



PLACING & ADMISSION TO AIM

INTERACTIVE PROSPECT TARGETING HOLDINGS PLC

Nominated adviser & broker



Canaccord Capital (Europe) Limited

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action you should take, you should immediately seek your own personal advice from your stockbroker or other independent financial adviser authorised under the Financial Services and Markets Act 2000, who specialises in advising on the acquisition of shares and other securities.

24.11.04

This document, which comprises an admission document in relation to AIM drawn up in accordance with the AIM Rules, has been issued in connection with the admission of the entire issued and to be issued share capital of Interactive Prospect Targeting Holdings plc to trading on AIM. This document does not constitute a prospectus and a copy of its has not been, and will not be, delivered to the Registrar of Companies in England and Wales for registration under Rule 4(2) of the POS Regulations. This document contains no offer to the public within the meaning of Schedule 11 to the Financial Services and Markets Act 2000, the Companies Act 1985, the POS Regulations or otherwise.

The directors, whose names are set out on page 6 of this document, accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application will be made for the Ordinary Shares issued and to be issued pursuant to the Placing to be admitted, to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. The rules of AIM are less demanding than those of the Official List. The London Stock Exchange has not itself examined or approved the contents of this document.

For a discussion of risks and other facts that should be considered in connection with an investment in the Company, prospective investors should read the section entitled "Risk Factors" set out in Part II of this document.

It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence on 9 December 2004. The 6,636,915 Placing Shares will, on Admission, rank *pari passu* in all respects with the existing Ordinary Shares and will rank in full for all dividends and other distributions thereafter declared, made or paid on the ordinary share capital of the Company. The Placing Shares are not being made available to the public in conjunction with the Placing.

Interactive Prospect Targeting Holdings plc

(incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5173250)

Placing of 6,636,915 ordinary shares of 0.4p each at 68p per share

Application for admission to trading on AIM

**NOMINATED ADVISER AND BROKER
CANACCORD CAPITAL (EUROPE) LIMITED**

Share Capital Immediately Following the Placing and Admission

<i>Authorised</i>			<i>Issued and fully paid</i>	
Number	Amount		Number	Amount
50,000,000	£200,000	Ordinary Shares of 0.4p each	33,184,575	£132,738.30

Canaccord, which is regulated in the United Kingdom by The Financial Services Authority, will act as nominated adviser and broker to the Company in relation to the Placing, Admission and following Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Canaccord or for providing advice in relation to the matters contained in this document or any matter concerning the Placing or Admission. The responsibility of Canaccord as nominated adviser and broker to the Company after Admission will be owed solely to the London Stock Exchange.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, the Placing Shares in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in or into the United States of America, Canada, Japan, Australia, Ireland or South Africa. The Placing Shares have not been, and will not be registered under the United States Securities Act of 1933 (as amended) or under the applicable securities laws of Canada, Japan, Australia, Ireland or South Africa and, subject to certain exceptions, may not be offered for sale or subscription, or sold or subscribed, directly or indirectly, within the United States of America, Canada, Japan, Australia, Ireland or South Africa or to or by any national, resident or citizen of such countries.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

No person is authorised, in connection with the Placing, to give any information or make any representation other than as contained in this document and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or Canaccord or their respective directors or professional advisers.

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DEFINITIONS

The following definitions apply throughout this document unless otherwise stated or the context otherwise requires:

“Act”	the Companies Act 1985 (as amended)
“Admission”	the admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the rules for companies with a class of securities admitted to AIM and their nominated advisers governing the admission of and operation of AIM as in force at the date of this document issued by the London Stock Exchange
“Approved Scheme”	the Inland Revenue approved share option scheme adopted by IPT Limited on 7 February 2001
“Articles”	the Company’s articles of association
“Board” or “Directors”	the board of directors of the Company from time to time
“Canaccord”	Canaccord Capital (Europe) Limited
“Certificated Share”	a share in the capital of the Company that is not an Uncertificated Share
“CGT”	Capital Gains Tax
“City Code”	the City Code on Takeovers and Mergers
“Company” or “IPT”	Interactive Prospect Targeting Holdings plc a company incorporated in England and Wales with company number 5173250
“Combined Code”	the principles of good governance and code of practice prepared by the Committee on Corporate Governance chaired by Sir Ronald Hampel, published in June 1998 as amended from time to time
“CREST”	the Relevant System for the paperless settlement of share transfers and the holding of shares in uncertificated form in respect of which CRESTCo is the Operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/No. 3755)
“CVS”	the Corporate Venturing Scheme governed by the provisions of Schedule 15 to the Finance Act 2000
“Deloitte & Touche”	Deloitte & Touche LLP
“DMA UK”	the Direct Marketing Association UK
“DPA”	the Data Protection Act 1998
“EBT”	the Interactive Prospect Targeting Employee Benefit Trust
“EIS”	the Enterprise Investment Scheme governed by the provisions of Chapter III of Part VII of the Income and Corporation Taxes Act 1988
“Enlarged Share Capital”	the issued ordinary share capital of the Company following the Placing comprising the Existing Ordinary Shares and the Placing Shares
“Existing Ordinary Shares”	the 26,547,660 existing issued Ordinary Shares at the date of this document
“HTML”	HyperText Mark Up Language
“IPT Group” or “Group”	the Company and its subsidiaries and subsidiary undertakings as at the date of this document
“IPT Limited”	Interactive Prospect Targeting Limited (company number 3896907), a wholly owned subsidiary of the Company

“Key Managers”	Ivan Southall and Martin Kiersnowski
“London Stock Exchange”	London Stock Exchange plc
“Official List”	the official list of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 0.4p each in the capital of the Company
“Placing”	the conditional placing of the Placing Shares at the Placing Price subject to the terms and conditions of the Placing Agreement
“Placing Agreement”	the conditional agreement dated 3 December 2004 between the Company (1), Canaccord (2), Dawnay, Day Lander Limited (3), the Directors (4) and the Key Managers (5) relating to <i>inter alia</i> the Placing, particulars of which are set out in paragraph 10(a) of Part IV of this document
“Placing Price”	68p per Placing Share
“Placing Shares”	the 6,636,915 new Ordinary Shares to be issued pursuant to the Placing and Placing Share shall be construed accordingly
“POS Regulations”	The Public Offers of Securities Regulations 1995 (as amended)
“Register”	the register of members of the Company to be kept pursuant to the Act
“Relevant System”	has the meaning given in the CREST Regulations
“Shareholders”	the holders of Existing Ordinary Shares
“Share Option Schemes”	the Approved Scheme and the Unapproved Scheme.
“Statutes”	means the Act and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force affecting the Company
“UK” or “United Kingdom”	means the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the Financial Services Authority acting in its capacity as the competent authority for the purposes of section 72 of The Financial Services and Markets Act 2000
“Unapproved Scheme”	the Unapproved Share Option Scheme adopted by IPT Limited on 3 August 2000
“Uncertificated Share”	a share in the capital of the Company which is recorded on the Register as being held in uncertificated form and title to which may be transferred by means of a Relevant System
“VCT”	venture capital trust as defined in section 842AA of the Income and Corporation Taxes Act 1988

EXPECTED TIMETABLE

Admission effective and dealings commence in Ordinary Shares on AIM	9 December 2004
CREST Accounts credited	9 December 2004
Definitive share certificates despatched by	16 December 2004

PLACING STATISTICS

Placing Price	£0.68
Number of Existing Ordinary Shares	26,547,660
Number of Placing Shares	6,636,915
Number of Ordinary Shares in issue immediately following Admission	33,184,575
Number of Ordinary Shares under option immediately following Admission	1,322,550 ¹
Fully diluted share capital following the Placing ²	34,507,125
Percentage of Enlarged Share Capital being placed pursuant to the Placing	20%
Estimated proceeds of the Placing receivable by the Company after expenses	£3.9 million
Market capitalisation of the Company at the Placing Price following the Placing	£22.57 million

1 This figure excludes (i) options which were granted by the Company but which have subsequently lapsed or been cancelled and (ii) options which will be satisfied by the 2,815,470 Ordinary Shares held by the EBT which are included in the 33,184,575 Ordinary Shares in issue.

2 Fully diluted assumes the exercise of all outstanding share options which have not lapsed or been cancelled as more particularly described in paragraph 8 of Part IV.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Colin Thomas Lloyd (<i>Non-Executive Chairman</i>) Lionel William Thain (<i>Chief Executive Officer</i>) Eoin Stephen Ryan (<i>Chief Financial Officer</i>) David Elie Cicurel (<i>Non-Executive Director</i>) Barton Lee Faber (<i>Non-Executive Director</i>) all of: 30 Buckingham Gate, London SW1E 6NN
Company Secretary	Ivan Southall
Registered Office	30 Buckingham Gate London SW1E 6NN
Nominated Adviser and Broker	Canaccord Capital (Europe) Limited 1st Floor Brook House 27 Upper Brook Street London W1K 7QF
Auditors and Reporting Accountants	Deloitte & Touche LLP Abbots House Abbey Street Reading RG1 3BD
Solicitors to the Company	Hammonds 7 Devonshire Square Cutlers Gardens London EC2M 4YH
Solicitors to Canaccord	Berwin Leighton Paisner Adelaide House London Bridge London EC4R 9HA
Public Relations Advisers	Binns & Co PR Ltd 9th Floor City Point 1 Ropemaker Street London EC2Y 9HT
Registrars	Capita IRG plc The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

KEY INFORMATION

INTRODUCTION

IPT Limited was founded in 1999 by an experienced direct marketing management team. The IPT Group collects consumer data and communicates offers over the Internet. The IPT Group has both promoted and benefited from the shift in advertising expenditure from traditional media to digital channels which offer advertisers significantly lower costs and faster execution. The IPT Group has been profitable since 2002, enjoying 90% aggregate compound revenue growth measured over the first 4 years of trading.

THE BUSINESS

The IPT Group has created and maintains a range of websites to collect consumer data, primarily via online questionnaires. Since inception, the IPT Group has processed information from in excess of 72 million such questionnaires. The IPT Group has formed a number of online marketing partnerships which generate for the IPT Group an average of over 100,000 new registrations from consumers every month. Data collected enables the IPT Group and its clients to send targeted offers by email, post, telephone and SMS.

The IPT Group has also developed a range of complementary online marketing services including email delivery, database and microsite management and market research.

CURRENT TRADING AND PROSPECTS

The IPT Group's client base has grown consistently. Between 2002 and the end of June 2004, the IPT Group's client base grew by 63%. Clients have been drawn primarily from the direct marketing sector. Email marketing has become an integral part of the direct marketing media mix and continues to attract increasing levels of spend because of its advantages over paper-based solutions.

As the IPT Group's portfolio of products and clients grows, the Directors believe that the opportunities for cross-selling to existing clients will improve. The IPT Group has a strategic focus on consolidating its position as reportedly, the UK's largest source of consumer data for multi-channel marketing by or on behalf of clients. The IPT Group aims to increase the size and depth of its databases which the Directors believe will translate into higher value contracts.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is raising £3.9 million (net of expenses) by way of the Placing. These proceeds will be used:

- (i) To facilitate greater organic growth in two areas:
 - to increase the IPT Group's client base and appeal by expanding its existing databases. The IPT Group wants to attract more traffic to its sites and enter into an increased number of arrangements with channel partners to source traffic from the websites of those channel partners. Developing new channel partners, expanding current ones and providing financial incentives to those channel partners to drive traffic to the Group's websites will require additional cash investment in advance of increased revenues.
 - the IPT Group also intends to increase its activity in the database management market. This is forecast to be capital intensive as larger servers are required to handle the processing of greater data volumes.
- (ii) To invest in information technology security and back-up systems.
- (iii) For acquisition opportunities that may arise.

PART I

INFORMATION ON THE GROUP

INTRODUCTION

The IPT Group is reportedly the UK's largest source of consumer data for multi-channel marketing by or on behalf of clients. The IPT Group uses the Internet to create databases of information and to date has successfully processed in excess of 72 million web-based questionnaires. To date, the IPT Group has received in excess of 5.9 million registrations from its portfolio of websites. Growth in the Group's business has been fuelled by a fundamental shift within the direct marketing industry from paper-based to digital media. The Directors believe that this increase in expenditure online is set to continue and the IPT Group aims to consolidate and leverage its current market position by growing its databases and expanding its service capabilities.

IPT was formed by an experienced management team with 85 years combined service in direct marketing. The IPT Group has been profitable since 2002 and has enjoyed 90% aggregate compound revenue growth measured over the first 4 years of trading.

BUSINESS OVERVIEW

The IPT Group operates primarily within the direct marketing sector collecting consumer information for a wide range of clients (including a number of household names) who purchase data for marketing by email, post, telephone or SMS.

Data is collected by the IPT Group via online questionnaires which are hosted across a range of IPT Group-owned websites. Traffic to these sites is derived from a large number of online marketing partners, search engine marketing and media publicity, generating an average of over 100,000 new registrations from consumers every month. The data is collected, collated and sold to clients direct and is also added to the IPT Group's main databases which are used on behalf of clients for approximately 80 marketing campaigns per month.

The IPT Group operates under four divisions: IPT Customer Acquisition, IPT Direct, IPT Services and IPT Innovation. The Company also operates through its wholly owned subsidiary Newsletters On-Line Limited.

IPT Customer Acquisition delivers approximately 40 bespoke prospect databases to clients every month from up to 3 million questionnaires completed online on the IPT Group websites. Proprietary websites include www.MyOffers.co.uk, www.QuizPlayer.co.uk and www.ConsumerHouse.co.uk.

IPT Direct rents data to clients for single campaigns by email, post, SMS or telephone. The data is sourced from Group products including OK-mail, CPR Centre and IPT Postal.

IPT Services offers solutions for clients wishing to outsource their email delivery, database management or online research. The division's EmailBureau sends an average of over 30 million email messages per month both on behalf of clients and for the IPT Group. Other products include IMRS (Internet Market Research Services), EmailMonitor, Microsite Services and Database Management Services.

IPT Innovation is the IPT Group's research and development division, exploring new ways of collecting data for marketing applications. Current web-based products in development include www.Medictra.com and www.PayFinder.com.

Newsletters On-Line Limited operates through its trading subsidiary EveryInvestor Limited and produces two regular email newsletters to subscribers: "TheInvestorMonthly" and "TheShareWeekly".

HISTORY AND BACKGROUND

Since its formation in 1999, the Directors believe that the IPT Group has led the UK direct marketing industry in the development and provision of data-driven opted-in email marketing services. The IPT Group is a pioneer of permission or opted-in email marketing and has launched a range of successful complementary products utilising the Internet medium.

IPT launched its first website www.MyOffers.co.uk in early 2000 and now maintains 26 websites (including microsites), 15 of them for clients.

The IPT Group currently employs approximately 110 people, including 2 executive directors and engages the services of 3 non-executive directors. Its business is located in London, England, with

outsourced resources in Bristol, England and Manila in the Philippines. IPT is a member of DMA UK and was a founder member of the Email Marketing Association UK (now part of DMA UK).

BUSINESS MODEL

1. IPT Customer Acquisition

The IPT Customer Acquisition division uses its suite of consumer websites to build databases of prospective customers for its clients. The total number of registered users of the websites currently stands at 2.8 million and is growing at an average rate of over 100,000 new registered users per month.

The IPT Group collects prospect data from site visitors by offering rewards in return for answering online questionnaires. This enables the IPT Group to build a detailed profile of its registered users, which can then be used by the Group and its clients.

The questionnaires are tailored to the client's requirements, ensuring that the prospect data that the IPT Group collects is relevant and will offer optimum value. Clients receive details of prospective customers interested in their products or services, together with permission to contact them via email, post, telephone or SMS.

The IPT Group's consumer websites all offer a slightly different user experience and incentive to appeal to various online consumers. *MyOffers* gives away over £200,000 worth of prizes per year through its free prize draw offers; *ConsumerHouse* features offers, discounts and free samples and *QuizPlayer* hosts general knowledge and trivia quizzes which users are incentivised to complete with the offer of prizes.

Consumer visits to the IPT Group's websites number an average of over 1.5 million visits per month, resulting in the completion of questionnaires which are then used to construct prospect databases of up to 50,000 responses per client per month. The user base has been built on traffic from major Internet portals, service providers and a number of niche web sites with whom the IPT Group has contractual arrangements.

The IPT Group's data collection incorporates opt-in consent at the point of registration when consumers give their consent to receiving email offers from the relevant member of the IPT Group and its clients. By sponsoring their own branded questionnaires on IPT Group websites, clients can collect specific data relevant to their particular marketing strategy.

The IPT Customer Acquisition websites are:

<http://www.MyOffers.co.uk>

The number of users makes *MyOffers* the UK's leading prize draw website, presenting users with the chance to win many prizes every year in free prize draws, in return for completing simple and quick self-profiling questionnaires. Prizes on offer include cars, holidays, consumer goods and cash.

The Directors believe *MyOffers* is one of the foremost suppliers of email prospect databases in the UK.

<http://www.ConsumerHouse.co.uk>

ConsumerHouse provides users with an alternative platform to *MyOffers* to discover offers and win rewards via a virtual 3D house environment.

<http://www.QuizPlayer.co.uk>

QuizPlayer was launched in 2001 and now over one hundred thousand quizzes are played on it each month with an average session time of 25 minutes.

The IPT Group has recently launched *Quizplayer* as an "own branded" product to assist clients in collecting data on their own users, and providing them with integrated email direct marketing campaigns. This has allowed it to become a viable commercial platform for a number of IPT Group's clients who enjoy the benefits of bespoke data capture, viral marketing and increased repeat visits to the hosting site.

