

ContextWeb Closes \$26 Million Series D Round of Funding

Investor Growth Capital Leads Round to Fuel New Product Launches, International Expansion and Continued Development of the ADSDAQ Exchange

NEW YORK (July 22, 2008) ContextWeb, Inc., a leading contextual advertising company and operator of the ADSDAQ Exchange, announced today that it has closed a \$26 million Series D round of funding. “We had tremendous interest in the company and received numerous good financing proposals,” says Anand Subramanian, CEO of ContextWeb, Inc. “We chose Investor Growth Capital as our partners to lead the round for their market expertise, track record in creating sector leading companies and ability to help us expand in markets outside North America, especially in Europe.” All of the existing investors in the Company, which includes DFJ, DFJ Gotham Ventures, Udata Partners, DFJ New England, plus Gold Hill Capital also participated. This round of funding, combined with three previous rounds, brings ContextWeb’s total equity investment to date to \$54 million.

Noah Walley, Managing Director of Investor Growth Capital, commented that ContextWeb is leveraging unique, proprietary and scalable technology to bring dramatic improvements to web-based ad targeting. Mr. Walley adds, “We looked at a number of companies in the internet advertising and technology space. ContextWeb’s demonstrated experience at getting innovative products to market and their upcoming product releases made them a great investment for us. They are making a big difference to content providers and advertisers alike in the fast-growing and important online advertising exchange market. We are very excited to have the opportunity to help the ContextWeb team execute their unique strategy.”

In conjunction with the financing, Mr. Walley has been appointed to ContextWeb’s Board of Directors. Existing members of the board include Mr. Subramanian, CEO of ContextWeb, Inc.; Shanthini Sarkar, Chief Product Officer of ContextWeb, Inc.; John Fisher, Managing Director of DFJ, Ross Goldstein, Managing Director of DFJ Gotham Ventures; Conor Mullett, General Partner of Udata Partners; Marshall Cohen, Member/Partner of the Pilot Group and Wenda Harris Millard, Co-CEO and President, Media, Martha Stewart Living Omnimedia, Inc.

GCA Savvian Advisors LLC served as the exclusive financial advisor to ContextWeb for this transaction.

According to a study by eMarketer, online contextual ad spending in the U.S. will generate \$1.4 billion in 2007 and grow to a \$2 billion market by 2008. IDC reports that internet ad spending in Q1 '08 was up 23.9% compared with the same period in 2007. Online advertising is expected to overtake radio advertising in 2008, when total, global online ad spending hits \$44.6 billion according to ZenithOptimedia. These figures indicate a significant growth opportunity for ContextWeb.

“This round of funding will help propel current and future product releases as we rapidly grow the ADSDAQ Exchange. Our Agency Trading Desk, Publisher Reach Extension Program, Self-Serve Publisher Selling Desk, Self-Serve Advertiser Buying Desk and Buying Desk for Vertical Ad Networks all provide scalable solutions for advertisers, ad agencies and publishers. Noah Walley is a great addition to what is already a very strong board. Our company is extremely well positioned to meet our customers’ evolving and diverse online advertising needs,” says Mr. Subramanian.

Investor Growth Capital (IGC) (<http://www.investorgrowthcapital.com>) is the wholly-owned venture capital arm of Investor AB, a publicly traded industrial holding company, listed on the Stockholm Exchange. IGC was formed in the mid-1990s to invest in high-quality, growth-oriented companies, primarily in the IT and Healthcare industries. Today its 30 investment professionals are developing a portfolio whose value exceeds \$800 million from offices located in New York, Menlo Park, Stockholm, Hong Kong, Tokyo and Beijing. Investor AB is a leading shareholder in a number of European multinational corporations, including ABB, Astra Zeneca, Atlas Copco, Electrolux, Ericsson and SEB. For almost a century Investor AB's business philosophy has been to build best-in-class companies in sectors where the group has strong knowledge and a networking advantage. IGC shares that approach and benefits from Investor AB's extensive global network of companies and senior managers.

ContextWeb, Inc. (<http://exchange.contextweb.com>) was founded in 2000 and launched the ADSDAQ Exchange in 2005. It is the only online exchange where both advertisers and publishers have complete control. The exchange's patent-pending, page-level contextual technology offers advertisers efficient pricing and extensive reach, making inventory on the exchange "brand-safe" and comparable to a site-specific or portal buy. The ADSDAQ Exchange ranks among the top 20 ad-supported properties, according to comScore Media Metrix, and reaches +100 million monthly unique visitors (May, 2008). The exchange includes more than 400 advertisers, including all of the top 10 marketing organizations, and more than 7,000 publishers. In 2007, Deloitte's New York Region Technology Fast 50 recognized ContextWeb as the 17th fastest growing company in the New York area. The company's investors include leading venture capital firms Draper Fisher Jurvetson ("DFJ"), DFJ Gotham Ventures, Udata Partners, Investor Growth Capital and Gold Hill Capital.

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