Exhibit B

Infoseek Corp · IPO: S-1/A · On 6/10/96

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As Of	Filer	Filing	For/On/As	Docs:Size	Issuer	Agent
6/10/96	Infoseek Corp	S-1/A		19:955K		Bowne - Palo Alto/FA

Initial Public Offering (IPO): **Pre-Effective Amendment to Registration Statement (General Form) — Form S-1**
Filing Table of Contents

Document/Exhibit		Description	Pages	Size
1:	S-1/A	Amendment No.4 to Form S-1	91	599K
2:	EX-4.2	Specimen of Common Stock Certificate	1	8K
3:	EX-10.14	Series E Preferred Stock Purchase Agreement	63	264K
4:	EX-10.26	Internet Search Access Agreement August 23, 1995	18	65K
5:	EX-10.31	Xsoft/Infoseek Distribution & License Agreement	17	72K
6:	EX-10.35	Letter of Agreement W/ Hnc Software 4/2/96	7	34K
7:	EX-10.36	Agreement in Principle W/ Hnc 3/21/96	5	20K
8:	EX-10.42	Infoseek/Nynex Agreement 3/29/96	9	44K
9:	EX-10.43	Software License Agreement W/ Nynex 3/29/96	25	86K
10:	EX-10.46	Agreement W/ Verity Dated March 31, 1996	7	31K
11:	EX-10.48	Memorandum of Understanding W/ Kanematsu 3/10/96	8	32K
12:	EX-10.49	Marketing Alliance Agreement W/ Kanematsu 4/11/96	9	42K
13:	EX-10.50	Relationship Agreement W/ Reuters Newmedia 4/19/96	12	46K
14:	EX-10.51	Memorandum of Understanding W/ Idg Communications	7±	27K
15:	EX-10.53	License & Software Distribution Agreement W/ Hnc	48	187K
16:	EX-10.56	Software License Agreement W/Hnc Dated May 8, 1996	34	101K
17:	EX-99.1	License Agreement A-0402 Dated April 30, 1996	3	12K
18:	EX-99.2	License Agreement A-0403 Dated April 30, 1996	3	12K
19:	EX-99.3	Permission Letter to the Registrant and Fortune	2	9K

S-1/A — Amendment No.4 to Form S-1

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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON JUNE 10, 1996.

REGISTRATION NO. 333-4142

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 4

TO

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

INFOSEEK CORPORATION
(Exact name of Registrant as specified in its charter)

[Enlarge/Download Table]

CALIFORNIA	7379	77-0353450
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2620 AUGUSTINE DRIVE, SUITE 250
SANTA CLARA, CALIFORNIA 95054
(408) 567-2700
(Address, including zip code, and telephone number, including area code, of the Registrant's principal executive offices)

ROBERT E. L. JOHNSON, III
PRESIDENT AND CHIEF EXECUTIVE OFFICER
INFOSEEK CORPORATION
2620 AUGUSTINE DRIVE, SUITE 250
SANTA CLARA, CALIFORNIA 95054
(408) 567-2700
(Name and address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

[Download Table]

EDWARD M. LEONARD, ESQ.	JEFFREY D. SAPER, ESQ.
JACQUELINE E. COWDEN, ESQ.	HOWARD S. ZEPRUN, ESQ.
FRANKLIN P. HUANG, ESQ.	JAN-MARC VAN DER SCHEE, ESQ.
MIRIAM RIVERA, ESQ.	WILSON SONSINI GOODRICH & ROSATI,
BROBECK, PHLEGER & HARRISON LLP	PROFESSIONAL CORPORATION
TWO EMBARCADERO PLACE	650 PAGE MILL ROAD
2200 GENG ROAD	PALO ALTO, CALIFORNIA 94304-1150
PALO ALTO, CALIFORNIA 94303	(415) 493-9300
(415) 424-0160	

Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "*Securities Act*"), check the following box. / /

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. / /

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT THAT SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE SECURITIES AND EXCHANGE COMMISSION, ACTING PURSUANT TO SUCH SECTION 8(A), MAY DETERMINE.

INFOSEEK CORPORATION

CROSS-REFERENCE SHEET

SHOWING LOCATION IN PROSPECTUS OF INFORMATION REQUIRED BY ITEMS OF FORM S-1

[Enlarge/Download Table]

FORM S-1 REGISTRATION STATEMENT ITEM AND HEADING	HEADING OR LOCATION IN PROSPECTUS
1. Forepart of the Registration Statement and Outside Front Cover Page of Prospectus....	Outside Front Cover Page
2. Inside Front and Outside Back Cover Pages of Prospectus............................	Inside Front Cover Page
3. Summary Information, Risk Factors and Ratio of Earnings to Fixed Charges........	Prospectus Summary; The Company; Risk Factors
4. Use of Proceeds..........................	Prospectus Summary; Use of Proceeds
5. Determination of Offering Price...........	Outside Front Cover Pages; Underwriters
6. Dilution.................................	Dilution
7. Plan of Distribution.....................	Outside Front Cover Page; Underwriters
8. Description of Securities to be Registered...............................	Prospectus Summary; Capitalization; Description of Capital Stock
9. Interests of Named Experts and Counsel....	Experts; Legal Matters
10. Information with Respect to the Registrant...........................	Outside and Inside Front Cover Pages; Prospectus Summary; The Company; Risk Factors; Use of Proceeds; Dividend Policy; Capitalization; Dilution; Selected Financial Data; Management's Discussion and Analysis of Financial Condition and Results of Operations; Business; Management; Certain Transactions; Principal Shareholders; Description of Capital Stock; Shares Eligible for Future Sale; Experts; Financial Statements
11. Disclosure of Commission Position on Indemnification for Securities Act Liabilities...............................	Not Applicable

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION

JUNE 10, 1996

3,000,000 SHARES

LOGO
COMMON STOCK

All of the shares of Common Stock offered hereby are being sold by Infoseek Corporation (*"Infoseek"* or the *"Company"*). Prior to this Offering, there has been no public market for the Common Stock of the Company. It is currently estimated that the initial public offering price will be between $10.00 and $12.00 per share. The Common Stock has been approved for quotation on the Nasdaq National Market under the symbol *"SEEK."* See *"Underwriting"* for a discussion of the factors to be considered in determining the initial public offering price.

THE COMMON STOCK OFFERED HEREBY INVOLVES A HIGH DEGREE OF RISK. SEE "*RISK FACTORS*" BEGINNING ON PAGE 5.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

[Enlarge/Download Table]

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS	PROCEEDS TO COMPANY(1)
Per Share..................	$	$	$
Total(2)...................	$	$	$

(1) Before deducting expenses of this Offering estimated at $850,000.

(2) The Company has granted the Underwriters a 30-day option to purchase up to 450,000 additional shares of Common Stock solely to cover over-allotments, if any. To the extent that the option is exercised, the Underwriters will offer the additional shares at the Price to Public shown above. If the option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions, and Proceeds to Company will be $, $ and $, respectively. See *"Underwriting."*

The shares of Common Stock are offered by the several Underwriters, subject to prior sale, when, as and if delivered to and accepted by them, and subject to the right of the Underwriters to reject any order in whole or in part. It is expected that delivery of the shares of Common Stock will be made at the offices of Alex. Brown & Sons Incorporated, Baltimore, Maryland, on or about , 1996.

ALEX. BROWN & SONS INCORPORATED **MERRILL LYNCH & CO.**

THE DATE OF THIS PROSPECTUS IS , 1996

3 PAGES OF ARTWORK
INCORPORATED BY REFERENCE

TO AMENDMENT NO. 1

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE COMMON STOCK OF THE COMPANY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NASDAQ NATIONAL MARKET, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Prospectus. It is the Company's belief that this Prospectus may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (*"Securities Act"*), and Section 21E of the Securities Exchange Act of 1934, as amended (*"Exchange Act"*). Actual results and the timing of certain events could differ materially from those projected in the forward-looking statements as a result of certain factors described under "*Risk Factors*" commencing on page 5 and described elsewhere in this Prospectus.

THE COMPANY

Infoseek develops and provides branded, comprehensive Web-based navigational services that help users access and personalize the vast resources of the Internet. The Company's primary service offering, Infoseek Guide, is a free service targeted at individual users. The Company believes that Infoseek Guide goes beyond the functionality offered by other search engines and directory services, by aggregating and packaging the resources of the Internet to serve individuals' unique and personal interests and create rich Internet experiences. The Company believes that Infoseek Guide has been well received by consumers and has achieved a strong brand presence among Web users.

The Company's objective is to establish itself as the dominant, branded navigational service provider on the Internet in order to reach the greatest audience. The Company seeks to build a high volume of traffic on its services to provide a preferred platform for content providers and advertisers to reach their target audiences. To achieve its objective, the Company intends to: enhance the attractiveness of its service to users through the addition of new features and functionality; develop and license innovative technologies which can differentiate its service and scale with the growth of the Internet; offer advertisers high impact, innovative advertising products; distribute its service widely through software companies, access providers and others; and form relationships with leading third party content providers.

The Company's service is differentiated by its underlying search technology, which is noted for its high accuracy and fast searching capability. Based on this technology, Infoseek Guide has won a number of industry awards including*"Number 1 Rated Search Engine"* (PC Computing Sept 95), *"Best of the Test"* (Internet World May 96) and *"MVP: Internet Tools"* (PC Computing Dec 95). The Company is currently working on its next generation search engine, Ultraseek, which the Company plans to release in the second half of 1996. Ultraseek will enable the searching of a much greater number of Web sites at even faster speeds with the same level of accuracy for which Infoseek Guide is currently known.

The Company believes that Infoseek Guide is also differentiated through its design, which integrates the capabilities of a search engine and a directory to combine specific responses to search queries with communities of related Web, USENET and branded third party content and targeted, related advertising. By creating communities of context-specific information in real-time for users, Infoseek Guide addresses the needs of consumers for relevant and related information, enables content providers to reach interested audiences, and allows advertisers to deliver advertisements to a target group of potential buyers.

The Web is emerging as an important new advertising medium. According to Forrester Research, Inc., the market for Internet-based advertising will reach approximately $700 million by 1998, from $37 million in 1995. The Company believes it is well positioned to take advantage of this growth by serving the needs of advertisers. By creating communities where users' interests are matched with advertisements, by tracking impressions and by offering a significant volume of Web traffic, Infoseek Guide enables advertisers to undertake measurable, targeted, cost-effective and interactive advertising. During the quarter ended March 31, 1996, over 120 advertisers placed advertisements on Infoseek Guide. The Company is actively exploring new technologies which will allow it to track user behavior and interests, and therefore even more closely match the interests of audience and advertisers.

The Company believes that distributing and marketing its services widely is key to successfully growing its audience. The Company was able to gain access to a large audience and build early brand awareness through its initial relationship with Netscape Communications Corporation (*"Netscape"*) as the sole premier *"Net Search"* navigational service on the Netscape Web page. Beginning April 11, 1996, Netscape implemented a new *"Net Search"* display, in which several navigational service providers are rotated through the most visible position on the page. In order to maximize its exposure, the Company has also broadened its channels of distribution through other entities including Microsoft Corporation, NETCOM On-Line Communication Services, Inc., NYNEX Information Technologies Company (*"NYNEX"*), Quarterdeck Corporation, and Verity, Inc. and will continue to broaden its channels of distribution through additional entities. The Company has also established key strategic alliances with leading media companies including Reuters NewMedia Inc. and IDG Holdings, Inc. for content provisions and with distribution companies including NYNEX and Kanematsu Corporation for further national and international distribution.

