

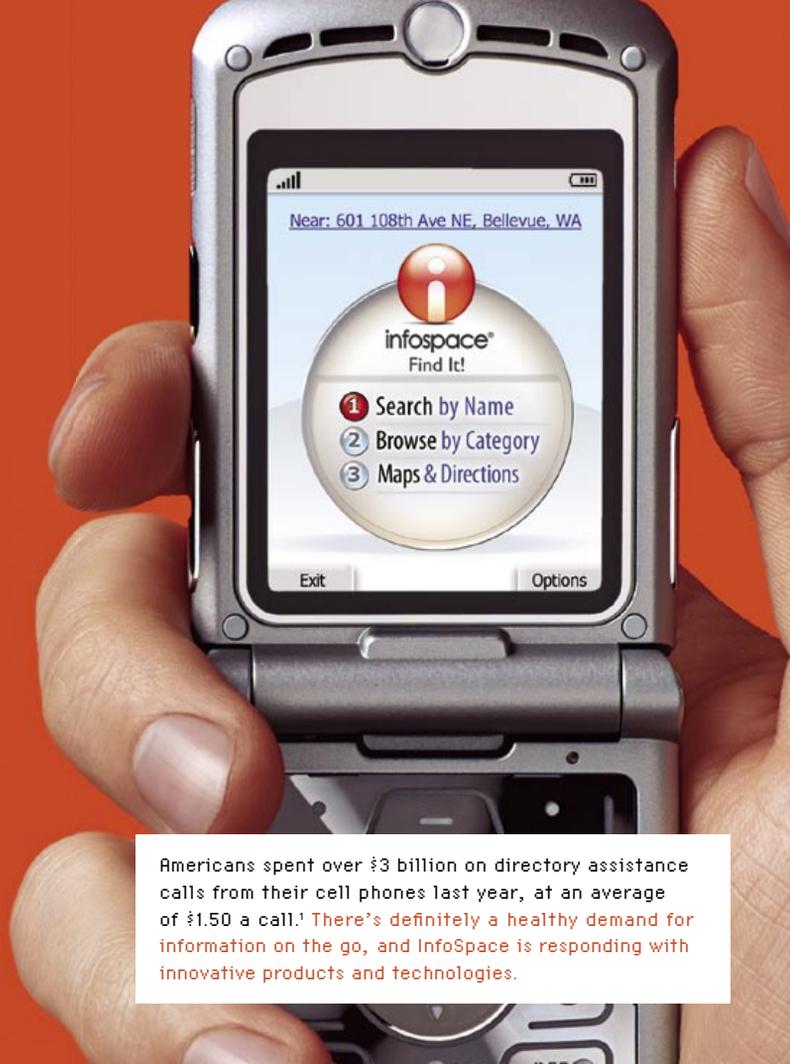


Small screen.  
Big opportunities.

It's all coming together.

Media is evolving — mobilizing. The global convergence of mobile devices, information, personalization, and entertainment is our new opportunity.

And we're more than ready.



