

Interactive Prospect Targeting Holdings PLC

Pan-European Online Direct Marketing

Corporate Information



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What We Do

The Interactive Prospect Targeting (IPT) group of companies is Europe's largest online direct marketing group, and a major player in this key sub-sector of the rapidly expanding online advertising industry. We provide an advanced range of products and services and an exceptional resource of multi-channel marketing data to marketers across the UK and France.

IPT Customer Acquisition	<ul style="list-style-type: none"> • Prospect database-building • Online lead generation • Email co-registrations • Bespoke targeted data
IPT Data	<ul style="list-style-type: none"> • List rental • List management and broking • Offline lead generation and question sponsorship • Data profiling and enhancement
IPT Email Broadcasting	<ul style="list-style-type: none"> • Managed and Application Service Provision (ASP) broadcasting solutions • Campaign reporting and analysis • Deliverability tools • Strategic advice and planning • Data hosting, management and enhancement solutions
IPT Financial	<ul style="list-style-type: none"> • Direct marketing solutions for financial marketers • Targeted list rental and email marketing • Online advertising, promotions and sponsorship • Compliant, qualified lead generation • Prospect database building • A leading financial services specialist affiliate network
IPT Market Research	<ul style="list-style-type: none"> • Fast and cost-effective market research solutions • Performance monitoring for the insurance industry • E-commerce competitor intelligence

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PAVING THE WAY

Seven years ago online marketing was relatively in its infancy, with traditional methods still taking centre stage in the marketing mix. At that time, the depth of technology simply did not exist to allow marketers to exploit the growth of internet and email usage.

IPT was created with the goal of meeting marketers' technological needs, and the company's rapid growth is testament to our success in providing the tools and services our clients desired. At IPT's launch in 1999 there were two members of staff, and turnover for the year 2000 was £900,000. By 2006 turnover was forecast to reach £24 million and staffing was at 265 and rising fast. Between the years 2003 and 2006 the company enjoyed quadrupling revenues and a tenfold increase in net profits. Following flotation in 2004 IPT's share price also followed a rapidly upward trend, and had tripled by 2006.

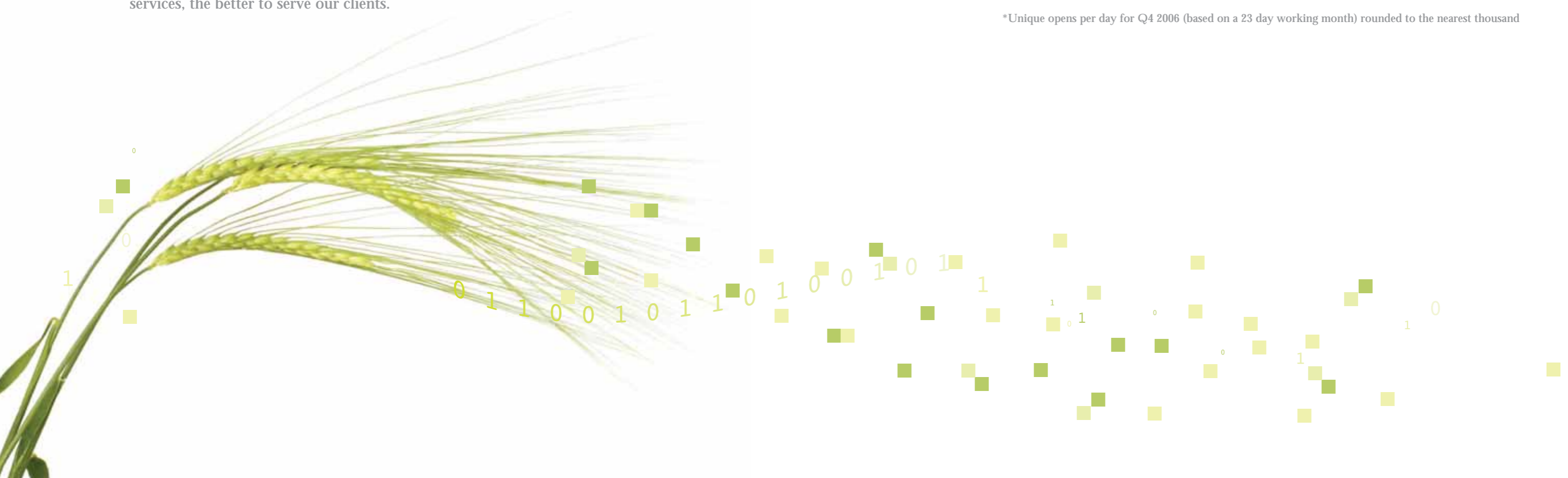
No textbooks existed to tell IPT the path to follow, and it was the knowledge and skills of our team that led the company to devise a number of innovative solutions which would be enthusiastically embraced by marketers. As the company rapidly grew and developed, it blazed a trail which others would quickly follow.

Today, IPT is still leading the way in the online direct marketing industry, with a tireless energy and a continual flow of new ideas ensuring that we regularly introduce fresh products, as well as continually re-evaluating and improving our established services, the better to serve our clients.

Numbers That Speak for Themselves

- Every day, an average of over **572,000** people open an email which has been broadcast by IPT*
- An average of up to **11,000** new users register with IPT websites every day
- Conservative estimates show that IPT's database includes over **50%** of the UK online population
- IPT has the capacity to broadcast well in excess of **1 million** emails per hour
- IPT websites have **18.6 million** registered users
- IPT has built over **1,000** prospect databases for clients to date
- IPT website users complete up to **4.5 million** client sponsored questionnaires per month
- IPT's database contains **7.4 million** unique opt-in email addresses and **7.5 million** household postal addresses
- IPT has **50 Terabytes** of hard drive space (sufficient to store 10,000 feature length films at DVD quality or 10 million songs at CD quality) and **120** servers.

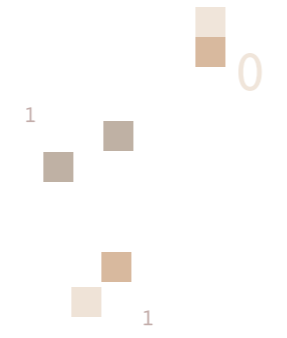
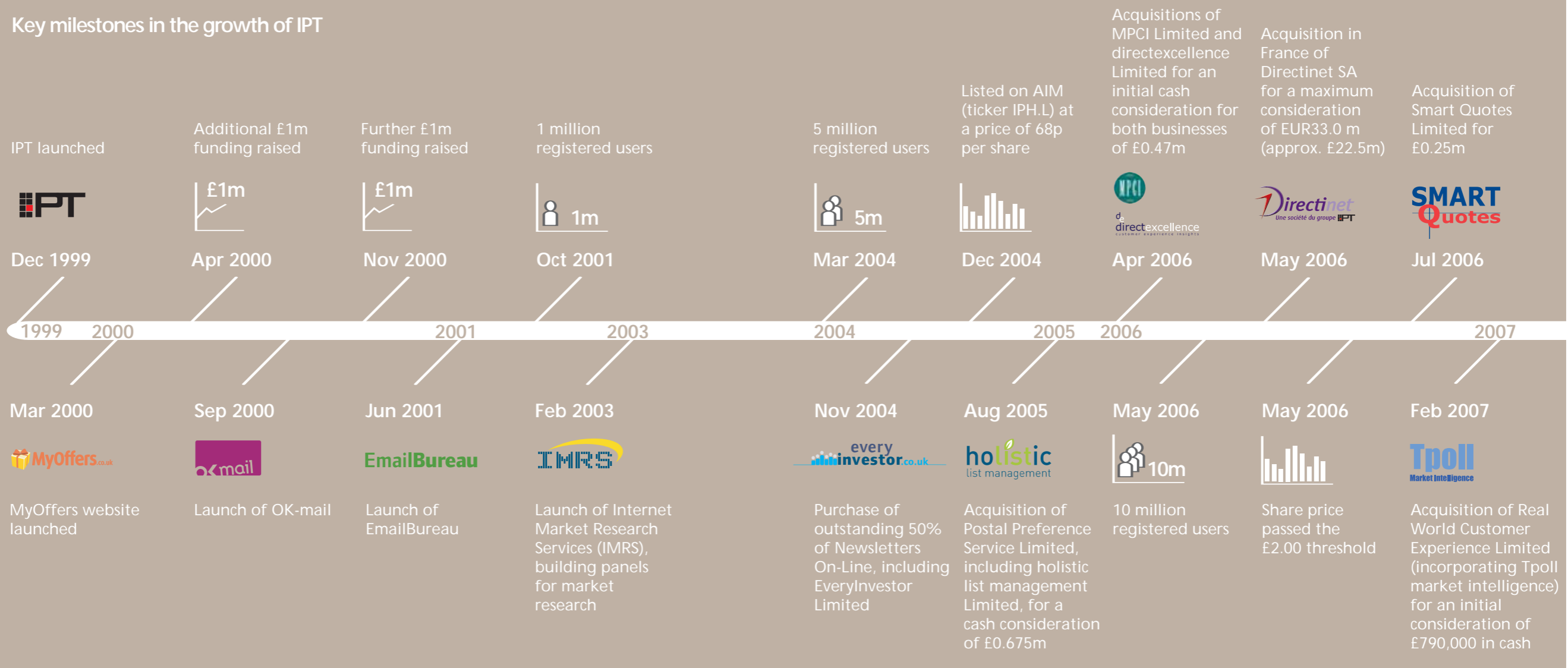
*Unique opens per day for Q4 2006 (based on a 23 day working month) rounded to the nearest thousand



A Pathway to Excellence



Key milestones in the growth of IPT



Perpetual Motion

2006 was a year in which, as in previous years, IPT grew, adapted and changed, achieving a pre-eminent position within Europe. For example:

- We acquired four new companies: **Direct Excellence**, **MPCI**, **Smart Quotes** and **Directinet SA**. Directinet is a leader in online direct marketing services in France and the combined group creates **Europe's largest multi-channel online direct marketing company**.
- We launched a brand new website, **MyPropertySpy** (www.mypropertyspy.co.uk), which is expected to recruit **half a million users within 12 months** and is already delighting clients by generating high volumes of mortgage leads.
- We introduced two innovative products: **efinity**, the UK's first and only email data-swapping co-operative, and **eProfile**, a new tool designed to help email marketers to analyse their campaigns in greater depth.
- We opened a new division within holistic list management: **holistic data planning**, to provide a full data planning service. The new team boasts an impressive skill base, with an in-depth knowledge gained from experience working with many blue chip brands.