THE OFFERING

[Enlarge/Download Table]

Common Stock offered by the Company.........	3,000,000 shares
Common Stock to be outstanding after the Offering.........................	24,946,228 shares(1)
Use of proceeds.............................	For general corporate purposes, including capital expenditures and working capital.
Nasdaq National Market symbol..............	SEEK

SUMMARY FINANCIAL DATA
(in thousands, except per share data)

[Enlarge/Download Table]

	INCEPTION (AUGUST 30, 1993) TO DECEMBER 31, 1993	*YEARS ENDED DECEMBER 31, 1994*	*1995*	*THREE MONTHS ENDED MARCH 31, 1995*	*1996*
STATEMENTS OF OPERATIONS DATA:					
Total revenues....................	$ --	$ --	$ 1,032	$ 5	$ 1,731
Gross profit......................	--	--	418	(74)	1,041
Operating loss....................	(27)	(1,520)	(3,393)	(426)	(3,509)
Net loss..........................	$ (27)	$(1,510)	(3,296)	(422)	(3,568)
Pro forma net loss per share (2)............................			$ (0.13)	$ (0.02)	$ (0.14)
Shares used in computing pro forma net loss per share (2)..........			25,863	25,966	25,914

[Enlarge/Download Table]

	MARCH 31, 1996 *ACTUAL*	*PRO FORMA(3)*	*PRO FORMA AS ADJUSTED(3)(4)*
BALANCE SHEET DATA:			
Cash and cash equivalents......................	$ 10,114	$ 18,202	$ 48,042
Working capital................................	7,131	15,219	45,059
Total assets...................................	15,747	23,835	53,675
Total shareholders' equity.....................	8	5,203	46,890

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(1) Based on the number of shares outstanding as of March 31, 1996 and the issuance of 673,500 shares of Convertible Preferred Stock and 375,001 shares of Redeemable Convertible Preferred Stock in April 1996. Excludes 4,440,876 options and warrants outstanding at March 31, 1996, of which 311,537 were exercisable as of such date. See *"Management--1996 Stock Option/Stock Issuance Plan"* and Notes 5, 7 and 10 of Notes to Financial Statements.

(2) See Note 1 of Notes to Financial Statements.

(3) Reflects the issuance of 673,500 shares of Convertible Preferred Stock and 375,001 shares of Redeemable Convertible Preferred Stock for net proceeds of $8,088,000 in April 1996.

(4) Adjusted to reflect the sale to the public of 3,000,000 shares of Common Stock offered by the Company at an assumed initial public offering price of $11.00 per share and the application of the estimated net proceeds therefrom. See *"Use of Proceeds"* and *"Capitalization."*

Except as set forth in the financial statements or as otherwise indicated, all information in this Prospectus (i) reflects the automatic conversion upon the closing of the Offering of all of the Company's outstanding shares of Preferred Stock into shares of Common Stock, and the associated conversion of outstanding warrants to purchase Preferred Stock into warrants to purchase Common Stock, (ii) does not reflect exercises of options or warrants after March 31, 1996, (iii) reflects a 3-for-4 reverse stock split to be effected prior to the effectiveness of this Offering, and (iv) assumes that the Underwriters' over-allotment option is not exercised.

RISK FACTORS

It is the Company's belief that this Prospectus may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Actual results and the timing of certain events could differ materially from those projected in the forward-looking statements as a result of the risk factors set forth below and other factors discussed elsewhere in this Prospectus. In addition to the other information contained in this Prospectus, investors should carefully consider the following risk factors:

Extremely Limited Operating History; Anticipation of Continued Losses. The Company has an extremely limited operating history, which makes it difficult to manage future operations or predict future operating results. The Company was formed in August 1993, did not commence generating revenues until January 1995 and has generated limited revenues to date. The Company has incurred significant net losses since inception and expects to continue to incur significant losses on a quarterly and annual basis for the foreseeable future. As of March 31, 1996, the Company had an accumulated deficit of $8.4 million. The Company and its prospects must be considered in light of the risks, costs and difficulties frequently encountered by companies in their early stage of development, particularly companies in the new and rapidly evolving Internet market. In order to be successful, the Company must, among other things, continue to attract, retain and motivate qualified personnel, successfully implement its advertising program, continue to upgrade its technologies and commercialize products and services incorporating such technologies, respond to competitive developments and successfully expand its internal infrastructure. Moreover, due to the intense competition in the emerging markets addressed by the Company, the Company must seek to expand all aspects of its business rapidly, which increases the challenges facing the Company making it more difficult for the Company to recover from business errors. The Company has achieved only limited revenues to date, and its ability to generate significant revenues is subject to substantial uncertainty. There can be no assurance that the Company will be able to address any of these challenges or will be able to sustain revenue growth or achieve profitability. See "*Selected Financial Data*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Potential Fluctuations in Future Results. As a result of the Company's extremely limited operating history as well as the very recent emergence of the market addressed by the Company, the Company has neither internal nor industry-based historical financial data for any significant period of time upon which to base planned operating expenses. The Company has incurred significant net losses to date. Substantially all of the Company's revenues have been generated from the sale of advertising, and the Company expects revenue for the foreseeable future to continue to be derived substantially from advertising sales. Moreover, most of the Company's contracts with advertising customers have terms of three months or less, with options to cancel at any time. Accordingly, future sales and operating results are difficult to forecast. In addition, significant portions of the Company's revenues to date have been derived from sales to a limited number of customers, and the Company currently anticipates that future quarters will continue to reflect this trend. Therefore, the cancellation or deferral of a small number of advertising contracts or license agreements could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's expense levels are based in part on its expectations as to future revenues and to a large extent are fixed. The Company may not be able to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Accordingly, any significant shortfall in relation to the Company's expectations would have an immediate adverse impact on the Company's business, results of operations and financial condition. Moreover, the Company plans to significantly increase its operating expenses to fund greater levels of research and development, increase its sales and marketing operations (including payments to Netscape of up to $5 million), develop new distribution channels and broaden its customer support capabilities. To the extent that any expenses in 1996 precede or are not subsequently and timely followed by increased revenues, the Company's business, results of operations and financial condition will be materially adversely affected.

The Company expects that its results of operations may also fluctuate significantly in the future as a result of a variety of factors, including: the continued rate of growth, usage and acceptance of the Internet; the rate of acceptance of the Internet as an advertising medium; demand for the Company's products and services; the advertising budgeting cycles of individual advertisers; the introduction and acceptance of new or enhanced products or services by the Company or by its competitors; the Company's ability to anticipate and effectively adapt to a developing market and to rapidly changing technologies; the Company's ability to effectively expand its operations and manage such expansion; the Company's ability to attract, retain and motivate qualified personnel; initiation, renewal or expiration of significant contracts such as the Company's distribution relationship with NYNEX; pricing changes by the Company or its competitors; specific economic conditions in the Internet market; general economic conditions and other factors. In addition, the Company may elect from time to time to make certain pricing, service or marketing decisions or acquisitions that could have a short-term material adverse effect on the Company's business, results of operations and financial condition and may not generate the long-term benefits intended. Due to all of the foregoing factors, it is likely that in some future period, the Company's operating results may be below the expectations of public market analysts and investors. In such event, the price of the Company's Common Stock would likely be materially adversely affected. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*."

The Company's revenues in the near term will also be dependent to a material degree on the Company's relationship with NYNEX. In March 1996, the Company and NYNEX entered into a one year agreement, which provides that, beginning in May 1996, the Company will prominently display the BigYellow logo, which represents NYNEX's interactive shopping directory ("*BigYellow*"), as the exclusive comprehensive shopping directory within Infoseek Guide. In exchange for such exclusivity, NYNEX will pay to the Company up to an aggregate of $4.6 million in monthly payments, which amount will be decreased proportionately if the number of impressions of the BigYellow logo is below a specified number. NYNEX may extend the term of the agreement for additional one year periods, with the fee to be determined based upon Infoseek's then current advertising rate structure. In addition, NYNEX has the right to cancel or renegotiate the agreement based upon certain relative traffic volumes on the BigYellow and Infoseek Guide sites. There can be no assurance that the NYNEX arrangement will prove to be mutually beneficial or that it will be continued after its initial term. Furthermore, the current traffic levels are below those required in order for the Company to receive the maximum payment from NYNEX, and there can be no assurance that the Company will be able to produce the levels of traffic that NYNEX has negotiated. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Business -- Marketing and Distribution of the Infoseek Brand*" and "*-- Infoseek Products and Services.*"

Developing Market; Unproven Acceptance of Internet Advertising and of the Company's Products and Services. The market for the Company's products and services has only recently begun to develop, is rapidly evolving and is characterized by an increasing number of market entrants with products and services for use on the Internet. The Company's future success is highly dependent upon the increased use of the Internet for information publication, distribution and commerce. In particular, because the Company expects to derive substantially all of its revenues in the foreseeable future from sales of Internet advertising, the future success of the Company is highly dependent on the development of the Internet as an advertising medium. The Internet as an advertising medium has not been available for a sufficient period of time to gauge its effectiveness as compared with traditional advertising media. In addition, most of the Company's current advertising customers have limited or no experience using the Internet as an advertising medium, have not devoted a significant portion of their advertising expenditures to such advertising and may not find such advertising to be effective for promoting their products and services relative to advertising in traditional media. Also, certain advertising filter software programs are available that limit or remove advertising from an Internet user's desktop. Such software, if generally adopted by users, may have a material adverse effect upon the viability of advertising on the Internet.

In addition, the Company's success will depend in large part upon the continued growth in the use of the Internet and in particular the use of the

Internet for commercial purposes. There can be no assurance that Internet usage and commerce will become widespread or that extensive content (such as Web pages and USENET News groups) will continue to be provided over the Internet. Issues concerning the commercial use of the Internet such as security, reliability, cost, ease of access and use, quality of service and acceptance of advertising, remain unresolved and may negatively impact the growth of Internet usage or the acceptance of the Internet as an advertising medium. To the extent that the Internet continues to experience growth in the number of users and amount of traffic, there can be no assurance that the Internet infrastructure will continue to be able to support the demands placed on it by such growth. In addition, the Internet could lose its viability due to delays in the development or adoption of new standards and protocols to handle increased levels of Internet activity, or due to increased governmental regulation. There can be no assurance that the infrastructure or complementary services necessary to make the Internet a viable commercial marketplace will be developed, or, if developed, that the Internet will become a viable commercial marketplace for products and services such as those offered by the Company and its advertising customers.

The Company is in a new and rapidly evolving industry, with demand for and market acceptance of recently introduced products and services being subject to a high level of uncertainty. Accordingly, it is difficult to predict its size, stability and the extent of its growth, if any. There can be no assurance that the market for the Company's products and services will develop or that demand for the Company's products or services by Internet users or by advertisers will emerge or become sustainable. If the market fails to develop, develops more slowly than expected or becomes saturated with competitors, or if the Company's products and services do not achieve or sustain acceptance by Internet users or advertisers, the Company's business, results of operations and financial condition will be materially adversely affected. See *"Business -- Industry Background."*

Reliance on Advertising Revenues. The Company has derived substantially all of its revenues to date from the sale of advertisements, and expects such dependence on advertising revenue to continue. The Company's current business model to generate revenues through the sale of advertising on the Internet is unproven. The Company's advertising revenues to date have been derived from a limited number of advertising customers. In addition, substantially all of the Company's advertising contracts to date have been for terms of three months or less, with options to cancel at any time. These contracts generally guarantee a minimum of impressions (displays of the advertisement to the user) per month, most typically, one million impressions. There can be no assurance that current advertisers will continue to purchase advertising space and services from the Company or that sufficient impressions will be achieved or available, or that the Company will be able to successfully attract additional advertisers. The Company's ability to generate significant advertising revenues will depend, among other things, on advertisers' acceptance of the Internet as an attractive and sustainable medium, the development of a large base of users of the Company's products and services with demographic characteristics attractive to advertisers, the successful expansion of the Company's advertising capabilities and advertising sales force, and strong acceptance of the Company's services by Internet users. Furthermore, there is intense competition among sellers of advertising space on the Internet, and a variety of pricing models offered by different vendors for a range of advertising services, making it difficult to project future levels of advertising revenues and pricing models that will be adopted by the industry or individual companies. In addition, certain advertising filter software programs are available that limit or remove advertising from an Internet user's desktop. Such software, if generally adopted by users, may have a material adverse effect upon the viability of advertising on the Internet. Accordingly, there can be no assurance that the Company will be successful in generating significant future advertising revenues, and failure to do so will have a material adverse effect on the Company's business, results of operations and financial condition. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business -- Industry Background"* and *"-- Advertising Sales and Services."*

