



For Immediate Release

ZAG CLOSES THIRD OUTSIDE ROUND OF EQUITY FINANCING WITH \$9 MILLION FROM GRP PARTNERS, CAPITAL ONE, ANTHEM VENTURES AND OTHERS, BRINGING TOTAL FOR 2005 TO \$32.7 MILLION

SANTA MONICA, Calif. (Dec. 14, 2005) – Capping off a successful year of fundraising, recruiting and business development, Zag (www.zag.com) announced today that the company has raised an additional \$9 million in equity financing from a group of business and technology investors. Leading the round is GRP Partners, accompanied by Capital One Auto Finance Corp., Anthem Ventures and Arcturus Capital as co-investors. This latest round brings Zag's total financing to \$32.7 million.

Zag is building an end-to-end online auto buying platform that will significantly improve the shopping and buying experience for customers, while providing a more efficient sales and fulfillment process for dealers. Zag provides this platform as a private-label turnkey solution to auto dealers and affinity buying groups.

Zag will support its growth by using the proceeds for ongoing development of its technology and services platform and for expansion of its national dealer network.

"This is a validating step for Zag, one that provides the financing necessary to finish building out the best technology and services solution currently available," said Scott Painter, Zag founder and CEO. "Consumers and dealers are ready for a better experience – one that puts the customer in greater control of the process while enabling the dealer to focus on sales, rather than simply chasing Internet leads."

"Zag will dramatically improve the way people buy cars," said Steven Dietz, Partner at GRP. "The company brings a new level of transparency, innovation and

consumer-friendly capabilities to online car-buying, and we're excited to be part of that. Zag exemplifies our commitment to financing retail innovators."

The market opportunity for Zag is substantial. Consumers have embraced the Internet as the primary source of objective information about buying a car. According to Jupiter Research, 82 percent of new-car purchases in the United States are preceded by shopping and research online. The good news for dealers is that these shoppers are ready to buy – in 2004, 32 percent of new-car buyers who used the Internet submitted a lead for a price quote, according to JD Power's Autosshopper.com study.

About Zag

Zag is an independent technology and services business, committed to dramatically improving the way consumers buy cars while simultaneously helping dealers enable sales. Zag is developing a technology and services platform that makes it possible for consumers to shop, research, configure, price and complete the entire auto-buying transaction online. Zag works with affinity-based organizations to bring a private label, customized experience to members or customers while automating much of the time-consuming, inefficient processes at the dealership level. The company is based in Santa Monica, California with offices in Sherman Oaks, Calif., Fullerton, Calif., and Portland, Oregon.

About GRP Partners

Since 1982, the partners of GRP have funded innovative entrepreneurs who have changed the consumer landscape -- companies that are household names today: Costco, Starbucks, PETsMART, Office Depot, Overture Services (acquired by Yahoo!), Dick's Sporting Goods, Zany Brainy, lastminute.com, and P.F. Chang's, among others. GRP Partners was formed in 1996 and now manages approximately \$650 million on behalf of more than 150 limited partners in North America and Europe. With offices in Los Angeles and London, the firm has a global perspective when serving its portfolio companies and seeking investment opportunities.

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