

May 6, 2010



## Inuvo Reports 2010 First Quarter Financial Results

CLEARWATER, Fla.--(BUSINESS WIRE)-- Inuvo(TM), Inc. (NYSE Amex: INUV), a company focused on bringing the power of predictive modeling to the world of performance-based advertising, announced today its financial results for the first quarter ended March 31, 2010.

Richard K. Howe, Chief Executive Officer of Inuvo stated, "We continue to align our business more closely with those markets that will provide our shareholders the greatest opportunity for equity appreciation. Short-term challenges, such as the exit from iLead Media in Q1, have not deterred our commitment to creating a world class performance-marketing company at Inuvo."

### First Quarter Financial Highlights:

- First quarter 2010 net revenue from continuing operations decreased 2.1% to approximately \$9.6 million as compared to approximately \$9.8 million in the prior quarter and decreased 19.3% compared to approximately \$11.9 million for the comparable period in 2009.
- Gross profit for the first quarter of 2010 was approximately \$3.7 million or 39.0% of net revenue compared to approximately \$4.2 million or 34.9% of net revenue for the first quarter of 2009.
- Adjusted EBITDA for the first quarter of 2010 was approximately \$0.6 million as compared to approximately \$1.0 million for the comparable period in 2009.
- The net loss for the first quarter of 2010 was approximately \$1.0 million or \$(0.01) per share, compared to a net loss of approximately \$0.8 million or \$(0.01) per share in the comparable period in 2009.
- The net cash provided by operating activities for the first quarter of 2010 was approximately \$0.3 million compared to approximately \$2.8 million for the comparable period in 2009.
- The borrowing under the Wachovia credit facility was reduced by approximately \$2.4 million during the first quarter of 2010 from approximately \$8.1 million at December 31, 2009 to approximately \$5.7 million at March 31, 2010.

### Operating Results by Segment

Net Revenue By Segment

First Quarter Ended March 31,

(in Thousands)

Change

Segment	2010	2009	\$	%
Exchange	\$ 7,427	\$ 8,619	\$ (1,192 )	-13.8 %
Direct	2,170	3,278	(1,108 )	-33.8 %
Total	\$ 9,597	\$ 11,897	\$ (2,300 )	-19.3 %

#### Gross Profit By Segment

First Quarter Ended March 31,

(in Thousands)

#### Change

Segment	2010	2009	\$	%
Exchange	\$ 2,254	\$ 1,897	\$ 357	18.8 %
Direct	1,488	2,256	(768 )	-34.0 %
Total	\$ 3,742	\$ 4,153	\$ (411 )	-9.9 %

#### Reconciliation of Net Loss to Adjusted EBITDA

In addition to disclosing financial results in accordance with United States generally accepted accounting principles (GAAP), our earnings release contains the non-GAAP financial measure "Adjusted EBITDA."

Adjusted EBITDA is not a measure of performance defined in accordance with GAAP. However, management believes that Adjusted EBITDA is useful to investors in evaluating the Company's performance because Adjusted EBITDA is a commonly used financial analysis tool for measuring and comparing companies in the Company's industry in areas of operating performance.

Management believes that the disclosure of Adjusted EBITDA offers an additional view of the Company's operations that, when coupled with the GAAP results and the reconciliation to GAAP net loss, provides a more complete understanding of the Company's results of operations and the factors and trends affecting the Company's business.

We present Adjusted EBITDA as a supplemental measure of our performance. We defined Adjusted EBITDA as net loss plus (i) interest expense, net, (ii) provision for taxes, and (iii) depreciation and amortization, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur

expenses that are the same or similar to some of the adjustments in the presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

(Amounts in thousands and unaudited)

	First Quarter Ended March	
	31,	
	2010	2009
Net Loss	\$ (1,031 )	\$ (782 )
Interest, net	160	167
Taxes	-	-
Depreciation	460	501
Amortization	884	985
Stock Based Compensation	96	103
Total Adjusted EBITDA	\$ 569	\$ 974
Adjusted EBITDA By Segment		
Exchange	\$ 479	\$ 588
Direct	616	1,501
Discontinued Operations	794	536
Corporate	(1,320 )	(1,651 )
Total Adjusted EBITDA	\$ 569	\$ 974

The following is information excerpted from the Company's unaudited consolidated financial statements for the periods ended and as of March 31, 2010 and 2009. Please refer to the Company's consolidated financial statements filed with the Securities and Exchange Commission for complete consolidated financial statements and notes thereto. The financial information is presented in thousands of dollars, except per share data and is unaudited.

