

**JUPITERMEDIA CORPORATION REPORTS RESULTS
FOR ITS THIRD QUARTER ENDED SEPTEMBER 30, 2008**

(New York, NY – November 6, 2008) -- Jupitermedia Corporation (Nasdaq: JUPM) today reported results for the quarter ended September 30, 2008.

Jupitermedia Corporation

**Unaudited Consolidated Condensed Statements of Operations
For the Three and Nine Months Ended September 30, 2007 and 2008
(in thousands, except per share amounts)**

	Three Months Ended September 30,		Nine Months Ended September, 30	
	2007 Restated	2008	2007 Restated	2008
Revenues	\$ 34,766	\$ 31,041	\$ 104,206	\$ 100,587
Cost of revenues (exclusive of items shown separately below)	14,524	14,092	43,825	45,109
Advertising, promotion and selling	7,168	6,919	21,534	22,270
General and administrative	6,511	6,997	21,221	22,671
Depreciation	1,128	1,249	3,353	3,731
Amortization	3,381	3,892	9,669	11,837
Total operating expenses	32,712	33,149	99,602	105,618
Operating income (loss)	2,054	(2,108)	4,604	(5,031)
Other loss, net	(39)	(853)	(372)	(58)
Interest income	62	70	140	176
Interest expense	(2,328)	(1,625)	(5,232)	(5,198)
Loss before income taxes and minority interests	(251)	(4,516)	(860)	(10,111)
Provision (benefit) for income taxes	233	18,045	(113)	16,821
Minority interests	(30)	(61)	(109)	(86)
Net loss	<u>\$ (514)</u>	<u>\$ (22,622)</u>	<u>\$ (856)</u>	<u>\$ (27,018)</u>
Loss per share:				
Basic net loss	<u>\$ (0.01)</u>	<u>\$ (0.63)</u>	<u>\$ (0.02)</u>	<u>\$ (0.75)</u>
Diluted net loss	<u>\$ (0.01)</u>	<u>\$ (0.63)</u>	<u>\$ (0.02)</u>	<u>\$ (0.75)</u>
Shares used in computing loss per share:				
Basic	<u>35,990</u>	<u>36,032</u>	<u>35,921</u>	<u>36,032</u>
Diluted	<u>35,990</u>	<u>36,032</u>	<u>35,921</u>	<u>36,032</u>

Segment Information

The following tables summarize the results of the segments of Jupitermedia for the three and nine months ended September 30, 2007 and 2008. Online images consists of the Jupiterimages business that includes: BananaStock, Workbook Stock, Brand X Pictures, FoodPix, Botanica, Nonstock, The Beauty Archive, IFA Bilderteam, Comstock Images, Creatas Images, PictureQuest, Liquid Library, Thinkstock Images, Thinkstock Footage, Bigshot Media, Goodshoot, Polka Dot Images, Stock Image, Pixland, Photos.com, Ablestock.com, PhotoObjects.net, Clipart.com, JupiterGreetings.com, AnimationFactory.com, RoyaltyFree-Music.com, StudioCutz.com, eStockMusic.com and Stockxpert.com. Online media includes the internet.com, EarthWeb.com, DevX.com, Mediabistro.com and Graphics.com Networks. Other includes corporate overhead, depreciation and amortization.

	(unaudited) Three Months Ended September 30,		(unaudited) Nine Months Ended September 30,	
	2007	2008	2007	2008
Revenues:				
Online images	\$ 26,824	\$ 23,467	\$ 82,121	\$ 75,699
Online media	7,942	7,574	22,085	24,888
	<u>34,766</u>	<u>31,041</u>	<u>104,206</u>	<u>100,587</u>
Cost of revenues and operating expenses: (A)				
Online images (B)	17,992	17,250	55,445	54,292
Online media	6,390	6,857	16,795	21,282
Depreciation and amortization	4,509	5,141	13,022	15,568
Other (C)	3,821	3,901	14,340	14,476
	<u>32,712</u>	<u>33,149</u>	<u>99,602</u>	<u>105,618</u>
Operating income (loss):				
Online images	8,832	6,217	26,676	21,407
Online media	1,552	717	5,290	3,606
Other (C) (D)	(8,330)	(9,042)	(27,362)	(30,044)
	<u>\$ 2,054</u>	<u>\$ (2,108)</u>	<u>\$ 4,604</u>	<u>\$ (5,031)</u>

- (A) Cost of revenues and operating expenses include non-cash, stock-based compensation expense of \$652,000 and \$2.4 million, respectively, for the three and nine months ended September 30, 2007, and \$856,000 and \$4.0 million, respectively, for the three and nine months ended September 30, 2008.
- (B) The three and nine months ended September 2008 include \$600,000 of legal fees related to the recently signed stock purchase agreement with Getty Images, Inc.
- (C) The nine months ended September 30, 2007 include \$1.9 million in legal and other fees associated with discussions with Getty Images, Inc. regarding a potential transaction which were terminated on March 7, 2007. The nine months ended September 30, 2008 also includes approximately \$700,000 of one-time expenses for accounting and other professional fees related to the non-cash impairment charge and restatement in the fourth quarter of 2007.
- (D) Includes depreciation and amortization expense.