The highlight of the past year was IPT's expansion beyond the shores of the UK into France. The French online direct marketing (ODM) market is the second largest in Europe, after the UK, and the acquisition of Directinet represents a major stepping stone in IPT's European strategy. Directinet has access to an astonishing 90% of all French email addresses and boasts a portfolio of household name clients. When it joined IPT it consolidated the group's market-leading position in Europe. Our vision is to provide ODM services across Europe, with local offices and specific products tailored to meet local needs. These will include data capture websites, data rental, email broadcasting and online market research.

The Road Ahead

IPT has become the leader in online direct marketing through exploring new technologies, and through creating a core range of products which fulfil key needs for our clients. Every year we add new products to expand the scope of our services.

Plans for 2007 include launching three of our key services in France. Following last year's acquisition of Directinet SA, we have been working to bring suitable products from the UK to France. The first to be rolled out, **EmailTracker**, represents the first and only e-competitor database on both sides of the Channel. EmailTracker has generated considerable interest in France. In a country where email marketing is still a relatively young and rapidly growing medium, marketers are very enthusiastic about a tool which will help them to develop their skills by observing their competitors' output.

Following in EmailTracker's footsteps will be **Butineo.com**, the French version of IPT's UK flagship MyOffers website, bringing the site's sophisticated data capture engine to clients in France. Like EmailTracker, the MyOffers prospect data solution is unique in France, and clients are queuing up to participate in the consumer launch.

Later on in the year we will roll out **Email Broadcasting**, delivering our leading range of solutions to the French market.

The first half of 2007 will also see the launch of three new websites in the UK. The first of these, **MyValuedBrands**, will provide clients with a unique way to reach their customers – targeting their offers according to the customer's postcode. This is an exciting proposition for national brands, many of which operate different pricing structures and special offers in different regions of the UK. Through MyValuedBrands they will be able to tell their prospective customers about the offers and promotions available in their own local area, and give them directions to visit their nearest store, branch, restaurant or dealership.

MyValuedBrands enables clients to undertake large scale online direct marketing campaigns with dynamically generated content, targeted by region, gender, age and other factors. This means that each recipient is served with information that is tailored to them as an individual. Our research has shown that emails personalised with relevant information can achieve open rates of over 60%, so MyValuedBrands promises to deliver an excellent response to our clients.

Another new IPT product for 2007 is a new service for investors and financial institutions. **Free Company Reports and Accounts** (www.freecompanyreportsandaccounts.co.uk) will enable any interested party to download a copy of the most recent financial reports for all of the UK's approximately 6,000 publicly listed companies, free of charge. A number of follow-up services will also be available to users.

This year has already seen a further acquisition for IPT: **Real World Customer Experience Limited (RWCE)**, parent company for the innovative market research brands **Tpoll Market Intelligence**, **Tpoll Direct** and **The Stimulating World**, joined the group in February. These companies bring to IPT a wealth of skills and experience and a reputation which has earned them a portfolio of blue chip clients. Both IPT and RWCE are very excited about our new relationship, which brings together the strengths of IPT's consumer databases and Internet Market Research Services (IMRS) panel and the market research capabilities of RWCE. The addition of the RWCE companies to IPT's Market Research division creates superb opportunities for us to deliver an enhanced range of services to our clients and to be a major contributor in the market research marketplace.

In 2007 we will be continuing to grow our database, and we are planning a major campaign to increase our volumes of telephone data (landline and SMS). We will also be running a series of postal mailings which will culminate in the largest that IPT has ever undertaken, rivalling the most significant campaigns in the UK marketplace.

2007 promises many more exciting strides forward, as IPT continues to lead the direct marketing industry's quest for ever more sophisticated ways to reap the benefits of both online and traditional campaigns.

Fertile Ground

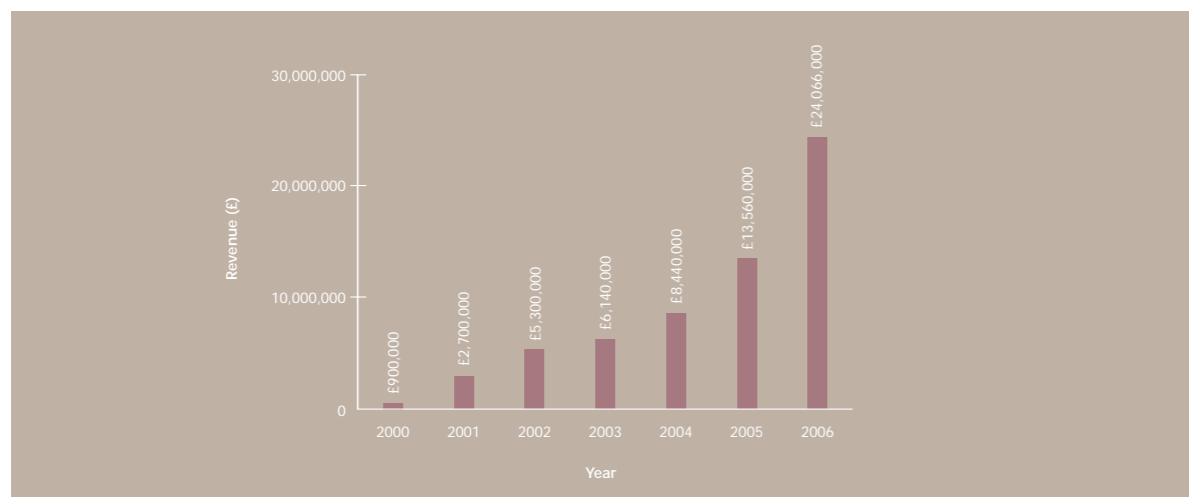
IPT's success has been due to its passion for technology, and its ability to generate new ideas and create innovative products to meet the needs of its clients. Innovations include:

EmailMonitor	Legitimate marketing emails can often fall foul of 'junk mail' filters and ISP blocks. EmailMonitor is a set of products specifically designed to help marketers to get their mailings into their customers' inboxes first time. EmailHygiene, for example, conducts over 100 checks, searching for common errors and typos, and eliminates many errors that can cause up to 10% of a client's file of email addresses to be undeliverable.
eBizmailer ASP	An Application Service Provider (ASP) software solution which enables clients to manage, deliver, track, report and analyse their email campaigns in-house. At the click of a mouse, clients are able to view key metrics such as real time counts for the number of emails opened and links clicked, and to analyse the information by generating charts.
EmailTracker	The UK's first and only e-competitor database, enabling marketers to discover exactly how their competitors are using the email marketing medium, and so to hone their own marketing strategy. EmailTracker UK has amassed an archive of over 1.1m emails covering a wide range of sectors, with a further 50,000 added every month. EmailTracker France has already collected over 70,000 emails from 600 different French websites.
efinity	The UK's first and only email data-swapping co-operative, enabling its members to acquire large volumes of email addresses at low cost by swapping with other marketers. During 2007 it is expected to provide access to the UK's largest email data pool, containing tens of millions of emails, and to revolutionise the way marketers source email data.
MyOffers (www.myoffers.co.uk)	IPT's award-winning flagship website with 6.6 million registered users, for which we have constructed a unique engine which allows us to present questionnaires to a highly targeted audience. Questionnaire completions run at up to 4.5 million per month.
eProfile	A tool designed to help email marketers to analyse their campaigns in greater depth and discover the characteristics of the typical recipient who clicks through and completes the required action. Using the power of IPT's database of 18.6 million registered users, we help our clients to unlock the potential in the data they hold.

