SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2010

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from __________ to __________

Commission file number: 000-1158172

comScore, Inc.
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**54-1955550** **(I.R.S. Employer Identification Number)**
11950 Democracy Drive, Suite 600 **Reston, VA** **(Address of principal executive offices)**	**20190** **(Zip Code)**

(703) 483-2000
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer ☑	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of November 5, 2010, there were 31,423,815 shares of the registrant's common stock outstanding.

COMSCORE, INC.

QUARTERLY REPORT ON FORM 10-Q

FOR THE QUARTER ENDED SEPTEMBER 30, 2010

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	4
Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosure About Market Risk	35
Item 4. Controls and Procedures	35
PART II. OTHER INFORMATION	35
Item 1. Legal Proceedings	36
Item 1A. Risk Factors	36
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	51
Item 3. Defaults Upon Senior Securities	52
Item 4. (Removed and Reserved)	52
Item 5. Other Information	52
Item 6. Exhibits	52
SIGNATURES	53
EXHIBIT INDEX	54
EX-2.1	
EX-2.2	
EX-31.1	
EX-31.2	
EX-32.1	
EX-32.2	

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, including the sections entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Quantitative and Qualitative Disclosure About Market Risk" under Items 2 and 3, respectively, of Part I of this report, and the sections entitled "Legal Proceedings," "Risk Factors," and "Unregistered Sales of Equity Securities and Use of Proceeds" under Items 1, 1A and 2, respectively, of Part II of this report, may contain forward-looking statements. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, capital expenditures, introduction of new products, regulatory compliance, expected effects of acquisitions, plans for growth and future operations, as well as assumptions relating to the foregoing. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. These risks and other factors include, but are not limited to, those listed under the section entitled "Risk Factors" in Item 1A of Part II of this Quarterly Report on Form 10-Q. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "intend," "potential," "continue," "seek" or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events and/or results may differ materially.

We believe that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to accurately predict or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. Except as required by applicable law, including the securities laws of the United States and the rules and regulations of the Securities and Exchange Commission, or SEC, we do not plan to publicly update or revise any forward-looking statements, whether as a result of any new information, future events or otherwise, other than through the filing of periodic reports in accordance with the Securities Exchange Act of 1934, as amended. Investors and potential investors should not place undue reliance on our forward-looking statements. Before you invest in our common stock, you should be aware that the occurrence of any of the events described in the "Risk Factors" section and elsewhere in this Quarterly Report on Form 10-Q could harm our business, prospects, operating results and financial condition. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.

Table of Contents

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

COMSCORE, INC.

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	September 30, 2010 (Unaudited)	December 31, 2009
Current assets:		
Cash and cash equivalents	$ 36,233	$ 58,284
Short-term investments	12	29,833
Accounts receivable, net of allowances of $388 and $510, respectively	37,180	34,922
Prepaid expenses and other current assets	3,130	2,324
Deferred tax assets	10,313	11,044
Total current assets	86,868	136,407
Long-term investments	2,621	2,809
Property and equipment, net	23,175	17,302
Other non-current assets	1,207	193
Long-term deferred tax assets	9,159	9,938
Intangible assets, net	52,744	8,745
Goodwill	81,939	42,014
Total assets	$ 257,713	$ 217,408
Current liabilities:		
Accounts payable	$ 4,541	$ 2,009
Accrued expenses	14,087	8,370
Deferred revenues	58,267	48,140
Deferred rent	1,205	1,231
Capital lease obligations	2,505	360
Total current liabilities	80,605	60,110
Deferred revenue, long-term	933	—
Deferred rent, long-term	7,997	8,210
Capital lease obligations, long-term	4,760	674
Other long-term liabilities	661	475
Total liabilities	94,956	69,469
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.001 par value; 5,000,000 shares authorized at September 30, 2010 and December 31, 2009; no shares issued or outstanding at September 30, 2010 and December 31, 2009	—	—
Common stock, $0.001 par value per share; 100,000,000 shares authorized at September 30, 2010 and December 31, 2009; 31,421,190 and 30,385,590 shares issued and outstanding at September 30, 2010 and December 31, 2009, respectively	31	30
Additional paid-in capital	212,665	199,270
Accumulated other comprehensive income	2,827	324
Accumulated deficit	(52,766)	(51,685)
Total stockholders' equity	162,757	147,939
Total liabilities and stockholders' equity	$ 257,713	$ 217,408

The accompanying notes are an integral part of these consolidated financial statements.

COMSCORE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(Unaudited)

(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Revenues	**$ 45,703**	**$ 31,916**	**$ 123,802**	**$ 93,915**
Cost of revenues (excludes amortization of intangible assets resulting from acquisitions shown below) (1)	13,743	9,455	36,480	29,186
Selling and marketing (1)	16,319	10,241	41,929	31,057
Research and development (1)	7,254	4,677	18,389	13,210
General and administrative (1)	10,204	4,353	24,577	12,874
Amortization of intangible assets resulting from acquisitions	1,380	385	2,545	1,032
Total expenses from operations	**48,900**	**29,111**	**123,920**	**87,359**
Net (loss) income from operations	**(3,197)**	**2,805**	**(118)**	**6,556**
Interest and other (expense) income, net	(37)	39	116	348
Loss from foreign currency	(83)	(71)	(207)	(53)
(Loss) income before income taxes	**(3,317)**	**2,773**	**(209)**	**6,851**
Income tax benefit (provision)	1,182	(1,828)	(874)	(4,445)
Net (loss) income	**$ (2,135)**	**$ 945**	**$ (1,083)**	**$ 2,406**
Net (loss) income available to common stockholders per common share:				
Basic	**$ (0.07)**	**$ 0.03**	**$ (0.04)**	**$ 0.08**
Diluted	**$ (0.07)**	**$ 0.03**	**$ (0.04)**	**$ 0.08**
Weighted-average number of shares used in per share calculation — common stock:				
Basic	31,223,077	30,204,147	30,942,078	29,914,460
Diluted	31,223,077	31,157,222	30,942,078	30,879,072

(1) Amortization of stock-based compensation is included in the line items above as follows

Cost of revenues	$ 569	$ 277	$ 1,045	$ 925
Selling and marketing	2,079	1,234	4,335	3,573
Research and development	699	285	1,278	829
General and administrative	2,407	755	5,257	2,056
Comprehensive income:				
Net (loss) income	$ (2,135)	$ 945	$ (1,083)	$ 2,406
Other comprehensive income:				
Foreign currency cumulative translation adjustment	3,119	(131)	2,705	689
Unrealized loss on marketable securities, net of tax effect of ($4) and $9 for the three and nine months ended September 30, 2010, respectively, and $14 and $49 for the three and nine months ended September 30, 2009, respectively	(183)	(23)	(202)	(78)
Total comprehensive income	**$ 801**	**$ 791**	**$ 1,420**	**$ 3,017**

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

COMSCORE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

(In thousands)

	Nine Months Ended September 30,	
	2010	2009
Operating activities		
Net (loss) income	$ (1,083)	$ 2,406
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	5,775	4,924
Amortization of intangible assets resulting from acquisitions	2,545	1,032
Provisions for bad debts	31	271
Stock-based compensation	11,915	7,377
Amortization of deferred rent	(650)	(432)
Amortization of bond premium	188	422
Deferred tax provision	19	4,188
Loss on asset disposal	13	108
Changes in operating assets and liabilities:		
Accounts receivable	3,154	3,177
Prepaid expenses and other current assets	(360)	(34)
Accounts payable, accrued expenses, and other liabilities	1,224	(3,482)
Deferred rent	407	331
Deferred revenues	(1,694)	(1,868)
Net cash provided by operating activities	24,872	18,420
Investing activities		
Acquisition, net of cash acquired	(68,880)	—
Purchase of investments	—	(41,925)
Sales and maturities of investments	29,964	40,197
Purchase of property and equipment	(3,354)	(4,826)
Net cash used in investing activities	(42,270)	(6,554)
Financing activities		
Proceeds from the exercise of common stock options	897	412
Repurchase of common stock	(4,725)	(1,470)
Principal payments on capital lease obligations	(944)	(725)
Net cash used in financing activities	(4,772)	(1,783)
Effect of exchange rate changes on cash	119	596
Net (decrease) increase in cash and cash equivalents	(22,051)	10,679
Cash and cash equivalents at beginning of period	58,284	34,297
Cash and cash equivalents at end of period	$ 36,233	$ 44,976
Supplemental disclosures for non-cash financing activities		
Capital lease obligations incurred	$ 7,078	$ 1,121

The accompanying notes are an integral part of these consolidated financial statements.

COMSCORE, INC.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization

comScore, Inc. (the “Company”), a Delaware corporation incorporated in August 1999, provides a digital marketing intelligence platform that helps customers make better-informed business decisions and implement more effective digital business strategies. The Company’s products and solutions offer customers insights into consumer behavior, including objective, detailed information regarding usage of their online properties and those of their competitors, coupled with information on consumer demographic characteristics, attitudes, lifestyles and offline behavior.

The Company’s digital marketing intelligence platform is comprised of proprietary databases and a computational infrastructure that measures, analyzes and reports on digital activity. The foundation of the platform is data collected from a panel of more than two million Internet users worldwide who have granted to the Company explicit permission to confidentially measure their Internet usage patterns, online and certain offline buying behavior and other activities. For measuring and reporting online audiences, comScore also supplements panel information with Web site server metrics in order to account for 100 percent of a Web site’s audience. This panel information is complemented by a Unified Digital Measurement solution to digital audience measurement. Unified Digital Measurement blends panel and server methodologies into a solution that provides a direct linkage and reconciliation between server and panel measurement. By applying advanced statistical methodologies to the panel data, the Company projects consumers’ online behavior for the total online population and a wide variety of user categories. Also, with key acquisitions, the Company has expanded its abilities to provide its customers a more robust solution for the mobile medium as well as expanded its abilities to provide its customers with actionable information to improve their creative and strategic messaging. Acquisitions have also enabled the Company to expand its geographic sales coverage.

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated upon consolidation. The Company consolidates investments where it has a controlling financial interest. The usual condition for controlling financial interest is ownership of a majority of the voting interest and, therefore, as a general rule, ownership, directly or indirectly, of more than 50% of the outstanding voting shares is a condition indicating consolidation. For investments in variable interest entities, the Company would consolidate when it is determined to be the primary beneficiary of a variable interest entity. The Company does not have any variable interest entities.

Unaudited Interim Financial Information

The consolidated financial statements included in this quarterly report on Form 10-Q have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”). Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such rules and regulations. However, the Company believes that the disclosures contained in this quarterly report comply with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, for a quarterly report on Form 10-Q and are adequate to make the information presented not misleading. The consolidated financial statements included herein, reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2009, filed March 12, 2010 with the SEC. The results of operations for the three and nine months ended September 30, 2010 are not necessarily indicative of the results to be anticipated for the entire year ending December 31, 2010 or thereafter. All references to September 30, 2010 and 2009 or to the three or nine months ended September 30, 2010 and 2009 in the notes to the consolidated financial statements are unaudited.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expense during the reporting periods. Significant estimates and assumptions are inherent in the analysis and the measurement of deferred tax assets, the identification and quantification of income tax liabilities due to uncertain tax positions, valuation of marketable securities, recoverability of intangible assets, other long-lived assets and goodwill, and the determination of the allowance for doubtful accounts. The Company bases its estimates on historical experience and assumptions that it believes are reasonable. Actual results could differ from those estimates.

Fair Value Measurements

The Company evaluates the fair value of certain assets and liabilities using the fair value hierarchy. Fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the Company applies the three-tier value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1 — observable inputs such as quoted prices in active markets;

Level 2 — inputs other than the quoted prices in active markets that are observable either directly or indirectly;

Level 3 — unobservable inputs of which there is little or no market data, which require the Company to develop its own assumptions.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, the Company measures its marketable securities at fair value and determines the appropriate classification level for each reporting period. The Company is required to use significant judgments to make this determination.

The Company's investment instruments are classified within Level 1 or Level 3 of the fair value hierarchy. Level 1 investment instruments are valued using quoted market prices. Level 3 instruments are valued using valuation models, primarily discounted cash flow analyses. The types of instruments valued based on quoted market prices in active markets include all U.S. government and agency securities. Such instruments are generally classified within Level 1 of the fair value hierarchy. The types of instruments valued based on significant unobservable inputs include certain illiquid auction rate securities. Such instruments are classified within Level 3 of the fair value hierarchy (see Note 4).

Cash equivalents, investments, accounts receivable, prepaid expenses and other assets, accounts payable, accrued expenses, deferred revenue, deferred rent and capital lease obligations reported in the consolidated balance sheets equal or approximate their respective fair values.

Assets and liabilities that are measured at fair value on a non-recurring basis include intangible assets and goodwill. The Company recognizes these items at fair value when they are considered to be impaired. During the three and nine months ended September 30, 2010 and 2009, there were no fair value adjustments for assets and liabilities measured on a non-recurring basis.

Cash and Cash Equivalents and Investments

Cash and cash equivalents consist of highly liquid investments with an original maturity of three months or less at the time of purchase. Cash and cash equivalents consist primarily of bank deposit accounts.

Investments, which consist principally of U.S. treasury bills, U.S. treasury notes and auction rate securities, are stated at fair value. These securities are accounted for as available-for-sale securities. Unrealized holding gains and losses for available-for-sale securities are excluded from earnings and reported as a net amount in a separate component of stockholders' equity until realized. Realized gains and losses on available-for-sale securities are included in interest income. Interest and dividends on securities classified as available-for-sale are included in interest income. The Company uses the specific identification method to compute realized gains and losses on its investments. Realized gains and losses for the three and nine months ended September 30, 2010 and 2009 were not material.

