

# Marchex Summary

November 2012



# SAFE HARBOR STATEMENT

This presentation contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included in this presentation regarding our strategy, future operations, future financial position, future revenues, other financial guidance, acquisitions, projected costs, prospects, plans and objectives of management are forward-looking statements. In addition, there are certain risks and uncertainties relating to our announced spin-off transaction which contemplates a separation of our mobile and call advertising business and our domain and advertising marketplace business, including, but not limited to, the impact and possible disruption to our operations, the timing and certainty of completing the transaction, the high costs in connection with the spin-off which we would not be able to recoup if the spin-off is not consummated, the expectation that the spin-off will be tax-free, revenue and growth expectations for the two independent companies following the spin-off, unanticipated developments that may delay or negatively impact the spin-off, and the ability of each business to operate as an independent entity upon completion of the spin-off. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. There are a number of important factors that could cause Marchex's actual results to differ materially from those indicated by such forward-looking statements which are described in the "Risk Factors" section of our most recent periodic report and registration statement filed with the Securities and Exchange Commission. All of the information provided in this presentation is as of today's date and we undertake no duty to update the information provided herein.

# Marchex – The Biggest Mobile Advertising Company Most People Don't Know

## Large Market Opportunity

Businesses spend billions to generate phone calls – more dollars are shifting to mobile

## Significant Mobile Reach

Mobile drives our growth and opportunity

## Proprietary Technology

Proprietary Call Analytics and advertising platform drive insights and performance

## Advertiser Diversity

National and local advertisers across rich vertical categories

## Business Scale

Performance-based advertising model in mobile, Pay For Call, with a run-rate approaching \$120MM on an annualized basis\*

\*Calculated based on Marchex call-driven revenue for the quarter ended September 30, 2012.

# Marchex is a Mobile Advertising Company Focused on Calls

Marchex makes  
the phone ring

**MARCHEX**<sup>®</sup>

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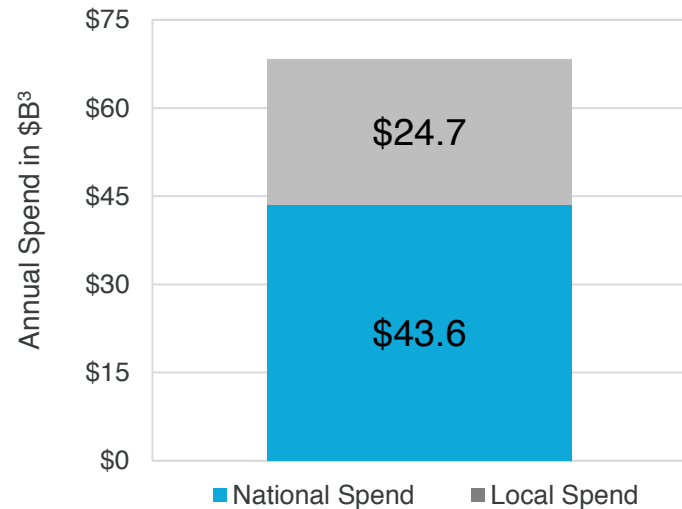


# Businesses Need Calls and Spend Billions to Get Them

**65%** of businesses value calls most over other advertising outcomes.<sup>2</sup> Why?

- Higher conversion rates - up to 10x greater than clicks
- More valuable customers - people often want to talk to someone before they buy high-value or complex products
- Human connection - 77% of consumers who abandoned an online purchase did so because of the inability to speak with someone<sup>4</sup>

National and local businesses are spending \$68 Billion annually on Calls<sup>1</sup> from potential customers – from online and offline channels



Source:

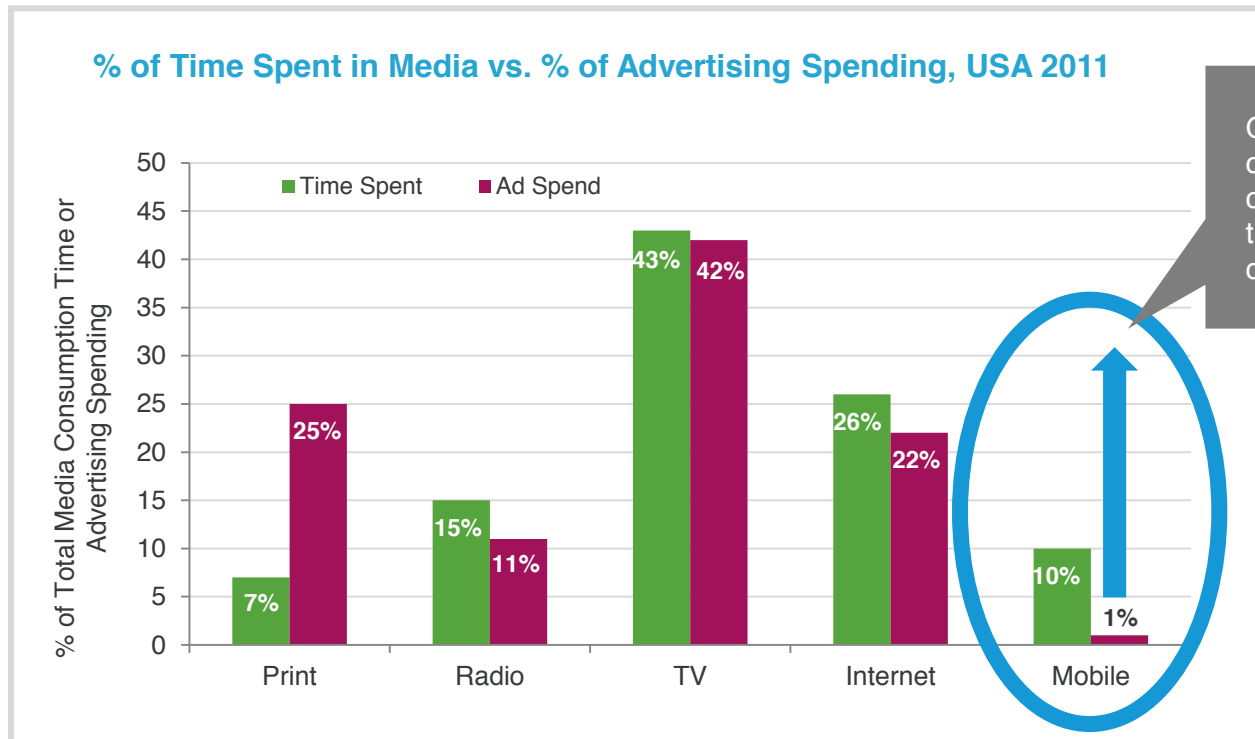
1 BIA/Kelsey, June 2012.

2 Google Mobile Data.

3 Over half of this is currently in offline spend, such as Yellow Pages and print.

4 Forrester Research, 2011.

# Mobile Ad Spend is Expected to Grow +300% to \$11 Billion in 2016 from 2012 as Advertiser Spend Follows Consumer Media Time

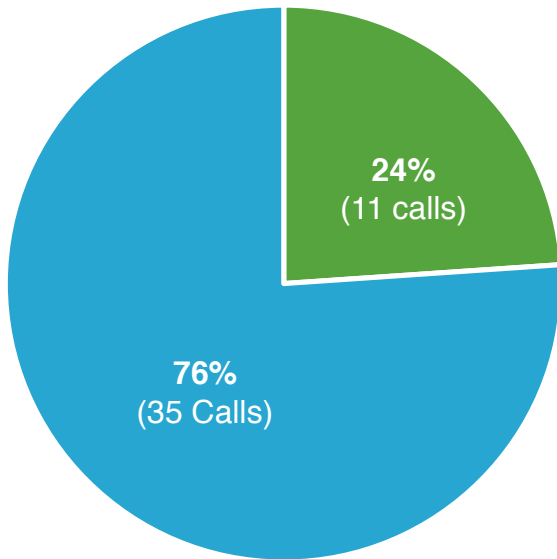


Offline dollars spent on calls will shift to where consumers are spending their time – mobile devices

Note: \*Internet (excl. mobile) advertising reached \$30B in USA in 2011 per IAB. Mobile advertising reached \$1.6B per IAB in 2011. Print includes newspaper and magazine. Source: Time spent and ad spend share data eMarketer. Mobile Forecast: eMarketer. US Mobile Ad Spending Soars Past Expectations. 2012 mobile ad spend forecast is \$2.6B per eMarketer.