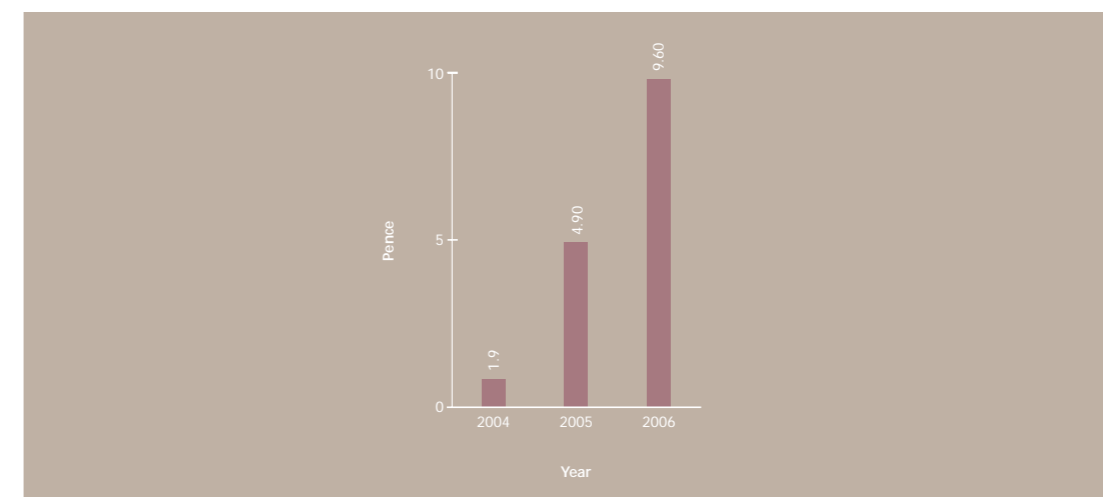


Exceptional Growth

Annual Revenues

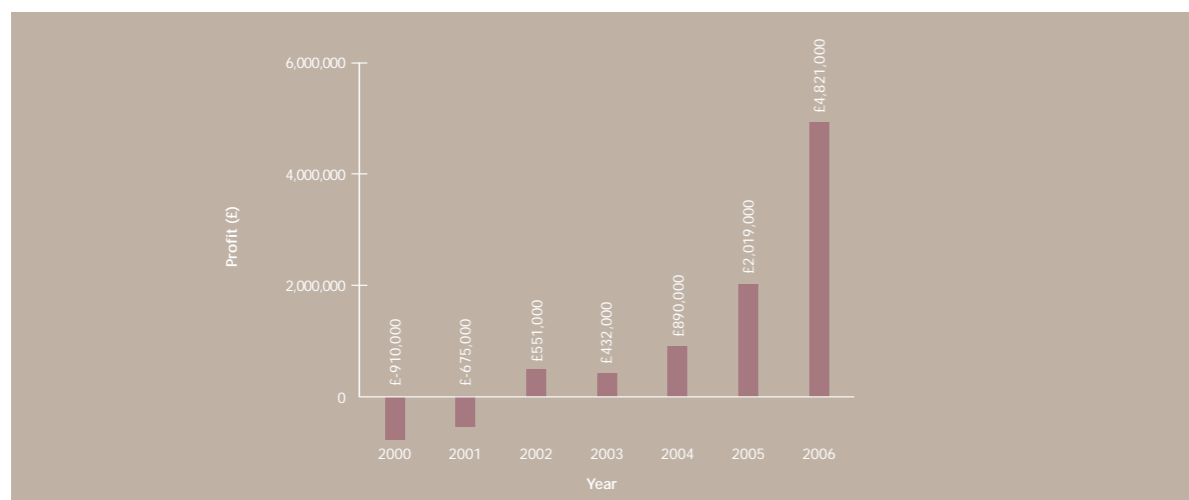


Headline EPS

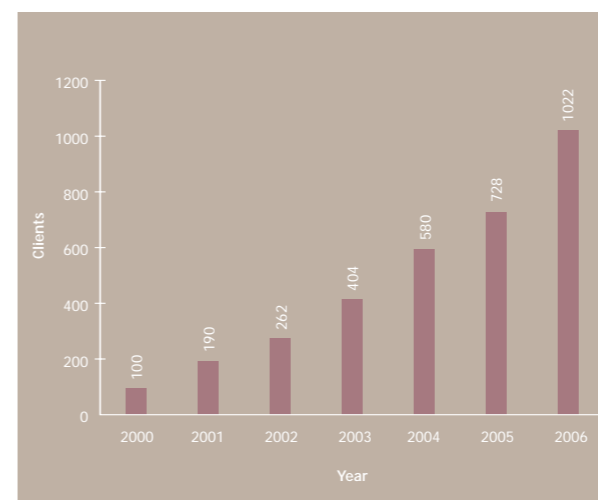


Explanatory note: Headline EPS = EPS before goodwill impairment, amortisation of other intangibles, one-time restructuring costs and profit on available for sale investments.

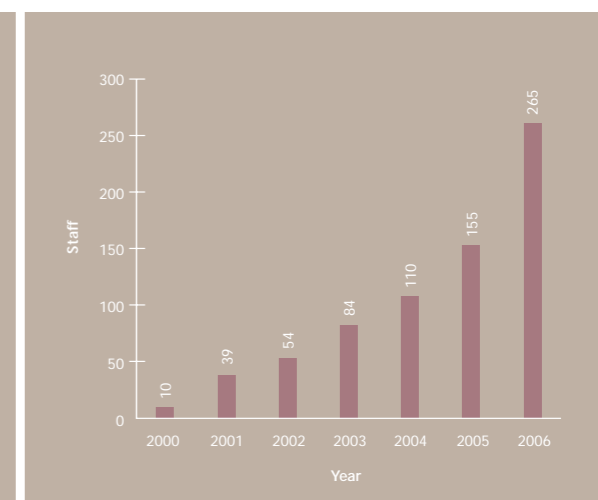
Operating Profits



Number of Clients



Number of Staff



Stock tips: recommendations to buy IPT shares

- Motley Fool – Jim Slater's picks: June 2006
- Investing for Growth – AIM portfolio: October 2006
- Growth Company Investor: October 2006
- Shares Magazine – No.5 in 100 strongest & steadiest growing companies: November 2006
- Peter Shearlock's Small Cap Stock Picks: January 2007
- Investors Chronicle: January 2007
- Sunday Herald – January 2007
- Profit Watch – February 2007



Award-winning Performance

- Marketing Direct Intelligence awards 2001, the Claritas UK award for best online data gathering exercise (MyOffers)
- Marketing Direct Intelligence awards 2002, finalist in the Ebiquita Award for intelligent application of data online (MyOffers)
- 17th fastest growing technology company in UK, Sunday Times Tech Track 100 Awards, Sept 2003
- 2nd fastest growing internet company in London, Sunday Times Tech Track 100 Awards, Sept 2003
- 3rd place in Deloitte & Touche Fast Track 50 Awards for London & South East, Nov 2003
- IDMF/DM Business award for 'an outstanding new product that would push back the boundaries of direct marketing in 2003' (EmailBureau)
- "Best work site of the year" (Payfinder), Steve Wright Show, BBC Radio 2
- Microsoft Fast Track 100 Best Use of Technology award, 2004
- Bronze award for 'Best new website of 2004' (MyOffers), Web User Magazine, Jan 2004
- 'Rising Star' award for fastest growing technology company in London & South East, Oct 2004
- Sunday Times Top 50 Fast Track Growth companies UK, Dec 2004
- DM Business New Product awards certificate winner (EmailMonitor), 2004
- Third-fastest growing website for broadband audience (MyOffers), Nielsen 2005
- Winner of Best New Product Award at IDMF (EmailTracker), Feb 2005
- MyOffers: highest-performing website by visits for 2005, topping the Entertainment – Competitions category (Hitwise, April 2006)
- Fast Growth Business Awards 2007, finalist in the Best Use of Technology category
- Media Momentum Awards 2007, finalist

Awards gained by Directinet SA:

- Mercurus HEC award, 2000
- E-partnerships award, 2001
- Interop Label award 2002 for best website (Leisure category)

The ever-growing list of awards gained by IPT is a testament to the knowledge, skills and resourcefulness of our people. With teams of experienced IT experts, developers and designers based at our central London and Paris offices, we are poised to react swiftly to new emerging opportunities in online direct marketing, both in the UK and in Europe.

IPT Divisions

IPT Customer Acquisition

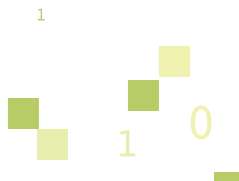
The success of websites such as YouTube, MySpace, Bebo, Flickr and the like is evidence of the growth in usage of the Internet as a form of leisure activity. In August 2006, The Guardian reported on a YouGov poll:

The average British Internet user spends the equivalent of more than 50 days a year online, according to a new survey that backs up claims the net is replacing television as the public's medium of choice. The study shows net usage has risen dramatically over the past few years, with surfers now spending an average of 23 hours a week online.

As the owner of a suite of 25 websites, including the award-winning MyOffers.co.uk, IPT is perfectly positioned to reap the benefits from this trend.

IPT's websites serve two distinct groups of customers. On the one hand, we have our **18.6 million registered users**, whom we must provide with compelling and vibrant content and robust, user-friendly functionality. On the other we have our clients – the marketers to whom we must provide good quality data and a range of innovative products and services which will add value to their marketing campaigns.

Achieving the correct balance between these two groups, and delivering products which meet and exceed the expectations of both, has been the key to the success of IPT's Customer Acquisition division.





Technology for database building

Under constant pressure to achieve the maximum return on investment from their budgets, today's marketers need ways to precisely target the people who are most likely to find their products and services interesting and become customers. IPT Customer Acquisition has created a unique engine through which companies can make contact with just such consumers online.

We have designed a highly successful range of websites which attract users with exciting prize draws, quizzes, special offers, polls and other interesting and entertaining content. In this way, we draw **up to 700 new subscribers per hour** to register with us, and in a single day we have experienced as many as 19,000 new registrations.

As users explore our content, their enjoyment of the experience is uninterrupted by the sophisticated technology which lies behind each site. In a seamless process, we collect the consumer's personal details, demographic information, personal interests and, most importantly, their permission to contact them.

From inception, IPT has spearheaded the direct marketing industry's adoption of **permission-based marketing**, where all consumers actively opt in to receive communications such as special offers or new product information from companies that may be of interest to them. We collect these users' details to build a database for our clients' use.

To date we have built over 1,000 such databases, and our clients include household name blue chip brands from diverse business sectors, such as Vodafone, Boots, RAC and many more.

A unique mechanism

Incorporated into the entry forms for our prize draws are mini questionnaires sponsored by our clients. The incentive of an attractive, high value prize provides a powerful impetus to the user to complete the questionnaire. However, the story does not end there. Showing all of our clients' questionnaires to all of our users would quickly cause them to become bored, and would be less likely to generate useful leads for our clients. For example, an 18-year old male user is unlikely to want to receive information from a client who provides holidays for the elderly. Therefore, IPT has constructed a unique engine which enables us to serve each questionnaire to a targeted audience – the users who are most likely to be interested in each client's product.

We use **sophisticated selection filters**, including factors such as age, gender, income, postcode, number of children and home ownership, to prioritise the questionnaires presented to our users. Not only does this make for a rewarding user experience, it translates into more questionnaire completions and more valuable new prospects to add to our clients' databases.

Additional functionality to facilitate the user's journey through the site and boost the questionnaire completion rates includes:

- No duplication of the same questionnaire if the user visits any of our other sites
- If a client has multiple questionnaires, we ensure these are spaced apart
- Fields are pre-populated with data such as telephone number where the user has previously supplied it

Questionnaire completions run at 4.5 million per month, and a total of 145 million have been completed in the past six years.

