



Placing & Admission to AIM

by Teather & Greenwood

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should consult an independent professional adviser authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities in the United Kingdom. The whole of the text of this document should be read. Prospective investors should carefully consider the section entitled “Risk Factors” in Part II of this document before taking any action. All statements regarding the Company’s current and future business should be viewed in light of these risk factors.

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 his or her own independent financial adviser. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. Further, London Stock Exchange plc has not itself examined or approved the contents of this document. The Ordinary Shares are not dealt in on any other recognised investment exchange.

This document, which comprises an admission document for the purposes of the AIM Rules, has been drawn up in accordance therewith. This document contains no offer of transferable securities to the public within the meaning of Section 102B FSMA, the Act, or otherwise and does not require a prospectus within the meaning of section 85 of FSMA and is not a prospectus as defined in the AIM Rules.

The Company and each of the Directors, whose names appear on page 7 of this document, accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for the Company’s compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and the Company (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 has been made for the whole of the issued and to be issued Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings will commence on AIM on 5 December 2006.

BrainJuicer Group PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 5940040)

**Placing
of
up to 1,388,900 Ordinary Shares of 1p each at 108p per share
and
ADMISSION TO TRADING ON AIM**

Nominated Adviser and Broker
TEATHER & GREENWOOD LIMITED

Share capital immediately following Admission

	<i>Authorised</i>			<i>Issued and fully paid</i>	
<i>Amount</i>	<i>Number</i>	ordinary shares	<i>Amount</i>	<i>Number</i>	ordinary shares
£360,000	36,000,000	of 1p each	£125,506	12,550,613	of 1p each

Teather & Greenwood, which is a member of the London Stock Exchange and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively as nominated adviser and broker to the Company (for the purpose of the AIM Rules) and no one else in connection with the Placing and the Admission and will not be responsible for providing the protections afforded to customers of Teather & Greenwood nor for providing advice in relation to the contents of this document or any matter, transaction or arrangement referred to in it. Teather & Greenwood’s responsibilities as the Company’s nominated adviser and broker under the AIM Rules are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any other person in respect of their decision to acquire Ordinary Shares in the Company in reliance on any part of this document. No representation or warranty, express or implied, is made by Teather & Greenwood as to the contents of this document or for the omission of any material, for which it is not responsible.

This document does not constitute an offer to sell, or the solicitation of an offer to buy or subscribe for, Placing Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document should not be taken, transmitted, distributed, published, reproduced or otherwise made available in whole or in part, directly or indirectly, in or into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa, or the United States of America or any other country outside the United Kingdom where that may lead to a breach of any legal or regulatory requirements. Neither the Existing Ordinary Shares nor the Placing Shares have been or will be registered under the United States Securities Act 1933 (as amended) or under the securities legislation of any state of the United States of America or any province or territory of Australia, Canada, Japan, the Republic of Ireland, or the Republic of South Africa. Subject to certain exceptions, the Placing Shares may not, directly or indirectly, be offered or sold in or into Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa, or the United States of America or to or for the account or benefit of any national, resident or citizen of Australia, Canada, Japan, the Republic of South Africa or the Republic of Ireland or any person located in the United States of America.

Copies of this document, which is dated 30 November 2006, will be available free of charge to the public during normal business hours on any weekday (except Saturdays, Sundays and public holidays) from the registered office of the Company and from the offices of Teather & Greenwood, Beaufort House, 15 St. Botolph Street, London EC3A 7QR from the date of Admission for not less than one month thereafter.

CONTENTS

	<i>Page</i>
Definitions	3
Glossary	5
Placing statistics and expected timetable of principal events	6
Directors, secretary and advisers	7
Key information	8
PART I Information on the Group	10
Introduction	10
History	10
The business	11
Market overview	13
Competition	14
Strategy	14
Summary financial information	15
Directors, senior management and employees	15
Corporate governance	16
Details of the Placing	17
Lock-in arrangements	17
Dividend policy	17
Employee Share Option Scheme	17
Enterprise Investment Scheme and Venture Capital Trusts	17
CREST	18
Dealing arrangements	18
Taxation	18
Further information	18
PART II Risk factors	19
PART III Historical financial information on the Company	23
PART IV Historical consolidated financial information on the BrainJuicer UK Group	27
PART V Unaudited consolidated interim financial information on the BrainJuicer UK Group for the six month period ended 30 June 2006	43
PART VI Unaudited pro forma statement of net assets on the Group	50
PART VII Additional information	51

DEFINITIONS

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

“Act”	the Companies Act 1985, (as amended)
“Admission”	the admission of the Ordinary Shares (including the Placing Shares) to trading on AIM becoming effective in accordance with the AIM Rules
“AIM”	AIM, a market of the London Stock Exchange
“AIM Rules”	the rules for companies whose securities are traded on AIM and their nominated advisers published by the London Stock Exchange as amended from time to time
“Articles”	the articles of association of the Company
“BrainJuicer” or “Group”	the Company and/or its subsidiaries, from time to time
“BrainJuicer Netherlands”	BrainJuicer B.V.
“BrainJuicer UK”	BrainJuicer Limited, the principal operating subsidiary of the Company
“BrainJuicer UK Group”	BrainJuicer UK and its subsidiaries from time to time
“BrainJuicer USA”	BrainJuicer Inc.
“certificated” or “in certificated form”	the description of a share or other security which is not in uncertificated form (that is, not in CREST)
“Combined Code”	The Principles of Good Governance and Code of Best Practice, issued by the London Stock Exchange
“Company”	BrainJuicer Group PLC, a company incorporated in England & Wales with registered number 5940040
“CREST”	the relevant system (as defined in the CREST Regulations) to facilitate the transfer of title to shares in uncertificated form in respect of which CRESTCo Limited is the Operator (as defined in the CREST Regulations)
“CRESTCo”	CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“Directors” or “Board”	the directors of the Company whose names are listed on page 7 of this document
“EIS”	Enterprise Investment Scheme
“Enlarged Share Capital”	the entire issued share capital of the Company immediately following the Placing
“Existing Ordinary Shares”	the 11,161,713 Ordinary Shares in issue as at the date of this document
“Existing Shareholders”	shareholders holding Existing Ordinary Shares
“FSA”	the Financial Services Authority of the United Kingdom
“FSMA”	the Financial Services and Markets Act 2000, as amended including any regulations made pursuant thereto
“Listing Rules”	the rules for listing issued by the FSA acting in its capacity as the competent authority for the purposes of section 72 FSMA

“London Stock Exchange”	London Stock Exchange plc
“New Ordinary Shares”	the 1,388,900 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Operator”	has the meaning given in the Uncertificated Securities Regulations 2001 (SI 2001 no. 3755) including any modification thereof and any rules made thereunder or any regulations in substitution thereof made under section 207 of the Act and for the time being in force
“Ordinary Shares”	ordinary shares of one pence each in the share capital of the Company
“Placing”	the placing by Teather & Greenwood of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement between the Directors (1), the Company (2) and Teather & Greenwood (3), dated 30 November 2006, relating to the Placing, particulars of which are summarised in paragraph 9 of Part VII of this document
“Placing Price”	the price of 108p per Placing Share
“Placing Shares”	the 1,388,900 Ordinary Shares which are the subject of the Placing
“QCA”	the Quoted Companies Alliance
“Series ‘A’ Preferred Share”	series A convertible preferred shares of one pence each in the share capital of the Company
“Shareholders”	holders of Ordinary Shares
“Statutes”	means the Act, the Companies Act 1989 and all other statutes, orders, prospectus rules (including the Prospectus Rules published by the FSA in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000), Listing Rules (including the AIM Rules and the Listing Rules and the Disclosure Rules published by the FSA), regulations and other subordinate legislation for the time being in force concerning companies so far as they apply to the Company
“Teather & Greenwood”	Teather & Greenwood Limited, which is authorised and regulated in the United Kingdom by the FSA
“Treasury Shares”	has the meaning given in the Act (as amended by The Companies Acquisition of Own Shares) (Treasury Shares) Regulations 2003 and The Companies (Acquisition of Treasury Shares) No. 2 Regulations 2003)
“uncertificated” or “in uncertificated form”	an Ordinary Share recorded on the Company’s register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
“Unilever UK Holdings”	Unilever UK Holdings Limited
“Unilever Ventures”	Unilever Ventures Limited, the investment adviser which negotiates venture capital investments on behalf of members of the Unilever group of companies (being a wholly owned subsidiary of Unilever UK Holdings)
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“US”	the United States of America
“VCT”	Venture Capital Trust

GLOSSARY

The following glossary of terms applies throughout this document, unless otherwise stated or the context otherwise requires:

Consumer Insights	a penetrating understanding of consumers that unlocks commercial opportunity
Juicer	a market research study carried out by the Group
Juicing Centre	the Group's software platform used to build surveys and generate results for market research studies
Juicy Brain	a market research panelist held on the Group's Juicy Brains Panel
Juicy Brains Panel	the Group's panel of approximately 33,000 market research respondents used for UK studies
MindReading	the Group's research technique which turns individual open-ended answers into standardised quantifiable results
Omnibus Survey	a survey in which questions from many organisations are compiled and presented to a nationally representative sample of the population and delivered a few weeks later
Potency Map	the Group's technique for graphically displaying the potential of a concept being tested

PLACING STATISTICS

Placing Price	108p
Number of Ordinary Shares in issue prior to the Placing	11,161,713
Number of New Ordinary Shares being issued pursuant to the Placing	1,388,900
Number of Ordinary Shares in issue on Admission	12,550,613
Market capitalisation following the Placing at the Placing Price	£13,554,662
Percentage of Enlarged Share Capital being placed	11.07 per cent.
Gross proceeds of the Placing available to the Company	£1,500,012
Estimated net proceeds of the Placing receivable by the Company	£1,006,012

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 November 2006
Admission and dealings in the Enlarged Share Capital to commence on AIM	5 December 2006
CREST accounts credited for Placing Shares in uncertificated form	5 December 2006
Despatch of definitive share certificates for Placing Shares in certificated form	by 19 December 2006

DIRECTORS, SECRETARY AND ADVISERS

Directors	John Victor Kearon (<i>Chairman & Chief Executive</i>) James Brodie Geddes (<i>Chief Finance Officer</i>) Mark Philip Muth (<i>Non-Executive Director</i>) Simon Cedric Valentine Godfrey (<i>Non-Executive Director</i>) All of whose business address and the registered office of the Company is: 13-14 Margaret Street London W1W 8RN
Company secretary	James Brodie Geddes
Nominated Adviser and Broker	Teather & Greenwood Limited Beaufort House 15 St Botolph Street London EC3A 7QR
Auditors and reporting accountants to the Company	Grant Thornton UK LLP Byron House Cambridge Business Park Cowley Road Cambridge CB4 0WZ
Solicitors to the Company	Taylor Wessing Carmelite 50 Victoria Embankment Blackfriars London EC4Y 0DX
Solicitors to Teather & Greenwood	Mishcon de Reya Summit House 12 Red Lion Square London WC1R 4QD
Principal Bankers	HSBC Bank plc P.O. Box 85 City Office Cambridge CB2 3HZ
Registrars	Capita IRG Plc (trading as “Capita Registrars”) Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA

KEY INFORMATION

THE FOLLOWING INFORMATION IS DERIVED FROM, AND SHOULD BE READ IN CONJUNCTION WITH, THE WHOLE OF THIS DOCUMENT, INCLUDING IN PARTICULAR PART II HEADED ‘RISK FACTORS’.

Introduction

BrainJuicer carries out quantitative online research using innovative, bespoke software to produce insightful market research for large, multinational companies, including 10 of the world’s top 50 companies (FT 500 September 2006).

BrainJuicer operates in a growing sector of the US\$23bn global research market, namely quantitative online research. BrainJuicer’s main competitors are large traditional market research providers who have dominated the market for off-line market research, such as AC Nielsen, Millward Brown, Research International and Taylor Nelson Sofres.

Whilst the largest traditional research companies have developed their own online capability, BrainJuicer has a number of key attributes which have contributed to it achieving rapid growth and winning contracts with prestigious clients, including:

- **A scaleable online-only business model.** Unlike the traditional research companies who maintain both on and offline data collection capabilities, BrainJuicer is able to focus on operating a scaleable online-only business model.
- **Research platform that delivers greater diagnostic insight.** BrainJuicer has developed tools and award-winning techniques that enable it to provide a greater level of diagnostic insight into quantitative market research. These techniques enable clients to enhance their understanding of consumer preference and help them make decisions on the best way to develop their products and services.
- **Speed.** BrainJuicer’s automated research techniques enable it to conduct complicated studies very quickly. BrainJuicer’s rapid deployment and results production, even on multi-country studies, provide clients with a speed to market advantage in the development of new products and services.

To date the Group has conducted projects in over 50 countries and more than 30 languages and has established offices in the UK, the Netherlands and the US.

The Group’s revenues come from full service market research work, and from its online Juicy Brains Panel in the UK.

Financials

The Company is a holding company and has not traded. The following financial information has been extracted from the historical consolidated financial information on the BrainJuicer UK Group contained in Part IV of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information in making their investment decisions.

	2003	2004	2005
	£’000	£’000	£’000
Turnover	1,032	2,614	2,936
EBIT	(304)	187	23
EBT	(301)	191	(17)

Current trading and prospects

As set out in the BrainJuicer UK Group’s unaudited consolidated interim results (contained in Part V of this document), in the six months ended 30 June 2006 the BrainJuicer UK Group reported unaudited profits

before tax of £126,000 on revenues of £1,849,000. Since then, the Group has continued to trade in line with expectations. The Directors believe the Group is well positioned for growth and will benefit from the anticipated increase in size of the online research market, in particular within the market segment that provides quantitative research to private sector organisations.

Further financial information on the Group is provided in Parts III to VI of this document.

Reasons for Admission and the Placing

The Company intends to raise approximately £1.0 million net of expenses pursuant to the Placing. The net proceeds of the Placing will be used to:

- upgrade the Company's software systems (£0.3 million); and
- provide additional working capital to fund the Group's expansion (£0.7 million).

The Directors also believe that Admission will:

- enhance the Group's status and profile;
- assist the Company in raising additional capital should this be required;
- provide liquidity for investors through the ability to buy and sell Ordinary Shares; and
- enhance the Group's ability to recruit and incentivise staff.

PART I

INFORMATION ON THE GROUP

Introduction

BrainJuicer carries out quantitative online research using innovative, bespoke software to produce insightful market research for large, multinational companies, including 10 of the world's top 50 companies (FT 500 September 2006).

BrainJuicer operates in a growing sector of the US\$23bn global research market, namely quantitative online research. BrainJuicer's main competitors are large traditional market research providers who have dominated the market for off-line market research, such as AC Nielsen, Millward Brown, Research International and Taylor Nelson Sofres.

Whilst the largest traditional research companies have developed their own online capability, BrainJuicer has a number of key attributes which have contributed to it achieving rapid growth and winning contracts with prestigious clients, including:

- **A scaleable online-only business model.** Unlike the traditional research companies who maintain both on and offline data collection capabilities, BrainJuicer is able to focus on operating a scaleable online-only business model.
- **Research platform that delivers greater diagnostic insight.** BrainJuicer has developed tools and award-winning techniques that enable it to provide a greater level of diagnostic insight into quantitative market research. These techniques enable clients to enhance their understanding of consumer preference and help them make decisions on the best way to develop their products and services.
- **Speed.** BrainJuicer's automated research techniques enable it to conduct complicated studies very quickly. BrainJuicer's rapid deployment and results production, even on multi-country studies, provide clients with a speed to market advantage in the development of new products and services.

To date the Group has conducted projects in over 50 countries and more than 30 languages and has established offices in the UK, the Netherlands and the US.

The Group's revenues come from full service market research work, and from its online Juicy Brains Panel in the UK.

History

The business was founded in December 1999 by John Kearon. John had previously set up and run Brand Genetics Limited, a development agency originating new products and services for a number of FT 500 clients. Prior to this, John had been a Planning Director of one of the UK's leading advertising agencies and a senior brand manager at Unilever. As a producer, consumer and commissioner of market research for over 15 years, John found traditional market research to be slow, expensive and either lacking in depth if it was quantitative research or lacking in accuracy if it was qualitative research. He believed there was an opportunity to improve the insightfulness of quantitative methods. Furthermore he believed that other research agencies were employing higher cost business models, existing methodologies and had not traditionally been very innovative or fast moving. In 2000, online research was emerging in the US but was almost non-existent in Europe.

The founder devised an online, automated system for eliciting and structuring more open-ended qualitative responses as part of a more closed-ended quantitative research project. The algorithm underlying BrainJuicer's MindReading software allows respondents to enter unique answers and then processes those answers, based on the number of times the answers appear into a self-structuring, hierarchical map of what the respondents think about the subject at hand. Over the next two years an online research platform was

created which enables the rapid deployment of complex, multi-media surveys with automated diagnostic gathering in any written language.

BrainJuicer conducted trials in 2001 and won its first significant client in 2002. BrainJuicer evaluated the first 'Run London' event for a leading multinational sportswear manufacturer. During the remainder of 2002, BrainJuicer added a number of clients to the roster, including two of the top 50 companies in the world and a large UK based food manufacturer.

In the year ended 31 December 2002, BrainJuicer had a turnover of £237,000 and was close to break-even and looking for investment to grow the business. In January 2003, Unilever Ventures advised Unilever UK Holdings (a member of the Unilever group of companies) on its investment of £550,000 in BrainJuicer for an equity stake of approximately 40 per cent. In 2003 BrainJuicer increased its revenues more than four-fold to £1,032,000. The Group made an expected loss of £303,000 after staff recruitment and software development. In 2004 the Group more than doubled revenues to £2,614,000 and BrainJuicer was recognised for its research platform and its approach to clients by winning awards, including:

- 'Most Effective Use of IT in Professional Services' and the overall prize for 'Most Innovative Use of IT' at the 2004 Effective IT Awards; and
- 'Service Business of the Year' at the 2004 StartUps Awards.

After securing two significant multinational clients in The Netherlands, BrainJuicer set up its first overseas sales office in Rotterdam in January 2005. The Dutch revenues in the first full year were £426,000 or 14.5 per cent. of the Group's total turnover of £2,936,000. Later in 2005, BrainJuicer opened a New York office which has worked with five of the world's top 50 companies and with the addition of a leading advertising agency the New York office counts major US companies as clients in the US. At the end of the year, the Group won further recognition for its innovative products by winning a 'Best Methodological Paper' award from the worldwide market research industry body ESOMAR.

In 2006, BrainJuicer's Insights Optimizer was selected by a large multinational client to be its mandated methodology for testing all Consumer Insights worldwide.

The business

Client base and revenue profile

BrainJuicer has four offices, two in the UK, and one in each of the Netherlands and the US. The Group has generated revenues from over 300 projects for over 80 clients during the current calendar year. Some clients have purely domestic requirements, whilst others want to carry out research across many countries. BrainJuicer has the capability to meet the needs of both types of client.

A research study comprises two main components: the audience or sample being questioned and the research approach to asking, capturing, analysing and providing the answers. The majority of BrainJuicer's gross profits come from providing the research answers but the Group earns additional gross profits on projects conducted in the UK when it is able to provide the required sample from its Juicy Brains Panel of around 33,000 people. In the six months to 30 June 2006 this panel has contributed approximately 8 per cent. of gross profits of the Group for the period.

Market research

Organisations commission market research to understand consumers and specifically how these consumers think, feel and behave in relation to existing or planned products, services and brand communications. In providing research services, BrainJuicer advises clients on:

- the most appropriate research method to meet the client's research objectives;
- the number of respondents required to provide an appropriate level of statistical robustness in the answers;
- how the respondent sample should be structured in terms of profile and quotas;

- what questions should be included and in which order they should be asked;
- how the answers should be analysed;
- the research findings in relation to the client's research objectives;
- implications for the client's product or service; and
- recommendations for future projects.