Interest income on investments was $68,000 and $140,000 for the three months ended September 30, 2010 and 2009, respectively, and $251,000 and $484,000 for the nine months ended September 30, 2010 and 2009, respectively.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and are non-interest bearing. The Company generally grants uncollateralized credit terms to its customers and maintains an allowance for doubtful accounts to reserve for potentially uncollectible receivables. Allowances are based on management's judgment, which considers historical experience and specific knowledge of accounts where collectability may not be probable. The Company makes provisions based on historical bad debt experience, a specific review of all significant outstanding invoices and an assessment of general economic conditions. If the financial condition of a customer deteriorates, resulting in an impairment of its ability to make payments, additional allowances may be required.

Property and Equipment

Property and equipment is stated at cost, net of accumulated depreciation. Property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets, ranging from three to five years. Assets under capital leases are recorded at their net present value at the inception of the lease and are included in the appropriate asset category. Assets under capital leases and leasehold improvements are amortized over the shorter of the related lease terms or their useful lives. Replacements and major improvements are capitalized; maintenance and repairs are charged to expense as incurred. Amortization of assets under capital leases is included within the expense category on the Consolidated Statement of Operations and Comprehensive Income in which the asset is deployed.

Business Combinations

The Company recognizes all of the assets acquired, liabilities assumed, contractual contingencies, and contingent consideration at their fair value on the acquisition date. Acquisition-related costs are recognized separately from the acquisition and expensed as incurred. Generally, restructuring costs incurred in periods subsequent to the acquisition date are expensed when incurred. All subsequent changes to a valuation allowance or uncertain tax position that relate to the acquired company and existed at the acquisition date that occur both within the measurement period and as a result of facts and circumstances that existed at the acquisition date are recognized as an adjustment to goodwill. All other changes in the valuation allowance are recognized as a reduction or increase to income tax expense or as a direct adjustment to additional paid-in capital as required. Acquired in-process research and development is capitalized as an intangible asset and amortized over its estimated useful life.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of identifiable assets acquired and liabilities assumed when other businesses are acquired. The allocation of the purchase price to intangible assets and goodwill involves the extensive use of management's estimates and assumptions, and the result of the allocation process can have a significant impact on future operating results. The Company estimates the fair value of identifiable intangible assets acquired using several different valuation approaches, including the relief from royalty method and, income and market approaches. The relief from royalty method assumes that if the Company did not own the intangible asset or intellectual property, it would be willing to pay a royalty for its use. The Company generally uses the relief from royalty method for estimating the value of acquired technology/methodology assets. The income approach converts the anticipated economic benefits that the Company assumes will be realized from a given asset into value. Under this approach, value is measured as the present value of anticipated future net cash flows generated by an asset. The Company generally uses the income approach to value customer relationship assets and non-compete agreements. The market approach compares the acquired asset to similar assets that have been sold. The Company generally uses the market approach to value trade names and brand assets.

Intangible assets with finite lives are amortized over their useful lives while goodwill is not amortized but is evaluated for potential impairment at least annually by comparing the fair value of a reporting unit to its carrying value including goodwill recorded by the reporting unit. If the carrying value exceeds the fair value, impairment is measured by comparing the implied fair value of the goodwill to its carrying value, and any impairment determined is recorded in the current period. All of the Company's goodwill is associated with one reporting unit. However, with the recent acquisitions of Nexius, Inc., or Nexius, and Nedstat B.V., or Nedstat, the Company is in the process of evaluating if additional operating and reporting segments are required. Accordingly, on an annual basis the Company performs the impairment assessment for goodwill at the enterprise level. The Company completed its annual impairment analysis as of October 1st for 2009 and determined that there was no impairment of goodwill. There have been no indicators of impairment suggesting that an interim assessment was necessary for goodwill since the October 1, 2009 test.

Intangible assets with finite lives are amortized using the straight-line method over the following useful lives:

	Useful Lives (Years)
Acquired methodologies/technology	3 to 10
Customer relationships	7 to 12
Panel	7
Intellectual property	10
Trade names	2 to 10

Impairment of Long-Lived Assets

The Company's long-lived assets primarily consist of property and equipment and intangible assets. The Company evaluates the recoverability of its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If an indication of impairment is present, the Company compares the estimated undiscounted future cash flows to be generated by the asset to its carrying amount. Recoverability measurement and estimation of undiscounted cash flows are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If the undiscounted future cash flows are less than the carrying amount of the asset, the Company records an impairment loss equal to the excess of the asset's carrying amount over its fair value. The fair value is determined based on valuation techniques such as a comparison to fair values of similar assets or using a discounted cash flow analysis. Although the Company believes that the carrying values of its long-lived assets are appropriately stated, changes in strategy or market conditions or significant technological developments could significantly impact these judgments and require adjustments to recorded asset balances. There were no impairment charges recognized during the three and nine months ended September 30, 2010 or 2009.

Lease Accounting

The Company leases its facilities and accounts for those leases as operating leases. For facility leases that contain rent escalations or rent concession provisions, the Company records the total rent payable during the lease term on a straight-line basis over the term of the lease. The Company records the difference between the rent paid and the straight-line rent as a deferred rent liability in the accompanying Consolidated Balance Sheets. Leasehold improvements funded by landlord incentives or allowances are recorded as leasehold improvement assets and a deferred rent liability which is amortized as a reduction of rent expense over the term of the lease.

The Company records capital leases as an asset and an obligation at an amount equal to the present value of the minimum lease payments as determined at the beginning of the lease term. Amortization of capitalized leased assets is computed on a straight-line basis over the term of the lease and is included in depreciation and amortization expense in the Consolidated Statements of Operations and Comprehensive Income. Repairs and maintenance are charged to expense as incurred.

Foreign Currency Translation

The functional currency of the Company's foreign subsidiaries is the local currency. All assets and liabilities are translated at the current exchange rate as of the end of the period, and revenues and expenses are translated at average exchange rates in effect during the period. The gain or loss resulting from the process of translating foreign currency financial statements into U.S. dollars is reflected as foreign currency cumulative translation adjustment and reported as a component of Accumulated other comprehensive income (loss).

The Company incurred foreign currency transaction losses of $83,000 and $207,000 for the three and nine months ended September 30, 2010, respectively and incurred foreign currency transaction losses of $71,000 and $53,000 for the three and nine months ended September 30, 2009,

respectively. These losses and gains are the result of transactions denominated in currencies other than the functional currency of the Company's foreign subsidiaries.

Revenue Recognition

The Company recognizes revenues when the following fundamental criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or the services have been rendered, (iii) the fee is fixed or determinable and (iv) collection of the resulting receivable is reasonably assured.

The Company generates revenues by providing access to the Company's online database or delivering information obtained from the database, usually in the form of periodic reports. Revenues are typically recognized on a straight-line basis over the period in which access to data or reports are provided, which generally ranges from three to 24 months.

Revenues are also generated through survey services under contracts ranging in term from two months to one year. Survey services consist of survey and questionnaire design with subsequent data collection, analysis and reporting. Revenues are recognized on a straight-line basis over the estimated data collection period once the survey or questionnaire has been delivered. Any change in the estimated data collection period results in an adjustment to revenues recognized in future periods.

Certain of the Company's arrangements contain multiple elements, consisting of the various services the Company offers. Multiple element arrangements typically consist of a subscription to the Company's online database combined with customized services. The Company has determined that there is not objective and reliable evidence of fair value for any of its services and, therefore, accounts for all elements in multiple elements arrangements as a single unit of accounting. Access to data under the subscription element is generally provided shortly after the execution of the contract. However, the initial delivery of customized services generally occurs subsequent to contract execution. The Company recognizes the entire arrangement fee over the performance period of the last deliverable. As a result, the total arrangement fee is recognized on a straight-line basis over the period beginning with the commencement of the last customized deliverable.

Generally, contracts are non-refundable and non-cancelable. In the event a portion of a contract is refundable, revenue recognition is delayed until the refund provisions lapse. A limited number of customers have the right to cancel their contracts by providing a written notice of cancellation. In the event that a customer cancels its contract, the customer is not entitled to a refund for prior services, and will be charged for costs incurred plus services performed up to the cancellation date.

Advance payments are recorded as deferred revenues until services are delivered or obligations are met and revenue can be recognized. Deferred revenues represent the excess of amounts invoiced over amounts recognized as revenues.

On July 1, 2010, the Company completed its acquisition of Nexius, resulting in additional revenue sources, including software licenses, professional services (including implementation, training and customized consulting services), and maintenance and technical support contracts. The Company's arrangements generally contain multiple elements, consisting of the various service offerings. The Company recognizes software license arrangements that include significant modification and customization of the software in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 985-605, *Software Recognition* and ASC 605-35, *Revenue Recognition-Construction-Type and Certain Production-Type Contracts,* typically using the completed contract method. The Company currently does not have vendor specific objective evidence ("VSOE") for the multiple deliverables and accounts for all elements in these arrangements as a single unit of accounting, recognizing the entire arrangement fee as revenue over the service period of the last delivered element. During the period of performance, billings and costs (to the extent they are recoverable) are accumulated on the balance sheet, but no profit or income is recorded before user acceptance of the software license. To the extent estimated costs are expected to exceed revenue the Company accrues for costs immediately.

On August 31, 2010, the Company completed its acquisition of Nedstat, resulting in additional revenue sources, including software subscriptions, server calls, and professional services (including training and consulting). The Company's arrangements generally contain multiple elements, consisting of the various service offerings, with revenue recognition occurring ratably over the remaining subscription term after all elements have commenced delivery.

Stock-Based Compensation

The Company estimates the fair value of share-based awards on the date of grant. The fair value of stock options is determined using the Black-Scholes option-pricing model. The fair value of market-based stock options is determined using a Monte Carlo simulation embedded in a lattice model. The fair value of restricted stock awards is based on the closing price of the Company's common stock on the date of grant. The determination of the fair value of the Company's stock option awards and restricted stock awards is based on a variety of factors including, but not limited to, the Company's common stock price, expected stock price volatility over the expected life of awards, and actual and projected exercise behavior. Additionally, the Company has estimated forfeitures for share-based awards at the dates of grant based on historical experience, adjusted for future expectation. The forfeiture estimate is revised as necessary if actual forfeitures differ from these estimates.

The Company issues restricted stock awards where restrictions lapse upon either the passage of time (service vesting), achieving performance targets, or some combination of these restrictions. For those restricted stock awards with only service conditions, the Company recognizes compensation cost on a straight-line basis over the explicit service period. For awards with both performance and service conditions, the Company starts recognizing compensation cost over the remaining service period, when it is probable the performance condition will be met. For stock awards that contain performance or market vesting conditions, the Company excludes these awards from diluted earnings per share computations until the contingency is met as of the end of that reporting period.

The Company recorded stock-based compensation expense of $5.8 million and $11.9 million for the three months and nine months ended September 30, 2010, respectively, and $2.6 million and $7.4 million for the three and nine months ended September 30, 2009, respectively. As of December 31, 2009, there was an accrual for $1.7 million for compensation earned during 2009 that was settled with shares of restricted stock granted in February 2010. There was no accrual as of September 30, 2010 as the 2010 bonus plan is cash based.

Income Taxes

Income taxes are accounted for using the asset and liability method. Deferred income taxes are provided for temporary differences in recognizing certain income, expense and credit items for financial reporting purposes and tax reporting purposes. Such deferred income taxes primarily relate to the difference between the tax bases of assets and liabilities and their financial reporting amounts. Deferred tax assets and liabilities are measured by applying enacted statutory tax rates applicable to the future years in which deferred tax assets or liabilities are expected to be settled or realized.

The Company records a valuation allowance when it determines, based on available positive and negative evidence, that it is more likely than not that some portion or all of its deferred tax assets will not be realized. The Company determines the realizability of its deferred tax assets primarily based on projections of future taxable income (exclusive of reversing temporary differences and carryforwards). In evaluating such projections, the Company considers its history of profitability, the competitive environment, the overall outlook for the online marketing industry and general economic conditions. In addition, the Company considers the timeframe over which it would take to utilize the deferred tax assets prior to their expiration.

For certain tax positions, the Company uses a more-likely-than not recognition threshold based on the technical merits of the tax position taken. Tax positions that meet the more-likely-than-not recognition threshold are measured at the largest amount of tax benefits determined on a cumulative probability basis, which are more likely than not to be realized upon ultimate settlement in the financial statements. The Company's policy is to recognize interest and penalties related to income tax matters in income tax expense.

Earnings Per Share

Basic earnings per share is calculated by dividing the net (loss) income attributed to controlling interests for the period by the weighted average number of common shares outstanding during the period. All outstanding unvested restricted stock awards contain rights to non-forfeitable dividends and participate in undistributed earnings with common stockholders and, accordingly are considered participating securities that are included in the two-class method of computing basic earnings per share.

Diluted earnings per share for common stock reflects the potential dilution that could result if securities or other contracts to issue common stock were exercised or converted into common stock. Diluted earnings per share assumes the exercise of stock options and warrants using the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(Unaudited) (In thousands, except share and per share data)			
Net (loss) income	**$ (2,135)**	**$ 945**	**$ (1,083)**	**$ 2,406**
Weighted-average shares outstanding-common stock, basic	31,223,077	30,204,147	30,942,078	29,914,460
Dilutive effect of				
Options to purchase common stock	—	909,355	—	928,637
Unvested shares of restricted stock units	—	32,787	—	28,313
Warrants to purchase common stock	—	10,933	—	7,662
Weighted-average shares outstanding-common stock, diluted	**31,223,077**	**31,157,222**	**30,942,078**	**30,879,072**
Net (loss) income per share-common stock:				
Basic	$ (0.07)	$ 0.03	$ (0.04)	$ 0.08
Diluted	$ (0.07)	$ 0.03	$ (0.04)	$ 0.08

The following is a summary of common stock equivalents for the securities outstanding during the respective periods that have been excluded from the earnings per share calculations as their impact was anti-dilutive.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(Unaudited)			
Stock options and restricted stock units	1,818,068	50,518	1,379,314	97,235
Common stock warrants	9,210	2,000	9,492	2,000

Recent Pronouncements

In September 2009, the Financial Accounting Standards Board ("FASB") issued a new revenue accounting standards update, *Multiple-Deliverable Revenue Arrangements*, which amends the revenue guidance under the ASC Subtopic 605-25, *Multiple Element Arrangements*. This update addresses how to determine whether an arrangement involving multiple deliverables contains more than one unit of accounting and how arrangement consideration shall be measured and allocated to the separate units of accounting in the arrangement. This new guidance will become effective for comScore on January 1, 2011. The Company is currently evaluating the impact that the adoption of the new guidance will have on its consolidated financial statements.

