



Spiegel Teams With Yahoo! And Spinway To Bring Free Online Service To Consumers

Spiegel Becomes a Featured Store in Yahoo! Shopping

DOWNERS GROVE, Ill. and SANTA CLARA, Calif. -- June 2, 2000 -- Spiegel Catalog, Inc. (Spiegel), a leading home-based retailer in women's apparel and home furnishings, Yahoo! Inc., a leading global Internet communications, commerce and media company, and Spinway, Inc., a leading provider of co-branded, free dial-up Internet access and premium online advertising technology solutions, today announced the launch of Spiegel Free Web, a free Internet access service available to consumers in the United States. Spiegel will also join one of the Web's most popular commerce destinations as a featured store on Yahoo!® Shopping (shopping.yahoo.com).

Spiegel Free Web, featuring popular Yahoo! services, is available to consumers from Spiegel's Web site (www.spiegel.com) and through a CD-ROM disk that will be distributed in millions of Spiegel catalogs. The technology infrastructure and access software for the service is provided by Spinway.

"Spiegel leads the way in satisfying women's lifestyle needs with unique products, trusted brands, multiple shopping options, and reliable service," stated John Irvin, president and chief executive officer of Spiegel. "We are very pleased to provide this wonderful service, the result of which will not only give current Internet users free access, but allow even more consumers to experience the Web."

"The opportunity for Spiegel to team with Yahoo! is exciting for us and for consumers who will benefit from this relationship," stated Christian Feuer, vice president of marketing and advertising production for Spiegel. "By utilizing Spiegel Free Web, consumers may take advantage of cost savings and choose to spend it on their favorite Spiegel merchandise."

Consumers logging onto Spiegel.com will have the opportunity to directly download Spiegel Free Web. The free Internet service will include personalized content and co-branded services from Yahoo! such as My Yahoo!, Yahoo! Mail, Yahoo! Messenger, and Yahoo! Companion. Alternatively, consumers may request a CD-ROM from the Spiegel Web site that will provide them with the same free services.

The partnership with Spinway enables Spiegel to offer consumers one of the highest-rated Internet access services available for free with fast, reliable connections; 24-hour customer support; and, thousands of local access numbers nationwide comparable to most paid ISPs. In addition, the consumers' bandwidth is optimized, as Spinway's technology does not download or stream advertisements while a consumer is actively using the Internet.

"We are pleased to be working with Spiegel.com and Spinway to offer consumers free Internet access. Spiegel is a leading offline brand choosing to communicate and transact online through Yahoo!'s Fusion Marketing platform," said Anil Singh, chief sales and marketing officer, Yahoo! Inc. "This program extends our brand and provides integrated services and commerce solutions to millions of Spiegel customers."

"The agreement with Spiegel and Yahoo! offers us the opportunity to work with one of the top catalog retailers and one of the top Internet destinations in the nation to extend the reach of our free ISP to millions of potential new consumers," said Danny Robinson, founder and chief executive officer, Spinway, Inc.

In addition to the free Internet access service, the recently updated Spiegel Web site provides visitors with an extensive selection of more than 10,000 merchandise items, as well as site features that allow the consumer a one-stop, user-friendly shopping encounter.

About Spiegel

Spiegel, one of the nation's leading catalog retailers, has been providing home-based shopping concepts to its customers for 95 years. The Lifestyle Resource for the Working Woman[®], Spiegel meets the needs of today's working woman by offering apparel, home furnishings and personal merchandise via a variety of channels, including its trademark semiannual catalogs, specialty catalogs and Internet sites. In addition, Spiegel produces The Spiegel Trend Report, a twice yearly forecasting publication that provides unique insights into popular culture, behavioral trends and worldwide marketing strategies, enabling Spiegel to better serve its customer base. Spiegel is a wholly owned subsidiary of The Spiegel Group (Nasdaq: SPGLA).

About Yahoo!

Yahoo! Inc. (Nasdaq: YHOO) is a global Internet communications, commerce and media company that offers a comprehensive branded network of services to more than 145 million individuals each month worldwide. As the first online navigational guide to the Web, www.yahoo.com is the leading guide in terms of traffic, advertising, household and business user reach, and is one of the most recognized brands associated with the Internet. The company also

provides online business services designed to enhance the Web presence of Yahoo!'s clients, including audio and video streaming, store hosting and management, and Web site tools and services. The company's global Web network includes 22 local World properties outside the United States. Yahoo! has offices in Europe, the Asia Pacific, Latin America, Canada and the United States, and is headquartered in Santa Clara, Calif.

About Spinway

Incorporated in January 1999 Spinway, Inc. (www.spinway.com) is enabling Internet advertising to live up to its potential as the most powerful medium in the advertising industry. Spinway is rapidly establishing its advertising network by partnering with offline brand-leaders to co-brand their free ISP services. Within the last five months, Spinway has obtained over 2.6 million consumers while maintaining one of the lowest churn rates in the industry.

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