Revenue Model

Clients pay for data generated by the IPT Group either on a cost per item of data basis or by purchasing a time based licence that allows them to receive all the data collected during the time period of the licence.

2. IPT Direct

The IPT Direct division, a source of opted-in email addresses, recently collected postal addresses and online registrations, maintains databases of over 3 million unique names and has access to over 7 million opted-in email addresses from third party databases. IPT Direct's databases have multiple fields and are therefore highly selectable.

At the core of IPT Direct's acquisition of data is *OK-mail*, www.ok-mail.co.uk. The Directors believe that *OK-mail* is one of the UK's prime sources of opted-in data collected via the web, providing highly selectable databases from which clients can rent data for their direct marketing campaigns.

Relative to traditional direct marketing techniques, IPT Direct provides a fast, low cost and more accurate method of targeting consumers via its opt-in databases with consent for email, postal, telephone and SMS communication. Through its Cost Per Registration Centre, IPT Direct also offers selected clients the opportunity to gain online registrations on a risk-free cost per registration basis.

Email Targeting

IPT Direct offers an email data list with over 900 separate interest categories. Email marketing with data acquired through OK-mail works effectively because the consumer has opted-in to receive information and offers about those subjects that are relevant to them. Email recipients can easily identify the sender and amend their preferences or unsubscribe at any time.

Postal Targeting

IPT Direct has built a database of 1.5 million names and addresses for direct postal mail targeting featuring 900 different lifestyle selections and other demographic details. The Directors believe that data collected online is more up to date and accurate than traditional methods of collecting data. The Group's postal database is growing with an average of over 100,000 new records being added every month.

Other benefits of collecting data online are that the IPT Group is able to offer its direct marketing clients a different consumer profile from direct postal mail lists and is able to combine email communications such as teasers or reminders in conjunction with direct postal mail activity.

Revenue Model

IPT Direct charges clients for data supplied calculated on a cost per record for a single communication. Premium rates are charged for additional communications, and in certain circumstances licences may be granted which allow clients to communicate with prospects an agreed number of times over a fixed time period.

Cost Per Registration (CPR) Centre

IPT Direct's CPR Centre offers a bespoke service to generate online registrations for clients, on a cost per registration basis. Its philosophy is to work with a select group of strategic clients with the object of delivering the best results in the email market place.

In order to harness maximum volumes of online traffic for its clients, CPR Centre provides services which include the creation, placement and tracking of banners, emails, interstitials and other promotional links within the client's own website. It also designs and hosts microsites that can accept registrations directed from a variety of channel partners.

CPR Centre now generates over 100,000 registrations per month for key clients. In the last twelve months over 1 million new registrations have been generated by the CPR Centre for its clients.

Revenue Model

CPR Centre charges its client on a cost per action basis which may be the act of clicking through to a client website, completing a client registration or making a purchase. Rates charged vary according to the action required from the prospect and the likely value of that action to IPT Group's customer.

3. IPT Services

IPT Services aims to deliver low cost, high specification email marketing and database solutions, including email campaign management, microsite design and hosting and online market research to clients.

Email marketing is now an established and respected marketing communications tool, proven across many industry sectors and applied both to customer communication and customer acquisition strategies. To conduct email marketing effectively requires specialist skills and technology and is often difficult to accomplish in-house.

Emailbureau

IPT Services offers clients an email campaign management service through Emailbureau. All client campaigns are tested across multiple Internet service providers and emails are sent using industry standard, multi-part MIME (Multipurpose Internet Mail Extensions) to ensure that the appropriate format (text, rich text or HTML) reaches its targets' inboxes.

Emailbureau's products include *EmailMonitor*, a complementary suite of 4 services designed to maximise the deliverability of emails and enhance the performance of client marketing campaigns. *EmailMonitor* aims to get client messages to their target audiences first time, thereby reducing costs, increasing revenue and building stronger relationships with service providers. The *EmailMonitor* services are:

- *EmailHygiene* corrects poor quality addresses and removes unusable accounts to reduce "bounce" and keep clients in favour with service providers
- *MailBoxMonitor* brings real-time delivery updates from the top service providers, so clients can track the status of campaigns and identify delivery problems
- *MessageCheck* looks for common service providers filter triggers within client creatives and highlights problem areas for correction to avoid unnecessary 'junk mail' blocking
- *IPBlockAlert* tests IP addresses against major 'junk mail' block companies to confirm that client mailings are deliverable.

Revenue Model

Email broadcasting is charged at a rate per email sent. Contracts with clients are typically for a period of one year with automatic renewal unless cancelled.

Internet Market Research Services (IMRS)

The www.imrs.co.uk website provides brand owners and advertising agencies with the opportunity to collect in-depth, specific feedback from consumers about their brand, product or media strategy with turnaround times of 2 working days from receipt of a client brief. To date IMRS has built a panel of over 200,000 voluntary members who have registered to complete research surveys.

Revenue Model

Clients are typically charged for the number of answers supplied to the questions they set.

Microsite Services

The IPT Group has been building and hosting data capture websites for 4 years, generating over 5.4 million registrations in the process. This technology and expertise is now available to clients as an online marketing service provided by Microsite Services. Microsite Services designs, builds and hosts a client's landing page or microsite, which is a reduced functionality website, focused on the acquisition of specific data that clients require. Online traffic to the microsite is driven both from the IPT Group websites and its extensive partner network.

Revenue Model

Clients are usually charged an initial fee for the creation of the microsite and an additional annual maintenance fee.

Database Management Service

The IPT Group's Database Management Service aims to help clients source, enhance and segment their data assets through the provision of tools, expertise and techniques to improve the integrity of their databases.

Revenue Model

Clients are charged for the initial import of the database that usually includes cleaning and improving the quality of the client's original data. Annual charges are levied for maintenance with additional charges being made for processing additional data and providing client outputs.

4. IPT Innovation

The IPT Group through the IPT Innovation division is constantly searching for new and innovative platforms to engage consumers, capture prospect data and enable clients to target and attract new customers.

The IPT Innovation division contains a range of products. These are new websites or websites that have only recently been launched and are very much in their infancy. The following websites are currently being rolled out, with others being developed:–

<http://www.PayFinder.com>

PayFinder enables its users to compare their salary to that of their colleagues or to people in similar jobs in other companies in their region.

<http://www.medictra.com>.

Medictra is a healthcare platform, for communication between the public, medical professionals and the pharmaceutical industry. It invites members to share details of their ailments, therapies and experiences, in return for a range of information-based benefits within an online community.

5. Newsletters On-Line Limited

Through Newsletters On-Line Limited's wholly owned trading subsidiary, EveryInvestor Limited, launched in August 2002, subscribers are given independent recommendations and advice on buying and selling financial products and stocks. This is delivered via two newsletters, "TheInvestorMonthly" and "TheShareWeekly" and at the website <http://www.everyinvestor.co.uk>. EveryInvestor Limited is regulated by the Financial Services Authority.

TheInvestorMonthly aims to provide positive, easy to read advice and information to registered subscribers on insurance policies, credit cards, mortgages, unit trusts and savings and investment plans.

The ShareWeekly is an online tipsheet that gives approximately 100 tips per year to registered subscribers thereby providing a platform which is of interest to those entities promoting investment and savings products.

Revenue Model

With over 400,000 registered subscribers to financially based newsletters, EveryInvestor Limited provides a highly targeted audience for list rental both for email and postal communication. The newsletters themselves also provide a vehicle for online advertising through banners and sponsorship.

OVERVIEW OF THE MARKETPLACE

The IPT Group operates in two overlapping advertising marketplaces: direct marketing and online marketing.

Both of these marketing sectors have been exhibiting strong growth driven largely by the increasing importance of measuring return on investment on marketing spend. Online budgets are growing faster than any other marketing sector with Internet and direct marketing the only sectors having bucked the recent downward trend in marketing spend.

According to the DMA UK Census 2002-2003, direct marketing expenditure stood at £11.85 billion in 2002. Over the period 1994 to 2002, TV advertising spend grew 49.7%, and total advertising spend grew 65% while direct mail spend grew 163% (Advertising Association).

Figures from the DMA UK Census 2002-2003 show that spending on direct mail in 2002 rose by 6% to £2.47 billion. According to the Advertising Association, this put direct mail into third place on the list of most advertising expenditure generated, after television and regional newspapers.

The growth in online advertising and marketing has been fuelled by increasing Internet penetration and usage. New technology in the form of broadband connectivity is improving the user experience.

There are an estimated 32.4 million Internet users in the UK and it is reported that 31% of users have high-speed Internet access. The take-up of broadband is increasing in line with price competition. The European online population stands at 39% of adults, double the number in 1999 and it is predicted that the figure will rise to 67% by 2006 (Forrester (February 2002)).

As reported in eMarketer (February 2004), according to Continental Research (February 2004), 13.8 million people have transacted online in the UK. According to market research, IMRG (Internet

Media in Retail Group) reported a 70% increase in online sales at the end of 2003 and estimated an online sales value of £17 billion to the end of 2004 rising to £80 billion by 2009.

In media terms, the average Internet user now spends more time online than watching TV (Overture (October 2003) reporting on NOP, an online market research organisation). The Digital Bulletin (December 2003) reported that research by Millward Brown for the European Interactive Advertising Association states that at 10% of European media consumption the Internet has overtaken magazines (8%) and is closing on newspapers (13%).

According to the Interactive Advertising Bureau (IAB) as reported in The Digital Bulletin (February 2004), at £151.6 million, Internet advertising accounted for 2% of total advertising spend in the first half of 2003, (compared to 1% for cinema) — an 85% growth rate year on year. In addition, it is reported that the IAB forecast online advertising to account for 4% of total advertising spend by 2007.

Email marketing in particular has recently benefited from the new consumer protection legislation resulting from the EU Directive on Privacy and Electronic Communications. The new law, which came into force in the UK on 11 December 2003, makes it illegal to send unsolicited email messages to consumers unless they have previously transacted with the sender. The enactment of the legislation has put an end to the period of uncertainty prior to 11 December 2003 over how UK legislation would interpret the meaning of ‘prior consent’ for unsolicited email marketing communications under the EU Directive on Privacy and Electronic Communications.

The Directors believe that the IPT Group is at the forefront of ‘permission’ marketing whilst a number of its competitors have built up databases using ‘opt-out’ permissions. Consequently, the IPT Group will not need to rebuild its database or change the way it collects data to comply with UK legislation.

BENEFITS OF EMAIL MARKETING

The Directors believe that the use of email offers significant benefits to direct marketers in terms of data and communication.

As there is no need for manual data capture, data can be collected online more accurately and more quickly than offline and in addition digital formats allow outputs in a fraction of the time taken traditionally.

Email is a faster and more flexible communication channel than postal direct mail, and allows personalised messages to be delivered for approximately 1p each by IPT Group as opposed to 50p or more with postal direct mail. Campaigns can be executed in days rather than weeks or months, and results presented for analysis within hours.

The Directors believe that the media trends outlined above will have a favourable impact on email marketing leading to increased demand for email data and services.

COMPETITIVE ENVIRONMENT

The Directors believe that the IPT Group has no single competitor across all of its products and services.

The IPT Customer Acquisition division was launched with *MyOffers* in March 2000 and appealed to direct marketers and went on to build a client base including a number of household names. Historically there have been very few competitors in this sector. The Directors believe that the only significant competitor is Chooseprize operated by PDV Ltd (“PDV”).

In terms of IPT Direct, the number of companies offering email lists has recently increased, notably with the entry of the traditional lifestyle data businesses such as Experian, Claritas and Consodata into the email sector. The Directors believe that the IPT Group has significant early advantage when it comes to volume of data. PDV and themutual.net are seen by the Directors as the two main competitors together with Electronic Direct Response plc who is an email list broker.

The Directors believe that the IPT Direct’s postal database competes with the established players in terms of volumes of fresh data. Based on the Directors’ market experience, over recent years the lifestyle data owners have scaled back their data acquisition programmes, preferring to concentrate on remailing existing records. Considerable consolidation is taking place in this market with Axcium’s acquisition and merging of two of the biggest suppliers, Claritas and Consodata. The Directors believe that such consolidation will create less choice for customers, which IPT Direct hopes to take advantage of by increasing its market share.

IPT Direct's CPR Centre operates in a highly competitive environment, featuring established performance-based advertising networks such as DGM (Deal Group Media), ValueClick, Advertising.com and Tradedoubler as well as email list owners including PDV, Win4Now, themutual.net and LoopyLotto. The IPT Group's strategy is to accept only a limited number of advertisers, for whom it aims to become a major long-term supplier rather than emailing indiscriminately. Frequently the IPT Group's CPR Centre service includes the creation and hosting of microsites with a view to enhancing the collection of data and registrations for clients.

IPT Services' *EmailBureau* service was launched into a highly competitive marketplace with a low-cost offering that foreshadowed inevitable price commoditisation. Moreover, the Directors believe that many of the longer established email broadcast companies such as Digital Impact Inc., Frontwire Ltd, e-Circle AG and Mailtrack Limited are no longer direct competitors, and EmailBureau now competes head on with a smaller number of suppliers such as ERM Limited, Bluestreak UK Ltd, Xpedite (UK) Ltd and EmailVision (UK) Ltd. Another competitor, US-based CheetahMail Inc., was acquired by Experian in March this year. IPT Group's strategy for *EmailBureau* is to build up a pan-European client base.

IPT Services' market research business (IMRS) has seen sustained growth in revenue this year. The Directors believe that it is difficult for competitors to match because of the number of its voluntary panel members. The Directors believe that the closest direct competitor is yougov.com.

CURRENT TRADING AND PROSPECTS

The trading results for the first half year represented a 28% increase in revenue on the previous half.

The IPT Group's client base has grown consistently. Between 2002 and 2003, the IPT Group's client base grew 54%. Clients have been drawn primarily from the consumer marketing sector and include both direct clients and their media agencies.

Email marketing has become an integral part of the direct marketing media mix and continues to attract increasing levels of spend because of its advantages over paper-based solutions.

The IPT Group's new service-based products such as *EmailBureau* and IMRS have expanded the IPT Group's client base beyond the provision of data and lists and the Directors believe that the client base will continue to exhibit strong growth with the addition of new clients and the provision of new products to existing clients. It is intended that these products will also spearhead business expansion of the IPT Group outside the UK because the nature of these services allows them to be conducted from a UK base.

The Directors believe that, as the IPT Group's portfolio of products and clients' grows, the opportunities for cross-selling to existing clients will gain importance. The IPT Group aims to increase the size and depth of its databases which the Directors believe will translate into higher value contracts.

DIRECTORS AND SENIOR MANAGEMENT

Directors

Lionel Thain — Chief Executive Officer (aged 43)

Lionel is a co-founder of the IPT Group and, with over fifteen years experience in direct marketing, brings a wealth of insight and industry knowledge to the Company. In 1993 Lionel was appointed Managing Director of I.C.D. Marketing Services Limited, a subsidiary of International Communication and Data plc ("ICD"), one of the largest lifestyle database companies in the UK, having joined the company as Sales and Marketing Director in 1982. R.R. Donnelley and Sons Company acquired ICD in 1995 and integrated it into Metromail Corporation. ("Metromail") its direct marketing subsidiary. From 1995 to 1998 Lionel developed the ICD business rapidly, introducing the first UK national mailing campaign and building the lifestyle database to 6.4 million households, the largest in the UK. In 1997 ICD reported profits of £1.8 million on sales of £14.9 million. Lionel also had responsibility for overseas development at Metromail (Europe and Australia). In partnership with PMP Communications Pty, he successfully launched the first lifestyle data business in Australia (Pacific CDL), and he was also responsible for exploiting opportunities in France and Germany. He left ICD following the acquisition of Metromail by Great Universal Stores plc ("GUS") in 1998.

Eoin Ryan ACA — Chief Financial Officer (aged 35)

Eoin is responsible for the finance function. He joined the IPT Group in 2000 from National Car Parks Ltd (“NCP”) where he was Finance Planning and Analysis Manager. At NCP he set up the company’s planning and analysis function and developed it into the core finance reporting unit leading a number of business developments and joint venture projects. Prior to his work at NCP Eoin spent two years at ICD, beginning in 1996, where he had responsibility for financial planning and analysis and assisted the management team in exploiting opportunities in France and Australia. Eoin qualified as a Chartered Accountant with Deloitte & Touche in 1992 and previously worked with the Independent News & Media Group in Dublin.

Colin Lloyd — Non-Executive Chairman (aged 62)

Colin founded KLP Group plc which listed on the London Stock Market in 1983. In 1990 KLP Group plc was acquired by RSCG SA and Colin became Chairman of RSCG UK Ltd and President of Marketing Services of RSCG SA. In 1993 he was appointed the Chief Executive of the Direct Marketing Association (DMA) and subsequently its President. Previous positions include Vice President of the Federation of Direct Marketing (Brussels), President of the International Federation of Direct Marketing Associations, a Council Member of the Advertising Association, and a Director of the Advertising Standards Board of Finance. He is a Fellow of the Institute of Sales Promotion (“ISP”), in the Hall of Fame of the Marketing Agencies Association Worldwide and on the Roll of Honour of DMA. He is now an independent director of companies in the marketing and technology industries and President of the ISP.

David Cicurel — Non-Executive Director (aged 55)

David is CEO of Judges Capital plc, an AIM vehicle for active investment in undervalued quoted companies. Having spent much of his working life as a turnaround specialist, he has been responsible for a number of corporate recovery exercises including two UK public companies, International Media Communications plc (later Continental Foods) and ICD where he helped groom the company for sale. As Chairman of ICD from 1992 to 1995 he has gained exposure to IPT’s management team and business environment.