Change in Netscape Relationship and Dependence on Other Third Party Distribution Relationships. From March 1995 through March 1996, the Company's service was listed as the sole premier navigational service on the Netscape Web page accessible via the *"Net Search"* button. As of March 31, 1996, approximately 85% of the traffic to the Company's Infoseek Guide service was derived through the Netscape Web page. In March 1996, Infoseek entered into a new agreement with Netscape, which provides that Infoseek will be listed as a non-exclusive premier provider of navigational services on Netscape's Web page for the period April 10, 1996 to March 31, 1997. Currently, Netscape's Web page displays four additional premier providers. During the 30 day period from April 11 through May

10, 1996, the Company's average daily traffic was approximately 47% of its average daily traffic for the 30 day period immediately prior to the change from being Netscape's sole premiere provider to one of five premier providers. There can be no assurance that the Company will be able to maintain or increase its current level of traffic and any failure to do so could materially and adversely impact advertising revenues. In addition, the Company cannot anticipate the impact on Infoseek traffic of any changes Netscape may make to this service, to its Web page or its other services, or the effect on advertising revenues that may be generated from such traffic. Infoseek's agreement with Netscape provides for payments of up to an aggregate of $5 million to Netscape over the term of the agreement. The Company has the right to terminate the agreement at the end of six months, in which case the payment to Netscape would be reduced to an aggregate of approximately $2.5 million. Furthermore, if traffic is decreased significantly as a result of these or other changes in the Netscape relationship and the Company is unable to develop alternative viable distribution channels, advertising revenues would probably be adversely affected, while the $5 million Netscape obligation would not be reduced, unless the Company determines to terminate the relationship at six months, the result being that the Company's business, results of operations and financial condition would be materially and adversely affected.

The Company has also entered into distribution agreements and informal relationships with other software vendors and operators of online networks and Web sites. Although none of these relationships currently represents a significant portion of the Company's traffic, the Company expects that they will become more important, in part, due to the change in the Netscape relationship. The Company's business relationships with these other companies consist of cooperative marketing programs and licenses to include the Company's products and services in online networks or services offered by these parties, which are intended to increase the use and visibility of the Company's products and services. These distribution arrangements, including the arrangement with Netscape, typically are not exclusive, and are terminable upon little or no notice. There is no assurance that Netscape or any of these other companies will not terminate their relationship with the Company or develop their own product offerings competitive with those of the Company. If Netscape or any of these other companies were to terminate or reduce their joint marketing activities with the Company, increase the fees or otherwise change the terms on which the Company's products and services are accessed through such companies' Web sites, develop and market their own competitive products and services, or promote competing products and services from other third parties, or if these relationships do not result in high-level usage of the Company's services, the Company's business, results of operations and financial condition could be materially and adversely affected.

Technological Change and New Products and Services. The market for Internet products and services is characterized by technological change, changing customer needs, frequent new product introductions and evolving industry standards. These market characteristics are exacerbated by the emerging nature of this market and the fact that many companies are expected to introduce new Internet products and services in the near future. The Company's future success will depend in significant part on its ability to continually and on a timely basis introduce new products, services and technologies and to continue to improve the performance, features and reliability of the Company's products and services in response to both evolving demands of the marketplace and competitive product offerings.

The Company currently employs information retrieval technology licensed from the Applied Computing Systems Institute of Massachusetts, Inc. (*"ACSIOM"*), an entity related to the University of Massachusetts. The Company is developing a new search engine technology, Ultraseek, which is

being designed to significantly improve retrieval and Web page indexing capabilities beyond the ACSIOM technology. The Company has also recently licensed certain software technologies from XSoft, a division of XEROX Corporation (*"XEROX"*), which technology will be licensed to the Company on a partially exclusive basis for the first year of the contract. Infoseek has entered into a software license agreement with HNC Software Inc. (*"HNC"*) to license certain technology from HNC to automate the development of the Company's Web Directory (*"Directory"*) feature. It is not yet clear that these technologies and services under development, and many of the Company's new products and product enhancements which have been only recently introduced will achieve significant market acceptance.

There can be no assurance that any new or proposed product or service will attain market acceptance. Failure of the Company to successfully design, develop, test, market and introduce new and enhanced technologies and services,

in particular, Ultraseek or any enhancements of the Company's current search technology, or the failure of the Company's recently introduced products and services to achieve market acceptance could have a material adverse effect upon the Company's business, operating results and financial condition. There can be no assurance that the Company will not experience difficulties that could delay or prevent the successful development, introduction or marketing of new or enhanced technologies, products and services, or that the Company's new or recently introduced products and services will adequately meet the requirements of the marketplace and achieve significant market acceptance. Due to certain market characteristics, including technological change, changing customer needs, frequent new product and service introductions and evolving industry standards, timeliness of introduction of these new products and services is critical. Delays in the introduction of new products and services may result in customer dissatisfaction and may delay or cause a loss of advertising revenue. There can be no assurance that the Company will be successful in developing new products or services or improving existing products and services that respond to technological changes or evolving industry standards, that the Company will not experience difficulties that could delay or prevent the successful development, introduction and marketing of new or improved products and services, or that its new products and services will adequately meet the requirements of the marketplace and achieve market acceptance. In addition, new or enhanced products and services introduced by the Company may contain undetected errors that require significant design modifications. This could result in a loss of customer confidence and user support, thus adversely affecting the use of the Company's products and services, which in turn would have a material adverse effect upon the Company's business, results of operations or financial condition. If the Company is unable to develop and introduce new or improved products or services in a timely manner in response to changing market conditions or customer requirements, the Company's business, operating results and financial condition will be materially adversely affected. In addition, if the Company is unable to remain competitive with its competitors, its business, operating results and financial condition may be materially adversely affected as well.
See "-- *Dependence on Technology Suppliers*" and "*Business* -- *Technology*."

Dependence on Technology Suppliers. The Company is dependent currently upon several suppliers for the integral components of its current and future technologies. The Company has a non-exclusive, perpetual license to certain technology from ACSIOM relating to text indexing and retrieval. The ACSIOM technology is currently the core technology used by the Company in its search engine. Although the Company is currently developing its own proprietary core search engine technology, there can be no assurance that Ultraseek will be successfully designed, developed, tested, marketed and introduced or accepted by the marketplace in a timely manner. In the event that Ultraseek, or an alternative technology, is not successfully introduced and accepted in a timely manner, the Company will continue to be dependent upon its license from ACSIOM. Given the technological changes occurring in the industry, there is no assurance that the ACSIOM technology will remain a competitive technology in the future.

In addition, in April 1996, the Company licensed certain software technology from HNC. The Company intends to utilize the software technology to develop an advertising and audience

management system to optimize the matching of advertisements with the appropriate audience. The software will be modified according to the Company's specifications to integrate it into the Company's advertisement placement system. This technology will be licensed to the Company for an initial five year term beginning upon the initial acceptance of the software by the Company. The Company expects that the proposed technology will provide significant technological improvements to the Company's advertising and audience management systems.

Furthermore, in May 1996, the Company licensed certain additional software technology from HNC that is intended to allow the Company to enhance the Company's Web Directory feature.
Infoseek expects to use this technology to automate the construction of Directory categories, assignment of Web pages to each Directory category and the creation of abstracts for each Web page included in the Directory. All of these processes are currently being performed manually. Accordingly, the Company is depending upon the proposed technology to reduce the cost of expanding its Directory feature. This technology will be licensed to the Company for an initial five year term beginning upon the initial acceptance of the software by the Company. There can be no assurance that the HNC technology will function as anticipated or will provide the intended benefits which could require the Company to incur significantly increased costs to expand its Directory feature.

The Company has also licensed certain software technologies from XEROX to be used for the linguistic analysis of search terms. This technology will be licensed to the Company on a partially exclusive basis for the first year. In addition, the Company may develop other technology alliances and enter into other license arrangements with technology vendors.

There can be no assurance that the HNC or XEROX technologies will be successfully designed, developed and tested, or, that if the technologies are successfully developed, any product or service into which the technologies are incorporated will be successfully accepted by the marketplace. Any failure of HNC, XEROX, ACSIOM or any future technology vendor to provide prompt and effective support and maintenance to the Company, or to continue to upgrade their respective technologies in order to continue to be competitive, could have a material adverse effect on the Company's business, results of operations and financial condition.
See "-- *Technological Change and New Products and Services*" and "*Business* -- *Technology*."

Dependence Upon Third Party Content Development. A key element of the Company's strategy involves the use of unique content developed by third parties exclusively for Infoseek. A significant majority of the Company's relationships with such third parties, however, have only recently been developed and are contracted on three month trial bases. There can be no assurance that these content sponsors will continue to provide content that is unique to Infoseek, that they will not seek to charge the Company a significant fee for the supply of such content, that they will not enter into similar arrangements with or provide similar content to the Company's competitors, that they will continue their relationship with the Company, or that they will not establish their own services to compete against the Company for advertising revenue. Nor can there be any assurance that the Company's current or future third-party content providers will provide content that is attractive to Web users or that their efforts will result in significant revenue to the Company. Any failure of these parties to develop and maintain high-quality and attractive content could result in dilution to the Infoseek brand and could have a material adverse effect on the Company's business, results of operations and financial condition. See "*Business* -- *Infoseek Navigational Services*."

Intense Competition. The market for Internet products and services is highly competitive, with no substantial barriers to entry, and the Company expects that competition will continue to intensify. In addition, the market for the Company's products and services has only recently begun to develop, is rapidly evolving and is characterized by an increasing number of market entrants with competing products and services. The Company does not believe this market will support the increasing number of competitors and their products and services. Although the Company believes that the diverse segments of the Internet market may provide opportunities for more than one supplier of products and services similar to those of the Company, it is possible that a single supplier may

dominate one or more market segments. Accordingly, any failure of the Company to provide product and service offerings that achieve success in the short-term could result in an insurmountable loss in marketshare and brand acceptance, and could, therefore, have a material adverse and long-term effect upon the Company's business, results of operations and financial condition.

A number of companies offer competitive products and services addressing certain of the Company's target markets. These companies include America Online, Inc., Digital Equipment Corporation, Excite, Inc., Lycos, Inc., The McKinley Group, Open Text Corporation, CompuServe Corporation, Prodigy Services Company and Yahoo! Corporation. In addition, the Company competes with metasearch services that allow a user to search the databases of several catalogs and directories simultaneously. The Company also competes indirectly with database vendors that offer information search and retrieval capabilities with their core database products. In the future, the Company may encounter competition from providers of Web browser software, including Netscape and Microsoft Corporation ("*Microsoft*"), online services and other providers of other Internet products and services who elect to incorporate their own search and retrieval features into their offerings.

Many of the Company's existing and potential competitors have significantly greater financial, technical and marketing resources than the Company. The Company may also be adversely affected by competition from licensees of its products and technology, current and future advertisers, as well as from its current, future and former content providers. There can be no assurance that the Company's competitors will not develop Internet products and services that are superior to those of the Company or that achieve greater market acceptance than the Company's offerings. Moreover, a number of the Company's current advertising customers, licensees and licensors have also established relationships with certain of the Company's competitors and future advertising customers, licensees and licensors may establish similar relationships. In addition, the Company competes with online services and other Web site operators as well as traditional offline media such as print and television for a share of advertisers' total advertising budgets. There can be no assurance that the Company will be able to compete successfully against its current or future competitors or that competition will not have a material adverse effect on the Company's business, results of operations and financial condition. See "*Business* -- *Competition*."