In the course of carrying out a project BrainJuicer will typically:

- send an outline of the proposed methodology, sample, timings and costings;
- programme and test the Juicer using its Juicing Centre platform;
- arrange the sample with one or more panel providers;
- co-ordinate with third party suppliers as necessary e.g. arranging video hosting for advertisement testing, shelf shots for pack testing and distribution for product testing;
- analyse the data and provide a PowerPoint debrief with conclusions and recommendations for each of the client's research objectives. BrainJuicer provides data files and additional statistical analysis or tabulations on request; and
- follow up with each client to ask for feedback on the project.

Characteristics of online research

Online research has a number of advantages over traditional techniques which the Directors believe accounts for its rapid growth to 30 per cent. of all market research spend in the US:

- **Lower cost** – it is not necessary to retain large numbers of staff to carry out the time consuming activity of interviewing people and capturing their answers.
- **Speed** – set up, fieldwork and data processing times are significantly reduced by using a research platform like BrainJuicer's to contact a large number of people and interview them simultaneously.
- **Accuracy** – online polling in recent elections has been as accurate or in some cases more so than the traditional street and telephone polling methods.
- **Honesty and no interviewer effect** – there is a recognised 'interviewer effect' in face-to-face and telephone research where the interviewee's responses are affected by the interviewer. In online research this effect is removed.

Products

BrainJuicer has a portfolio of research products that provide appropriate solutions to well known research needs at each stage of the product development cycle. In addition to each product having one or more bespoke features, the Group's products utilize the MindReading technology to add diagnostic insight to quantitative projects.

BrainJuicer's principal products address the front end of the product development cycle where statistically robust data together with rich diagnostics can be used to make more informed choices of which ideas to pursue and how best to develop them:

- **Concept Optimizer** – evaluates the potential of new product or service concepts based on a number of key quantitative measures benchmarked against normative data for that country and category, together with the diagnostics elicited from the open-ended MindReading questions. The results are summarised via BrainJuicer's Potency Map to show the appeal of the concept, as well as the degree to which the concept communicates the client's intended message.

- **Insights Optimizer** – evaluates whether the client’s Consumer Insights provides a sound basis on which to develop new products, services or communications.
- **Pack and Ad Optimizer** – evaluates the potential of packaging communications and advertising communications.
- **Market/Brand Mapping** – provides a statistically based map of consumer associations with brands, products, services or competitors.
- **Screening** – evaluates large numbers of alternatives for a particular component of a new product or service e.g. new recipes for an existing food brand or alternative names for a new product. BrainJuicer identifies the lead candidates and reasons for selection using the open-ended MindReading questions.
- **Quali-Taxi™** – this product was introduced in 2005 with a view to answering business questions quickly and effectively. Research buyers typically use Omnibus Surveys for these types of questions. Unlike an Omnibus Survey, BrainJuicer’s Quali-Taxi gives clients their own tailored survey which starts whenever they want, asks only their own questions and includes BrainJuicer’s diagnostic MindReading as well as standard quantitative questions.
- **Predictive Markets** – a methodology pioneered by BrainJuicer and introduced in the beginning of 2006 with a view to increasing the accuracy and efficiency of evaluating large numbers of concepts.

These products together accounted for more than 70 per cent. of the Group’s revenues for the six month period to 30 June 2006.

Panel

The research studies carried out by BrainJuicer are targeted at specific respondents. Respondents are chosen because their demographic profile or behaviour matches the client’s requirement. In online research, these samples are provided by specialist research panels. These panels are characterized by having a large number of nationally representative respondents who are only used for market research purposes.

BrainJuicer manages its own Juicy Brains Panel. Every member of this panel has registered as a Juicy Brain and given permission to be contacted by email, phone or text message to take part in market research. Panellists receive a £1 payment for each completed Juicer which builds up in a virtual account. Each £5 credited to the virtual account can be exchanged for a voucher, redeemable at amazon.co.uk, of equivalent value.

At 31 October 2006, BrainJuicer’s Juicy Brains Panel consisted of approximately 33,000 members. Panel membership is defined as those who have registered with full demographic data, and who have not unsubscribed, been removed for failing to respond to surveys within the previous 12 months, or been removed for breaching BrainJuicer’s terms and conditions.

Market overview

The global market research spend was US\$23.3bn in 2005, representing growth of 5.7 per cent. from the previous year. Over two thirds of all research spend is in the top 5 markets: US, UK, France, Germany and Japan.

Online research is a fast growing sector within the global market research industry, with global spend growing by 25 per cent. worldwide in 2005 and accounting for US\$1.9bn of the market. Online research spend is expected to grow by 20 per cent. in 2006 to US\$2.2bn.

	2000	2001	2002	2003	2004	2005
	\$bn	\$bn	\$bn	\$bn	\$bn	\$bn
Global Offline	15.10	15.30	16.00	18.00	20.30	21.30
US Online	0.30	0.40	0.70	0.80	1.00	1.20
Japan+ROW Online	0.03	0.04	0.09	0.20	0.30	0.40
Europe Online	0.05	0.07	0.08	0.10	0.20	0.26
Global Online	0.38	0.51	0.87	1.10	1.50	1.86

Source: Global Market Research 2005 – ESOMAR Industry Report and Inside Research Report (March 2006 and September 2006 issues).

The US has seen the greatest growth in online research spend compared to other countries, and which is now estimated to account for over 30 per cent. of all US research spend. Online research growth in Europe lagged behind for many years but has seen dramatic growth in the last two years. Growth rates in Europe are forecast by industry bodies to continue at more than 30 per cent. per annum.

84 per cent. of all market research spend is by private sector organisations and over 80 per cent. of market research is quantitative research. The Directors believe that BrainJuicer is well positioned to capture this expenditure as it specialises in providing quantitative research to private sector organisations.

Competition

The market research sector is highly fragmented where the top ten companies (referred to below) account for around 58 per cent. of global annual research spend, with the remainder being shared between a large number of smaller companies.

BrainJuicer divides its competitors into two categories:

Market research giants

BrainJuicer sees its main competitors as the top ten global market research providers, (namely VNU, Taylor Nelson Sofres Plc, IMS Health Inc., GfK, The Kantar Group, IPSOS, Information Resources, Synovate, Westat and Arbitron). Due to their scale, international reach and banks of historical data, these providers have traditionally had strong relationships with large multi-national research buyers.

Online specialists

BrainJuicer competes with other ‘pure’ online research operators such as Market Tools and OTX each based in the USA, YouGov based in the UK and MetrixLab based in Holland.

Strategy

The Directors’ strategy is to position BrainJuicer as an international market-leading research agency by developing existing business, expanding its network of international offices and creating innovative new research products.

The Directors intend to maintain organic growth as the strength of the BrainJuicer brand increases. In particular the Group is considering the following areas:

- **Team expansion in the UK, the Netherlands & US.** As the business continues to grow, BrainJuicer intends to add further consultants and research support staff across its three sales offices and to bolster the finance team to meet the requirements of the Group following Admission.
- **International network expansion.** The Directors intend to look at opportunities to expand the Group’s international network of overseas offices. The key targets would be offices in the other big European markets and opportunities may exist in China and Eastern Europe.
- **Panel expansion.** The Directors intend to look at opportunities to create BrainJuicer research panels akin to the Juicy Brains Panel in the UK in those markets where it would be justified by volume of business.

- **Proprietary panel development.** BrainJuicer has recently established and administers proprietary online panels for certain clients. The Directors are currently assessing the opportunity for expanding this development.
- **Innovation.** BrainJuicer has a number of research initiatives which it is currently assessing with a view to these being trialled, written up as industry papers and tested with pioneering clients before being rolled out as finished BrainJuicer techniques.

The Directors believe engagement by its multi national clients provides the market credibility necessary to compete effectively with the largest research agencies. BrainJuicer anticipates opportunities for further sales growth among multi-nationals and large domestics alike and intends to continue to build its portfolio of research products and develop its expertise, credibility and international presence.

Summary financial information

The following financial information has been extracted from the historical consolidated financial information on the BrainJuicer Group UK contained in Part IV of this document and should be read in conjunction with the full text of this document. Investors should not rely solely on the summarised information in making their investment decisions.

	2003	2004	2005
	£'000	£'000	£'000
Turnover	1,032	2,614	2,936
EBIT	(304)	187	23
EBT	(301)	191	(17)

Directors, senior management and employees

The Board consists of four Directors in respect of whom brief biographies are set out below. Details of service contracts, option schemes and pension arrangements relating to the Directors are set out in paragraphs 5.1 and 5.3 of Part VII of this document.

John Victor Kearon (aged 41), Chairman & Chief Executive Officer

John is responsible for overall strategic direction and commercial development of the Group. John's role in establishing and developing the BrainJuicer business made him Ernst & Young's 'Emerging Entrepreneur of the Year' in 2005. Prior to founding BrainJuicer, John founded innovation agency, Brand Genetics Limited, which invented new products and services for FT 500 companies. Before this John had been Planning Director of one of the UK's leading advertising agencies. John started his career over 20 years ago as a graduate of Unilever's management programme, rising to be a senior marketer at Elida Gibbs before moving into advertising.

James Brodie Geddes (aged 44), Chief Finance Officer

James is responsible for the finance and administrative functions within the Group and its back office operations. James is a Chartered Accountant, holds a diploma in Corporate Treasury Management and is a graduate of Harvard Business School's executive programme. He has over 20 years of financial management experience and was previously Assistant Treasurer of Fosters Brewing Group Limited, Executive Director, International Corporate Finance at MediaOne Group and CFO of Iobox Oy (backed by Morgan Stanley Capital and sold to Telefonica). James has been BrainJuicer's CFO since the Unilever UK Holdings investment in January 2003.

Mark Philip Muth (aged 52), Non-Executive Director

Mark is one of the three directors of Unilever Ventures and negotiated Unilever UK Holdings' investment in BrainJuicer in January 2003. He has over 20 years of experience in banking and venture capital. Unilever Ventures leads and manages investments in start-up and early stage companies, drawing on the Unilever group of companies' expertise in food, home and personal care consumer products to bring value to its portfolio companies.

Simon Cedric Valentine Godfrey (aged 57), Non-Executive Director

Simon has over 30 years experience in the quantitative research industry. Simon was a director of Research Bureau Limited (“RBL”) (now Research International UK Limited) until 1985 when he founded Simon Godfrey Associates (“SGA”). SGA was one of the largest UK research suppliers when acquired by WPP Plc in 1998. Simon has been a non-executive director of BrainJuicer UK since the Unilever UK Holdings investment in January 2003.

In addition to the Directors, details of the senior management of the Group are set out below:

Jonathan Perry Rimmer (aged 45), UK Managing Director

Jonathan joined BrainJuicer as UK Managing Director and member of the international management team. He was previously General Manager at SGA Research International Limited and Head of Virtual Expert Community on Concept Testing and Volume Estimates. Jonathan is a highly experienced researcher with over 20 years experience in Consumer Insights, specialising in the packaged goods sector. He has responsibility for the UK business and is part of the management team.

Hendrik Evert Bos (aged 40), Netherlands Managing Director

Evert joined BrainJuicer as Managing Director of the Dutch business, with 12 years marketing and research experience with the Unilever group of companies in the Netherlands. He managed the Dutch integration of Bestfood’s Knorr and Conimex brands. In 2002 he became Head of Market Research at Bestfood in the Netherlands, before joining BrainJuicer at the end of 2004.

Ari Popper (aged 36), North America President

In addition to the above senior employees, the Group has made an offer of employment to Ari Popper to lead the North American team. Ari is currently Vice President at Millward Brown and senior manager of its Los Angeles office.

The Group employs 37 staff in total of which 31 are based in the UK, 3 in the Netherlands and 3 in the US.

Corporate governance

The Directors intend to comply with the QCA Guidelines and, where appropriate, Combined Code in such respects as are appropriate for a Group of its size, nature and stage of development. The Board comprises two Non-Executive Directors with relevant experience to complement the Executive Directors and to provide an independent view to the Board and the two Executive Directors.

The Board has established an audit committee and a remuneration committee (each comprising the two Non-Executive Directors, who may invite other members of the Board to join meetings) with formally delegated duties and responsibilities.

The audit committee will be headed by Mark Muth and will also consist of Simon Godfrey. It will meet at least twice each year and will be responsible for monitoring the integrity of the financial statements, reviewing internal financial controls and making recommendations to the Board, relating to the appointment of the external auditors. The Chief Finance Officer and the external auditors should normally attend meetings without being members.

The remuneration committee will be headed by Simon Godfrey and will also consist of Mark Muth. It will make recommendations to the Board on general policy and determine on behalf of the Board the specific remuneration packages for the Executive Directors and has the primary responsibility of remuneration packages and ensuring that these are adequate for current employees and are of a sufficient level to attract high calibre employees. The remuneration committee will have no authority in relation to the remuneration package of the Non-Executive Directors.

The Company will operate a share dealing code for directors as required by the AIM Rules.

The Board has also considered the guidance issued by the Institute of Chartered Accountants in England and Wales (commonly known as the Turnbull Report) concerning the internal requirements of the Combined Code. The Board intends to regularly review key business and financial risks facing the Group in the operation of its business.

Details of the Placing

Under the Placing the Company is issuing 1,388,900 New Ordinary Shares. The Placing Shares represent approximately 11.1 per cent. of the Enlarged Share Capital immediately following Admission, on the assumption that all of the Placing Shares are issued. The Placing is conditional upon, among other things, Admission. The Placing is not being underwritten. Further details of the Placing Agreement are set out in paragraph 9.1(a) of Part VII of this document.

Application has been made for the existing issued Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM. Dealings on AIM are expected to commence on 5 December 2006.

The Directors' interests immediately following Admission are set out in paragraph 5.1 of Part VII of this document. In aggregate, the Directors will be interested in 46.3 per cent. of the Enlarged Share Capital following Admission, on the assumption that all of the Placing Shares are issued.

Lock-in arrangements

Each of John Kearon, James Geddes, Simon Godfrey and Mark Muth have undertaken that, subject to certain limited exceptions, they will not sell or otherwise dispose of, or agree to sell or dispose of, any of their interests in Ordinary Shares held by them respectively for a period of one year from the date of Admission. In addition each of John Kearon, James Geddes, Simon Godfrey and Mark Muth have agreed that any sale or disposal of Ordinary Shares for a further period of six months, will be effected through Teather & Greenwood and with its consent so as to maintain an orderly market in the Company's shares.

Dividend policy

For the foreseeable future, the Directors' intention is to re-invest funds directly into the Group rather than to fund the payment of dividends. Thereafter, the payment of dividends will be subject to the availability of distributable reserves in the Company having regard to maintaining an appropriate level of dividend cover and the need to retain sufficient funds to finance the development of the Group's activities.

Employee Share Option Scheme

In order to incentivise and retain key staff members, the Company has introduced a discretionary Share Option Scheme (further details of which are set out in paragraph 7 of Part VII of this document) in order to allow selected employees to share in the success of the Group. All executive directors and employees will be eligible to participate in the Share Option Scheme but share options will only be granted at the discretion of the Directors. The Share Option Scheme provides for share options to be granted within 10 years of the approval of the Scheme by the Board at an exercise price to be approved by the Board. Shares may be issued by the Company to satisfy share options under the Share Option Scheme up to a limit of 10 per cent. of the issued share capital on a fully diluted basis in any ten year period following Admission, such limit not to include existing Options granted prior to the implementation of the Scheme.

Enterprise Investment Scheme and Venture Capital Trusts

The Company is a qualifying investment for the purposes of the EIS and a "qualifying company" for the purposes of investment by VCTs.

The continuing availability of EIS relief and the status of the Placing Shares as a qualifying holding for VCT purposes will be conditional, *inter alia*, on BrainJuicer continuing to satisfy the requirements for a qualifying company throughout the period of three years from the date of the investor making his or her investment (under EIS) and, for VCT purposes, throughout the period the Ordinary Shares are held as a "qualifying holding". Qualifying company status requires, *inter alia*, the Group to conduct its trading mainly in the UK.

There are other conditions the Group has to satisfy, and in such cases the Group's status is usually closely monitored.

Investors considering taking advantage of any of the reliefs available under the EIS and VCT regimes should seek individual advice in order that they may fully understand how the rules apply in their individual circumstances.

In addition, an investor must be a qualifying investor in order to be entitled to EIS relief and it is again recommended that investors seek their own professional advice in this regard.

A claim for CGT deferral relief is made by the individual investors and/or trustees claiming the relief.

The Directors and the Group give no undertaking or guarantee whatsoever to investors that the business of the Group will be conducted in a manner which is consistent with the provisions of the EIS or VCT regimes.

Additional information on the EIS, VCTs and taxation is included in paragraph 13 of Part VII of this document.

CREST

CREST is a paperless settlement system enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Articles permit the holding of Ordinary Shares under the CREST system. The Company has applied for the Ordinary Shares to be admitted to CREST with effect from Admission and CRESTCo has agreed to such admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so.

Dealing arrangements

Application has been made for the issued Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM and it is anticipated that Admission will become effective and that dealings will commence on 5 December 2006.

Taxation

Your attention is drawn to paragraph 13 of Part VII of this document. These details are intended only as a general guide to the current tax position under UK taxation law. If an investor is in any doubt as to his or her tax position he or she should consult his or her own independent financial adviser immediately.

Further information

Prospective investors should carefully consider the information in Part II of this document which sets out certain risk factors relating to any investment in Ordinary Shares, and Parts III to VII which provide financial and additional information on the Group.

PART II

RISK FACTORS

If you are in any doubt about the action you should take, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities in the United Kingdom. In addition to the usual risks associated with an investment in a business at an early stage of its development, the Directors consider that the following risk factors are significant to potential investors and should be carefully considered together with all other information contained in this document, prior to investing in Ordinary Shares. The risks listed do not necessarily comprise all those associated with an investment in the Company and are not intended to be presented in any assumed order of priority.

General

- Prior to Admission, there has been no public market in the Ordinary Shares. Whilst the Company is applying for the admission of the Enlarged Share Capital to trading on AIM, there can be no assurance that an active trading market for the Ordinary Shares will develop, or if developed, that it will be maintained. AIM is a market for emerging or smaller growing companies and may not provide the liquidity normally associated with the Official List or other exchanges.
- The future success of AIM and liquidity in the market for the Ordinary Shares cannot be guaranteed. In particular, the market for the Ordinary Shares may be, or may become, relatively illiquid (particularly given the lock-in arrangements described in paragraph 9.1(c) of Part VII of this document) and therefore the Ordinary Shares may be or may become difficult to sell.
- An investment in the Company may not be suitable for all recipients of this document. Accordingly investors are strongly advised to consult an independent financial adviser authorised for the purpose of FSMA who specialises in the acquisition of shares and other securities in the UK before making any decision to invest.

Share Price Volatility and Liquidity

- The market price of the Ordinary Shares could be subject to significant fluctuations due to a change in investor sentiment regarding the Ordinary Shares or other securities related to the market research industry or in response to various facts and events, including variations in the Group's interim or full year operating results and business developments of the Group and/or its competitors.
- The market price of the Ordinary Shares may not reflect the underlying value of the Group.
- Potential investors should be aware that the value of shares and the income from them can go down as well as up and that investment in a share which is traded on AIM might be less realisable and might carry a higher risk than a share listed on the Official List.

Loss of Key Personnel

- Loss of key management personnel could have adverse consequences for the Group. Whilst BrainJuicer UK has entered into service agreements with each of the Executive Directors, the retention of their services cannot be guaranteed. The Group has put in place keyman insurance in respect of John Kearon, CEO and Chairman.
- The success of the Group will be influenced by the recruitment and retention of high calibre staff. Senior staff that manage key client relationships and those with software expertise are particularly important to the continuing development and smooth running of the Group.

Investment Strategy

- There can be no certainty that the Group will be able to implement successfully the strategy set out in this document.
- The ability of the Group to implement its strategy in a competitive market requires effective planning and management control systems. The Group's future growth will depend on its ability to expand and improve operational, financial and management information and control systems in line with the Group's growth. Failure to do so could have an adverse effect on the Group's business, financial condition and results of operations.
- There may be a change in government regulation or policies, which materially adversely affects the Group's ability to implement successfully the strategy set out in this document.

