Exhibit 9

BUSINESS WEEK ONLINE

April 30, 1998

WILL WISEWIRE HELP LYCOS IN THE WEB-PORTAL WARS?

On Thursday, Apr. 30, search-engine-cum-Web-portal Lycos (LCOS) announced that it had acquired privately held WiseWire Corp., a Pittsburgh-based maker of collaborative filtering software. The deal, worth some \$39.75 million in stock, was completed on Wednesday night and marks the culmination of a partnership that began in September of last year, when Lycos signed a one-year license for WiseWire's technology for Lycos' 22 topic-focused Web Guides.

With the WiseWire acquisition, Lycos has its sights set firmly on portal-pack leader Yahoo! (YHOO), says Jan Horsfall, vice-president for marketing at Lycos. Says Horsfall: "This is aimed directly at their directory," which Lycos sees as Yahoo!'s primary weakness. While Yahoo! relies on a cadre of keyboarders to manually screen and classify sites, Lycos seeks to automate the process, saving time, compiling a more comprehensive database, and presenting more desirable search results to users. That's the plan, anyway.

"It's a good deal," says Jill Frankle, an senior analyst with IDC/LINK. But downplaying Lycos' grandstanding, she adds: "I don't think it will drastically change the competitive landscape....It won't necessarily mean that a Yahoo! user shifts over to use Lycos, as they have vertically integrated themselves enough not to be too dependent on the search-engine side of things." Lycos estimates it will take about 100 days to more broadly integrate WiseWire's directory features into its service.

While Lycos' "spidering" software will continue to comb the Web to gather a base-level database of sites, WiseWire's product adds another layer of sophistication, allowing on-the-fly creation of custom "topics" around individual subject areas. Analyzing previous clicks and related links, WiseWire can locate, weight, and organize relevant content for the topic. On top of this, WiseWire's collaborative filtering tools bring Web surfers themselves into the equation, as they are encouraged to rate the usefulness of items they're presented with. On subsequent viewings, the more positively rated sites are given a higher weighting.

WiseWire was founded in 1995 by Ken Lang, then a doctoral candidate studying artificial intelligence and machine learning at Carnegie Mellon University. As part of the deal, Lang will become Lycos' chief technology officer -- the same position he held at WiseWire. WiseWire President Dennis Ciccone becomes Lycos' vice-president for mergers and acquisitions, and Robert O. Frasca, senior vice-president at WiseWire, will serve as a Lycos vice-president.

Beyond the hopes of winning viewer loyalty through better searches, Horsfall anticipates that WiseWire could bring software-licensing revenues to Lycos, though he notes that one reason for the acquisition was to keep WiseWire out of rivals' hands. Current WiseWire licensees include online broker SureTrade and African-American E-zine *The Black World Today*. Other possible revenue-generating opportunities include the licensing of vertical content topics to other sites and the ability to sell lucrative targeted advertising against Lycos' own WiseWire topics.

IDC's Frankle sees greater potential in such longer-term applications. She figures that Lycos is looking

beyond mere directories and will use WiseWire's personal agent technology "to understand user preferences, then turn it around to gain ad revenue and do one-to-one marketing deals." She draws a parallel between the Lycos deal and Microsoft's recent acquisition of agent pioneer Firefly Inc., for use on its upcoming "Start" portal site.

Lately, Lycos -- which trails Yahoo!, Excite (XCIT), and InfoSeek (SEEK) in traffic -- has made several aggressive moves to improve its position in the portal sweepstakes. And with good reason: By the end of 1999, Frankle figures, there may only be room for two or three players. On Apr. 28, Lycos CEO Robert Davis hinted at a coming deal with a major Internet service provider, which he described as similar to, but broader in scope than, the recent arrangement between Yahoo! and MCI. The announcement sent Lycos' shares soaring, up more than \$9 that day, to close at \$58 3/8, though they subsequently drifted down nearly \$3 on Apr. 29, to close at \$55 11/16. Lycos' shares jumped to \$60 3/4 at Thursday's opening bell, on news of the WiseWire acquisition.

Company officials have declined to identify the ISP involved, but they say an announcement is likely sometime next week. In February, Lycos acquired Tripod, owner of one of the most popular Internet communities, for approximately \$58 million in stock. Indeed, the whole search-engine sector has been bustling, with Yahoo!, Excite, Infoseek, and Lycos all caught up in a flurry of rapid-fire acquisitions and partnerships, as they fight a battle of feature one-upmanship. As of Apr. 29, stock prices of the Big Four as a group had increased over 78% since Jan. 1.

By Patrick Lambert Staff Reporter, BW Online

News Flash Archives

Copyright 1998, Bloomberg L.P. <u>Terms of Use</u>