Driving traffic

IPT has an Online Marketing department which is dedicated to the task of driving traffic to our suite of websites.

With an unrivalled understanding of the mechanics of online search and advertising and an innovative approach to site content, the team works to attract a steady flow of new visitors whilst building and maintaining our relationship with our existing users.

We have an ongoing programme of regular newsletters sent to our registered users, and strategic promotions across our affiliate network of thousands of UK sites and major partners, including MSN, AOL and Google.

The fact that many users return to our sites on a daily basis, and that **two thirds of our first-time visitors return again**, is testament to the attractions of our content and the usability of our sites. Our typical user will visit 2.7 times per month and complete 4.6 questionnaires per visit. As a result, each client can expect their questionnaire to be completed typically by many thousands of consumers every day. As a reward to our users, we have given away nearly £2 million in prizes in the past three years, including cars, holidays, gadgets, cash sums, and many more.

Delivering value

As each database grows on a daily basis, our clients are contacting these prospects and converting a proportion of the file into customers with every email, telephone call or postal mailing.

To facilitate this process, we have built in the capability to deliver data in a variety of ways, to meet each client's individual needs:

- In an immediate email to their call centre
- Streamed in real time to their database
- Streamed in real time to a call centre's dialler software so that operators can make an immediate call
- In regular daily, weekly or monthly output files to download

For example, Vodafone has opted to receive leads directly into their call centre, where agents can immediately follow up by telephone. Vodafone's Head of Telesales and Online says, 'Thanks to the questions Vodafone asks on its MyOffers questionnaire, when its outbound agents make the calls to the entrants' mobile phones, they know whether the prospect is a Contract or Pay-as-you-go customer, who their contract is with, and when it expires.'

Vodafone has been delighted with the results this information enables them to achieve: 'We are finding that the conversion rate is far better than we get on any rented email/tele lead campaign. We'll keep running the campaign as long as the return on investment holds up, and as long as our outbound resources can cope with the volumes. To date, it's succeeding on both counts.'

IPT Customer Acquisition puts our clients in touch with the people who want to hear from them. The longevity of our relationship with many of our clients, and the excellent conversion rates that they report, stand as proof that IPT's products work.

<p>MyOffers www.myoffers.co.uk</p> <p>The UK's leading prize draw website</p>	<ul style="list-style-type: none"> • Most visited website for 2005 in the Entertainment – Competitions category (Hitwise, April 2006) • IPT's flagship data-capture website • 6.6 million unique registered users • 1.1 million log-ins per month • 100% permission based data
<p>WebBrands</p> <p>Selecting from a range of newsletters and brochures entitles users to enter attractive prize draws</p>	<ul style="list-style-type: none"> • Non-competing brands co-operate in an online promotion • Users opt in to receive information from our clients • Each client can expect to receive an average of 17,000 registrations or brochure requests per month
<p>MyValuedBrands www.myvaluedbrands.co.uk</p> <p>Enables national brands to attract customers with personalised, locally targeted offers</p>	<ul style="list-style-type: none"> • Consumers opt in to receive monthly communications from well-known brands, but with localised information bespoke to their postcode • Open rates of more than 60% have been achieved using personalised emails with relevant content • Consumers can be directed to visit their local store or advised about special offers applicable in their region
<p>QuizPlayer www.quizplayer.co.uk</p> <p>One of the UK's leading quiz sites</p>	<ul style="list-style-type: none"> • Over 100,000 quizzes played every month • 500,000+ registered users • Average session time 8 minutes • 6 new quizzes per month
<p>CSearch</p> <p>Enables clients to present their brochures, catalogues or coupons to a specified demographic</p>	<ul style="list-style-type: none"> • Potential customers are attracted to discover and request catalogues online • Perfect for clients who wish to reach a specific audience
<p>DailyDietTracker www.dailydiettracker.co.uk</p> <p>Nutrition and exercise-planning for the health-conscious consumer</p>	<ul style="list-style-type: none"> • 200,000 registered users (73% female) • Expert nutritional advice, recipes and health and fitness tips • Ideal for clients seeking to reach an audience of users with interests in diet, health and fitness • Newsletter advertising and sponsorship opportunities • Client surveys and questionnaires can be placed on the site

IPT Data

Just five or ten years ago our email inboxes were relatively quiet places, where we welcomed new pieces of mail and took our time to read them. How times have changed. Contemporary email users receive an ever-increasing number and range of incoming messages, which fight for attention in their busy lives. Letterboxes receive a similar onslaught of paper-based mail. A marketer's challenge, therefore, is to make their email or postal mailing one of those items which the consumer deems worthy of opening, and a key way to achieve this is by using appropriate data – that is to say, sending to people whose stated interests and personal characteristics make them a good fit for the product or service being promoted.

Data may not seem particularly exciting at first glance, but it is, in fact, a **powerful and invaluable tool for marketers** today. As one of the UK's largest data suppliers, IPT Data helps marketers to target their messages with precision to the people who not only are likely to find them of interest, but who have actively given their permission to be contacted.

Realising the power of data

The last couple of years have seen three interesting shifts in requirements for data:

- Spending in general is increasingly moving towards the online medium, especially in high-value sectors such as mail order and publishing. With the reduced costs of data usage, such as savings in postage, the spend on data itself is comparably larger.
- However, certain businesses such as 'dotcom' companies, who have always operated online, are rediscovering the postal medium. They are finding that their customers, who are often much younger than traditional mail responders, are very receptive to a dual-channel approach using both email and paper brochures.
- Whether using online or offline methods, **all marketers are becoming acutely aware of the need to use appropriate data**, often targeting their communications carefully to smaller sets of data but achieving much higher response rates.



IPT has been at the forefront of all of these trends, working to provide quality opt-in data that serves the marketing needs of businesses whilst maintaining our duty of care to consumers.

An exceptional resource

Fuelled by the growing requirement for companies to collect their own prospect databases cheaply online, IPT has spent the last seven years growing data sets with enviable length and breadth. We have achieved this through our range of websites and paper questionnaires. We currently hold:

- 7.4 million opt-in email addresses
- 7.5 million household postal addresses
- 1.4 million opt-in SMS numbers
- 500,000 land line telephone numbers

Looking at the volume of email addresses, we can estimate that **IPT's database represents over half of the UK online population** of around 13.9 million households (Source: National Statistics August 2006).

We know a great deal about the interests and demographic details of the people in our database, and this has enabled us to create over 900 categories which are used to mine the data, drilling down to identify lists of suitable prospects for our clients to contact.

Getting it right

An effective marketing campaign requires accurate data. A constant flow of new records into IPT's database provides up-to-date information, and **our file grows by over 200,000 records per month**. All new addresses which enter our database are validated using the Royal Mail Postcode Address File (PAF).

IPT makes it simple for the people who belong to our database to keep their details up-to-date. For example, every one of the regular emails we send to our members contains a link which they are invited to click to update their personal details and preferences. A further link enables the user to unsubscribe, should they wish, and we process all unsubscriptions rapidly to ensure that the consumer is removed from mailing lists within 24 hours.

IPT takes its responsibilities under the Data Protection Act 1998 very seriously. We carry out a series of regular routine checks to make sure the data we hold is correct, for example:

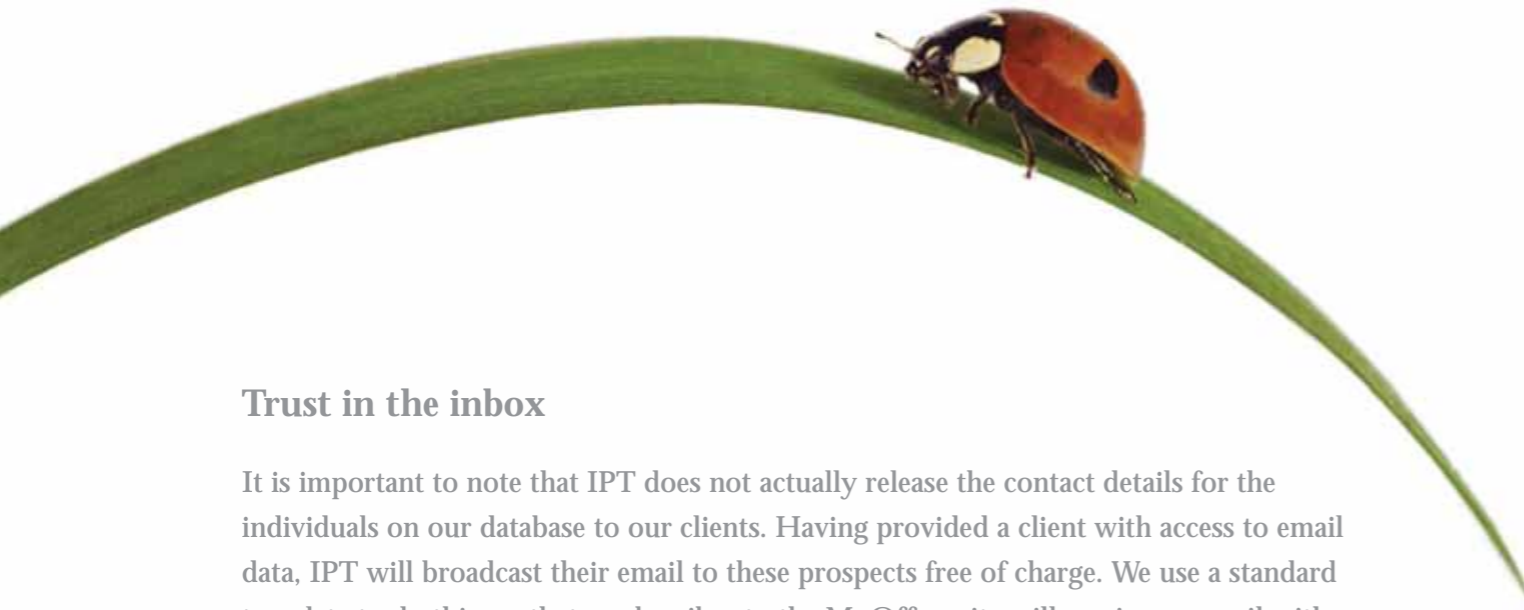
- All postal records are checked against the Bereavement Register, the Mailing Preference Service, the National Change of Address Database and various other industry standard databases.
- All email records are checked against the eMPS email preference service.

