

FRIENDFINDER NETWORKS INC.
INSIDER TRADING POLICY

I. OVERVIEW

The Board of Directors of FriendFinder Networks Inc. (the “Company”) has adopted this insider trading policy (this “Policy”) for our directors, officers and employees with respect to the trading of the Company’s securities and the securities of companies with whom the Company has a business relationship.

Federal and state securities laws prohibit the purchase or sale of a company's securities by persons who are in possession of material information about that company that is not generally known or available to the public. These laws also prohibit persons from disclosing or “tipping” material non-public information about a company to others who may trade on the basis of that information. These illegal activities are commonly referred to as “insider trading.” Companies and their controlling persons are also subject to liability if they fail to take reasonable steps to prevent insider trading by company personnel.

We are adopting this Policy to prevent insider trading or allegations of insider trading and to protect the Company’s reputation for integrity and ethical conduct.

II. PENALTIES FOR INSIDER TRADING

Civil and Criminal Penalties. The consequences of insider trading violations can be staggering. For individuals who violate insider trading or tipping rules, penalties may include:

- A civil penalty of up to three times the profit gained or loss avoided;
- A criminal fine (no matter how small the profit) of up to \$5 million; and
- A jail term of up to 20 years.

Controlling Person Liability. For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading, penalties may include:

- A civil penalty of the greater of \$1 million or three times the profit gained or loss avoided as a result of the employee's violation; and
- A criminal penalty of up to \$25 million.

Company Sanctions. In addition, any employee who violates the Company’s insider trading policy is subject to Company-imposed sanctions, including termination of employment for cause.

Any of the above consequences, even an investigation by the U.S. Securities and Exchange Commission (the "SEC") that does not result in prosecution, can tarnish one's reputation and irreparably damage a career.

III. SCOPE OF POLICY

Persons Covered. This policy applies to all directors, officers and employees of the Company and of each subsidiary of the Company (collectively, "Insiders"). This policy also applies to family members who reside with an Insider, anyone else who lives in the household of an Insider and any family member of an Insider who does not live in the Insider's household but whose transactions in securities are directed by an Insider or are subject to the Insider's influence or control (such as parents or children who consult with you before they trade in Company securities). Insiders are responsible for making sure that the purchase or sale of any security covered by this policy by any such person complies with this policy. This policy continues to apply following the termination of any Insider until any material non-public information possessed by such individual has become public or is no longer material, whichever is earlier.

Companies Covered. The prohibition on insider trading in this Policy is not limited to trading in securities of the Company and its subsidiaries. The prohibition on insider trading also applies to trading in the securities of, or tipping with regard to, any company with whom the Company has a business relationship, including customers and suppliers of the Company and its subsidiaries and those with which the Company may be negotiating major transactions, such as an acquisition, investment or sale.

Transactions Covered. This Policy covers all types of transactions in securities, with certain exceptions discussed below, including purchases and sales of stock, derivative securities such as put and call options and convertible notes or preferred stock, and debt securities.

IV. STATEMENT OF POLICY

No Trading on Inside Information. No director, officer or employee of the Company in possession of or aware of material non-public information relating to the Company may trade in the securities of the Company, directly or through family members or other persons or entities. Similarly, no director, officer or employee of the Company may trade in the securities of any company with whom the Company has a business relationship while in possession of or aware of material non-public information regarding that company that was obtained in the course of employment with the Company.

No Tipping. In addition, no director, officer or employee may disclose or "tip" material non-public information to others or recommend to anyone the purchase or sale of any securities while in possession of or aware of such information.

No Exception for Hardship. Transactions that may be necessary or justifiable for independent reasons (such as the need to raise money for an emergency expenditure) are no exception.

Even the appearance of an improper transaction must be avoided to preserve the Company's reputation for adhering to the highest standards of conduct.

Since it is often difficult to determine whether the standards specified above have been satisfied, no Insider can purchase or sell securities of the Company or securities of any company with whom the Company has a business relationship, whether or not the Insider possesses specific material nonpublic information, unless during a Quarterly Trading Window (as defined below), provided certain conditions are met.

V. DEFINITION OF MATERIAL NON-PUBLIC INFORMATION

Inside information has two important elements: materiality and public availability.

Material Information. Information is material if a reasonable investor would consider the information important in a decision to buy, hold or sell a security. In short, any information which could reasonably be expected to affect the market price of the security is material. Either positive or negative information may be material. If certain trades become the subject of scrutiny, they will be viewed after-the-fact with the benefit of hindsight. As a result, before engaging in any transaction, Insiders should carefully consider how regulators and others might view the transaction in hindsight.

Common examples of information that will frequently be regarded as material are:

- Projections of future earnings or losses or other earning guidance;
- Earnings that are inconsistent with the consensus expectations of the investment community;
- News of a pending or proposed merger, acquisition or tender offer;
- News of a significant sale of assets or the disposition of a subsidiary;
- Changes in dividend policies or the declaration of a stock split or the offering of additional securities;
- Changes in management; significant new products or discoveries;
- Impending bankruptcy or financial liquidity problems; and
- The gain or loss of a substantial customer or supplier.