Barton Faber — Non-Executive Director (age 57)

Barton is a limited partner in Atrium Venture Partners L.P., a venture capital fund, managed by Atrium Capital Corporation, which focuses on the information management industry. Barton participates in the investment decisions of Atrium Ventures LLC, the general partner of Atrium Venture Partners L.P. In 1995, he became Chairman of Metromail and following its demerger from R R Donnelley & Sons Company and initial public offering in 1996, he actively directed Metromail until its sale to GUS for \$910 million in a cash transaction in 1998. Barton joined R.R. Donnelley & Sons Company in 1985 and was president of the company’s Information Resources from 1989 to 1995. Barton currently serves on the board of directors of Document Sciences Corporation, Inc., Looking Glass, Inc. and Intervisual Communications, Inc.. He attended Arizona State University for his undergraduate studies and received his MBA in 1971 from New York University.

Senior Management

Martin Kiersnowski — Chief Operations Officer (aged 49)

Martin, also a co-founder of the IPT Group, commenced his career in direct marketing in 1977 at IBIS Information Services (subsequently purchased by international list brokers Mardev), where he developed a co-operative mailing service and also established the company’s New York office. In 1986 he joined EMAP plc as Marketing Manager for EMAP Mainline, a division specialising in providing information and entertainment services for consumers using premium rate telephone technology. He joined ICD in 1988 to launch the company’s lifestyle survey business and rapidly developed it into a market leader in the UK. In 1996 he was appointed Managing Director of ICD Surveys a division of ICD and oversaw the implementation of the company’s programme of three national surveys supported by TV advertising (total capital expenditure £18 million). At ICD, Martin also managed a test survey programme in France and was responsible for the company’s ventures in Germany and Australia. In July 2001 he was appointed co-chairman of EMMA (the Email Marketing Association).

Dermot Skinner — IT Production Director (aged 44)

Dermot has responsibility for the technical, operational and data departments. He has over 13 years experience in database management and is responsible for the development, management and manipulation of data including client database management, output and email broadcasting. Dermot

joined the Group from ICD in 2000, where he was responsible for the IT department and the database management and production of ICD's lifestyle database of over 11 million individuals. Dermot also managed the creation and infrastructure of an equivalent database in Australia as part of ICD's joint venture with Pacific CDL. Following the acquisition of Metromail by GUS, he was responsible in incorporating ICD's Lifestyle database with Experian's Marketing Services Chorus database in 1999.

Ivan Southall — Company Secretary and Commercial Director (aged 57)

Ivan has responsibility for the development of non-core revenue lines, contractual and compliance matters, and the development of new products and is also a co-founder of IPT. Ivan joined the Company from ICD where he was Managing Director of ICD Value Added Services, the division responsible for developing commercial partnerships to exploit the database assets of ICD. Ivan is a Chartered Accountant, and prior to ICD he was Company Secretary of The Creative Service Limited. In 1987 this company was acquired by ICD and he became ICD's Company Secretary in 1988.

Daniel Unger — Consultant (aged 55)

Until recently, Daniel was a non-executive director of the Group having served as its founding Chairman until 2002. His primary background and interests are in the areas of feature film production, financing and library sales. His career included the founding and the early years of operating Kall Kwik Printing (UK) Ltd, the high street print shop franchisor. He was the founder and Chairman of Publishing Holdings plc, a magazine and newsletter publisher that later evolved to become ICD.

REASONS FOR THE PLACING AND ADMISSION AND USE OF PROCEEDS

IPT is seeking admission of the Ordinary Shares to trading on AIM in order to create a public market in the Ordinary Shares, to raise its profile and status, to enable employees to be incentivised by the grant of options in publicly traded shares and to provide access to capital.

The Directors believe that the increased financial resources and enhanced profile of the Company within the market place will further enable the IPT Group to develop and grow its business.

The Company proposes to issue the Placing Shares at the Placing Price to raise approximately £3.9 million (net of expenses) which will represent 20 per cent of the Enlarged Share Capital. These proceeds will be used:

- (i) to facilitate greater organic growth in two areas:
 - (a) to increase the IPT Group's client base and appeal by expanding its existing databases. The IPT Group wants to attract more traffic to its sites and enter into an increased number of arrangements with channel partners to source traffic from the websites of those channel partners. Developing new channel partners, expanding current ones and providing financial incentives to those channel partners to drive traffic to the Group's websites will require additional cash investment in advance of increased revenues; and
 - (b) the IPT Group also intends to increase its activity in the database management market. This is forecast to be capital intensive as larger servers are required to handle the processing of greater data volumes;
- (ii) to invest in information technology security and back-up systems; and
- (iii) for acquisition opportunities that may arise. The Directors intend to consider acquisition opportunities in the market to grow the Group's core business but as yet no targets have been identified.

The Placing is conditional upon Admission becoming effective and the Placing Agreement becoming unconditional in all respects.

Further details of the Placing Agreement are set out in paragraph 10(a) of Part IV of this document.

EXISTING OPTIONS

Further details of the existing options granted under the Share Option Schemes are set out in paragraph 8 of Part IV of this document respectively.

DEALINGS AND TRADING

Application has been made by the Company for the Enlarged Share Capital to be admitted to AIM. It is expected that Admission will become effective and dealings in the issued Ordinary Shares will commence on 9 December.

CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The articles of association of the Company permit the holding of Ordinary Shares under CREST. All the Ordinary Shares will be in registered form and no temporary documents of title will be issued. The Company has applied for the Ordinary Shares to be admitted to CREST and it is expected that the Ordinary Shares will be so admitted and accordingly enabled for settlement in CREST on the date of Admission. It is expected that Admission will become effective and dealings in Ordinary Shares will commence on 9 December 2004. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if any shareholder so wishes.

LOCK-IN ARRANGEMENTS

Each of the Directors and the Key Managers have severally undertaken to Canaccord not to dispose of any interest they have in the Ordinary Shares (other than any Ordinary Shares arising from the exercise of options granted under the Approved Scheme) for a period of 12 months from the date of Admission.

Each of CB Nominees Limited and Atrium Venture Partners LP who together hold approximately 25% of the Enlarged Share Capital have severally undertaken to Canaccord not to dispose of any interest they have in their Ordinary Shares for a period of 6 months from the date of Admission.

All remaining Shareholders (other than the EBT and one other Shareholder) have severally undertaken to Canaccord not to dispose of any interest they have in Ordinary Shares (other than any Ordinary Shares arising from the exercise of options granted under the Approved Scheme) for a period of 12 months from the date of Admission.

Further details of these lock-in arrangements are set out at paragraph 7 of Part IV of this document.

DIVIDEND POLICY

It is the Directors' intention to reinvest profits in further development of the business of the IPT Group and there is no present intention to pay dividends on the Ordinary Shares. The declaration and payment by the Company of any future dividends and the amount of such dividends will depend on the success of the IPT Group's operations, the financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed by the Board to be relevant at the time.

The Placing Shares will rank in full for all dividends or other distributions declared, made or paid in respect of the ordinary share capital of the Company following Admission.

CORPORATE GOVERNANCE

The Directors are committed to maintaining high standards of corporate governance and the Directors intend, so far as practicable given the IPT Group's size and the constitution of the Board, to comply with the Combined Code.

The Directors have established an audit committee and a remuneration committee, each of which will comprise the non-executive directors of the Company and each will have duties and responsibilities delegated by the Board. It is intended that any new non-executive directors appointed by the Company will be asked to join these committees. The audit committee and the remuneration committee will be chaired by Colin Lloyd.

The audit committee will receive and review reports from management and the Company's auditors relating to the annual and interim accounts and the accounting and internal control systems in use throughout the IPT Group. The audit committee will have unrestricted access to the Company's external auditors. It will be responsible for ensuring that the financial performance of the IPT Group is properly reported on and monitored.

The remuneration committee will review the scale and structure of the executive directors' remuneration and the terms of their appointments. The remuneration and terms and conditions of appointment of the non-executive directors will be set by the Board as constituted from time to time.

The remuneration committee will also administer any share option schemes and will be responsible for setting any performance criteria in relation to the exercise of options granted under any share option schemes.

ENTERPRISE INVESTMENT SCHEME, VENTURE CAPITAL TRUSTS AND THE CORPORATE VENTURING SCHEME

The Company has received provisional approval from the Inland Revenue that the Placing Shares are a “qualifying holding” for the purposes of investment by VCTs and will rank as “eligible shares” for the purposes of the EIS and that the conditions of the CVS will be met in respect of the Placing.

The availability of EIS reliefs will be dependant, *inter alia*, on the personal circumstances of the individual investor and the Company continuing to satisfy the requirements for a qualifying company throughout a qualifying period from the date of issue of the Placing Shares. Tax reliefs for investments through VCTs should be available as long as the Placing Shares represent a “qualifying holding” for VCT purposes. Similarly, tax reliefs for qualifying and corporate investors should be available under the CVS as long as the requirements of the CVS continue to be met in respect of the Company and the Placing Shares. The Company does not make any representations as to whether any such investment will be or will continue to be one in respect of which relief under the EIS, VCT or CVS legislation will be available.

EIS allows the following tax reliefs for qualifying individual investors provided investments are held for the qualifying period in respect of investments up to their annual subscription limit, which in the tax year 2004/2005 is £200,000 per individual. This is on the basis that neither the Company nor the investor breach any of the conditions during the qualifying period (which in usual circumstances will be a three year period):

- initial income tax relief of 20 per cent. of the amount subscribed limited to the income tax liability of the investor for the year of subscription; and
- exemption from CGT on a disposal, provided income tax relief was given in respect of the cash subscription and not withdrawn.

The EIS also allows CGT payable on any chargeable gains realised by individuals and certain trustees to be deferred until the EIS investment comes to an end. To qualify for CGT deferral, a sum up to the amount of the chargeable gains must be subscribed (not more than one year for more than three years after the date on which the chargeable gain arises) in new “eligible shares in a qualifying company” for the purposes of EIS. For this purpose a qualifying company includes an unquoted company which is the parent of qualifying trading group. For this purpose, shares admitted to AIM are regarded as unquoted.

A claim for CGT deferral relief is made by the individual investors and/or trustees claiming the relief. There is no maximum investment limited for CGT deferrals.

Investors considering taking advantage of any of the reliefs under the EIS or available to VCTs or to companies under the CVS should seek their own professional advice in order that they may fully understand how the rules apply in their individual circumstances.

TAXATION

Information regarding United Kingdom taxation is set out in paragraph 14 of Part IV of this document. If you are in any doubt as to your tax position, you should contact your professional adviser immediately.

FURTHER INFORMATION

Your attention is drawn to the further information set out in Parts II to IV of this document.

PART II

RISK FACTORS

In addition to all other information set out in this document, the following specific factors should be considered carefully in evaluating whether to make an investment in the Company. If you are in any doubt about the action you should take, you should consult a personal adviser authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

The Directors believe the following risks to be the most significant for potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company. In particular, the Company's performance may be affected by changes in market or economic conditions and in legal, regulatory and tax requirements.

If any of the following risks were to materialise, the Company's business, financial conditions, results or future operations could be materially adversely affected. In such cases, the market price of the Company could decline and an investor may lose part or all of his investment. Additional risks and uncertainties not presently known to the Directors, or which the Directors currently deem immaterial may also have an adverse effect upon the Company.

AIM and share price volatility and liquidity

Investment in shares traded on AIM is perceived to involve a higher degree of risk and be less liquid than an investment in companies whose shares are listed on the Official List. AIM is a market designed primarily for emerging or smaller companies. The rules of this market are less demanding than those of the Official List. The future success of AIM and liquidity in the market for Ordinary Shares cannot be guaranteed. In particular, the market for Ordinary Shares may be, or may become, relatively illiquid and therefore, such Ordinary Shares may be or may become difficult to sell.

The share price of emerging companies can be highly volatile and shareholdings illiquid. The price at which the Ordinary Shares are traded and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to the Company and its operations and some which may affect companies trading on AIM generally. These factors could include the performance of the Company, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political or regulatory conditions. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may therefore realise less than, or lose all of, their investment.

Prior to Admission, there has been no public market for the Ordinary Shares and there is no guarantee that an active trading market will develop or be sustained after Admission.

Future raising of additional funds

The Group's capital requirements will depend on numerous factors, including its ability to maintain and expand its penetration of the markets in which it operates. The Group cannot predict accurately the timing and amount of its capital requirements. If its capital requirements vary materially from its plans, the Group may require further financing sooner than anticipated. Market conditions may prevent additional funds from being raised, which could restrict the development of the Group.

Future profitability

There is no guarantee that the business strategy of the Group will sustain profitability or that it will generate sufficient revenues to cover its costs. The growth in revenues of the Group may be affected by a number of factors including, but not limited to, the market becoming more competitive as it matures leading to price competition, the development of screening and blocking technologies undermining the effectiveness of email marketing and adverse national or European legislation being enacted.

No long-term contracts

The Group has no contracts of a long-term nature with its clients which guarantee minimum levels of work. A lack of repeat business could reduce future sales and profitability.

Appropriate personnel

The Group is and will continue to be dependent on certain personnel for its continued success. Although the Group has arrangements in place with its key personnel to secure their services, the retention of their services cannot be guaranteed. With the exception of Lionel Thain, no keyman insurance policies exist on the lives of any of the Directors or other members of staff of the Group.

Legislative and regulatory risks

The Group is subject to data protection laws and regulations

Directive 95/46/EC of the European Parliament, covering the protection of individuals with regard to the processing of personal data and on the free movement of such data, and the DPA in the UK, places limitations on the collection, use, re-use and transfer of personal information.

As a result, information that the Group receives is subject to limitations on re-use, transfer and disclosure. Additional legislation, regulations and guidance from the Information Commissioner (responsible for DPA compliance) may restrict further the Group's information gathering and disclosure practices. Existing and potential future privacy laws may limit the ability of the Group to make use of data gathered. Even technical violations of these laws can result in penalties assessed for each non-compliant transaction. Any violations could expose the Group to significant liability (including restrictions being imposed on the Group's use of data gathered or, for serious violations, destruction of the Group's databases).

The Group has a compliance department whose mandate is to ensure the Group complies with all such regulations and who work closely with the Office of the Information Commissioner to ensure that the Group is compliant with current and proposed legislation.

Differences in data protection laws in different jurisdictions may restrict the use of the Group's information gathering and disclosure practices outside the UK.

Information Security Risks

The majority of the Group's business is conducted over the Internet and will therefore be open to an element of risk.

The Group's information technology infrastructure is designed to be secure, but is not immune to outside rogue elements, including computer viruses, computer hackers, those who would perpetrate distributed denial of service attacks, and organised activities among groups of members designed to breach the Group's security systems.

To date, the Group systems have never been down due to any kind of penetration or malicious attack. The Group utilises many techniques to ensure the integrity of the data on its servers.

The Group's current disaster recovery is based upon its back up procedure, which involves copying the configuration and data files to electronic media. This back up is held at an external location. This procedure is constantly reviewed and improved. The Directors believe that the back-up procedure could be implemented within 48 hours.

Privacy breaches may expose the Group to additional liability and result in the loss of clients or an inability to conduct business.

Any inability on the Group's part to protect the privacy in the Group's electronic systems could have a material effect on profitability. A privacy breach could:

- expose the Group to additional liability under the privacy legislation of different jurisdictions, including the United Kingdom;
- expose the Group to sanctions under the DPA (possible sanctions include fines, orders to alter the way the Group uses personal information and/or orders to stop using and destroy personal information)
- result in adverse publicity that could deter clients from using the Group's product or discourage consumers from registering with the Group's websites.

PART III
ACCOUNTANTS REPORT ON THE COMPANY

Deloitte.

Deloitte & Touche LLP
Abbots House
Abbey Street
Reading
RG1 3BD

The Directors
Interactive Prospect Targeting Holdings Plc
Lower Ground Floor
30 Buckingham Gate
London
SW1E 6NN

Canaccord Capital (Europe) Limited
1st Floor Brook House
27 Upper Brook Street
London
W1K 7QF

3 December 2004

Dear Sirs

Interactive Prospect Targeting Holdings Plc (“the Company”)

We report on the financial information of the Company set out below. This financial information has been prepared for inclusion in the admission document dated 3 December 2004 relating to the potential placing and admission of shares of Interactive Prospect Targeting Holdings Plc to AIM of the London Stock Exchange (“the Investment Circular”).

Basis of preparation

The Company was incorporated on 7 July 2004 under the name of Interactive Prospect Targeting Holdings Plc.

The Company has issued 2 £0.004 ordinary shares for a consideration of £0.008. No material contracts or transactions have been entered into save for those detailed in paragraph 10 of Part IV of the Document.

The Company has not yet traded and no dividends have been declared or paid.

The financial information set out in this report, which has been prepared in accordance with applicable United Kingdom generally accepted accounting principles, is based on the audited non-statutory financial statements of the Company for the period from incorporation on 7 July 2004 to 30 September 2004 to which no adjustments were considered necessary.

Responsibility

Such non-statutory financial statements are the responsibility of the Directors of the Company who approved their issue.

The Directors of the Company are responsible for the contents of the Investment Circular in which this report is included.

It is our responsibility to compile the financial information set out in our report from the audited non-statutory financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board in the United Kingdom. Our work included an

assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that previously obtained by us relating to the audit of the non-statutory financial statements underlying the financial information for the period ended 30 September 2004. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information set out below gives, for the purposes of the Investment Circular, a true and fair view of the state of affairs of the Company as 30 September 2004.

Consent

We consent to the inclusion in the Investment Circular of this report and accept responsibility for this report for the purposes of paragraph 45 (1) (b) (iii), 45 (9) of Schedule 1 to the Public Offers of Security Regulations 1995.