We also conduct cleaning procedures to eliminate data which contains:

- Profanities
- Business postal addresses
- Typographical errors
- Incorrect email address formatting

In addition, we constantly update our files to suppress undeliverable email addresses and mail returned as 'Gone Away'.

Our clients can thus use our data with confidence that the mailings they send are likely to hit the mark, rather than going to non-existent addresses, people who have moved on, or people who do not wish to receive such communications.



Trust in the inbox

It is important to note that IPT does not actually release the contact details for the individuals on our database to our clients. Having provided a client with access to email data, IPT will broadcast their email to these prospects free of charge. We use a standard template to do this, so that a subscriber to the MyOffers site will receive an email with the sender shown as MyOffers. The body of the email clearly displays the MyOffers branding as well as the client's own message. There are two reasons why we insist on this approach:

- 1) Recipients are more inclined to open and read emails when they recognise the name of a trusted sender.
- 2) The templates include links enabling the user to amend their details or unsubscribe from our sites.

In this way we honour our responsibilities towards our users and foster a trusting relationship, whilst also producing the best results for our clients. The Marketing Manager of Mortgage Advice Services Ltd says, 'As a manager with many campaigns running simultaneously, I appreciate any campaign which is running smoothly without requiring my daily input. Each order has been fulfilled as promised and the management team at IPT is honest, professional and proactive in helping to achieve the best results at all times.'

Data Lifetime value

Since 1999, IPT has worked with many hundreds of clients to help them build powerful data sets. Many of these companies now find themselves in the position where, having captured their own databases, they need more information about these consumers rather than more people who are like the people in their existing database. This change in requirement reflects an increasing concern about the value of data over the longer term, and a growing need to add value to existing data sets rather than simply building new ones. We can help our clients analyse their data to yield valuable information about the customers they serve.

Our new e-Profile product, for example, uses sophisticated tools to look at the results of a client's email campaign. By comparing the characteristics of the recipients who opened the email with those who went on to click through to the client's website, we can discover the profile of the typical consumer who is most likely to click through. We then interrogate IPT's database to find individuals who match this profile, and recommend them to the client for use in a subsequent mailing.

The holistic approach

As the need to provide appropriate data grew, IPT Data successfully anticipated the shift in demand by identifying and marketing niche sets of data within our own databases. However, we also recognise that there are some occasions when IPT's data may not be able to provide for our clients' needs. We therefore offer a three-pronged approach.

Firstly, we offer data rental from the extensive IPT database.

holistic list management is our second option. An organisation's database is a valuable and saleable asset, and marketers frequently seek out and rent data from other businesses. Operating as a separate division within IPT Data, holistic list management works with clients to commercialise their own databases.

holistic currently manages 16.5 million postal addresses and 9 million email addresses, including lists from many household name brands. We pride ourselves on our ability to generate more revenue for our list owners than any other list manager.

As the Head of News International Enterprises says, 'holistic offers a very proactive approach to list management. This means it can maximise the return on investment from our large database of readers.'

In 2006, holistic launched **efinity**, the UK's first email data-swapping co-operative, through which marketers can gain access to large volumes of email addresses at low cost. The year also saw the creation of a new list broking team, holistic list broking, which forms the third prong of our approach. The new team brings a **full data planning service** to our clients, helping them to source the right data for their needs and plan their data buying strategy.

Data for success

The volume and quality of IPT's data enables us to provide a **consistent supply which delivers excellent results** for our clients. In 2006 we provided data to 475 clients, including many blue chip brands. For example, a major online loan provider purchased data to the value of £221,000 over ten months during 2006, whilst a high street optical chain spent £147,000 with us during five months. Our approach works because **we put our clients in touch with the people who genuinely want to hear from them**, facilitating a relationship which is rewarding to both parties.

Looking to the future, our ability to provide cost-effective and timely data is opening up the market to smaller companies – even including start-ups. Traditionally, lack of budget would have excluded such businesses from engaging in any meaningful direct marketing activity. This emerging marketplace provides an exciting opportunity for IPT to work with developing marketers in the online environment.

IPT Email Broadcasting

The growth of email usage amongst all sectors and age groups of our society has been phenomenal. In February 2007 the Daily Mail reported on a survey by insurance company AXA:

Traditional hobbies such as gardening and DIY have been relegated as 'silver surfers' spend an average of six hours a week online. Emailing and chatting to friends and family are their most popular online activities.

50% of internet users go online every day, and their most frequent activity is using their email (Source: TGI.net 2006). As a result of this trend, email has entered the mainstream as a marketing technique, and is now recognised as one of the most cost-effective methods available. A study by the US Direct Marketing Association (DMA US) has indicated that for every dollar spent on email marketing in 2005, the return was an incredible \$57.25. This compares to a return of just \$7.09 for every dollar spent on printed catalogues. More and more marketers are now realising the huge potential of the email medium and learning its powerful techniques.

However, as the menace of spam continues to blight the online world, consumers have no option but to protect their email accounts behind a range of barriers. 'Junk mail' filters and various devices put in place by the Internet Service Providers (ISPs) do an excellent job in fending off the flow of bogus stock tips and Viagra advertisements, but a casualty of their good work can also be legitimate emails.

The email marketer's nightmare is that their bona fide communications with their customers will accidentally cause them to be tarred with the same brush as a spammer, and that their email will be blocked from reaching recipients. This can happen all too easily to the unwary.

IPT's Email Broadcasting division acts as a guide to lead legitimate marketers through the maze of defences, giving them tools to verify their identity, and enabling their emails to reach the inbox safely.



Expert guidance

As ever more sophisticated technology for online security and privacy is developed in the war against spam, up-to-date in depth knowledge and technical understanding are essential for successful email broadcasting. IPT's **EmailBureau is proud to be one of the leading authorities on email broadcasting in the UK.** Our team is led by some of the most knowledgeable and experienced experts in the field, many of whom were responsible for spearheading the development of opt-in email communication in the UK.

IPT believes it has a responsibility to share its key learnings, not only with its clients but throughout the industry:

- In 2006 IPT published the 'Big Book of Email Marketing', which has been highly acclaimed and is available to download or purchase from the IPT website (www.ipt-ltd.co.uk/volumes.html).
- IPT's EmailBureau provides quarterly UK "Industry Trend Reports" for Revolution magazine and Mad.co.uk's Email of the Week review.
- Mike Parry, Managing Director of EmailBureau, is a sought-after speaker and respected leader in the field of email marketing. At DM Live/The Data Show 2006 his session was scored 9/10 by delegates, and feedback included:

'Very upbeat and interesting at an easily accessible level'

'Good, clear relevant content'

'Very good and interesting with relevant content that was easy to relate to'

'Solid, practical advice'

The Managing Director of online agency Branch Communications comments, '... we have found the expert help of EmailBureau's account management team to be invaluable. Knowledgeable on a level we've not experienced before, they add value to our planning and client relationships... These guys are seriously committed email marketers.'

Exceptional capacity

IPT's expertise has been developed through extensive experience, and EmailBureau is one of the UK's largest email broadcasters, sending around 120 million emails to opted-in recipients every month. The majority of these are on behalf of our clients, using their own data, but we also send our own internal mailings, such as regular newsletters to the registered users of our websites and B2B newsletters to our clients.

In a typical working day, an average of 5.7 million email inboxes across the UK receive a message which has been broadcast by IPT. Around 572,000 people will open one of these emails every day – close to the daily circulation of The Times newspaper.

IPT has invested in exceptionally robust leading edge technology, and we have the capacity to broadcast up to 12,000 individual emails simultaneously. We have the ability to send a total of over 1 million emails per hour, and we typically manage over 2,000 campaigns per month.

A reliable route to the inbox

IPT offers a number of solutions to help ensure that our clients' emails arrive safely in their intended recipients' inboxes:

ISP White-listing

Internet Service Providers filter incoming emails, blocking those which they deem to be from unacceptable senders who do not appear in their white lists. EmailBureau helps by writing to the relevant ISPs and arranging for our clients' IP addresses and Domains to be listed in their white lists. EmailBureau was the first email broadcasting business in the UK to appoint a full time Head of ISP Relations. **We maintain excellent relationships with the major ISPs** and work to help our clients avoid inadvertently becoming blacklisted.





Sender Score Certification

Sender Score Certified, formerly known as the Bonded Sender Program, is the most widely accepted accreditation programme which gives legitimate email senders the assurance that their messages will reach the inbox. Certification means that major ISPs such as MSN/Hotmail are able to recognise legitimate email and will not block delivery.

All certified mailers must meet strict criteria, including a fastidiously maintained email infrastructure with robust security, minimal complaints, consent with appropriate disclosure and unsubscribe options on all messages. EmailBureau assists its clients in attaining certification, and in maintaining their data and complaints ratios so that they continue to enjoy the benefits of certification.

Unique IP address

EmailBureau uses the flagship IronPort C300D mail servers, which means that each client receives a unique IP address. Service providers without this capability will allocate shared IP addresses. This means that if just one client has a problem with email deliverability and reputation, all the other clients on that IP address will be blocked. By allocating a unique address, EmailBureau is able to ensure that our clients enjoy some of the highest delivery rates in the marketplace.

EmailMonitor

EmailMonitor is a suite of tools designed to help our clients overcome the barriers which can prevent their emails from reaching the inbox. The EmailHygiene tool, for example, checks the validity of the client's data, conducting over 100 checks to search for common errors and typos. It then either fixes or removes any faulty email addresses.

MessageCheck analyses the copy and creative of the proposed email to identify any potential junk mail filter triggers, such as key words generally associated with spam. Other tools conduct checks with the major spam filter companies and ISPs to forewarn clients of problems.