Intellectual Property

- Although the Group protects its intellectual property, there can be no assurance that patents will be issued with respect to applications now pending or which may be applied for in the future. The lack of any such patents may have a material adverse effect on the Group's ability to develop its business. No assurance can be given that patents granted or licensed to the Group will be sufficiently broad in their scope to provide full protection. There can be no assurance as to the validity or scope of any patents which have been, or may in the future be, granted or licensed to the Group or that claims relating to the patents will not be asserted by other parties. The commercial success of the Group also depends upon the Group not infringing patents granted to third parties who may have filed applications or who have obtained or may obtain patents relating to business processes which might inhibit the Group's ability to develop and exploit its own business. If this is the case, the Group may have to obtain alternative technology or reach commercially acceptable terms on the exploitation of other parties' intellectual property rights. There can be no assurance that the Group will be able to obtain alternative technology or, if any licences are required, that the Group will be able to obtain any such licence on commercially acceptable terms, if at all.
- Third parties who have filed patents and established priority may by amending the scope of such patents to include the business model of the Group be in a position to restrict the Group from carrying out its business in accordance with its business model resulting in the Group having to engage in litigation against such third parties or reach a settlement result which could result in substantial costs to the Group.
- To the extent that the Group's processes are protected by intellectual property rights and the Group is alleged to infringe third party intellectual property rights, then litigation may be necessary and could result in substantial cost to, and diversion of efforts by, the Group's management with no guarantee of success. The Group does not carry any intellectual property insurance.
- The Directors rely upon their knowledge of the market place to identify any breach, or alleged breach, of patents held by the Group and they do not normally instruct patent agents for this purpose.

Competition

- Competitors may be able to develop products and services that are more attractive to clients than the Group's products and services. In order to be successful in the future the Group will need to continue to finance substantial research and development activities and continue to respond promptly and effectively to the challenges of technological change in the market research industry and competitors' innovations. An inability to devote sufficient resources to research and development activities in order to achieve this may lead to a material and adverse effect on the Group's business.
- The Group has developed a wholly internet based research strategy which other large and established research organisations are also beginning to adopt. Some of these more established research organisations, which have well developed brands and substantial resources, may be able to use these to compete very effectively in developing online research capability, panels and competing software.

Technology Risk

- A strong software platform is essential for carrying out online research. This software must be reviewed and updated on a regular basis to ensure that it is not superseded by newer technologies in other companies. In the event of a technology failure there would be significant business disruption.

Commercial Risk

- Although the Group has grown substantially since BrainJuicer UK was incorporated in December 1999, it remains a relatively small group in an early stage of development. The Group faces competition from both large established international companies as well as small local businesses operating in the same sector.
- The Group may have to defend itself against legal proceedings which could have an adverse affect on trading performance and, in turn, future profits.
- The Group's business exposes it to potential product liability and indemnity risks. There can be no assurance that the necessary insurance cover will be available to the Group at a commercially acceptable cost or that, in the event of any claim, the level or extent of insurance carried by the Group now or in the future will be adequate, or that a product liability or other claim would not materially and adversely affect the business of the Group.
- There is no assurance that the Group will be successful in the development of its products and services and, if developed, that there will be a market for these products. If the Group fails to successfully design and introduce new and improved products it is possible that the Group may find that its current product suite becomes obsolete and unmarketable.
- The Group is relatively young and therefore has a smaller database of historical survey results for use as comparables in its surveys than some of its competitors. Any data bias or error within the Group's database could have a statistically significant impact on its research conclusions which could negatively impact the credibility of the Group's business.
- Although the Group has established various procedures to check the credentials of its Juicy Brains Panel, there can be no assurances that panelists have in all cases provided true and accurate data.

Relationships with customers

- The success of the Group is, in part, dependent on building and maintaining strong relationships with a relatively small group of large domestic and multinational companies. In order to be successful in the future the Group will need to continue to build and maintain strong relationships with these companies. An inability to do so may lead to a material and adverse effect on the Group's business.
- The Group does not have any long term contracts with customers and is, consequently, at risk of its customers sourcing the type of services provided by the Group from other providers.
- In the year ended 31 December 2005, some 41 per cent. of the Group's revenue was derived from five customers. Although the Directors are seeking to reduce the Group's reliance on winning business from a small number of customers there remains a risk that should a key customer be lost, this may have material impact on the Group.
- As the Group principally deals with organisations which are significantly larger than itself as its principal customers, the Group's margins may be subjected to pressure if their customers seek to exploit this position.

Economic Factors

- Fluctuations in exchange rates may affect product demand in different regions and may adversely affect the profitability of products provided by the Group in foreign markets where payment for the Group's product suite is made in local currency.

Further Funding Requirements

- The Group may require access to additional funding in the future, and if the Group fails to obtain such funding, it may need to delay or scale back the implementation of its future strategy. The funds that the Group may need will be determined by numerous factors, some of which are beyond the Group's control.
- If the Group's capital resources are insufficient to meet future capital requirements, additional funds would be required. If the Group is unable to obtain additional funds on satisfactory terms, it may be required to cease or reduce its operating activities. If the Company raises additional funds by issuing additional shares, the ownership interests of existing Shareholders may be materially diluted.

Although the Directors will seek to minimise the impact of the risk factors, investment in the Company should only be made by investors able to sustain a total loss of the investment. Investors are strongly recommended to consult an investment adviser authorised under FSMA (who specialises in investments of this nature) before making a decision to invest.

PART III

HISTORICAL FINANCIAL INFORMATION ON THE COMPANY

Section A – Historical Financial Information on the Company

1 Introduction

The financial information set out in the financial information table on the Company, which has been prepared solely for the purpose of the AIM Admission Document, contained in this Part III does not constitute audited statutory accounts within the meaning of section 240 of the Companies Act.

2 Basis of preparation

The financial information set out below is based on the transactions of the Company from incorporation on 19 September 2006 to 30 November 2006, being the date of this report.

This information has been prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Practice.

3 Responsibility

The Directors of the Company are responsible for the financial information and the contents of the AIM Admission Document in which it is included.

4 Financial information

The Company was incorporated in England and Wales on 19 September 2006 as BrainJuicer Group Limited.

On 14 November 2006, the Company entered into a share sale agreement relating to the entire issued share capital of BrainJuicer Limited, (the “Share Sale Agreement”) pursuant to which BrainJuicer Limited became a wholly owned subsidiary of the Company.

On 28 November 2006 BrainJuicer Group Limited was re-registered as a public company.

The Company has not yet completed its first accounting period and has not traded from the date of its incorporation until the date of this document, hence no profit and loss account has been prepared. Other than as required on re-registration as a public company, no financial statements have been prepared, audited or filed since incorporation.

Share capital

The total authorised share capital of the Company is £360,000 comprising 36,000,000 ordinary shares of one pence each.

As at today’s date, the Company has carried out no trading and the only transactions of the Company have been as follows:

- on incorporation, Huntsmoor Nominees Limited subscribed at par for one Ordinary Share and subsequently transferred this share to John Kearon on 20 October 2006;
- on 5 October 2006, Huntsmoor Limited subscribed at par for one Series A Preferred Share and subsequently transferred this share to Unilever UK Holdings on 20 October 2006;
- on 14 November 2006, 6,294,067 Ordinary Shares and 4,817,041 Series A Preferred Shares were issued to the former shareholders of BrainJuicer Limited on the basis of 1 new Ordinary Share for each ordinary share in BrainJuicer UK and 1 new Series A Preferred Share for each series A convertible preferred share in BrainJuicer UK, in accordance with the Share Exchange Agreement;

- on 16 November 2006, 22,825 Ordinary Shares were issued to Yvonne Chien pursuant to the exercise of an option. The exercise price was £0.1141779445 per share;
- by resolutions passed on 22 November 2006:
 - on receipt by the Company of a conversion notice (“Conversion Notice”) pursuant to article 8 of the then current articles of association of the Company, the 4,817,042 issued Series A Preferred Shares were re-designated as 4,817,042 Ordinary Shares in the capital of the Company such that the entire issued and authorised share capital of the Company shall be comprised of Ordinary Shares.*¹
 - any authorised but unissued Series A Preferred Shares in the capital of the Company were cancelled
- on 30 November 2006, 27,778 Ordinary Shares were issued to Yvonne Chien pursuant to the exercise of an option. The exercise price was £0.1141779445 per share.

Save as disclosed in Part VII of this document, the Company has not entered into any material contracts at the date of this report.

The authorised and issued share capital of the Company (i) as at the date of this document and (ii) following Admission is set out below:

	<i>Authorised</i>	<i>Issued</i>	<i>Fully paid</i>
(i)	36,000,000 shares of £0.01	11,161,713 shares	£111,617
(ii)	36,000,000 shares of £0.01	12,550,613 shares	£125,506

*1 A Conversion Notice was received by the Company and the conversion of the Series A Preferred Shares into Ordinary Shares took effect on 30 November 2006.

Section B – Accountants’ report on the Historical Financial Information on the Company

Grant Thornton 

Grant Thornton UK LLP
Byron House
Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

The Directors
BrainJuicer Group PLC
13-14 Margaret Street
London
W1W 8RN

30 November 2006

Dear Sirs

BRAINJUICER GROUP PLC

We report on the financial information set out in Part III Section A. This financial information has been prepared for inclusion in the AIM Admission Document dated 30 November 2006 of Brainjuicer Group PLC on the basis of the accounting policies set out in paragraph 2.

RESPONSIBILITIES

This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules consenting to its inclusion in the AIM Admission Document.

The Directors of BrainJuicer Group PLC are responsible for preparing the financial information on the basis of preparation set out in paragraph 2 to the financial information.

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting 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. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of 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.

OPINION

In our opinion, the financial information gives, for the purposes of the AIM Admission Document dated 30 November 2006, a true and fair view of the state of affairs of BrainJuicer Group PLC as at the date of this document in accordance with the basis of preparation set out in paragraph 2.

DECLARATION

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM admission document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

PART IV

HISTORICAL CONSOLIDATED FINANCIAL INFORMATION ON THE BRAINJUICER UK GROUP

Section A – Historical Consolidated Financial Information on the BrainJuicer UK Group

1 Introduction

The historical consolidated financial information on the BrainJuicer UK Group set out in this section A of Part IV has been prepared solely for the purposes of this AIM Admission Document and does not constitute audited statutory accounts within the meaning of section 240 of the Companies Act 1985.

2 Basis of preparation

The financial information for the three years ended 31 December 2005 is based on the audited consolidated financial information of the BrainJuicer UK Group.

This information has been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom Generally Accepted Accounting Practice.

3 Responsibility

The Directors of the Company are responsible for the financial information and the contents of the AIM Admission Document in which it is included.

4 Principal accounting policies

Basis of consolidation

The consolidated financial information incorporates the financial information of BrainJuicer UK and its subsidiary undertakings. These are adjusted, where appropriate, to conform to the BrainJuicer UK Group accounting policies.

Revenue recognition

Revenue is recognised when the right to consideration has been obtained under each market research project, which is normally after delivery of the debrief to the client. Revenue is recognised to reflect the contract activity during the year, having regard to the stage of completion of each market research project.

Respondent costs

Respondent costs are matched to revenue and charged to the profit and loss account in the same period as the associated revenue is recognised.

Work in progress

Work in progress is valued on the basis of direct costs incurred on projects that are part complete and where the right to consideration has not yet been earned. The part complete project is valued at the lower of cost and its net realisable value.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange

ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

For subsidiaries and branches the assets and liabilities are translated into sterling at closing exchange rates and the profit and loss account is translated at the average rate for the period.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of interest on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Compound instruments

Compound instruments comprise both a liability and an equity component. At date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar debt instrument. The liability component is accounted for as a financial liability. The residual is the difference between the net proceeds of issue and the liability component (at time of issue). The residual is the equity component, which is accounted for as an equity instrument.

The interest expense on the liability component is calculated by applying the prevailing market interest rate of a similar debt instrument at the date of issue of the instrument to the liability component. The difference between this amount and any repayments is added to the carrying amount of the liability in the balance sheet.

Share Options

The BrainJuicer UK Group issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the BrainJuicer UK Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

5 Consolidated profit and loss account

		<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>	<i>Year ended</i> <i>31 December</i>
		2003	2004	2005
	<i>Note</i>	£'000	£'000	£'000
Turnover	9.1	1,032	2,614	2,936
Cost of sales		(287)	(797)	(650)
Gross profit		745	1,817	2,286
Other operating charges	9.2	(1,049)	(1,630)	(2,263)
Operating (loss)/profit	9.4	(304)	187	23
Interest receivable	9.5	3	4	4
Interest payable and similar charges	9.6	–	–	(44)
(Loss)/profit on ordinary activities before taxation		(301)	191	(17)
Tax on (loss)/profit on ordinary activities	9.7	–	–	–
(Loss)/profit for the financial year		(301)	191	(17)
<i>Basic (loss)/earnings per share</i>	9.8	(319)	159	(17)
<i>Diluted (loss)/earnings per share</i>	9.8	(319)	99	(17)

All of the activities of the BrainJuicer UK Group are classed as continuing.

6 Consolidated balance sheet

		<i>As at</i> <i>31 December</i> 2003 £'000	<i>As at</i> <i>31 December</i> 2004 £'000	<i>As at</i> <i>31 December</i> 2005 £'000
	<i>Note</i>			
Current assets				
Stocks	9.10	–	8	13
Debtors	9.11	259	566	788
Cash at bank		190	267	64
		<u>449</u>	<u>841</u>	<u>865</u>
Creditors: amounts falling due within one year	9.12	(207)	(408)	(394)
Net current assets		<u>242</u>	<u>433</u>	<u>471</u>
Total assets less current liabilities		242	433	471
Creditors: amounts falling due after more than one year	9.13	–	–	(88)
Net assets		<u>242</u>	<u>433</u>	<u>383</u>
Capital and reserves				
Called-up share capital	9.15	–	–	–
Share premium account	9.16	566	566	555
Other reserves	9.16	–	–	10
Profit and loss account	9.16	(324)	(133)	(182)
Shareholders' funds	9.17	<u>242</u>	<u>433</u>	<u>383</u>

7 Consolidated cash flow statement

		<i>Year ended</i> <i>31 December</i> 2003 £'000	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Year ended</i> <i>31 December</i> 2005 £'000
	<i>Note</i>			
Net cash (outflow)/inflow from operating activities	9.18	(401)	73	(207)
Returns on investments and servicing of finance				
Interest received		<u>3</u>	<u>4</u>	<u>4</u>
Net cash inflow from returns on investments and servicing of finance		<u>3</u>	<u>4</u>	<u>4</u>
Financing				
Proceeds from share issue		<u>566</u>	<u>–</u>	<u>–</u>
Net cash inflow from financing		<u>566</u>	<u>–</u>	<u>–</u>
Increase/(decrease) in cash	9.19	<u>168</u>	<u>77</u>	<u>(203)</u>

8 Consolidated statement of total recognised gains and losses

	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
(Loss)/profit for the financial year	(301)	191	(17)
Exchange difference on consolidation of foreign branch	–	–	1
Total recognised gains and losses relating to the year	<u>(301)</u>	<u>191</u>	<u>(16)</u>

9 Notes to the financial information

9.1 Segmental Reporting

Turnover is attributable to market research and is split between the UK and overseas as follows:

	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
United Kingdom	722	1,412	1,938
Overseas	310	1,202	998
	<u>1,032</u>	<u>2,614</u>	<u>2,936</u>

9.2 Other operating charges

	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
Administrative expenses	1,049	1,630	2,263

9 Notes to the financial information (continued)

9.3 Employee and directors' information

The average number of staff employed by the BrainJuicer UK Group during the financial year amounted to:

	<i>Year ended 31 December 2003 No</i>	<i>Year ended 31 December 2004 No</i>	<i>Year ended 31 December 2005 No</i>
Administrative staff	<u>12</u>	<u>21</u>	<u>34</u>

The aggregate payroll costs of the above were:

	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>	<i>Year ended 31 December 2005 £'000</i>
Wages and salaries	529	979	1,359
Social security costs	54	105	136
Stock Option Charge	–	–	10
	<u>583</u>	<u>1,084</u>	<u>1,505</u>

Remuneration in respect of directors was as follows:

	<i>Year ended 31 December 2003 £'000</i>	<i>Year ended 31 December 2004 £'000</i>	<i>Year ended 31 December 2005 £'000</i>
Emoluments receivable	355	415	383
Compensation for loss of directorship	–	20	21
	<u>355</u>	<u>435</u>	<u>404</u>

Emoluments of highest paid director:

	<i>2003 £'000</i>	<i>2004 £'000</i>	<i>2005 £'000</i>
Total emoluments (excluding pension contributions)	<u>93</u>	<u>121</u>	<u>113</u>

No directors participated in pension schemes over the three year period.

9 Notes to the financial information (continued)

9.4 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	<i>Year ended</i> <i>31 December</i> 2003 £'000	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Year ended</i> <i>31 December</i> 2005 £'000
Auditor's remuneration:			
Audit compliance fees	5	8	11
Tax services	2	2	2
Other advisory services	2	6	13
Operating lease costs:			
Land and buildings	20	83	155
Amortisation	9	–	–
Net loss on foreign currency translation	–	18	20
	<hr/>	<hr/>	<hr/>

9.5 Interest receivable

	<i>Year ended</i> <i>31 December</i> 2003 £'000	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Year ended</i> <i>31 December</i> 2005 £'000
Bank interest receivable	3	4	4
	<hr/>	<hr/>	<hr/>

9.6 Interest payable and similar charges

	<i>Year ended</i> <i>31 December</i> 2003 £'000	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Year ended</i> <i>31 December</i> 2005 £'000
Other similar charges payable	–	–	44
	<hr/>	<hr/>	<hr/>

This charge payable relates to the finance cost for the series A convertible preferred shares (“**A Preferred Shares**”) accounted for under FRS25: Financial Instruments: Presentation and disclosure as discussed in note 9.16.

9.7 Taxation on ordinary activities

(a) There is no tax charge for the year 2005 (2004: £nil, 2003: £nil)

(b) Factors affecting current tax charge

	<i>Year ended</i> <i>31 December</i> 2003 £'000	<i>Year ended</i> <i>31 December</i> 2004 £'000	<i>Year ended</i> <i>31 December</i> 2005 £'000
(Loss)/profit on ordinary activities before taxation	(301)	191	(17)
(Loss)/profit on ordinary activities multiplied by standard rate of tax of 19%	(57)	36	(3)
Expenses not deductible for tax purposes	11	2	5
Difference between capital allowances and depreciation	–	2	2
Utilisation of tax losses	–	(40)	(4)
Unrelieved tax losses	46	–	–
Total current tax	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>

9 Notes to the financial information (continued)

9.8 (Loss)/earnings per share

	<i>Year ended</i> <i>31 December</i> <i>2003</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i>	<i>Year ended</i> <i>31 December</i> <i>2005</i>
(Loss)/profit attributable to shareholders (£'000)	(301)	191	(17)
Accrued dividend on A Preferred Shares	(26)	(28)	–
	<u>(327)</u>	<u>163</u>	<u>(17)</u>
Weighted average number of shares	102,400	102,400	102,400
Dilutive effect of A Preferred Shares		80,000	
Dilutive effect of options		10,711	
Diluted weighted average number of shares		<u>193,111</u>	
Basic (loss)/earnings per share (pence per share)	(319)	159	(17)
Diluted (loss)/earnings per share (pence per share)	<u>(319)</u>	<u>99</u>	<u>(17)</u>

The share options and A Preferred Shares in issue in 2003 and 2005 are considered to be anti-dilutive.

9.9 Investments

BrainJuicer UK owns 100 per cent. of the issued share capital of BrainJuicer Inc, a company incorporated in the United States of America in 2005. BrainJuicer Inc was dormant throughout the year.

9.10 Stocks

	<i>As at</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
Work in progress	<u>–</u>	<u>8</u>	<u>13</u>

9.11 Debtors

	<i>As at</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>As at</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
Trade debtors	209	460	695
Other debtors	19	34	27
Prepayments and accrued income	31	72	66
	<u>259</u>	<u>566</u>	<u>788</u>

9 Notes to the financial information (continued)

9.12 Creditors: amounts falling due within one year

	<i>As at</i> 31 December 2003 £'000	<i>As at</i> 31 December 2004 £'000	<i>As at</i> 31 December 2005 £'000
Trade creditors	86	80	96
Other taxation and social security	–	53	80
Accruals and deferred income	121	275	218
	<u>207</u>	<u>408</u>	<u>394</u>

The BrainJuicer UK Group has an invoice discounting facility which is currently not being utilised.

