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Related Companies:

Share Price:

## Shopping.com Outperform Technology

(SHOP - \$13.05)  
Volatility: High

### Highlights From Company Presentation at Piper Jaffray Technology Conference

#### KEY POINTS:

CEO Daniel Ciporin and CFO Greg Santora presented to the audience and then took questions. A key takeaway from the presentation was the company's illustration of the benefits of productization. Growth drivers going forward include the building out of consumer packaged goods through the structuring of SHOP's soft product offering, new services to increase leverage (mortgages beta launched last week and hotel services to be launched this summer), and international expansion. The company maintained its investment level of \$8-\$10M this year on international expansion, with 35% of that spending coming in 1H05 and the remainder coming in 2H05. Potential key leverage points include a smaller reliance on paid traffic acquisition, international expansion, more favorable pricing, and services offerings (e.g., mortgages and hotels).

#### PRICE TARGET AND JUSTIFICATION:

We maintain our Outperform Rating and \$24 price target (18x 2006 EBITDA).

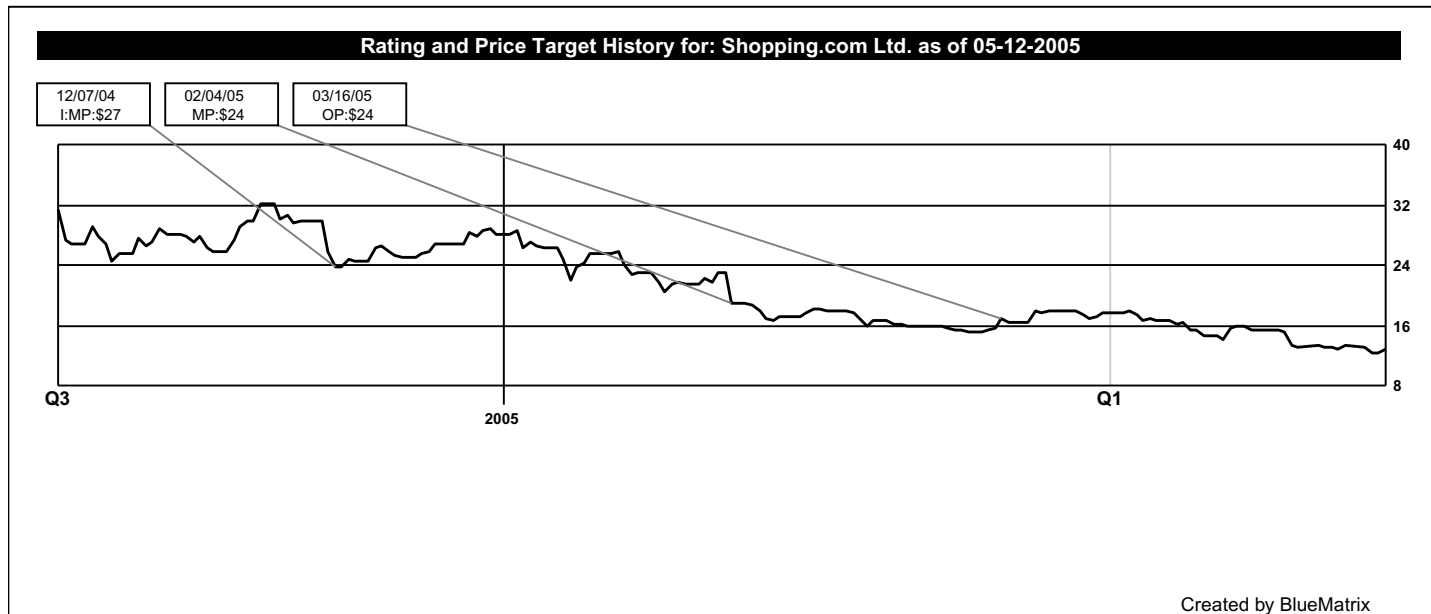
#### RISKS TO ACHIEVEMENT OF TARGET PRICE:

Risks include a high degree of purchased traffic, reliance on Google, intense competition, and execution against international expansion.

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Rating	Count	Percent	IB Serv./Past 12 Mos.	
			Count	Percent
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SELL [UP]	24	4.03	3	12.50

Notes: The boxes on the Rating and Price Target History chart above indicate the date of the Research Note, the rating, and the price target. Each box represents a date on which an analyst made a change to a rating or price target, except for the first box, which may only represent the first Note written during the past three years. Distribution of Ratings/IB Services Firmwide shows the number of companies in each rating category from which Piper Jaffray received compensation for investment banking services within the past 12 months.

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- OP: Outperform (prior to 12/12/01, OP stocks were rated "Buy")
- MP: Market Perform (prior to 12/12/01, MP stocks were rated "Neutral")
- UP: Underperform (prior to 12/12/01, UP stocks were rated "Sell")
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- UR: Under Review
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### Analyst Certification — Safa Rashtchy, Senior Research Analyst

#### — Aaron M. Kessler, Sr Research Analyst

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\* Russell 2000 and S&P 500

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