In January 2010, the FASB issued a new fair value accounting standard update, *Fair Value Measurements and Disclosures: Improving Disclosures about Fair Value Measurements*. This update requires additional disclosures about (i) the different classes of assets and liabilities measured at fair value, (ii) the valuation techniques and inputs used, (iii) the activity in Level 3 fair value measurements, and (iv) the transfers between Levels 1, 2, and 3. This update is effective for interim and annual reporting periods beginning after December 15, 2009. The Company adopted this guidance during the first quarter of 2010 and the adoption of this guidance had no impact on its consolidated results of operations and financial condition.

3. Business Combinations

The Company uses its best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business combination date, its estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the preliminary purchase price allocation period, which may be up to one year from the business combination date, the Company records adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. The Company records adjustments to assets acquired or liabilities assumed subsequent to the purchase price allocation period in its operating results in the period in which the adjustments were determined.

For the three and nine months ended September 30, 2010, approximately $1.1 million and $2.4 million, respectively, of transaction related costs are included in the Company's consolidated statements of operations as a component of the Company's general and administrative expenses.

Certifica

On November 11, 2009, the Company completed its acquisition of Certifica, a leading analyst of Internet traffic measurement in Latin America, pursuant to the Agreement and Plan of Acquisition dated November 11, 2009, (the "Acquisition"). Pursuant to the Agreement and Plan of Acquisition, the Company acquired all of the outstanding common stock of Certifica in a cash transaction.

The Acquisition resulted in goodwill of approximately $1.9 million. This amount represents the residual amount of the total purchase price after allocation to net assets and indentifiable intangible assets acquired. Included in the total net assets acquired was approximately $679,000 in liabilities related to uncertain tax positions. The amount recorded for goodwill is consistent with the Company's intentions for the acquisition of Certifica. The Company acquired Certifica to strengthen its presence in the Latin America region and enable the Company to offer hybrid measurement as part of its Media Metrix 360 initiative using the same state-of-the-art measurement technologies the Company uses elsewhere in the world.

Definite-lived intangible assets of $1.2 million consist of the value assigned to Certifica's customer relationships, trade name and its core technology of $946,000, $157,000 and $51,000 respectively. The useful lives range from two to seven years (see Note 2).

The Company is in the process of evaluating the opening balance sheet liabilities and other tax related items. The Company has included the financial results of Certifica in its consolidated financial statements beginning November 11, 2009.

ARSgroup

On February 19, 2010, the Company completed its acquisition of ARSgroup ("ARS"), a leading technology-driven market research firm that measures the persuasion of advertising on TV and multi-media platforms, pursuant to the Agreement and Plan of Acquisition dated February 10, 2010, (the "ARS Acquisition"). Pursuant to the Agreement and Plan of Acquisition, the Company acquired all of the outstanding common stock of ARS in a cash transaction.

The ARS Acquisition resulted in goodwill of approximately $8.2 million. This amount represents the residual amount of the total purchase price of $17.7 million after allocation to net assets and indentifiable intangible assets acquired. The amount recorded for goodwill is consistent with the Company's intentions for the acquisition of ARS. The Company acquired ARS to provide it with technology-driven market research capabilities for measuring the effectiveness of advertising creative content. The additional resources will allow the Company to create new products and tools for designing and measuring more effective advertising on TV, online, and cross media campaigns.

Definite-lived intangible assets of $9.5 million consist of the value assigned to ARS's methodology and database, customer relationships and trade name of $4.1 million, $4.1 million and $1.3 million, respectively. The useful lives range from two to ten years (see Note 2).

ARS made an Internal Revenue Code section 338(h)(10) election with respect to the acquisition transaction. With such an election, the Company has fair market value basis in the ARS assets and liabilities for both tax and book purposes and no opening deferred tax balances. The Company is in the process of evaluating other tax related items. The Company has included the financial results of ARS in its consolidated financial statements beginning February 19, 2010.

Nexius, Inc.

On July 1, 2010, the Company completed its acquisition of Nexius, a leading a provider of carrier-grade mobile network analysis and intelligence solution, of which the Company acquired the Nexius's product portfolio, pursuant to a Stock Purchase Agreement dated July 1, 2010 (the "Nexius Acquisition").

Table of Contents

The aggregate amount of the consideration paid by the Company upon the closing of the transaction was $20.9 million, of which approximately $3.0 million was paid in cash to satisfy certain of Nexius's existing debt obligations. Following payment of transaction expenses, the remaining estimated merger consideration of $15.3 million in cash and an aggregate of 158,070 shares of the Company's common stock valued at $2.6 million was paid to the Nexius shareholders and holders of certain Nexius equity rights.

The Nexius Acquisition resulted in goodwill of approximately $13.7 million. This amount represents the residual amount of the total purchase price after allocation to net assets and indentifiable intangible assets acquired. The amount recorded for goodwill is consistent with the Company's intentions for the acquisition of Nexius. The Company acquired Nexius to solidify it as a leader in the mobile category.

Definite-lived intangible assets of $17.1 million consist of the value assigned to Nexius's customer relationships, core technology and trade name of $14.5 million, $1.6 million and $1.0 million respectively. The useful lives range from two to twelve years (see Note 2).

The Company is in the process of evaluating the opening balance sheet liabilities and other tax related items and may continue to adjust the preliminary purchase price allocation after obtaining more information about asset valuations and liabilities assumed. The Company has included the financial results of Nexius in its consolidated financial statements beginning July 1, 2010.

The preliminary purchase price is allocated as follows (in thousands) (unaudited):

Cash and cash equivalents	$ 4
Accounts receivable	484
Prepaid expenses and other current assets	57
Deferred tax asset	1,621
Property and equipment	290
Accounts payable	(1,390)
Other accrued liabilities	(456)
Deferred revenue	(3,395)
Deferred tax liability	(6,685)
Note Payable	(393)
Net tangible liabilities acquired	(9,863)
Definite-lived intangible assets acquired	17,050
Goodwill	13,701
Total estimated purchase price	$ 20,888

In connection with the preliminary purchase price allocation, the estimated fair value of the deferred revenue assumed from Nexius in connection with the Nexius Acquisition was determined utilizing a cost build-up approach. The cost build-up approach determines fair value by estimating the costs relating to fulfilling the assumed contractual obligations plus a market profit margin. The present value of the sum of the costs and operating profit approximates the amount that the Company would be required to pay a third party to assume the obligations. The estimated costs to fulfill the obligation were based on the historical direct costs related to providing the services.

Nedstat B.V.

On August 31, 2010, the Company completed its acquisition of Nedstat, a leading provider of technology that helps web sites, particularly publishers and video companies, analyze the behavior of their users with powerful analytic tools, pursuant to the Stock Purchase Agreement dated August 31, 2010 (the "Nedstat Acquisition").

The aggregate amount of the consideration paid by the Company upon the closing of the transaction was approximately $34.4 million in cash and an aggregate of 58,045 shares of the Company's common stock valued at $1.1 million was issued to two key shareholders of Nedstat.

The Nedstat Acquisition resulted in goodwill of approximately $16.8 million. This amount represents the residual amount of the total purchase price after allocation to net assets and indentifiable intangible assets acquired. The amount recorded for goodwill is consistent with the Company's intentions for the acquisition of Nedstat. The Company acquired Nedstat to help transform the Company into a broad based "Digital Business Analytics company" and solidify its Unified Digital Measurement ("UDM") platform.

Definite-lived intangible assets of $18.7 million consist of the value assigned to Nedstat's customer relationships, core technology and trade name of $15.2 million, $1.9 million and $1.6 million, respectively. The useful lives range from two to seven years (see Note 2).

The Company is in the process of evaluating the opening balance sheet liabilities and other tax related items and may continue to adjust the preliminary purchase price allocation after obtaining more information about asset valuations and liabilities assumed. The Company has included the financial results of Nedstat in its consolidated financial statements beginning September 1, 2010.

The preliminary purchase price is allocated as follows (in thousands) (unaudited):

Cash and cash equivalents	$ 622
Accounts receivable	2,939
Prepaid expenses and other current assets	177
Property and equipment	1,520
Deferred tax asset	3,317
Other long term assets	224
Accounts payable	(878)
Other accrued liabilities	(2,283)
Deferred revenue	(5,583)
Net tangible assets acquired	55
Definite-lived intangible assets acquired	18,673
Goodwill	16,764
Total estimated purchase price	$ 35,492

In connection with the preliminary purchase price allocation, the estimated fair value of the deferred revenue assumed from Nedstat in connection with the Nedstat Acquisition was determined utilizing a cost build-up approach. The cost build-up approach determines fair value by estimating the costs relating to fulfilling the assumed contractual obligations plus a market profit margin. The present value of the sum of the costs and operating profit approximates the amount that the Company would be required to pay a third party to assume the obligations. The estimated costs to fulfill the obligation were based on the historical direct costs related to providing the services.

Pro Forma Adjusted Summary

The results of Nexius and Nedstat's operations have been included in the Consolidated Financial Statements subsequent to the acquisition dates.

The unaudited financial information provided below summarizes the combined results of operations of the Company and Nexius and Nedstat on a pro forma basis, as though the companies had been combined as of the beginning of the periods presented. The unaudited pro forma adjusted summary combines the historical results for the Company for the periods presented with the historical results for Nexius and Nedstat for those same periods. The pro forma financial information is presented for informational purposes only and does not purport to be indicative of the Company's financial position or results of operations, which would actually have been obtained had such transaction been completed as of the date or for the periods presented, or of the financial position or results of operations that may be obtained in the future.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(Unaudited) (In thousands, except per share data)			
Revenues	$ 47,531	$ 37,749	$ 134,582	$ 111,804
Net loss	$ (3,726)	$ (906)	$ (9,664)	$ (4,281)
Basic loss per share to common stockholders	$ (0.12)	$ (0.03)	$ (0.32)	$ (0.15)
Diluted loss per share to common stockholders	$ (0.12)	$ (0.03)	$ (0.32)	$ (0.15)

For pro forma adjusted summary purposes, the financial impacts of Certifica and ARS were not included as they were not significant individually or in the aggregate.

4. Investments and Fair Value Measurements

As of September 30, 2010 and December 31, 2009, the Company had $2.6 million and $2.8 million, respectively, in long-term investments consisting of four separate auction rate securities with a par value of $4.3 million.

Auction rate securities are generally long-term debt instruments that were intended to provide liquidity through a Dutch auction process that resets the applicable interest rate at pre-determined calendar intervals, generally every 28 days. This mechanism typically allows existing investors to rollover their holdings and to continue to own their respective securities or liquidate their holdings by selling their securities at par

value. These securities often are insured against loss of principal and interest by bond insurers. In prior years, the Company invested in these securities for short periods of time as part of its investment policy. However, since 2007, the uncertainties in the credit markets have limited the ability of the Company to liquidate its holdings of certain auction rate securities because the amount of securities submitted for sale has exceeded the amount of purchase orders. Accordingly, the Company continues to hold these long-term securities and is due interest at a higher rate than similar securities for which auctions have cleared. The four remaining securities were valued using a discounted cash flow model that takes into consideration the financial condition of the issuers, the workout period, the discount rate and other factors.

As of September 30, 2010, based on the Company's current fair value estimate, the Company recorded an $188,000 unrealized loss on these investments. The Company is unsure as to when the liquidity issues relating to these investments will improve. Accordingly, the Company classified these securities as non-current as of September 30, 2010 and December 31, 2009. If the credit ratings of the issuers, the bond insurers or the collateral deteriorate further, the Company may further adjust the carrying value of these investments.

Marketable securities, which are classified as available-for-sale, are summarized below (in thousands).

	Amortized Cost	Gross Unrealized Gain (Loss)	Aggregate Fair Value (Unaudited)	Classification on Balance Sheet	
				Short-Term Investments	Long-Term Investments
As of September 30, 2010:					
Investments in public company stock	$ 12	$ —	$ 12	$ 12	$ —
Auction rate securities	2,380	241	2,621	—	2,621
	$ 2,392	$ 241	$ 2,633	$ 12	$ 2,621

	Amortized Cost	Gross Unrealized Gain	Aggregate Fair Value	Classification on Balance Sheet	
				Short-Term Investments	Long-Term Investments
As of December 31, 2009:					
U.S. treasury notes	$ 29,810	$ 23	$ 29,833	$ 29,833	$ —
Auction rate securities	2,380	429	2,809	—	2,809
	$ 32,190	$ 452	$ 32,642	$ 29,833	$ 2,809

There were no gross unrealized losses related to available-for-sale securities as of September 30, 2010 and December 31, 2009.

Cash equivalents have original maturity dates of three months or less. All investments, excluding auction rate securities, have original maturity dates between three months and two years. Auction rate securities have original maturity dates in excess of fifteen years.