Management of Growth; Need to Establish Infrastructure; Recent Management Additions. The rapid growth that the Company believes is necessary to successfully offer its products and services has placed, and is expected to continue to place, a significant strain on the Company's managerial, operational and financial resources. The Company continues to expand its operations and increase its dependence and reliance on computer generated information. This evolution necessitates continuous reassessment of the appropriateness of the Company's computerized data and systems. The Company's current management information system is cumbersome and inefficient and requires a significant amount of manual effort using personal computer spreadsheets in order to process and analyze information. This situation makes it difficult for management to obtain timely and accurate information. The Company is evaluating a number of new financial and management controls, reporting systems and procedures, as well as its information systems and technology. Such expansion efforts will create significant strain upon the Company's existing resources. In addition, during the 12 month period from March 31, 1995 to March 31, 1996, the Company hired its President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, Vice President-Engineering, Vice President-Worldwide Advertising, Vice President Chief Marketing Officer, Vice President-Product Management and Editor. Moreover, the Company grew from 11 employees to 71 employees during that same period, and the Company expects the number of employees to continue to grow over the next 12 months.

There can be no assurance that the Company will be able to effectively manage the expansion of its operations, that the Company's new management team will work together effectively, that the Company will be able to attract and retain qualified personnel, that the Company's systems, procedures or controls will be adequate to support the Company's operations or that Company

management will be able to achieve the rapid execution necessary to fully exploit any potential market opportunity for the Company's products and services and media properties. In addition, the Company intends to establish at least one mirror, or duplicate, site in another geographic location, which will create additional operational and management complexities, including the need for continual updating and maintenance of directory listings among geographically dispersed network servers. Any inability to effectively manage growth could have a material adverse effect on the Company's business, results of operations and financial condition. See "*Business* -- *Employees*" and "*Management*."

Intellectual Property and Proprietary Rights. The Company's success depends significantly upon its proprietary technology. The Company currently relies on a combination of copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights. The Company generally enters into confidentiality agreements with its employees and consultants. The Company seeks to protect its software, documentation and other written materials under trade secret and copyright laws, which afford only limited protection. In addition, the Company currently has six United States patent applications pending. There can be no assurance that any pending applications will be approved, that if issued any such patent will not be challenged, and that if challenged, any such patent(s) will not be invalidated. There can be no assurance that any issued patent will provide the Company with any competitive advantages or will not be challenged by third parties. The Company has registered and applied for registration for certain service marks and trademarks, and will continue to evaluate the registration of additional service marks and trademarks as appropriate. Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Company's products or services or to obtain and use information that the Company regards as proprietary. In addition, the laws of some foreign countries do not protect proprietary rights to as great an extent as do the laws of the United States. Litigation may be necessary to protect the Company's proprietary technology. Any such litigation may be time-consuming and costly. There can be no assurance that the Company's means of protecting its proprietary rights will be adequate or that the Company's competitors will not independently develop similar technology or duplicate the Company's products or services or design around patents or other intellectual property rights of the Company.

There have been substantial amounts of litigation in the information technology industry regarding intellectual property rights. There can be no assurance that the Company will develop proprietary products or services or technologies that are patentable or that the patents of others will not have a material adverse effect on the Company's ability to do business. In addition, there can be no assurance that third parties will not in the future claim infringement by the Company with respect to current or future products or services, trademarks or other proprietary rights, or that the Company will not counterclaim against any such parties in such actions. Any such claims or counterclaims could be time-consuming, result in costly litigation, cause product release delays, require the Company to redesign its products or services or require the Company to enter into royalty or licensing agreements, any of which could have a material adverse effect upon the Company's business, operating results and financial condition. Such royalty or licensing agreements, if required, may not be available on terms acceptable to the Company or at all. See "-- *Government Regulation and Legal Uncertainties*," "-- *Liability for Information Retrieved from the Internet*" and "*Business* -- *Intellectual Property and Proprietary Rights*."

Capacity Constraints and System Failure. A key element of the Company's strategy is to generate a high volume of traffic to its products and services. Accordingly, the performance of the Company's products and services is critical to the Company's reputation, its ability to attract advertisers to the Company's Web sites and market acceptance of these products and services. Any system failure that causes interruptions or that increases response time of the Company's products and services would result in less traffic to the Company's Web sites and, if sustained or repeated, would reduce the attractiveness of the Company's products and services to advertisers and customers. In addition, an increase in the volume of searches conducted through the Company's products and services could strain the capacity of the software, hardware or telecommunications lines

deployed by the Company, which could lead to slower response time or system failures. As the number of Web pages and users increase, there can be no assurance that the Company's products, services and systems will be able to scale appropriately. The Company is also dependent upon Web browser companies and Internet and online service providers for access to its products and services, and users have experienced and may in the future experience difficulties due to system or software failures or incompatibilities not within the Company's control. The Company is also dependent on hardware suppliers for prompt delivery, installation and service of servers and other equipment and services used to provide its products and services. Any disruption in the Internet access and service provided by the Company or its service providers could have a material adverse effect upon the Company's business, results of operations and financial condition.

The process of managing advertising within large, high traffic Web sites such as the Company's is an increasingly important and complex task. The Company relies on internal advertising inventory management and analysis systems to provide enhanced internal reporting and customer feedback on advertising. To the extent that any extended failure of the Company's advertising management system results in incorrect advertising insertions, the Company may be exposed to *"make good"* obligations with its advertising customers, which, by displacing advertising inventory, could have a material adverse effect on the Company's business, results of operations and financial condition.

In addition, the Company's operation depends upon its ability to maintain and protect its computer systems located in Santa Clara, California. This system is vulnerable to damage from fire, floods, earthquakes, power loss, telecommunications failures, break-ins and similar events. The Company does not currently have a disaster recovery plan in effect. Despite the implementation of network security measures by the Company, its servers are also vulnerable to computer viruses, break-ins and similar disruptive problems. Computer viruses, break-ins or other problems caused by third parties could lead to interruptions, delays in or cessation of service to users of the Company's products and services. The occurrence of any of these risks could have a material adverse effect on the Company's business, results of operations and financial condition. See "*Business* -- *Facilities*."

Dependence on Key Personnel. The Company's future performance depends in significant part upon the continued contributions of its key technical and senior management personnel including, in particular, Robert E.L. Johnson, III, the Company's President and Chief Executive Officer and Steven T. Kirsch, a founder and the Chairman of the Board of the Company, none of whom is bound by an employment agreement. The Company provides incentives such as salary, benefits and option grants (which are typically subject to vesting over four years) to attract and retain qualified employees. The loss of the services of Mr. Johnson or Mr. Kirsch or any of the Company's officers or other key employees could have a material adverse effect on the Company's business, operating results and financial condition. The Company's future success also depends on its continuing ability to attract and retain highly qualified technical and management personnel. Competition for such personnel is intense, and there can be no assurance that the Company can retain its key technical and management employees or that it can attract, assimilate or retain other highly qualified technical and management personnel in the future. See "*Business* -- *Employees*" and "*Management*."

Government Regulation and Legal Uncertainties. The Company is not currently subject to direct regulation by any government agency, other than regulations applicable to businesses generally, and there are currently few laws or regulations directly applicable to access to or commerce on the Internet. It is possible that a number of laws and regulations may be adopted with respect to the Internet, covering issues such as user privacy, pricing and characteristics and quality of products and services. For example, the recently enacted Telecommunications Reform Act of 1996 imposes criminal penalties on anyone who distributes obscene, lascivious or indecent communications on the Internet. The adoption of any such laws or regulations may decrease the growth of the Internet, which could in turn decrease the demand for the Company's products, increase the Company's cost of doing business, or otherwise have an adverse effect on the Company's business, results of operations or financial condition. Moreover, the applicability to the Internet of existing laws governing issues such as property ownership, copyright, trade secret, libel and personal privacy is uncertain. Any such new legislation or regulation could have a material

adverse effect on the Company's business, results of operations or financial condition. See "-- *Intellectual Property and Proprietary Rights*."

Liability for Information Retrieved from the Internet. Because Internet services provided by the Company require the Company to link users to information which is downloaded, indexed and distributed from Web pages published by a large number of Internet Web sites and content providers, there is potential that claims will be made against the Company on theories such as defamation, negligence, copyright or trademark infringement, distribution of obscene, lascivious or indecent communications or other theories of liability based on the nature and content of such materials. Such claims have been brought, and sometimes successfully pressed, against online services in the past. Additionally, claims could be made against the Company for copyright infringement based on the improper dissemination of information. Although the Company carries general liability insurance, the Company's insurance may not cover potential claims of this type, or may not be adequate to indemnify the Company for all liability that may be imposed. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage could have a material adverse effect on the Company.

No Prior Public Market; Determination of Public Offering Price; Potential Volatility of Stock Price. Prior to this Offering there has been no public market for the Company's Common Stock, and there can be no assurance that an active public market for the Common Stock will develop or be sustained after the Offering. The initial offering price will be determined by negotiation among the Company and the Underwriters based upon several factors and may not be indicative of future market prices. See "*Underwriting*" for information relating to the method of determining the initial public offering price. The trading price of the Company's Common Stock could be subject to wide fluctuations in response to a number of factors, including quarterly variations in operating results, announcements of technological innovations or new products and services, applications or product enhancements by the Company or its competitors, changes in financial estimates by securities analysts and other events. In addition, the stock markets in general, and the market prices for Internet-related companies in particular, have historically experienced extreme volatility that at times has been unrelated to the operating performance of such companies. The trading price of the Common Stock could also be subject to significant fluctuations in response to variations in quarterly results of operations, announcements of new products or acquisitions by the Company or its competitors, governmental regulatory action, other developments or disputes with respect to proprietary rights, general trends in the industry and overall market conditions and other factors. These broad market fluctuations may adversely affect the market price of the Company's Common Stock. See "*Underwriting*."

Shares Eligible for Future Sale; Registration Rights. Sales of a substantial number of shares of Common Stock in the public market following this Offering could adversely affect the market price for the Common Stock. The number of shares of Common Stock available for sale in the public market is limited by restrictions under the Securities Act of 1933, as amended (the *"Securities Act"*), and lock-up agreements under which the holders of such shares have agreed that they will not directly or indirectly offer, sell, contract to sell, grant an option to purchase, grant a security interest in, hypothecate or otherwise sell or dispose of any of their shares of Common Stock of the Company for a period of 180 days after the date of this Prospectus, which lockups may not be released without the prior written consent of Alex. Brown & Sons Incorporated. However, Alex. Brown & Sons Incorporated may, in its sole discretion and at any time without notice, release all or any portion of the securities subject to lock-up agreements. As a result of the lock-up agreements with the Underwriters on the date of this Prospectus, no shares other than the 3,000,000 shares offered hereby will be eligible for sale. Upon the expiration of the lock-up agreements 180 days after the date of this Prospectus, an aggregate of approximately 13,514,626 shares will first become eligible for sale into the public market immediately following the Offering, based on shares outstanding at March 31, 1996 and including the issuance of 1,048,501 shares of Convertible Preferred Stock in April 1996. In addition, the Company intends to register, on the effective date of this Offering, a total of 187,500 shares of Common Stock reserved for issuance under the Company's

Employee Stock Purchase Plan and, after the effective date of this Offering, a total of 5,625,000 shares of Common Stock subject to outstanding options or reserved for issuance under the Company's 1996 Stock Option Plan/Stock Issuance Plan. All shares issued under such benefits plans will also be subject to lock-up agreements until 180 days following the date of this Prospectus. In addition, upon expiration of the lock-up agreements referred to above, holders of approximately 21,579,512 shares of Common Stock and warrants and options to purchase 1,345,000 shares of Common Stock will be entitled to certain registration rights with respect to such shares. If such holders, by exercising their registration rights, cause a large number of shares to be registered and sold in the public market, such sales could have an adverse effect on the market price for the Company's Common Stock. See "*Shares Eligible for Future Sale*."