Flexible solutions

To cater for clients with different needs, IPT Email Broadcasting offers two tiers of services. We can take the entire broadcasting process off the client's hands with our fully managed option, or we can provide the sophisticated software (eBizmailer) to enable them to control their own campaigns in-house.

Our fully managed campaign management solution is based upon some of the most advanced hardware and database technology platforms in the UK, and clients enjoy a range of benefits as standard. For example, their email can be personalised for each recipient, addressing them by name and including information such as an account number where relevant. We can even deliver a different version of the email to individuals based on their given or inferred preferences (known as 'dynamically generated content'). This technique can be used to powerful effect, for example, when writing to consumers in different regions. The subject line of the email might contain the name of their home town or district, whilst the body contains a special offer which is available locally. Alternatively, companies offering a range of different product lines might generate content relating to the product area last clicked by the user. For example, a recipient who last clicked to view homeware information would automatically receive an email featuring homewares.

IPT Email Broadcasting can also help clients to create more effective emails. EmailBureau has particular expertise in the design and development of HTML emails. Our experienced creative team will develop the client's copy and design to provide maximum results. We can also re-work existing emails, for example improving layout to boost click-through response.

Our clients need to measure the success of their email campaigns, and we provide them with the tools to do this. Once the broadcast has taken place, our software analyses each campaign, showing the client in real time how many emails have been opened and how many recipients have clicked on the links within the email. We also provide 'pass along tracking' so that clients can observe the actions of users and the paths they follow after clicking through from the email to the client's website. Running over HTTPS, the system is login and password-protected, displays results via user-friendly graphics, and enables clients to monitor their campaigns closely from their own desktops.

With detailed metrics at their fingertips, our clients can easily ascertain that they are achieving the return on investment they expect from their email campaigns. The Web Marketing Manager of TrekAmerica Travel Ltd comments, 'Since we started using EmailBureau, our delivery, open and clickthrough rates have increased significantly... Trek America is very happy with the results of our email marketing campaigns with EmailBureau.'

A future strategy

For 2007, IPT Email Broadcasting is developing a new email marketing consultancy service. **Intelligent Email** will draw upon the skills and experience of the team to fill a void which currently exists in the email marketing landscape by providing a 'one-stop shop' for solutions and advice.

Email Health Checks, strategic planning, new media buying, database building, project management and bespoke workshops and seminars are just some of the services which Intelligent Email will provide. Our goal is to provide our clients with **the best possible email marketing results**, irrespective of the email service providers they use, and to consolidate our position as industry experts on all aspects of email marketing.

IPT Financial

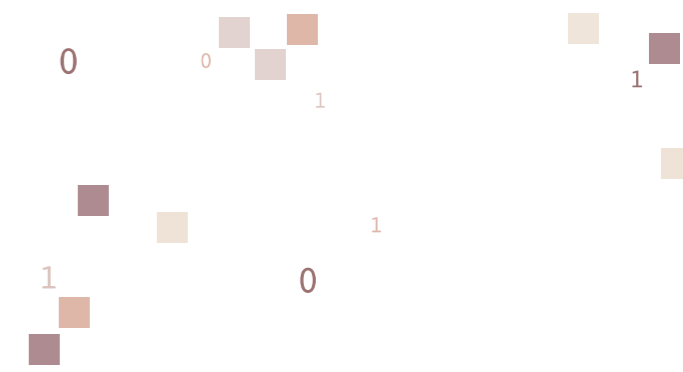
Marketers in the financial services industry operate in an environment which is very highly regulated. The Financial Services Authority (FSA) rules extend to every form of marketing activity, including web and email content. This means that marketers working in financial services have unique needs, and in order to provide a service to them it is essential to have a comprehensive understanding of the complex legislation and parameters within which they operate, along with an in-depth technical knowledge of the products and services they provide.

IPT has drawn together **a team of experts from around the financial services industry** to create a range of specialist solutions. The highly successful products and services from IPT's other divisions have been tailored and developed into new solutions which address the specific requirements of the financial services marketer. These include our unique websites, everyinvestor.co.uk, mymortgagekey.co.uk and mypropertyspy.co.uk, which are powered by the same sophisticated content management system that lies behind sites such as MyOffers.

Valuable resources for investors

A keystone within IPT Financial is the **EveryInvestor** website, with its audience of 1.1 million registered users. EveryInvestor Limited is an execution media only Independent Financial Adviser (IFA) authorised and regulated by the FSA (number 216815) and permitted to give advice to the public on financial products through its website.

EveryInvestor's website attracts consumers with an interest in every aspect of personal finance, from insurances of all types to mortgages and loans, and from bank accounts to stocks and shares. They discover a wealth of information and tips, and the **powerful tools** of our **Best Buy** tables, which provide at-a-glance comparisons between leading products in the user's area of interest.



Every week, EveryInvestor publishes two newsletters to help our users be smarter with their money. **MoneyMaker**, with 780,000 subscribers, provides tips and advice that can help readers save up to £4,500 per year. **TheShareWeekly** is the **UK's largest online share tipsheet**, with 45,000 free subscribers and 2,000 premium subscribers. At the time of writing, 98% of our live tips are in profit, and the top ten of our overall performers have made average gains of 367%.

Investing in online marketing

IPT Financial provides financial marketers with access to a **pool of consumers who have an expressed interest in financial products** and who have the characteristics that indicate they will be ideal customers. For example, at the time of writing we were able to select 800,000 home owners, 68,000 people with named stockbrokers and 210,000 investors who hold unit trusts from EveryInvestor's database. This data is available to our clients for rental as targeted lists of prospects for their campaigns.

Our websites and newsletters also offer the perfect environment for financial marketers to advertise their products or sponsor specialist areas. Banner advertisements can be strategically positioned across the EveryInvestor site, where they will be placed before the eyeballs of a receptive audience specifically searching for information about ways to save or invest their money.

EveryInvestor's Best Buy tables provide a **highly effective way to drive valuable traffic to our clients' websites**. 250,000 visitors per month are drawn to EveryInvestor by our blend of plain English advice and tips, and our tables of recommended products in all sectors of financial services have proved extremely popular. They are compiled by our experienced independent editorial team, and products are only included if we believe they offer excellent value for our users. We invite advertisers to promote relevant products alongside our tables of recommendations.

Sourcing sales leads that comply with the FSA regulations is a perennial issue for financial marketers, and once again EveryInvestor offers the solution. We identify people who are actively interested in our clients' products, and obtain their consent for our clients to contact them by telephone, email or post. We stream their details to the client in real time so that they can get in touch immediately. In this way we generate upwards of **20,000 high quality leads per month** for our clients, all of which are FSA compliant.

Media for mortgage leads

IPT Financial has two products designed to cater for the needs of mortgage lenders and brokers and insurance providers by providing them with valuable high quality sales leads.

MyMortgageKey (www.mymortgagekey.co.uk) is a website designed to unite mortgage seekers with a broker who can meet their specific needs. The site aims to educate its users in the fundamentals of mortgages, **de-mystifying the jargon** so that they can make informed decisions about their own needs. In this way we can guide them to approach the right mortgage brokers, avoiding wasted time and increasing the value of the leads we generate to our clients.

MyPropertySpy (www.mypropertyspy.co.uk) attracts users with an interest in the value of property, giving them a simple, free way to discover the sale prices achieved by homes in any postcode or district in England, Wales and Scotland since the year 2000. Although some users are simply curious to find out what their neighbour's house sold for, the majority are considering buying or selling property. This makes MyPropertySpy a rich source of mortgage leads and customers for buildings and contents insurance, and also an ideal place to advertise property for sale.

An online partnership

IPT Financial offers two key ways to bring together other companies in co-operative partnerships for mutual benefit.

Essentially similar to WebBrands (see above), **MoneyBrands** is a shared online promotion in which financial marketers can attract large volumes of registered users and increase traffic to their sites. 10,000 users per month are currently registering with participating brands.

Smart Quotes, a subsidiary company of IPT acquired in 2006, is an **affiliate network authorised and regulated by the FSA**. We offer financial product providers a channel whereby they can promote their products via affiliate websites. Affiliate sites are provided with comparison tools such as best buy tables and quotation engines, and these are populated with dynamically served content, ensuring that information about the products is always current and accurate.

Overall, IPT Financial represents the products from all of the other IPT divisions, tailored for the needs of financial marketers and accompanied by specialist advice from experts in the financial services industry.

IPT Market Research

The Internet has become the medium of choice in so many areas of our business and personal lives, so it is no surprise that market researchers have also started to explore the power of the online world and to use its new techniques alongside traditional methods.