The fair value hierarchy of the Company's marketable securities at fair value as of September 30, 2010 and December 31, 2009 is as follows (in thousands):

	September 30, 2010	Fair Value Measurements at Reporting Date Using	
		Quoted Prices in Active Markets for Identical Assets (Level 1) (Unaudited)	Significant Unobservable Inputs (Level 3)
Assets:			
Investments in public company stock	$ 12	$ 12	$ —
Auction rate securities	2,621	—	2,621
Total	$ 2,633	$ 12	$ 2,621

	December 31, 2009	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Unobservable Inputs (Level 3)
Assets:			
U.S. treasury notes	$ 29,833	$ 29,833	$ —
Auction rate securities	2,809	—	2,809
Total	$ 32,642	$ 29,833	$ 2,809

The following table provides a reconciliation of the beginning and ending balances for the major classes of assets measured at fair value using significant unobservable inputs (Level 3) (in thousands):

	Long-term Investments
Balance on December 31, 2009	$ 2,809
Reduction in unrealized gains included in other comprehensive income	(188)
Balance on September 30, 2010 (unaudited)	$ 2,621

5. Goodwill and Intangible Assets

Approximately $17.0 million and $1.9 million of the Company's goodwill are recorded in Euros and the local currencies of its South American subsidiaries, respectively, and therefore, are subject to foreign currency translation adjustments. The change in the carrying value of goodwill for the nine months ended September 30, 2010 is as follows (in thousands):

Balance as of December 31, 2009	$ 42,014
Purchase price allocation for ARS (unaudited)	8,217
Purchase price allocation for Nexius (unaudited)	13,701
Purchase price allocation for Nedstat (unaudited)	16,764
Foreign currency translation (unaudited)	1,243
Balance as of September 30, 2010 (unaudited)	$ 81,939

Certain of the Company's intangible assets are recorded in British Pounds, Euros and the local currencies of its South American subsidiaries, and therefore, the gross carrying amount and accumulated amortization are subject to foreign currency translation adjustments. The carrying values of the Company's amortized acquired intangible assets are as follows (in thousands):

	September 30, 2010			December 31, 2009		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
		(Unaudited)				
Trade names	$ 4,104	$ (276)	$ 3,828	$ 165	$ (14)	$ 151
Customer relationships	38,911	(2,008)	36,903	4,000	(709)	3,291
Acquired methodologies/technologies	10,219	(1,258)	8,961	2,479	(599)	1,880
Intellectual property	2,566	(599)	1,967	2,568	(407)	2,161
Panel	1,627	(542)	1,085	1,763	(501)	1,262
	$ 57,427	$ (4,683)	$ 52,744	$ 10,975	$ (2,230)	$ 8,745

Amortization expense related to intangible assets was approximately $1.4 million and $2.5 million for the three and nine months ended September 30, 2010, respectively, and $385,000 and $1.0 million for the three and nine months ended September 30, 2009, respectively.

The weighted average remaining amortization period by major asset class as of September 30, 2010, is as follows (unaudited):

	(In years)
Trade names	5.0
Acquired methodologies/technologies	6.7
Customer relationships	8.6
Panel	4.7
Intellectual property	7.7

The estimated future amortization of acquired intangible assets as of September 30, 2010 is as follows (unaudited):

	(In thousands)
2010	$ 1,988
2011	7,938
2012	7,592
2013	6,971
2014	6,927
Thereafter	21,328
	$ 52,744

6. Commitments and Contingencies

Leases

In March 2010, the Company increased its equipment line of credit with Banc of America Leasing & Capital, LLC to $11.2 million. The equipment line of credit is available to lease new software, hardware and other computer equipment as the Company expands its technology infrastructure in support of its business growth.

In addition to equipment financed through capital leases, the Company is obligated under various noncancelable operating leases for office facilities and equipment. These leases generally provide for renewal options and escalation increases. Future minimum payments under noncancelable lease agreements with initial terms of one year or more are as follows (unaudited):

	September 30, 2010	
	Capital Leases	Operating Leases
	(In thousands)	
2010	$ 701	$ 1,707
2011	2,803	6,337
2012	2,680	5,578
2013	1,606	4,771
2014	—	4,867
Thereafter	—	17,893
Total minimum lease payments	7,790	$ 41,153
Less amount representing interest	(525)	
Present value of net minimum lease payments	7,265	
Less current portion	(2,505)	
Capital lease obligations, long-term	$ 4,760	

Total rent expense was $1.4 million and $4.1 million for the three and nine months ended September 30, 2010, respectively, and $1.2 million and $3.7 million for the three and nine months ended September 30, 2009, respectively. During the nine months ended September 30, 2010, the Company recorded $405,000 of deferred rent and capitalized assets as a result of landlord allowances in connection with its Toronto office lease. The deferred rent will be applied to rent expense recognized by the Company over the lease term.

Contingencies

On September 28, 2010, the Company extended its $5.0 million revolving line of credit with Bank of America, with an interest rate equal to BBA LIBOR rate plus an applicable margin based upon certain financial ratios, through November 30, 2010. This line of credit includes no restrictive financial covenants. The Company maintains letters of credit in lieu of security deposits with respect to certain office leases. During the nine months ended September 30, 2010, five letters of credit were reduced by approximately $646,000 and no amounts were borrowed against the line of credit. As of September 30, 2010, $3.3 million of letters of credit were outstanding, leaving $1.7 million available for additional letters of credit or other borrowings. These letters of credit may be reduced periodically provided the Company meets the conditional criteria of each related lease agreement.

The Company has no asserted claims as of September 30, 2010, but is from time to time exposed to unasserted potential claims encountered in the normal course of business. Although the outcome of any legal proceedings cannot be predicted with certainty, management believes that the final resolution of these matters will not materially affect the Company's consolidated financial position or results of operations.

7. Income Taxes

The Company's income tax provision for interim periods is calculated by applying its estimated annual effective tax rate on ordinary income before taxes to year-to-date ordinary book income before taxes. The income tax effects of any extraordinary, significant unusual or infrequent items not included in ordinary book income are determined separately and recognized in the period in which the items arise.

During the three and nine months ended September 30, 2010, the Company recorded income tax benefit of $1.2 million and income tax expense of $874,000, respectively, resulting in effective tax rates of 35.6% and 418.2%, respectively, for such periods. During the three and nine months ended September 30, 2009, the Company recorded income tax expense of $1.8 million and $4.4 million, respectively, resulting in effective tax rates of 65.9% and 64.9%, respectively, for such periods. These effective tax rates differ from the Federal statutory rate of 35% primarily due to the effects of state income taxes, foreign income taxes, nondeductible expenses such as certain stock compensation and meals and entertainment, and changes in statutory tax rates which were enacted in the current year. During the three and nine months ended September 30, 2010 and 2009, certain shares related to restricted stock awards vested at times when the Company's stock price was substantially lower than the fair value of those shares at the time of grant. As a result, the income tax deduction related to such shares is less than the expense previously recognized for book purposes. Such shortfalls reduce additional paid-in capital to the extent windfall tax benefits have been previously recognized. However, as described below, the Company has not yet recognized windfall tax benefits because these tax benefits have not resulted in a reduction of current taxes payable. Therefore, the impact of these shortfalls totaling $41,000 and $342,000 have been included in income tax expense for the three and nine months ended September 30, 2010, respectively, and $96,000 and $776,000 for the three and nine months ended September 30, 2009, respectively. The exercise of certain stock options and the vesting of certain restricted stock awards during the three and nine months ended September 30, 2010 and 2009, generated income tax deductions equal to the excess of the fair market value over the exercise price or grant date fair value as applicable. The Company will not recognize a deferred tax asset with respect to the excess of tax over book stock compensation deductions until the tax deductions actually reduce its current taxes payable. As such, the Company has not recorded a deferred tax asset in the accompanying consolidated financial statements related to the additional net operating losses generated from the windfall tax deductions associated with the exercise of these stock options and the vesting of the restricted stock awards. If and when the Company utilizes these net operating losses to reduce income taxes payable, the tax benefit will be recorded as an increase in additional paid-in capital.

As of September 30, 2010 and December 31, 2009, the Company had a valuation allowance of $4.9 million and $3.6 million, respectively, related to the acquired deferred tax assets (primarily net operating loss carryforwards) of the M:Metrics UK subsidiary, the deferred tax assets related to the value of the auction rate securities, and the deferred tax assets of the foreign subsidiaries that are in their start-up phases. The increase in valuation allowance of approximately $1.3 million during the nine months ended September 30, 2010 was attributable to the current year net operating losses generated and expected to expire unutilized by certain foreign subsidiaries.

As of September 30, 2010, the Company concluded that no events occurred during the nine months ended September 30, 2010 that would significantly impact its valuation allowance against deferred tax assets. Management will continue to evaluate its valuation allowance position on a regular basis. To the extent the Company determines that, based on the weight of available evidence, all or a portion of its valuation allowance is no longer necessary, the Company will recognize an income tax benefit in the period such determination is made for the reversal of the valuation allowance. If management determines that, based on the weight of available evidence, it is more-likely-than-not that all or a portion of the net deferred tax assets will not be realized, the Company may recognize income tax expense in the period such determination is made to increase the valuation allowance. It is possible that any such reduction of or addition to the Company's valuation allowance may have a material impact on the Company's results from operations.

As of September 30, 2010 and December 31, 2009, the Company had unrecognized tax benefits of approximately $1.4 million and $1.2 million, respectively. The increase in unrecognized tax benefits of approximately $162,000 is attributable to additional uncertain tax positions identified during the nine months of 2010, a portion of which was acquired as part of the ARS and Nedstat acquisitions. The Company recognizes accrued interest and penalties related to unrecognized tax benefits in income tax expense. As of September 30, 2010 and December 31, 2009, the amount of accrued interest and penalties on unrecognized tax benefits was approximately $699,000 and $489,000, respectively.

The Company or one of its subsidiaries files income tax returns in the U.S. Federal jurisdiction and various state and foreign jurisdictions. For income tax returns filed by the Company, the Company is no longer subject to U.S. Federal examinations by tax authorities for years before 2007 or state and local examinations by tax authorities for years before 2006 although tax attribute carryforwards generated prior to these years may still be adjusted upon examination by tax authorities.

8. Stockholders' Equity

1999 Stock Option Plan and 2007 Equity Incentive Plan

Prior to the effective date of the registration statement for the Company's initial public offering ("IPO") on June 26, 2007, eligible employees and non-employees were awarded options to purchase shares of the Company's common stock, restricted stock or restricted stock units pursuant to the Company's 1999 Stock Plan (the "1999 Plan"). Upon the effective date of the registration statement of the Company's IPO, the Company ceased using the 1999 Plan for the issuance of new equity awards. Upon the closing of the Company's IPO on July 2, 2007, the Company established its 2007 Equity Incentive Plan (the "2007 Plan" and together with the 1999 Plan, the "Plans"). The 1999 Plan will continue to govern the terms and conditions of outstanding awards granted thereunder, but no further shares are authorized for new awards under the 1999 Plan. As of September 30, 2010 and December 31, 2009, the Plans provided for the issuance of a maximum of approximately 7.8 million shares and

6.6 million shares, respectively, of common stock. In addition, the 2007 Plan provides for annual increases in the number of shares available for issuance thereunder on the first day of each fiscal year beginning with the 2008 fiscal year, equal to the lesser of: (i) 4% of the outstanding shares of the Company's common stock on the last day of the immediately preceding fiscal year; (ii) 1,800,000 shares; or (iii) such other amount as the Company's board of directors may determine. The vesting period of options granted under the Plans is determined by the Board of Directors, although, for service-based options the vesting has historically been generally ratably over a four-year period. Options generally expire 10 years from the date of the grant. Effective January 1, 2010, the shares available for grant increased 1,215,423 pursuant to the automatic share reserve increase provision under the Plans. Accordingly, as of September 30, 2010, a total of 1,633,214 shares were available for future grant under the 2007 Plan.

The Company estimates the fair value of stock option awards using the Black-Scholes option-pricing formula and a single option award approach. The Company then amortizes the fair value of awards expected to vest on a ratable straight-line basis over the requisite service periods of the awards, which is generally the period from the grant date to the end of the vesting period.

On May 6, 2010, the Compensation Committee of the Company's Board of Directors awarded on May 4, 2010, a total of 1,043,045 stock options to the Company's then employed named executive officers. These options are subject to market-based vesting, whereby 100% of the shares subject to option will vest in the event that the Company's common stock closing price as reported by the NASDAQ Global Market exceeds an average of $30 per share for a consecutive thirty-day period prior to May 4, 2012 (the "Trigger"). 50% of the shares subject to the options will vest upon achievement of the Trigger and the remaining 50% of the shares subject to the options will vest on the one year anniversary of the achievement of the Trigger, subject to the named executive officer's continued status as a service provider of the Company through such dates. Stock-based compensation expense for the three and nine months ended September 30, 2010 included $1.4 million and $2.3 million related to the market-based stock options.

In July 2010, the Compensation Committee of the Company's Board of Directors authorized the accelerated vesting of certain shares of restricted stock and restricted stock units. The acceleration of 63,678 shares occurred on July 30, 2010 with a second tranche to be accelerated on November 15, 2010 for approximately 63,000 shares. Stock-based compensation expense for the three and nine months ended September 30, 2010 included approximately $1.1 million due to the accelerated vesting.

The following are the weighted-average assumptions used in valuing the stock options granted during the nine months ended September 30, 2010 and a discussion of the Company's assumptions. No stock options were issued during the three months ended September 30, 2010.

	Three and Nine Months Ended September 30, 2010
Dividend yield	0.00%
Expected volatility	67.79%
Risk-free interest rate	2.90%
Expected life of options (in years)	2.00

Dividend yield — The Company has never declared or paid dividends on its common stock and has no plans to pay dividends in the foreseeable future.

Expected volatility — Volatility is a measure of the amount by which a financial variable such as a share price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. The expected volatility is calculated based on the weekly closing price volatility of the Company's common stock for the period from its initial public offering until the grant date.

Risk-free interest rate — The Company used rates on the grant date of zero-coupon government bonds with maturities over periods covering the term of the awards, converted to continuously compounded forward rates.

Expected life of the options — This is the period of time that the options granted are expected to remain outstanding.

