

Research Now plc  
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Photographs: Available from Hudson Sandler, as above

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Major Acquisition

Research Now buys major North American online fieldwork company

Research Now, the leading European online fieldwork provider to the market research industry, announces its first strategic acquisition since IPO in August 2005, that of Samplenet e-Research Solutions. Samplenet, which trades as OpenVenue, is Canada's largest specialist online fieldwork company. The initial consideration for the acquisition is C\$22.5m (£9.7m), split equally between cash and shares. Additional payments totalling up to C\$25m (£10.8m) of cash or shares may be payable subject to the achievement of performance targets, giving a potential maximum total consideration of C\$47.5m (£20.5m).

OpenVenue, whose clients include US, Canadian and international market research agencies, owns the largest online consumer panel in Canada, comprising over 400,000 Canadian panellists. OpenVenue is the number one online market research data collection agency in Canada, the world's seventh largest market for market research. In addition, OpenVenue derives more than a third of its revenues from US clients.

In the twelve months to 30 June 2006, OpenVenue's turnover was C\$15.3m (£6.6m) (2005: C\$11.1m). Earnings before interest, tax and non-recurring items were C\$2.8m (£1.2m) (2005: C\$2.6m). As of 30 June 2006, OpenVenue's consolidated net assets stood at C\$0.5m (£0.2m) (2005: C\$0.4m).

This acquisition will extend Research Now's market leading position in Europe to the Canadian market and is in line with its corporate strategy to be a pre-eminent global player. It will add a high quality local delivery platform to support the Group's US expansion plans. The launch of Research Now's US panel, soliciting opinions from US residents, is planned for the spring of 2007.

Research Now currently has sales and client service offices in New York, Chicago and San Francisco - which provide European opinion into the US market.

The current directors of OpenVenue, Jeff Karry and John Visser, will join the enlarged Group as Senior Vice President, North American Operations and Senior Vice President, Business Development respectively.

#### Appointment of Interim CFO

Research Now also announces the appointment of an Interim Chief Financial Officer, David Packford, with effect from 15 January 2007. David is a qualified chartered accountant who spent 20 years at PricewaterhouseCoopers, the last six as a partner in the Transaction Services division. In that capacity, David worked with some of the largest European private equity groups and corporates on the evaluation, completion and integration of large cross-border deals.

Commenting Chris Havemann, Chief Executive of Research Now, said:

'We are delighted to welcome Canada's largest online market research fieldwork and panel specialist into our Group. Following the success of our entry into the US market last year, where from a standing start we achieved more than £1m of profitable sales by the end of October 2006, we know there is a real demand in North America for our high quality, service-driven proposition.'

'OpenVenue's business is highly complementary to ours in terms of culture, service and focus on the quality of client experience. It gives us access to a new and fast growing market - Canada - and gives us an excellent platform from which to accelerate the rollout of our US business.'

President of OpenVenue, Jeff Karry, added:

'We look forward to joining forces with Research Now to build a world-leading, global online data collection business. The combination of our Canadian panel, Research Now's planned US panel and its 20 European and Australian panels, backed by our joint online data collection and panel management expertise, is a unique and compelling offer to North American market research firms.'

#### Reasons for acquisition

Research Now opened its first office in the US in November 2005. From a standing start the Group achieved sales of over £1m in the financial year to 31 October 2006, demonstrating demand in North America for Research Now's high quality client service and data collection proposition. The acquisition of OpenVenue represents a major step towards Research Now's stated objective of building its European-leading business into the global leader in online fieldwork and panel services for the market research industry. Following completion of the transaction, OpenVenue's staff of 100 will be joining forces with more than 150 Research Now employees around the world.

OpenVenue's established US and Canadian client base is complementary to Research Now's and provides a platform for the accelerated rollout of Research Now's US business. In full service data collection (including programming and hosting complex studies) OpenVenue offers industry leading delivery capabilities based on the Conformat software platform, also used by Research Now.

Andrew Cooper, Managing Director of Research Now commented:

'In combining with OpenVenue, we are responding to our clients' demands for a one-stop-shop for international online fieldwork. This transaction allows us to offer our clients access to online sample through wholly owned panels in 21 countries across Europe, Australia, Canada and shortly the USA. OpenVenue also brings industry leading survey scripting skills, allowing clients working with us to undertake complex multi-country surveys, all overseen by a single Research Now contact person. Effectively, this means that we will be able to offer a one-stop-shop for all our clients' online data collection needs - globally.'

## Terms of the acquisition

The initial consideration for the acquisition is C\$22.5m (£9.7m), to be satisfied by the allotment of 1,115,322 Research Now ordinary shares (valued at £4.9m) and C\$11.25m (£4.9m) in cash financed from existing cash resources and bank debt. The new Research Now shares are expected to be admitted to trading on AIM on 8 February 2007. Additional cash or share consideration may be payable dependent upon the achievement of certain OpenVenue gross margin performance targets for the periods ending 31 October 2007 and 31 October 2008.

In respect of the year ending 31 October 2007, additional consideration of C\$0.65 per C\$1 of gross margin achieved by OpenVenue will be payable up to a maximum additional consideration of C\$15.0m, provided that OpenVenue exceeds a minimum gross margin target of C\$10.8m. For the year ending 31 October 2008, additional consideration of C\$0.60 per C\$1 of gross margin achieved by OpenVenue will be payable up to a maximum additional consideration of C\$15.2m, provided that OpenVenue exceeds a minimum gross margin target of C\$11.9m. The total consideration for this two year earn-out period is subject to an overall cap of C\$25m (£10.8m). Such conditional consideration will be satisfied 50% in cash and 50% in new Research Now shares, or such higher proportion in cash as Research Now elects.

OpenVenue's vendors are subject to a lock-in on any Research Now shares they receive as initial or additional consideration. The vendors will not be able to dispose of any consideration shares during a period of one year after the date of the allotment of these shares. Any additional consideration shares in respect of the period ending 31 October 2007 are expected to be allotted in January 2008 and any additional consideration shares in respect of the period ending 31 October 2008 are expected to be allotted in January 2009.

The vendors have provided warranties usual for a transaction of this nature.

Research Now has entered into debt facilities with Royal Bank of Scotland of up to £7m which will be used to fund the cash consideration of the acquisition, as well as the ongoing working capital requirements of the enlarged Research Now Group.

Canadian dollar amounts in this release have been converted to sterling at a rate of C\$2.3148 : £1.

The acquisition is conditional on the passing of certain resolutions at Research

Now's Annual General Meeting on 6 February 2007.

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Notes to Editors:

#### ABOUT Research Now

- Research Now is the leading European online fieldwork and panel specialist
- 'Fieldwork' is the collection of survey data via personal interviews - a process that Research Now undertakes via the Internet
- Research Now owns the 'Valued Opinions' family of online panels across 20 countries (UK, Germany, France, Italy, Spain, Republic of Ireland, Austria, Sweden, Poland, Denmark, The Netherlands, Norway, Finland, Portugal, Russia, the Czech Republic, Hungary, Belgium, Greece and Australia), comprising over a million active 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 10 offices - London, New York, Chicago, San Francisco, Frankfurt, Hamburg, Paris, Athens, Sydney and Melbourne
- Research Now is an independent public company quoted on the AIM market of the London Stock Exchange