BALANCE SHEET OF THE COMPANY AT 30 SEPTEMBER 2004

	£
Debtors	—

Capital and reserves	
Called up share capital	—
	=====

The authorised share capital at 30 September was 37,500,000 shares of £0.004 each.

SUBSEQUENT EVENTS

- (i) On 1 December 2004 the authorised share capital of the Company was increased from £150,000 to £200,000 by the creation of 12,500,000 Ordinary shares of £0.004 each;
- (ii) On 1 December 2004 the Company acquired 26,547,660 ordinary shares of £0.004 each in the capital of Interactive Prospect Targeting Limited (IPTL) in exchange for the issue of 26,547,658 ordinary shares of £0.004 each in the capital of the Company together with the crediting as fully paid of the two unpaid subscriber share of £0.004 each held by each of Lionel Thain and Ivan Southall.
- (iii) On 1 December 2004 the Company entered into agreements such that the Approved Scheme and the Unapproved Scheme previously adopted by IPTL operate as if adopted by the Company. Details of these schemes are given in Part IV of this document.
- (iv) On 3 December 2004 the Company entered into a Placing Agreement, with Canaccord and Dawnay Day Lander Limited. Further details are given in Part IV of this document.
- (v) No other material contracts or transactions, except for those detailed in paragraphs (i) to (iv) above have been entered into save for those disclosed in paragraph 10 of Part IV of this document.

Yours faithfully

Deloitte & Touche LLP
Chartered Accountants

The Directors
Interactive Prospect Targeting Holdings Plc
Lower Ground Floor
30 Buckingham Gate
London
SW1E 6NN

Canaccord Capital (Europe) Limited
1st Floor Brook House
27 Upper Brook Street
London
W1K 7QF

3 December 2004

Dear Sirs

Interactive Prospect Targeting Limited (“IPTL”) and its subsidiaries (“the IPTL Group”)

We report on the financial information of the IPTL Group set out below. This financial information has been prepared for inclusion in the admission document dated 3 December 2004 relating to the potential placing and admission of shares of Interactive Prospect Targeting Holdings Plc to AIM of the London Stock Exchange (“the Investment Circular”).

Basis of preparation

The financial information set out in this report, which has been prepared in accordance with applicable United Kingdom generally accepted accounting principles, is based on the audited consolidated financial statements of the IPTL Group for the three years ended 31 December 2003 and the six months ended 30 June 2004 to which no adjustments were considered necessary.

Responsibility

Such financial statements are the responsibility of the Directors of IPTL who approved their issue.

The Directors of IPTL are responsible for the contents of the Investment Circular in which this report is included.

It is our responsibility to compile the financial information set out in our report from the financial statements, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that recorded by the auditors who audited the financial statements underlying the financial information for the year ended 31 December 2001, the evidence obtained by our predecessor firm, Deloitte & Touche, relating to the audit of the financial statements underlying the financial information for the year ended 31 December 2002, and the evidence obtained by us relating to the audit of the financial statements underlying the financial information for the year ended 31 December 2003 and for the six months ended 30 June 2004. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity’s circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that

the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information set out below gives, for the purposes of the Investment Circular, a true and fair view of the state of affairs of the Group as at the dates stated and of its profits and losses, for the periods then ended.

Consent

We consent to the inclusion in the Investment Circular of this report and accept responsibility for this report for the purposes of paragraph 45 (1) (b) (iii), 45 (9) of Schedule 1 to the Public Offers of Security Regulations 1995.

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

		<i>Year ended 31 December</i>			<i>Six months ended 30 June</i>
	<i>Notes</i>	<i>2001 £</i>	<i>2002 £</i>	<i>2003 £</i>	<i>2004 £</i>
Turnover					
Continuing Operations	2	2,657,742	5,274,193	6,139,194	3,982,027
Cost of sales		(1,380,705)	(1,243,589)	(1,096,388)	(811,801)
		1,277,037	4,030,604	5,042,806	3,170,226
Gross profit					
Administrative expenses		(1,951,837)	(3,479,468)	(4,610,885)	(2,750,071)
		(674,800)	551,136	431,921	420,155
Operating (loss)/profit					
Other income		—	16,104	—	—
Interest receivable/(payable)		31,076	(1,260)	18,266	9,616
		(643,724)	565,980	450,187	429,771
(Loss)/profit on ordinary activities before taxation	4				
Tax credit/(charge) on (loss)/profit on ordinary activities	3	—	254,437	(99,138)	(134,945)
		(643,724)	820,417	351,049	294,826
(Loss)/profit on ordinary activities after taxation					
Minority interests		—	14,528	(12,079)	(11,397)
		(643,724)	834,945	338,970	283,429
(Loss)/profit for the financial period					
Dividends	5	—	—	(17,617)	(62,867)
		(643,724)	834,945	321,353	220,562
Retained (loss)/profit transferred to reserves		(643,724)	834,945	321,353	220,562
(Loss)/earnings per share					
Basic	8	(3.5p)	4.5p	1.7p	1.2p
Diluted	8	(2.7p)	3.1p	1.2p	1.0p
		(643,724)	834,945	321,353	220,562

All activities derive from continuing operations.

There are no recognised gains or losses other than as stated above. Therefore no statements of total recognised gains and losses have been presented in this report.

CONSOLIDATED BALANCE SHEETS

	<i>Notes</i>	<i>31 December 2001 £</i>	<i>31 December 2002 £</i>	<i>31 December 2003 £</i>	<i>30 June 2004 £</i>
Fixed Assets					
Intangible assets	9	—	19,235	163,295	302,896
Tangible assets	10	83,147	237,332	388,300	391,919
Investments	22	—	—	2,215	2,215
		<u>83,147</u>	<u>256,567</u>	<u>553,810</u>	<u>697,030</u>
Current Assets					
Assets held for resale	11	—	—	55,629	55,815
Debtors	12	1,122,423	1,553,320	1,933,564	2,401,757
Cash at bank and in hand		225,003	1,127,568	903,612	715,896
		<u>1,347,426</u>	<u>2,680,888</u>	<u>2,892,805</u>	<u>3,173,468</u>
Creditors: Amounts Falling Due Within One Year	13	<u>(919,503)</u>	<u>(1,204,736)</u>	<u>(1,375,918)</u>	<u>(1,504,975)</u>
Net Current Assets		<u>427,923</u>	<u>1,476,152</u>	<u>1,516,887</u>	<u>1,668,493</u>
Total Assets Less Current Liabilities		511,070	1,732,719	2,070,697	2,365,523
Creditors: Amounts Falling Due After More Than One Year	14	—	(13,071)	—	—
Total net assets		<u>511,070</u>	<u>1,719,648</u>	<u>2,070,697</u>	<u>2,365,523</u>
Capital and Reserves					
Called up share capital	15	15,105	15,629	15,629	15,629
Share premium account	16	2,024,042	2,324,679	2,324,679	2,324,679
Other reserves	16	—	—	17,617	80,484
Profit and loss account	16	(1,528,077)	(693,132)	(371,779)	(151,217)
Shareholders' funds	17	511,070	1,647,176	1,986,146	2,269,575
Minority Interest		—	72,472	84,551	95,948
Total capital employed	17	<u>511,070</u>	<u>1,719,648</u>	<u>2,070,697</u>	<u>2,365,523</u>

Total shareholders' funds may be analysed as follows:

Equity interests	(708,282)	126,663	448,016	668,578
Non-equity interests	1,219,352	1,520,513	1,538,130	1,600,997
	<u>511,070</u>	<u>1,647,176</u>	<u>1,986,146</u>	<u>2,269,575</u>

CONSOLIDATED CASH FLOW STATEMENTS

	<i>Notes</i>	<i>Year ended 31 December</i>			<i>Six months ended 30 June</i>
		<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
		£	£	£	£
Net cash (outflow)/inflow from operating activities	18	(928,012)	729,068	310,927	101,788
Returns on investments and servicing of finance	19	31,076	(1,260)	18,266	9,616
Taxation	19	—	—	(3,680)	—
Capital expenditure and financial investment	19	(42,682)	(213,404)	(524,806)	(305,694)
Acquisitions and disposals	19	—	87,000	—	—
		(939,618)	601,604	(199,293)	(194,290)
Cash (outflow)/inflow before management of liquid resources and financing					
Financing	19	—	301,161	(24,663)	6,574
		(939,618)	902,565	(223,956)	(187,716)
(Decrease)/increase in cash in the period	20	(939,618)	902,565	(223,956)	(187,716)

NOTES TO THE FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under historical cost convention and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The group financial statements consolidate the financial statements of Interactive Prospect Targeting Limited and its subsidiary undertakings.

Intangible fixed assets

Intangible assets, which comprise of licences and data acquisition costs, are stated at cost, net of amortisation and any provision for impairment. Amortisation is provided in equal instalments over a period of up to three years subject to their estimated useful life.

Tangible fixed assets

Tangible fixed assets are stated at cost, less depreciation and any provision for impairment.

Depreciation has been provided at the following annual rates in order to write off the assets over their estimated useful economic lives.

Computer equipment	– 33% on cost
Computer software	– 50% on cost
Fixtures and fittings	– 20% on cost

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and VAT.

Investments

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains or losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is not discounted.

Leases

Assets held under finance leases and other similar contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals under operating leases are written off to the profit and loss account as incurred.

2. TURNOVER

All revenue is derived from activities in the UK and from the group's principal activity.

3. TAX CREDIT/(CHARGE) ON(LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax credit/(charge) comprises:

	<i>Year ended 31 December</i>			<i>Six months ended</i>
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>30 June</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Current tax				
UK Corporation tax	—	—	(13,778)	(13,933)
Adjustment in respect of prior years – Corporation tax	—	—	3,007	—
	—	—	(10,771)	(13,933)
Deferred tax				
Increase/(decrease) in estimate of recoverable deferred tax asset	—	254,437	(88,367)	(121,012)
Total tax on (loss)/profit on ordinary activities	—	254,437	(99,138)	(134,945)

The difference between the total current tax as shown and the amounts calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

(Loss)/profit on ordinary activities before tax	(643,724)	565,980	450,187	429,771
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 30%	193,117	(169,794)	(135,056)	(128,930)
Effects of:				
Capital allowances compared to depreciation	497	4,945	(2,210)	(14,033)
Expenses not deductible	(1,703)	(3,669)	(14,966)	(6,014)
Prior period adjustments	—	—	3,007	—
Current year losses not recognised	(175,831)	—	—	—
Utilisation of prior period losses	—	178,104	132,449	135,044
Exempt gain on disposal	—	4,831	—	—
Unrecognised deferred tax asset	—	(16,008)	—	—
Other timing differences	(16,080)	1,591	(1,976)	—
Other	—	—	7,981	—
Current tax charge for period	—	—	(10,771)	(13,933)

The tax charge in future periods will be affected by the ability of the group to generate taxable profits.

Movement on the group's deferred tax asset is shown under note 12.

4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

	<i>Year ended 31 December</i>			<i>Six months ended</i>
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>30 June 2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Depreciation on owned assets	41,495	66,090	152,202	101,677
Depreciation on leased assets	—	11,628	16,433	9,358
Amortisation on intangible assets	—	—	58,928	51,523
Auditors' remuneration for audit services	12,000	14,000	15,000	7,500
Auditors' remuneration for non-audit services	—	4,000	5,000	3,000
Operating lease rentals – land & buildings	—	24,176	111,356	66,306
Directors' emoluments and other benefits	367,350	698,150	411,235	218,408
	<u>367,350</u>	<u>698,150</u>	<u>411,235</u>	<u>218,408</u>

The auditors for the six month period ended 30 June 2004 and the year ended 31 December 2003 were Deloitte & Touche LLP. The auditors for the year ended 31 December 2002 were Deloitte & Touche. The auditors for the year ended 31 December 2001 were Arthur Andersen.

5. DIVIDENDS

	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Non-equity shares				
Class B-1 (10% cumulative dividend accrues from 10 November 2003)	—	—	5,147	18,366
Class B-2 (10% cumulative dividend accrues from 10 November 2003)	—	—	5,477	19,545
Class C-1 (10% cumulative dividend accrues from 10 November 2003)	—	—	6,993	24,956
	<u>—</u>	<u>—</u>	<u>6,993</u>	<u>24,956</u>

6. DIRECTORS' REMUNERATION

(a) Directors' emoluments

The emoluments of the directors were as follows:

	<i>Year ended 31 December</i>			<i>Six months ended</i>
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>30 June 2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Aggregate emoluments	367,350	698,150	411,235	218,408
	<u>367,350</u>	<u>698,150</u>	<u>411,235</u>	<u>218,408</u>

(b) Directors' share options

Details of options for directors who served during the period are as follows:

	<i>At 1 January 2001</i>		<i>At 31 December 2001</i>		<i>Exercise price</i>	<i>Date from which exercisable</i>
	<i>No</i>	<i>Granted</i>	<i>No</i>	<i>No</i>		
					<i>£</i>	
Colin Lloyd	6,700	8,000	14,700	—	£2.9999	4 September 2001
Daniel Unger	6,700	—	6,700	—	£2.9999	4 September 2001
David Cicurel	6,700	—	6,700	—	£2.9999	4 September 2001
Lionel Thain	—	9,352	9,352	—	£0.01	15 December 2004
Martin Kiersnowski	—	7,014	7,014	—	£0.01	15 December 2004
Ivan Southall	—	7,014	7,014	—	£0.01	15 December 2004
Eoin Ryan	—	41,417	41,417	—	£0.01	15 December 2004
Dermot Skinner	—	17,417	17,417	—	£0.01	15 December 2004
	<u>—</u>	<u>17,417</u>	<u>17,417</u>	<u>—</u>		

	<i>At 1 January and 31 December 2002 No</i>	<i>Exercise price £</i>	<i>Date from which exercisable</i>
Colin Lloyd	14,700	£2.9999	4 September 2001
Daniel Unger	6,700	£2.9999	4 September 2001
David Cicurel	6,700	£2.9999	4 September 2001
Lionel Thain	9,352	£0.01	15 December 2004
Martin Kiersnowski	7,014	£0.01	15 December 2004
Ivan Southall	7,014	£0.01	15 December 2004
Eoin Ryan	41,417	£0.01	15 December 2004
Dermot Skinner	17,417	£0.01	15 December 2004

	<i>At 1 January and 31 December 2003 No</i>	<i>Granted No</i>	<i>At 30 June 2004 No</i>	<i>Exercise price £</i>	<i>Date from which exercisable</i>
Colin Lloyd	14,700	—	14,700	£2.9999	4 September 2001
Daniel Unger	6,700	—	6,700	£2.9999	4 September 2001
David Cicurel	6,700	—	6,700	£2.9999	4 September 2001
Lionel Thain	9,352	—	9,352	£0.01	15 December 2004
Martin Kiersnowski	7,014	—	7,014	£0.01	15 December 2004
Ivan Southall	7,014	—	7,014	£0.01	15 December 2004
Eoin Ryan	41,417	—	41,417	£0.01	15 December 2004
Eoin Ryan	—	4,683	4,683	£6.1069	20 January 2007
Dermot Skinner	17,417	—	17,417	£0.01	15 December 2004
Dermot Skinner	—	2,583	2,583	£6.1069	20 January 2007

The unapproved share scheme options (David Cicurel, Danny Unger and Colin Lloyd) lapse 10 years after grant date. All other options expire 7 years after date from which exercisable.

7. EMPLOYEE NUMBERS AND STAFF COSTS

The average monthly number of employees (including executive directors) was:

	<i>Year ended 31 December</i>			<i>Six months ended 30 June 2004</i>
	<i>2001 Number</i>	<i>2002 Number</i>	<i>2003 Number</i>	<i>Number</i>
Sales	15	22	32	33
Administration	24	32	52	61
	39	54	84	94

Their aggregate remuneration comprised:

	£	£	£	£
Wages and salaries	1,399,964	1,929,659	2,909,024	1,746,556
Social security costs	159,323	220,197	396,437	220,955
	1,559,287	2,149,856	3,305,461	1,967,511

8. (LOSS)/EARNINGS PER ORDINARY SHARE

The calculations of (loss)/earnings per share are based on the following (losses)/profits and numbers of shares:

	<i>Basic</i>			
	<i>Year ended 31 December 2001</i>	<i>Year ended 31 December 2002</i>	<i>Year ended 31 December 2003</i>	<i>Six months ended 30 June 2004</i>
(Loss)/profit for the financial period attributable to ordinary shares	(643,724)	834,945	321,353	220,562
Weighted average number of ordinary shares	18,558,000	18,558,000	18,558,000	18,558,000
(Loss) earnings per ordinary share	(3.5p)	4.5p	1.7p	1.2p

The weighted average number of shares (and the resulting loss or earnings per share) for each of the periods, as disclosed, has been calculated with reference to the number of ordinary shares of Interactive Prospect Targeting Holdings Plc in issue immediately prior to admission, except those for which valuable consideration was received after 30 June 2004.

	<i>Diluted</i>			
	<i>Year ended 31 December 2001</i>	<i>Year ended 31 December 2002</i>	<i>Year ended 31 December 2003</i>	<i>Six months ended 30 June 2004</i>
(Loss)/profit for the financial period attributable to ordinary shares	(643,724)	834,945	321,353	220,562
Add back: preference dividend payable	—	—	17,617	62,867
(Loss)/profit for the financial period attributable to ordinary shares	(643,724)	834,945	338,970	283,429
Weighted average number of ordinary shares	23,768,061	26,640,856	27,255,231	27,503,243
(Loss) earnings per ordinary share	(2.7p)	3.1p	1.2p	1.0p

The weighted average number of shares used in calculated diluted earnings per share has been adjusted for the effects of all dilutive potential ordinary shares.