9.13 Creditors: amounts falling due after more than one year

	<i>As at</i> 31 December 2003 £'000	<i>As at</i> 31 December 2004 £'000	<i>As at</i> 31 December 2005 £'000
Reclassification of shares as financial liabilities:			
Share capital	–	–	–
Share premium	–	–	88
	<u>–</u>	<u>–</u>	<u>88</u>

9.14 Financial Risk Management

The BrainJuicer UK Group holds or issues financial instruments in order to achieve three main objectives, being: (a) to finance its operations; (b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and (c) for trading purposes. In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the BrainJuicer UK Group's operations. Transactions in financial instruments result in the BrainJuicer UK Group assuming or transferring to another party one or more of the financial risks described below.

Credit risk

The BrainJuicer UK Group monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to credit risk.

The BrainJuicer UK Group has no significant concentrations of credit risk, other than in substantial credit-worthy organisations. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Liquidity risk

The BrainJuicer UK Group monitors its cash flows carefully in order to ensure its liquidity is sufficient to meet obligations as they fall due.

Currency risk

The BrainJuicer UK Group does not hedge its foreign currency exposures.

9 Notes to the financial information (continued)

9.15 Share capital

Authorised share capital:

	<i>As at</i> <i>31 December</i> <i>2003</i> £	<i>As at</i> <i>31 December</i> <i>2004</i> £	<i>As at</i> <i>31 December</i> <i>2005</i> £
90,000 ordinary shares of £0.01 each	900	–	–
900,000 ordinary shares of £0.001 each	–	900	900
10,000 A Preferred shares of £0.01 each	100	–	–
100,000 A Preferred shares of £0.001 each	–	100	100
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	<i>As at</i> <i>31 December</i> <i>2003</i>		<i>As at</i> <i>31 December</i> <i>2004</i>		<i>As at</i> <i>31 December</i> <i>2005</i>	
	<i>No</i>	£	<i>No</i>	£	<i>No</i>	£
ordinary shares of £0.01 each	10,240	102	–	–	–	–
ordinary shares of £0.001 each	–	–	102,400	102	102,400	102
A Preferred shares of £0.01 each	8,000	80	–	–	–	–
A Preferred shares of £0.001 each	–	–	80,000	80	80,000	80
	<u>18,240</u>	<u>182</u>	<u>182,400</u>	<u>182</u>	<u>182,400</u>	<u>182</u>

	<i>As at</i> <i>31 December</i> <i>2003</i> £	<i>As at</i> <i>31 December</i> <i>2004</i> £	<i>As at</i> <i>31 December</i> <i>2005</i> £
Equity shares			
ordinary shares of £0.01 each	102	–	–
ordinary shares of £0.001 each	–	102	102
	<u>102</u>	<u>102</u>	<u>102</u>
A Preferred shares of £0.01 each	80	–	–
A Preferred shares of £0.001 each	–	80	78
	<u>80</u>	<u>80</u>	<u>78</u>
Shares classed as financial liabilities			
A Preferred shares of £0.001 each	–	–	2
	<u>–</u>	<u>–</u>	<u>2</u>

In 2004 BrainJuicer UK subdivided the nominal value of its shares on a one for ten basis.

A Preferred Shares

The A Preferred shares of £0.001 carry equal voting rights to the Ordinary shares of £0.001. The A Preferred shares carry the right to a fixed cumulative preferential dividend of 5 per cent. of the issue price per annum, and they can be redeemed at any time after 1 July 2008 at the holder's request. They can be redeemed prior to that date if BrainJuicer UK is sold, liquidated or there is a change of control. On redemption the holder is entitled to receive the issue price plus any dividends in arrears.

The A Preferred shares can be converted into ordinary shares at any time at the conversion rate of one ordinary share for each A Preferred share. On conversion the holder is entitled to receive any dividends in arrears.

9 Notes to the financial information (continued)

On liquidation or sale of the business after the payment of all other debts and liabilities the holders of A Preferred shares are entitled to receive the issue price plus any dividend arrears. At 31 December 2005 the cumulative A Preferred dividend amounted to £80,918 and is due when BrainJuicer UK has sufficient distributable reserves.

Shares classified as financial liabilities

Certain rights that are attached to the A Preferred shares result in the shares having characteristics of equity and liabilities. Therefore the shares would be considered to be a compound instrument as defined by FRS 25 Financial Instruments: Presentation and Disclosure.

The value of the liability component has been calculated based on the present value of the future cash flows in respect of payments that BrainJuicer UK is obliged to make to shareholders in accordance with its articles of association. The value included within equity is the residual amount. The share premium account associated with these shares has been classified as liabilities and equity in the same proportion as the split of liabilities and equity for the shares.

Share options

The following share options were outstanding over Ordinary shares of £0.001 each at 31 December 2005:

<i>Date option granted</i>	<i>Option price per share</i>		<i>Number of options</i>	
	<i>Expiry date</i>		<i>Approved EMI options</i>	<i>Unapproved options</i>
21-Jan-03	6.875	21-Jan-13	6,210	–
15-Sep-03	6.875	15-Sep-13	4,800	–
18-Mar-04	6.875	18-Mar-14	180	–
1-Apr-04	6.875	1-Apr-14	35	500
27-Dec-04	37.500	27-Dec-14	–	1,100
10-Jan-05	37.500	10-Jan-15	1,535	–
11-Jul-05	37.500	11-Jul-15	400	–
			<u>13,160</u>	<u>1,600</u>

The options can only be exercised on the flotation of BrainJuicer UK unless BrainJuicer UK provides consent for earlier exercise.

The following options were granted, lapsed and were exercised:

	<i>Year ended 31 December 2003</i>	<i>Year ended 31 December 2004</i>	<i>Year ended 31 December 2005</i>
Granted	14,800	1,990	2,085
Lapsed	–	(2,575)	(1,540)
Exercised	–	–	–
	<u>14,800</u>	<u>(585)</u>	<u>545</u>

9 Notes to the financial information (continued)

Interests of the Directors in the shares and options of BrainJuicer UK as at 31 December 2005 were:

Shares

		<i>As at 31 December 2005</i>
J V Kearon	Ordinary shares of £0.001	94,000
J B Geddes	Ordinary shares of £0.001	2,400

Options

		<i>As at 31 December 2005</i>
S Godfrey	Ordinary shares of £0.001	1,400
J B Geddes	Ordinary shares of £0.001	3,800

9.16 Share premium account and reserves

	<i>Share premium account £'000</i>	<i>Profit and loss account £'000</i>	<i>Other reserves £'000</i>
At 1 January 2003	–	(23)	–
Premium on shares issued in the year	566		
Accrued A Preferred dividend	–	(26)	–
A Preferred dividend not declared	–	26	–
Loss for the year	–	(301)	–
At 31 December 2003	566	(324)	–
Profit for the year	–	191	–
Accrued A Preferred dividend	–	(28)	–
A Preferred dividend not declared	–	28	–
At 31 December 2004	566	(133)	–
Reclassification of liability element of A Preferred shares	(11)	–	–
Restatement of opening reserves for interest on liability element of A Preferred shares	–	(33)	–
Restated balance at 1 January 2005	555	(166)	–
Loss for the year	–	(17)	–
Exchange differences	–	1	–
Stock option charge	–	–	10
At 31 December 2005	555	(182)	10

The implementation of FRS 25 resulted in the transfer of £10,955 from Equity to Debt in respect of the Liability element of the A Preferred shares brought forward. It also resulted in the transfer of £32,871 from Equity to Debt in respect of the interest on the liability element of the A Preferred shares brought forward.

9 Notes to the financial information (continued)

9.17 Reconciliation of movements in shareholders' funds

	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
(Loss)/Profit for the financial year	(301)	191	(17)
Exchange differences	–	–	1
Accrued A Preferred dividend	(26)	(28)	–
Accrued A Preferred dividend not declared	26	28	–
Net (reduction)/addition to shareholders' deficit	(301)	191	(16)
Opening shareholders' funds	(23)	242	433
New equity share capital subscribed	–	–	–
Premium on new capital subscribed	566	–	–
Restatement at 1 January 2005:			
Reclassification of liability element of A Preferred shares (share premium)	–	–	(11)
Interest on liability element of A Preferred shares	–	–	(33)
Stock option charge	–	–	10
Closing shareholders' funds	242	433	383

9.18 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
Operating (loss)/profit	(304)	187	23
Amortisation	9	–	–
Stock option charge	–	–	10
Increase in stocks	–	(8)	(5)
Increase in debtors	(209)	(307)	(222)
Increase/(decrease) in creditors	103	201	(14)
Exchange differences	–	–	1
Net cash (outflow)/inflow from operating activities	(401)	73	(207)

9.19 Reconciliation of net cash flow to movement in net funds

	<i>Year ended</i> <i>31 December</i> <i>2003</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2004</i> <i>£'000</i>	<i>Year ended</i> <i>31 December</i> <i>2005</i> <i>£'000</i>
Increase/(decrease) in cash in the period	168	77	(203)
Liability element of convertible preferred shares	–	–	(88)
Net funds at the start of the period	22	190	267
Net funds at the end of the period	190	267	(24)

9 Notes to the financial information (continued)

9.20 Analysis of changes in net funds

	<i>At beginning of period £'000</i>	<i>Cash flows £'000</i>	<i>Non cash item £'000</i>	<i>At end of period £'000</i>
2003				
Cash in hand and at bank	22	168	–	190
	<u>22</u>	<u>168</u>	<u>–</u>	<u>190</u>
2004				
Cash in hand and at bank	190	77	–	267
Net funds	<u>190</u>	<u>77</u>	<u>–</u>	<u>267</u>
2005				
Cash in hand and at bank	267	(203)	–	64
Liability element of convertible preferred shares	–	–	(88)	(88)
Net funds	<u>267</u>	<u>(203)</u>	<u>(88)</u>	<u>(24)</u>

9.21 Capital commitments and contingent liabilities

The BrainJuicer UK Group had no capital commitments or contingent liabilities at 31 December 2005, 2004 or 2003.

9.22 Commitments under operating leases

The BrainJuicer UK Group had annual commitments under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>		
	<i>As at 31 December 2003 £</i>	<i>As at 31 December 2004 £</i>	<i>As at 31 December 2005 £</i>
Operating leases which expire:			
Within 1 year	–	107	34
Within 2 to 5 years	–	19	–
	<u>–</u>	<u>126</u>	<u>34</u>

9.23 Related party transactions

Unilever UK Holdings holds all of the A Preferred shares.

The BrainJuicer UK Group made sales to companies connected to Unilever UK Holdings during the year 2005 totalling £534,096, 2004 – £786,892, 2003 – £393,155.

The balance outstanding at the year end 2005 was £67,425, 2004 – £36,806, 2003 – £72,786.

The wife of Mr M Muth, a director of BrainJuicer UK provided employee coaching and recruitment referencing services to the BrainJuicer UK Group in 2005 totalling £12,237, 2004 – £21,301, 2003 – £5,090. There was no balance outstanding at the year end.

9.24 Post balance sheet events

The redemption feature attached to the A Preferred shares was removed in 2006.

BrainJuicer Group PLC (incorporated on 19 September 2006) acquired the entire issued share capital of BrainJuicer UK pursuant to a share-for-share exchange agreement entered into with the shareholders of BrainJuicer UK on 14 November 2006, following which they held identical proportions of shares in BrainJuicer Group PLC to those they held in BrainJuicer UK. The financial statements of BrainJuicer Group PLC will be prepared using merger accounting principles.

Section B – Accountants’ report on the Historical Consolidated Financial Information on the BrainJuicer UK Group

Grant Thornton 

Grant Thornton UK LLP
Byron House
Cambridge Business Park
Cowley Road
Cambridge
CB4 0WZ

The Directors
BrainJuicer Group PLC
13-14 Margaret Street
London
W1W 8RN

30 November 2006

Dear Sirs

BRAINJUICER UK AND ITS SUBSIDIARY UNDERTAKINGS

We report on the historical consolidated financial information of the BrainJuicer UK Group set out in Part IV Section A. This financial information has been prepared for inclusion in the AIM Admission Document dated 30 November 2006 of BrainJuicer Group PLC on the basis of the accounting policies set out in paragraph 4.

RESPONSIBILITIES

This report is required by Paragraph (a) of Schedule Two of the AIM Rules and is given for the purpose of complying with that regulation and for no other purpose.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any responsibility to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules consenting to its inclusion in the AIM Admission Document.

The Directors of the Company are responsible for preparing the historical consolidated financial information on the basis of preparation set out in paragraph 2 to the historical consolidated financial information.

It is our responsibility to form an opinion on the financial information as to whether the historical consolidated financial information gives a true and fair view, for the purposes of the AIM Admission Document, and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with the Standards for Investment Reporting 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. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of 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.

OPINION

In our opinion, the historical consolidated financial information gives, for the purposes of the AIM Admission Document dated 30 November 2006, a true and fair view of the state of affairs of BrainJuicer UK and its subsidiary undertakings as at the dates stated and of its results, cash flows and recognised gains and losses for the periods then ended in accordance with the basis of preparation set out in paragraph 2 and in accordance with the basis of preparation described in paragraph 2.

DECLARATION

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the AIM admission document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the AIM admission document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

GRANT THORNTON UK LLP

PART V

UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION ON THE BRAINJUICER UK GROUP FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006

The financial information on the BrainJuicer UK Group in Part V has been extracted from BrainJuicer UK's consolidated interim results for the period ended 30 June 2006. The information covers the period from 1 January 2006 to 30 June 2006, is unaudited and does not constitute statutory financial statements. The financial information has been prepared in accordance with UK GAAP.

Unaudited comparative information for the six months to 30 June 2005 is presented as required by paragraph (a) of Schedule Two of the AIM rules.

Unaudited Consolidated Profit and Loss Accounts

		<i>6 months ended 30 June 2005 £'000</i>	<i>6 months ended 30 June 2006 £'000</i>
	<i>Note</i>		
Turnover	2	1,368	1,849
Cost of sales		(333)	(407)
Gross profit		1,035	1,442
Other operating charges		(1,059)	(1,300)
Operating (loss)/profit		(24)	142
Interest receivable		2	1
Interest payable		(22)	(17)
(Loss)/profit on ordinary activities before taxation		(44)	126
Tax on (loss)/profit on ordinary activities	3	–	(50)
(Loss)/profit for the period (deducted from)/ transferred to reserves		(44)	76
<i>Basic (loss)/earnings per share</i>	5	(43)	74
<i>Diluted (loss)/earnings per share</i>	5	(43)	40

All the activities of the BrainJuicer UK Group are classed as continuing.

Unaudited Consolidated Balance Sheets

	<i>Note</i>	<i>As at 30 June</i> 2005 £'000	<i>As at 30 June</i> 2006 £'000
Fixed assets			
Tangible assets		–	72
Current assets			
Stocks		4	1
Debtors: due within one year		532	1,093
Cash at bank and in hand		219	61
		<u>755</u>	<u>1,155</u>
Creditors: amounts falling due within one year		<u>(339)</u>	<u>(685)</u>
Net current assets		<u>416</u>	<u>470</u>
Total assets less current liabilities		416	542
Creditors: amounts falling due after more than one year		(66)	(50)
Net assets		<u>350</u>	<u>492</u>
Capital and reserves			
Called up share capital	6	–	–
Share premium account	6	555	569
Other reserve	6	4	27
Profit and loss account	6	(209)	(104)
Shareholders' funds		<u>350</u>	<u>492</u>

Unaudited Consolidated Cash Flow Statements

		<i>6 months ended 30 June 2005 £'000</i>	<i>6 months ended 30 June 2006 £'000</i>
Net cash (outflow)/inflow from operating activities	<i>Note</i> 7	(50)	58
Returns on investments and servicing of finance			
Interest received		<u>2</u>	<u>1</u>
Net cash inflow from returns on investments and servicing of finance		<u>2</u>	<u>1</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		<u>–</u>	<u>(75)</u>
Net cash outflow from capital expenditure and financial investment		<u>–</u>	<u>(75)</u>
Financing			
Issue of ordinary share capital		<u>–</u>	<u>13</u>
Net cash inflow from financing		<u>–</u>	<u>13</u>
(Decrease) in cash		<u>(48)</u>	<u>(3)</u>

Unaudited Consolidated Statement of Total Recognised Gains and Losses

	<i>6 months ended 30 June 2005 £'000</i>	<i>6 months ended 30 June 2006 £'000</i>
(Loss)/profit for the financial period	(44)	76
Exchange difference on consolidation of foreign subsidiaries	—	2
Total recognised gains and losses relating to the year	<u>(44)</u>	<u>78</u>

Notes to the financial information

1 Basis of preparation

The interim financial information has been prepared on the same basis and using the same accounting policies as used in the audited financial statements for the year ended 31 December 2005.

The BrainJuicer UK Group has expenditure which has been capitalised as fixed assets in the period and has been depreciated accordingly.

2 Segmental reporting

Turnover is attributable to market research and is split between the UK and overseas as follows:

	<i>6 months ended 30 June 2005 £'000</i>	<i>6 months ended 30 June 2006 £'000</i>
United Kingdom	944	1,220
Overseas	424	629
	<u>1,368</u>	<u>1,849</u>

3 Tax on (loss)/profit on ordinary activities

The tax charge for the period is £50,000 (2005: £nil). The tax charge is based on the (loss)/profit for the period and represents:

	<i>6 months ended 30 June 2005 £'000</i>	<i>6 months ended 30 June 2006 £'000</i>
(Loss)/profit before taxation	(44)	126
Expected corporation tax on (loss)/profit at 30% (2005: 30%)	(13)	38
Effects of:		
Expenses not deductible for tax purposes	9	20
Difference between depreciation and capital allowances	2	(5)
Creation of tax losses	2	–
Difference between UK and overseas tax rates	–	(4)
Prior year adjustment in respect of R&D tax credit	–	1
Current tax charge for the period	<u>–</u>	<u>50</u>

4 Dividends

No dividends have been declared in respect of the period ended 30 June 2006 (2005: nil).

5 (Loss)/earnings per share

	<i>6 months ended 30 June 2005</i>	<i>6 months ended 30 June 2006</i>
(Loss)/profit attributable to shareholders (£'000)	(44)	76
Weighted average number of shares	102,400	103,364
Dilutive effect of A Preferred Shares		80,000
Dilutive effect of options		8,001
Diluted weighted average number of shares		<u>191,365</u>
Basic (loss)/earnings per share (pence per share)	(43)	74
Diluted (loss)/earnings per share (pence per share)	<u>(43)</u>	<u>40</u>

The share options and A Preferred shares in issue in 2005 are considered to be anti-dilutive.

6 Capital and reserves

	<i>Share premium account £'000</i>	<i>Other reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 January 2006	555	10	(182)	383
Premium on allotment during the period	14	–	–	14
Profit for the period	–	–	76	76
Stock option charge	–	17	–	17
Exchange differences	–	–	2	2
At 30 June 2006	<u>569</u>	<u>27</u>	<u>(104)</u>	<u>492</u>

Share capital at 30 June 2006 amounted to £182

7 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	<i>6 months ended 30 June 2005 £'000</i>	<i>6 months ended 30 June 2006 £'000</i>
Operating (loss)/profit	(24)	142
Depreciation	–	3
Decrease in stock	4	12
Decrease/(increase) in debtors	34	(305)
(Decrease)/increase in creditors	(68)	187
Stock option charge	4	17
Exchange differences	–	2
Net cash (outflow)/inflow from operating activities	<u>(50)</u>	<u>58</u>

8 Reconciliation of net cash flow to movement in net funds/(debt)

	<i>6 months ended 30 June 2005 £'000</i>	<i>6 months ended 30 June 2006 £'000</i>
Decrease in cash in the period	(48)	(3)
Change in net debt resulting from cash flows	(48)	(3)
Liability element of preferred shares	(22)	88
Movement in net debt in the period	(70)	85
Net funds/(debt) at start of period	223	(24)
Net funds at end of period	<u>153</u>	<u>61</u>

9 Analysis of changes in net debt

	<i>At 1 January 2006 £'000</i>	<i>Cash flow £'000</i>	<i>Non cash changes £'000</i>	<i>At 30 June 2006 £'000</i>
Cash in hand	64	(3)	–	61
Liability element of preferred shares	(88)	–	88	–
	<u>(24)</u>	<u>(3)</u>	<u>88</u>	<u>61</u>

PART VI

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS ON THE GROUP

Set out below is the pro forma statement of net assets of the Group, prepared on the basis of the notes set out below, to illustrate how the proposed Placing might have affected the consolidated net assets of the Group if it had taken place on 19 September 2006. This statement has been prepared for illustrative purposes only, and because of its nature, it may not give a true and fair picture of the financial position of the Group.

