advertising solution ContextAd. Launched in September 2004, ContextAd serves contextually relevant advertisements to the most motivated potential customer in as little as 20 milliseconds. ContextAd uses both content and keywords for analysis and matching, delivering unprecedented accuracy and ensuring four to six times greater likelihood that advertisements will be clicked and lead to sales.

According to U.S. Bancorp Piper Jaffray, contextual advertising will generate \$100 million in 2005 and grow to a \$1.4 billion market by 2008. Jupiter Research reports that online ad spending in general has increased from \$3.5 billion in 1999 to \$8.4 billion in 2004, and is projected to grow to \$16.1 billion in 2009. Online advertising is expected to overtake magazine advertising in 2007, when total online ad spending hits \$13.8 billion. These figures indicate a significant growth opportunity for ContextWeb.

"This second round of funding will take a working and highly profitable business model and scale it to position ContextWeb as a leader in the contextual advertising market. The interest and dedication of a respected firm such as Udata Partners validates our growing leadership position," said Anand Subramanian, CEO of ContextWeb. "We are excited about and look forward to ContextWeb's evolution in this exciting and challenging space."

About Udata Partners

Based in Reston, Va. and Red Bank, N.J., Udata Partners is a venture capital and private equity firm that focuses its investments in early and growth stage firms with innovative information technology software and software-based services. Led by a well-connected senior investment team, Udata Partners has a strong balance of operating and investing experience that enables them to effectively address challenges faced by entrepreneurs. The firm also selectively provides recapitalization and management buyout financing for information technology businesses. Udata Partners is an affiliate of Udata Capital, Inc. a leading investment bank specializing in mergers and acquisitions for the IT industry. For more information about Udata Partners, please visit www.Udata.com.

About ContextWeb

Based in New York City, ContextWeb provides high-precision, real-time contextual advertising solutions guaranteed to maximize the results and impact of online advertising. ContextWeb's patent-pending ContextAd is the industry's only real-time and fully automated solution that can serve contextually relevant advertisements to the most motivated potential customer in as little as 20 milliseconds. ContextAd uses both categories and keywords for analysis and matching, delivering unprecedented

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accuracy, dramatically extending audience reach and significantly increasing sales conversion rates. Additional information on ContextWeb can be found at www.contextweb.com

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