9. INTANGIBLE FIXED ASSETS

Licences

	<i>31 December 2001</i>	<i>31 December 2002</i>	<i>31 December 2003</i>	<i>30 June 2004</i>
	£	£	£	£
Cost				
At 1 January	—	—	19,235	19,235
Additions	—	19,235	—	—
At 31 December/30 June	—	19,235	19,235	19,235
Amortisation				
At 1 January	—	—	—	19,235
Amortised in the period	—	—	19,235	—
At 31 December/30 June	—	—	19,235	19,235
Net Book Value				
At 31 December/ 30 June	—	19,235	—	—

Data acquisition costs

	<i>31 December</i> <i>2001</i> £	<i>31 December</i> <i>2002</i> £	<i>31 December</i> <i>2003</i> £	<i>30 June</i> <i>2004</i> £
Cost				
At 1 January	—	—	—	202,988
Additions	—	—	202,988	190,854
At 31 December/30 June	—	—	202,988	393,842
Amortisation				
At 1 January	—	—	—	39,693
Amortised in the period	—	—	39,693	51,253
At 31 December/30 June	—	—	39,693	90,946
Net Book Value				
At 31 December/ 30 June	—	—	163,295	302,896

Total

	<i>31 December</i> <i>2001</i> £	<i>31 December</i> <i>2002</i> £	<i>31 December</i> <i>2003</i> £	<i>30 June</i> <i>2004</i> £
Cost				
At 1 January	—	—	19,235	222,223
Additions	—	19,235	202,988	190,854
At 31 December/30 June	—	19,235	222,223	413,077
Amortisation				
At 1 January	—	—	—	58,928
Amortised in the period	—	—	58,928	51,253
At 31 December/30 June	—	—	58,928	110,181
Net Book Value				
At 31 December/ 30 June	—	19,235	163,295	302,896

10. TANGIBLE ASSETS

	<i>Fixtures & fittings</i> £	<i>Computer software</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost				
At 1 January 2001	8,685	13,794	77,278	99,757
Additions	1,820	3,705	37,157	42,682
At 1 January 2002	10,505	17,499	114,435	142,439
Additions	75,122	27,689	129,092	231,903
At 1 January 2003	85,627	45,188	243,527	374,342
Additions	22,532	87,145	209,926	319,603
At 1 January 2004	108,159	132,333	453,453	693,945
Additions	2,880	45,806	65,968	114,654
At 30 June 2004	111,039	178,139	519,421	808,599
Accumulated depreciation				
At 1 January 2001	832	2,663	14,302	17,797
Charge for the year	1,880	7,264	32,351	41,495
At 1 January 2002	2,712	9,927	46,653	59,292
Charge for the year	7,133	13,627	56,958	77,718
At 1 January 2003	9,845	23,554	103,611	137,010
Charge for the year	19,876	41,836	106,923	168,635
At 1 January 2004	29,721	65,390	210,534	305,645
Charge for the period	11,206	33,025	66,804	111,035
At 30 June 2004	40,927	98,415	277,338	416,680
Net Book Value				
At 31 December 2001	7,793	7,572	67,782	83,147
At 31 December 2002	75,782	21,634	139,916	237,332
At 31 December 2003	78,438	66,943	242,919	388,300
At 30 June 2004	70,112	79,724	242,083	391,919

Included within computer equipment are assets held under finance leases with a net book value at 30 June 2004 of £36,299 (31 December 2003: £25,114, 31 December 2002: £37,671, 31 December 2001: £nil).

11. ASSETS HELD FOR RESALE

The group holds 99,972,000 shares in themutual.net. The carrying value of the shares is £55,815. The market value of the shares at 30 June 2004 was £199,944 (31 December 2003: £229,936).

12. DEBTORS

	<i>31 December 2001</i> £	<i>31 December 2002</i> £	<i>31 December 2003</i> £	<i>30 June 2004</i> £
Trade debtors	1,019,286	1,201,719	1,447,936	2,010,088
Deferred tax	—	254,437	166,070	45,059
Other debtors	3,381	2,478	3,234	2,396
Prepayments and accrued income	99,756	94,686	309,637	344,214
Corporation tax	—	—	6,687	—
	1,122,423	1,553,320	1,933,564	2,401,757

The movement in deferred tax recoverable is as shown below:

	<i>31 December</i> 2001	<i>31 December</i> 2002	<i>31 December</i> 2003	<i>30 June</i> 2004
	£	£	£	£
Opening deferred tax recoverable	—	—	254,437	166,070
Increase/(decrease) in estimate of deferred tax asset	—	254,437	(88,367)	(121,012)
Closing deferred tax recoverable	—	254,437	166,070	45,058

Deferred tax recoverable comprises of:

	<i>31 December</i> 2001	<i>31 December</i> 2002	<i>31 December</i> 2003	<i>30 June</i> 2004
	£	£	£	£
Accelerated capital allowances	—	(27,733)	(22,363)	(8,334)
Tax losses available	—	267,681	171,968	36,923
Other timing differences	—	14,489	16,465	16,469
	—	254,437	166,070	45,058

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<i>31 December</i> 2001	<i>31 December</i> 2002	<i>31 December</i> 2003	<i>30 June</i> 2004
	£	£	£	£
Trade creditors	331,379	429,260	499,812	595,464
Social security and other taxes	85,612	200,055	416,611	332,388
Obligations due under finance leases	—	24,663	13,071	19,645
Accruals and deferred income	502,512	550,492	431,084	527,023
Other creditors	—	266	1,562	2,743
Corporation tax	—	—	13,778	27,712
	919,503	1,204,736	1,375,918	1,504,975

The obligations under finance leases are secured over the related fixed assets.

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	<i>31 December</i> 2001	<i>31 December</i> 2002	<i>31 December</i> 2003	<i>30 June</i> 2004
	£	£	£	£
Obligations due under finance leases, repayable between one and two years	—	13,071	—	—

The obligations under finance leases are secured over the related fixed assets.

15. CALLED UP SHARE CAPITAL

	<i>31 December 2001 Number</i>	<i>31 December 2002 Number</i>	<i>31 December 2003 Number</i>	<i>30 June 2004 Number</i>
Authorised				
Equity				
1,477,200 'A' ordinary shares of 1p each	1,477,200	1,477,200	1,477,200	1,477,200
Non equity				
122,800 'B-1' preference shares of 1p each	122,800	122,800	122,800	122,800
66,100 'B-2' preference shares of 1p each	66,100	66,100	66,100	66,100
84,400 'C-1' preference shares of 1p each	84,400	84,400	84,400	84,400
52,400 'C-2' preference shares of 1p each	—	52,400	52,400	52,400
	<u>1,750,500</u>	<u>1,802,900</u>	<u>1,802,900</u>	<u>1,802,900</u>
	£	£	£	£
Equity				
1,477,200 'A' ordinary shares of 1p each	14,772	14,772	14,772	14,772
Non equity				
122,800 'B-1' preference shares of 1p each	1,228	1,228	1,228	1,228
66,100 'B-2' preference shares of 1p each	661	661	661	661
84,400 'C-1' preference shares of 1p each	844	844	844	844
52,400 'C-2' preference shares of 1p each	—	524	524	524
	<u>17,505</u>	<u>18,029</u>	<u>18,029</u>	<u>18,029</u>
	£	£	£	£
Called up, allotted and fully paid				
Equity				
1,237,200 'A' ordinary shares of 1p each	1,237,200	1,237,200	1,237,200	1,237,200
Non equity				
122,800 'B-1' preference shares of 1p each	122,800	122,800	122,800	122,800
66,100 'B-2' preference shares of 1p each	66,100	66,100	66,100	66,100
84,400 'C-1' preference shares of 1p each	84,400	84,400	84,400	84,400
52,400 'C-2' preference shares of 1p each	—	52,400	52,400	52,400
	<u>1,510,500</u>	<u>1,562,900</u>	<u>1,562,900</u>	<u>1,562,900</u>
	£	£	£	£
Equity				
1,237,200 'A' ordinary shares of 1p each	12,372	12,372	12,372	12,372
Non equity				
122,800 'B-1' preference shares of 1p each	1,228	1,228	1,228	1,228
66,100 'B-2' preference shares of 1p each	661	661	661	661
84,400 'C-1' preference shares of 1p each	844	844	844	844
52,400 'C-2' preference shares of 1p each	—	524	524	524
	<u>15,105</u>	<u>15,629</u>	<u>15,629</u>	<u>15,629</u>
	£	£	£	£

Authorised share capital

The holders of the 'B-1', 'B-2' and 'C-1' preference shares are entitled to a fixed gross cumulative dividend of 10% per annum commencing from 11 November 2003. The preference dividend is calculated on the aggregate of the nominal amount of such preference shares, the premium paid on subscription and any arrears of the dividend for such preference shares.

The preference shares are redeemable at the option of the preference shareholders respectively not earlier than 10 November 2005, at par value together with any share premium paid on the respective shares and any unpaid dividend payable on those shares.

The preference shares are convertible to ordinary shares, at the option of the preference shareholders respectively at any time, at a rate of 1 ordinary share per preference share held.

16. RESERVES

	<i>Profit and loss account</i> £	<i>Other reserves</i> £	<i>Share premium account</i> £
At 1 January 2001	(884,353)	—	2,024,042
Loss transferred to reserves	(643,724)	—	—
At 31 December 2001	(1,528,077)	—	2,024,042
At 1 January 2002	(1,528,077)	—	2,024,042
Premiums on share allotments during the year	—	—	319,289
Share issue costs	—	—	(18,652)
Profit transferred to reserves	834,945	—	—
At 31 December 2002	(693,132)	—	2,324,679
At 1 January 2003	(693,132)	—	2,324,679
Profit transferred to reserves	321,353	—	—
Accrued dividend on preference shares	—	17,617	—
At 31 December 2003	(371,779)	17,617	2,324,679
At 1 January 2004	(371,779)	17,617	2,324,679
Profit transferred to reserves	220,562	—	—
Accrued dividend on preference shares	—	62,867	—
At 30 June 2004	(151,217)	80,484	2,324,679

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>31 December 2001</i> £	<i>31 December 2002</i> £	<i>31 December 2003</i> £	<i>30 June 2004</i> £
Equity				
Opening shareholders' funds	(64,558)	(708,282)	126,663	448,016
(Loss)/profit for the financial year/period	(643,724)	834,945	321,353	220,562
	(708,282)	126,663	448,016	668,578
Non equity				
Opening shareholders' funds	1,219,352	1,219,352	1,520,513	1,538,130
Issue of shares (net of expenses)	—	301,161	—	—
Accrued dividend on preference shares	—	—	17,617	62,867
	1,219,352	1,520,513	1,538,130	1,600,997
Closing shareholders' funds	511,070	1,647,176	1,986,146	2,269,575

18. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO OPERATING CASH FLOWS

	<i>Year ended 31 December</i>			<i>Six months ended</i>
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>30 June 2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Operating (loss)/profit	(674,800)	551,136	431,921	420,155
Depreciation and amortisation	41,495	77,718	227,563	162,288
Other income received in the year	—	16,104	—	—
Increase in debtors	(565,796)	(176,460)	(517,553)	(589,204)
Increase/(decrease) in creditors	271,089	260,570	168,996	108,549
Net cash (outflow)/inflow from operating activities	(928,012)	729,068	310,927	101,788

19. ANALYSIS OF CASH FLOWS

	<i>Year ended 31 December</i>			<i>Six months ended</i>
	<i>2001</i>	<i>2002</i>	<i>2003</i>	<i>30 June 2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Returns on investments and servicing of finance				
Interest received	31,076	—	18,266	9,616
Interest paid	—	(1,260)	—	—
Net cash inflow/(outflow)	31,076	(1,260)	18,266	9,616
<i>Taxation</i>				
UK corporation tax paid	—	—	(3,680)	—
Net cash outflow	—	—	(3,680)	—
<i>Capital expenditure and financial investment</i>				
Purchase of intangible fixed assets	—	(19,235)	(202,988)	(190,854)
Purchase of tangible fixed assets	(42,682)	(194,169)	(319,603)	(114,654)
Purchase of trade investments	—	—	(2,215)	(186)
Net cash outflow	(42,682)	(213,404)	(524,806)	(305,694)
<i>Acquisitions and disposals</i>				
Investment in subsidiary company	—	87,000	—	—
<i>Financing</i>				
Issue of ordinary share capital	—	301,161	—	—
Capital element of finance lease rental payments	—	—	(24,663)	(13,969)
New finance lease	—	—	—	20,543
Net cash inflow/(outflow)	—	301,161	(24,663)	6,574

20. ANALYSIS AND RECONCILIATION OF NET FUNDS

	<i>Cash at bank and in hand £</i>	<i>Finance leases £</i>	<i>Net funds £</i>
1 January 2001	1,164,621	—	1,164,621
Cashflow	(939,618)	—	(939,618)
31 December 2001	<u>225,003</u>	<u>—</u>	<u>225,003</u>
1 January 2002	225,003	—	225,003
Cashflow	902,565	—	902,565
Other non-cash changes	—	(37,734)	(37,734)
31 December 2002	<u>1,127,568</u>	<u>(37,734)</u>	<u>1,089,834</u>
1 January 2003	1,127,568	(37,734)	1,089,834
Cashflow	(223,956)	24,663	(199,293)
31 December 2003	<u>903,612</u>	<u>(13,071)</u>	<u>890,541</u>
1 January 2004	903,612	(13,071)	890,541
Cashflow	(187,716)	(6,574)	(194,290)
30 June 2004	<u>715,896</u>	<u>(19,645)</u>	<u>696,251</u>

	<i>31 December 2001 £</i>	<i>31 December 2002 £</i>	<i>31 December 2003 £</i>	<i>30 June 2004 £</i>
(Decrease)/increase in cash in the period	(939,618)	902,565	(223,956)	(187,716)
Cash flow from debt and lease financing	—	—	24,663	(6,574)
Change in net (debt)/funds resulting from cash flows	(939,618)	902,565	(199,293)	(194,290)
New finance leases	—	(37,734)	—	—
Net funds at beginning of period	<u>1,164,621</u>	<u>225,003</u>	<u>1,089,834</u>	<u>890,541</u>
Net funds at end of period	<u>225,003</u>	<u>1,089,834</u>	<u>890,541</u>	<u>696,251</u>

21. OPERATING LEASE COMMITMENTS

Operating Lease Commitments – Land & Buildings

	<i>31 December 2001 £</i>	<i>31 December 2002 £</i>	<i>31 December 2003 £</i>	<i>30 June 2004 £</i>
Annual commitments under operating leases at 31 December/30 June are as follows				
Expiring between 2 and 5 years	<u>—</u>	<u>88,090</u>	<u>132,612</u>	<u>132,612</u>

22. ADDITIONAL INFORMATION ON SUBSIDIARIES AND ASSOCIATED UNDERTAKINGS

The parent company has investments in the following significant subsidiary undertakings:

<i>Subsidiary undertakings</i>	<i>Country of registration</i>	<i>Principal activity</i>	<i> Holding</i>	<i> %</i>
Interactive Prospect Targeting Limited	England and Wales	Direct Marketing	Ordinary shares	100%
Emailbureau Ltd	England and Wales	Advertising	Ordinary shares	100%
MyOffers Ltd	England and Wales	Dormant	Ordinary shares	100%
OK-mail Ltd	England and Wales	Dormant	Ordinary shares	100%
Payfinder Limited	England and Wales	Non-Trading	Ordinary shares	100%
Health Information Services Limited	England and Wales	Non-Trading Publishing	Ordinary shares	100%
Newsletters Online Ltd	England and Wales	Financial	Ordinary shares	50%
Every Investor	England and Wales	Publishing	Ordinary shares	50%

For the purpose of the consolidated financial statements the directors consider Newsletters Online Ltd to be a subsidiary undertaking due to their exercise of dominant influence over the undertaking, in accordance with Financial Reporting Standard Number 2: Subsidiary Undertakings.

Other investments

IPTL took up a rights issue for cash in the Mobile Channel Ltd and holds 18,608 shares at cost of £2,215.

23. CONTINGENT LIABILITIES

Under the Unapproved Share Option Scheme operated by IPTL, a liability to employer's national contributions will arise upon the exercise of the unapproved share options, calculated with reference to the market price of the shares. Based on a market price of the shares of £1 the contingent liability which would crystallise upon exercise of the options would be approximately £25,000.

24. SUBSEQUENT EVENTS

On 15 November 2004 IPTL acquired the remaining shares of Newsletters Online Limited in exchange for 19,246 ordinary shares.

On 30 November 2004 the authorised share capital of the Company was increased from £18,029.00 to £106,190.64 by the creation of an additional 422,000 C-1 Preference Shares, 262,000 C-2 Preference Shares, 614,000 B-1 Preference Shares, 330,500 B-2 Preference Shares and 7,187,664 A ordinary shares all of 1p each subject to the rights and restrictions applicable to each class of shares set out in the articles of association of IPTL.

The directors were authorised for the purposes of section 80 of the Companies Act 1985 (the "Act") to allot, grant options over, offer or otherwise deal with or dispose of any relevant securities up to a maximum aggregate nominal amount of £90,369.18.

IPTL established the Interactive Prospect Targeting Employee Benefit Trust (the "Trust") by executing a trust deed and making an initial capital contribution of £2,000 to the Trust.

On 30 November 2004 a bonus issue of 5 for 1 ordinary and preference shares was approved.

On 30 November 2004, 1,126,188 ordinary shares were issued to the Trust at 1p per share to satisfy certain share options as and when they vest.

