

From: Pehr Luedtke <pehr@powerreviews.com>
Sent: Thursday, February 4, 2010 9:57 PM
To: Ben Boyer <ben@tenayacapital.com>; John Jarve <john@menloventures.com>;
[REDACTED]; Vince Monical [REDACTED];
[REDACTED]; andy@powerreviews.com; Robert Chea
<robert@powerreviews.com>; Steven Pease <[REDACTED]>
Subject: PowerReviews update

Hello all –

A quick update on the happenings at PowerReviews. There have been some scheduling conflicts with our next Board meeting, which is now on the calendar for early March. So I will be sending out a more thorough document next week, including more detailed metrics and product roadmap. But in the meantime here are some highlights from the month:

Financials:

- We have started off the year well against plan, and exceeded January by 4% on the top line. Increased banner revenue helped to offset the decrease of traffic on Buzzillions
- The rest of the quarter looks very positive

Buzzillions:

- We weathered the Google storm. Our leading hypothesis is that Google was concerned that we were presenting duplicate content on Buzzillions, but I am confident that we placated that concern.
- We are engaging an additional top quality SEO firm founded by former Googlers
- We had some very small conversion increases with UI tests this month around product price drops and continue to iterate on that front

Services:

- The services business continues to be strong, with major new wins in clients such as Johnston and Murphy and 1-800-Contacts and some significant renewals.
- Importantly, our price points are going up (roughly \$3k / month); strategically, this demonstrates our ability to compete effectively with clients that formerly only considered BazaarVoice
- Walmart just went through a large re-org, which has delayed any decision
- I was disappointed that a great VP Sales and Marketing candidate (Robbie Traub) dropped out of our process very late in the game...but we move onward with that search

Financing:

- We have had several conversations with other venture firms who have proactively reached out to us (Redpoint, Lightspeed, ATV, etc.); at this point, we're not in any further conversations with them – primarily because we're too large for the early stage funds and too small for the later stage funds
- I am still waiting to hear from SVB, but my sense is that we will be asking to raise the additional \$1M from Menlo. John, I'll follow up with you separately on this.

I continue to feel very positive about the company, the team, and our future. We are extraordinarily fortunate to operate in a duopoly with a foundation of great technology and (mostly) satisfied customers.

Hope everyone's year is off to a good start as well.

Best,
Pehr

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Pehr Luedtke | CEO, PowerReviews
t. 415.315.9173

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