

CEO *cast*

WHERE WALL STREET LISTENS

NASDAQ: MAMA



David Goldman
Executive Chairman

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Mamma Media Solutions™ is focused on providing first-rate quality information retrieval on the Internet through its metasearch engine and is a leading provider of integrated marketing solutions to online advertisers. The Mamma.com search engine, The Mother of All Search Engines®, is one of most popular metasearch engines on the Internet, as it makes it easier and faster for people to find information by gathering the most relevant results from the best search engines on the Internet. The Company is equally focused on being one of the leading providers of online marketing solutions to advertisers as its integrated offer includes keyword search listings and numerous sizes of graphic ad units. Mamma.com maintains a large publisher network on which it distributes search and graphic ad units for its advertisers. The Company also holds minority interests in analog integrated circuit products, and in the new media and telecommunications sectors.



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CEO: *The company had a terrific quarter and clearly the efforts that you've made to remake the company as a pure play Internet marketing concern has worked. Could you please begin with an overview of the company and then we'll get into some of the reasons for the success.*

MAMA: Yes. In fact, Mamma.com has evolved a lot in the past year. A couple of years ago we built our strategic plan where we said how can we differentiate ourselves from the major search players in the industry, we decided that we're not going to take on the Googles in a head to head battle, but we would differentiate ourselves as far as the products that we offer to the advertisers. And this is when we started to build our one-stop shop approach where we added from our basic core product, which is selling key words or paid for placement type of advertising to ad network or ad creative type products, and we have done that through the focusIN acquisition that we've done last year, which basically comprises of a network of 5,000 publishers that offer us their own advertising space. This has, I believe, significantly differentiated our firm from other major search players where they basically only offer keywords, where we had this integrated solution for advertisers now that they could mix in their online marketing campaigns keywords and ad creatives. We have recently announced that we've signed a letter of intent to acquire a small company called Digital Arrow, which is in the e-mail marketing area. This has been the third piece that we've been looking for to complete basically this one-stop shop approach and now if this transaction obviously works through, we will have a complete set of online marketing tools to the advertisers by adding this e-mail marketing component.

CEO: *As you look at now your media solutions segment, it reported a significant increase in revenues and earn-*

ings. Are there particular verticals that are contributing to that?

MAMA: Well, we've seen obviously—Mamma's revenues right now we can split into the first two segments that I've described, which is a search and the ad network component. For Mamma Media Solutions total business in 2003, we basically have about 60 to 65 percent of our revenue which is search based, and the rest—35 percent which is the ad network piece. On the search portion of our revenue, which is obviously selling the keywords or paid for placement, we have both the Mamma.com site revenue, which is our own meta search engine and when we push advertisers onto that site, we basically collect a cost per click type of fee from these advertisers, which are advertisers that either do business with us directly or that come from what we call a Tier 1 partner. The search industry is a bit of an incestuous industry in the sense that there's a lot of traffic that is passed on from one search engine to another. So we have agreements with, for instance, Ask Jeeves or Google or other players in the marketplace that will send us their own advertisers. So we can post those on our own site and then we can post our own advertisers. But we also have built an extensive distribution network on the downstream where we, again, send our own advertisers or Tier 1 advertisers to other search properties out there. We've seen extensive growth in that traffic last year, particularly in the fourth quarter. And the fourth quarter is typically our best quarter in the year. It's the best quarter in the online media industry on a yearly basis. We've seen cost per click traffic increase, but we also have seen the ad network business pick up, which is I think both a product of—that we've integrated that business well into the Mamma Media Solutions offer, and also a very healthy market out there in general.

CEO: *As you look at acquisitions, the company recently announced a letter of intent. How does this fit in to your strategy?*

MAMA: This fits, as I was mentioning, where it will add a third component to our offer. Having now the e-mail marketing product, we can really offer an advertiser many ways to reach its targeted demographics. Also, we now have the advantage of cross selling within our own advertiser or our own customer base, so therefore advertisers today that buy keywords from us or that buy ad creative type products, we can now offer them e-mail marketing solutions. So this ties in very well to our strategy of the one-stop shop approach.

CEO: *What about the competitive environment? Who are you competing with today?*

MAMA: We're obviously competing — you know, in a search place we're a smaller tier player than the Google of this world, but obviously we are in that space. But having added other components to our offer makes us a little bit more unique. So in different services we would compete with different players. I would say that in the search space we compete with the Findwhat and the Looksmart and the Google and the Ask Jeeves of this world. On the ad network space we might be competing with the Valueclick or the Fastclick or Tribalfusion of this world. But, again, if you look at our complete offer we are starting to be more distinctive. We're more unique in that sense.

CEO: *What about now the e-mail side of the business? How do you integrate the two?*

MAMA: The integration should be fairly easy in the sense that our sales force today, that knows how to sell keyword based products and ad network based products, can rapidly pick up the e-mail marketing piece so therefore we can leverage those sales from my existing sales force. The existing sales force of the company that we intend to acquire also can quickly pick up on our products. In fact, these people are already selling on third party ad networks ad-based products, so they can very quickly pick up the Mamma keyword products and the Mamma ad network products and leverage their own advertisers in that sense. Technology wise, there is probably not that much of an effort to integrate the products. For an advertiser obviously we'll want to have a common user interface. But the cultures of the organization will make it fairly easy to integrate that operation.

CEO: *As you look at now other acquisitions, what are some of the areas, Guy, that would be strategic for you?*

MAMA: I guess we would probably now not necessarily want to get into a new area, but probably complete existing offerings that we have. So we are now clearly occupying three spaces in the online marketing industry: the search space, the ad network space, and e-mail marketing. The next acquisitions or acquisition would be in one of those three.

CEO: *As you look at now the divestiture of your billing subsidiary, how does this allow you to perhaps sharpen your focus in terms of the core business?*

MAMA: Well, I'm not sure it definitely changes that much in the sense that before this divestiture those two companies were operating fairly separately under the Intasys umbrella. Now that IBT has been sold, basically it's not there and the Mamma Media Solutions segment sustains the whole corporation. What's important is that we bring the top line, the revenue, up to a certain level which will enable us to support the cost of running a public company and this is why we want to continue to be very aggressive on our acquisitions strategy. And we do have the cash to do it right now.

CEO: *As you now look at some of the key milestones going forward, Guy, what should investors look for in the coming quarters in terms of key developments?*

MAMA: Investors, I guess, should be looking at us, continuing to operate a company and making sure that our revenues continue to grow, that our bottom line is well managed. Mamma has shown some nice bottom line contribution in the past year. The Mamma Media Solutions unit has been profitable now for seven quarters. We want to continue operating on a profitable basis and we want to continue to invest in our search based products. We also want to continue to invest in marketing to attract more users to our search property and more advertisers to our table, and we want to look at doing other acquisitions that will quickly bring up our top line to a larger — critical mass, if you want.