On 30 November 2004, a consolidation and subdivision of shares was effected such that six 1p shares were replaced by fifteen shares of £0.004 and preference shares of all classes were replaced by ordinary shares such that the share capital at this date was:

	<i>Number</i>	<i>£</i>
Ordinary shares of £0.004 – Authorised, allotted and issued	26,547,660	106,191

On 1 December 2004, Interactive Prospect Targeting Holdings Plc acquired 26,547,660 ordinary shares of £0.004 each in the Company's capital in exchange for the issue of 26,547,658 ordinary shares of £0.004 each in the capital of Interactive Prospect Targeting Holdings Plc together with crediting as fully paid the two unpaid subscriber shares of £0.004 each held by each of Lionel Thain and Ivan Southall.

Yours faithfully

Deloitte & Touche LLP
Chartered Accountants

PART IV

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names, business addresses and functions are set out on page 6, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- (a) On 7 July 2004 the Company was incorporated in England and Wales under the Act as a public company limited by shares with the name Interactive Prospect Targeting Holdings plc and with registered number 5173250.
- (b) Details of the Group are set out in paragraph 12 below.
- (c) The principal legislation under which the Company operates is the Act and regulations made thereunder.
- (d) The Company's registered office, which is also its principal place of business, is at 30 Buckingham Gate, London SW1E 6NN.
- (e) The liability of the members of the Company is limited to amounts, if any, unpaid on the shares issued to them.
- (f) The accounting reference date of the Company is 31 December.

3. Share Capital

- (a) The current authorised share capital of the Company is £200,000 divided into 50,000,000 Ordinary Shares of which 26,547,660 have been issued and are fully paid up. Immediately following Admission the authorised share capital of the Company will be £200,000 divided into 50,000,000 Ordinary Shares of which 33,184,575 will be issued and fully paid up.
- (b) As at 2 December 2004 (being the latest practicable date prior to the publication of this document) the only options to subscribe for Ordinary Shares were those granted to certain employees and non-executive directors of the Group. Details of these options are set out in paragraph 8 of this Part IV of this document.
- (c) On 2 December 2004, the Placing Shares were provisionally allotted for subscription pursuant to the Placing Agreement conditional on Admission.
- (d) Save for the options referred to in paragraph 8 of this Part IV of this document, no share or loan capital of the Company or any of its subsidiaries is under option or agreed, conditionally or unconditionally, to be put under option.
- (e) Save for the issue of the Placing Shares pursuant to the Placing and any new Ordinary Shares to be issued pursuant to the options referred to in paragraph 8 of this Part IV of this document, there is no present intention to issue either, fully or partly paid up for cash or otherwise any of the authorised but unissued share capital of the Company or any of its subsidiaries.
- (f) Save as set out in this document no persons have preferential subscription rights in respect of any authorised but unissued share or loan capital of the Company or any of its subsidiaries.

4. Memorandum and Articles of Association

- (a) The memorandum of association of the Company provides that the Company's principal objects are to carry on business as a general commercial company. The objects of the Company are set out in full in clause 4 of the memorandum of association, which is available for inspection at the address specified in paragraph 17 below.
- (b) The articles of association of the Company contain provisions, *inter alia*, to the following effect. The following is a description of significant rights and does not purport to be complete or exhaustive:

(i) Share capital

The share capital of the Company is divided into one class of share, namely Ordinary Shares.

(ii) Voting rights

Subject to the Articles and any special rights or restrictions as to voting for the time being attached to any share at a general meeting every member holding an Ordinary Share present in person shall upon a show of hands have one vote and on a poll every member present in person or by proxy shall have one vote for every Ordinary Share of which he is the holder. A proxy cannot vote on a show of hands. Except as otherwise provided in the Articles two persons entitled to vote upon the business to be transacted at the meeting each being a member or a proxy for a member of a duly authorised representative of a corporation shall be quorum.

Unless the Board otherwise decides, a member shall not be entitled to attend or vote, either in person or by proxy, at any general meeting of the Company or to exercise any other right as a member in respect of any share held by him unless and until all calls and other sums presently payable by him in respect of that share have been paid.

(iii) Dividends

Subject to the Statutes the Company may by ordinary resolution declare dividends to be paid to the members according to their respective rights and interests in the profits of the Company. No dividend shall exceed the amount recommended by the Directors. Subject to the Statutes the Directors may pay such interim dividends (including any dividend payable at a fixed rate) as appear to them to be justified by the financial position of the Company. If the share capital of the Company is divided into different classes, the Board may pay such interim dividend on shares which rank after shares conferring preferential rights with regard to dividend as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears.

Except insofar as the rights attaching to, or the terms of issue of, any shares otherwise provide, all dividends shall be declared and paid according to the amounts paid up (other than amounts paid up in advance of calls) on the shares in respect of which the dividend is paid and all dividends shall be apportioned and paid *pro rata* according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not constitute a trustee in respect of such dividends, interest or other sums. All dividends unclaimed for a period of 12 years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

The Directors may, with the authority of an ordinary resolution of the Company direct that the payment of any dividend may be satisfied wholly or in part by the distribution of specific assets and, in particular, of paid up shares or debentures of any other company. The Board may, with the authority of an ordinary resolution of the Company and in accordance with the Articles, offer any holders of Ordinary Shares the right to elect to receive further new shares credited as fully paid instead of cash in respect of all (or some part) of any dividend specified by the ordinary resolution.

The Board may agree with any member that dividends which may be declared or become due on his shares in one currency shall be paid or satisfied in another, and may agree the basis of conversion to be applied and how and when the amount to be paid in the other currency shall be calculated and paid and for the Company or any other person to bear any costs involved.

(iv) Distribution of assets on a winding up

If the Company is wound up, the liquidator may, with the authority of an extraordinary resolution of the Company and any other authority required by the Statutes, divide among the members in specie the whole or any part of the assets of the Company and, for that purpose, value any assets and determine how the division shall be carried out as between members or different classes of members or vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is any liability.

- (v) Transfer of shares
 - (a) Subject to the restrictions in the Articles, a member may transfer all or any of his shares in any manner which is permitted by the Statutes and is from time to time approved by the Board.
 - (b) The Company shall register the transfer of any Uncertificated Shares in accordance with the Regulations and other Statutes and where permitted by the Regulations and other statutes the Board may, in its absolute discretion and without giving any reason for its decision, refuse to register any transfer of an Uncertificated Share.
 - (c) An instrument of transfer of a Certificated Share may be in any usual form or in any other form which the Board may approve and shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) by or on behalf of the transferee. An instrument of transfer need not be under seal.
 - (d) Save in the case of a class of shares which has been admitted to the official list of the UKLA the Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of a Certificated Share unless:
 - (i) it is in respect of a share which is fully paid up;
 - (ii) the instrument of transfer is left at the Registered Office or at such place as the Board may decide, for registration;
 - (iii) the instrument of transfer is accompanied by the certificate for the shares to be transferred and such other evidence (if any) as the Board may reasonably require to prove the title of the intending transferor or his right to transfer the shares;
 - (iv) the instrument of transfer is duly stamped (if so required);
 - (v) it is in respect of only one class of shares; and
 - (vi) it is in favour of not more than four transferees.
- (vi) Power to increase, consolidate, sub-divide and cancel shares
 - (a) The Company may by ordinary resolution:
 - (i) increase its share capital by such sum to be divided into shares of such amount as the resolution prescribes;
 - (ii) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
 - (iii) subject to the Statutes, sub-divide its shares, or any of them, into shares of smaller amount and the resolution may determine that, as between the shares resulting from the sub-division, one or more of the shares may, as compared with the others, have such preferred, deferred or other special rights, or be subject to such restrictions as the Company has power to attach to unissued or new shares; and
 - (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
- (vii) Fractions

Whenever as a result of a consolidation or sub-division of shares any member would become entitled to a fraction of a share, the Board may on behalf of the members deal with the fractions as it thinks fit. In particular, but without limitation, the Board may sell the shares representing the fractions for the best price reasonably obtainable to any person (including, subject to the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members (except that any amount otherwise due to a member, being less than £3 or such other sum as the Board may from time to time determine, may be retained for the benefit of the Company).

(viii) Power to reduce capital

Subject to the Statutes, and to any rights for the time being conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital, any capital redemption reserve or any share premium account in any way.

(ix) Power to purchase own shares

Subject to the Statutes, and to any rights for the time being conferred on the holders of any class of shares, the Company may purchase all or any of its shares of any class, including any redeemable shares.

(x) Variation of rights

(a) If at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any class of shares may be varied or abrogated (whether or not the Company is being wound up) in such manner (if any) as may be provided by those rights or, if no such provision is made, either:

- (i) with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class; or
- (ii) with the authority of an extraordinary resolution passed at a separate general meeting of the holders of those shares.

(b) The provisions of the Articles relating to general meetings of the Company or to the proceedings at general meetings shall apply, *mutatis mutandis*, to every meeting of the holders of any class of shares, except that:

- (i) the quorum at any such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one-third in nominal amount of the issued shares of the class;
- (ii) at an adjourned meeting the quorum shall be one person holding shares of the class or his proxy;
- (iii) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
- (iv) a poll may be demanded by any one holder of shares of the class whether present in person or by proxy.

(xi) Disclosure of interests

(a) If a holder of, or any other person appearing to be interested in, any shares has been issued with a notice by the Company pursuant to section 212 of the Act (a “Section 212 Notice”) and has failed in relation to any shares (the “Default Shares”) to comply with the Section 212 Notice within 14 days from the service of the notice:

- (i) the holder of the Default Shares shall not be entitled in respect of the Default Shares to be present or to vote (either in person or by proxy) at any general meeting of the Company or at any separate meeting of the holders of any class of shares; and
- (ii) if the Default Shares represent 0.25 per cent or more in nominal value of the issued shares of their class, the holder of the Default Shares shall not be entitled in respect of the Default Shares to receive any dividend or other distribution or other than an Exempt Transfer to transfer or agree to transfer any of those shares.

(b) An “Exempt Transfer” in relation to any shares means a transfer pursuant to:

- (i) a sale on a Recognised Investment Exchange (as defined in the Financial Services and Markets Act 2000) or any other stock exchange outside the United Kingdom on which the Company’s shares are normally traded;
- (ii) a sale of the whole beneficial interest in the shares to a person whom the Board is satisfied is unconnected with the existing holder or with any other person appearing to be interested in the shares; or
- (iii) a sale by way of or pursuant to acceptance of a takeover offer (as defined in section 428 of the Act).

(xii) Directors

- (a) Subject to the Statutes, the memorandum of association of the Company, the Articles and any directions given by special resolution of the Company, the business of the Company shall be managed by the Board which may exercise all the powers of the Company.
- (b) A director need not hold any shares of the Company. Each director shall be entitled to attend and speak at any general meeting of the Company whether or not he is a member.
- (c) The Board may from time to time appoint one or more directors to hold any executive office (including that of chief executive or managing director) for such term (subject to the Statutes) and on such terms as the Board may decide. The Board may revoke or terminate any such appointment without prejudice to any claim for damages for breach of contract between the director and the Company.
- (d) Subject to the Statutes and subject to disclosure of his interests, a director notwithstanding his office:
 - (i) may enter into or otherwise be interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested;
 - (ii) may hold any other office or place of profit under the Company (except as its auditor or auditor of a subsidiary of the Company) in conjunction with the office of director for such period (subject to the Statutes) and upon such terms as the Board may decide and may be paid such extra remuneration for so doing (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide, either in addition to or in lieu of any remuneration under any other provision of the Articles;
 - (iii) may be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company may be interested;
 - (iv) may act by himself or his firm in a professional capacity for the Company (except as its auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a director;
 - (v) shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any such office, employment, contract, arrangement, transaction or proposal

and no such contract, arrangement, transaction or proposal shall be avoided on the grounds of any such interest or benefit.

- (e) Save as otherwise provided by the Articles, a director shall not vote or be counted in the quorum at a meeting in relation to any resolution of the Board or a committee of the Board relating to any contract, arrangement, transaction or other proposal in which he has an interest which, together with any interest of a person connected with him (within the meaning of section 346 of the Act), is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted. The prohibition shall not apply and a director may vote and be counted in the quorum in respect of any resolution concerning any one or more of the following matters:
 - (i) any contract, arrangement, transaction or proposal in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
 - (ii) the giving of any guarantee, security or indemnity in respect of:
 - (A) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or
 - (B) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part (either alone or jointly with others) under a guarantee or indemnity or by the giving of security;

- (iii) any issue or offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;
 - (iv) any contract, arrangement, transaction or proposal concerning any other company in which he, and any persons connected with him (within the meaning of section 346 of the Act), do not to his knowledge hold an interest in shares (within the meaning of sections 198 to 211 of the Act) representing one per cent. or more of any class of the equity share capital of that company or of the voting rights available to members of that company;
 - (v) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and/or
 - (vi) the purchase or maintenance of insurance for the benefit of directors or for the benefit of persons including directors.
- (f) A director shall not vote or be counted in the quorum at a meeting in respect of any resolution of the Board or committee of the Board concerning his own appointment (including fixing or varying its terms) or the termination of his own appointment, to an office or place of profit with the Company or any other Company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each director and, in that case, each of the directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.
- (g) The directors (other than any director who for the time being holds an executive office or employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as directors such fees, not exceeding in aggregate £120,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine), as the Board may decide. Such sum shall be divided among the directors in such proportion and manner as the Board may agree or, failing agreement, equally. Any fee payable shall be distinct from any remuneration or other amounts payable to the director under other provisions of the Articles and shall accrue from day to day. The directors shall be paid out of the funds of the Company all reasonable travelling, hotel and other expenses properly incurred by him in and about the performance of his duties as director, including his expenses of travelling to and from Board meetings, committee meetings, general meetings or separate meetings of the holders of any class of shares or debentures in the Company.
- (h) If, by arrangement with the Board, any director performs or renders any special duties or services outside his ordinary duties as a director and not in his capacity as a holder of employment or executive office, he may be paid such reasonable special remuneration (whether by way of lump sum, salary, commission, participation in profits or otherwise) as the Board may decide in addition to any remuneration payable under or pursuant to any provision of the Articles.
- (i) At each annual general meeting one-third of the directors, or if the number of directors is not three or a multiple of three, the number nearest to and exceeding one-third, shall retire from office. If there are fewer than three directors, one director shall retire from office. Subject to the statutes, the directors to retire by rotation shall be those who have been longest in office since their appointment or reappointment but, as between directors who were appointed or re-appointed on the same day, those to retire shall (unless otherwise agreed amongst themselves) be determined by lot.

- (j) Subject to the Statutes, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time a director or other officer or employee of the Company (other than auditor) or any body which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or a trustee of any pension fund in which employees of the Company is or has been interested.
- (k) The number of directors (other than alternate directors) shall not, unless otherwise determined by ordinary resolution of the Company be less than three nor more than ten.
- (l) No person is capable of being appointed a director if at the time of his appointment he has attained the age of 70. A director of the Company shall vacate his office at the conclusion of the annual general meeting of the Company commencing after he attains the age of 70.

(xiii) Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Statutes, to create and issue debenture and other loan stock and debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Board shall restrict the borrowings of the Company and exercise all voting and other rights and powers of control exercisable by the Company in respect of its subsidiary undertakings so as to procure (but as regards its subsidiary undertakings only so far as it can procure by such exercise) that the aggregate principal amount at any one time outstanding of all monies borrowed by the Company and/or its group, (excluding amounts borrowed by any member of the Company's group from any other member of the Company's group and after deducting cash deposited) shall not at any time, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to two times the Company's group's adjusted capital and reserves.

(xiv) Pensions and benefits

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time a director of the Company or in the employment or service of the Company or of any company which is or was a subsidiary of or associated with the Company or of the predecessors in business of the Company or of any such subsidiary or associated company or the relatives or dependants of any such person. For that purpose the Board may procure the establishment and maintenance of, or participate in, or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement and pay any insurance premiums.

(xv) Uncertificated securities

Pursuant to and subject to the CREST Regulations, the Board may permit shares of any class to be held in uncertificated form and to be transferred or otherwise dealt with by means of a Relevant System (as defined in the CREST Regulations), and may revoke such permission.

5. Disclosure of Interests

(a) *Holdings in Ordinary Shares*

- (i) At the date of this document the interests of the Directors in the share capital of the Company, which (i) have been, or which will be required to be, notified to the Company pursuant to Section 324 or 328 of the Act or (ii) are or will be required to be entered into the register maintained under Section 325 of the Act or (iii) are interests of a connected person (within the meaning of section 346 of the Act), which would if such person were a Director, be required to be disclosed under (i) or (ii) above and the existence of which is known or would with reasonable diligence be ascertained by a Director, are as follows:

	<i>At Present</i>		<i>Immediately following Admission</i>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of the Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the Enlarged Share Capital</i>
Directors				
Colin Lloyd	161,535	0.61%	161,535	0.27%
Lionel Thain	3,206,010 ¹	12.08%	3,206,010 ¹	9.66%
Eoin Ryan	27,780	0.10%	27,780	0.05%
David Cicurel	Nil	Nil	Nil	Nil
Barton Faber	2,352,000 ²	8.86%	2,352,000 ²	7.09%

1 18,510 Ordinary Shares are registered in the name of Lionel Thain's children.

2 2,052,000 Ordinary Shares are registered in the name of Atrium Venture Partners L.P., a limited partnership in which Barton Faber is a limited partner. Barton is also a member of, and participates in the investment decisions made by, Atrium Ventures LLC, the general partner of Atrium Venture Partners L.P.

As at the date of this document, the following options have been granted to the Directors pursuant to the Share Option Schemes.

