

**WebMediaBrands Inc. Reports Financial Results  
For Its First Quarter Ended March 31, 2012;  
First Quarter Revenues Increase 64%**

(New York, NY – May 2, 2012) -- WebMediaBrands Inc. (Nasdaq: WEBM) today reported financial results for the quarter ended March 31, 2012.

**Highlights for the first quarter of 2012 include:**

- Revenues for the first quarter of 2012 were \$3.7 million compared to revenues of \$2.2 million for the same period in 2011, an increase of 64%, and included \$1.1 million from Inside Network, which we acquired in May 2011. Revenues from advertising and education, excluding the impact of the Inside Network acquisition, increased 25% and 18%, respectively, compared to the same period last year. Inside Network's market research and data services business, which includes AppData, contributed \$438,000 in revenues during the first quarter of 2012.
- Net loss for the first quarter of 2012 was \$617,000, compared to a net loss of \$1.3 million for the same period last year. Non-GAAP loss, excluding interest, taxes, depreciation, amortization and stock option-related expense, or EBITDA, was \$188,000 during the first quarter of 2012, compared to a loss of \$903,000 for the same period last year. We track this metric and present it here because we believe it helps in the analysis of the performance of our core operations. Non-cash stock option-related expense was \$130,000 during the first quarter of 2012 compared to \$84,000 during the first quarter of 2011.

“Our first quarter demonstrated continued progress towards being cash flow positive, with significant year-over-year and sequential quarterly revenue growth,” stated Alan M. Meckler, Chairman and CEO of WebMediaBrands, Inc. “The acquisition of Inside Network has expanded our product offerings, and revenues from Inside Network’s research and advertising businesses have continued to grow. The Inside Social Apps trade show took place in February and it was critically and financially successful. We anticipate continued growth in 2012 led by our in-depth strength in covering Facebook, social media, apps and the Semantic Web,” added Meckler.

**WebMediaBrands Inc. First Quarter 2012 Financial Results Conference Call Alert**

WebMediaBrands Inc. invites you to participate in its conference call reviewing 2012 first quarter results on Wednesday, May 2, 2012 at 5:00 pm ET.

The conference call number is 888-510-1783 for domestic participants and 719-325-2499 for international participants; confirmation code “2904548.” Please call five minutes in advance to ensure that you are connected prior to the presentation. The conference call replay will be available until Monday, May 7, 2012. Replay call numbers are 888-203-1112 for domestic participants and 719-457-0820 for international participants; confirmation code “2904548.”

**WebMediaBrands Inc.**  
**Unaudited Consolidated Condensed Statements of Operations**  
**For the Three Months Ended March 31, 2012 and 2011**  
(in thousands, except per share amounts)

|   | <b>Three Months Ended</b> |                   |
|---|---------------------------|-------------------|
|   | <b>March 31,</b>          |                   |
|   | <b>2012</b>               | <b>2011</b>       |
| Revenues  | \$ 3,685                  | \$ 2,246          |
| Cost of revenues  | 2,043                     | 1,448             |
| Advertising, promotion and selling                        | 641                       | 432               |
| General and administrative                                | 1,319                     | 1,355             |
| Depreciation  | 80                        | 84                |
| Amortization  | 136                       | 118               |
| Total operating expenses                                  | <u>4,219</u>              | <u>3,437</u>      |
| Operating loss  | (534)                     | (1,191)           |
| Other loss, net   | —                         | (4)               |
| Interest income   | 1                         | 35                |
| Interest expense  | <u>(73)</u>               | <u>(179)</u>      |
| Loss before income taxes                                  | (606)                     | (1,339)           |
| Provision for income taxes                                | <u>11</u>                 | <u>10</u>         |
| Net loss  | <u>\$ (617)</u>           | <u>\$ (1,349)</u> |
| Loss per share:   |                           |                   |
| Basic net loss  | <u>\$ (0.01)</u>          | <u>\$ (0.04)</u>  |
| Diluted net loss  | <u>\$ (0.01)</u>          | <u>\$ (0.04)</u>  |
| Weighted average shares used in computing loss per share: |                           |                   |
| Basic   | <u>41,693</u>             | <u>37,977</u>     |
| Diluted   | <u>41,693</u>             | <u>37,977</u>     |

**WebMediaBrands Inc.**  
**Consolidated Condensed Balance Sheets**  
**March 31, 2012 and December 31, 2011**  
(in thousands, except share and per share amounts)