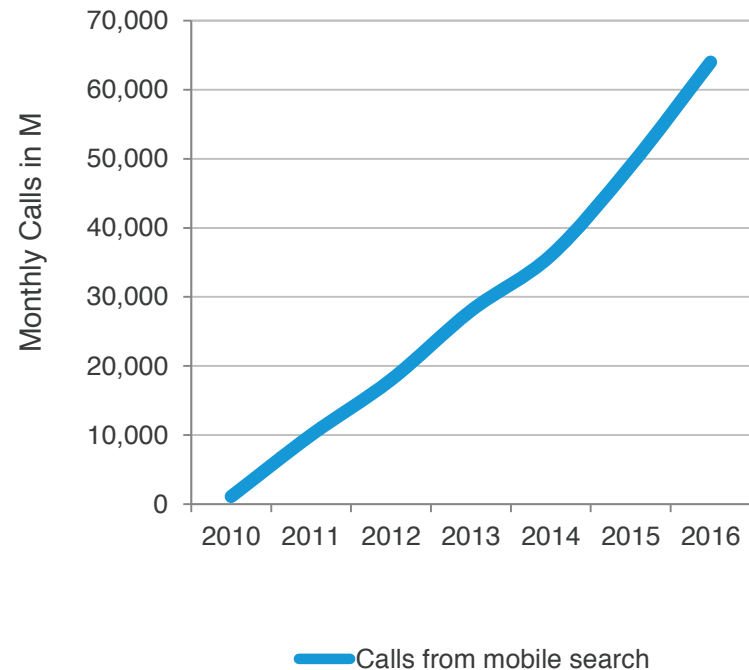
# Consumers Call Businesses from Mobile Searches More than Desktop and that Number is Growing

Average Call Mix to U.S. Businesses  
(# per location per month)\*



- Calls from desktop search
- Calls from mobile search

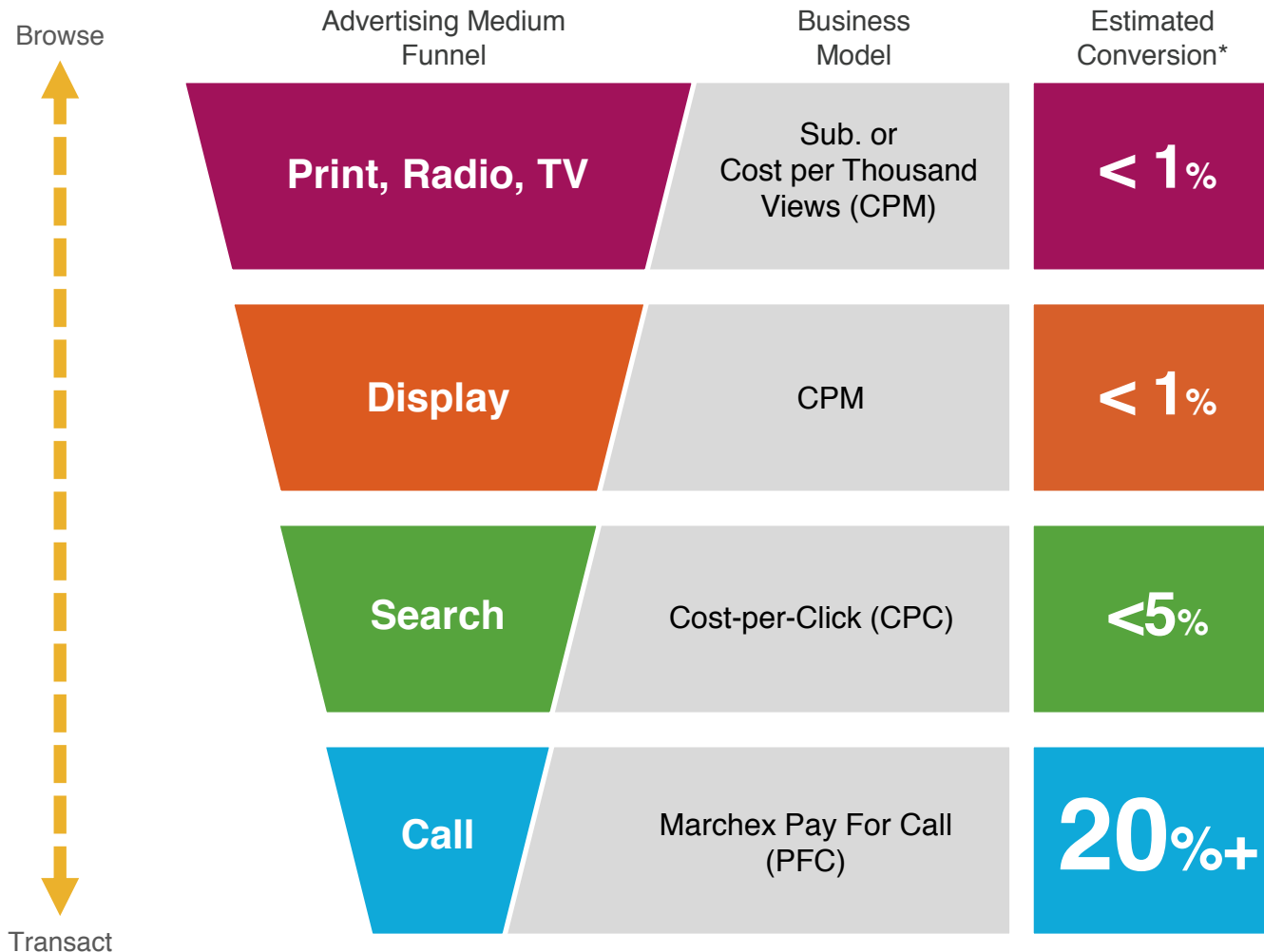
Calls from Mobile Searches Growing  
256% from 2012 to 2016