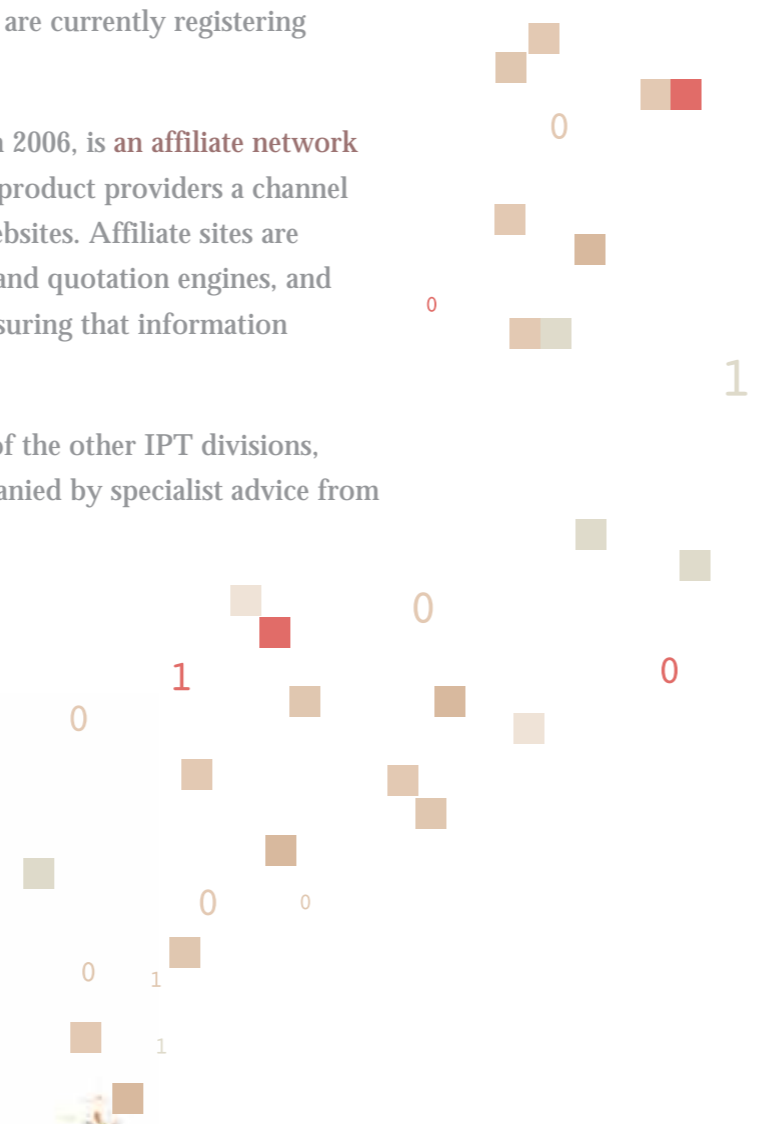
By 2006, IPT had a significant presence in the market research arena through **Internet Market Research Services (IMRS)**, offering researchers access to the **UK's largest online consumer panel** consisting of over 400,000 opted-in members. In 2007, IPT was delighted to acquire the respected market research brand **Tpoll Market Intelligence**, which now takes centre stage in this division of the company. Tpoll's experience and market research capabilities, in conjunction with the strengths of the IMRS panel and access to IPT's vast database, have enabled IPT to become a major player in the field of market research.

Innovative solutions for the digital age

We live in an age when the consumer has more power than ever before, and the wise business will listen carefully to its customers and respond quickly to their changing needs and expectations. IPT Market Research provides clients with a range of solutions that enables them to put customers at the heart of their business and to learn more about how to serve them effectively.

Traditionally, market researchers would use methods such as telephone surveys and focus groups to gather consumer feedback. These techniques are still just as valid today, but with the added bonus that recruiting panellists is much simpler using the resources of the internet. **IPT Market Research has access to over 4.5 million UK email addresses with permission to contact for market research purposes**, and we can rapidly call upon these people and create a reliable representative sample to fit each of our client's needs.

We can also help our clients to establish their own online panels, recruiting members of their own databases. We develop an online space for the panel, with similar branding to the client's website to give a sense of familiarity and reassurance to the users. Information about each panel member, such as reward and credit card data, can be drawn from the client's database and merged with the research findings to generate a detailed picture of what drives customers' behaviour.



IPT Market Research holds the UK's largest online consumer panel, with over 400,000 double opted-in members, and can offer clients **some of the fastest results in the marketplace** from surveys conducted via email. We also have a number of external panel partners, and we can source samples from these where appropriate. Our experienced consultants can advise clients on the most effective design for their questionnaires in the online medium, and can provide online real time reporting tools.

The real customer experience

One of the hardest kinds of market intelligence to obtain is a customer's-eye view of their experience whilst they are in the process of interacting with a business. **Tpoll Journey** provides a unique solution in the form of our questionnaire software, **qbuilder**, which enables our clients to metaphorically look over their customers' shoulders. Customers log their experiences during their journey through purchasing, customer care and beyond, providing **invaluable insights** into their feelings and attitudes and the factors that affect their decisions.

Sometimes simply asking customers for their views is not enough, and **The Stimulating World** has developed methods which enable customers to connect with their behaviour, thoughts and feelings towards brands. Using focus groups, interactive workshops, ethnography and Neuro Linguistic Programming techniques, we give our clients a deeper understanding of customer behaviour.

IMRS, meanwhile, offers another tool which provides a dynamic way for businesses to interact with their customers in the form of weblogs. **FocusBlog** provides the ability to watch consumers in action on the high street, equipped with digital cameras to record their purchasing decisions.

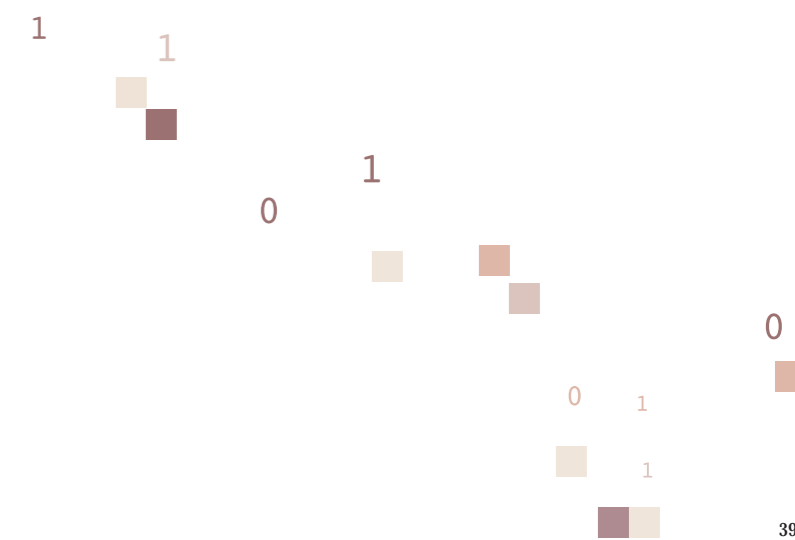
directexcellence is another member of the IPT Market Research division which specialises in delivering insights into customer experience. Working mainly with the insurance industry, **directexcellence** provides a regular 'mystery shopper' service to monitor the performance of call centre teams, plus website analysis, pricing comparisons and much more.

Keeping track of the competition

Email marketing is a relatively young and very rapidly growing medium, and marketers are on a steep learning curve. For our clients, discovering how their competitors are using email to communicate with both new and existing customers can give a valuable insight into the techniques that work well. However, no marketer has the time or resources to register with every similar company in the marketplace in order to receive their emails.

IPT Market Research provides the solution in the form of **EmailTracker**, the UK's first product of its kind. **EmailTracker** provides our clients with immediate access to **a comprehensive searchable archive of over 1.1 million emails**, with a further 50,000 added every month. 20 market sectors and 120 sub-categories are covered.

Each client nominates the competitors they wish to track, and we send them a daily alert when one of these organisations broadcasts an email. The White Company is one such client that has benefited: 'EmailTracker ensures we are up-to-date on all aspects of our competitors' email campaigns and allows us to stay ahead of the curve,' their Web Marketing Manager tells us.



A Talent for Success

The people behind IPT

Operating a successful company like IPT requires talented people with a broad range of skill-sets and experience.

As well as the full complement of resources that you might expect in any company, such as a sales force, marketing department, accounts team and IT support, we employ a number of specialists:

- To build, design and maintain our websites we have web architects, developers, database administrators, project managers and designers.
- For content we employ journalists, copywriters and researchers.
- Managing and maintaining our databases requires an experienced data production team of 15 staff.
- IPT's 13-strong email production team is responsible for preparing and mailing our clients' email campaigns.
- Our online marketing department of 8 people utilises an extensive knowledge of how to get the best results from the ever-changing landscape of the Internet.

IPT recognises and values its people, and is committed to making the company a great place to work.

Our staff are recruited by our in-house recruitment consultant and fully supported by our in-house HR and training resources. An initial induction programme can be followed by a number of courses, covering competences from sales techniques through to softer skills such as time management, objective setting or people management. All of these are conducted by our dedicated trainer at our own offices.

Our sales staff are also supported by a formal coaching programme, with the coach observing at client meetings and then providing a performance evaluation and feedback.

To minimise staff turnover, all of our managers are encouraged to provide succession planning for their teams. The senior staff of the future are then groomed and developed through appropriate training and coaching, so that they can acquire the necessary skills to step into a role when it becomes available. We provide the opportunity to practice these skills by giving such staff responsibility for special projects, wherever possible.

At IPT the working environment is fast-paced and challenging, but also vibrant and often fun. Managers take their staff on team-building events, and the company year features a number of social occasions, such as go-karting nights and a very popular subsidised annual ski trip.

Our people are a highly valued asset, and we are delighted to have such a diverse, talented and dedicated team. Without their skills the exceptional success of IPT to date would not have been possible, and we look forward to welcoming more enthusiastic and innovative professionals into our ever-growing team in the future.





Q&A



Chief Executive Officer Lionel Thain addresses some of the questions that you may have.

Q. In what ways does IPT succeed against its competitors?

A. Whilst IPT does have a number of competitors in each of the fields in which it operates, not one of them is able to offer the breadth of services that we provide. Our competitors are restricted to particular areas such as data rental or email broadcasting, but IPT is a 'one stop shop'. We can help our clients with every aspect of their online direct marketing strategy, from conducting market research through to building their database and much more.

In all of these areas we offer expertise founded on many years' experience, with each division being led by skilled experts who can provide clients with the kind of sound advice that multiplies the value of our services to them. This means that we are able to deliver market-leading products which often not only meet but exceed our clients' expectations – as well as fulfilling all their needs under one roof. Couple this with the exceptional size of our database, with 18.6 million registered users, and the long term relationships we hold with many key traffic sources such as MSN, AOL and Tiscali, and it becomes clear that IPT stands head and shoulders above the competition. Our portfolio of over 1,000 clients, which is peppered with blue chip household names, is further testament to this.

The success of our business in France has demonstrated that IPT's products and services have pan-European scalability, and I am confident that IPT is the number one player in online direct marketing in the UK and France – Europe's top two markets.