	<i>BrainJuicer Group plc At 19 September 2006 Note (1) £'000</i>	<i>BrainJuicer Limited At 30 June 2006 Note (2) £'000</i>	<i>Adjustments</i>		<i>Pro forma net assets at 19 September 2006 Note (5) £'000</i>
			<i>Note (3) £'000</i>	<i>Note (4) £'000</i>	
Fixed assets					
Tangible assets	–	72	–	–	72
	–	72			
Current assets					
Stocks	–	1			1
Debtors	–	1,093	–	–	1,093
Cash at bank and in hand	–	61	–	1,006	1,067
		1,155	–	1,006	2,161
Creditors: amounts falling due within one year	–	(685)	–	–	(685)
Net current assets	–	470	–	1,006	1,476
Total assets less current liabilities	–	542	–	1,006	1,548
Creditors: amounts falling due within one year	–	(50)	–	–	(50)
Net assets	–	492	–	1,006	1,498
Capital and reserves					
Share capital	–	–	111	14	125
Share premium	–	569	(569)	1,398	1,398
Other reserve	–	27	–	–	27
Merger reserve	–	–	458	–	458
Profit and loss account	–	(104)	–	(406)	(510)
	–	492	–	1,006	1,498

Notes:

- (1) Based on the balance sheet at incorporation of BrainJuicer Group PLC, extracted without material adjustment from the financial information set out in Part III of this document.
- (2) Based on the consolidated balance sheet of BrainJuicer UK as at 30 June 2006, extracted without material adjustment from the unaudited financial information set out in Part V of this document.
- (3) The share-for-share exchange between BrainJuicer Group PLC and BrainJuicer UK is accounted for as a group reconstruction and the difference between the nominal value of shares issued by BrainJuicer Group PLC and the share capital and share premium of BrainJuicer UK has been transferred to a merger reserve.
- (4) Represents the proceeds from the Placing of 1,388,900 Ordinary Shares of one pence each at a price of 108 pence per share net of £494,000 expenses associated with the proposed Placing and admission to AIM, a market operated by London Stock Exchange plc.
- (5) The pro-forma financial information does not constitute statutory accounts within the meaning of section 240 of the Act. The pro-forma statement of net assets of the Group does not take into account the effect of changes in trading or working capital of the Group since 30 June 2006.

PART VII

ADDITIONAL INFORMATION

1. The Company and its Subsidiaries

- 1.1 The Company was incorporated in England and Wales on 19 September 2006 under the name BrainJuicer Group Limited with registered number 5940040 as a private company limited by shares under the Act. The Company was re-registered as a public company on 28 November 2006. The liability of the members of the Company is limited.
- 1.2 The Company's registered office is at 13/14 Margaret Street, London W1W 8RN. The telephone number of this office is 020 7043 1000.
- 1.3 The Company is the holding company of the following group of companies:

<i>Name</i>	<i>Proportion of ownership interest</i>	<i>Place of Incorporation</i>	<i>Date of Incorporation</i>	<i>Principal Activity</i>
BrainJuicer UK	wholly-owned by the company	England and Wales	29 December 1999	Online market research
BrainJuicer Netherlands	wholly-owned by BrainJuicer UK	Netherlands	26 May 2006	Online market research
BrainJuicer USA	wholly-owned by BrainJuicer UK	Delaware USA	12 August 2005	Online market research

2. Share capital

- 2.1 The following changes have occurred in the share capital of the Company:
- (a) on incorporation, the authorised share capital of the Company was £360,000 divided into 31,182,957 Ordinary Shares and 4,817,043 Series A Preferred Shares;
- (b) on incorporation, Huntsmoor Nominees Limited subscribed at par for one Ordinary Share and subsequently transferred this share to John Kearon on 20 October 2006;
- (c) on 5 October 2006, Huntsmoor Limited subscribed at par for one Series A Preferred Share and subsequently transferred this share to Unilever UK Holdings on 20 October 2006.
- (d) by resolutions passed on 5 October 2006:
- (i) in substitution for all existing authorities, the Directors were generally and unconditionally authorised pursuant to section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Act) provided that the authority granted was limited to the allotment and issue of up to a maximum of the authorised but unissued share capital of the Company for a period expiring (unless previously renewed or revoked by the Company in general meeting) on the date which is 15 months after the date of the passing of this resolution, or at the conclusion of the next annual general meeting of the Company following the date of the passing of this resolution if that shall occur sooner, but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of that offer or agreement notwithstanding that the authority hereby conferred had expired;
- (ii) in substitution for all existing authorities granted by the Company in general meeting pursuant to section 95 of the Act but without prejudice to any allotments of equity securities pursuant to such authorities prior to the date of this resolution, the Directors were empowered in accordance with section 95 of the Act to allot equity securities (as

defined in section 94 of the Act) to be made pursuant to the authority conferred on them to allot relevant securities by resolution (i) above or otherwise as if sub-section (1) of section 89 and sub-sections (1) to (6) of section 90 of the Act did not apply to any such allotment provided that the power conferred by this resolution (ii) was limited to:

- (A) the allotment of equity securities to the then current shareholders of BrainJuicer UK pursuant to a Share Exchange Agreement as defined and summarised in paragraph 9.1(d) of this Part VII;
- (B) the allotment of equity securities in connection with a placing of up to 1,120,000 new Ordinary Shares by the Company;
- (C) the grant of options and the allotment of equity securities pursuant to the exercise of options granted under the terms of any share option scheme adopted or operated by the Company; and
- (D) the allotment (otherwise than pursuant to sub-paragraphs (A) to (C) above) of equity securities up to an aggregate nominal value representing 5 per cent. of the allotted and fully paid share capital of the Company immediately following the Admission (both issued and to be issued),

and so that this resolution (ii) shall cease to have effect when the authority conferred by resolution (i) above is revoked or would (if not renewed) expire, but so that the Company may before the expiry of this resolution (ii) make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority conferred by this resolution (ii) has expired;

- (e) by a resolution passed on 5 October 2006, one unissued Series A Preferred Share was converted and re-designated into one Ordinary Share;
- (f) on 14 November 2006, 6,294,067 Ordinary Shares and 4,817,041 Series A Preferred Shares were issued to the former shareholders of BrainJuicer UK on the basis of 1 new Ordinary Share for each ordinary share in BrainJuicer UK and 1 new Series A Preferred Share for each series A convertible preferred share in BrainJuicer UK, in accordance with the Share Exchange Agreement (as defined and summarised in paragraph 9.1(d) of this Part VII);
- (g) on 16 November 2006, 22,825 Ordinary Shares were issued to Yvonne Chien pursuant to the exercise of an option over Ordinary Shares;
- (h) By a stock transfer form dated 20 November 2006, Yvonne Chien transferred 66,601 Ordinary Shares to Unilever UK Holdings. This transfer was registered in the register of Members of the Company on 23 November 2006;
- (i) by resolutions passed on 22 November 2006;
 - (i) that on receipt by the Company of a conversion notice pursuant to article 8 of the then existing articles of association (the “**Existing Articles**”) the 4,817,042 issued Series A Preferred Shares were re-designated as 4,817,042 Ordinary Shares in the capital of the Company such that the entire issued and authorised share capital of the Company shall be comprised of Ordinary Shares (the “**Re-designation**”).
 - (ii) that immediately following the Re-designation any authorised but unissued Series A Preferred Shares in the capital of the Company were cancelled; and
 - (iii) that the new articles of association of the Company (the “**Articles**”) were adopted as soon as reasonably practicable prior to Admission.

- (j) on 30 November 2006, 27,778 Ordinary Shares were issued to Yvonne Chien pursuant to the exercise of an option over Ordinary Shares.
- (k) by resolutions passed on 30 November 2006:
- in substitution for all existing authorities granted by the Company in general meeting pursuant to section 95 of the Act but without prejudice to any allotments of equity securities pursuant to such authorities prior to the date of this resolution, the directors were empowered in accordance with section 95 of the Act to allot equity securities (as defined in section 94 of the Act) to be made pursuant to the authority conferred on them to allot relevant securities by ordinary resolution passed on 5 October 2006 or otherwise as if sub-section (1) of section 89 and sub-sections (1) to (6) of section 90 of the Act do not apply to any such allotment provided that the power conferred by this resolution shall be limited to:
- (i) the allotment of equity securities in connection with the Placing (as such term is defined and more fully explained in the circular letter sent to shareholders on 23 October 2006);
 - (ii) the grant of options and the allotment of equity securities pursuant to the exercise of options granted under the terms of any share option scheme adopted or operated by the Company;
 - (iii) the allotment otherwise than pursuant to (i) and (ii) above of equity securities up to an aggregate nominal amount representing 5 per cent. of the allotted and fully paid share capital of the Company immediately following admission of the ordinary share capital of the Company to trading on the AIM market of the London Stock Exchange (both issued and to be issued),

and so that this resolution shall cease to have effect when the authority conferred on the directors to allot relevant securities by ordinary resolution passed on 5 October 2006 is revoked or would (if not revoked) expire, but so that the Company may before the expiry of this resolution make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of that offer or agreement notwithstanding that the authority conferred by this resolution has expired.

2.2 As at the date of this document, the authorised and issued share capital of the Company is as follows:

	<i>Number</i>	<i>£</i>
Authorised Ordinary Share Capital	36,000,000	360,000
Issued and fully paid Ordinary Shares	11,161,713	111,617

2.3 On Admission the authorised and issued share capital of the Company is expected to be as follows:

	<i>Number</i>	<i>£</i>
Authorised Ordinary Share Capital	36,000,000	360,000
Issued and fully paid Ordinary Shares	12,550,613	125,506

2.4 Save as disclosed in paragraphs 2.1, 2.2 and 2.3 of this Part VII, there have been no changes to the authorised and issued share capital.

2.5 Save as disclosed in this Part VII:

- (a) no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of the Company or any of its subsidiary undertakings is under option or is agreed conditionally or unconditionally to be put under option;
- (c) no commission discount, brokerage or any other special term has been granted by the Company or is now proposed in connection with the issue or sale of any part of the share or loan capital of the Company; and
- (d) no fee and no founder, management or deferred shares have been issued by the Company.

2.6 The provisions of section 89(1) of the Act (which, to the extent not disapplied pursuant to section 95 of the Act) confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under employee's

share scheme (as defined in section 743 of the Act) and will apply to the authorised but unissued share capital of the Company except to the extent disapplied by the resolutions referred to in paragraph 2.1(f) of this Part VII.

- 2.7 All the Ordinary Shares will rank *pari passu* in all respects including with regard to dividends.
- 2.8 Following the exchange of options described in paragraph 9.1(e) of Part VII, options will exist over 825,081 Ordinary Shares¹, including those granted to Directors and senior management:

<i>Name</i>	<i>Date of Grant of option over shares in BrainJuicer UK</i>	<i>Number of Ordinary Shares in the Company</i>	<i>Exercise price £</i>
Simon Godfrey	21/01/2003	84,298	0.1141779445
Yvonne Chien	21/01/2003	82,648	0.1141779445
Andrew Hogbin	21/01/2003	100,556	0.1141779445
James Geddes	15/09/2003	228,810	0.1141779445
Tony Cook	18/03/2004	602	0.1141779445
Russell Gray	18/03/2004	5,419	0.1141779445
Russell Gray	10/01/2005	13,548	0.6227887884
Ed Harrison	18/03/2004	1,204	0.1141779445
Ed Harrison	10/01/2005	2,409	0.6227887884
Ed Harrison	28/02/2006	3,011	0.6227887884
Jonathan Morgan-Jones	01/04/2004	2,107	0.1141779445
Jonathan Morgan-Jones	10/01/2005	2,409	0.6227887884
Jonathan Morgan-Jones	28/02/2006	3,011	0.6227887884
S Chilvers	10/01/2005	18,064	0.6227887884
H McCarthy	10/01/2005	18,064	0.6227887884
M Methorst	10/01/2005	2,409	0.6227887884
M Methorst	28/02/2006	3,011	0.6227887884
D Powderhill	10/01/2005	1,204	0.6227887884
D Powderhill	28/02/2006	3,011	0.6227887884
A Rose	10/01/2005	1,806	0.6227887884
A Rose	28/02/2006	3,011	0.6227887884
M Langley	10/01/2005	1,806	0.6227887884
M Langley	28/02/2006	3,011	0.6227887884
B Hughes	10/01/2005	1,204	0.6227887884
B Hughes	28/02/2006	3,011	0.6227887884
B Gora	10/01/2005	1,806	0.6227887884
B Gora	28/02/2006	3,011	0.6227887884
K Kabra	10/01/2005	18,064	0.6227887884
K Kabra	11/07/2005	6,021	0.6227887884
W Goodhand	10/01/2005	1,204	0.6227887884
W Goodhand	28/02/2006	3,011	0.6227887884
A Martinez	10/01/2005	1,204	0.6227887884
A Martinez	28/02/2006	3,011	0.6227887884
E Cumber	10/01/2005	1,204	0.6227887884
E Cooper (formerly Cumber)	28/02/2006	3,011	0.6227887884
R Barlow-Brown	10/01/2005	1,204	0.6227887884

¹ If any options are not exchanged as described in paragraph 6.1 of this Part VII, they will lapse on the expiration of six months following the acquisition of BrainJuicer UK by the Company pursuant to the Share Exchange Agreement described in paragraph 9.1(d) of this Part VII.

<i>Name</i>	<i>Date of Grant of option over shares in BrainJuicer UK</i>	<i>Number of Ordinary Shares in the Company</i>	<i>Exercise price £</i>
R Barlow-Brown	28/02/2006	3,011	0.6227887884
O Wood	11/07/2005	18,064	0.6227887884
J Boden	28/02/2006	3,011	0.6227887884
N Bredenkamp	28/02/2006	3,011	0.6227887884
C Couldridge	28/02/2006	3,011	0.6227887884
B Hilland	28/02/2006	3,011	0.6227887884
S Suter	28/02/2006	3,011	0.6227887884
R Farlie	27/09/2006	3,011	0.6227887884
J Lim	27/09/2006	3,011	0.6227887884
Jonathan Rimmer	27/09/2006	42,149	0.6227887884
N Holland	27/09/2006	3,011	0.6227887884
E Grespan	27/09/2006	3,011	0.6227887884
S Colburn	27/09/2006	3,011	0.6227887884
Julius Ladwig	01/04/2004	30,107	0.1141779445
Evert Bos	27/12/2004	42,149	0.6227887884
Jaap Moll	27/12/2004	24,085	0.6227887884
Veronique Blom	27/09/2006	3,011	0.6227887884

Following Admission all options, to the extent vested, will become exercisable. Options vest as to one third on 1 January following the date on which options over Shares in BrainJuicer UK were granted, the second third on the following 1 January and the final third on the 1 January next thereafter. There are a few minor exceptions to this vesting which are described in paragraph 6.6(a) of this Part VII.

- 2.9 The Company has applied to CRESTCo, for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system, if the relevant shareholders so wish.

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instruments. The Articles permit the holding and transfer of Ordinary Shares in CREST.

CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. Persons acquiring Ordinary Shares under the Placing may, however, elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a “system member” (as defined in the CREST Regulations) in relation to CREST.

Holders of Existing Ordinary Shares will receive new share certificates in respect of the number of Ordinary Shares held by them on Admission. If Existing Shareholders wish to hold their Ordinary Shares in CREST they will need to follow the requisite CREST procedure for the dematerialisation of their shareholding.

It is anticipated that, where appropriate, share certificates will be despatched by 19 December 2006. Temporary documents of title will not be issued. Prior to despatch of definitive share certificates transfers will be certified against the register.

3. Memorandum of Association

The Memorandum of Association of the Company provides that the Company may act as the holding and co-ordinating company of the Group of which the Company is for the time being the holding company. The objects of the Company are set out in full in clause 4 of the Memorandum of Association of the Company.

4. Articles of Association

The Articles, which will be adopted as soon as reasonably practicable prior to Admission will contain, *inter alia*, provisions to the following effect:

(a) General Meetings and votes of members

(i) General meetings

The board of directors shall convene and the Company shall hold general meetings as annual general meetings in accordance with the requirements of the Statutes at such time and place as the board of directors may determine. Any general meeting of the Company other than an annual general meeting shall be called an extraordinary general meeting.

(ii) Calling of general meetings

The board of directors may whenever it thinks fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an extraordinary general meeting.

(iii) Notice of general meetings

An annual general meeting and an extraordinary general meeting at which it is proposed to pass a special resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by not fewer than twenty-one days' notice in writing and any other extraordinary general meeting by not fewer than fourteen days' notice in writing. The notice shall be given to the members (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the directors and to the auditors. The board of directors may determine that persons entitled to receive notice of meetings are those persons entered on the register of members at the close of business on a day determined by the board of directors, but if the Company is a participating issuer, the day determined by the board of directors may not be more than 21 days before the date upon which the relevant notice is being sent.

(iv) Proxy

Shareholders need not attend a meeting of the Company in person but can do so by way of a validly appointed proxy. Proxies are appointed in accordance with the Articles. In essence, to be validly appointed, details of the proxy must be lodged at the Company's registered office no later than 48 hours before the commencement of the relevant meeting. Failure to lodge details of the appointed proxy in accordance with the Articles could result in the vote of the proxy being excluded on any resolution and possibly to the exclusion of the proxy from the meeting unless the proxy were also a Shareholder.

(v) Corporations acting by representatives

If a Shareholder is a corporation, whether or not a company, it can pass a resolution of its directors or other governing body to authorise such person as it thinks fit to act as its representative at any meeting of the Company or class of meeting of Shareholders.

(b) Votes of members

- (i) Subject to the provisions of the Act and to any special rights or restrictions as to voting attached to any shares or class of shares or otherwise provided by the Articles, on a show of hands every member who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder.

Restriction on rights of members where calls outstanding

- (ii) Unless the board of directors otherwise determines, no member shall be entitled to receive any dividend or to be present and vote at a general meeting or at any separate general meeting of the holders of any class of shares either personally or by proxy, or to be reckoned in a quorum,

or to exercise any other right or privilege conferred by membership in respect of a share held by him in relation to meetings of the Company unless and until he shall have paid all calls or other sums presently due and payable by him, whether alone or jointly with any other person, to the Company.

(c) ***Transfer of shares***

(i) *Form of transfer*

Subject to Article 7.1 and provisions in the Articles regarding uncertificated shares, all transfers of certificated shares may be effected by transfer in writing in any usual or common form in any other form acceptable to the board of directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. In relation to both certificated and uncertificated shares, the transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of such shares. All instruments of transfer which are registered may be retained by the Company.

(ii) *Right to refuse registration*

The board of directors may in its absolute discretion and without assigning any reason for its actions refuse to register any transfer of any certificated share which is not a fully paid share provided that the board of directors shall not refuse to register any transfer or renunciation of partly paid shares which are admitted to trading on AIM on the grounds that they are partly paid shares in circumstances where such refusal would prevent dealings in such shares from taking place on an open and proper basis.