	<i>Ordinary Shares under option</i>	<i>Exercise price</i>	<i>Date of grant</i>	<i>Dates from which exercisable</i>	<i>Expiry Date</i>	<i>Plan</i>
Colin Lloyd	220,500	19.99333p	04/09/2000	Immediately	04/09/2010	Unapproved Scheme
Lionel Thain	140,280	0.06667p	15/12/2001	15/12/2004-15/12/2006 ⁽¹⁾	14/12/2011	Approved Scheme
Eoin Ryan	621,255	0.06667p	15/12/2001	15/12/2004-15/12/2006 ⁽¹⁾	14/12/2011	Approved Scheme
	70,245	40.71267p	20/01/2004	20/01/2007-20/01/2009 ⁽¹⁾	19/01/2014	Approved Scheme
David Cicurel	100,500	19.99333p	04/09/2000	Immediately	04/09/2010	Unapproved Scheme
Barton Faber	Nil	n/a	n/a	n/a	n/a	n/a

Note:

1 The options under the Approved Scheme will vest as follows: 25% on the third anniversary of the date of grant; 25% on the fourth anniversary of the date of grant and 50% on the fifth anniversary of the date of grant.

- (ii) In addition to the interests of the Directors referred to in paragraph 5(a)(i) above, the Company (i) has been notified or has otherwise been made aware of the following interests in 3 per cent. or more of the issued ordinary share capital of the Company as at the date of this document and (ii) following Admission the Company expects to be made aware of the following interests in 3 per cent. or more of the issued share capital of the Company:

	<i>At Present</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary shares</i>	<i>Percentage of Existing Ordinary Shares</i>	<i>Number of Ordinary shares</i>	<i>Percentage of the Enlarged Share Capital</i>
Shareholder				
Atrium Venture Partners L.P. ¹	2,052,000	7.73%	2,052,000	6.18%
CB Nominees Limited ²	6,462,600	24.34%	6,462,600	19.47%
Blackfinch Limited ³	1,500,000	5.65%	1,500,000	4.52%
Martin Kiersnowski	2,587,500	9.75%	2,587,500	7.80%
Rigjet Corporation S.A. ⁴	3,000,000	11.30%	3,000,000	9.04%
Ivan Southall	1,500,000	5.65%	1,500,000	4.52%
Gerrard Trust (Jersey) Limited ⁵	2,815,470	10.61%	2,815,470	8.48%

Note:

1 Barton Faber is a limited partner in Atrium Venture Partners L.P. He is also a member of, and participates in the investment decisions made by, Atrium Ventures LLC, the general partner of Atrium Venture Partners L.P.

2 CB Nominees Limited is a nominee company, holding shares on behalf of Dawnay, Day Lander Limited. David Cicurel is a director of Dawnay, Day & Co. Limited. Dawnay, Day & Co. Limited is part of the same group as Dawnay, Day International Limited, the holder of a significant number of shares in Dawnay, Day Lander Limited.

3 Ivan Southall's father-in-law has been granted a general power of attorney over Blackfinch Limited.

4 Rigjet Corporation S.A. is a corporation incorporated in the Republic of Panama. Lionel Thain's father has been granted a general power of attorney in respect of this company. Rigjet Corporation S.A. is an investment vehicle that holds a number of investments in other companies.

5 Gerrard Trust (Jersey) Limited is the trustee of the EBT.

- (b) Save as disclosed in this paragraph 5, and insofar as the Company has the information, the Directors are not aware of any person or persons who either alone or, if connected, jointly following the completion of the Placing will (directly or indirectly) exercise or could exercise control over the Company.
- (c) Save as disclosed in this document:
- (i) no Director has any interest in the issued share capital of the Company and no Director will acquire shares in the Company pursuant to the Placing;
 - (ii) the Directors are not aware of any person interested in 3 per cent. or more of the issued share capital of the Company;
 - (iii) no contract or arrangement with any member of the Group subsists or has subsisted within the period of two years immediately preceding the date of this document in which any Director is or was materially interested and which is significant in relation to the business of the Group taken as a whole;
 - (iv) no Director has had any interest, direct or indirect, in any asset within the period of two years immediately preceding the date of this document which has been or which is proposed to be acquired, disposed of by or leased to any member of the Group; and
 - (v) no amount or benefit has been paid or given by the Company within the period of two years before the date of this document to any promoter nor is any such payment or gift intended.
- (d) Other than in respect of the Placing and as set out in this paragraph 5, no Director has or has had any interest, direct or indirect, in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Group and which was effected by any member of the Group during the current or previous financial year and remains, in any respect, outstanding or unperformed.
- (e) No loans are outstanding by any member of the Group to or for the benefit of any of the Directors, their connected persons, nor has any guarantee been provided by any member of the Group for the benefit of any Director or his connected persons.
- (f) For the year ended 31 December 2003, the aggregate remuneration paid to the Directors, Key Managers, Daniel Unger, Dermot Skinner and Jonathan Lander by members of the Group was £411,235 (excluding employer's national insurance contributions). Of the amount of £411,235, £190,999 was paid to the Directors in their capacity as directors of IPT Limited. Under arrangements now in force, conditional on Admission, the Directors' aggregate remuneration and benefits in kind (excluding employer's national insurance contributions) for the financial year ending 31 December 2004 are estimated to be approximately £209,950.
- (g) In addition to their directorships of the Company, the Directors currently hold, and in the previous five years have held, the following directorships and are or were partners of the following partnerships:

<i>Name</i>	<i>Current Directorships</i>	<i>Previous Directorships</i>
Lionel William Thain	Emailbureau Limited Interactive Prospect Targeting Limited Myoffers Limited Newsletters On-Line Limited OK-mail Limited Payfinder Limited	Email Monitor Limited (dissolved) Real Time Response Limited (dissolved) Reamcast Limited (dissolved) Roedean Manor Limited
Eoin Stephen Ryan	Everyinvestor Limited Interactive Prospect Targeting Limited Newsletters On-Line Limited	National Car Parks Manchester Limited

<i>Name</i>	<i>Current Directorships</i>	<i>Previous Directorships</i>
Colin Thomas Lloyd	Colin T. Lloyd Limited CPP Group plc Linux Software International Limited P&MM Group Limited Rectory Assured Limited The Communication Advertising & Marketing Education Foundation Limited (The) The Read Group plc The Telephone Preference Service Limited Trustmarque Acquisitions Limited Trustmarque Intermediary Limited Trustmarque International Limited Trustmarque Solutions Limited U.K. Letterbox Marketing Limited	Advertising Standards Board of Finance Bluebook — National Retailer Services Limited (dissolved) Healthworld, Inc. Interactive Prospect Targeting Limited Lonsdale Advertising Limited RDP (Holdings) Limited Response Direct Publishing Limited Smart E-Commerce Limited The National Newspapers' Mail Order Protection Scheme Limited TrustUK Limited TSA Limited (dissolved)
Barton Lee Faber	Document Sciences Corporation Intervisual Communications Inc. Looking Glass, Inc.	Arizona Cave Creek Partners Interactive Prospect Targeting Limited Vicinity Corporation
David Elie Cicurel	David Cicurel (Investments) Limited David Cicurel (Investments) 2002 Limited Dawnay, Day & Co. Limited Hamworthy Investments Limited HRA Europe SA Judges Capital plc Nucleus Management SA Poole Investments plc Specialty Catalog Corporation Starlight Investments Limited	E-merge.com Limited Gemmes Guilde SA Interactive Prospect Targeting Limited Mobile Radio Limited Petal Group Limited

- (h) Save as set out in paragraph (i) below, none of the Directors has:
- (i) any previous names;
 - (ii) any unspent convictions in relation to indictable offences;
 - (iii) ever had a bankruptcy order made against him or entered into an individual voluntary arrangement or had a receiver appointed to any of his assets;
 - (iv) been a director of a company which has been placed in receivership, compulsory liquidation, voluntary liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of creditors whilst he was a director of that company or within 12 months after he ceased to be a director of that company;
 - (v) been a partner of a partnership which has been placed in compulsory liquidation, administration or been the subject of a partnership voluntary arrangement or had a receiver appointed to any partnership asset whilst he was a partner of that partnership at the time or within 12 months after he ceased to be a partner of that partnership; or
 - (vi) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies), or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.
- (i) (i) Colin Lloyd was a director of Hartley Baird plc, an engineering company, from 15 November 1990 until his resignation on 21 October 1991. Joint administrative receivers were appointed over the assets of Hartley Baird plc on 8 November 1991. The receivers ceased to act on 18 May 1998. The company was dissolved on 16 March 1999. Colin Lloyd had no knowledge of the trading position of the company from October 1991 onwards and has not been contacted by the joint administrative receivers to date.
- (ii) Colin Lloyd was a director of Musello Limited, a printing and artistic design company, from 7 October 1991 until the company's dissolution on 28 November 2002. Pursuant to a resolution of its members and creditors the company went into creditors' voluntary liquidation on 30 April 1992.

- (iii) Colin Lloyd was a director of Smart E-Commerce Limited, a software technology company, from 31 January 2000 until his resignation on 1 August 2003. On 5 April 2002, joint administrative receivers were appointed to Smart E-Commerce Limited by Royal Bank Investments Ltd under the powers conferred in a debenture dated 8 June 2001. The company had an ongoing funding requirement which the bank was not prepared to cover. In the absence of any alternative funding, the bank made the decision to appoint administrative receivers. Smart E-Commerce Limited is currently still in administrative receivership. The administrative receivers have advised that there will be no funds available to the unsecured creditors of the company.
- (iv) Colin Lloyd was a director of Viewinn plc, a company involved in internet television services, from 23 October 1995 until his resignation on 8 May 1998. On 8 May 1998 the company's members and creditors approved a proposal for a company voluntary arrangement. A notice of completion of the company voluntary arrangement was filed at Companies House on 26 April 1999 following which the company was struck off and dissolved on 21 September 1999.
- (v) David Cicurel was a non-executive director of Vint Industries Limited, a company which designed and manufactured electric hot water bottles, until this company was sold on 24 September 1990, when he resigned as a director. An administrative receiver was appointed over the assets of the company later in 1990 and the company was dissolved on 18 December 1993. David Cicurel had no knowledge of the trading position of the company following the sale and has not been contacted by the receiver to date.

6. Directors' Service Agreements and Letters of Appointment

(a) *Directors' Service Agreements*

Each of Lionel Thain and Eoin Ryan (the "Executive Directors"), have entered into service agreements with the Company each dated 3 December 2004 which are conditional upon and have effect from the date of Admission and will be in substitution for their existing service agreements or contractual arrangements with the Company.

Lionel Thain's and Eoin Ryan's gross annual salaries are currently £114,108 and £79,942 respectively. Post-Admission, under the terms of the service agreements Lionel Thain's salary will not change but Eoin Ryan's gross salary will increase to £85,000. In addition, the Executive Directors are eligible for a discretionary bonus. There is no provision for any further benefit to be provided to the Executive Directors under the service agreements.

The service agreements are terminable on 12 months' written notice from either party and include garden leave and pay in lieu of notice provisions. They also contain six month post-termination restrictions on the Executive Directors; being engaged or involved with any supplier to any member of the Group; being engaged or concerned with any customer of any member of the Group; soliciting any customer of the Group's business; dealing with any customer of the Group's business; soliciting any key employee; or employing any key employee.

Each of the Executive Directors agrees to conform to such hours of work as may be from time to time reasonably be required of him and affirms that the average working time limit of 48 hours per week provided by the Working Time Regulations 1998 does not apply to his appointment.

(b) *Non-Executive Letters of Appointment*

The appointments of Colin Lloyd, David Cicurel and Barton Faber (the "Non-Executive Directors") are governed by the terms of letters of appointment each dated 3 December 2004 which are conditional on Admission. Each such appointment is terminable on not less than 3 months' written notice by either party. Pursuant to the terms of the letters of appointment, Colin Lloyd's post-Admission annual fee will increase from £18,000 to £24,000 as non-executive Chairman, David Cicurel's post-Admission annual fee will increase from £3,000 to £12,000 and Barton Faber's annual fee will be £8,000. They are also entitled to reimbursement for all reasonable out of pocket expenses properly incurred by them on Company business. It is intended that the Non-Executive Directors' fees will be reviewed on 31 December 2005.

Each of the Non-Executive Directors has agreed to give a restrictive covenant during the term of his letter of appointment and for 6 months after termination of his appointment not to carry on any competing business.

- (c) Save as disclosed in this paragraph 6 there are no existing or proposed service or consultancy agreements between any Director and any member of the Group.
- (d) Save as referred to in paragraph 6, no service or consultancy agreements between any Director, and any member of the Group have been entered into or amended within 6 months prior to the publication of this document.

7. Lock-ins and Orderly Marketing Arrangements

Each of the Directors and the Key Managers have severally undertaken to Canaccord under the terms of the Placing Agreement not to dispose of any interest they have in the Ordinary Shares (other than Ordinary Shares arising from the exercise of options granted under the Approved Scheme) for a period of 12 months from the date of Admission.

Each of CB Nominees Limited and Atrium Venture Partners LP who together hold approximately 25% of the Enlarged Share Capital have severally undertaken to Canaccord not to dispose of any interest they have in their Ordinary Shares for a period of 6 months from the date of Admission.

All remaining Shareholders (other than the EBT and one other Shareholder) have severally undertaken to Canaccord not to dispose of any interest they have in Ordinary Shares (other than Ordinary Shares arising from the exercise of options granted under the Approved Scheme) for a period of 12 months from the date of Admission.

Certain disposals are permitted under the terms of the lock-in arrangements outlined above including (i) the acceptance of a general offer (or an agreement or undertaking to accept such an offer) for the share capital of the Company made in accordance with the City Code, or the execution of an irrevocable undertaking to accept such an offer; (ii) a disposal pursuant to any intervening court order for the purposes of section 425 of the Act or other court order; (iii) a transfer to a trustee to create a new settlement or a beneficiary under a trust or to a family member provided in each case the transferee agrees to adhere to the lock-in agreement; and (iv) a disposal on death.

8. Employee Share Schemes

(a) Introduction

IPT Limited adopted two share option schemes, the Approved Scheme and the Unapproved Scheme for the grant of options over Ordinary Shares. Following the acquisition of the entire issue share capital of IPT Limited by the Company pursuant to a share for share exchange entered into on 1 December 2004, the Approved Scheme and the Unapproved Scheme now operate as if they had been adopted by the Company.

(b) Summary of principal features of the Approved Scheme

(i) Introduction

The Approved Scheme was approved by the shareholders of IPT Limited and adopted on 7 February 2001. The approval of the Inland Revenue pursuant to schedule 9 to the Income and Corporation Taxes Act 1988 (now Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003) was received on 8 November 2001. It provides for eligible employees and directors to be granted options to acquire Ordinary Shares at the discretion of the Board or a duly authorised committee of it.

(ii) Eligibility

Directors who work at least 25 hours a week and employees of the Group will be eligible. Participation is at the discretion of the directors.

(iii) Individual Limit on Participation

Options cannot be granted where to do so would cause the aggregate market value at the date of grant of shares which can be acquired under the Approved Scheme by any individual to exceed £30,000.

(iv) Grant Periods

Options may be granted, at the discretion of the directors to eligible employees and directors. No options can be granted later than ten years after the adoption of the scheme.

(v) Performance Conditions

The directors may grant options on the basis that they will normally only be exercisable if pre-set objective performance conditions are met. Options may provide that performance conditions may be waived or varied at the discretion of the directors.

(vi) Exercise

Subject to achievement of any performance conditions participants will be able to exercise their options and acquire shares at a price per share which will be fixed by the directors when the option is granted. This exercise price may not be less than the greater of the market value of the Ordinary Shares on the date of grant or their nominal value.

An option may not normally be exercised earlier than three years nor later than ten years after its grant.

An option is only exercisable to the extent that it has vested. Under the Approved Scheme options vest as follows:

25% on the third anniversary of grant;

25% on the fourth anniversary of grant; and

50% on the fifth anniversary of grant.

Special provisions apply where there is a takeover, reconstruction or winding up of the Company. These provisions may allow the earlier exercise of options, normally within 3 to 6 months.

If the Company is acquired by another company, option holders may, with the agreement of the acquiring company, release their options in consideration of the grant of new options over the shares of the acquiring company. The new options must be equivalent to the old options.

Options will normally lapse if an option holder ceases to be an eligible employee or director or becomes bankrupt. Special provisions apply if an option holder retires or ceases to be eligible due to injury, ill health or disability. These provisions allow the exercise of the options within the following twelve months (the directors have the discretion to extend this period but such extended period cannot exceed 3 years and six months from the date of cessation of employment). If an option holder dies his personal representatives may exercise the options within the following twelve months. The directors have discretion to allow exercise after an employee ceases to be eligible for any other reason (apart from where the employment ceases due to misconduct or poor performance).

(vii) Non transferability of options

All options are non-transferable.

(viii) Scheme Limits

The total number of shares which may be allocated under the Approved Scheme, when added to the total number of shares allocated under any other employee share scheme operated by the Company must not exceed 15% of the authorised share capital of the Company.

Following Admission, the Company intends to make available 10% of the issued share capital of the Company for the grant of new options under the Approved Scheme. When the 10% limit is reached, it is intended that new options will then be made available if, and to the extent, existing options granted under the Approved Scheme are exercised, released or lapsed.

(ix) Variations of share capital

In the event of an increase or variation of the ordinary share capital of the Company, the directors can make any adjustments considered appropriate to the number of shares subject to any option or the price payable for shares under any option to preserve the position of the option holders. No adjustment will be effective until approved by the Inland Revenue. No adjustment is allowed if it has the effect of making the exercise price less than the nominal value of the shares unless the directors resolve to capitalise reserves of the company to make up the difference.