Jupitermedia Corporation
Unaudited Consolidated Condensed Balance Sheets
December 31, 2007 and September 30, 2008
(in thousands, except share and per share amounts)

	December 31, 2007	September 30, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 7,301	\$ 4,424
Accounts receivable, net of allowances of \$2,026 and \$1,790, respectively	25,689	21,410
Prepaid expenses and other current assets	5,797	4,452
Deferred income taxes	1,441	1,530
Total current assets	40,228	31,816
Property and equipment, net of accumulated depreciation of \$17,364 and \$21,174, respectively	13,022	15,053
Intangible assets, net	74,002	67,072
Goodwill	139,813	137,864
Deferred income taxes	13,049	—
Investments and other assets	2,575	2,296
Total assets	\$ 282,689	\$ 254,101
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 7,153	\$ 7,119
Accrued payroll and related expenses	3,383	4,596
Accrued expenses and other current liabilities	11,822	10,526
Current portion of long-term debt	750	750
Deferred revenues	15,121	15,155
Total current liabilities	38,229	38,146
Long-term debt	83,375	78,350
Deferred revenues	507	392
Deferred income taxes	—	2,457
Other long-term liabilities	3,586	3,596
Total liabilities	125,697	122,941
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value, 4,000,000 shares authorized, no shares issued	—	—
Common stock, \$.01 par value, 75,000,000 shares authorized, 36,001,732 and 36,032,152 shares issued, respectively	360	360
Additional paid-in capital	266,858	270,838
Accumulated deficit	(117,798)	(144,816)
Treasury stock, 65,000 shares at cost	(106)	(106)
Accumulated other comprehensive income	7,678	4,884
Total stockholders' equity	156,992	131,160
Total liabilities and stockholders' equity	\$ 282,689	\$ 254,101

Jupitermedia Corporation
Unaudited Consolidated Condensed Statements of Cash Flows
Nine Months Ended September 30, 2007 and 2008
(in thousands)

	Nine Months Ended September 30,	
	2007 Restated	2008
Cash flows from operating activities:		
Net loss	\$ (856)	\$ (27,018)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	13,022	15,568
Stock-based compensation	2,363	3,972
Provision (benefit) for losses on accounts receivable.....	62	(171)
Minority interests	109	86
Other income, net	(142)	(27)
Amortization of debt issuance costs	—	223
Deferred income taxes	39	15,778
Excess tax benefit from stock-based compensation	(863)	—
Changes in operating assets and liabilities (net of businesses acquired):		
Accounts receivable	(1,587)	3,706
Prepaid expenses and other assets	(449)	2,121
Accounts payable and accrued expenses and other liabilities	(3,239)	(3,300)
Deferred revenues.....	1,563	27
Net cash provided by operating activities	<u>10,022</u>	<u>10,965</u>
Cash flows from investing activities:		
Purchases of property and equipment	(4,003)	(5,597)
Acquisitions of businesses, images and other	(30,246)	(3,325)
Proceeds from sales of assets and other	142	335
Net cash used in investing activities	<u>(34,107)</u>	<u>(8,587)</u>
Cash flows from financing activities:		
Borrowings under credit facilities	94,900	1,600
Debt issuance costs	(1,537)	(15)
Repayment of borrowings under credit facilities	(72,986)	(6,625)
Proceeds from exercise of stock options	1,115	7
Excess tax benefit from stock-based compensation	863	—
Net cash provided by (used in) financing activities	<u>22,355</u>	<u>(5,033)</u>
Effects of exchange rates on cash and cash equivalents	272	(222)
Net change in cash and cash equivalents	(1,458)	(2,877)
Cash and cash equivalents, beginning of period.....	8,891	7,301
Cash and cash equivalents, end of period.....	<u>\$ 7,433</u>	<u>\$ 4,424</u>
Supplemental disclosures of cash flow:		
Cash paid for (refund of) income taxes	<u>\$ 7,818</u>	<u>\$ (610)</u>
Cash paid for interest.....	<u>\$ 2,854</u>	<u>\$ 5,062</u>
Non-cash investing activities:		
Accrual of acquisitions of long-lived assets	<u>\$ —</u>	<u>\$ 2,191</u>
Accrual of purchase obligation.....	<u>\$ —</u>	<u>\$ 1,041</u>