

NEWS RELEASE

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Pluggd closes \$6M Series A investment from leading venture funds

Financing aimed at driving deployment of video search and ad targeting services

Seattle – August 23, 2007 – Pluggd, a critically acclaimed provider of video and audio search technology, announced today it has raised \$6 million in Series A financing from Intel Capital, who led the round, and DFJ Frontier, with participation from Labrador Ventures and prominent angel investors.

The financing will be used to accelerate product development, boost hiring, and build partnerships with traditional media companies and premiere online content providers of all sizes.

"We are building a really unique platform that can search inside the video stream, and we look forward to working with content publishers and advertising service providers both," said Alex Castro, CEO of Pluggd. "Our technology makes it possible to connect advertisers with new, hyper-engaged audiences by delivering the most relevant ad, at the best possible moment."

Searching within the stream increases user engagement

Pluggd's core technology analyzes content within video in a way that makes it easy for consumers to view the 'chunks' they want within a multimedia stream, thus dramatically increasing the amount of time they stay engaged – by as much as 300%. This is good news to an industry shifting away from 'page views' and toward 'minutes' as the most reliable way to evaluate a site's value to advertisers.

"Internet audio and video is rich in potential growth, but currently lacking a useful search service," said Angela Biever, vice president, Intel Capital, and managing director for the Consumer Internet Sector. "Pluggd addresses that need directly."

"Pluggd's ability to let users search within a video stream is something no one else can offer," said Scott Lenet of DFJ Frontier. "The increased user engagement from this technology effectively boosts inventory for content owners, creating an enormous market opportunity for contextual video advertising."

Contextual ad targeting means more opportunities to monetize video

The same underlying technology makes it possible to place relevant ads in a user-friendly way, and dramatically increases the inventory of content that can be monetized by advertisers and publishers alike. By unlocking the entire video stream, an advertiser no longer has to rely solely on pre-roll and post-roll placement. Rather, they can dynamically place clickable overlay ad banners at any point in the program that are the most contextually relevant.

"We think Pluggd's solutions for targeting high-value ads into online video are ingenious," said Ian Sobieski from Band of Angels. "This is an incredibly dynamic marketplace and we feel Pluggd is demonstrating strengths that will allow it to emerge as the leader."

As part of the funding, both Sobieski and Lenet will join the company's board of directors, joining founder Castro and Mark Klebanoff. Gustavo Aray of Intel Capital will also participate as a board observer.

About Pluggd

Pluggd was founded to create the world's best video search and advertising platform for advertisers, publishers, and consumers alike. As the multi-billion dollar online advertising market matures, so does the need to unlock and monetize the entire content within a video stream. Pluggd's enabling 'HearHere' and 'SeeHere' technology makes it uniquely possible to deliver the most relevant ad, at the best time, and to the most engaged audience. The company was named an AlwaysOn Most Innovative Private Company in 2007, and was an invitee to the prestigious Under the Radar and DEMO conferences. Pluggd is located in Seattle, and on the web at <http://corp.pluggd.com>.

About Intel Capital

Intel Capital, Intel's venture capital organization, makes equity investments in innovative technology start-ups and companies worldwide. Intel Capital invests in a broad range of companies offering hardware, software, and services targeting enterprise, home, mobility, health, consumer Internet, semiconductor manufacturing, and cleantech. Since 1991, Intel Capital has invested more than U.S. \$6 billion in approximately 1,000 companies in over 40 countries. In that timeframe, about 157 portfolio companies have gone public on various exchanges around the world and another 187 have been acquired by other companies. In 2006, Intel Capital invested about US\$1.07 billion in 163 deals with approximately 60 percent of funds (excluding Clearwire) invested outside the United States. For more information on Intel Capital and its differentiated advantages, visit www.intelcapital.com.

About DFJ Frontier

DFJ Frontier is a venture capital firm that invests in seed and early stage companies on the West Coast. DFJ Frontier backs passionate entrepreneurs in a broad array of industries, including information technology, life sciences, clean technology, and other emerging businesses. The firm typically leads the first round of investment, taking a significant stake in the company and an active role on the board of directors. DFJ Frontier is an affiliate of Draper Fisher Jurvetson and has offices in Sacramento and Santa Barbara, California. For more information, please visit: <http://www.dfjfrontier.com>.

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