

Date: Embargoed until 07.00 hrs, Thursday 22 June 2006

Contact: Chris Havemann (Chief Executive) Tel: +44 (0)20 7796 4133 (on 22 June)
Andrew Cooper (Managing Director) Tel: +44 (0)20 7091 7800 (thereafter)
Research Now Corporate Website: www.researchnow.co.uk

Alistair Mackinnon-Musson Tel: +44 (0)20 7796 4133
Nicola Savage
Hudson Sandler Email: rn@hspr.com

Photographs: Available from Hudson Sandler, as above

Research Now plc

Interim Results – strong growth continues

The Board of Research Now, a leading European online fieldwork provider and panel specialist to the market research industry, is pleased to announce its Interim results for the half year to 30 April 2006.

“Fieldwork” is the collection of survey data via personal interviews – a process that Research Now undertakes online from its proprietary panels of potential respondents spanning 18 European countries and Australia.

Highlights:

- Sales nearly trebled compared to H1 2005
- Operating profit for first 6 months of 2006 exceeded whole 12 months of 2005
- Profit before tax doubled
- Strong cash generation
- Basic earnings per share (before exceptional deferred tax credit) increased 40% to 4.2p (2005: 3.0p)
- Broad-based sales growth from both new and existing customers
 - Client base expanded to over 150 (just over 100 in last full year)
 - Repeat business underpinned results - 75% of sales from existing customers
 - Greater earnings stability - increasing focus on continuous (tracking) research studies (H1 2006: 24% of sales; H1 2005: 15% of sales)
- High levels of investment continue to establish platform for future growth
- Geographical coverage expanded to 19 countries
 - New offices opened in Australia, France, Germany & USA
 - New panels established in Czech Republic, Denmark, Finland, the Netherlands, Norway, Poland, Portugal, Russia, Sweden (and Belgium & Greece post period end)

Commenting on the interim results, Chairman Geoff Westmore said:

“Our excellent results for the six months to 30 April 2006 show the benefits of our single-minded focus on achieving our corporate objective: to be Europe’s leading specialist in online fieldwork and access panels.”

“The second half of the financial year has begun strongly with continuing sales growth from both new and existing clients. The market for online fieldwork in Europe is still developing apace and Research Now intends to continue to be in the vanguard for many years to come.”

Chief Executive, Chris Havemann added:

“The rapid pace of growth in our European coverage has not distracted us from the task of achieving excellent financial results. While we now have a presence in 19 countries; nearly 900,000 panellists; and offices in 8 major cities, this progress is firmly underpinned by dynamic cash generation and profit growth.”

INTERIM STATEMENT

Overview:

The six month period to 30 April 2006 has seen rapid and profitable growth for Research Now, with turnover rising to £3.53m, up 180% on the comparable half year (H1 2005: £1.26m). In the market, substitution of online fieldwork for traditional telephone and ‘face to face’ fieldwork gathers apace and Research Now is well placed to capitalise on this trend.

During the period, the Group’s client base grew swiftly as new clients signed up; but equally satisfactorily, it enjoyed a high level of repeat business and strong growth in long-term tracker projects. 75% of first half sales were generated from existing customers, reflecting the Group’s focus on quality of service.

Results:

Group turnover for the 6 months to 30 April 2006 rose to £3.53m (H1 2005: £1.26m) and profit before tax increased to £0.54m (H1 2005: £0.26m). Cash flow from operations rose sharply to £0.58m (H1 2005: outflow £(0.16)m) and the balance sheet was strengthened, with net cash balances rising to £1.97m (H1 2005: £(0.18)m overdraft).

Research Now delivered online fieldwork and panel services to over 150 clients in the first half compared to just over 100 in the whole of the last financial year. The quality and stability of the Group’s earnings is being enhanced by both a broadening in the client base and the rising proportion of its revenues derived from continuous (tracking) research studies, which accounted for 24% of turnover during the period (H1 2005: 15%).

The majority of the Group’s clients are market research agencies, although the Group also provides fieldwork to an array of well known corporate clients, media and advertising agencies and consultancies. During the period, the percentage of Group turnover derived from large international market research agencies, whilst rising in absolute terms to £0.97m, declined in percentage terms to 27% (H1 2005: 43%), reflecting our sales strategy and the increasingly broad nature of our client base.

Dividend:

As indicated at the IPO, the Board currently proposes continued investment in growing the business and is not recommending a dividend at present.

Investment in platform for growth

Research Now has made good progress towards its single-minded objective of becoming Europe's leading specialist in online fieldwork and access panels. To this end a significant proportion of revenue has been and continues to be reinvested in resources for the Group's future – expanding the depth and reach of its online panels in Europe, and developing new sales channels in a number of key overseas markets.

With a current line-up of 19 proprietary panels across 18 European countries and Australia, Research Now has greater European panel coverage than any of its quoted competitors.