Control by Existing Shareholders; Certain Anti-Takeover Provisions Affecting Shareholders. Upon completion of this Offering, the present directors, executive officers and principal shareholders of the Company and their affiliates will beneficially own approximately 63% of the outstanding Common Stock, and will be able to control all matters requiring shareholder approval, including approval of significant corporate transactions. Under the General Corporations Law of California, the Company's shareholders are currently entitled to cumulate their votes for the election of directors. The Company's Amended and Restated Articles of Incorporation and Bylaws provide, however, that cumulative voting will no longer be permitted at such time as the Company's stock is publicly traded in a manner that meets certain standards established by the General Corporations Law of California. The Company expects that the requirements shall have been met and cumulative voting shall have been eliminated by the record date for its next annual meeting of shareholders. Accordingly, the principal shareholders of the Company, who collectively hold approximately 15,891,140 of the Company's outstanding stock, will be able to control election of all directors of the Company. The Company's Board of Directors has the authority to issue up to 5,000,000 shares of Preferred Stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the shareholders. The rights of the holders of Common Stock will be subject to, and may be adversely affected by, the rights of the holders of any Preferred Stock that may be issued in the future. The issuance of Preferred Stock could have the effect of making it more difficult for a third party to acquire a majority of the outstanding voting stock of the Company. These provisions along with the provisions of the Company's Bylaws described above, could delay or make more difficult a proxy contest involving the Company, which could adversely affect the market price of the Company's Common Stock. See "*Description of Capital Stock -- Preferred Stock and -- Certain Provisions of the Company's Articles of Incorporation and Bylaws*."

Dilution. Purchasers in this Offering will suffer an immediate and substantial dilution in the net tangible book value of the Common Stock from the initial public offering price. Additional dilution is likely to occur upon exercise of options granted by the Company. See "*Dilution*."

No Specific Use of Proceeds. The Company expects that it will use the net proceeds of this Offering for general corporate purposes, including working capital, payment of the Company's one year obligation to Netscape of up to $5 million for the listing as a non-exclusive premier provider of navigational services on the Netscape Web page and approximately $6 million in 1996 for capital expenditures in connection with the Company's business expansion. The Company has no other specific plans as to the use of the net proceeds from this Offering. Pending use, the Company plans to invest the net proceeds in investment-grade, interest-bearing securities. Accordingly, management will have significant flexibility in applying the net proceeds of this Offering. See "*Use of Proceeds*."

Future Capital Needs; Uncertainty of Additional Financing. The Company currently anticipates that the net proceeds of this Offering and its recently completed $18,138,000 Series E Preferred Stock financing, together with available funds and cash flows generated from advertising revenues, will be sufficient to meet its anticipated needs for working capital, capital expenditures and business expansion for at least the next 12 months. Thereafter, the Company may need to raise

additional funds. The Company may need to raise additional funds sooner in order to fund more rapid expansion, to develop new or enhanced services or products, to respond to competitive pressures or to acquire complementary products, businesses or technologies. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution and such securities may have rights, preferences or privileges senior to those of the holders of the Company's Common Stock. There can be no assurance that additional financing will be available on terms favorable to the Company, or at all. If adequate funds are not available or are not available on acceptable terms, the Company may not be able to fund its expansion, take advantage of unanticipated acquisition opportunities, develop or enhance services or products or respond to competitive pressures. Such inability could have a material adverse effect on the Company's business, results of operations and financial condition. See "*Use of Proceeds*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources*."

THE COMPANY

The Company was incorporated in California in August 1993. The Company's principal executive office is located at 2620 Augustine Drive, Suite 250, Santa Clara, California 95054 and its telephone number at such location is (408) 567-2700.

Infoseek is a registered service mark of the Company and the Infoseek logo, Infoseek Guide, Infoseek Professional, and Ultraseek are trademarks of the Company. This Prospectus also includes trademarks of companies other than Infoseek.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 3,000,000 shares of Common Stock offered by the Company hereby are estimated to be approximately $29,840,000 ($34,443,500 if the Underwriter's overallotment option is exercised in full), at an assumed initial public offering price of $11.00 per share to the public and after deducting estimated underwriting discounts and commissions and estimated offering expenses. The primary purposes of this Offering are to create a public market for the Common Stock, to facilitate future access to public markets and to obtain additional equity capital. The Company expects that it will use the net proceeds of this Offering for general corporate purposes, including working capital, payment of a portion of the Company's one year obligation to Netscape of up to $5 million for the listing as a non-exclusive premier provider of navigational services on the Netscape Web page and capital expenditures, including approximately $6 million in 1996 currently budgeted for the purchase of computer equipment and improvements to the Company's management information systems in connection with the Company's business expansion. The Company has no other specific plans as to the use of the net proceeds from this Offering. A portion of the net proceeds may also be used for the acquisition of businesses, products and technologies that are complementary to those of the Company. The Company has no present plans, agreements or commitments and its not currently engaged in any negotiations with respect to any such transaction. Pending use, the Company plans to invest the net proceeds in investment-grade, interest-bearing securities. See "*Risk Factors -- No Specific Use of Proceeds*."

DIVIDEND POLICY

The Company has never declared or paid any cash dividends on its capital stock, and does not expect to pay cash dividends on its Common Stock in the foreseeable future. The Company currently intends to retain its earnings, if any, for use in its business.

CAPITALIZATION

The following table sets forth the capitalization of the Company (i) at March 31, 1996, (ii) pro forma as of such date, to give effect to the net proceeds from sale of 673,500 shares of Convertible Preferred Stock and 375,001 shares of Redeemable Convertible Preferred Stock for $8,088,000 in April 1996, and (iii) pro forma as adjusted to give effect to (a) the automatic conversion of all outstanding shares of Preferred Stock into Common Stock upon the closing of this Offering and (b) the receipt by the Company of the estimated net proceeds from the sale of 3,000,000 shares of Common Stock pursuant to this Offering at an assumed initial public offering price of $11.00 per share:

[Enlarge/Download Table]

	MARCH 31, 1996		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED
	(IN THOUSANDS, EXCEPT SHARE DATA)		
Short-term obligations	$ 914	$ 914	$ 914
Long-term obligations	$ 2,490	$ 2,490	$ 2,490
Redeemable convertible preferred stock, no par value; 1,125,000 shares issued and outstanding, actual; 1,500,001 shares issued and outstanding, pro forma; and no shares issued and outstanding, pro forma as adjusted	8,954	11,847	--
Shareholders' equity:			
Preferred stock, no par value; 5,000,000 shares authorized; no shares issued or outstanding	--	--	--
Convertible preferred stock, no par value; 27,890,378 shares authorized, no shares authorized, pro forma as adjusted; 15,394,175 shares issued and outstanding, actual; 16,067,675 shares issued and outstanding, pro forma; and no shares issued and outstanding, pro forma as adjusted	7,441	12,636	--
Common stock, no par value; 45,000,000 shares authorized, actual and pro forma; 60,000,000 shares authorized, pro forma as adjusted; 4,378,552 shares issued and outstanding, actual; 4,378,552 shares issued and outstanding, pro forma; and 24,946,228 shares issued and outstanding, pro forma as adjusted(1)	6,390	6,390	60,713
Accumulated deficit	(8,401)	(8,401)	(8,401)
Deferred compensation	(4,796)	(4,796)	(4,796)
Notes receivable from shareholders	(626)	(626)	(626)
Total shareholders' equity	8	5,203	46,890
Total capitalization	$11,452	$19,540	$49,380

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(1) Excludes, as of March 31, 1996: (i) 4,340,876 shares of Common Stock issuable upon exercise of stock options outstanding under the Company's Stock Option Plan and an additional 1,067,408 shares reserved for issuance under such plan; and (ii) 100,000 shares of Convertible Preferred Stock issuable upon exercise of outstanding warrants (convertible into warrants to purchase 100,000 shares of Common Stock upon the closing of this Offering). Subsequent to March 31, 1996, the Company: (i) adopted, subject to shareholder approval, the 1996 Stock Option/Stock Issuance Plan to replace the Stock Option Plan and approved an increase in the total number of shares authorized for issuance thereunder from 5,437,500 to 5,625,000; (ii) granted options to purchase a total of 125,250 shares of Common Stock at a weighted average exercise price of $7.67 per share; and (iii) adopted, subject to shareholder approval, the Employee Stock Purchase Plan and reserved a total of 187,500 shares for future issuance thereunder. See "*Management -- 1996*

Stock Option/Stock Issuance Plan" and Notes 5, 7 and 10 of Notes to Financial Statements.

DILUTION

The pro forma net tangible book value of the Company's Common Stock as of March 31, 1996 was $17,012,922, or approximately $0.78 per share. Pro forma net tangible book value per share represents the amount of the Company's shareholders' equity, less intangible assets, divided by the shares of Common Stock outstanding after giving pro forma effect to (i) the sale of $8,088,000 of Preferred Stock in April 1996 and (ii) the conversion of all outstanding shares of Preferred Stock into Common Stock upon completion of this Offering.

Dilution per share represents the difference between the amount per share paid by purchasers of shares of Common Stock in this Offering made hereby and the as adjusted net tangible book value per share of Common Stock immediately after completion of this Offering. After giving effect to the sale of 3,000,000 shares of Common Stock offered by the Company hereby at an assumed offering price of $11.00 per share to the public and after deducting the estimated underwriting discounts and estimated offering expenses, the as adjusted net tangible book value of the Company as of March 31, 1996 would have been $46,852,922 or $1.88 per share. This represents an immediate increase in net tangible book value of $1.10 per share to existing shareholders and an immediate dilution in net tangible book value of $9.12 per share to purchasers of Common Stock in this Offering, as illustrated in the following table:

[Download Table]

Assumed public offering price per share..........................		$11.00
Net tangible book value per share at March 31, 1996............	$0.78	
Increase in net tangible book value per share attributable to new investors..	1.10	
Pro forma net tangible book value per share after the Offering....		1.88
Dilution per share to new investors.............................		$ 9.12

The following table sets forth on a pro forma basis, as described above, as of March 31, 1996 the number of shares of Common Stock purchased from the Company, the total consideration paid and the average price per share paid by the existing shareholders and by new public investors (assuming an initial public offering price of $11.00 per share to the public and before deduction of estimated underwriting discounts and commissions and offering expenses):

[Enlarge/Download Table]

	SHARES PURCHASED		TOTAL CONSIDERATION		AVERAGE PRICE
	NUMBER	PERCENT	AMOUNT	PERCENT	PER SHARE
Existing shareholders(1)...............	21,946,228	88%	$25,667,704	44%	$ 1.17
New shareholders(1)....................	3,000,000	12	33,000,000	56	$ 11.00
Total.........................	24,946,228	100%	$58,667,704	100%	

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(1) Assumes no exercise of the following stock options and warrants outstanding as of March 31, 1996: (i) options to purchase a total of 4,340,876 shares of Common Stock at a weighted average exercise price of $0.80 per share; and (ii) warrants to purchase 100,000 shares of Convertible Preferred Stock at an exercise price of $0.80 per share (convertible into warrants to purchase 100,000 shares of Common Stock at an average exercise price of $0.80 upon the closing of this Offering). Subsequent to March 31, 1996, the Company: (i) adopted, subject to shareholder approval, the 1996 Stock Option/Stock Issuance Plan to replace the Stock Option Plan and approved an increase in the total number of shares authorized for issuance thereunder from 5,437,500 to 5,625,000, (ii) granted options to purchase a total of 125,250 shares of Common Stock at a weighted average exercise price of $7.67 per share; and (iii) adopted, subject to shareholder approval, the Employee Stock Purchase Plan and reserved a total of 187,500 shares for future issuance thereunder. To the extent options or warrants are exercised, there will be further dilution to new investors in the Offering. See "*Management* -- *1996 Stock*

Option/Stock Issuance Plan" and Notes 5, 7 and 10 of Notes to Financial Statements.

SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with the Company's financial statements and related notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Prospectus. The statements of operations data for the period from inception (August 30, 1993) to December 31, 1993 and for the years ended December 31, 1994 and 1995 and the balance sheet data at December 31, 1994 and 1995, are derived from and qualified by reference to the financial statements of the Company which have been audited by Ernst & Young LLP, independent auditors. The statements of operations data for the three month periods ended March 31, 1995 and 1996 and the balance sheet data as of March 31, 1996 are derived from unaudited financial statements included elsewhere herein and are prepared on a basis consistent with the Company's audited financial statements and, in management's opinion, fairly state the Company's financial position and results of operation as of such dates and for the periods then ended, and include all adjustments, consisting only of normal recurring accruals, necessary for a fair presentation of the information.

