

WEBSIDESTORY, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

INTRODUCTION

Purpose

This code of business conduct and ethics (this “*Code*”) contains general guidelines for conducting the business of WebSideStory, Inc. (the “*Company*”) consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code applies to all of our directors, officers and other employees. We refer to all officers and other employees covered by this Code as “Company employees” or simply “employees,” unless the context otherwise requires. In this Code, we refer to our chief executive officer, chief financial officer and controller as our “principal financial officers.”

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. If you feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company’s ethical standards, seek help. We encourage you to contact your manager for help first. If your manager cannot answer your question or if you do not feel comfortable contacting your manager, contact the Company’s general counsel. The Company has also established an Ethics Helpline that is available 24 hours a day, 7 days a week at 1-866-246-1170. You may remain anonymous and will not be required to reveal your identity in calls to the Ethics Helpline, although providing your identity may assist the Company in addressing your questions or concerns.

Reporting Violations of the Code

All employees and directors have a duty to report any known or suspected violation of this Code, including violations of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your manager or the Company’s general counsel. The Company’s general counsel will work with you and your manager or other appropriate persons to investigate your concern. If you do not feel comfortable reporting the conduct to your manager or you do not get a satisfactory response, you may contact the Company’s general counsel directly. You may also report known or suspected violations of the Code on the Ethics Helpline that is available 24 hours a day, 7 days a week at 1-866-246-1170. You may remain anonymous and will not be required to reveal your identity in calls to the Ethics Helpline, although providing your identity may assist the Company in investigating your concern. All reports of violations or suspected violations of the law or this Code will be handled sensitively and with discretion. Your manager, the Company’s general counsel and the Company will protect your confidentiality to the extent possible, consistent with the law and the Company’s need to investigate your concern.

It is Company policy that any employee or director who violates this Code will be subject to appropriate discipline, which may include termination of employment or removal from the board, as appropriate. This determination will be based upon the facts and circumstances of each particular situation. If you are accused of violating this Code will be given an opportunity to present your version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also

face substantial fines and penalties and may incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

Policy Against Retaliation

The Company prohibits retaliation against an employee or director who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers of the Code

Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by our board of directors and will be disclosed to the public as required by law or the rules of the Nasdaq National Market. Waivers of this Code for other employees may be made only by our chief executive officer or chief financial officer and reported to our board of directors.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's or director's private interest interferes, or appears to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- **Outside Employment.** No employee should be employed by, serve as a director of, or provide any services to a company that the individual knows or suspects is a material customer, supplier or competitor of the Company.
- **Improper Personal Benefits.** No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company.
- **Financial Interests.** No employee should have a significant financial interest (ownership or otherwise) in any company that the individual knows or suspects is a material customer, supplier or competitor of the Company. A "significant financial interest" means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.
- **Loans or Other Financial Transactions.** No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that the individual knows or suspects is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.

- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's objectivity in making decisions on behalf of the Company. For purposes of this Code, "family members" includes your spouse or domestic partner; brothers, sisters, and parents; in-laws; and children whether such relationships are by blood or adoption.

For purposes of this Code, a company is a "material" customer if the company has made payments to the Company in the past year in excess of \$60,000. A company is a "material" supplier if the company has received payments from the Company in the past year in excess of \$60,000. If you are uncertain whether a particular company is a material customer or supplier, please contact the Company's general counsel for assistance.

Conflict of interest issues concerning the Company's directors will be addressed by the Company's nominating and corporate governance committee.

Disclosure of Conflicts of Interest

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it in writing to your manager or the Company's general counsel. Your manager and the Company's general counsel will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in "Waivers of the Code" above.

COMPANY RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and many other aspects of our business and guide our business decision-making and strategic planning. Company records include financial records, personnel records and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company we are subject to various securities laws, regulations and reporting obligations. Both federal law and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

The Company's principal financial officers and other employees working in the Finance Department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely, and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws, and regulations for accounting and financial reporting of transactions, estimates, and forecasts.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee and director has an obligation to comply with all laws, rules, and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information, or misuse of corporate assets. You are expected to understand and comply with all laws, rules, and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your manager or the Company's general counsel.

COMPLIANCE WITH INSIDER TRADING LAWS

Consistent with the Company's insider trading compliance program, which has been separately circulated to all employees and directors, the Company's employees and directors are prohibited from trading in the stock or other securities of the Company while in possession of material, nonpublic information about the Company. Please contact the Company's general counsel for a copy of the insider trading compliance program or with any questions you may have about insider trading laws.

PUBLIC COMMUNICATIONS AND REGULATION FD

The Company has adopted a separate policy statement – guidelines for corporate disclosure to maintain the Company's credibility and reputation in the community, to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. Please contact the Company's general counsel for a copy of the policy statement – guidelines for corporate disclosure or with any questions you may have about disclosure matters.

EMPLOYMENT PRACTICES

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Copies of the Company's detailed policies, including its Employee Handbook, are available from the human resources department. Company employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association and privacy. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company and disciplinary action by the Company, up to and including termination of employment. You should contact the Company's general counsel or the human resources department if you have any questions about the laws, regulations and policies that apply to you.

Harassment and Discrimination

The Company is committed to providing equal opportunity and fair treatment to all individuals based on merit, without discrimination because of race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status, or other characteristic protected by law. The Company also prohibits harassment based on these characteristics in any form, whether physical or verbal and whether committed by managers, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, and the display in the workplace of sexually suggestive or racially degrading objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your manager or the human resources department. All complaints will be treated with sensitivity and discretion. Your manager, the human resources department and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a complaint.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the human resources department immediately.

CONCLUSION

This code of business conduct and ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your manager or the Company's general counsel. The Company expects all of its employees and directors to adhere to these standards.

This code of business conduct and ethics, as applied to the Company's principal financial officers, shall be our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. The Company reserves the right to amend, supplement, or discontinue this Code and the matters addressed herein, without prior notice, at any time.