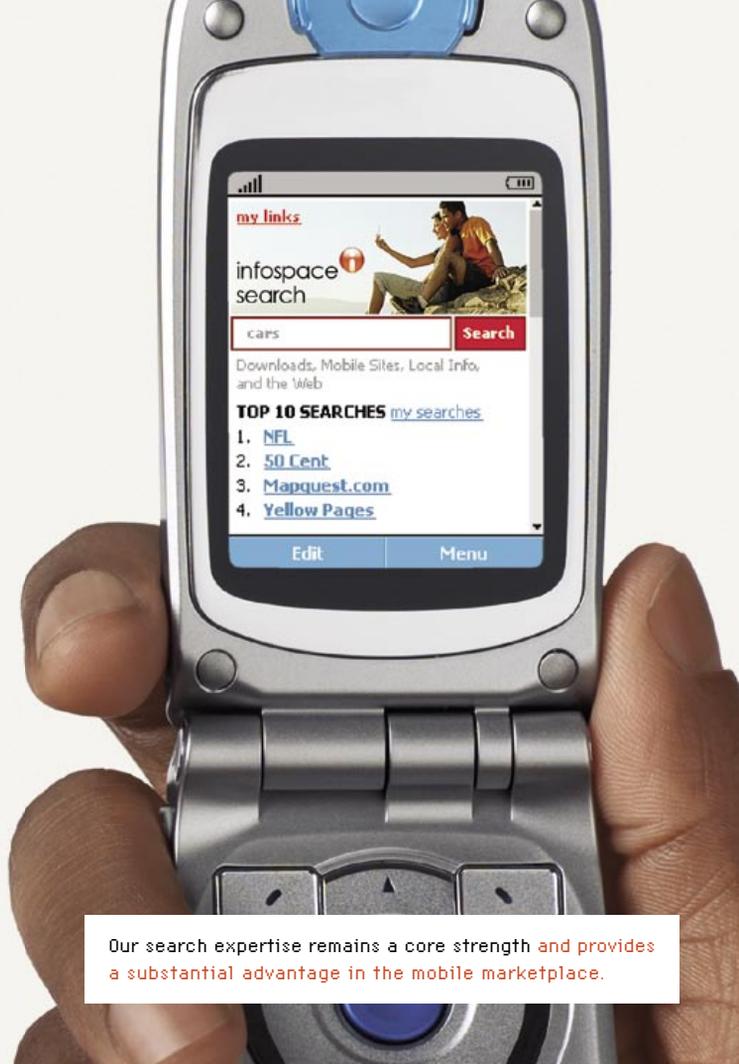
Americans spent over \$3 billion on directory assistance calls from their cell phones last year, at an average of \$1.50 a call.<sup>1</sup> There's definitely a healthy demand for information on the go, and InfoSpace is responding with innovative products and technologies.

<sup>1</sup>Source: Pierz Group

Anywhere. Across hundreds of unique devices. Our innovative technology is enabling the delivery of relevant content wherever consumers go.

Last year, we made a bold organizational change: we fully integrated our online and mobile technology teams. The results have been immediate. We unveiled InfoSpace Find it!, our new Mobile Local Search product that allows users to easily find local listings and information when on the go. Also, in cooperation with Cingular, we successfully developed and deployed MEdiaNet 3.0, a next-generation mobile portal platform that brings together our search capabilities and improves the user experience.

InfoSpace's innovative technology—from leading metasearch capabilities to our technical expertise in delivering content across hundreds of unique devices—helps connect consumers to the right information anytime, anywhere.



Our search expertise remains a core strength and provides a substantial advantage in the mobile marketplace.

Giving them what they want. Our extensive mobile content catalog of personalization, entertainment, information, and search capabilities puts us at the center of consumers' demand to discover and acquire mobile media.

With one of the largest libraries of mobile content in ringtones, graphics, games, and a variety of other personalization products, InfoSpace makes it easy for consumers to discover, personalize, and enjoy their on-the-go experiences. In 2005, we brought MSN listings into our online metasearch properties, becoming the first content provider to include results from all four leading search engines. We have also extended our relationships with Google and Yahoo! for multiyear deals.

Our content spans the mobile media ecosystem and positions us to successfully deliver what consumers want from their mobile experience.