[Enlarge/Download Table]

	INCEPTION (AUGUST 30, 1993) TO DECEMBER 31, 1993	YEARS ENDED DECEMBER 31, 1994	YEARS ENDED DECEMBER 31, 1995	THREE MONTHS ENDED MARCH 31, 1995	THREE MONTHS ENDED MARCH 31, 1996
	(IN THOUSANDS, EXCEPT PER SHARE DATA)				
STATEMENTS OF OPERATIONS DATA:					
Revenues:					
Advertising	$ --	$ --	$ 849	$ --	$ 1,656
Subscription	--	--	184	5	75
Total revenues	--	--	1,033	5	1,731
Cost of revenues	--	--	615	79	690
Gross profit	--	--	418	(74)	1,041
Operating expenses:					
Research and development	8	1,063	1,175	177	934
Sales and marketing	--	97	1,488	77	2,757
General and administrative	19	360	1,148	98	860
Total operating expenses	27	1,520	3,811	352	4,551
Operating loss	(27)	(1,520)	(3,393)	(426)	(3,510)
Interest income (expense) net	--	10	98	4	(58)
Net loss	$ (27)	$(1,510)	$(3,296)	$ (422)	$(3,568)
Pro forma net loss per share(1)			$ (0.13)	$ (0.02)	$ (0.14)
Shares used in computing pro forma net loss per share(1)			25,863	25,966	25,914

[Enlarge/Download Table]

	DECEMBER 31, 1993	DECEMBER 31, 1994	DECEMBER 31, 1995	MARCH 31, 1996
BALANCE SHEET DATA:				
Cash, cash equivalents and short-term investments	$ 177	$ 568	$ 1,626	$10,114
Working capital (deficit)	(99)	458	92	7,131
Total assets	318	859	5,123	15,747
Long-term obligations	--	210	838	2,640
Total shareholders' equity	27	520	2,142	8

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(1) See Note 1 of Notes to Financial Statements for an explanation of the determination of the shares used in computing pro forma net income (loss) per share.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

It is the Company's belief that this Prospectus may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Actual results could differ materially from those projected in the forward-looking statements as a result of the risk factors commencing on page 5 as well as other factors described below and elsewhere in this Prospectus.

OVERVIEW

Infoseek was formed in August 1993 to develop and provide Internet and World Wide Web (*"Web"*) navigational services. From inception (August 30, 1993) to March 31, 1995, the Company's operations were limited and consisted primarily of start-up activities, including recruiting personnel, raising capital, research and development, and the negotiation and execution of an agreement with ACSIOM to license an information retrieval search engine developed at the University of Massachusetts.

The Company introduced its first products and services in 1995. During 1995 and for the first quarter of 1996, the Company derived its revenues substantially from the sale of advertisements on its Web pages and, to a lesser extent, from subscription fees for the Company's services. During these periods, advertising revenues accounted for approximately 82% and 96%, respectively, of total revenues. The Company expects to continue to derive substantially all of its revenues for the foreseeable future from selling advertising space on its Web sites. Advertising revenues are derived principally from short-term advertising contracts in which the Company guarantees a minimum number of impressions (displays of an advertisement to the user) for a fixed fee. Advertising revenues are recognized ratably over the term of the contract during which services are provided, and are stated net of customer discounts. Also included in advertising revenues is the exchange by the Company of advertising space on the Company's Web sites for reciprocal advertising space in other media publications or other Web sites or receipt of applicable goods and services. Revenues from these exchange transactions are recorded as advertising revenues at the estimated fair value of the goods and services received and are recognized when both the Company's advertisements and reciprocal advertisements are run or applicable goods or services are received. Although such revenues have been insignificant to date, the Company believes these exchange transactions are of value, particularly in the marketing of the Infoseek brand, and expects to continue to engage in these transactions in the future. The Company has also derived revenues during 1995 and the first quarter of 1996 from fees related to a premium subscription service offered to business and professional users. Revenues from this service are recognized over the period the service is provided. The Company's current business model to generate revenues through the sale of advertising on the Internet is unproven. There can be no assurance that current advertisers will continue to purchase advertising space and services from the Company or that the Company will be able to successfully attract additional advertisers. See *"Risk Factors -- Reliance on Advertising Revenues."*

The Company has an extremely limited operating history, which makes it difficult to manage future operations or predict future operating results. The Company did not commence generating revenues until 1995 and has generated limited revenues to date. The Company has incurred significant net losses since inception and expects to continue to incur significant losses on a quarterly and annual basis for the foreseeable future. As of March 31, 1996, the Company had an accumulated deficit of $8.4 million. The Company and its prospects must be considered in light of the risks, costs and difficulties frequently encountered by companies in their early stage of development, particularly companies in the new and rapidly evolving Internet market. In order to be successful, the Company must, among other things, continue to attract, retain and motivate qualified personnel, successfully implement its advertising program, continue to upgrade its technologies and commercialize products and services incorporating such technologies, respond to competitive developments and successfully expand its internal infrastructure. As a result of the Company's extremely limited operating history as well as the very recent emergence of the market addressed by

the Company, the Company has neither internal nor industry-based historical financial data for any significant period of time upon which to base planned operating expenses. Moreover, most of the Company's contracts with advertising customers have terms of three months or less, with options to cancel at any time. Accordingly, future sales and operating results are difficult to forecast. In addition, significant portions of the Company's revenues to date have been derived from sales to a limited number of customers, and the Company currently anticipates that future quarters will continue to reflect this trend. Therefore, the cancellation or deferral of a small number of advertising contracts or license agreements could have a material adverse effect on the Company's business, results of operations and financial condition. The Company's expense levels are based in part on its expectations as to future revenues and to a large extent are fixed. The Company may not be able to adjust spending in a timely manner to compensate for any unexpected revenue shortfall. Accordingly, any significant shortfall in relation to the Company's expectations would have an immediate adverse impact on the Company's business, results of operations and financial condition.

The Company expects that its results of operations may also fluctuate significantly in the future as a result of a variety of factors, including the continued rate of growth, usage and acceptance of the Internet; the rate of acceptance of the Internet as an advertising medium; demand for the Company's products and services; the advertising budgeting cycles of individual advertisers; the introduction and acceptance of new or enhanced products or services by the Company or by its competitors; the Company's ability to anticipate and effectively adapt to a developing market and to rapidly changing technologies; the Company's ability to effectively expand its operations and manage such expansion; the Company's ability to attract, retain and motivate qualified personnel; initiation, renewal or expiration of significant contracts such as the Company's distribution relationship with NYNEX; pricing changes by the Company or its competitors; specific economic conditions in the Internet market; general economic conditions and other factors. In addition, the Company may elect from time to time to make certain pricing, service or marketing decisions or acquisitions that could have a short-term material adverse effect on the Company's business, results of operations and financial condition and may not generate the long-term benefits intended. Due to all of the foregoing factors, it is likely that in some future period, the Company's operating results may be below the expectations of public market analysts and investors. In such event, the price of the Company's Common Stock would likely be materially adversely affected. See "*Risk Factors -- Extremely Limited Operating History; Anticipation of Continued Losses*," " -- *Potential Fluctuations in Future Results*" and " -- *Developing Market; Unproven Acceptance of Internet Advertising and of the Company's Products and Services*."

RESULTS OF OPERATIONS

From inception through the first quarter of 1995, the Company's operations were limited and consisted primarily of start-up activities. Accordingly, the Company believes that year-to-year comparisons of 1993 against 1994, year-to-year comparisons of 1994 against 1995, and period-to-period comparisons of the first quarter of 1996 against the comparable period in 1995, are not meaningful. Accordingly the Company has not included such comparisons in the following discussion. Likewise, because of the Company's limited operations in 1995, the Company believes that future period-to-period comparisons against 1995 may also not be meaningful. See "*Risk Factors -- Extremely Limited Operating History; Anticipation of Continued Losses*."

Total Revenues

For 1995 and the first quarter of 1996, total revenues were $1,032,290 and $1,730,905, respectively. In the second quarter of 1995, the Company began selling advertising space on its Web sites. For 1995 and the first quarter of 1996, advertising revenues were $848,650 and $1,655,691, respectively, representing 82% and 96% of total revenues in such respective periods. The balance of total revenues during these periods was derived from subscription fees for a premium service offered to business and professional users.

In March 1996, the Company and NYNEX entered into a one year agreement, which provides that, beginning in May 1996, the Company will prominently display the BigYellow logo, which represents NYNEX's interactive shopping directory, as the exclusive comprehensive shopping directory within Infoseek Guide. In exchange for such exclusivity, NYNEX will pay to the Company up to an aggregate of $4.6 million in monthly payments, which amount will be decreased proportionately if the number of impressions of the BigYellow logo is below a specified number. NYNEX may extend the term of the agreement for additional one year periods, with the fee to be determined based upon Infoseek's then current advertising rate structure. In addition, NYNEX has the right to cancel or renegotiate the agreement based upon certain relative traffic volumes on the BigYellow and Infoseek Guide sites. There can be no assurance that the NYNEX arrangement will prove to be mutually beneficial or that it will be continued after its initial term or that the Company will be able to produce the levels of traffic that NYNEX has negotiated. See "*Risk Factors* -- *Potential Fluctuations in Future Results*," " -- *Reliance on Advertising Revenues*" and "-- *Developing Market: Unproven Acceptance of Internet Advertising and of the Company's Products and Services*," "-- *Change in Netscape Relationship and Dependence on Other Third Party Distribution Relationships*" and "*Business* -- *Marketing and Distribution of the Infoseek Brand*."

Cost of Revenues

For 1995 and the first quarter of 1996, cost of revenues were $614,622 and $689,480, respectively, representing 60% and 40% of total revenues in such respective periods. Cost of revenues consist primarily of expenses associated with the enhancement, maintenance and support of the Company's Web sites, including telecommunications costs and equipment depreciation. Cost of revenues also includes expenses associated with the licensing of certain third-party technologies, consisting in 1995 and the first quarter of 1996 primarily of amortization of the initial license fee for the ACSIOM search engine, as well as on-going royalties based on usage of the product. The initial license fee is amortized at a rate of $37,316 per quarter, commencing with the first quarter of 1995 and ending in the second quarter of 1996. Royalty fees to ACSIOM were paid commencing in the first quarter of 1995 and will continue as long as the Company utilizes the subject technology.

Operating Expenses

The Company's operating expenses have increased significantly in absolute dollar amounts each quarter in 1995 and 1996, as the Company has transitioned from the product development stage to the marketing of its services and products and expansion of its business. The Company expects operating expenses will continue to increase in the future as the Company continues to seek to expand its business.

The Company recorded aggregate deferred compensation of $5,226,400 during the fourth quarter of 1995 and first quarter of 1996 in connection with certain stock options granted in the fourth quarter of 1995 and the first quarter of 1996. The amortization of such deferred compensation is being charged to operations over the vesting periods of the options, which are typically four years. For 1995 and the first quarter of 1996, the amortized expenses were $43,900 and $386,650, respectively. The amortization of this deferred compensation will continue to have an adverse effect on the Company's results of operations. See Note 6 of Notes to Financial Statements.

Research and Development. For 1995 and the first quarter of 1996, research and development expenses were $1,174,849 and $933,988, respectively, representing 114% and 54% of total revenues in such respective periods. Research and development expenses consist principally of personnel costs and equipment depreciation. Costs related to research, design and development of products and services have been charged to research and development expense as incurred. See Note 1 of Notes to Financial Statements. The Company believes that a significant level of product development expenses is required to remain competitive. Accordingly, the Company anticipates that it will continue to devote substantial resources to product development and that these costs will substantially increase in absolute dollars in future periods.