Any alterations to the Approved Scheme must be approved by the Company in general meeting except certain minor changes which can be approved by the directors. However, any change which could affect the Inland Revenue approved status of the scheme is subject to approval by the Inland Revenue.

(x) Option grants

The following options have been granted and not lapsed or been cancelled under the Approved Scheme:

<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of Shares</i>
15 December 2001	0.06667p ¹	2,815,470
31 July 2003	40.71267p	37,500
20 January 2004	40.71267p	773,550
12 October 2004	40.71267p	90,000

Note:

1 The approved options granted on 15 December 2001 are exercisable at less than the nominal value of 0.4p of the Ordinary Shares. The Company cannot issue shares at less than their nominal value but the rules of the Approved Scheme permit the exercise of options to be satisfied by the transfer of shares held by an employee benefit trust. Further details of the EBT which was established for this purpose are set out in paragraph 9 of this Part IV of this document.

(c) *Summary of principle features of the Unapproved Scheme*

(i) Introduction

The Unapproved Scheme was adopted by the directors of IPT Limited on 3 August 2000. The Unapproved Scheme was adopted in order to grant options which do not benefit from any advantageous tax treatment (“Unapproved Options”).

The Unapproved Scheme does not require Inland Revenue approval.

(ii) Use of the Unapproved Scheme

Options over a total of 421,500 Ordinary Shares have been granted under the Unapproved Scheme to non-executive directors of the Company. These unapproved options will remain exercisable following Admission.

(iii) Scheme Rules

The general rules of the Unapproved Scheme relating to the grant of options are basically the same as the Approved Scheme save that:

- (a) non-executive directors of the Company are eligible to participate;
- (b) the £30,000 limit on the value of shares which may be put under option to any one optionholder does not apply;
- (c) options may be granted with an exercise price below the market value at the date of grant;
- (d) options vest as to 25% on the first anniversary of grant, 25% on the second anniversary of the date of grant and 50% on the third anniversary on the date of grant;
- (e) if an option holder ceases to be an employee or director then generally his options will lapse immediately. However, if he retires or ceases to be an employee or director by reason of injury, ill health or disability then his options will not lapse but must be exercised within the following six months; and
- (f) amendment to the Unapproved Scheme need not be approved by the Inland Revenue.

Certain minor restrictions which apply to the Approved Scheme do not apply. However, the same overall limits on the number of shares which may be used do apply.

(iv) Taxation

The optionholders under the Unapproved Scheme have each agreed to indemnify the Group for any income tax which may arise upon exercise of the unapproved share options and for which the Group is liable to account to the Inland Revenue under the Pay As You Earn system. A liability to employer’s and employee’s national insurance contributions will also arise upon the exercise of the unapproved share options. This liability is calculated by reference to the “gain” upon exercise, i.e. the difference between the market value of the option shares at the date of exercise and the aggregate amount paid by the relevant optionholder for the grant and upon exercise of the option. The current rate of employee’s national insurance contributions is 12.8%.

(iv) Option Grants

The following options have been granted under the Unapproved Scheme:

<i>Optionholder</i>	<i>Date of Grant</i>	<i>Exercise Price</i>	<i>Number of Shares</i>
Daniel Unger	4 September 2000	19.99333p	100,500
David Cicurel	4 September 2000	19.99333p	100,500
Colin Lloyd	4 September 2000	19.99333p	220,500

All of the unapproved options are currently fully vested and are exercisable. As stated at paragraph 8(c)(ii) above the Company does not intend to grant any further options under the Unapproved Scheme.

9. The Jersey Employee Benefit Trust

On 30 November 2004 IPT Limited established and sponsored the EBT.

IPT Limited has by deed sponsored the EBT as a means of encouraging share ownership and providing incentives for employees of the Group.

The immediate aim of the EBT is to satisfy the exercise of the share options granted on 15 December 2001. In the longer term it is possible that the trust fund may be used to provide other employee benefits.

The trustee of the EBT is Gerrard Trust (Jersey) Limited a professional trust corporation based in Jersey. The EBT holds 2,815,470 Ordinary Shares

10. Material Contracts

Save for the agreements set out below, no contracts which are or may be considered material, have been entered into by members of the Group otherwise than in the ordinary course of business during the two years immediately preceding the date of this document:

- (a) On 3 December 2004 the Company entered into the Placing Agreement with Canaccord, the Directors and the Key Managers pursuant to which Canaccord has agreed to use its reasonable endeavours to procure subscribers on behalf of the Company for the Placing Shares. The Placing Agreement is conditional on the entire issued and to be issued share capital of the Company being admitted to AIM by no later than 14 December 2004 (or such other date as may be agreed between the parties being no later than 31 December 2004).

The Placing Agreement contains warranties given by the Company, the Directors and the Key Managers as to the accuracy of the information contained in this document and other matters relating to the IPT Group and its business. In addition, the Company has given an indemnity to Canaccord in respect of certain matters. Canaccord is entitled to terminate the Placing Agreement prior to Admission, principally in the event of a breach by the Directors and the Key Managers of the Placing Agreement or of any of the warranties contained in it which is material or adversely prejudicial in the context of the Placing or if an event of *force majeure* arises.

In consideration of its services in connection with the Placing and subject to Admission, the Company will pay Canaccord a corporate finance fee of £90,000 and a commission of 5 per cent. of the Placing Price for each of the Placing Shares for which Canaccord procures places on behalf of the Company. The Company, Canaccord and Dawnay, Day Lander Limited have agreed that Dawnay, Day Lander Limited will receive half the commission (2½%) in respect of those Placing Shares subscribed for by places introduced to Canaccord by Dawnay, Day Lander Limited.

- (b) On 3 December 2004, the Company entered into a nominated adviser and broker agreement with Canaccord pursuant to which the Company, conditional on Admission, has appointed Canaccord to act as nominated adviser and broker to the Company for the purposes of the AIM Rules. The Company has agreed to pay Canaccord a fee of £40,000 plus VAT per annum for the services. The agreement contains certain undertakings and indemnities by the Company. Save in certain circumstances, the agreement is subject to 3 months' written notice by either party such notice to expire on or after the first anniversary of Admission.
- (c) On 22 September 2003, IPT Limited entered into a services agreement with Iron Mountain (UK) Limited ("Iron Mountain") pursuant to which Iron Mountain agreed to provide IPT Limited with storage, handling, collection, delivery and associated services in respect of IPT Limited's magnetic tapes. The agreement is for an initial period of 36 months after which it will continue automatically unless terminated. Either party may terminate the agreement on three months'

prior written notice to expire the day before the anniversary of the date of the agreement or may terminate it for any one of the specified events of default which give rise to the right on the part of the innocent party to terminate forthwith.

IPT Limited grants Iron Mountain an indemnity for any loss or damage arising out of the storage or delivery of the articles and for any breach by IPT Limited of the terms of the agreement. Iron Mountain grants IPT Limited an indemnity against direct damage to stored items resulting from its (or its subcontractors') negligence to a maximum of £50 per item and an aggregated maximum of £500,000 per calendar year.

Charges for the services remain fixed until 1 July 2005, at which time they may be reviewed by Iron Mountain on one month's written notice.

- (d) On 8 July 2003, IPT Limited entered into a product sales agreement with IronPort Systems, Inc. ("IronPort") pursuant to which IronPort sold IPT Limited two 'A60' email delivery systems and entered into related maintenance and support contracts.

The maintenance and support contracts are for a one year term and will automatically renew for a further one year term unless terminated by either party on 60 days prior written notice. The maintenance and support contracts may also be terminated immediately by IronPort for non-payment or material breach by IPT Limited. If IPT Limited allows the maintenance and support contracts to lapse and wishes to reinstate them, it will be liable to pay a reinstatement fee.

Maintenance costs are fixed for three years and for the following five years annual increases are limited to RPI plus 50% although IronPort may review the maintenance and support fees on 30 days' written notice to IPT Limited.

IronPort grants IPT Limited an indemnity against the systems' infringement of US patent or copyright law but excludes its liability for claims relating to the infringement of any third party intellectual property rights in respect of the use of the systems.

- (e) A share for share exchange agreement dated 1 December 2004 between the Company and the shareholders of IPT Limited pursuant to which the Company purchased the entire issued share capital of IPT Limited in consideration for the allotment of Ordinary Shares. Each shareholder of IPT Limited was allotted one Ordinary Share for every one share held in IPT Limited, with the exception of Lionel Thain and Ivan Southall who were each allotted one fewer Ordinary Share than they would otherwise have been entitled to receive on such basis because each of them already held one unpaid Ordinary Share following the transfer to them of the subscriber shares following incorporation of the Company, the nominal value of which was credited as paid up as part of the consideration for the share for share exchange.

11. Litigation

There are no legal or arbitration proceedings active, pending or threatened (so far as the Directors are aware) against or being brought by any member of the Group, which have, or may have had during the twelve months preceding the date of this document, a significant effect on the financial position of the Group.

12. Details of the Group

The Group will comprise the Company as the holding company of the Group, together with the following subsidiaries and subsidiary undertakings:

<i>Name of Subsidiary</i>	<i>Company Registered Number</i>	<i>Principal activity</i>	<i>Proportion of shares held by the Company</i>	<i>Issued Share Capital</i>
Interactive Prospect Targeting Limited ¹	3896907	Direct Marketing	100%	26,547,660 ordinary £0.004 shares
Emailbureau Limited	4232341	Advertising	100%	2 ordinary £1 shares
MyOffers Limited	3895253	Dormant	100%	2 ordinary £1 shares
Ok-mail Limited	3928638	Dormant	100%	2 ordinary £1 shares
Payfinder Limited	4655632	Non-trading	100%	2 ordinary £1 shares
Health Information Services Limited	4971317	Non-trading	100%	1 ordinary £1 share
Newsletters On-line Limited	4422244	Publishing	100%	10,000 ordinary £1 shares
EveryInvestor Limited	4464516	Publishing	100%	2 ordinary £1 shares

All subsidiaries and subsidiary undertakings are held indirectly by the Company through IPT Limited.

Note:

- ¹ The Company acquired IPT Limited pursuant to the share for share exchange agreement referred to in paragraph 10(e) of this Part IV. The Company is required to submit the stock transfer forms to the Inland Revenue for stamp duty adjudication although the Company has been advised that the share for share exchange will be exempt from stamp duty. The Company is the beneficial owner of the ordinary shares in IPT Limited but will only become the legal owner once the Register of Members of IPT Limited has been updated following the stamping of the stock transfer forms by the Inland Revenue].

13. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Company and the Group from the time of Admission will be sufficient for its present requirements, that is for at least the next 12 months from the date of Admission.

14. Taxation

The following information is based upon the law and practice currently in force in the United Kingdom. The comments are of a general nature only, are not a full description of all relevant tax considerations and may not apply to persons who do not hold their Ordinary Shares as investments. Any person who is in any doubt as to his tax position should consult a professional adviser concerning his tax position in respect of the acquisition, holding or disposal of Ordinary Shares.

(a) *Dividends — UK resident shareholders*

Under current United Kingdom taxation legislation no withholding tax applies on dividends paid by the Company.

Where the Company pays a dividend, a holder of Ordinary Shares who is an individual resident in the UK (for the purposes of UK taxation law) and who receives that dividend is generally entitled to a tax credit in respect of the dividend received. The tax credit currently equals 10 per cent. of the combined amount of the dividend and tax credit (a “gross dividend”). Such individuals will be liable to income tax on the aggregate of the dividend and tax credit which together will be regarded as the top slice of the individual recipients’ income for tax purposes and will be subject to UK income tax at the special rate of tax as described below.

Individual shareholders who are liable to income tax at lower or basic rate will be liable to tax on the gross dividend received at the rate of 10 per cent. This means that the tax credit will satisfy the individual’s liability to pay income tax at the lower or basic rate.

The rate of income tax applied to gross dividends received by individual shareholders liable to income tax at the higher rate will be equal to what is known as the Schedule F upper rate (currently 32.5 per cent.). After taking into account the 10 per cent. tax credit a higher rate tax payer will be liable to additional income tax of 22.5 per cent of the gross dividend, equal to 25 per cent. of the net dividend.

Individual shareholders who are not liable to income tax on the dividend income cannot reclaim payment of the tax credit from the Inland Revenue.

A UK resident (for the purposes of UK taxation law) corporate shareholder will not normally be liable to UK corporate tax on any dividend received from the Company. Instead the dividend together with the associated tax credit should represent franked investment income. Such income should be available to off-set against franked payments which arise on its distributions. Most UK resident corporate shareholders and pension funds are not, however, entitled to repayment of any tax credits from the Inland Revenue.

(b) *Dividends — Non UK resident shareholders*

Shareholders not resident in the UK are generally not taxed in the UK on dividends received by them (unless, exceptionally, the investment is managed by a UK investment manager acting, broadly, on arm’s length terms). By virtue of double taxation agreements between the UK and other countries, some overseas shareholders are able to claim all or part of the tax credits carried by the dividends they receive from UK companies. Persons who are not resident in the UK should consult their own tax advisers on the possible applicability of such provisions, in the jurisdiction in which they are resident.

(c) *Taxation of chargeable gains*

Any disposal of Ordinary Shares by a shareholder resident or ordinarily resident for tax purposes in the UK or a non-UK resident shareholder who carries on a trade, profession or vocation in the UK through a branch or agency and has used, held or acquired the Ordinary Shares for the purposes of such trade, profession or vocation or such branch or agency may, depending on the shareholder’s circumstances, and subject to any available exemptions, allowances or reliefs, give rise to a chargeable gain or an allowable loss for the purposes of UK capital gains tax (or for companies, corporation tax on chargeable gains). Special rules apply to disposals by individuals at a time when they are temporarily not resident or ordinarily resident in the UK.

(d) *Stamp Duty and Stamp Duty Reserve*

No liability to stamp duty or stamp duty reserve tax (“SDRT”) will arise on the allotment of the Placing Shares by the Company pursuant to the Placing.

The conveyance or transfer on sale of Ordinary Shares which are held in certificated form following registration will be subject to stamp duty on the instrument of transfer, at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount of the value of the consideration. Where Ordinary Shares are held in uncertificated form within CREST a liability to SDRT will arise where an unconditional agreement to transfer the shares is entered into (at the rate of 0.5 per cent).

The above is a summary of certain aspects of current law and practice in the UK. A shareholder who is in any doubt as to his tax position or who is subject to tax in a jurisdiction other than the UK, should consult his or her professional adviser.

15. Consents

Canaccord and Deloitte & Touche have given and have not withdrawn their written consent to the inclusion in this document of the use of their respective names (as appropriate) and references to them in the form and context in which they are included and in the case of Deloitte & Touche only the use of its reports.

16. General

- (a) Other than as described in this document, there has been no significant change in the trading or financial position of the Group since 30 June 2004 the date to which the latest audited accounts of the Group were made up.
- (b) It is estimated that the total expenses payable by the Company in connection with the Placing and Admission will amount to approximately £0.6 million (excluding value added tax).
- (c) The amount payable on application and allotment of each Placing Share is 68p of which 67.6p is payable by way of premium.
- (d) The Company is making an application to CRESTCo for the Ordinary Shares to be settled through CREST and to be admitted as a participating security. It is expected that the admission of the Ordinary Shares in CREST as a participating security will be effective from Admission. Holders of Ordinary Shares who are direct or sponsored members of CRESTCo will be able to dematerialise their Ordinary Shares in accordance with the rules and practices instituted by CRESTCo.
- (e) Save as disclosed in this document:
- (i) there are no patents or other intellectual property rights, licences or particular contracts which are of fundamental importance to the Company’s business;
 - (ii) the Directors are not aware of any exceptional factors which have influenced the Company’s activities; and
 - (iii) the Company has no significant investments in progress.
- (f) In the opinion of the Directors, the minimum amount which must be raised for the purposes mentioned in paragraph 21 of Schedule 1 to the POS Regulations by the allotment of Ordinary Shares pursuant to the Placing is as follows:
- | | |
|--|--------------|
| (i) Purchase price of property | £Nil |
| (ii) Preliminary expenses and commissions | £0.6 million |
| (iii) Repayment of money borrowed in respect of (i) and (ii) above | £Nil |
| (iv) Working capital | £3.9 million |
- There are no amounts to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the Placing.
- (g) Except as detailed in this document, no person (other than professional advisers as referred to in this document and trade suppliers) has received, directly or indirectly, from the Company within the twelve months preceding the Company’s application for Admission, and no persons have entered into contractual arrangements to receive, directly or indirectly, from the Company on or after Admission:

- (i) fees totalling £10,000 or more;
- (ii) securities in the Company with a value of £10,000 or more calculated by reference to the Placing Price; or
- (iii) any other benefit with a value of £10,000 or more at the date of Admission, which includes all the Shareholders.

17. Documents available for Inspection

Copies of this document will be available free of charge at the registered office of the Company and the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date one month following Admission. Copies of the following documents will be available for inspection at the offices of Hammonds, 7 Devonshire Square, Cutlers Gardens, London EC2M 4YH during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date one month following Admission:

- (a) the memorandum and articles of association of the Company;
- (b) the reports produced by Deloitte & Touche set out in Part III of this document;
- (c) the audited consolidated accounts of the Company for the two financial years ended 31 December 2003;
- (d) the Placing Agreement referred to in paragraph 10(a) above;
- (e) the lock-in agreements referred to in paragraph 7 above;
- (f) the Share Option Schemes referred to in paragraph 8 above;
- (g) the material contracts referred to in paragraph 10 above;
- (h) the Directors' service agreements and letters of appointment referred to in paragraph 6 above;
- (i) the consent letters referred to in paragraph 15 above; and
- (j) this document.

Dated 3 December 2004