New offices:

At the beginning of 2005, Research Now served UK clients from a single office in London supported by a technology team in Athens. In line with its stated strategy to increase returns from the Group's online panels, by selling access to them to new clients in different geographies, the Group has established a number of new international sales offices since the first Australian office and panel were launched in September 2005.

In November 2005 the Group announced the opening of an office in New York and the appointment of a new team to drive sales of European interview data to the sizeable and relatively developed markets in the USA and Canada. In February it opened an office in Hamburg to build sales in the developing German market, capitalising on the Group's 118,000 strong German panel, whilst in April it announced the opening of an office in Paris. With Frankfurt and Melbourne opening recently, Research Now currently has offices in 8 cities.

New panels:

Reflecting client demand to deliver research projects across multiple countries in Europe, the Group successfully launched nine new panels during the period; four in the Nordic Region (Sweden, Denmark, Norway and Finland); three in key Eastern European markets (namely Russia, Poland and the Czech Republic); along with the Netherlands and Portugal. Since the end of the period it has also launched panels in Belgium and Greece.

Combined with the Group's existing European panels in the UK, Germany, France, Spain, Italy, Austria and the Republic of Ireland, plus Australia, Research Now has a total of 19 panels and is able to provide clients with a "one-stop-shop" solution for high quality online data collection across Europe and Australia.

Although customised to local market requirements, each of the new panels follows the successful 'Valued Opinions' template, which the Group originally pioneered in the UK.

Staff:

The Group appointed key local personnel for its new sales offices in Hamburg, Paris and New York during the period, whilst other new employees joined the Group in its existing London, Athens and Sydney offices. The number of full time employees in the business increased from 46 at the start of the year to 71 by the period end. As a result staff costs as a percentage of

turnover rose from 38.7% (H1 2005) to 40.9%. With the Group continuing to invest in people, staff numbers are expected to reach around 100 by the financial year end.

Outlook:

Over the remainder of 2006 Research Now will maintain its focus on quality of delivery; make further investment in online panels and increased headcount; and will continue to develop client relationships from the expanding network of sales offices spanning North America, Europe and Asia Pacific.

The second half of the financial year has begun well and the Group is well positioned to continue to take advantage of the rapid growth in the online fieldwork market in 2006.

Notes To Editors:

ABOUT Research Now

- Research Now is a leading European online fieldwork and panel specialist
- Research Now owns the “Valued Opinions” family of panels across countries across Europe (UK, Germany, France, Italy, Spain, Republic of Ireland, Austria, Sweden, Poland, Denmark, The Netherlands, Norway, Finland, Portugal, the Czech Republic, Greece, Russia, Belgium) and Australia, comprising approximately 900,000 panellists globally
- Research Now’s online panels are used by leading research agencies and some of the world’s best known companies
- Research Now has offices in London, New York, Frankfurt, Hamburg, Paris, Athens, Sydney and Melbourne
- Research Now floated on the AIM market of the London Stock Exchange in August 2005

Research Now plc

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the six months ended 30 April 2006

	<i>Notes</i>	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
Turnover		3,531	1,259	3,639
Cost of sales		(650)	(282)	(716)
Gross profit		2,881	977	2,923
Administrative expenses		(2,366)	(707)	(2,413)
Operating profit		515	270	510
Interest receivable		26	1	15
Interest payable		-	(15)	(1)
Profit on ordinary activities before taxation		541	256	524
Taxation	4	894	-	-
Retained profit for the year		1,435	256	524
Basic earnings per share	5	11.1p	3.0p	5.5p
Diluted earnings per share	5	10.5p	3.0p	5.2p

The operating profit for the periods above arises from the Group's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Research Now plc

CONSOLIDATED BALANCE SHEET

30 April 2006

	<i>Notes</i>	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
Fixed assets				
Tangible assets		308	79	178
		<u>308</u>	<u>79</u>	<u>178</u>
Current assets				
Stocks		33	29	37
Debtors		2,294	980	1,663
Deferred Tax	4	894	-	-
Cash at bank and in hand	7c	1,971	4	1,428
		<u>5,192</u>	<u>1,013</u>	<u>3,128</u>
Creditors: amounts falling due within one year		(1,486)	(727)	(868)
		<u>3,706</u>	<u>286</u>	<u>2,260</u>
Net current assets		3,706	286	2,260
Total assets less current liabilities		4,014	365	2,438
Capital and reserves				
Called up share capital		260	168	258
Share premium		1,895	810	1,772
Profit and loss account		1,900	(613)	465
Other reserve		(41)	-	(57)
		<u>4,014</u>	<u>365</u>	<u>2,438</u>
Shareholders' funds		4,014	365	2,438

Research Now plc

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 30 April 2006

	<i>Notes</i>	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
Cash flow from operating activities	7a	581	(163)	(249)
Returns on investment and servicing of finance	7b	26	(14)	14
Taxation	7b	-	-	-
Capital expenditure and financial investment	7b	(190)	(70)	(196)
		417	(247)	(431)
Cash inflow / (outflow) before financing		417	(247)	(431)
Financing	7b	126	189	1,797
Increase / (decrease) in cash in the period		543	(58)	1,366

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	<i>Notes</i>	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
Increase / (decrease) in cash in the period		543	(58)	1,366
New loans		-	(189)	-
Movement in net funds in the period		543	(247)	1,366
Opening net funds		1,428	62	62
Closing net funds	7c	1,971	(185)	1,428

Research Now plc

NOTES TO THE ACCOUNTS

1. Basis of preparation

The consolidated interim financial statements, which were approved by the Board on 22 June 2006, have been prepared under the accounting policies set out on pages 19 and 20 of the Group's 2005 Annual Report.