Sales and Marketing. For 1995 and the first quarter of 1996, sales and marketing expenses were $1,488,492 and $2,756,579, respectively, representing 144% and 159% of total revenues in such respective periods. Sales and marketing expenses consist primarily of compensation of sales and marketing personnel and promotional expenses. Sales and marketing expenses in the first quarter of 1996 also included payments made to Netscape pursuant to an advertising revenue sharing arrangement for the listing of the Company's product on the Netscape Web page. Historically a large portion of the Company's traffic was derived through Netscape's Web page. During 1995, the Company paid no fees to appear on Netscape's Web page. The Company recorded $200,000 to sales and marketing expense as the estimated fair value of the services received from Netscape during 1995. From January 1, 1996 to March 31, 1996, the Company was listed as the sole premier *"Net Search"* partner on the Netscape Web page for which the Company paid Netscape 50% of the related net advertising revenue. In March 1996, Infoseek entered into an agreement with Netscape, which provides that Infoseek will be listed as a non-exclusive premier provider of navigational services on Netscape's Web page for the period April 10, 1996 to March 31, 1997. During the 30 day period from April 11 through May 10, 1996, the Company's average daily traffic was approximately 47% of its average daily traffic for the 30 day period immediately prior to the change from being Netscape's sole premier provider to one of five premier providers. There can be no assurance that the Company will be able to maintain or increase its current level of traffic. This agreement with Netscape provides for payments of up to an aggregate of $5 million to Netscape over the course of the term of the agreement. The Company has the right to terminate the agreement at the end of six months, in which case payments to Netscape would be reduced by an aggregate of approximately $2.5 million. The Company expects to continue hiring additional sales and marketing personnel and to increase promotional and advertising expenses, and anticipates that these costs will substantially increase in absolute dollars in future periods. See "*Risk Factors -- Change in Netscape Relationship and Dependence on Other Third Party Distribution Relationships*."

General and Administrative. For 1995 and the first quarter of 1996, general and administrative expenses were $1,147,507 and $860,111, respectively, representing 111% and 50% of total revenues in such respective periods. General and administrative expenses consist primarily of compensation of administrative and executive personnel, occupancy costs and fees for professional services. The Company anticipates that its general and administrative expenses will continue to increase significantly in absolute dollar amounts as the Company expands its administrative and executive staff, relocates to new facilities, adds infrastructure and incurs additional costs related to being a public company, such as expenses related to directors' and officers' insurance, investor relations programs and increased professional fees.

Income Taxes

Due to the Company's loss position, there was no provision for income taxes for any of the periods presented. At December 31, 1995, the Company had federal and state net operating loss carryforwards of approximately $4 million and $600,000, respectively. The federal net operating loss carryforwards will expire beginning in 2008 through 2010, if not utilized, and the state net operating loss carryforwards will expire in the years 1998 through 2000. Certain future changes in the share ownership of the Company, as defined in the Tax Reform Act of 1986 and similar state provisions, may restrict the utilization of carryforwards. A valuation allowance has been recorded for the entire deferred tax asset as a result of uncertainties regarding the realization of the asset due to the lack of earnings history of the Company. See Note 8 of Notes to Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

From inception through March 31, 1996, the Company financed its operations and met its capital expenditure requirements primarily through cash proceeds from private sales of stock totaling $15,887,302. The Company had $1,625,967 and $10,124,023 in cash and cash equivalents and short term investments at December 31, 1995 and March 31, 1996, respectively. In April 1996, the Company raised additional net proceeds of $8,088,000 from private sales of Preferred Stock.

In 1995 and the first quarter of 1996, operating activities used cash of $1,468,104 and
$2,074,806, respectively. The net cash used during these periods was primarily due to net losses and increases in accounts receivable, partially offset by increases in accrued liabilities and in 1995 an increase in accounts payable. In 1995 and the first quarter of 1996, investing activities used net cash of $3,325,522 and $750,993, respectively, primarily associated with the purchase of property and equipment and net short-term investments. Financing activities generated cash of $5,354,602 and $11,810,726 in 1995 and the first quarter of 1996, respectively, primarily from preferred stock sales and equipment loans.

Following is a summary of the Company's commitments for the next five years:

[Enlarge/Download Table]

COMMITMENT	AMOUNT
- Facilities leases and equipment loans at March 31, 1996.	$3,717,137.
- Amortization of initial fees for license of technology from Acsiom.	$37,316 per quarter, ending second quarter of 1996.
- Support fees and royalty payments in connection with license of technology from Acsiom.	$10,000 per quarter plus 4% of certain related revenues as long as Company continues to utilize the subject technology.

- Amounts payable to Netscape pursuant to March 1996 Agreement.	Up to $5,000,000.
- Customization, installation, sub-license start-up and monthly license fees in connection with the license of certain software technology from HNC.	Approximately $180,000 in the aggregate through 1997.
- Royalty fee based on a percentage of certain future related revenues in connection with the license of certain software technology from HNC.	In order to maintain the exclusivity of the arrangement, certain annual minimum royalties are required, which are expected to be approximately $60,000 in the aggregate through 1997.
- Installation, license and maintenance fees in connection with the license of certain additional software technology from HNC.	Approximately $250,000 in the aggregate through 1997.
- Royalty payments to XEROX in connection with license of certain linguistic analysis technology from XEROX.	Up to $200,000 per year in 1996 and 1997, and $300,000 in 1998.
- Payments for certain technology previously licensed by the Company and fully expensed, that the Company has determined subsequently not to include in its products and services.	$60,000 per year through 1999.

The Company has no other material commitments and expects to incur significant capital expenditures to support expansion of the Company's business.

The Company expects to use the net proceeds of this Offering for the uses referenced in the previous paragraph as well as general corporate purposes, including the expansion of the Company's product development and sales and marketing organizations and working capital. Furthermore, from time to time the Company expects to evaluate the acquisition of products, businesses and technologies that complement the Company's business, for which a portion of the net proceeds may be used. The Company does not, however, currently have any understandings, commitments or agreements with respect to any such acquisitions. Management expects that cash in excess of current requirements will be invested in investment grade, short-term interest-bearing securities. See "*Risk Factors -- No Specific Use of Proceeds*."

The Company currently anticipates that the net proceeds of this Offering and its recent Series E Preferred Stock financing, together with available funds and cash flows generated from advertising revenues, will be sufficient to meet its anticipated needs for working capital, capital expenditures and business expansion for at least the next 12 months. Thereafter, the Company may need to raise additional funds. The Company may need to raise additional funds sooner, however, in order to fund more rapid expansion, to develop new or enhanced services or products, to respond to competitive pressures or to acquire complementary products, businesses or technologies. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution and such securities may have rights, preferences or privileges senior to those of the holders of the Company's Common Stock. There can be no assurance that additional financing will be available on terms favorable to the Company, or at all. If adequate funds are not available or are not available on acceptable terms, it would limit the Company's ability to fund expansion, take advantage of acquisition opportunities, develop or enhance services or products or respond to competitive pressures. Such limitation could have a material adverse effect on the Company's business, results of operations and financial condition. See "*Risk Factors -- Future Capital Needs; Uncertainty of Additional Financing*."

BUSINESS

Infoseek develops and provides branded, comprehensive Web-based navigational services that help users access and personalize the vast resources of the Internet. The Company's primary service offering, Infoseek Guide, is a free service targeted at individual users. The Company believes that Infoseek Guide goes beyond the functionality offered by other search engines and directory services, by aggregating and packaging the resources of the Internet to serve individuals' unique and personal interests and create rich Internet experiences. The Company believes that Infoseek Guide has been well received by consumers and has achieved a strong brand presence among Web users. Infoseek Guide has won a number of industry awards including *"Number 1 Rated Search Engine"* (PC Computing Sept 95), "Best of the Test " (Internet World May 96) and "MVP: Internet Tools " (PC Computing Dec 95). The Company is currently working on its next generation search engine, Ultraseek, which the Company plans to release in the second half of 1996. Ultraseek will enable the searching of a much greater number of Web sites at even faster speeds with the same level of accuracy for which Infoseek Guide is currently known.

INDUSTRY BACKGROUND

The Internet was originally created by the U.S. government to facilitate the exchange of information and electronic mail (*"email"*) between a limited number of academic institutions, defense contractors and government agencies. The Internet was commercialized in the late 1980s and 1990s and technological enhancements have since extended the Internet's reach to consumers and businesses. The most important technological enhancement to the Internet was the creation of the World Wide Web (the *"Web"*) in the early 1990s. The Web is an interactive environment, which facilitates the exchange of multimedia-rich information and entertainment resources among users worldwide. In addition, recent technological developments have enabled consumers and businesses to use the Web for buying and selling products and services. As a result, the Web has changed, and will continue to change the way in which people exchange information, communicate with each other and distribute products worldwide.

According to a February 1996 issue of Business Week, there were approximately 200,000 Web sites in January 1996. A number of factors have contributed to the growth of the Web. The open nature of the Web enables any individual or organization to publish a Web site. New software-based authoring tools have lowered the cost of publishing content on the Web relative to conventional publishing methods and enabled new, exciting forms of multimedia content. The cost of delivering content to a large audience is lower than that of conventional media, consisting only of the cost of maintaining and operating computer equipment. In addition, the interactive nature of the Internet provides an environment in which content providers can track the appeal of their content by measuring the number of visits to a Web site and can respond quickly to consumers' changing tastes and needs.

The dramatic increase in Web-based information and entertainment has increased the appeal of the Web to consumers and has driven the high growth in traffic on the Web. Continued enhancement to the Internet, such as support for secured transactions, multimedia offering technology and new compression technologies, should continue to attract new content providers to this medium. According to International Data Corporation, the number of Internet users is forecasted to increase from 56 million at the end of 1995 to 200 million by the end of 1999.

Navigating the Web

The rapid growth in content on the Web combined with the Web's unindexed nature presents significant challenges for consumers seeking Internet-based information and resources. Until the emergence of navigational tools, users had to know a lengthy Web address for each specific site, or had to move from Web site to Web site using hypertext links, searching for relevant information. Content providers and advertisers also faced difficulties in making the existence and location of their Web sites widely known and available to their target audiences.

A number of tools have emerged to assist users in locating information on the Web, including Web directories and search engines. Web directories are typically compiled manually and list Web sites by specific topics of interest. Directories generally list Web sites by their hypertext address, enabling a user to go directly to the listed site by clicking on the address. Entries in a directory also may contain Web site descriptions or reviews. Search engines offer users the ability to search Web sites based upon specific word or phrase queries. Search engines typically use automated software that *"crawls"* the Web to continuously capture and store updated Web site information. The information is then indexed in a database in order to provide immediate retrieval of relevant Web site listings in response to a query.

Although search engines and directories help users navigate the Web, the

Company believes that these tools have certain limitations and that there is an opportunity to provide added value to the consumer experience. One of the problems not solved by most search engines and directories is that once consumers have found specific Web sites of interest, the services do not place that information in a broader context of other related and relevant Web resources. Consumers must often make iterative searches or move from Web site to Web site in order to achieve a complete response to their search, find related information and feel that they have fully explored the Internet resources available to them.

The Company believes that there is an opportunity to provide more comprehensive services that not only provide specific and relevant responses to consumer searches, but also aggregate and package the rich content resources of the Web in order to serve a consumer's unique and personal interests and create a rich Internet experience. The Company believes that consumers will respond to services that aggregate specific and relevant responses to queries with other relevant and related Web sites, targeted advertising, personalized news services, discussion groups, and other resources. The Company believes that services which bring together relevant content from among the vast resources on the Internet will enhance the consumer's Internet experience, attract a high volume of traffic and build brand loyalty.

Advertising on the Web

With the growth in the number of Internet users and content providers, the Internet has begun to develop the attributes of a conventional mass medium, where advertising subsidizes content delivered to users. Forrester Research, Inc. estimates that spending on Web-based advertising will increase from $37 million in 1995 to approximately $700 million by 1998. Moreover, the 1995 Commerce Net/Nielsen Internet Demographics Survey indicates that on average, Web users are upscale, professional and educated, providing an attractive demographic profile for advertisers.

Advertisers have recognized that the interactive nature of the Internet can provide an environment where advertising may become more effective than it is in other more conventional print and broadcast media. The interactive and global nature of the Internet has the potential to enable advertisers to target specific audiences, measure the popularity of advertising content and make timely changes in response, reach worldwide audiences cost-effectively, and create innovative and interactive advertisements. The Company believes that increases in transmission bandwidth through higher speed Internet connections, and wider multimedia enabling technologies for the Web, such as Java, VRML and others, will also increase the appeal and effectiveness of advertisements and make the Web an even more attractive platform for advertising.