(iii) *Other rights to decline registration*

The board of directors may decline to recognise any instrument of transfer relating to certificated shares unless the instrument of transfer:

- (A) is in respect of only one class of share;
- (B) is lodged at the registered office of the Company or such other place as the board of directors may appoint;
- (C) is accompanied by the relevant share certificate(s) and such other evidence as the board of directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do);
- (D) is duly stamped (if so required); and

in the case of a transfer to joint holders, the number of joint holders does not exceed four.

(d) ***Dividends***

(i) *Final dividends*

Subject to the provisions of the Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests but no such dividends shall exceed the sum recommended by the board of directors.

(ii) *Interim dividends*

In so far as in the opinion of the board of directors the profits of the Company justify such payments, the board of directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment of such dividends and may also from time to time declare and pay interim dividends on shares of any class of such sums and on such dates and in respect of such periods as it thinks fit. Provided the directors act in good faith they shall not incur any

liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on any shares having deferred or non-preferred rights.

(iii) *Ranking of shares for dividend*

Unless and to the extent that the rights attached to any shares or the terms of issue of such shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the sums paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no sum paid on a share in advance of calls shall be treated as paid on the share.

(iv) *No dividend except out of profits*

No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

(v) *No interest on dividends*

No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

(vi) *Retention of dividends*

(A) The board of directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or obligations in respect of which the lien exists.

(B) The board of directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

(vii) *Waiver of dividend*

The waiver in whole or in part of any dividend on any share by any document (whether or not executed as a deed) shall be effective only if such document is signed by the holder of such share (or the person becoming entitled to the share in consequence of the death, bankruptcy or mental disorder of the holder or by operation of law or any such other event) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

(viii) *Unclaimed dividend*

All dividends, interest or other sums payable and unclaimed for 12 months after having become payable may be invested or otherwise made use of by the board of directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. Any dividend unclaimed after a period of 12 years from the date the dividend became due for payment shall be forfeited and shall revert to the Company.

(ix) *Distribution in specie*

Company may upon the recommendation of the board of directors by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the board of directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the board of directors may settle the same as it thinks expedient and in particular:

(A) may issue fractional certificates;

- (B) may fix the value for distribution of such specific assets or any part of such specific assets;
- (C) may determine that cash payments shall be made to any member upon the footing of the value so fixed in order to adjust the rights of all members; and
- (D) may vest any such specific assets in trustees as may seem expedient to the Board.

(x) *Distributions on liquidation to shareholders*

If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the liquidator may, with the authority of an extraordinary resolution and subject to any provision sanctioned in accordance with the provisions of the Insolvency Act 1986, divide among the members *in specie* or kind the whole or any part of the assets of the Company and may, for such purpose, set such value as the liquidator deems fair upon any property to be divided and may determine how such divisions shall be carried out as between the members or different classes of members.

(e) ***Capitalisation of profits and reserves***

- (i) The board of directors may, with the sanction of an ordinary resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve, or other undistributable reserve) or any sum standing to the credit of profit and loss account.
- (ii) Such capitalisation shall be effected by appropriating such sum to the holders of ordinary shares on the register of members at the close of business on the date of such resolution (or such other date as may be specified in the resolution or determined as provided in such resolution) in proportion to their holdings of ordinary shares and applying such sum on their behalf in paying up in full unissued ordinary shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them in proportion to their holdings.
- (iii) The board of directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the board of directors to make such provision as it thinks fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit of such fractional entitlements accrues to the Company rather than to the members concerned). The board of directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental to such capitalisation and any agreement made under such authority shall be effective and binding on all concerned.

(f) ***Share capital***

(i) *Variation of rights*

Whenever the share capital of the Company is divided into different classes of shares, the special rights for the time being attached to any share or class of share in the Company may, subject to the provisions of the Statutes, be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting all the provisions of the Articles relating to general meetings of the Company and to the proceedings at such general meetings shall with necessary modifications apply, except that:

- (A) the necessary quorum shall be two persons holding or representing by proxy at least one-third in nominal value paid up of the issued shares of the class (but so that if at any adjourned meeting a quorum as defined above is not present, any one holder of any shares of the class present in person or by proxy shall be a quorum); and
 - (B) any holder of shares of the class present or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of the class held by him.
- (ii) The preceding Article repeated at f(i) above shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights of which are to be varied.
 - (iii) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue of that class of shares, be deemed to be varied:
 - (A) by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects equally with such shares but in no respect in priority to such shares;
 - (B) by the purchase by the Company of any of its own shares (and the holding of any such shares as Treasury Shares); or
 - (C) the board of directors resolving that a class of shares shall become, or the Operator of the relevant system permitting such class of shares to be, a participating security.

(iv) *Increase in share capital*

The Company may from time to time by ordinary resolution increase its capital by such sum to be divided into shares of such amounts as the resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of the Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

The issue of new shares is subject to pre-emption rights as set out in the Act.

(v) *Consolidation, sub-division and cancellation*

The Company may from time to time by ordinary resolution:

- (A) consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- (B) 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 capital by the amount of the shares so cancelled;
- (C) subject to the provisions of the Statutes, sub-divide its shares, or any of them, into shares of smaller nominal value than is fixed by the memorandum of association and so that the resolution whereby any share is sub-divided may determine that, as between the shares resulting from the sub-division, any of them may have any preference or advantage or be subject to any restriction as compared to the others.

(vi) *Reduction or cancellation*

The Company may by special resolution reduce or cancel its share capital or any revaluation reserve or share premium account or any other reserve fund in any manner and with and subject to any confirmation or consent required by law and any rights for the time being attached to any shares.

(vii) *Purchase of own shares*

Subject to the provisions of the Statutes and any special rights for the time being attached to any shares, the Company may purchase or may enter into any contract under which it will or may purchase at any price, any of its own shares of any class (including any redeemable shares) and may hold (and sell) any of such shares as Treasury Shares. Any shares to be so purchased may (subject to any resolution of the Company in general meeting) be selected in any manner determined by the board of directors.

Where there are in issue convertible securities convertible into or carrying a right to subscribe for equity shares of a class proposed to be purchased, a separate meeting of the holders of the convertible securities must be held and their approval by extraordinary resolution obtained before the Company enters into any contract to purchase equity shares of the relevant class. Subject to this and notwithstanding anything to the contrary contained in the Articles, the rights and privileges attached to any class of shares shall be deemed not to be altered or abrogated by anything done by the Company in pursuance of any resolution passed under the powers conferred by the preceding Article.

(viii) *Redeemable shares*

Subject to the provisions of the Statutes and of any resolution of the Company in general meeting passed in pursuance of such provisions, the Company may issue shares which are to be redeemed or are liable to be redeemed at the option of the Company or the shareholder, and such shares shall be redeemed on such terms and in such manner as may from time to time be provided by the Articles.

(g) ***Forfeiture and lien***

(i) *Notice on failure to pay a call*

If a member fails to pay in full any call or instalment of a call on the due date for payment of such call or instalment, the board of directors may at any time after the failure serve a notice on him or any person entitled to the shares by transmission requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued on such call or instalment and any expenses incurred by the Company by reason of such non-payment.

The notice shall name a further day (being not fewer than seven days from the date of service of the notice) on or before which, and the place where, the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance with such notice the shares on which the call was made will be liable to be forfeited.

(ii) *Forfeiture for non-compliance*

If the requirements of any such notice as is referred to in the preceding Article are not complied with, any share in respect of which such notice has been given may at any time after the non-compliance, before payment of all calls and interest and expenses due in respect of such share has been made, be forfeited by a resolution of the board of directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The board of directors may accept a surrender of any share liable to be forfeited under the Articles.

(iii) *Notice on previous holder*

Where any share has been forfeited, notice of the forfeiture shall be served upon the person who was the holder of the share before forfeiture or, in the case of a person entitled to such share by transmission, upon such person (as the case may be). An entry recording the fact that notice of forfeiture has been given and that the share has been forfeited shall immediately be made in the register of members in respect of such share. However, no forfeiture shall be invalidated in any manner by any omission or neglect to give such notice or make such entry.

(iv) *Disposal of forfeited shares*

A share forfeited or surrendered shall become the property of the Company and, subject to the Statutes may be sold, re-allotted or disposed of in any other way either to the person who was the holder of such share or entitled to such share before such forfeiture or surrender, or to any other person upon such terms and in such manner as the board of directors shall think fit and at any time before a sale, re-allotment or other disposition the forfeiture may be annulled by the board of directors on such terms as it thinks fit. The board of directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person.

(v) *Holder to remain liable despite forfeiture*

A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares (and shall surrender to the Company for cancellation the certificate for such shares) but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest on such shares at such rate (not exceeding 15 per cent. per annum) as the board of directors may determine from the date of forfeiture or surrender until payment. The board of directors may at its absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.

(vi) *Lien on partly-paid shares*

The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share. The board of directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of the Article.

(vii) *Sale of shares subject to lien*

The Company may sell in such manner as the board of directors thinks fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled to such share by reason of his death, bankruptcy, liquidation or otherwise.

(viii) *Proceeds of sale of shares subject to lien*

The net proceeds of sale of shares subject to a lien (after payment of the costs of such sale) shall be applied in or towards payment or satisfaction of the debts or liabilities in respect of which the lien exists so far as the same are presently payable and any residue shall (subject to a like lien for liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person entitled to the shares at the time of the sale. For giving effect to any such sale the board of directors may authorise some person to transfer the shares sold to, or in accordance with the directions of, the purchaser.

(ix) *Evidence of forfeiture*

A statutory declaration in writing that the declarant is a director or the Company secretary and that a share has been duly forfeited or surrendered or sold to satisfy obligations covered by a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated in the declaration as against all persons claiming to be entitled to the share. Such declaration shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall be discharged from all calls made prior to such sale or disposition and shall not be bound to see to the application of the purchase moneys (if

any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or other disposal of the share.

The forfeiture of a share shall extinguish at the time of forfeiture all interest in and claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the holder whose share is forfeited and the Company, except only such of those rights and liabilities as are by the Articles expressly saved, or as are by the Act given or imposed in the case of past members.

(h) **Directors**

Subject as provided in the Articles the directors shall not be fewer than two nor more than ten in number. The Company may by ordinary resolution from time to time vary the minimum number and/or maximum number of directors.

(i) *Share qualification*

A director shall not be required to hold any shares of the Company by way of qualification. A director who is not a member of the Company shall nevertheless be entitled to attend and speak at shareholders' meetings.

(ii) *Directors' fees*

The ordinary remuneration of the directors from time to time be determined by the Board except that such remuneration shall not exceed £750,000 per annum in aggregate or such higher sum as may from time to time be determined by ordinary resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the directors as the board of directors may agree, or, failing agreement, equally, except that any director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.

(iii) *Other remuneration of directors*

Any director who holds any executive office (including for this purpose the office of chairman or deputy chairman whether or not such office is held in an executive capacity), or who serves on any committee of the board of directors, or who otherwise performs services which in the opinion of the board of directors are outside the scope of the ordinary duties of a director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the board of directors may determine.

(iv) *Directors' expenses*

The board of directors may repay to any director all such reasonable expenses as he may properly incur in attending and returning from meetings of the board of directors or of any committee of the board of directors or shareholders' meetings or otherwise in connection with the performance of his duties as a director of the Company.

(v) *Directors' pensions and other benefits*

The board of directors shall have power to pay and agree to pay gratuities, pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any director or ex-director and for the purpose of providing any such gratuities, pensions or other benefits to contribute to any scheme or fund or to pay premiums.

(vi) *Directors' interests in contracts*

A director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested

and he may hold and be remunerated in respect of any office or place of profit (other than the office of auditor) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated for his acts and in any such case (save as otherwise agreed by him) he may retain for his own absolute use and benefit all profits and advantages accruing to him under or in consequence of his acts and no such contract, arrangement or transaction shall be avoided on the grounds of any such interest or benefit.

(vii) *Disclosure of interests to the Board*

A director who, to his knowledge, is in any way (directly or indirectly) interested in any contract, arrangement or transaction with the Company shall declare the nature of his interest at the meeting of the board of directors at which the question of entering into the contract, arrangement or transaction is first considered, if he knows his interest then exists or, in any other case, at the first meeting of the board of directors after he knows that he is or has become so interested. For the purposes of this Article:

- (A) a general notice given to the board of directors by a director that he is to be regarded as having an interest (of the nature and extent specified in the notice) in any contract, transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a sufficient disclosure under this Article in relation to such contract, transaction or arrangement; and
- (B) an interest of which a director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

(viii) *Appointment of executive directors*

The board of directors may from time to time appoint one or more of their body to be the holder of any executive office (including, where considered appropriate, the office of chairman or deputy chairman) on such terms and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke or vary the terms of any such appointment.

(ix) *Ceasing to be a director*

The appointment of any director to the office of chairman or deputy chairman or chief executive or managing or joint managing or deputy or assistant managing director shall automatically determine if ceases to be a director but without prejudice to any claim for damages for breach of any contract of service between him and the Company. The appointment of any director to any other executive office shall not automatically determine if he ceases from any cause to be a director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(x) *Powers of executive directors*

The board of directors may entrust to and confer upon any director holding any executive office any of the powers exercisable by them as directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

(i) ***Appointment and retirement of directors***

(i) *Power of Company to appoint directors*

Subject to the provisions of the Articles, the Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the

existing board of directors, but so that the total number of directors shall not at any time exceed any maximum fixed by or in accordance with the Articles.

(ii) *Power of Board to appoint directors*

Without prejudice to the power of the Company in general meeting pursuant to any of the provisions of the Articles to appoint any person to be a director, the board of directors may appoint any person who is willing to act to be a director, either to fill a vacancy or as an addition to the existing board of directors, but so that the total number of directors shall not at any time exceed any maximum number fixed by or in accordance with the Articles. Any director so appointed must retire from office at, or at the end of, the next following annual general meeting and will then be eligible to stand for election but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at that meeting.

(iii) *Age limit*

Any provision of the Statutes which, subject to the provisions of the Articles, would have the effect of rendering any person ineligible for appointment or election as a director or liable to vacate office as a director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment or election of any director over a specified age, shall not apply to the Company.

(iv) *Retirement by rotation*

At each general meeting one-third of the directors for the time being shall retire from office by rotation (or, if their number is not a multiple of three, the number nearest to but not exceeding one-third) shall so retire provided always that all directors must be subject to re-election at intervals of no more than three years.

(v) *Selection of directors to retire by rotation*

The directors to retire by rotation shall include (so far as necessary to obtain the number required) any director who is due to retire at the meeting by reason of age or who wishes to retire and not to offer himself for re-election. Any further directors so to retire shall be those of the other directors subject to retirement by rotation who have been longest in office since their last re-election and so that as between persons who became or were last re-elected directors on the same day those to retire shall, unless they otherwise agree among themselves, be determined by lot together with those who in the absence of any such retirement would continue in office for a period in excess of three years. A retiring director shall be eligible for re-election.

(vi) *Re-election of retiring directors*

The Company at the meeting at which a director retires under any provision of the Articles may by ordinary resolution fill the office being vacated by electing to that office the retiring director or some other person eligible for election. In default the retiring director shall be deemed to have been re-elected except in any of the following cases;

- (A) where at such meeting it is expressly resolved not to fill such office or a resolution for the re-election of such director is put to the meeting and lost;
- (B) where such director has given notice in writing to the Company that he is unwilling to be re-elected;
- (C) where such director has attained any retiring age applicable to him as director; or
- (D) where the default is due to the moving of a resolution in contravention of the next following Article.

(vii) *Election of two or more directors*

A resolution for the election of two or more persons as directors by a single resolution shall not be moved at any general meeting unless a resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any resolution moved in contravention of this provision shall be void.

(viii) *Timing of retirement*

The retirement of a director at any general meeting shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in place of the retiring director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring director who is re-elected or deemed to have been re-elected will continue in office without a break.

(ix) *Nomination of director for election*

No person other than a director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election as a director at any general meeting unless not fewer than seven nor more than 42 days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the registered office of the Company notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

(x) *Vacation of office*

The office of a director shall be vacated if:

- (A) he ceases to be a director by virtue of any provision of the Statutes or he becomes prohibited by law from being a director;
- (B) he becomes bankrupt, has an interim receiving order made against him, makes any arrangement or compounds with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act;
- (C) he is, or may be suffering from mental disorder and either:
 - he is admitted to hospital in pursuance of an application for admission for treatment under the Mental Health Act 1983 or, in Scotland, an application for admission under the Mental Health (Scotland) Act 1960; or
 - an order is made by a court having jurisdiction (whether in the United Kingdom or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person to exercise powers with respect to his property or affairs;
- (D) he resigns by writing under his hand left at the registered office of the Company or he offers in writing to resign and the board of directors resolves to accept such offer;
- (E) he shall for more than six consecutive months have been absent without permission of the board of directors from meetings of the board of directors held during that period and the board of directors resolves that his office be vacated; or
- (F) notice stating he is removed from office as a director is served upon him signed by all his co-directors who must account to the members at the next general meeting of the Company. If a director holds an appointment to an executive office which automatically determines on his removal from office under this or the preceding sub-paragraph such

removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(xi) *Removal of director*

The Company may in accordance with and subject to the provisions of the Statutes by ordinary resolution of which special notice has been given remove any director from office (notwithstanding any provision of the Articles or of any agreement between the Company and such director, but without prejudice to any claim he may have for damages for breach of any such agreement) and elect another person in place of a director so removed from office. Any person so elected shall be treated for the purpose of determining the time at which he or any other director is to retire by rotation as if he had become a director on the day on which the director in whose place he is elected was last elected a director. In default of such election the vacancy arising upon the removal of a director from office may be filled as a casual vacancy.

(xii) *Resolution as to vacancy conclusive*

A resolution of the board of directors declaring a director to have vacated office under the terms of Article 19.10 shall be conclusive as to the fact and grounds of vacation stated in the resolution.

(xiii) *Convening of meetings of directors*

Subject to the provisions of the Articles the board of directors may meet together for the despatch of business, adjourn and otherwise regulate their proceedings as they think fit. At any time any director may, and the Secretary of the Company at the request of a director shall, summon a meeting of the board of directors. Notice of a board of directors' meeting shall be deemed to be properly given to a director if it is given to him personally or by word of mouth or sent in writing to him at his last known address or any other address given by him to the Company for that purpose. Any director may waive notice of any meeting and any such waiver may be retroactive.

(j) ***Borrowing powers***

The board of directors may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(k) ***Change of control***

There are no provisions in the Articles which would have the effect of delaying, deferring or preventing a change of control of the Company.

(l) ***Disclosure of interests in Ordinary Shares***

Sections 198 to 200 inclusive of the Act make provision regarding disclosure of interests in shares. Where a person has a material interest in Ordinary Shares and the aggregate nominal value of such Ordinary Shares is equal to or more than 3 per cent. of the nominal value of the Company's share capital then that person has an obligation to disclose such interest. A similar obligation arises where a person has any interest whatsoever in Ordinary Shares representing in aggregate 10 per cent. or more of the nominal value of the Company's share capital.

(m) ***Change in share capital***

There are no conditions imposed by the Company's Memorandum of Association or Articles regarding changes in the Company's capital which are more stringent than required by the laws of England and Wales. There are no pre-emption rights under the Articles in respect of the issue of new Ordinary Shares.

Pre-emption rights that apply on the allotment and issue of new Ordinary Shares are those set out in sections 89 to 95 (inclusive) of the Act.