Q. What is the future for the online direct marketing arena in which IPT operates?

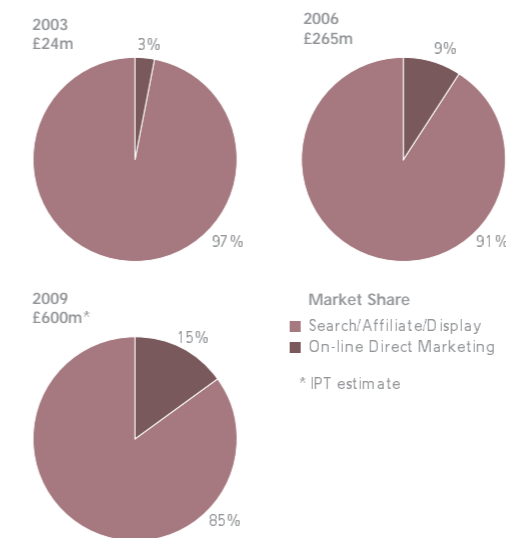
A. Ever-increasing internet usage and broadband penetrations mean that there is a continual impetus for marketers to adapt their strategy and embrace online direct marketing methods. The best way to reach consumers is through the media with which they feel most comfortable, and people are spending more and more time online. Consequently marketers are devoting an ever-growing share of their budgets to internet-based methods. In 2007, the European online advertising spend is forecast to reach £3,470 million, increasing by 18% from 2006 (source: Forrester Research, Inc / Interactive Advertising Bureau). This is coupled with an increasing focus on the importance of return on investment (ROI) amongst marketing professionals. Online marketing methods offer a high degree of accountability, with easily measurable results, and high levels of ROI. For example, an email broadcast can reach large numbers of customers at a fraction of the cost of an offline communication, and it is simple to observe precisely how many people are opening the mail, and how many are clicking through and making purchases. Furthermore, online marketing offers great flexibility, with the ability to adapt campaigns at the last minute in response to changes in market conditions or learnings from previous campaigns. With these factors in mind, clearly we can be very excited about the future of online direct marketing, both in the UK and worldwide. It is also fair to say that the only constant in this field is change. Technology is moving on rapidly, and to retain our market-leading position we will need to continue to think

innovatively and anticipate emerging opportunities. The exceptional skills and seemingly limitless enthusiasm of our team give me confidence that this is a challenge that IPT will embrace and achieve with ease.

Q. IPT has seen very impressive growth to date – is this sustainable for the future?

A. It is true that the rate of growth of marketing spend in the online medium as a whole is now slowing. Whilst, as stated above, growth of 18% is anticipated in 2007, this compares to increases of 35% in 2006 and 53% in 2005. However, I have very good reason to believe that the areas in which IPT operates will expand to form a greater proportion of the overall spend. The diagram below illustrates this:

Why is online direct marketing (ODM) growing so rapidly?



The diagram looks at spending on online advertising in the UK between 2003 and 2006, and projects the situation in 2009.

In 2003, we can see that spending on ODM represented just 3% of the total. The reason for this was the accessibility of the medium. Imagine a marketer who was just beginning to experiment within the online space and had £1 million to spend. It was easy to allocate this budget to search engine marketing, affiliate marketing and ad serving. It was not so easy to invest in ODM, since a marketer at this time was unlikely to have a database of millions of registered users – something that would immediately provide an effective communication channel. However, a few marketers had seen the light – particularly those who used the postal medium extensively. These pioneers had recognised the value of ODM – as indeed had the founders of IPT.

By 2006, ODM accounted for approximately 9% of the overall spend. This change had come about because many organisations had been building databases of prospects and customers during the intervening years, either on their own account or with the assistance of companies such as IPT. A company which might have had just 0.5 million registered users in 2003 is now likely to have a database of 2 million or more.

We believe the growth in databases will continue. Furthermore, careful testing and experimentation has shown that it is possible to contact these databases regularly with excellent results. Initially, marketers were reticent about mailing too frequently, fearing that recipients might become irritated and alienated. However, it has now been proved that, provided the right approach is used, a database can be mailed on a weekly basis or more without any detrimental effects.

Another factor is the low cost and excellent value obtained from ODM. For example, if you mail your file once weekly and achieve a 20% open rate, every five weeks you have effectively reached your entire audience at a very low cost. If you reached the same individuals via search, not only would you have paid a fee for each click but you would have no future access to these people. Building a database enables a marketer to develop deeper long-term relationships with their customers, encouraging brand loyalty and repeat business and providing opportunities for cross-selling. With these factors in mind, IPT predicts that ODM's growth will continue disproportionately to other forms of online advertising, until it forms around 15% of the market in 2009. I believe that IPT has all the necessary resources to take full advantage of this situation. Our goal now is to continue forming long-term partnerships with our clients, so that we can help them to develop an ODM strategy that works for them in this rapidly changing environment. We expect that the company's profits will continue to show robust growth in 2007 and beyond.

Q. What are your main challenges going forward?

A. Where IPT has led, others have followed, and competition is a fact of life for IPT. I take the view that imitation is the sincerest form of flattery, and the fact that other companies are offering similar services to ours simply helps to establish the concept of online direct marketing and bring it into the forefront of marketers' minds. Competition also encourages us to raise our own game and continue to innovate and lead the way.

In an ever-changing marketplace, of course there will be other hurdles that IPT will need to overcome. One factor is the attitude of consumers towards online direct marketing. The public are becoming much more knowledgeable about the usage of data, and some unfortunate incidences of data abuse by unscrupulous operators have made some people more reticent to give their details online. Our response is to champion the appropriate use of data, with better segmentation and careful precision targeting to ensure that people receive only the messages that really interest them, from senders to whom they have given permission for contact. Legislation is on our side here, and is now helping to boost consumer confidence. The Government has announced proposals to increase the penalties for misuse of data, with the threat of a jail term for those who illegally sell or use personal information, and we welcome this move.

We are careful to learn from every campaign, analysing the results and gathering feedback, then tailoring future campaigns accordingly. We are data specialists, offering advice and expertise. Recognising that we may not always hold the data that our clients require for very precise niche markets, we have established facilities whereby we can search the entire marketplace and help our clients easily source the supply they need (the efinity email data swapping co-operative, holistic's list broking division).

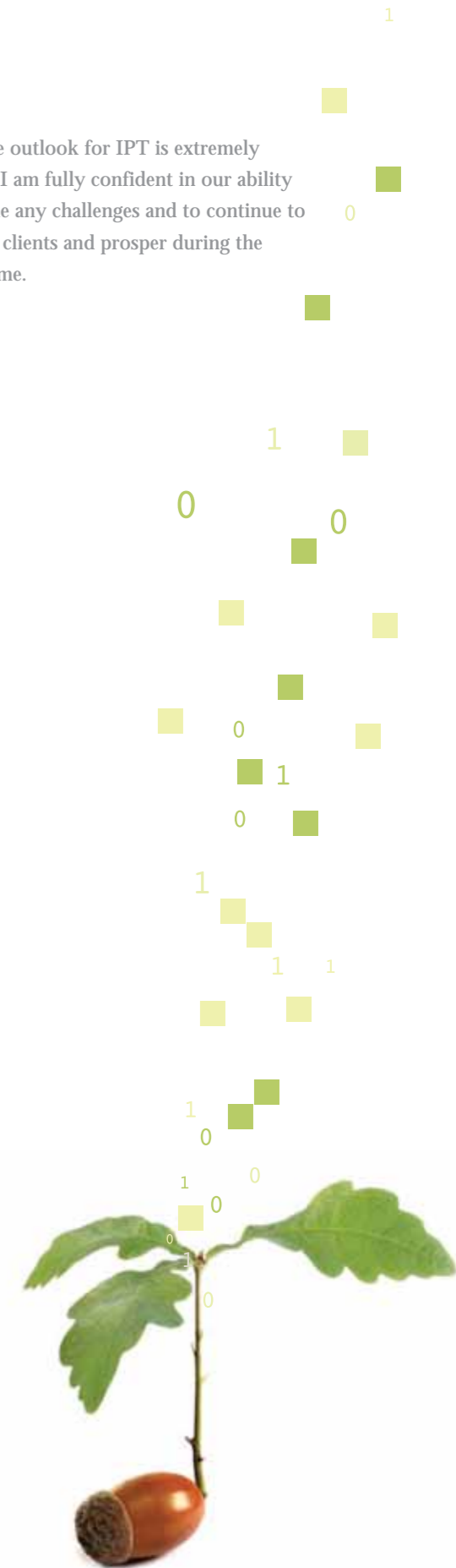
We are also working closely with our clients to help them understand their own data and use it more effectively. We can provide them with profiling services to discover the characteristics of their customers, and our Market Research division can help them to explore the fascinatingly different customer

behaviours which can apply when you use different approaches to the same individuals (email versus postal direct mail, for example). The way that marketers use data is undoubtedly changing, with a trend moving away from mass mailings and towards niche targeting using smaller, carefully selected sets of data. IPT's expertise means that we can lead the way for the industry to see the value of data as a tool for reaching the appropriate people.

There are many positive factors which will have an influence on IPT's future business. For example, the increased penetration of Broadband is making digital communication faster, more rewarding and stimulating for users, and easier for them to receive. In addition, the adoption of more flexible working practices has created a new generation of people who work from home or from multiple locations, taking their portable email addresses with them as their main method of communication. Increased environmental awareness has also influenced a move away from wasteful paper-based marketing methods and towards the 'carbon neutral' online medium.

IPT remains vigilant, observing changes in the patterns of Internet and email usage amongst consumers. We have noted that new generations of users are behaving differently, and we need to work harder to engage them and earn their trust. We have done this through creating niche websites such as DailyDietTracker, EveryInvestor and MyPropertySpy, through which we can build a relationship with our users. We are also helping our clients to use the exciting and growing medium of the online community to interact with their customers.

Overall, the outlook for IPT is extremely promising. I am fully confident in our ability to overcome any challenges and to continue to delight our clients and prosper during the years to come.



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