The information relating to the half year ended 30 April 2006 is unaudited and does not constitute statutory accounts. The accounts for the period ended 31 October 2005 have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2. Segmental information

The Group's turnover and profit before taxation were all derived from its principal activity of market research fieldwork.

3. Dividend

The Board has not declared an interim dividend for the period.

4. Taxation

	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
UK Corporation tax charge on profits for the period	-	-	-
Exceptional deferred tax credit	894	-	-
Total tax credit	894	-	-
Factors affecting tax charge for the period:			
Profit on ordinary activities before taxation	541	256	524
Profit on ordinary activities multiplied by the standard rate of corporation tax of 30% (H1 2005: 19%; Year to 31 October 2005: 19%)	162	48	100
Tax losses (utilised) / not utilised	(162)	(48)	512
Tax relief on share options exercised	-	-	(612)
Current tax charge for the period	-	-	-

At 30 April 2006, the Group had approximately £2,979,000 (30 April 2005: £609,000, 31 October 2005: £3,520,000) of losses available to carry forward to set against future taxable profits.

At 30 April 2006 the Group recognised a deferred tax asset of £894,000, being 30% of the taxable loss available at that date. This has resulted in an exceptional credit to the profit and loss account of £894,000 in the period.

5. Earnings per share

	Unaudited six months to 30 April 2006			Audited year to 31 October 2005		
	Profit £000	Weighted average number of shares	Pence per share	Profit £000	Weighted average number of shares	Pence per share
Basic earnings per share	1,435	12,926,300	11.1p	524	9,481,584	5.5p
Earnings attributable to ordinary shareholders						
Dilutive effect of securities: Share Options		769,110			560,705	
Diluted earnings per share		13,695,410	10.5p		10,042,289	5.2p
Adjusted base earnings per share			4.2p			5.5p
Adjusted diluted earnings per share			3.9p			5.2p

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares in issue in the period, determined in accordance with the provisions of FRS 22: 'Earnings per share'.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue on the assumption of conversion of all of the potentially dilutive ordinary shares, these being share options granted where the exercise price is less than the average price of the Company's ordinary shares during the year.

The 2005 half year basic and diluted earnings per share of 3.0p have been calculated as £256,000 of profit divided by the 8,399,885 weighted average shares in issue.

Adjusting the 2006 half year profit attributable to shareholders for the exceptional deferred tax credit would result in a basic earnings per share of 4.2p, and a diluted earnings per share of 3.9p. There is no adjustment to prior periods.

6. Reconciliation of movements in shareholders' funds

	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
Profit for the period	1,435	256	524
New share capital subscribed	2	-	90
Premium on shares issued during the period (net of expenses)	123	-	1,772
Own shares purchased	16	-	(57)
Net addition to opening shareholders' funds	1,576	256	2,329
Opening shareholders' funds	2,438	109	109
Closing shareholders' funds	4,014	365	2,438

7. Cash flows

	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
a) Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit	515	270	510
Depreciation	62	7	34
Amortisation of panel expenditure	255	-	285
Amortisation of share options	16	-	8
(Increase) in stocks	4	(26)	(34)
(Increase)/decrease in debtors	(563)	(725)	(1,150)
(Increase) in panel expenditure	(322)	-	(543)
Increase in creditors	614	311	641
Net cash flow from operating activities	581	(163)	(249)
	Six months to 30 April 2006 (Unaudited) £000	Six months to 30 April 2005 (Audited) £000	Year to 31 October 2005 (Audited) £000
b) Analysis of cash flows for headings netted in the cash flow			
Returns on investment and servicing of finance			
Interest received	26	1	15
Interest Paid	-	(15)	(1)
Net cash inflow from returns on investment and servicing of finance	26	(14)	14
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(190)	(70)	(196)
Net cash outflow from capital expenditure and financial investment	(190)	(70)	(196)
Financing			
Receipts from issue of equity shares	126	-	2,618
Equity share issue expenses	-	-	(756)
Purchase of own shares	-	-	(65)
New loans	-	189	-
Net cash inflow from financing	126	189	1,797

	At 1 November 2005 £000	Cash flow £000	Other non-cash changes £000	At 30 April 2006 £000
c) Analysis of net funds				
Cash in hand, at bank	1,428	543	-	1,971
Total	<u>1,428</u>	<u>543</u>	<u>-</u>	<u>1,971</u>

- ENDS -