Source: BIA/Kelsey, June 2012.

\* Data from 2011 advertisers. Calls from Desktop search were measured with call tracking numbers.

# And Calls are the Highest Converting Advertising Outcome for Many Businesses



Source: Marchex Internal Data.



# Marchex Solves Three Big Mobile Advertiser Challenges



## Volume

Mobile is fragmented – advertisers need many publishers to drive scale



## Quality

Many clicks or calls on a mobile device are accidental or spam



## Performance

Understanding and measuring results from calls is critical to driving high return on investment

# Marchex Addresses Mobile Advertising with Two Products that Drive and Measure Sales through Phone Calls

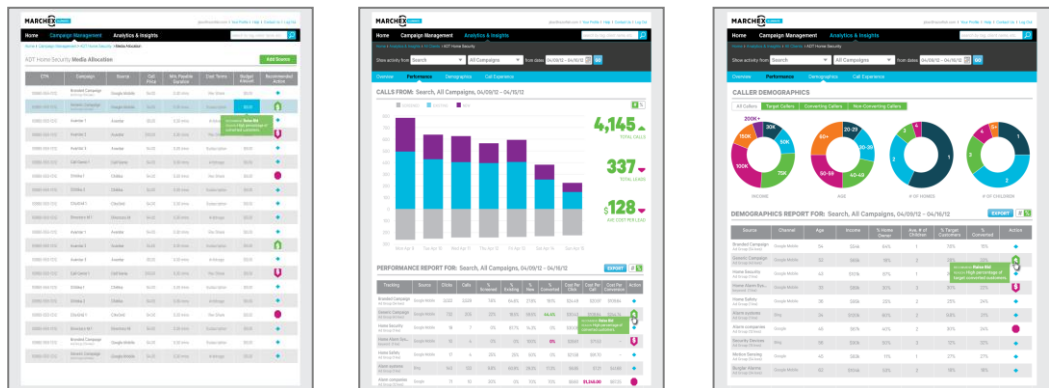
## Digital Call Marketplace (DCM)

Mobile ad network that delivers phone calls to businesses on a Pay For Call basis. MCA provides analysis of the results.