A summary of the Plans is presented below:

	Number of Shares	Weighted-Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Options outstanding at December 31, 2009	993,279	$ 2.11		
Options granted (unaudited)	1,043,045	$ 18.21		
Options exercised (unaudited)	215,098	$ 4.19		$ 2,730
Options forfeited (unaudited)	5,628	$ 9.65		
Options expired (unaudited)	8,857	$ 4.60		
Options outstanding at September 30, 2010 (unaudited)	1,806,741	$ 11.13	4.25	$ 22,180
Options exercisable at September 30, 2010 (unaudited)	757,544	$ 1.40	3.75	$ 16,553

The intrinsic value of exercised stock options is calculated based on the difference between the exercise price and the quoted market price of the Company's common stock as of the close of the exercise date. The aggregate intrinsic value for options outstanding and exercisable is calculated as the difference between the exercise price of the underlying stock option awards and the quoted market price of the Company's common stock at September 30, 2010. The aggregate intrinsic value of exercised stock options is calculated based on the difference between the exercise price and the quoted market price of the Company's common stock as of the close of the exercise date. As of September 30, 2010, total unrecognized compensation expense related to non-vested stock options granted prior to that date is estimated at $4.2 million, which the Company expects to recognize over a weighted average period of approximately 1.04 years. Total unrecognized compensation expense is estimated and may be increased or decreased in future periods for subsequent grants or forfeitures.

The Company's nonvested stock awards are comprised of restricted stock and restricted stock units. The Company has a right of repurchase on such shares that lapse at a rate of twenty-five percent (25%) of the total shares awarded at each successive anniversary of the initial award date, provided that the employee continues to provide services to the Company. In the event that an employee terminates their employment with the Company, any shares that remain unvested and consequently subject to the right of repurchase shall be automatically reacquired by the Company at the original purchase price paid by the employee. During the nine months ended September 30, 2010, a total of 126,690 forfeited shares of restricted stock have been repurchased by the Company at no cost. A summary of the status for nonvested stock awards as of September 30, 2010 is presented as follows (unaudited):

Nonvested Stock Awards	Restricted Stock	Restricted Stock Units	Total Number of Shares Underlying Awards	Weighted Average Grant-Date Fair Value
Nonvested at December 31, 2009	1,599,283	186,819	1,786,102	$ 13.11
Granted (unaudited)	958,194	189,900	1,148,094	16.49
Vested (unaudited)	780,638	62,605	843,243	13.69
Forfeited (unaudited)	126,690	21,478	148,168	13.28
Nonvested at September 30, 2010 (unaudited)	1,650,149	292,636	1,942,785	$ 14.84

The aggregate intrinsic value for all non-vested shares of restricted common stock and restricted stock units outstanding as of September 30, 2010 was $45.7 million. The weighted average remaining contractual life for all non-vested shares of restricted common stock and restricted stock units as of September 30, 2010 was 2.32 years.

The Company granted nonvested stock awards at no cost to recipients during the nine months ended September 30, 2010. As of September 30, 2010, total unrecognized compensation expense related to non-vested restricted stock and restricted stock units was $23.5 million, which the Company expects to recognize over a weighted average period of approximately 1.73 years. Total unrecognized compensation expense may be increased or decreased in future periods for subsequent grants or forfeitures.

Of the 843,243 shares of the Company's restricted stock and restricted stock units vesting during the nine months ended September 30, 2010, the Company repurchased 291,256 shares at an aggregate purchase price of approximately $4.7 million pursuant to the stockholder's right under the Plans to elect to use common stock to satisfy tax withholding obligations.

Shares Reserved for Issuance

At September 30, 2010, the Company had reserved for future issuance the following shares of common stock upon the exercise of options and warrants (unaudited):

Common stock available for future issuances under the Plans	1,633,214
Common stock available for outstanding options and restricted stock units	2,099,377
Common stock warrants	24,375
	3,756,966

Unregistered Sales of Equity Securities

On July 1, 2010, in connection with its purchase all of the outstanding capital stock of Nexius, the Company issued a total of 158,070 unregistered shares of comScore common stock as partial consideration for such acquisition.

On August 31, 2010, in connection with its purchase of all of the outstanding capital stock of Nedstat, the Company issued a total of 58,045 shares of common stock to

two key employee shareholders of Nedstat. These shares were issued pursuant to the terms of Stock Purchase Agreements based on the purchase of such number of shares equal to 30% of such sharesholders' respective consideration received in the acquisition of Nedstat by the Company.

9. Geographic Information

The Company attributes revenues to customers based on the location of the customer. The composition of the Company's sales to unaffiliated customers between those in the United States and those in other locations for the three and nine months ended September 30, 2010 and 2009 is set forth below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(Unaudited) (In thousands)			
United States	$ 36,797	$ 26,983	$ 102,072	$ 79,861
Canada	2,038	1,588	5,828	4,416
Europe (EMEA)	4,932	2,830	10,458	8,538
Latin America	1,419	226	4,057	476
Asia	517	289	1,387	624
Total Revenues	$ 45,703	$ 31,916	$ 123,802	$ 93,915

The composition of the Company's property and equipment between those in the United States and those in other countries as of the end of each period is set forth below (in thousands):

	September 30, 2010	December 31, 2009
	(Unaudited)	
United States	$ 21,035	$ 17,023
Canada	411	23
Europe	1,708	256
Latin America/Asia	21	—
Total	$ 23,175	$ 17,302

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes to those statements included elsewhere in this Quarterly Report on Form 10-Q. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and elsewhere in this document. See also "Cautionary Notes Concerning Forward-Looking Statements" at the beginning of this Quarterly Report on Form 10-Q.

Overview

We provide a leading digital marketing intelligence platform that helps our customers make better-informed business decisions and implement more effective digital business strategies. Our products and solutions offer our customers deep insights into consumer behavior, including objective, detailed information regarding usage of their online properties and those of their competitors, coupled with information on consumer demographic characteristics, attitudes, lifestyles and offline behavior.

Our digital marketing intelligence platform is comprised of proprietary databases and a computational infrastructure that measures, analyzes and reports on digital activity. The foundation of our platform is data collected from our comScore panel of approximately two million Internet users worldwide who have granted us explicit permission to confidentially measure their Internet usage patterns, online and certain offline buying behavior and other activities. By applying advanced statistical methodologies to our panel data, we project consumers' online behavior for the total online population and a wide variety of user categories. This panel information is complemented by a Unified Digital Measurement solution to digital audience measurement. Unified Digital Measurement blends panel and server methodologies into a solution that provides a direct linkage and reconciliation between server and panel measurement.

We deliver our digital marketing intelligence through our comScore Media Metrix product family, through our comScore Marketing Solutions products and, since May 2008, through our M:Metrics products suite. Media Metrix delivers digital media intelligence by providing an independent, third-party measurement of the size, behavior and characteristics of Web site and online advertising network audiences among home, work and university Internet users as well as insight into the effectiveness of online advertising. Our Marketing Solutions products combine the proprietary information gathered from the comScore panel with the vertical industry expertise of comScore analysts to deliver digital marketing intelligence, including the measurement of online advertising effectiveness, customized for specific industries. We typically deliver our Media Metrix products electronically in the form of weekly, monthly or quarterly reports. Customers can access current and historical Media Metrix data and analyze these data anytime online. Our M:Metrics products suite connects mobile consumer behavior, content merchandising, and device capabilities to provide comprehensive mobile market intelligence. Customers can access our M:Metrics data sets and reports anytime online. Our Marketing Solutions products are typically delivered on a monthly, quarterly or ad hoc basis through electronic reports and analyses.

Our company was founded in August 1999. By 2000, we had established a panel of Internet users and began delivering digital marketing intelligence products that measured online browsing and buying behavior to our first customers. We also introduced netScore, our initial syndicated Internet audience measurement product. We accelerated our introduction of new products in 2003 with the launch of Plan Metrix (formerly AiM 2.0), qSearch, and the Campaign R/F (Reach and Frequency) analysis system and product offerings that measure online activity at the local market level. By 2004, we had built a global panel of approximately two million Internet users. In that year, in cooperation with Arbitron, we launched a service that provides ratings of online radio audiences. In 2005, we expanded our presence in Europe by opening an office in London. In 2006, we continued to expand our measurement capabilities with the launch of World Metrix, a product that provides worldwide data on digital media usage, and Video Metrix, our product that measures the audience for streaming online video. In 2007, we completed our initial public offering and we also launched ten new products during that year, including Campaign Metrix, qSearch 2.0, Ad Metrix, Brand Metrix, Segment Metrix and comScore Marketer. During 2008, we launched Ad Metrix-Advertiser View, a tool for agencies and publishers designed to support their media buying and selling activities and supply their competitive intelligence needs, Plan Metrix, the second generation of our media planning product, and Extended Web Measurement, which allows the tracking of distributed web content across third party sites, such as video, music, gaming applications, widgets and social media. Beginning in Summer 2009, the panel information has been complemented by comScore Media Metrix 360, a "Unified Digital Measurement" solution to digital audience measurement that blends panel and server methodologies into an approach that provides a direct linkage and reconciliation between server and panel measurement.

We have complemented our internal development initiatives with select acquisitions. On June 6, 2002, we acquired certain Media Metrix assets from Jupiter Media Metrix, Inc. Through this acquisition, we acquired certain Internet audience measurement services that report details of Web site usage and visitor demographics. On July 28, 2004, we acquired the outstanding stock of Denaro and Associates, Inc, otherwise known as Q2 Brand Intelligence, Inc. or Q2, to improve our ability to provide our customers more robust survey research integrated with our underlying digital marketing intelligence platform. On January 4, 2005, we acquired the assets and assumed certain liabilities of SurveySite Inc., or SurveySite. Through this acquisition, we acquired proprietary Internet-based data-collection technologies and increased our customer penetration and revenues in the survey business. On May 28, 2008, we acquired the outstanding stock of M:Metrics, Inc. to expand our abilities to provide our customers a more robust solution for the mobile medium. In the middle of November 2009, we acquired Certifica, Inc., a leader in web measurement in Latin America, as part of our global expansion. Certifica maintains offices and sales resources in six Latin American countries, which we hope will provide a platform to enhance our business in that region. On February 10, 2010, we acquired the outstanding stock of ARSgroup, Inc. to expand our ability to provide our clients with actionable information to improve their creative and strategic messaging targeted against specific audiences. On July 1, 2010, we acquired the outstanding stock of Nexius, Inc., or Nexius. Nexius is a provider of mobile carrier-grade products that deliver network analysis focused on the experience of wireless subscribers, as well as network intelligence with respect to performance, capacity and configuration analytics. On August 31, 2010, we acquired the outstanding stock of Nedstat B.V., or Nedstat. Nedstat is a provider of web analytics and innovative video measurement solutions.

Our total revenues have grown to $127.7 million during the fiscal year ended December 31, 2009 and $123.8 million for the first three quarters of 2010 from $66.3 million during the fiscal year ended December 31, 2006. By comparison, our total expenses from operations have grown to $118.2 million during the fiscal year ended December 31, 2009 and $123.9 million during the first three quarters of 2010 from $60.7 million during the fiscal year ended December 31, 2006. The growth in our revenues has been primarily the result of:

- increased sales to existing customers, as a result of our efforts to deepen our relationships with these clients by increasing their awareness of, and confidence in, the value of our digital marketing intelligence platform;
- growth in our customer base through the addition of new customers;
- the sales of new products to existing and new customers;
- growth in sales outside of the U.S. as a result of entering into new international markets in, and
- growth due to acquisitions.

As of September 30, 2010, we had 1,682 customers, 229 of which came from acquired businesses, compared to 706 as of December 31, 2006. We sell most of our products through our direct sales force.

As a result of the recent global financial crisis in the credit markets, softness in the housing markets, difficulties in the financial services sector and continuing economic uncertainties, the direction and relative strength of the U.S. and global economies have become increasingly uncertain. During 2009, we experienced a limited number of our current and potential customers ceasing, delaying or reducing renewals of existing subscriptions and purchases of new or additional services and products presumably due to the economic downturn. Further, certain of our existing customers exited the market due to industry consolidation and bankruptcy in connection with these challenging economic conditions. During the first half of 2010 the U.S. and other economics showed signs of recovery and we continued to add net new customers at a rate higher than quarterly average net increases during 2009. In addition, our existing customers renewed their subscriptions at a rate of over 91% based on dollars renewed during the first three quarters of 2010. However, if economic recovery slows or adverse economic conditions continue or further deteriorate, our operating results could be adversely affected.

Our Revenues

We derive our revenues primarily from the fees that we charge for subscription-based products and customized projects. We define subscription-based revenues as revenues that we generate from products that we deliver to a customer on a recurring basis. We define project revenues as revenues that we generate from customized projects that are performed for a specific customer on a non-recurring basis. We market our subscription-based products, customized projects and survey services within the comScore Media Metrix product family, comScore Marketing Solutions, our mobile solutions including Nexius products, and Nedstat's web analytics solutions.

A significant characteristic of our business model is our large percentage of subscription-based contracts. Subscription-based revenues accounted for 86% of total revenues during the nine months ended September 30, 2010, 86% of total revenues in 2009, 83% of total revenues in 2008 and 79% of total revenues in 2007.

Many of our customers who initially purchased a customized project have subsequently purchased one of our subscription-based products. Similarly, many of our subscription-based customers have subsequently purchased additional customized projects.

Historically, we have generated most of our revenues from the sale and delivery of our products to companies and organizations located within the United States. We intend to expand our international revenues by selling our products and deploying our direct sales force model in additional international markets in the future. For the year ended December 31, 2009, our international revenues were $19.7 million, an increase of $3.2 million, or 19%, compared to 2008. For the nine months ended September 30, 2010, our international revenues were $21.7 million, an increase of $7.7 million, or 54% over international revenues of $14.0 million for the nine months ended September 30, 2009. International revenues comprised approximately 18% of our total revenues for the nine months ending September 30, 2010 and 15% and 14% of our total revenues for the fiscal years ended December 31, 2009 and 2008, respectively.