Advertisers currently face difficulties, however, in placing their advertisements strategically on the Web. It is difficult for advertisers to understand the volume and demographics of traffic patterns on Web sites. As a result, advertisers can find it difficult to make the existence and location of their advertisements widely known and target their audiences effectively. The Company believes that, in the near term, advertisers will migrate to sites which can offer a high number of impressions per day. The Company also believes that, over time, advertisers will be attracted to those services that experience a high volume of traffic, track consumers carefully and deliver advertisers audiences that

fit specific buying profiles. In order to provide such audiences to advertisers, services and sites must develop technologies to enable them to conduct complex demographic and psychographic profiling of their consumers. By understanding their audiences, services and sites will be able to match advertisements with buyers, resulting in targeted, high impact advertising (*"narrowcasting"* or *"microcasting"*). The Company believes that those sites and services which both garner a high volume of traffic and offer advertisers the ability to target specific audiences effectively will be in the best position to take advantage of the advertising opportunity on the Web.

THE INFOSEEK SOLUTION

Infoseek develops and provides branded, comprehensive Web-based navigational services that help users access and personalize the vast resources of the Internet. Infoseek's primary service offering, Infoseek Guide, not only provides specific and relevant responses to consumer searches, but also aggregates and packages the resources of the Internet in order to serve a consumer's unique and personal interests. By integrating the capabilities of a search engine and a directory, Infoseek packages specific responses to search queries with communities of related Web, USENET and branded third party content and targeted, related advertising. By creating communities of related information in real-time for users, Infoseek Guide satisfies the needs of consumers to access relevant and related information, the needs of content providers to reach interested audiences, and the needs of advertisers to deliver advertisements to a targeted group of potential buyers.

With every search on Infoseek Guide, the consumer receives some or all of the following: specific and relevant Web site listings in response to the query, a directory of other related Web sites, related and appropriate advertising, unique editorials on related subjects by well-known third party content providers, links to relevant discussion groups and other resources. For example, a user who enters the query *"rock music concerts in San Francisco"* would find not only a listing of relevant Web pages, but would also find a link to the Billboard Online section of the iZone (a third-party sponsored editorial feature related to popular music) and a directory of related topics including regional music, alternative music, music stores, and jazz that would be linked to other related Web sites. The user may also see advertising appropriate to the user's interests in rock music. The Company believes that the creation of real-time content enhances a user's Internet experience by immediately linking the user to an environment of relevant and related content and information. The Company also believes that its service has the following advantages:

- State-of-the-Art Searching. The search engine underlying Infoseek Guide, which has been licensed from ACSIOM, is noted for its high accuracy and ability to quickly perform complex searches. The Company's search engine has won a number of industry awards, including *"Number 1 Rated Search Engine"* (PC Computing Sept 95), "Best of the Test " (Internet World May 96) and "MVP: Internet Tools " (PC Computing Dec 95). The Company is currently working on its next generation search engine, Ultraseek, which the Company plans to release in the second half of 1996. Ultraseek will enable the searching of a much greater number of Web sites at even faster speeds with the same level of accuracy for which Infoseek Guide is currently known.

- Search-in-Context. Infoseek Guide integrates search and directory functions, providing not only specific responses to user queries, but also direct links in real-time to areas of content of interest that contain relevant content related to the specific request. Through this approach, consumers can either find specific answers to a search query or access a broader environment of other relevant and related information on the Internet.

- Co-branded third party content. Infoseek Guide incorporates timely and unique third party content created exclusively for Infoseek by leading media publishers. The range and breadth of material on the Web is often confusing for consumers, which makes branded, credible information providers more visible and valuable. Infoseek believes it adds value to the consumer experience by including editorial material from these branded content providers in

response to user searches. Current third party content providers include: Conde Nast Publications, MacWorld, PC World and SportsLine.

The Company plans to continue to enhance the attractiveness of its service to users through additional features and functionality. Infoseek is currently developing several enhancements to Infoseek Guide, which will allow for personalization of content and advertising according to user interests. These enhancements are expected to be released by fall 1996, and will allow users to create permanent filters for Internet-based information such as newswires, stock quotes, USENET listings and other Internet resources.

The Company believes that by matching the interests of users with appropriate content and advertisements and by offering the significant traffic generated by Infoseek's services, it delivers better value to content providers and advertisers seeking to reach larger or more targeted audiences. The Company believes that through its service, content providers gain increased exposure to interested users since these users are linked to broader communities of related content when undertaking search requests. For example, Billboard Online, one of the Company's third-party providers, would be listed in response to most queries regarding music related items.

Infoseek's services provide advertisers with an increased ability to undertake measurable, targeted, cost-effective and interactive advertising on the Internet. The Company's services provide advertisers with the flexibility to target the mass audience of the Internet by advertising on the Company's general search pages, to target special interest groups by placing advertisements on directory pages, or, to narrowcast advertisements to specific audiences by placing advertising only when the user's query contains a specific word that has been designated as a key word for a particular advertiser. The Company believes that each of these types of advertising can provide significant value to advertisers. While larger, mass market campaigns increase brand awareness, narrower campaigns through directory ads or keyword ads provide opportunities to engage in high response, product specific advertising. The Company is also actively exploring new technologies which will allow compilation of anonymous profiles of user behavior and interests, to more closely match the interests of audiences and advertisers.

BUSINESS STRATEGY

The Company's objective is to establish itself as the dominant branded media navigation and content aggregation service provider on the Internet. The Company seeks to build a high volume of traffic on its services to provide a preferred platform for content providers and advertisers to reach their target audiences. At the core of the Company's strategy, the Company seeks to provide real-time, content rich Web communities that create value for the user and establish the Company's platform as an attractive medium for advertisers. The Company's strategy contains the following key elements:

Create Brand Recognition and Consumer Loyalty. The Company believes that, as with many conventional media, branding and consumer loyalty on the Internet are highly dependent on the aggregation and packaging of content into innovative and appealing products and the effective marketing of such products to consumers. To this end, the Company developed Infoseek Guide, a navigation and content aggregation service that differentiates the Company's service and enhances a user's Internet experience through the real-time creation of Web communities. The Company intends to build upon its technical and media expertise to develop innovative new services, as well as enhance and expand existing service offerings. The Company also promotes its brand through online and print advertising and other promotional activities. The Company believes that these promotional campaigns are an important component in building brand awareness in the emerging Internet market.

Create Innovative Solutions for Advertisers. The Company seeks to provide advertisers with innovative solutions to effectively reach their target audiences through the Internet. The Company currently offers a broad range of customized alternatives for advertisers, providing advertisers with the flexibility to target mass audiences or specific communities, or link advertisements to keyword

searches. In addition, the Company is actively exploring new technologies which will enable advertisers to utilize user demographic, profile, and psychographic information. For example, the Company has entered into an agreement with HNC which provides that the Company and HNC will jointly develop an advertising and management system to anonymously track individual usage behavior that is based upon technology developed by HNC. The Company believes that these innovative advertising approaches, which will allow advertisers to microcast advertisements to specific user types based on sophisticated analysis of searching behavior, will significantly differentiate the Company's services.

Utilize Leading-edge Search and Directory Technologies. The Company believes that technology is an important component in differentiating its services. Accordingly, the Company develops and licenses from third parties leading-edge technologies which aid the Company in providing Internet users with quick, precise and thorough search results, and comprehensive state-of-the art directory services. For example, the Company is currently working on its next generation search engine, Ultraseek, which the Company plans to release in the second half of 1996. Ultraseek will enable the searching of a much greater number of Web sites at even faster speeds with the same level of accuracy for which Infoseek Guide is currently known. The Company also intends to develop, through its relationship with HNC, leading-edge, proprietary technology for the automated abstracting and categorization of Web sites.

Create and Expand Branded Content Partnerships. The Company seeks to co-brand its service offerings with recognized third-party content in order to enhance the value of the Infoseek brand. The Company believes that the use of third party branded content may lead to higher perceived editorial value and provide incremental distribution outlets and cross-promotion opportunities. In addition, by not developing content in-house, the Company is able to lower editorial costs. The Company has developed a series of third-party sponsored editorial Web pages, called iZones, that cover special interest group topics, such as music, sports or travel. The sponsors are companies with either product or publishing brands relevant to the category, such as SportsLine, a sports news and information service. The Company intends to aggressively build and extend the branded content available through Infoseek Guide by continuing to develop alliances with leading media companies and content providers.

Maximize Audience Reach through Distribution Relationships. The Company seeks to form relationships that maximize audience reach and create alternate distribution channels to the Company's services. The Company established as one of its earliest and primary distribution channels an initial relationship with Netscape to be the sole premier *"Net Search"* navigational service on the Netscape Web page. This relationship enabled the Company to gain access to a large audience and build early brand awareness. Netscape has since implemented a new *"Net Search"* display, in which several navigational service providers are rotated through the most visible position on the page. In order to maximize exposure, the Company has broadened and will continue to broaden its distribution channels through other relationships, such as with Microsoft, NETCOM, NYNEX, Verity and Quarterdeck. The Company intends to continue to aggressively expand its distribution relationships.

Leverage Media and Technical Expertise. The Company believes that the Internet represents a technology-driven mass medium in which advertising will subsidize content. As a result, in-depth knowledge and understanding of publishing, advertising, technology and media will be critical elements to success for any navigational service company. To this end, the Company has assembled a management team with a depth of experience in these areas. The Company's executive officers have experience at Time, McGraw-Hill, Cahners Publishing, Foote Cone & Belding, US News & World Report, Frame Technology, 3COM, Apple, NetFRAME, Mastercard International and The Wall Street Journal. The Company also believes that directly establishing and maintaining relationships with advertisers will become increasingly important in maintaining and capturing incremental advertising market share. Accordingly, the Company has assembled a highly experienced, direct sales force to promote and accelerate advertising sales.

INFOSEEK NAVIGATIONAL SERVICES

Infoseek's primary service offering, Infoseek Guide, is a navigation and content aggregation service targeted towards individuals and offered free to users. In addition to Infoseek Guide, the Company offers Infoseek Professional, a subscription-based service featuring premium content from commercial information databases and targeted to business and professional users. The Company plans to continue to introduce new services for individual and organizational markets over time. The Company's current and future service offerings are described below:

Infoseek Guide

Infoseek Guide, the Company's primary navigation and content aggregation service, assists users in locating relevant information on the Internet. Infoseek Guide provides to the user fast and relevant search results in response to the user's query. Moreover, Infoseek Guide's integrated search and browse functions guide the user to a real-time generated, personalized, Web community related to the area of inquiry. Infoseek Guide is offered free of charge to Internet users. Introduced in January 1996, Infoseek Guide is a successor to the Company's initial search service launched in April 1995.

Infoseek Guide integrates multiple methods of obtaining information from the Internet. Users are presented with four principal resources -- Search, Directory, iZones and Toolbar -- from which they can launch specific queries, browse or access proprietary content.

- Search: The Search function allows the user to effect query-based searches of the Web, USENET News and other premium content databases or the Directory. To perform a search, a user types a query in the search box and is then presented a highly specific response from a search of the entire database. A search can be effected using either simple keywords, full text (natural languages) or more formalogic formats such as boolean. For example, a user can search for *"Olympics and Atlanta"* or type in *"Tell Me About the Atlanta Olympic Games."* The Search function utilizes sophisticated techniques to allow users to obtain specific results for queries, such as *"AT&T"*, *"NeXT,"* *"49ers"* or *"Vitamin C,"* which can pose significant challenges to other search services, due to the case sensitive, numerical or singular letter aspect of the query. Infoseek Guide has won a number of industry awards including *"Number 1 Rated Search Engine"* (PC Computing Sept 95), "Best of the Test " (Internet World May 96) and "MVP: Internet Tools " (PC Computing Dec 95). In addition, the Company is currently working on its next generation search