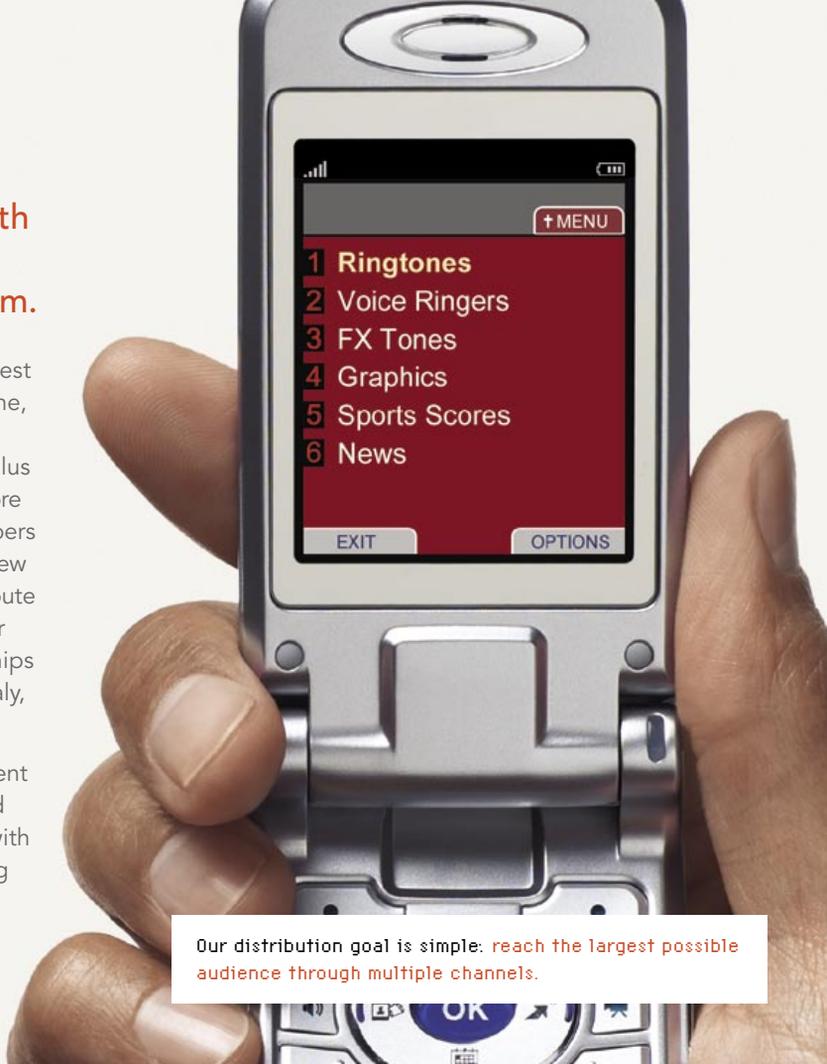


Movies, music, news, and much more. We have a deep and varied content library.

## Everywhere. Reaching millions of mobile users. Our relationships with major brands and mobile carriers give us a broad distribution platform.

Our distribution goal is simple—to reach the largest possible audience through multiple channels. Online, we distribute information to over 24 million users via our own branded sites and those of our 100 plus distribution partners. We have partnerships with more than 40 mobile carriers serving millions of subscribers in North America and Europe. In 2005, we signed new deals with Cingular, T-Mobile, and others to distribute our content to their subscribers. We expanded our presence in Europe, strengthening our relationships with O2, Vodafone, Telefónica, and Hutchinson 3 Italy, among others.

Looking ahead, we plan to distribute mobile content through our direct-to-consumer channel, scheduled to launch later this year. Our close relationships with the carriers make us a trusted partner in developing this direct-to-consumer strategy.



Our distribution goal is simple: reach the largest possible audience through multiple channels.

2004<sup>2</sup>

\$1.5 B

2009<sup>2</sup>

\$19.4 B

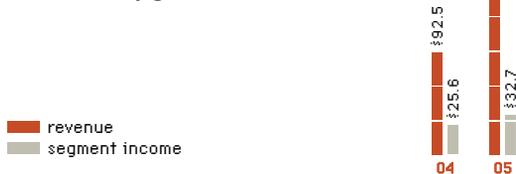
The market is on the move — in a big way.

North American mobile entertainment, information, and personalization revenues are projected to be \$19.4 billion in 2009, a twelvefold increase over 2004.<sup>2</sup>

## We had another strong year.

### InfoSpace Mobile financial results (millions)

Strong year-over-year performance has been driven by growth in mobile media.



### InfoSpace Search & Directory financial results (millions)

We continue to exhibit strong cash flow and steady growth in Search & Directory.



### Consolidated annual revenue (millions)



Double-digit growth across both business segments continues to drive our strong performance.

### Consolidated annual income from continuing operations (millions)



Our profitability and year-over-year growth speak to the company's significant opportunity ahead.

<sup>3</sup> Includes \$102.3 million gain from a litigation matter and a deferred non-cash tax asset benefit.

## To our shareholders,

In 2005, we delivered another year of growth and profitability. Net income and cash flow increased significantly, with revenues jumping 36 percent over 2004. After investing \$70 million in repurchasing our stock, we added \$54 million to strengthen the balance sheet and finished the year with approximately \$375 million in cash and no debt.