|   | <b>March 31,<br/>2012</b> | <b>December 31,<br/>2011</b> |
|---|---------------------------|------------------------------|
|   | <b>(unaudited)</b>        |                              |
| <b>ASSETS</b>   |                           |                              |
| Current assets:   |                           |                              |
| Cash and cash equivalents   | \$ 3,291                  | \$ 3,438                     |
| Accounts receivable, net of allowances of \$21 and \$11, respectively   | 618                       | 489                          |
| Prepaid expenses and other current assets   | 566                       | 575                          |
| Total current assets  | 4,475                     | 4,502                        |
| Property and equipment, net of accumulated depreciation of \$1,426 and \$1,350, respectively  | 438                       | 477                          |
| Intangible assets, net of accumulated amortization of \$845 and \$722, respectively   | 2,525                     | 2,626                        |
| Goodwill  | 15,116                    | 15,116                       |
| Investments and other assets  | 1,139                     | 1,146                        |
| Total assets  | \$ 23,693                 | \$ 23,867                    |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                           |                              |
| Current liabilities:  |                           |                              |
| Accounts payable  | \$ 370                    | \$ 367                       |
| Accrued payroll and related expenses  | 344                       | 391                          |
| Accrued expenses and other current liabilities  | 656                       | 662                          |
| Deferred revenues   | 1,595                     | 1,288                        |
| Total current liabilities   | 2,965                     | 2,708                        |
| Loan from related party   | 7,647                     | 7,647                        |
| Deferred revenues   | 22                        | 22                           |
| Deferred income taxes   | 454                       | 444                          |
| Other long-term liabilities   | 61                        | 60                           |
| Total liabilities   | 11,149                    | 10,881                       |
| Commitments and contingencies   |                           |                              |
| Stockholders' equity:   |                           |                              |
| Preferred stock, \$.01 par value, 4,000,000 shares authorized, no shares issued and outstanding   | —                         | —                            |
| Common stock, \$.01 par value, 75,000,000 shares authorized, 42,595,099 and 42,545,702 shares issued and 41,760,099 and 41,710,702 shares outstanding at March 31, 2012 and December 31, 2011, respectively | 426                       | 425                          |
| Additional paid-in capital  | 288,846                   | 288,672                      |
| Accumulated deficit   | (276,232)                 | (275,615)                    |
| Treasury stock, 835,000 shares, at cost   | (496)                     | (496)                        |
| Total stockholders' equity  | 12,544                    | 12,986                       |
| Total liabilities and stockholders' equity  | \$ 23,693                 | \$ 23,867                    |

**WebMediaBrands Inc.**  
**Unaudited Consolidated Condensed Statements of Cash Flows**  
**For the Three Months Ended March 31, 2012 and 2011 (in thousands)**

|   | <b>Three Months Ended</b> |             |
|---|---------------------------|-------------|
|   | <b>March 31,</b>          |             |
|   | <b>2012</b>               | <b>2011</b> |
| Cash flows from operating activities:                                       |                           |             |
| Net loss  | \$ (617)                  | \$ (1,349)  |
| Adjustments to reconcile net loss to net cash used in operating activities: |                           |             |
| Depreciation and amortization   | 216                       | 202         |
| Stock-based compensation  | 122                       | 84          |
| Provision for losses on accounts receivable                                 | 9                         | —           |
| Other, net  | 8                         | (4)         |
| Amortization of debt issuance costs   | 9                         | 8           |
| Deferred income taxes   | 9                         | 8           |
| Changes in current assets and liabilities (net of businesses acquired):     |                           |             |
| Accounts receivable, net  | (139)                     | (145)       |
| Prepaid expenses and other assets   | 7                         | 132         |
| Accounts payable, accrued expenses and other liabilities                    | (55)                      | (688)       |
| Deferred revenues   | 307                       | 569         |
| Net cash used in operating activities                                       | (124)                     | (1,183)     |
| Cash flows from investing activities:                                       |                           |             |
| Purchases of property and equipment   | (32)                      | (24)        |
| Acquisitions of businesses, assets and other                                | (35)                      | (652)       |
| Net cash used in investing activities                                       | (67)                      | (676)       |
| Cash flows from financing activities:                                       |                           |             |
| Repayment of borrowings from related party                                  | —                         | (50)        |
| Proceeds from exercise of stock options                                     | 44                        | 39          |
| Net cash provided by (used in) financing activities                         | 44                        | (11)        |
| Net decrease in cash and cash equivalents                                   | (147)                     | (1,870)     |
| Cash and cash equivalents, beginning of period                              | 3,438                     | 12,970      |
| Cash and cash equivalents, end of period                                    | \$ 3,291                  | \$ 11,100   |

## **About WebMediaBrands Inc.**

WebMediaBrands Inc. (<http://www.webmediabrands.com>) is a leading Internet media company that provides content, education, and career services to social media, traditional media, and creative professionals through a portfolio of vertical online properties, communities, and trade shows. The Company's online business includes: (i) mediabistro.com, a leading blog network providing content, education, community, and career resources (including the industry's leading online job board) about major media industry verticals including new media, social media, Facebook, TV news, advertising, public relations, publishing, design, and mobile; (ii) InsideNetwork.com, a leading network of online properties providing original market research, data services, news, and job listings on the Facebook platform, on social gaming, and on mobile applications ecosystems; and (iii) SemanticWeb.com, a leading blog providing content, education, community resources and career resources on the commercialization and application of Semantic Technologies, Linked Data and Big Data. The Company's online business also includes community, membership and e-commerce offerings including a freelance listing service, a marketplace for designing and purchasing logos (stocklogos.com) and premium membership services. The Company's trade show and educational offerings include conferences, online and in-person courses, and video subscription libraries on topics covered by the Company's online business.

*"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release that are not historical facts are "forward-looking statements" under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. The potential risks and uncertainties address a variety of subjects including, for example: general economic conditions; the competitive environment in which WebMediaBrands competes; and the unpredictability of WebMediaBrands's future revenues, expenses, cash flows and stock prices. For a more detailed discussion of such risks and uncertainties, refer to WebMediaBrands's reports filed with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. The forward-looking statements included herein are made as of the date of this press release, and WebMediaBrands assumes no obligation to update the forward-looking statements after the date hereof, except as required by law.*

**All current WebMediaBrands press releases can be found online at [www.webmediabrands.com/corporate/press.html](http://www.webmediabrands.com/corporate/press.html)**

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