5. Directors' and Other Interests

5.1 Directors' and other significant interests in the Company's share capital

- (a) The interests (all of which are beneficial unless otherwise stated) of the Directors and persons connected with them (within the meaning of section 346 of the Act) in the issued share capital of the Company which (i) have been notified by each Director to the Company pursuant to section 324 or section 328 of the Act, or (ii) which are required to be entered in the register maintained under section 325 of the Act, or (iii) are interests of a connected person of a Director which would, if the connected person were a Director of the Company, be required to be disclosed under paragraphs (i) or (ii) above and the existence of which is known to or could, with reasonable diligence, be ascertained by that Director, (a) as at the date of this document and (b) as they will be immediately following Admission, are as follows:

<i>Directors</i>	<i>At the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number</i>	<i>Percentage holding of issued share capital</i>	<i>Number</i>	<i>Percentage holding of issued share capital</i>
John Kearon	5,660,187	50.7%	5,660,187	45.1%
James Geddes	144,515	1.3%	144,515	1.2%

- (b) As at the date of this document, the following Directors hold the following options over Ordinary Shares under their respective option agreements entered into with the Company (summarised in paragraphs 6.1 to 6.7 of this Part VII):

<i>Director</i>	<i>Date of grant of options over shares in BrainJuicer UK</i>	<i>Number of Ordinary Shares</i>	<i>Exercise Price</i>
James Geddes	15 September 2003	228,810	£0.1141779445
Simon Godfrey	21 January 2003	84,298	£0.1141779445

- (c) Save as disclosed at paragraphs (a) and (b) above, none of the Directors has any interest in the share capital of the Company or any of its subsidiaries nor does any person connected with the Directors (within the meaning of section 346 of the Act) have any such interest, whether beneficial or non-beneficial.

- (d) As at the date of this document so far as the Directors are aware, the only persons who are interested in more than 3 per cent. of the shares in the Company (other than the Directors) are as follows:

<i>Shareholder</i>	<i>At the date of this document</i>		<i>Immediately following Admission</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage holding of issued share capital</i>	<i>Number of Ordinary Shares</i>	<i>Percentage holding of issued share capital</i>
Michael Carey	361,289	3.2%	361,289	2.9%
Unilever UK Holdings	4,883,643	43.8%	4,883,643	38.9%

- (e) As at the date of this document and as at Admission, neither the Directors nor any member of a Director's family (which, in relation to this paragraph (e) means a spouse, any child where such is under the age of 18 years, any trust in which such individuals are trustees or beneficiaries and any company over which they have control or more than 20 per cent. of its voting or equity rights in

general meeting, but excluding any employee share or pension scheme where such individuals are beneficiaries rather than trustees) holds any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of Ordinary Shares.

- (f) Immediately following Admission, John Kearon and Unilever UK Holdings will hold approximately 45.1 per cent. and 38.9 per cent. of the Enlarged Share Capital respectively. As a result of these shareholdings, either John Kearon or Unilever UK Holdings may have a significant influence on matters requiring shareholder approval, including the approval of certain corporate transactions. Such concentration of ownership may have the effect of delaying or deterring a change in control of the Company (and so deprive other shareholders in the Company of an opportunity to receive a premium for the Ordinary Shares as part of a sale of the Company) or affect the market price of the Ordinary Shares.

The structure of the Board and the requirements for the benefit of Unilever UK Holdings (regarding the removal of Mark Muth and the ability to appoint a replacement) may have the effect of delaying or deterring a change in control of the Group (and so deprive shareholders in the Company of an opportunity to receive a premium for the Ordinary Shares as part of a sale of the Group) or affect the market price of the Ordinary Shares.

- (g) Save as described above the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- (h) The Company's major shareholders do not and will not following Admission have different voting rights to other shareholders.

5.2 *City Code on Takeovers and Mergers*

Under Rule 9 of the City Code on Takeovers and Mergers (the "City Code"), any person (or group of persons acting in concert) who is interested in shares in a public company carrying not less than 30 per cent. but not more than 50 per cent. of the voting rights of such company who then acquires an interest may offer other shares which increases the percentage of shares carrying voting rights in which he is interested, will normally be required to make a general offer to all shareholders of that company to acquire their shares. Immediately upon Admission, John Kearon and Unilever UK Holdings will hold approximately 45.1 per cent. and 38.9 per cent., respectively, of the Enlarged Share Capital. Therefore, if a percentage of the voting rights of the Company in which either John Kearon or Unilever UK Holdings is interested increases, whichever of them who has increased their interest, may, unless The Panel on Takeovers and Mergers agrees to waive this requirement, be required to make such an offer to all Shareholders in the Company.

5.3 *Remuneration and service agreements of Directors and senior management*

- (a) The aggregate remuneration paid to the existing directors of the Company in the financial year ended 31 December 2005 was £382,866. An additional sum of £20,760 was paid to a director (whose employment with BrainJuicer UK was terminated in 2005) as compensation for the loss of directorship pursuant to a compromise agreement. The aggregate remuneration and benefits in kind paid to Hendrik Evert Bos for the financial year ended 31 December 2005 was €89,767. No remuneration or benefits in kind were paid to Jonathan Perry Rimmer for the financial year ended 31 December 2005 as his employment commenced in this current financial year. The aggregate remuneration paid to the Directors and senior managers of BrainJuicer in respect of the financial year ending 31 December 2006 is expected to be approximately £382,542 (excluding bonus payments described in paragraphs (b), (c), (f) and (g) below and any amounts which would be payable to Ari Popper). The aggregate cost for the private health insurance is approximately £30,000 per annum for all employees and it is anticipated the cost of the life and permanent health insurance will be approximately £10,000 per annum for all employees.
- (b) John Victor Kearon was appointed as Director of the Company on 5 October 2006 and as a director of BrainJuicer UK on 29 December 1999. John's current service agreement with BrainJuicer UK is dated 22 January 2003. This agreement confirms his appointment as Chief Executive Officer. The

agreement can be terminated upon six months' notice in writing by either party and includes restrictive covenants which apply during his employment and for a period of 12 months after its termination. These covenants cover non-competition, non-solicitation and non acceptance of business from customers and non-solicitation of employees and consultants. There is also a restrictive covenant covering non interference with supplies to BrainJuicer UK which applies for six months from the termination of employment. John's basic remuneration is £112,750 per annum. John is entitled to a bonus of up to 30 per cent. of his annual salary if BrainJuicer UK achieves gross profit margin targets and profit targets for the Group are met. The sum paid is then determined from the size of these profits and individual performance. In practice, no bonus payment was made in 2005 and 4.5 per cent. has currently been paid for 2006. He also benefits from private and health insurance (with effect from September this year) available to all employees of BrainJuicer UK. It is currently intended that life and permanent health insurance will be made available to all employees of BrainJuicer UK with effect from January next year and that he will benefit from this on the same terms as those offered to employees. John entered into a letter of appointment as an executive director of the Company on 30 November 2006. John's appointment can be terminated on six months' notice in writing by John or the Company. John is not entitled to receive a fee over and above his remuneration pursuant to his service agreement with BrainJuicer UK.

- (c) James Brodie Geddes was appointed as Director of the Company on 5 October 2006 and as a director of BrainJuicer UK on 22 January 2003. James's current service agreement with BrainJuicer UK is dated 22 January 2003. This agreement confirms his appointment as Chief Financial Officer. The agreement can be terminated upon 12 months' notice in writing by the Company or 6 months' notice in writing by James and includes restrictive covenants which apply during his employment and for a period of 12 months after its termination. These covenants cover non-competition, non-solicitation and non acceptance of business from customers and non-solicitation of employees and consultants. There is also a covenant covering a non interference with supplies to BrainJuicer UK and applies for six months from termination of employment. James' basic remuneration is £92,250 per annum. James is entitled to a bonus of up to 30 per cent. of his annual salary if BrainJuicer UK achieves gross profit margin targets and profit targets for the Group are met. The sum paid is then determined from the size of these profits and individual performance. In practice, no bonus payment was made in 2005 and 4.5 per cent. has currently been paid for 2006. He also benefits from private and health insurance (with effect from September this year) available to all employees of BrainJuicer UK. It is currently intended that life and permanent health insurance will be made available to all employees BrainJuicer UK with effect from January next year and that he will benefit from this on the same terms as those offered to employees. James entered into a letter of appointment as an executive director of the Company on 30 November 2006. James' appointment can be terminated on six months' notice in writing by James or 12 months' notice by the Company. James is not entitled to receive a fee over and above the remuneration pursuant to his service agreement with BrainJuicer UK.
- (d) Mark Philip Muth was appointed as a non-executive director of the Company on 5 October 2006 and entered into a letter of appointment with the Company on 30 November 2006. Mark's appointment can be terminated on six months' notice in writing by Mark but the Company has undertaken not to exercise its right to terminate on six months' notice in writing to Mark for so long as Unilever UK Holdings remains the registered holder of not less than 10 per cent. of the issued share capital of the Company. Mark will not be entitled to receive a fee in respect of the performance of his duties as a non-executive director.
- (e) Simon Cedric Valentine Godfrey was appointed as a non-executive director of the Company on 5 October 2006 and entered into a letter of appointment with the Company on 30 November 2006. Simon's appointment can be terminated on six months' notice in writing by Simon Godfrey or the Company. Simon will be entitled to a fee of £40,000 per annum.
- (f) Jonathan Perry Rimmer entered into a service agreement with BrainJuicer UK dated 12 September 2006. This agreement confirms his appointment as Managing Director of BrainJuicer UK. The agreement can be terminated upon three months' notice in writing by either party and includes restrictive covenants which apply during his employment and for a period of 12 months after its

termination. These covenants cover non-competition, non-solicitation or non-acceptance of business from customers, non solicitation of employees and consultants and non interference with supplies to BrainJuicer UK. Jonathan's basic remuneration is £90,000. Jonathan is entitled to a bonus of up to 30 per cent. of his annual salary if BrainJuicer UK achieves gross profit margin targets of and profit targets for the Group are met. The sum paid is then determined from the size of these profits and individual performance. In practice, no bonus payment was made in 2005 and 4.5 per cent. has currently been paid for 2006. He also benefits from private and health insurance (with effect from September this year) available to all employees of BrainJuicer UK. It is currently intended that life and permanent health insurance will be made available to all employees BrainJuicer UK with effect from January next year and that he will benefit from this on the same terms as those offered to employees.

- (g) Hendrik Evert Bos entered into a service agreement on 27 December 2004. This agreement confirms his appointment as Managing Director of BrainJuicer Netherlands. His basic remuneration is €88,663. He is also entitled to a 50 per cent. contribution towards medical insurance, sickness pay for 24 months at 70 per cent. of the salary applying under this contract, if it is not terminated prematurely. Evert's contract will terminate without notice when he reaches the age of 65 under the laws of the Netherlands and a discretionary bonus of up to a maximum of 30 per cent. basic salary per year based on the same criteria as the Directors except it is determined on achievement of gross margin targets for BrainJuicer Netherlands and profit targets for the Group. His contract may be terminated prematurely by notice given in writing as at the end of a calendar month observing the statutory notice period. There are restrictive covenants which apply 12 months' after the termination of Evert's employment in relation to non-competition, non-contact with clients and non-solicitation of employees.
- (h) Ari Popper has accepted an offer made in a letter dated 15 November 2006 to join BrainJuicer US as its President. The start date is not yet confirmed. The offer which has been accepted is for basic remuneration of \$180,750 per annum with a sign-on bonus of the greater of (i) \$30,000 and (ii) the amount required to be repaid to his previous employer in respect of moving costs. The offer also includes a temporary increase to his monthly gross salary up to \$5,600 per month until, at the latest, the 28 February 2007. Further Ari is guaranteed a minimum of \$30,000 bonus for 2007 to be paid in January, 2007 provided he is an employee by 31 January 2007. This bonus will be repayable if Ari voluntarily resigns within 12 months of his start date. Thereafter he will be eligible for a discretionary bonus of up to a maximum of 50 per cent. of basic annual remuneration based on the same criteria as the Directors. Any bonus in 2007 in excess of the minimum \$30,000 will be paid in the first quarter of 2008. Ari is also eligible for medical and dental insurance. Ari's employment will be capable of termination by BrainJuicer Inc on giving four months' notice in writing and by Ari on giving two months' notice in writing. His employment contract will include non-recruitment and non-interference clauses.
- (i) Save as disclosed above, following Admission, there will be no other existing or proposed service contracts or contracts for services between any of the Directors or the senior managers of the Group referred to in this paragraph 5.3 of this Part VII and any member of the Group.
- (j) Save as disclosed above, there are no service agreements or agreements for services existing or proposed between the Directors or the senior management of the Group referred to in this paragraph 5.3 of this Part VII and any member of the Group which are not terminable within one year by the relevant company without payment of compensation (other than statutory compensation).
- (k) There is no arrangement under which any Director or the senior management of the Group referred to in this paragraph 5.3 of this Part VII has agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.
- (l) Save in respect of contractual notice pay, holiday pay and any compensation or payments relating to statutory rights, no Director or senior manager of the Group referred to in this paragraph 5.3 of this Part VII is entitled under the service agreements to any enhanced benefits or compensation on termination of employment.

- (m) Subject to the provisions of the Articles, there is no expiration date of the current term of office of any of the Directors.

5.4 *Loans and guarantees*

There are no loans or guarantees provided by any member of the Group for the benefit of any Director.

5.5 *Directors' interests in transactions*

No director has or has had any interest in any transaction which is of an unusual nature, contains unusual terms or is significant in relation to the business of the Group and which was effected during the current or immediately preceding financial year or in any earlier financial year and remains in any respect outstanding or unperformed.

5.6 *Directorships*

- (a) The Directors hold, and have previously held during the five years preceding the date of this document, the following directorships or partnerships:

<i>Name</i>	<i>Current</i>	<i>Former</i>
John Kearon		Brand Genetics Limited
James Geddes		Advent Mach S.A. Brodie Geddes Limited Mach Sarl
Simon Godfrey	Sparkwell Properties Limited (Gibraltar) Sparkwell Properties Limited (Malta)	SGA Research International Limited
Mark Muth	Alatheia Limited Creavite Limited Insense Limited Magnum Chilled Desserts Limited Rahu Catalytics Limited Unilever Ventures Limited Voltea Limited	

- (b) None of the Directors has any unspent convictions in respect of indictable offences. None of the Directors has owned an asset over which a receiver has been appointed nor has any of the Directors been a partner of any partnership at the time or within 12 months of receivership of any assets of the partnership. None of the Directors has been a bankrupt or entered into an individual voluntary arrangement. None of the Directors was a director of a company at the time of or within 12 months prior to any receivership, compulsory liquidations, creditors voluntary liquidation, company voluntary liquidations, administrations, company voluntary arrangements or any composition or arrangement with its creditors or any class of its creditors. None of the Directors was a partner of any partnership at the time of or within 12 months of any compulsory liquidation, administration or partnership voluntary arrangement receivership, creditors voluntary liquidation, company voluntary arrangement or any composition or arrangements with its creditors generally or any class of its creditors.
- (c) There have been no public criticisms of any of the Directors by any statutory or regulatory authority (including recognised professional bodies) and none of the Directors has ever been 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.

- 5.7 Pursuant to a resolution of the Directors on 17 November 2006, the Board agreed to procure that one director nominated by Unilever Ventures should be on the board of directors until such time as the aggregate shareholding of Unilever UK Holdings is less than 10 per cent. of the issued share capital of the Company.

6. Share Options granted prior to Admission

6.1 *General*

Options were granted over shares in BrainJuicer UK but will be exchanged for replacement options over shares in the Company. On 13 November 2006, the issued share capital of BrainJuicer UK was consolidated on a 10-for-1 basis and an amount of £110,926.57 standing to the credit of the share premium account of BrainJuicer UK was capitalised and applied in paying up in full 6,283,615 ordinary shares of 1 pence each and 4,809,042 series A convertible preferred shares of 1 pence each which were allotted and issued to the members of BrainJuicer UK entered in the register of members of BrainJuicer UK as at such date (the “Re-organisation”). In order to reflect the Re-organisation, options over shares in BrainJuicer UK are being exchanged for options over Ordinary Shares on the basis of an option over 1 share in BrainJuicer UK for 60.21303 options over Ordinary Shares. The exchange of options will not accelerate the vesting of the options.

The majority of the options granted are intended to be qualifying EMI options under Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 5**”). Some of the options are unapproved options.

6.2 *Grant of options and eligibility*

In order to be qualifying EMI options the options can only be granted to any employees and directors of the Company and those of its subsidiaries permitted by Schedule 5 who devote at least 25 hours per week or 75 per cent. of their working time to the Company. The options were granted free of charge and are non-transferable.

6.3 *Exercise price*

The exercise price per ordinary share in BrainJuicer UK was determined at the date of grant as being the market value of an ordinary share in BrainJuicer UK as at such date and that was agreed with HM Revenue & Customs. Following the exchange of options described in paragraph 9.1(e) of Part VII, the exercise price is adjusted accordingly and is as set out in the table in paragraph 2.8 of this Part VII.

6.4 *Performance test*

There are no performance conditions to satisfy in relation to the exercise of options.

6.5 *Individual Limit*

An individual’s overall participation under EMI options is limited so that the aggregate market value at the date of grant of the shares over which options have been granted to him under schemes satisfying the requirements of Schedule 5 or approved by the Inland Revenue under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 cannot exceed £100,000 from time to time. None of the existing EMI options granted have exceeded this limit.

6.6 *Exercise and lapse of options*

(a) *Admission*

Following Admission, options will be exercisable to the extent vested in accordance with the vesting schedule (which provides for a third of the option to vest on 1 January following the date of the grant of the original options in BrainJuicer UK, with the second third exercisable on the following 1 January and the final third on the 1 January next thereafter. There are minor exceptions to this vesting schedule. Yvonne Chien and Andrew Hogbin each had an option over a number of shares in BrainJuicer UK which was partially vested at the date of the grant of such option. The unvested portion was subject to the same vesting provisions as options granted to other employees. In addition, unapproved options granted to Hendrick Evert Bos and Jaap Moll allow for immediate vesting for Dutch tax reasons.

(b) *Special circumstances including Sale and Change of Control*

An option is exercisable in full (regardless of whether it has vested under the vesting schedule) where there is a sale of the Company, sale of the business of the Company, a dissolution, liquidation or winding up of the Company or a change of control of the Company (and lapses after 39 days of such an event).

(c) *Termination of Employment*

If the individual is a bad leaver (bankrupt, prohibited by law to be a director, convicted of certain criminal offences, guilty of serious default or misconduct, serious breach of duties, or brings the Group into disrepute or prejudices the interests of the Group) or if the individual gives notice the option shall lapse. If the individual leaves for other reasons then the vested proportion of the option continues to be exercisable in accordance with the option agreement and the unvested proportion will lapse immediately.

There are certain exceptions to these general rules.

Yvonne Chien and Andrew Hogbin entered into compromise agreements with BrainJuicer UK which amended their option entitlements under their original grants. Details of their current option entitlements are as reflected in paragraph 2.8 of this Part VII.

The options granted to the Dutch individuals provide for proportionate lapsing of their options upon termination of employment. In addition, the option granted to Julius Ladwig does not contain lapse provisions on termination of employment.

An option may not be exercised after the tenth anniversary of the date of grant.

6.7 *Variations of Share Capital*

On certain variations of the ordinary share capital of the Company the Board may adjust the exercise price and the number of Ordinary Shares comprised in existing options.

7. New Share Option Scheme

7.1 *General*

The Board adopted the Share Option Scheme on 17 November 2006 in order to enable employees and executive directors of the Group to acquire Ordinary Shares.

The Share Option Scheme enables the grant of EMI options under Schedule 5 of the Income Tax (Earnings and Pensions) Act 2003 (“**Schedule 5**”), the grant of unapproved options and the Board can adopt sub-plans for other countries. It is intended to adopt a sub-plan for employees in the US.

7.2 *Grant of options and eligibility*

The Board may grant unapproved options to acquire Ordinary Shares in the Company to any employees of the Group. It may grant EMI options to any employees and directors of the Group permitted by Schedule 5 who devote at least 25 hours per week or 75 per cent. of their working time to the Group. Options are granted free of charge and are non-transferable.

7.3 *Period for the grant of options*

Options may be granted within 42 days of the establishment of the Share Option Scheme or within 42 days after the announcement of results or at other times (not in a close period) in exceptional circumstances.

7.4 *Exercise price*

The exercise price per Ordinary Share is determined by the Board. The exercise price may not be less than the nominal value of an Ordinary Share.

7.5 *Performance Test*

The Board may impose an objective condition (the “**Performance Test**”) on the exercise of options. The Performance Test may be amended or waived if events occur which cause the Board to consider that the Performance Test is no longer appropriate following the occurrence of an event involving the Company, any associated company or an optionholder, provide that the amended Performance Test is no more difficult to satisfy than the original Performance Test. It is not currently intended to impose a Performance Test.

