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FatTail Secures Series A Financing From Industry Leaders Velocity Interactive Group and Ted Meisel

Ross Levinsohn Joins FatTail Board

WOODLAND HILLS, CALIF. – OCTOBER 15, 2008 – [FatTail Inc.](#), an innovator in online advertising optimization software, today announced that it has closed its Series A financing. The \$3M round was led by [Velocity Interactive Group](#), whose partners include former AOL Chief Executive Jonathan F. Miller and former Fox Interactive Media President Ross Levinsohn, with participation by Ted Meisel, former Overture CEO and former president of Yahoo! Search Marketing, and others. Levinsohn will join FatTail’s board of directors. The company will use the funds for the development and launch of its new sales optimization software products, which will be available next year.

“We understand from experience how difficult it is to optimize the online advertising process,” said Levinsohn. “FatTail is squarely in the middle of solving this problem and we believe has breakthrough capabilities. The company has a world-class team and we’re thrilled to assist them in helping publishers and advertisers transform their businesses.”

FatTail's first product, AdBook, is the leading yield and process management solution for digital advertising. AdBook customers include online publishers of more than 500 major websites. The company is also developing several other core products that expand the opportunities for both publishers and advertisers.

"Even after 15 years of development, online advertising is still too hard to buy and sell," said Meisel, who currently serves as a senior advisor at the private equity firm of Elevation Partners. "FatTail brings needed automation and intelligence to online advertising, allowing publishers, advertisers and agencies to shift their resources from order-processing to the development of more effective marketing programs."

A study conducted earlier this year by the Interactive Advertising Bureau (IAB) and Bain & Company found that "online publishers are increasingly turning to sales intermediaries known as ad networks to sell off excess inventories" at more than 90 percent discounts. Without adequate tools to manage inventory and pricing, this problem is only expected to increase and, according to the study, "will likely lead to erosion of premium CPMs if publishers maintain current behavior."

"Ad networks are eroding the value of online publishers' inventory. The use of ad networks is symptomatic of the fact that online ad sales people spend too much time processing orders instead of selling inventory. A lot of effort has gone into automating ad serving, but little has gone into automating the sales fulfillment process. That's the problem we are focused on solving," said FatTail CEO Steve Pelletier. "The major ad serving companies are directly competing with publishers for the same advertising dollars. Online publishers need a trusted advisor to help them find answers to complicated issues such as how to more effectively manage inventory, determine pricing and maximize revenue. At FatTail, we're developing automation tools that help online publishers get from 'quote to cash' with much greater efficiency and put the control back into the hands of online publishers and advertisers."

"We are thrilled with our new partners," Pelletier continued. "The industry knowledge and insight they provide is immeasurable and will help us tremendously as we execute on our vision."

About Velocity Interactive

Velocity Interactive Group (www.velocityig.com) is a leading investment firm that focuses on digital media and communications. The firm brings a unique approach to investing by bringing not just financial capital, but also human capital to its investment companies. Velocity Interactive Group has a global presence in Palo Alto, Los Angeles, New York, India and China.

About FatTail

FatTail, Inc. (www.fattail.com) is an innovator in online advertising optimization software solutions. Founded in 2001, the company's AdBook yield and process management software for digital advertising is used by more than 500 of the world's leading websites. FatTail investors include Velocity Interactive Group, Ted Meisel and others.

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