We anticipate that revenues from our U.S. customers will continue to constitute the substantial majority of our revenues, but we expect that revenues from customers outside of the U.S. will increase as a percentage of total revenues as we build greater international recognition of our brand and expand our sales operations globally.

Subscription Revenues

We generate a significant proportion of our subscription-based revenues from our Media Metrix product family. Products within the Media Metrix family include Media Metrix 360, Media Metrix 2.0, Plan Metrix, World Metrix, Video Metrix and Ad Metrix. These product offerings provide subscribers with intelligence on digital media usage, audience characteristics, audience demographics and online and offline purchasing behavior. Customers who subscribe to our Media Metrix products are provided with login IDs to our web site, have access to our database and can generate reports at anytime.

We also generate subscription-based revenues from certain reports and analyses provided through comScore Marketing Solutions, if that work is procured by customers for at least a nine month period and the customer enters into an agreement to continue or extend the work. Through our Marketing Solutions products, we deliver digital marketing intelligence relating to specific industries, such as automotive, consumer packaged goods, entertainment, financial services, media, pharmaceutical, retail, technology, telecommunications and travel. This marketing intelligence leverages our global consumer panel and extensive database to deliver information unique to a particular customer's needs on a recurring schedule, as well as on a continual-access basis. Our Marketing Solutions customer agreements typically include a fixed fee with an initial term of at least one year. We also provide these products on a non-subscription basis as described under "Project Revenues" below.

In addition, we generate subscription-based revenues from survey products that we sell to our customers. In conducting our surveys, we generally use our global Internet user panel. After questionnaires are distributed to the panel members and completed, we compile their responses and then deliver our findings to the customer, who also has ongoing access to the survey response data as they are compiled and updated over time. These data include responses and information collected from the actual survey questionnaire and can also include behavioral information that we passively collect from our panelists. If a customer contractually commits to having a survey conducted on a recurring basis, we classify the revenues generated from such survey products as subscription-based revenues. Our contracts for survey services typically include a fixed fee with terms that range from two months to one year.

On July 1, 2010, we completed our acquisition of Nexius, Inc., resulting in additional revenue sources, including software licenses, professional services (including implementation, training and customized consulting services), and maintenance and technical support contracts. Our arrangements generally contain multiple elements, consisting of the various service offerings. We recognize software license arrangements that include significant modification and customization of the software in accordance with Financial Accounting Standards Board Accounting Standards Codification, or ASC 985-605, *Software Recognition* and ASC 605-35, *Revenue Recognition-Construction-Type and Certain Production-Type Contracts*, typically using the completed contract period method. We currently do not have vendor specific objective evidence, or VSOE, for the multiple deliverables and account for all elements in these arrangements as a single unit of accounting, recognizing the entire arrangement fee as revenue over the service period of the last delivered element. During the period of performance, billings and costs (to the extent they are recoverable) are accumulated on the balance sheet, but no profit or income is recorded before user acceptance of the software license. To the extent estimated costs are expected to exceed revenue we accrue for costs immediately.

On August 31, 2010, we completed our acquisition of Nedstat, resulting in additional revenue sources, including software subscriptions, server calls, and professional services (including training and consulting). Our arrangements generally contain multiple elements, consisting of the various service offerings, with revenue recognition occurring ratably over the remaining subscription term after all elements have commenced delivery.

Project Revenues

We generate project revenues by providing customized information reports to our customers on a nonrecurring basis through comScore Marketing Solutions. For example, a customer in the media industry might request a custom report that profiles the behavior of the customer's active online users and contrasts their market share and loyalty with similar metrics for a competitor's online user base. If this customer continues to request the report beyond an initial project term of at least nine months and enters into an agreement to purchase the report on a recurring basis, we begin to classify these future revenues as subscription-based.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the amounts reported in our consolidated financial statements and the accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. While our significant accounting policies are described in more detail in the notes to our consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q and in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2009, we believe the following accounting policies to be the most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We recognize revenues when the following fundamental criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or the services have been rendered, (iii) the fee is fixed or determinable, and (iv) collection of the resulting receivable is reasonably assured.

We generate revenues by providing access to our online database or delivering information obtained from our database, usually in the form of periodic reports. Revenues are typically recognized on a straight-line basis over the period in which access to data or reports are provided, which generally ranges from three to 24 months.

We also generate revenues through survey services under contracts ranging in term from two months to one year. Our survey services consist of survey and questionnaire design with subsequent data collection, analysis and reporting. We recognize revenues on a straight-line basis over the estimated data collection period once the survey or questionnaire design has been delivered. Any change in the estimated data collection period results in an adjustment to revenues recognized in future periods.

Certain of our arrangements contain multiple elements, consisting of the various services we offer. Multiple element arrangements typically consist of a subscription to our online database combined with customized services. We have determined that there is not objective and reliable evidence of fair value for any of our services and, therefore, account for all elements in multiple element arrangements as a single unit of accounting. Access to data under the subscription element is generally provided shortly after the execution of the contract. However, the initial delivery of customized services generally occurs subsequent to contract execution. We recognize the entire arrangement fee over the performance period of the last deliverable. As a result, the total arrangement fee is recognized on a straight-line basis over the period beginning with the commencement of the last customized deliverable.

Generally, our contracts are non-refundable and non-cancelable. In the event a portion of a contract is refundable, revenue recognition is delayed until the refund provisions lapse. A limited number of customers have the right to cancel their contracts by providing us with written notice of cancellation. In the event that a customer cancels its contract, it is not entitled to a refund for prior services, and it will be charged for costs incurred plus services performed up to the cancellation date.

In connection with our acquisition of Nexius, Inc., we acquired additional revenue sources, including software licenses, professional services (including implementation, training and customized consulting services), and maintenance and technical support contracts. Our arrangements generally contain multiple elements, consisting of the various service offerings. We recognize software license arrangements that include significant modification and customization of the software in accordance with ASC 985-605, *Software Recognition* and ASC 605-35, *Revenue Recognition-Construction-Type and Certain Production-Type Contracts*, typically using the completed contract method. We currently do not have VSOE for the multiple deliverables and account for all elements in these arrangements as a single unit of accounting, recognizing the entire arrangement fee as revenue over the service period of the last delivered element. During the period of performance, billings and costs (to the extent they are recoverable) are accumulated on the balance sheet, but no profit or income is recorded before user acceptance of the software license. To the extent estimated costs are expected to exceed revenue we accrue for costs immediately.

In connection with our acquisition of Nedstat, we acquired additional revenue sources, including software subscriptions, server calls, and professional services (including training and consulting). Our arrangements generally contain multiple elements, consisting of the various service offerings, with revenue recognition occurring ratably over the remaining subscription term after all elements have commenced delivery.

Fair Value Measurements

We evaluate the fair value of certain assets and liabilities using the fair value hierarchy. Fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. We prioritize the inputs used in measuring fair value using the following hierarchy:

Level 1 — observable inputs such as quoted prices in active markets;

Level 2 — inputs other than the quoted prices in active markets that are observable either directly or indirectly;

Level 3 — unobservable inputs of which there is little or no market data, which require us to develop our own assumptions.

This hierarchy requires the use of observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, we measure our marketable securities at fair value and determine the appropriate classification level for each reporting period. This determination requires significant judgments to be made by us.

Our investment instruments are classified within Level 1 or Level 3 of the fair value hierarchy. Level 1 investment instruments are valued using quoted market prices. Level 3 instruments are valued using valuation models, primarily discounted cash flow analyses. The types of instruments valued based on quoted market prices in active markets include all U.S. government and agency securities. Such instruments are generally classified within Level 1 of the fair value hierarchy. The types of instruments valued based on significant unobservable inputs include our illiquid auction rate securities. Our illiquid auction rate securities are valued using a model that takes into consideration the securities coupon rate, the financial condition of the issuers and the bond insurers, the expected date liquidity will be restored, as well as an applied illiquidity discount. Such instruments are classified within Level 3 of the fair value hierarchy.

Cash equivalents, investments, accounts receivable, prepaid expenses and other assets, accounts payable, accrued expenses, deferred revenue, deferred rent and capital lease obligations reported in the consolidated balance sheets equal or approximate their respective fair values.

Assets and liabilities that are measured at fair value on a non-recurring basis include intangible assets and goodwill. We recognize these items at fair value when they are considered to be impaired. During the three and nine months ended September 30, 2010 and 2009, there were no fair value adjustments for assets and liabilities measured on a non-recurring basis.

Business Combinations

We recognize all of the assets acquired, liabilities assumed, contractual contingencies, and contingent consideration at their fair value on the acquisition date. Acquisition-related costs are recognized separately from the acquisition and expensed as incurred. Generally, restructuring costs incurred in periods subsequent to the acquisition date are expensed when incurred. All subsequent changes to a valuation allowance or uncertain tax position that relate to the acquired company and existed at the acquisition date that occur both within the measurement period and as a result of facts and circumstances that existed at the acquisition date are recognized as an adjustment to goodwill. All other changes in valuation allowance are recognized as a reduction or increase to income tax expense or as a direct adjustment to additional paid-in capital as required. Acquired in-process research and development is capitalized as an intangible asset and amortized over its estimated useful life.

Goodwill and Intangible Assets

We record goodwill and intangible assets when we acquire other businesses. The allocation of the purchase price to intangible assets and goodwill involves the extensive use of management's estimates and assumptions, and the result of the allocation process can have a significant impact on our future operating results. We estimate the fair value of identifiable intangible assets acquired using several different valuation approaches, including relief from royalty method, and income and market approaches. The relief from royalty method assumes that if we did not own the intangible asset or intellectual property, we would be willing to pay a royalty for its use. We generally use the relief from royalty method for estimating the value of acquired technology/methodology assets. The income approach converts the anticipated economic benefits that we assume will be realized from a given asset into value. Under this approach, value is measured as the present worth of anticipated future net cash flows generated by an asset. We generally use the income approach to value customer relationship assets and non-compete agreements. The market approach compares the acquired asset to similar assets that have been sold. We generally use the market approach to value trademarks and brand assets.

Intangible assets with finite lives are amortized over their useful lives while goodwill and indefinite lived assets are not amortized, but rather are periodically tested for impairment. An impairment review generally requires developing assumptions and projections regarding our operating performance. We have determined that all of our goodwill is associated with one reporting unit as we do not operate separate lines of business with respect to our services. Accordingly, on an annual basis we perform the impairment assessment for goodwill at the enterprise level by comparing the fair value of our reporting unit to its carrying value including goodwill recorded by the reporting unit. If the carrying value exceeds the fair value, impairment is measured by comparing the implied fair value of the goodwill to its carrying value and any impairment determined is recorded in the current period. If our estimates or the related assumptions change in the future, we may be required to record impairment charges to reduce the carrying value of these assets, which could be material. There were no impairment charges recognized during the three and nine months ended September 30, 2010 and 2009.

Long-lived assets

Our long-lived assets primarily consist of property and equipment and intangible assets. We evaluate the recoverability of our long-lived assets for impairment whenever events or changes in circumstances indicate the carrying value of such assets may not be recoverable. If an indication of impairment is present, we compare the estimated undiscounted future cash flows to be generated by the asset to its carrying amount.

Recoverability measurement and estimation of undiscounted cash flows are grouped at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities. If the undiscounted future cash flows are less than the carrying amount of the asset, we record an impairment loss equal to the excess of the asset's carrying amount over its fair value. The fair value is determined based on valuation techniques such as a comparison to fair values of similar assets or using a discounted cash flow analysis. Although we believe that the carrying values of our long-lived assets are appropriately stated, changes in strategy or market conditions or significant technological developments could significantly impact these judgments and require adjustments to recorded asset balances. There were no impairment charges recognized during the three and nine months ended September 30, 2010 and 2009.

Allowance for Doubtful Accounts

We manage credit risk on accounts receivable by performing credit evaluations of our customers for existing customers coming up for renewal as well as all prospective new customers, by reviewing our accounts and contracts and by providing appropriate allowances for uncollectible amounts. Allowances are based on management's judgment, which considers historical experience and specific knowledge of accounts that may not be collectible. We make provisions based on our historical bad debt experience, a specific review of all significant outstanding invoices and an assessment of general economic conditions. If the financial condition of a customer deteriorates, resulting in an impairment of its ability to make payments, additional allowances may be required.

Income Taxes

We account for income taxes using the asset and liability method. We estimate our tax liability through calculations we perform for the determination of our current tax liability, together with assessing temporary differences resulting from the different treatment of items for income tax and financial reporting purposes. These differences result in deferred tax assets and liabilities, which are recorded on our balance sheets. We then assess the likelihood that deferred tax assets will be recovered in future periods. In assessing the need for a valuation allowance against the deferred tax assets, we consider factors such as future reversals of existing taxable temporary differences, taxable income in prior carryback years, if carryback is permitted under the tax law, tax planning strategies and future taxable income exclusive of reversing temporary differences and carryforwards. In evaluating projections of future taxable income, we consider our history of profitability, the competitive environment, the overall outlook for the online marketing industry and general economic conditions. In addition, we consider the timeframe over which it would take to utilize the deferred tax assets prior to their expiration. To the extent we cannot conclude that it is more likely than not that the benefit of such assets will be realized, we establish a valuation allowance to adjust the carrying value of such assets.

As of September 30, 2010, we estimate our federal and state net operating loss carryforwards for tax purposes are approximately $51.2 million and $35.5 million, respectively. These net operating loss carryforwards will begin to expire in 2023 for federal and in 2014 for state income tax reporting purposes. As of September 30, 2010, we estimate our aggregate net operating loss carryforward for tax purposes related to our foreign subsidiaries is $31.0 million, which begins to expire in 2014. In addition, as of September 30, 2010, we had alternative minimum tax credit carryforwards of $1.2 million which can be carried forward indefinitely and research and development credit carryforwards of approximately $701,000 which begin to expire in 2025.