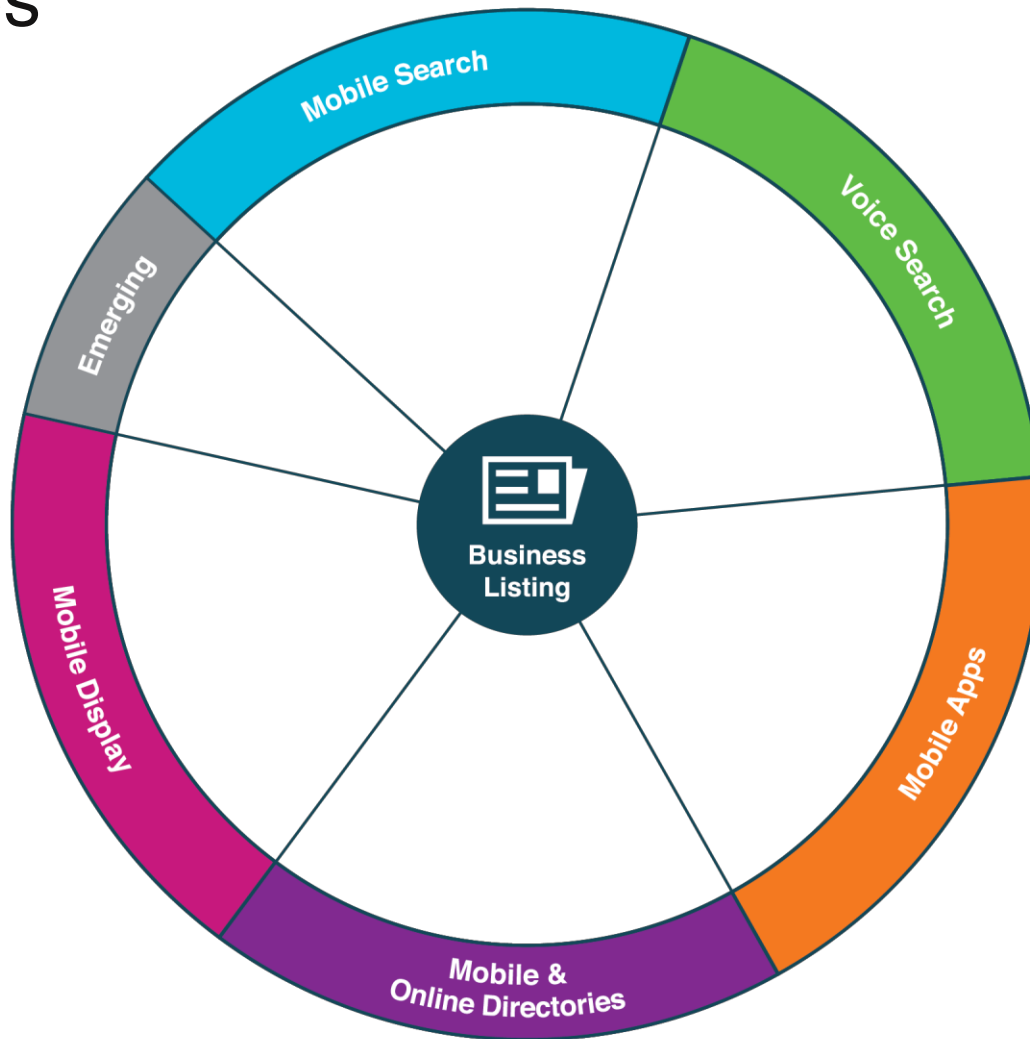


## Marchex Call Analytics (MCA)

Technology platform that measures and analyzes phone calls.