	First Quarter Ended March	
	31,	
	2010	2009
Revenue	\$ 9,597	\$ 11,898

Gross Profit	3,742	4,153
Gross Margin Rate	39.0 %	34.9 %
Operating Expenses	(5,407 )	(5,211 )
Other Expense, net	(160 )	(261 )
Income from Discontinued Operations, net	794	537
Net Loss	\$ (1,031 )	\$ (782 )
Net Loss Per Share (Basic and Diluted)	\$ (0.01 )	\$ (0.01 )

March 31, 2010 December 31, 2009

Current Assets	\$ 9,492	\$ 13,010
Non-Current Assets	12,409	12,815
Total Assets	21,901	25,825
Current Liabilities	14,002	11,143
Non-Current Liabilities	611	6,458
Stockholders' Equity	7,288	8,224
Total Liabilities and Stockholders' Equity	\$ 21,901	\$ 25,825

Detail of Significant Balance Sheets

Accounts:

Cash	\$ 1,812	\$ 4,843
Restricted Cash	673	638
Accounts Receivable, net	4,545	4,691
Accounts Payable	5,102	4,518
Accrued Expenses and Other Current Liabilities	1,649	1,757
Deferred Revenue	89	113
Note Payable:		
Current	5,701	2,324
Non-Current	-	5,787
Total Note Payable	\$ 5,701	\$ 8,111

## Conference Call Information

The Company will host a conference call today, Thursday, May 6, 2010 at 5:00 p.m. Eastern Time. Participants can access the call by dialing 888-669-0684 (domestic) or 201-604-0469 (international). In addition, the call will be webcast on the Investor Relations section of the Company's website at [www.inuvo.com](http://www.inuvo.com) where it will also be archived for 45 days. A telephone replay will be available through May 20, 2010.

To access the replay, please dial 888-632-8973 (domestic) or 201-499-0429 (international). At the system prompt, enter the code 60569741 followed by the # sign. Playback will automatically begin.

## About Inuvo(TM), Inc.

Inuvo is focused on simplifying the world of online performance-based advertising by incorporating data and analytics. By using the Inuvo Platform, advertisers and publishers directly connect within a secure fraud-protected marketplace where actions can come from search, affiliate, display or email marketing channels. To find out more about how you can work with [Inuvo](http://www.inuvo.com) and the [Inuvo Platform](http://www.inuvo.com), please visit <http://www.inuvo.com>.

Comparable companies include: [ValueClick, Inc.](http://www.valueclick.com) (VCLK), [Marchex, Inc.](http://www.marchex.com) (MCHX), [InterCLICK, Inc.](http://www.interclick.com) (ICLK), [LookSmart, Ltd.](http://www.looksmart.com) (LOOK), and [Local.com Corp.](http://www.local.com) (LOCM).

## Cautionary Note Regarding Forward-Looking Statements

Certain statements in this document and elsewhere by Inuvo are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such information includes, without limitation, the business outlook, assessment of market conditions, anticipated financial and operating results, strategies, future plans, contingencies and contemplated transactions of the company. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors which may cause or contribute to actual results of company operations, or the performance or achievements of the company or industry results, to differ materially from those expressed, or implied by the forward-looking statements. In addition to any such risks, uncertainties and other factors discussed elsewhere herein, risks, uncertainties and other factors that could cause or contribute to actual results differing materially from those expressed or implied for the forward-looking statements include, but are not limited to fluctuations in demand; changes to economic growth in the U.S. economy; government policies and regulations, including, but not limited to those affecting the Internet. Inuvo undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performance or achievements could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including those set forth in Inuvo's filings with the Securities and Exchange Commission.