As of September 30, 2010 and December 31, 2009, we recorded valuation allowances against certain deferred tax assets of $4.9 million and $3.6 million, respectively. At September 30, 2010 and December 31, 2009, the valuation allowance was primarily related to the acquired deferred tax assets of our M:Metrics UK subsidiary, the deferred tax asset related to the value of our auction rate securities, and the deferred tax assets of the foreign subsidiaries that are in their start-up phases, including China, Germany, Hong Kong and certain Certifica and Nedstat entities.

As of December 31, 2009, we concluded that it was not more likely than not that a substantial portion of our deferred tax assets in certain foreign jurisdictions would be realized and that an increase in the valuation allowance was necessary. In making that determination, we considered the losses incurred in these foreign jurisdictions during 2009, the current overall economic environment, and the uncertainty regarding the profitability of acquired businesses. As a result, we recorded an increase in the deferred tax asset valuation allowance of approximately $719,000. As of September 30, 2010, we concluded that no events occurred during the nine months ended September 30, 2010 that would impact our valuation allowance against deferred tax assets.

The exercise of certain stock options and the vesting of certain restricted stock awards during the nine months ended September 30, 2010 and 2009 generated income tax deductions equal to the excess of the fair market value over the exercise price or grant date fair value, as applicable. We will not recognize a deferred tax asset with respect to the excess of tax over book stock compensation deductions until the tax deductions actually reduce our current taxes payable. As such, we have not recorded a deferred tax asset in the accompanying consolidated financial statements related to the additional net operating losses generated from the windfall tax deductions associated with the exercise of these stock options and the vesting of the restricted stock awards. If and when we utilize these net operating losses to reduce income taxes payable, the tax benefit will be recorded as an increase in additional paid-in capital.

During the three and nine months ended September 30, 2010 and 2009, certain shares related to restricted stock awards vested at times when our stock price was substantially lower than the fair value of those shares at the time of grant. As a result, the income tax deduction related to such shares is less than the expense previously recognized for book purposes. Such shortfalls reduce additional paid-in capital to the extent windfall tax benefits have been previously recognized. However, as described above, we have not yet recognized windfall tax benefits because these tax benefits have not resulted in a reduction of current taxes payable. Therefore, the impact of these shortfalls totaling $41,000 and $342,000 has been included in income tax expense for the three and nine months ended September 30, 2010, respectively, and $96,000 and $776,000 for the three

and nine months ended September 30, 2009, respectively. Looking forward, we expect our income tax provisions for future reporting periods will be impacted by this stock compensation tax deduction shortfall. We cannot predict the stock compensation shortfall impact because of dependency upon future market price performance of our stock.

For uncertain tax positions, we use a more-likely-than not recognition threshold based on the technical merits of the tax position taken. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefits determined on a cumulative probability basis, which are more likely than not to be realized upon ultimate settlement in the financial statements. As of September 30, 2010 and December 31, 2009, we had unrecognized tax benefits of $1.4 million and $1.2 million, respectively, on a tax-effected basis. It is our policy to recognize interest and penalties related to income tax matters in income tax expense. As of September 30, 2010 and December 31, 2009, the amount of accrued interest and penalties on unrecognized tax benefits was $699,000 and $489,000, respectively. We or one of our subsidiaries files income tax returns in the U.S. Federal jurisdiction and various states and foreign jurisdictions. For income tax returns filed by us, we are no longer subject to U.S. Federal examinations by tax authorities for years before 2007 or state and local tax examinations by tax authorities for years before 2006, although tax attribute carryforwards generated prior to these years may still be adjusted upon examination by tax authorities.

Stock-Based Compensation

We estimate the fair value of share-based awards on the date of grant. The fair value of stock options is determined using the Black-Scholes option-pricing model. The fair value of market-based stock options is determined using a Monte Carlo simulation embedded in a lattice model. The fair value of restricted stock awards is based on the closing price of our common stock on the date of grant. The determination of the fair value of stock option awards and restricted stock awards is based on a variety of factors including, but not limited to, the our common stock price, expected stock price volatility over the expected life of awards, and actual and projected exercise behavior. Additionally we estimate forfeitures for share-based awards at the dates of grant based on historical experience, adjusted for future expectation. The forfeiture estimate is revised as necessary if actual forfeitures differ from these estimates.

We issue restricted stock awards whose restrictions lapse upon either the passage of time (service vesting), achieving performance targets, or some combination of these restrictions. For those restricted stock awards with only service conditions, we recognize compensation cost on a straight-line basis over the explicit service period. For awards with both performance and service conditions, we start recognizing compensation cost over the remaining service period when it is probable the performance condition will be met. Stock awards that contain performance or market vesting conditions, are excluded from diluted earning per share computations until the contingency is met as of the end of that reporting period.

If factors change and we employ different assumptions in future periods, the compensation expense we record may differ significantly from what we have previously recorded. Beginning in 2007, we made use of restricted stock awards and reduced our use of stock options as a form of stock-based compensation.

At September 30, 2010, total estimated unrecognized compensation expense related to unvested stock-based awards granted prior to that date was $27.7 million, which is expected to be recognized over a weighted-average period of 1.63 years.

The actual amount of stock-based compensation expense we record in any fiscal period will depend on a number of factors, including the number of shares subject to restricted stock and/or stock options issued, the fair value of our common stock at the time of issuance and the expected volatility of our stock price over time. In addition, changes to our incentive compensation plan that heavily favor stock-based compensation are expected to cause stock-based compensation expense to increase in absolute dollars.

Seasonality

Historically, a slightly higher percentage of our customers have renewed their subscription products with us during the fourth quarter.

Results of Operations

The following table sets forth selected consolidated statements of operations data as a percentage of total revenues for each of the periods indicated.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
	(Unaudited)			
Revenues	100.0%	100.0%	100.0%	100.0%
Cost of revenues	30.1	29.6	29.5	31.1
Selling and marketing	35.7	32.1	33.9	33.1
Research and development	15.9	14.7	14.9	14.1
General and administrative	22.3	13.6	19.9	13.7
Amortization	3.0	1.2	2.1	1.1
Total expenses from operations	107.0	91.2	100.3	93.1

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009
	(Unaudited)			
(Loss) income from operations	(7.0)	8.8	(0.3)	6.9
Interest and other (expense) income, net	(0.1)	0.1	0.1	0.4
Loss from foreign currency	(0.2)	(0.2)	(0.2)	(0.1)
Income before income taxes	(7.3)	8.7	(0.4)	7.2
Provision for income taxes	2.6	(5.7)	(0.6)	(4.7)
Net (loss) income	(4.7)	3.0	(1.1)	2.5

Three and Nine Month Periods ended September 30, 2010 compared to the Three and Nine Month Periods ended September 30, 2009

Revenues

	Three Months Ended September 30, 2010	Three Months Ended September 30, 2009	Change $	Change %	Nine Months Ended September 30, 2010	Nine Months Ended September 30, 2009	Change $	Change %
	(Unaudited) (Dollars in thousands)							
Revenues	$ 45,703	$ 31,916	$ 13,787	43.2%	$ 123,802	$ 93,915	$ 29,887	31.8%

Total revenues increased by approximately $13.8 million during the three months ended September 30, 2010 as compared to the three months ended September 30, 2009. The revenue growth was substantially due to increased sales to our existing customer base as a result of both organic growth and acquisitions. In addition, our customer base continued to grow as compared to the prior year period. Included in total revenues for the three months ended September 30, 2010 was approximately $8.0 million related to our acquired businesses that were acquired subsequent to September 30, 2009. Our total customer base grew by a net increase of 466 customers to 1,682 customers, including 229 from the acquired businesses, as of September 30, 2010 from 1,216 as of September 30, 2009. Sales to existing customers totaled $40.1 million during the three months ended September 30, 2010, which was an increase of $11.5 million over the corresponding period in 2009. During the same period, revenues from new customers were $5.6 million, an increase of approximately $2.3 million from the prior year period.

Revenues from customers outside of the U.S. totaled approximately $8.9 million, or approximately 19.5% of total revenues, during the three months ended September 30, 2010, which was an increase of $4.0 million compared to the prior year period. The increase was due to ongoing international expansion as well as the acquisition of international based businesses such as Nedstat and Certifica. During the three months ended September 30, 2010, revenues increased $2.1 million for Europe, $1.2 million for Latin America, $450,000 for Canada and $228,000 for Asia as compared to the prior year period.

We experienced continued revenue growth in subscription revenues, which increased by approximately $11.2 million during the three months ended September 30, 2010, from $27.2 million in the corresponding year period. In addition, our project-based revenues increased by approximately $2.6 million during the three months ended September 30, 2010, from $4.7 million in the corresponding year period.

Total revenues increased by approximately $29.9 million during the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. The revenue growth was substantially due to increased sales to our existing customer base as a result of both organic growth and acquisitions. In addition, our customer base continued to grow as compared to the prior year period. Included in total revenues for the nine months ended September 30, 2010 was approximately $16.8 million related to our acquired businesses that were acquired subsequent to September 30, 2009.

Sales to existing customers totaled $110.5 million during the nine months ended September 30, 2010, which was an increase of $27.2 million over the corresponding period in 2009. During the same period, revenues from new customers were $13.3 million, an increase of approximately $2.7 million from the prior year period.

Revenues from customers outside of the U.S. totaled approximately $21.7 million, or approximately 17.6% of total revenues, during the nine months ended September 30, 2010, which was an increase of $7.7 million compared to the prior year period. The increase was due to ongoing international expansion efforts as well as the acquisition of international based businesses such as Nedstat and Certifica. During the nine months ended September 30, 2010, revenues increased $3.6 million for Latin America, $1.9 million for Europe, $1.4 million for Canada and $763,000 for Asia as compared to the prior year period.

We experienced continued revenue growth in subscription revenues, which increased by approximately $25.4 million during the nine months ended September 30, 2010, from $80.6 million in the corresponding year period. In addition, our project-based revenues increased by approximately $4.5 million during the nine months ended September 30, 2010, from $13.3 million in the corresponding year period.

Operating Expenses

Our operating expenses consist of cost of revenues, selling and marketing expenses, research and development expenses, general and administrative expenses and amortization expenses.

Included in our operating expenses are costs such as rent and other facilities related costs, and depreciation expense. During the three and nine months ended September 30, 2010, rent and other facilities related costs increased by approximately $246,000 and $584,000, respectively, compared to the three and nine months ended September 30, 2009 due to acquired businesses. During the three and nine months ended September

30, 2010, depreciation expense increased by approximately $562,000 and $851,000, respectively, compared to the three and nine months ended September 30, 2009. The increases were attributable to new office facilities and capital expenditures to support our infrastructure and position us for future growth and acquired businesses. The related increases were allocated to cost of revenues, sales and marketing, research and development, and general and administrative costs.

Also included in our operating expenses for the three and nine months ended September 30, 2010 was approximately $9.5 million and $15.9 million related to the acquired businesses that were acquired subsequent to September 30, 2009. These amounts are included in our operating results as a component of cost of revenues, sales and marketing expenses, research and development expenses and general and administrative expenses. In addition, in conjunction with acquisition related activities, we incurred approximately $1.1 million and $2.4 million of transaction related costs for the three and nine months ended September 30, 2010, respectively. These amounts are included in our operating results as a component of our general and administrative expenses.

During the three and nine months ended September 30, 2010, we incurred $1.4 million and $2.3 million, respectively, of stock-based compensation due to stock options granted in May 2010 to certain key employees that vest based on the market price of our common stock. These amounts are included in our operating results as a component of our general and administrative expenses. In July 2010 our Board of Directors authorized the acceleration of vesting of certain restricted stock grants that we awarded to many of our employees in 2009 in connection with salary reductions as part of our cash conservation efforts at that time. Such awards were initially subject to vesting over a four year period, but our management and Board of Directors authorized the accelerated vesting on such awards to reflect the efforts of our employees and our continued revenue growth over the past year. A portion of the acceleration of such awards occurred during the third quarter of 2010 with the remaining portion to be accelerated in the fourth quarter of 2010. This vesting modification resulted in $1.1 million of stock-based compensation that was included in our operating results as a component of cost of revenues, sales and marketing expenses, research and development expenses and general and administrative expenses for the three and nine months ended September 30, 2010. In addition, in conjunction with our acquisition of Nexius and Nedstat, shares of restricted stock and restricted stock units were issued to certain employees of the acquired businesses, some of these stock award grants included 25% immediate vesting. As a result of the immediate vesting of shares, we incurred $620,000 of stock-based compensation expense during the three and nine months ended September 30, 2010. This amount was included in our operating results as a component of sales and marketing expenses and research and development expenses.

Cost of Revenues

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2010	2009	$	%	2010	2009	$	%
	(Unaudited) (Dollars in thousands)							
Cost of revenues	$ 13,743	$ 9,455	$ 4,288	45.4%	$ 36,480	$ 29,186	$ 7,294	25.0%
As a percentage of revenues	30.1%	29.6%			29.5%	31.1%		

Cost of revenues consists primarily of expenses related to operating our network infrastructure, producing our products, and the recruitment, maintenance and support of our consumer panels. Expenses associated with these areas include the salaries, stock-based compensation, and related personnel expenses of network operations, survey operations, custom analytics and technical support. Cost of revenues also includes data collection costs for our products, operational costs associated with our data centers, including depreciation expense associated with computer equipment that supports our panel and systems, and allocated overhead, which is comprised of rent and other facilities related costs, and depreciation expense generated by general purpose equipment and software.