Nonpublic Information. Material information is "non-public" if it has not been disseminated in a manner making it available to investors generally. Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or an SEC filing) *and* the investing public has had time to absorb the information fully. For purposes of this Policy, information regarding the Company will be considered public the second business day after it has been released. Thus, if an announcement is made on Monday, Wednesday generally would be the first

day on which Insiders can trade. If an announcement is made on Friday, Tuesday of the following week generally would be the first day on which Insiders can trade.

VI. QUARTERLY TRADING WINDOWS

Quarterly trading windows ("Quarterly Trading Windows") are time periods during which Insiders may trade in stock of the Company, assuming they do not have any material nonpublic information. Generally there will be four (4) Quarterly Trading Windows during each calendar year. The Quarterly Trading Window will open two (2) business days following the public announcement of the Company's quarterly earnings and will remain open until ten (10) calendar days prior to the end of the then current quarter.

These Quarterly Trading Windows require that Insiders plan ahead if they anticipate future cash needs which may require the sale of any securities of the Company. For example, if an Insider intends to close on the purchase of a house and intends to sell Company stock to obtain cash to use towards the purchase of a house, such person should plan accordingly and sell Company stock during a Quarterly Trading Window.

Cashless exercises of options similarly need to be executed within Quarterly Trading Windows since it would involve the sale of stock to pay for the exercise price. For example, if you have options expiring between Quarterly Trading Windows and you plan to do a cashless exercise, you should exercise them no later than in the preceding Quarterly Trading Window.

These Quarterly Trading Windows are intended to be a general rule to be followed. While exceptions to them may be made, the existence of material nonpublic information at the time may make it impossible for the Company to make an exception. In addition, if material nonpublic information exists at the time of a Quarterly Trading Window is scheduled to open, the Company may declare a "quiet period" in which no Insider can sell securities of the Company (e.g. if the Company has entered into a letter of intent to acquire another company and such information is material and is not public at the time a Quarterly Trading Window opens, then no trading will be allowed during such Quarterly Trading Window).

VII. ADDITIONAL PROHIBITED TRANSACTIONS

Because the Company believes it is improper and inappropriate for any Company personnel to engage in short-term or speculative transactions involving Company stock, it is also the Company's policy that directors, officers and employees should not engage in any of the following activities with respect to securities of the company:

1. Trading in securities on a short-term basis. Any Company stock purchased in the open market must be held for a minimum of six months and ideally longer. (Note that the SEC's short-swing profit rule already prevents officers and directors from selling any Company stock within six months of a purchase. We are simply expanding this rule to all employees.) However, the rule does not apply to stock options exercises, except to the extent required for officers and directors.

2. Purchases of Company stock on margin.
3. Short sales.
4. Buying or selling puts or calls.

VIII. COMPANY ASSISTANCE

Your compliance with this policy is of the utmost importance both for you and for the Company. Any questions about specific transactions and general questions about this Policy Statement should be directed to the Chief Financial Officer. The ultimate responsibility for adhering to this policy and avoiding improper transactions rests with each Insider. In this regard, it is imperative that Insiders use their best judgment and seek counsel from their own attorney or financial advisor.

IX. PRE-CLEARANCE OF ALL TRADES BY DIRECTORS, OFFICERS AND OTHER KEY PERSONNEL

To provide assistance in preventing inadvertent violations and avoiding even the appearance of an improper transaction (which could result, for example, where an officer engages in a trade while unaware of a pending major development), the Company is implementing the following procedure:

All transactions in Company stock (acquisitions, dispositions, transfers, etc.) by directors, officers and other key personnel must be pre-cleared by the Chief Financial Officer. Any Insider contemplating a transaction should contact the Chief Financial Officer in advance. This requirement does not apply to stock options exercised with cash, but would cover market sales of stock underlying options.

X. EXCEPTIONS

The only exceptions to this policy are as follows:

1. Non-employee directed purchases under the Company's 401(K) Plan, if any.
2. Any transactions specifically approved in writing in advance by the Chief Executive Officer or the Chief Financial Officer of the Company.

XI. INDIVIDUAL RESPONSIBILITY OF EACH OFFICER, DIRECTOR AND EMPLOYEE OF COMPANY

Every director, officer and employee has the individual responsibility to comply with this policy against insider trading.

An Insider may, from time to time, have to forego a proposed transaction in the Company's securities even if he or she planned to make the transaction before learning of the material non-public information, and even though the Insider believes he or she may suffer an economic loss or forego anticipated profit by waiting.

XII. MODIFICATIONS

The Company may change this policy or adopt such other policies or procedures in the future which it considers appropriate to carry out the purposes of this policy. Notice of any such changes will be delivered to you by the Company.

XIII. CERTIFICATIONS

All of the Company's officers, directors and employees will be required to certify in writing their understanding of and intent to comply with this Policy. In addition, Company officers, directors and employees may be required to certify their compliance with this Policy on an annual basis.