Just three years ago, we were not profitable. Since then, revenues have increased more than 150 percent, and we've moved from a \$9 million operating loss from continuing operations to a profit of \$159 million. This remarkable performance is fueled by our innovative, hardworking employees. Today, we are a vibrant company with an enormous opportunity ahead of us.

Our decision two years ago to focus on two core businesses—Search & Directory and Mobile—proved sound and anchored our presence in the marketplace. In the last two years, the mobile media space, driven by the convergence of advanced mobile devices and networks, entertainment, personalization, and information, has created new opportunities



**Jim Voelker**  
Chairman, CEO,  
and President

upon which we believe we're well positioned to capitalize. Already, revenue from our mobile segment has increased fivefold over the last three years.

Moving into 2006, InfoSpace is rapidly evolving to be a recognized leader in the mobile media space. Mobile media is our future. And we want to be a big part of the future of mobile media. Here's how we're setting ourselves up to win big on the small screen:

**Technology.** InfoSpace possesses critical discovery, merchandising, and delivery capabilities, such as metasearch, storefront and portal services. Together, these capabilities enable the presentation, merchandising, and delivery of relevant content to online and mobile users everywhere.

**Content.** We own a compelling library of mobile content in music, graphics, games, and a variety of other personalization products. In fact, we are a leading provider and publisher of mobile content in North America, with over 600 licensing agreements and over 1.5 million items in our content catalog.

**Distribution.** We distribute information content to over 24 million online users via our own brands and those of our 100 distribution partners. We have partnerships with over 40 mobile carriers in North America and Europe. Additionally, in 2006, we will launch our mobile direct-to-consumer offering.

In 2005, we strengthened our leadership when Jules Haimovitz, president of Dick Clark Productions and former president of MGM Networks, joined our board of directors and Stephen Davis, former president of Granada America, came aboard as our president of Mobile and Online Media. These industry veterans add significant experience and skill to our team as we work towards a leading position in the mobile media space.

We're excited about the future. We have the critical assets and skills required to build a substantial business in a dynamic market. We have built significant distribution and content relationships, and we have broad and deep technology and operational skills, already operating at scale. Our carrier customers continue to ask more of us, and our content partners look to us for broad distribution and technical wherewithal on a daily basis. Simply put, we're at the forefront of a mobile media revolution—and we're well positioned to seize the opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Voelker". The signature is fluid and cursive, with a large loop at the end.

**Jim Voelker**  
Chairman, Chief Executive Officer, and President

## Directors

### James F. Voelker

Chairman, Chief Executive Officer, and President  
InfoSpace

### Edmund O. Belsheim Jr.

Chief Administrative Officer  
InfoSpace

### John E. Cunningham IV

Clear Fir Partners, LP

### Jules Haimovitz

Dick Clark Productions, Inc.

### Gen. Richard D. Hearney (Ret.)

Management Consultant

### Rufus W. Lumry III

Acorn Ventures, Inc.

### Lewis M. Taffer

Management Consultant

### George M. Tronsrue III

Jericho Fund, LLC

### Vanessa A. Wittman

Adelphia Communications Corporation

## Executive Officers

### James F. Voelker

Chairman, Chief Executive Officer, and President

### David E. Rostov

Chief Financial Officer

### Edmund O. Belsheim Jr.

Chief Administrative Officer and Director

### Stephen J. Davis

President  
Mobile and Online Media

### Steven L. Elfman

Executive Vice President  
Technology and Operations  
Managing Director Europe

### Allen M. Hsieh

Chief Accounting Officer

### Brian T. McManus

Executive Vice President  
Sales and Business  
Development

## Shareholder Information

### Investor Information

To request copies of InfoSpace's Form 10-K, Annual Review, or other financial information, or to contact Investor Relations, please call 866.438.4677 or visit our Web site at [www.infospaceinc.com](http://www.infospaceinc.com).

### Annual Meeting

The annual meeting of InfoSpace shareholders will be held on Monday, May 8, 2006, at 10 a.m., at the Meydenbauer Center, 11100 NE 6th Street, Bellevue, Washington.

## Corporate Headquarters

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### Transfer Agent

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[www.chasemellon.com](http://www.chasemellon.com)

This Annual Review contains forward-looking statements regarding InfoSpace's business that are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected, including those discussed in our most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q as filed from time to time in the section entitled "Risk Factors."

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