

24/7 REAL MEDIA, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2005	2004	2005	2004
	(unaudited)		(unaudited)	
Revenues:				
Media.....	\$ 16,684	\$ 12,358	\$ 30,913	\$ 22,381
Search.....	11,710	2,533	21,332	5,549
Technology.....	5,492	4,706	10,711	9,048
Total revenues.....	33,886	19,597	62,956	36,978
Cost of revenues:				
Media.....	11,327	8,823	20,954	15,806
Search.....	7,747	1,664	14,379	4,122
Technology.....	1,177	879	2,169	1,701
Total cost of revenues.....	20,251	11,366	37,502	21,629
Gross profit	13,635	8,231	25,454	15,349
Operating expenses:				
Sales and marketing.....	5,731	3,893	11,021	7,209
General and administrative.....	4,988	3,019	9,572	6,001
Product development.....	1,366	1,095	2,608	2,146
Other expenses:				
Amortization of intangible assets and deferred financing costs.....	1,139	1,414	2,279	2,202
Stock-based compensation.....	441	298	954	497
Restructuring costs.....	-	501	973	501
Total operating expenses.....	13,665	10,220	27,407	18,556
Operating loss	(30)	(1,989)	(1,953)	(3,207)
Interest income (expense), net.....	(54)	(96)	(142)	(278)
Change in fair value of warrant liability.....	(110)	881	40	1,809
Recovery of investment.....	-	-	2,100	-
Impairment of marketable securities.....	-	-	(588)	-
Gain on sale of marketable securities.....	7	-	7	-
Gain on legal settlement.....	-	2,896	-	2,896
Other income (expense), net.....	6	(69)	(40)	111
Loss before income taxes	(181)	1,623	(576)	1,331

Provision for income taxes	(9)	(32)	(20)	(132)
Net loss.....	(190)	1,591	(596)	1,199
Dividends and conversion discount on preferred stock	(10)	(104)	(22)	(222)
Net (loss) income attributable to common stockholders	\$ (200)	\$ 1,487	\$ (618)	\$ 977
Basic net income (loss) per share attributable to common stockholders.....	\$ (0.00)	\$ 0.04	\$ (0.01)	\$ 0.03
Weighted average shares used in basic net income (loss) per share.....	44,976,378	34,054,489	44,904,167	29,836,259
Diluted net income (loss) per share attributable to common stockholders.....	\$ (0.00)	\$ 0.03	\$ (0.01)	\$ 0.02
Weighted average shares used in diluted net income (loss) per share.....	44,976,378	43,886,508	44,904,167	39,845,899
Pro forma:				
Operating income (a)	2,270	680	3,571	938
Diluted operating income per share.....	\$ 0.05	\$ 0.02	\$ 0.07	\$ 0.02
Weighted average shares used in diluted operating income per share.....	49,481,305	43,886,508	49,242,008	39,845,899

(a) Proforma operating income excludes certain other expenses computed as follows:

	Operating loss	\$ (30)	\$ (1,989)	\$ (1,953)	\$ (3,207)
	Excluding:				
Amortization of intangible assets and deferred financing costs		1,139	1,414	2,279	2,202
Stock-based compensation.....		441	298	954	497
Restructuring costs.....		-	501	973	501
Depreciation.....		720	456	1,318	945
Pro forma operating income	\$	2,270	\$ 680	\$ 3,571	\$ 938

24/7 REAL MEDIA, INC.
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

	June 30,	December 31,
	2005	2004
	(unaudited)	
Cash.....	\$ 28,347	\$ 27,690
Accounts receivable.....	29,921	28,224
Total current assets.....	63,487	62,500
Total assets.....	122,156	121,398
Accounts payable and accrued liabilities.....	28,620	28,233
Deferred revenue.....	2,918	3,222
Total current liabilities.....	39,038	38,955
Long term debt.....	6,736	6,431
Total liabilities.....	46,696	46,130
Total stockholders' equity.....	75,460	75,268