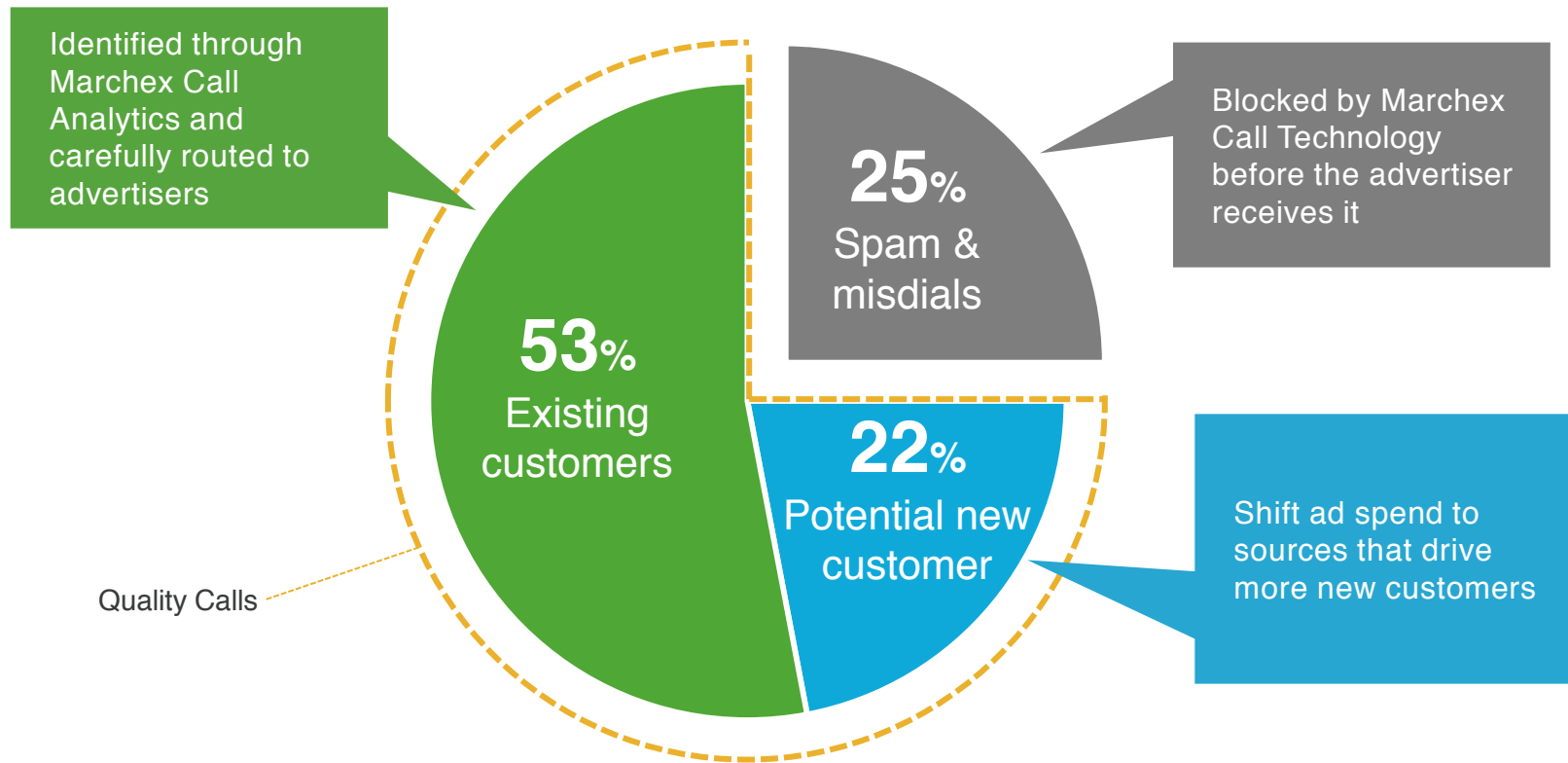
# Marchex has Significant Mobile Reach Generated Through a Broad Range of Mobile Publisher Sources



+100 sources in the Marchex Digital Call Marketplace, so advertisers can reach mobile consumers everywhere they search.

