



Marchex Reports Second Quarter 2004 Financial Results

August 5, 2004

SEATTLE, WA - August 5, 2004 - Marchex, Inc. (NASDAQ: MCHX), a provider of technology-based services to merchants engaged in online transactions, today announced its results for the second quarter ended June 30, 2004.

- Revenue was \$8.9 million for the second quarter of 2004, compared to \$5.4 million for the same period of 2003.
- Adjusted operating income before amortization was \$716,000 for the second quarter of 2004, compared to \$662,000 for the same period of 2003. Depreciation charges included in adjusted operating income before amortization were \$149,000 for the second quarter of 2004, compared to \$69,000 for the same period of 2003. A reconciliation of non-GAAP adjusted operating income before amortization to GAAP operating income (loss) and GAAP net income (loss) is attached to the financial tables included in this release.
- GAAP net loss applicable to common stockholders was \$479,000 for the second quarter of 2004 or \$0.02 per share, compared to \$866,000 for the same period of 2003, or \$0.07 per share. The decrease in GAAP net loss applicable to common stockholders was primarily due to a reduction in the accretion to redemption value of redeemable preferred stock, a non-cash item.

"Throughout the recent period, we continued to make strategic, operational, and financial progress in executing our long term plan of establishing Marchex as a leader in providing services to merchants engaged in online transactions," said Russell C. Horowitz, Marchex Chairman and CEO. "We are pleased with the quarter and with the overall momentum we are experiencing across our business."

"In looking at the balance of 2004, we expect to see an acceleration of sequential growth rates of our revenue and subsequent expansion of adjusted operating income before amortization," Horowitz added.

Recent Event

Subsequent to the end of the quarter, Marchex announced the acquisition of goClick.com, Inc. (www.goclick.com), a provider of marketing technologies and services for small merchants, for \$12.5 million, with \$8.3 million in cash and the balance in Marchex stock. The acquisition was effective July 27, 2004 and is anticipated to be accretive to Marchex's adjusted operating income before amortization on a go-forward basis.

goClick is focused on technologies in the areas of advertising partner management and automated advertiser account management services, all of which enable small businesses to easily develop and manage pay-per-click advertising programs. goClick's emphasis has been, and will continue to be, on servicing small merchants and local merchants which are not serviced by larger providers in the pay-per-click industry.

Financial Guidance

As previously noted, in looking at the balance of 2004, Marchex expects to see an acceleration of sequential growth rates of its revenue and subsequent expansion of its adjusted operating income before amortization.

Marchex's financial guidance is as follows:

2004 revenue estimate: More than \$40 million

Q2 2004 adjusted operating income before amortization margin: 8%

Long-term adjusted operating income before amortization margin target: 20% or more

Conference Call and Webcast Information

Management will hold a conference call, starting at 5:00 p.m. EDT on Thursday, August 5, 2004, to discuss these quarterly results and other company updates.

About Marchex, Inc.:

Marchex (www.marchex.com) provides technology-based services to merchants engaged in online transactions. Currently, the company delivers the following services in support of its partners: pay-per-click listings, search inclusion, paid inclusion, natural search engine optimization, local search marketing applications, and conversion tracking and analysis. Marchex's operating businesses include Enhance Interactive (<http://www.enhance.com/>) and TrafficLeader® (<http://www.trafficleader.com/>).

Safe Harbor Statement

This press release contains forward-looking statements that involve substantial risks and uncertainties. All statements, other than statements of historical facts, included on this press release regarding our strategy, future operations, future financial position, future revenues, projected costs, prospects, plans and objectives of management are forward-looking statements. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. There are a number of important factors that could cause Marchex's actual results to differ materially from those indicated by such forward-looking statements which are described in

the "Risk Factors" section of the final prospectus relating to our initial public offering filed with the SEC. We disclaim any intention or obligation to update any forward-looking statements.

Marchex Press:

Michelle Craig

Nyhus Communications for Marchex

Telephone: 206.323.3733

Email: michelle(at)nyhus.com

Marchex Investor Relations:

Trevor Caldwell

Telephone: 206.331.3600

Email: ir(at)marchex.com

[Click here to view Marchex's Second Quarter 2004 Financial Tables](#) (.pdf format)