7.6 *Individuals limits*

An individual’s overall participation in relation to EMI options is limited so that the aggregate market value at the date of grant of the shares over which options have been granted to him under schemes satisfying the requirements of Schedule 5 or approved by the Inland Revenue under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003 cannot exceed £100,000 from time to time. If an option is granted to an individual such that this limit is exceeded, it shall take effect as an unapproved share option in respect of the excess over the limit. There are no individual limits for unapproved options.

7.7 *Scheme limits*

The number of Ordinary Shares issuable pursuant to options granted under the Share Option Scheme, when aggregated with the number of Ordinary Shares issued or issuable pursuant to all rights granted under the Scheme within the previous period of ten years, may not exceed 10 per cent. of the Company’s issued ordinary share capital at the date of grant. This limit does not include options granted prior to Admission.

7.8 *Exercise and lapse of options*

(a) *General position*

An option will normally vest as to one third on 1 January following the date of grant and a further third on the next 1 January and the remaining third on the following 1 January so that the option will be fully vested from the second anniversary of 1 January following the date of grant. It is then exercisable until the tenth anniversary of the date of grant, (subject to satisfying any Performance Test having been satisfied).

(b) *Special circumstances*

If the individual is a bad leaver (bankrupt, prohibited by law to be a director, convicted of certain criminal offences, guilty of serious default or misconduct, serious breach of duties, or brings the group into disrepute or prejudices its interests) the option will lapse. If the individual leaves for other reasons then the vested proportion of the option continues to be exercisable in accordance with the option agreement and the unvested proportion will lapse immediately.

(c) *Exchange of options on a takeover*

In the event of a change of control, or on a liquidation, or a scheme of arrangement or sale of the business the options are fully exercisable notwithstanding the vesting schedule.

In the event of a change of control the participant may be permitted to exchange his options for options over shares in the acquiring company.

7.9 *Variations of Share Capital*

On certain variations of the ordinary share capital of the Company the Board may adjust the exercise price and the number of Ordinary Shares comprised in existing options.

7.10 *Amendment*

The Board may amend the Share Option Scheme from time to time. Any amendment which would adversely affect the rights of the optionholders requires the approval of the optionholders. Any

amendments regarding the limits on the number of shares which are subject to the scheme or the terms of the Options which are to the material advantage of the optionholders shall not be made without the approval of the Company in general meeting.

7.11 *Final grant of options*

No options may be granted after the tenth anniversary of the adoption of the Share Option Scheme.

8. Premises

The following premises are occupied by the Group:

<i>Location</i>	<i>Lessor</i>	<i>Tenure</i>	<i>Current annual rent</i>	<i>Lease date</i>	<i>Expiry date</i>
Unit 1 Ground Floor, Riverside Business Park, Shoreham-on-Sea	BrainJuicer UK	Leasehold	£22,500	12 May 2004	29 October 2009
Fourth Floor, 13/14 Margaret Street, London W1	BrainJuicer UK	Leasehold	£66,360	22 June 2006	14 September 2010
Second Floor, 676 Broadway, New York, USA	BrainJuicer USA	Leasehold	US\$43,200	15 April 2006	30 April 2007
Delftsestaat, 33 Rotterdam, Netherlands	BrainJuicer Netherlands	Leasehold	€16,380	1 June 2006	30 April 2011

9. Material Contracts

9.1 The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group and are, or may be, material:

- (a) A placing agreement dated 30 November 2006 between (1) the Company (2) Teather & Greenwood and (3) the Directors (the “**Placing Agreement**”) pursuant to which Teather & Greenwood has conditionally agreed to use reasonable endeavours to procure subscribers for the Placing Shares at the Placing Price.

In consideration for its services under the Placing Agreement, Teather & Greenwood will receive a corporate finance fee of £125,000 and a broking commission of 4 per cent. of the aggregate amount raised pursuant to the Placing in addition to the reasonable costs and expenses incurred by Teather & Greenwood in connection with the agreement. These commissions are payable at the date of Admission to the extent not deducted from the proceeds of the Placing.

The obligations of Teather & Greenwood under the Placing Agreement are conditional upon, amongst other things the Company and each of the Directors having complied with all their obligations and having satisfied all conditions to be satisfied by any of them under the Placing Agreement and certain other documents which fall to be performed or satisfied on or prior to Admission.

The Placing Agreement contains warranties given by the Company and the Directors to Teather & Greenwood as to the accuracy of the information contained in this document and other matters relating to the Group and its business. The Company has also agreed to indemnify Teather & Greenwood and its affiliates and their respective directors, officers and employees against certain liabilities that they may incur under the Placing Agreement; subject to customary limitations.

Teather & Greenwood has the right to terminate the Placing Agreement at any time on or before Admission including where, amongst other things (i) it becomes inappropriate, impracticable or inadvisable to proceed with the Placing; (ii) there is a material adverse change in the financial or trading position of the Company; (iii) the Company or any Director is in breach of its obligations under the Placing Agreement; or (iv) there is a breach of the warranties.

(b) *Nominated Adviser and Broker Agreement*

The Company and Teather & Greenwood have entered into a nominated adviser and broker agreement dated 30 November 2006 under which Teather & Greenwood has accepted its appointment as the Company's nominated adviser and broker for the purpose of the AIM Rules for a minimum period of one year. The Company will pay Teather & Greenwood an aggregate yearly fee of £40,000 in addition to the out-of-pocket expenses incurred by Teather & Greenwood in carrying out its obligations under the agreement. The agreement contains certain undertakings, acknowledgements and indemnities given by the Company to Teather & Greenwood. The appointment of Teather & Greenwood may be terminated by the Company (on the one hand) and Teather & Greenwood (on the other) on 90 days' notice or in the event of material breach of the agreement.

(c) *Lock-in Arrangements*

Lock-in arrangements have been entered into on 30 November 2006 by each of John Kearon, James Geddes, Simon Godfrey and Mark Muth (the "**Lock-in Shareholders**"), in each case in respect of the Ordinary Shares held by all such persons, including any shares which may be acquired in the future through the exercise of any existing options.

The Lock-in Shareholders have agreed (subject to certain limited exceptions) not to, (i) for the period up to and including the date falling twelve months after Admission (the "**Lock-in Period**"), dispose of or create any other security interest or equity over, conditionally or unconditionally, any Ordinary Shares held by them at any time during the Lock-in Period and (ii) during the further period of six months from the end of the Lock-in Period, dispose (in any of the ways described in (i)) of any Ordinary Shares other than through Teather & Greenwood and only with its consent only to be withheld on orderly market grounds save that the restrictions under (i) or (ii) above shall cease to apply to James Geddes on his cessation as a director and employee of the Company except where he is a "Bad Leaver" as defined therein.

(d) A share exchange agreement dated 14 November 2006 (the "**Share Exchange Agreement**") pursuant to which the Company purchased the entire issued share capital of BrainJuicer UK in exchange for the issue of 6,294,067 Ordinary Shares and 4,817,041 Series A Convertible Preference Shares of one pence each in the capital of the Company. Completion took place on 14 November 2006.

Pursuant to the Share Exchange Agreement, the Company agreed that it would observe, perform and be bound by the subscription and shareholders' agreement dated 22 January 2003 entered into between (1) John Kearon and Michael Carey (2) Unilever UK Holdings (3) BrainJuicer UK and (4) James Geddes (the "**Subscription and Shareholders' Agreement**") as if it were an original party to such agreement in place of BrainJuicer UK and the parties agreed that BrainJuicer UK would be released from such agreement.

Unilever UK Holdings was granted certain investor protections in respect of its investment in BrainJuicer UK under the terms of the Subscription and Shareholders' Agreement.

Pursuant to the Share Exchange Agreement, the parties agreed that simultaneously with Admission, the Subscription and Shareholders' Agreement will cease to have effect as between the parties to it and all rights and obligations of the parties to it will cease.

- (e) Pursuant to the exchange of options, the Company will enter into option agreements with each of the individuals described in paragraph 2.8 of this Part VII pursuant to which an aggregate of 825,081 options over Ordinary Shares are granted. Details of the option agreements are described in paragraphs 6.1 to 6.7 of this Part VII.

10. Intellectual Property

BrainJuicer UK's core technology is the software platform and methodologies used to create, deliver, manage and analyse online market research surveys for its clients. These elements were created by a number of BrainJuicer UK employees and external consultants.

BrainJuicer UK has identified its "MindReading" research and reporting methodology as potentially patentable. Applications have been made in various countries, including the UK, US, various continental European territories and the Republic of South Africa. Only the South African application has proceeded to grant so far. Methodology or process patents are difficult and time-consuming to obtain in Europe. The Directors do not view the possible refusal of the patent applications as detrimental to the business. The Directors do take the view though, that if the applications are successful in key territories, the patent(s) could prevent competitors from automating the structuring of market research data resulting in competitive advantage to BrainJuicer UK.

BrainJuicer UK uses (and has registered) the names BRAINJUICER and QUALI-TAXI in the UK and the US and also owns the domain name www.brainjuicer.com (which is its main website) together with a portfolio of other domain names which direct through to that website.

The Directors are not aware of any third party intellectual property rights which would prevent BrainJuicer UK from exploiting its core and non-core technology.

11. Litigation

There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors are aware) against, or being brought by, the Company or any member of the Group which are having or may have a significant effect on the Group's financial position.

12. Working Capital

The Directors are of the opinion that, having made due and careful enquiry, and taking into account the net proceeds of the Placing receivable by the Company, the Group will have sufficient working capital for its present requirements, that is for at least 12 months from the date of Admission.

13. Taxation

The following paragraphs are intended only as a general guide to the current tax position under United Kingdom taxation law and the practice of H M Revenue & Customs and do not constitute advice to any shareholder on his or her personal tax position and may not apply to certain classes of investor.

The statements made relate to shareholders and/or subscribers who are resident and ordinarily resident in the United Kingdom for tax purposes, holding Ordinary Shares as investments and not as an asset of a financial trade.

Prospective subscribers for Ordinary Shares who are in any doubt about their tax position and, in particular, those who are subject to taxation in a jurisdiction other than the United Kingdom, are strongly advised to consult their own professional adviser.

Venture Capital Trust (VCT) investors

The Directors believe that on Admission the Company's current structure and activities should enable the Ordinary Shares issued by the Company to be eligible shares and a qualifying holding for the purposes of the VCT legislation.

The Company has received provisional approval from the HM Revenue & Customs that, on the basis of information supplied, a holding of Ordinary Shares issued by the Company should be eligible shares and may be part of a qualifying holding for the purposes of the VCT legislation.

Enterprise Investment Scheme (EIS)

The Directors believe that on Admission the Company's current structure and activities should enable it to meet the requirements of a qualifying company and the shares to be eligible shares under the EIS legislation, potentially enabling eligible investors to benefit from certain tax reliefs on their investment.

The Company has received provisional approval from the HM Revenue & Customs that, on the basis of information supplied, the Company should be a qualifying company for EIS purposes and the shares should be eligible shares for EIS purposes. For the avoidance of doubt, this clearance does not guarantee the availability of any form of EIS relief to any particular subscriber, as the availability of EIS relief also depends on the individual's personal circumstances.

EIS Reliefs

- *Income tax relief*

Individual investors eligible for EIS relief may be entitled to claim 20 per cent. income tax relief on the Ordinary Shares subscribed for, up to a maximum for all such subscriptions of £400,000 in any tax year. The limit was increased from £200,000 to £400,000 for shares issued on or after 6 April 2006. The minimum subscription to qualify for relief is £500 per individual.

- *Capital Gains Tax exemption*

This exemption applies to shares which are held by individuals upon which EIS income tax relief is received where that relief is not restricted or later withdrawn.

Provided qualification for EIS income tax relief is maintained by the Company and by the individual investor for a period of broadly three years after the share issue, a profit made by the investor on disposal of the shares after three years from the date of issue of the shares may be free of capital gains tax.

- *Capital Gains Tax Deferral*

Individuals and certain trustees subscribing for Ordinary Shares may be entitled to claim capital gains tax deferral in respect of chargeable gains realised on asset disposals where the Ordinary Shares are issued within the one year immediately before, and up to three years immediately following the time the chargeable gain in question accrues.

Subject to satisfying various conditions, the relief allows a shareholder to defer part or all of a gain made on a disposal that would otherwise normally crystallise a charge to tax. The amount of gain that can be deferred is restricted to the amount of the re-investment and the deferred gain falls into charge upon the occurrence of a chargeable event, such as the disposal of the Ordinary Shares. Unlike the income tax relief, there is no maximum investment limit for CGT deferral.

If the gain to be deferred into EIS shares qualifies for taper relief, it is the untapered gain that is deferred; the entitlement to taper relief is then considered when the gain comes back into charge.

EIS Tax Relief Certificates

Following conclusion of the Placing the Company may complete a form EIS1 seeking confirmation from HM Revenue & Customs that the Company may issue the relevant tax certificates (forms EIS3) to those eligible investors who have requested them.

Assuming receipt of formal approval and subject to HM Revenue & Customs working practices, it is anticipated that the certificates EIS3, (from HM Revenue & Customs) which investors need in order to claim their tax relief, will be available by May 2007.

Other reliefs

- *Section 574 relief*

Section 574 of the Taxes Act permits a capital loss arising on the disposal of Ordinary Shares which were acquired by subscription in a qualifying trading company to be relieved against an individual investor's taxable income, as an alternative to setting the loss against capital gains. Upon making the appropriate claims, relief is given against income of the tax year in which the loss arises, and/or the preceding year of assessment.

Relief is restricted to shares in unquoted companies carrying on a qualifying trade, as defined for EIS purposes.

- *Inheritance Tax (IHT) relief*

Unquoted ordinary shares in companies such as the Company should qualify for 100 per cent. IHT business property relief, provided they have been held for two years prior to an event giving rise to a potential charge to IHT.

In the event of a lifetime gift, the transferee may need to retain the shares for up to seven years to ensure business property relief remains available to the transferor.

Taxation of chargeable gains

- *Individuals and Trustees*

Disposals of shares are generally identified on a LIFO (last in, first out) basis for the purpose of calculating gains chargeable to tax. There are different rules for shares on which EIS relief is claimed.

In addition, gains made by individuals, trustees and personal representatives may qualify for taper relief. This relief reduces the amount of a chargeable gain on disposal, depending on the length of time the shares have been held since the date of acquisition of the shares.

With effect from 6 April 2000, shareholdings in unquoted trading companies may qualify as business assets, eligible for enhanced rates of taper relief. If the shares in the Company are treated as business assets and the investor holds the shares for two years or more he or she may qualify for the maximum business asset taper relief and effectively reduce his or her capital gains tax rate on disposal of the shares to 10 per cent. (assuming that he or she is a higher rate taxpayer).

If chargeable gains on EIS shares are deferred by reinvestment into further EIS shares, taper relief may be extended to treat periods of ownership of successive EIS investments as effectively one period.

- *Corporate shareholders*

The above changes to the taxation of chargeable gains do not apply to corporate shareholders, to which share "pooling" and indexation rules apply.

Taxation of dividends

- *Individuals and Trustees*

Under UK tax legislation, no tax is withheld at source from UK Company dividend payments, although such payments carry a tax credit of one-ninth of the cash dividend paid (which is equal to 10 per cent. of the aggregate of the dividend and the tax credit).

Individual shareholders whose income is within the lower or basic rate bands are liable to tax at 10 per cent. on their gross dividend income (i.e. the cash dividend plus the tax credit). The tax credit attaching to the dividend will satisfy the income tax liability on UK dividends of an individual shareholder whose income is within the lower or basic rate bands but non-taxpayers will not be entitled to any repayment of the associated tax credit. Shareholders liable to higher rate tax (currently at a rate of 40 per cent. for income other than dividends) have a liability to income tax of 32.5 per

cent. of the aggregate of the cash dividend and the tax credit. After taking account of the associated tax credit, the additional liability equates to 25 per cent. of the cash dividend.

A corporate shareholder resident for tax purposes in the UK will not be chargeable to UK corporation tax on any dividend received from the Company.

UK resident trustees of discretionary trusts are liable to income tax on UK company dividends at 32.5 per cent. of the gross dividend. After taking into account the 10 per cent. tax credit, the trustees will be liable to additional income tax of 22.5 per cent. of the gross dividend, which is equal to 25 per cent. of the net dividend.

The above is a general summary of certain tax reliefs which may be available and should not be construed as constituting advice. Potential investors should obtain advice from their own investment or taxation advisor before applying for any Placing Shares.

14. General

- 14.1 The total amount being raised by the Company through the Placing is £1.50 million. The estimated amount of the expenses of the Placing, which are all payable by the Company, is approximately £0.49 million (including VAT). The net proceeds of the Placing will be approximately £1.01 million. Of the Placing Price one pence represents the nominal value of each Ordinary Share and 107 pence represents a premium.
- 14.2 Grant Thornton UK LLP of Byron House, Cambridge Business Park, Cowley Road, Cambridge CB4 0WZ has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which it appears and its reports in Parts III and IV of this document and accept responsibility for these reports for the purposes of the AIM Rules.
- 14.3 Teather & Greenwood Limited of Beaufort House, 15 St. Botolph Street, London EC3A 7QR has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 14.4 The financial information contained in this document does not constitute full statutory accounts as referred to in section 240 of the Act.
- 14.5 The accounting reference date of the Company is 31 December.
- 14.6 There has been no significant change in the financial or trading position of the BrainJuicer UK Group since 31 December 2005 being the date to which the last audited report and accounts of the BrainJuicer UK Group were prepared.
- 14.7 There have been no interruptions in the Group's business which may have or have had in the last 12 months a significant effect on the Group's financial position.
- 14.8 The minimum amount which, in the opinion of the Directors, must be raised is approximately £950,000 which will be applied towards the Placing and related expenses and as additional working capital.
- 14.9 Save as disclosed in this document, no person (other than a professional adviser referred to in this document or trade suppliers dealing with members of the Group) has:
- (a) received, directly or indirectly, from any member of the Group, within the twelve months preceding the Company's application for Admission; or
 - (b) entered into any contractual arrangement (not otherwise disclosed in this document) to receive, directly or indirectly, from any member of the Group on or after Admission,
any of the following:
 - (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.
- 14.10 Save in connection with the application for Admission, none of the Ordinary Shares have been admitted to dealings on any recognised investment exchange and no application for such admission has been made and it is not intended to make any other arrangements for dealings in the Ordinary Shares on any such exchange.
- 14.11 There are no arrangements in existence under which future dividends are to be waived or agreed to be waived.
- 14.12 The ISIN of Ordinary Shares is GB00B1GVQH21. The Placing Shares have been created under the Act.
- 14.13 The Placing Shares will be in registered form and will be capable of being held in both certificated and uncertificated form. The currency of the issue is sterling.
- 14.14 There have been no public takeover bids by the third parties in respect of the Company during the last financial year or the current financial year, and there are no mandatory takeover bids and/or squeeze-out rules and sell-out rules in relation to the Ordinary Shares, although the City Code on Takeovers and Mergers will apply.
- 14.15 Save as disclosed in Part II of this document, the Directors are unaware of:
- 14.15.1 any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year; and
 - 14.15.2 any environmental issues that may affect the Company's utilisation of its tangible fixed assets.
- 14.16 The Company's major shareholders will not have different voting rights to the Company's other shareholders upon and following Admission.
- 14.17 On Admission, the Existing Ordinary Shares shall account for 88.9 per cent. of the Enlarged Share Capital. The Existing Shareholders will be diluted by the allotment and issue of the Placing Shares, which will represent a 12.4 per cent. immediate dilution of the Existing Shareholders.
- 14.18 BrainJuicer UK's auditors for the three years ended 31 December 2005 were Grant Thornton UK LLP of Byron House, Cambridge Business Park, Cowley Road, Cambridge CB4 0WZ. Grant Thornton UK LLP is a member of The Institute of Chartered Accountants in England and Wales.
- 14.19 The Company confirms that where the information is included in the document which has been sourced from a third party, it has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 14.20 Details of the related party transactions entered into during the period covered by the financial information in Part IV of this document are set out in note 9.23 in Part IV of this document.

Date: 30 November 2006