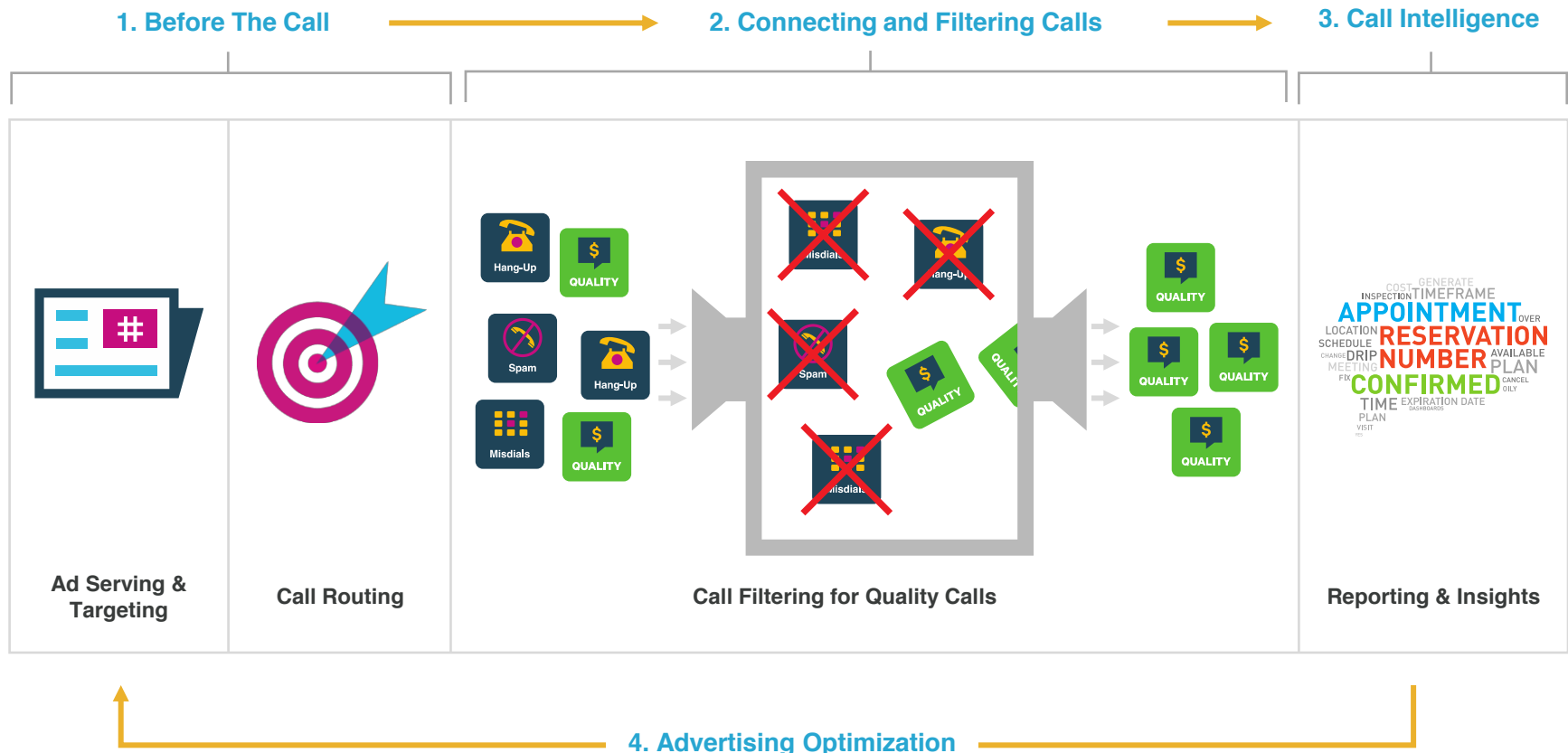
# Cost Effective Customer Acquisition in Mobile Advertising Requires Measurement and Intelligence

Chart below represents a breakdown of call types from a sample set of mobile search advertising driven phone calls\*.



*Distribution of call types varies across Marchex mobile distribution channels.  
\*Sample includes hundreds of thousands of calls.*

# Marchex's Technology Targets In-Market Consumers, Filters Callers for Quality, Measures and Analyzes Outcomes, and Leverages Insights to Improve Performance



# Investment in Call Analytics Provides Actionable Insights to Drive Performance

We leverage our proprietary Call Analytics to measure and analyze all actions on the call

- Automatically recognize key phrases in conversations
- Dynamically improve business and operational performance based on this data
  - Top competitors mentioned
  - Top features mentioned
  - Top objections
- Optimize advertising campaigns in real time
  - Demographics
  - Keywords
  - Hours of operation



# The Result is Increased Call Volume from Mobile Consumers and a Higher Return on Investment

**A Leading International  
Hotel Chain**

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**14:1**

Return On Ad  
Spend (ROAS)

**A Prominent  
Insurance Provider**

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**40%**

Reduction in  
Cost Per  
Acquisition over  
6-months

# Our Products Provide Mobile Advertising Solutions for National & Local Businesses in Dozens of Categories



Auto



Cable & Satellite



Education



Health



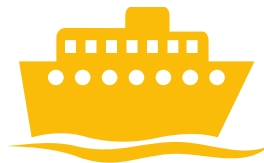
Home Services



Insurance



Real Estate



Travel



Local (SMB)