Cost of revenues increased by approximately $4.3 million during the three months ended September 30, 2010 compared to the three months ended September 30, 2009. This increase was attributable to an increase of $2.2 million in third party services related to data collection, analysis and validation activities due to the increase in our revenues. In addition, data center and bandwidth costs increased $705,000 due to the use of our new beaconing technology. The increase was also due to a $713,000 increase in employee salaries, benefits and related costs, including bonus expense, associated with the increase in headcount. In addition, stock-based compensation expense increased $292,000 during the three months ended September 30, 2010 as compared to the prior year period, due to our continued use of equity compensation as part of our compensation program. Due to the overall increase in rent and depreciation costs, we experienced a $541,000 increase in the amount of these costs allocated to cost of revenues for the three months ended September 30, 2010. These increases were offset by a $291,000 decrease in panel development. Included within total cost of revenues for the three months ended September 30, 2010 was approximately $2.3 million related to the acquired businesses that were acquired subsequent to September 30, 2009. Cost of revenues increased as a percentage of revenues during the three months ended September 30, 2010 as compared to the same period in 2009 due to the increase in headcount and related costs.

Cost of revenues increased by approximately $7.3 million during the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009. This increase was attributable to an increase of $5.2 million in third party services related to data collection, analysis and validation activities due to the increase in our revenues. In addition, data center and bandwidth costs increased $1.5 million due to the use of our new beaconing technology. Due to the overall increase in rent and depreciation costs, we experienced a $616,000 increase in the amount of these costs allocated to cost of revenues for the nine months ended September 30, 2010. The increase was also due to a $120,000 increase in stock-based compensation during the three months ended September 30, 2010 as compared to the prior year period, due to our continued use of equity compensation as part of our compensation program. These increases were offset by a $195,000 decrease in panel development. Included within total cost of revenues for the nine months ended September 30, 2010 was approximately $4.7 million related to the acquired businesses that were acquired subsequent to September 30, 2009. Cost of revenues decreased as a percentage of revenues during the nine months ended September 30, 2010 as compared to the same period in 2009 due to the decrease in headcount and related costs.

Table of Contents

Selling and Marketing Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2010	2009	$	%	2010	2009	$	%
	(Unaudited) (Dollars in thousands)							
Selling and marketing	$ 16,319	$ 10,241	$ 6,078	59.3%	$ 41,929	$ 31,057	$ 10,872	35.0%
As a percentage of revenues	35.7%	32.1%			33.9%	33.1%		

Selling and marketing expenses consist primarily of salaries, benefits, commissions, bonuses, and stock-based compensation paid to our direct sales force and industry analysts, as well as costs related to online and offline advertising, product management, industry conferences, promotional materials, public relations, other sales and marketing programs, and allocated overhead, which is comprised of rent and other facilities related costs, and depreciation expense generated by general purpose equipment and software. All selling and marketing costs are expensed as they are incurred. Commission plans are developed for our account managers with criteria and size of sales quotas that vary depending upon the individual's role. Commissions are paid to a salesperson and are expensed as selling and marketing costs when a sales contract is executed by both the customer and us. In the case of multi-year agreements, one year of commissions is paid initially, with the remaining amounts paid at the beginning of the succeeding years.

Selling and marketing expenses increased by $6.1 million during the three months ended September 30, 2010 compared to the three months ended September 30, 2009. The increase was due to a $2.8 million increase in employee salaries, benefits and related costs associated with the increase in headcount. We also experienced a $436,000 increase in bonus expense due to our 2010 bonus program, which includes a cash component; our 2009 plan was entirely equity based. In addition, we incurred $171,000 in severance payments during the three months ended September 30, 2010. The increase was also due to a $845,000 increase in stock-based compensation during the three months ended September 30, 2010 as compared to the prior year period, due to our continued use of equity compensation as part of our compensation program. In addition, we experienced a $634,000 increase in travel expenses due to the increase in our customer base, our internal headcount and the frequency of international travel. Also, due to increased sales as compared to the prior year period, commission expense increased $651,000. Due to the overall increase in rent and depreciation costs, we experienced a $141,000 increase in the amount of these costs allocated to selling and marketing expenses for the three months ended September 30, 2010. Included within total selling and marketing expenses for the three months ended September 30, 2010 was approximately $3.8 million related to the acquired businesses that were acquired subsequent to September 30, 2009. Selling and marketing expenses increased as a percentage of revenues during 2010 as compared to 2009 due to increases in selling and marketing expenses in support of the revenue growth experienced.

Selling and marketing expenses increased by $10.9 million during the nine months ended September 30, 2010 compared to the nine months ended September 30, 2009. The increase was due to a $5.0 million increase in employee salaries, benefits and related costs associated with the increase in headcount. We also experienced a $1.1 million increase in bonus expense due to our 2010 bonus program, which includes a cash component; our 2009 plan was entirely equity based. In addition, we incurred $394,000 in severance payments during the nine months ended September 30, 2010. The increase was also due to a $762,000 increase in stock-based compensation during the three months ended September 30, 2010 as compared to the prior year period, due to our continued use of equity compensation as part of our compensation program. In addition, we experienced a $1.3 million increase in travel expenses due to our 2010 sales meeting and the increase in our customer base, our internal headcount and the frequency of international travel. There was no sales meeting in 2009. Also, due to increased sales as compared to the prior year period, commission expense increased $1.1 million. Due to the overall increase in rent and depreciation costs, we experienced a $403,000 increase in the amount of these costs allocated to selling and marketing expenses for the three months ended September 30, 2010. Included within total selling and marketing expenses for the nine months ended September 30, 2010 was approximately $6.1 million related to the acquired businesses that were acquired subsequent to September 30, 2009. Selling and marketing expenses as a percent of revenue remained consistent with the prior year period.

Research and Development Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2010	2009	$	%	2010	2009	$	%
	(Unaudited) (Dollars in thousands)							
Research and development	$ 7,254	$ 4,677	$ 2,577	55.1%	$ 18,389	$ 13,210	$ 5,179	39.2%
As a percentage of revenues	15.9%	14.7%			14.9%	14.1%		

Research and development expenses include new product development costs, consisting primarily of salaries, benefits, stock-based compensation and related costs for personnel associated with research and development activities, fees paid to third parties to develop new products and allocated overhead, which is comprised of rent and other facilities related costs, and depreciation expense generated by general purpose equipment and software.

Research and development expenses increased by $2.6 million during the three months ended September 30, 2010 as compared to the three months ended September 30, 2009. This increase was due to a $1.6 million increase in employee salaries, benefits and related costs associated with the increase in headcount and our continued focus on developing new products. The increase was also due to a $414,000 increase in

stock-based compensation during the three months ended September 30, 2010 as compared to the prior year period, due to our continued use of equity compensation as part of our compensation program. In addition, to support our development of new products and the integration of acquired businesses, we experienced increases of $158,000 and $201,000 in our systems and maintenance costs related to computer hardware and software and costs paid to outsourced service providers, respectively. In addition, we also experienced an $82,000 increased allocation of overhead costs such as rent due to the increased headcount and size of our research and development functions. Travel expenses also increased $112,000 due to the integration of the acquired businesses and increased international travel. Included within total research and development expenses for the three months ended September 30, 2010 was approximately $1.5 million related to the acquired businesses that were acquired subsequent to September 30, 2009. Research and development costs increased as a percentage of revenues for the three months ended September 30, 2010 as compared to the same period in 2009 primarily due to our investments in research and development new product initiatives relative to our growth in revenues.

Research and development expenses increased by $5.2 million during the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. This increase was primarily due to a $3.4 million increase in employee salaries, benefits and related costs associated with the increase in headcount and our continued focus on developing new products. The increase was also due to a $449,000 increase in stock-based compensation during the three months ended September 30, 2010 as compared to the prior year period, due to our continued use of equity compensation as part of our compensation program. In addition, to support our development of new products and the integration of acquired businesses, we experienced increases of $419,000 and $346,000 in our systems and maintenance costs related to computer hardware and software and costs paid to outsourced service providers, respectively. In addition, we also experienced a $295,000 increased allocation of overhead costs such as rent due to the increased headcount and size of our research and development functions. Travel expenses also increased $198,000 due to the integration of the acquired businesses and increased international travel. Included within total research and development expenses for the nine months ended September 30, 2010 was approximately $2.4 million related to the acquired businesses that were acquired subsequent to September 30, 2009. Research and development costs increased as a percentage of revenues for the nine months ended September 30, 2010 as compared to the same period in 2009 primarily due to our investments in research and development new product initiatives relative to our growth in revenues.

General and Administrative Expenses

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2010	2009	$	%	2010	2009	$	%
	(Unaudited) (Dollars in thousands)							
General and administrative	$ 10,204	$ 4,353	$ 5,851	134.4%	$ 24,577	$ 12,874	$ 11,703	90.9%
As a percentage of revenues	22.3%	13.6%			19.9%	13.7%		

General and administrative expenses consist primarily of salaries, benefits, stock-based compensation, and related expenses for executive management, finance, accounting, human capital, legal and other administrative functions, as well as professional fees, overhead, including allocated overhead, which is comprised of rent and other facilities related costs, and depreciation expense generated by general purpose equipment and software, and expenses incurred for other general corporate purposes.

General and administrative expenses increased by $5.9 million during the three months ended September 30, 2010 as compared to the three months ended September 30, 2009. The increase was due to a $1.8 million increase in professional fees and outside services, which includes $790,000 for professional services such as legal and tax services associated with our acquisition related activities, $512,000 for other required accounting, legal and general consulting services to meet the needs of our expanding business, $381,000 for non-capitalizable consulting services and internal software implementation projects and $80,000 due to recruiting related fees associated with expanding our general and administrative departments to support the company growth. The increase was also due to a $1.7 million increase in stock-based compensation during the three months ended September 30, 2010 as compared to the prior year period, $1.4 million of this increase was due to the market-based stock options granted to key executives during the second quarter of 2010, and $356,000 was due to our continued use of equity compensation as part of our compensation program. In addition, employee salaries, benefits and related costs associated with an increase in headcount increased $780,000. We also experienced an increase in bonus expense of $325,000 due to our 2010 bonus program which includes a cash component; the 2009 plan was entirely equity based. In addition, we incurred $814,000 in severance payments during the three months ended September 30, 2010. General facility and overhead related expenses increased $460,000 due to increased headcount and business acquisitions. Included within general and administrative expenses for the three month ended September 30, 2010 was approximately $1.9 million related to the acquired businesses that were acquired subsequent to September 30, 2009.

General and administrative expenses increased by $11.7 million during the nine months ended September 30, 2010 as compared to the nine months ended September 30, 2009. The increase was due to a $4.3 million increase in professional fees and outside services, which includes $2.1 million for professional services such as legal and tax services associated with our acquisition related activities and $1.2 million for other required accounting, legal and general consulting services to meet the needs of our expanding business, $737,000 for non-capitalizable consulting services and internal software implementation projects and $268,000 due to recruiting related fees associated with expanding our general and administrative departments to support the company growth. The increase was also due to a $3.2 million increase in stock-based compensation during the nine months ended September 30, 2010 as compared to the prior year period, $2.3 million of this increase was due to the market-based stock options granted to key executives during the second quarter of 2010, and $900,000 was due to our continued use of equity compensation as part of our compensation program. In addition, employee salaries, benefits and related costs associated with an increase in headcount increased $1.7 million.

We also experienced an increase in bonus expense of $644,000 due to our 2010 bonus program which includes a cash component; the 2009 plan was entirely equity based. In addition, we incurred $899,000 in severance payments during the nine months ended September 30, 2010. General facility and overhead related expenses increased $856,000 due to increased headcount and business acquisitions. Included within general and administrative expenses for the nine months ended September 30, 2010 was approximately $2.8 million related to the acquired businesses that were acquired subsequent to September 30, 2009.

Amortization Expense

	Three Months Ended September 30,		Change		Nine Months Ended September 30,		Change	
	2010	2009	$	%	2010	2009	$	%
	(Unaudited) (Dollars in thousands)							
Amortization of intangible assets	$ 1,380	$ 385	$ 995	258.4%	$ 2,545	$ 1,032	$ 1,513	146.6%
As a percentage of revenues	3.0%	1.2%			2.1%	1.1%		

Amortization expense consists of charges related to the amortization of intangible assets associated with acquisitions.

Amortization expense increased $995,000 and $1.5 million during the three and nine months ended September 30, 2010 as compared to the three and nine months ended September 30, 2009 due to amortization of intangible assets that were acquired during the nine months ended September 30, 2010 in connection with our acquisition of ARSgroup, Nexius and Nedstat and, to a lesser degree, amortization from intangible assets acquired during the fourth quarter of 2009 in connection with our acquisition of Certifica that were not otherwise included in our consolidated financial results during the first nine months of 2009.

Interest and Other Income, Net

Interest income consists of interest earned from investments, such as short and long-term fixed income securities and auction rate securities, and our cash and cash equivalent balances. Interest expense is incurred due to capital leases pursuant to several equipment loan and security agreements and a line of credit that we have entered into in order to finance the lease of various hardware and other equipment purchases. Our capital lease obligations are secured by a senior security interest in eligible equipment.

Interest (expense) income, net for the three and nine months ended September 30, 2010 was $36,000 net interest expense and $74,000 net interest income, respectively, as compared to $131,000 and $438,000 net interest income for the three and nine months ended September 30, 2009, respectively. The decreases of $167,000 and $364,000 during the three and nine months ended September 30, 2010 were due to lower returns from our investments and increases in interest expense associated with capital lease payments.

Included in Interest and other income, net, was $42,000 in income related to other non-operating related activities for the nine months ended September 30, 2010.

(Loss) Gain from Foreign Currency

The functional currency of our foreign subsidiaries is the local currency. All assets and liabilities are translated at the current exchange rates as of the end of the period, and revenues and expenses are translated at average rates in effect during the period. The gain or loss resulting from the process of translating the foreign currency financial statements into U.S. dollars is included as a component of other comprehensive (loss) income.

We recorded losses of $83,000 and $207,000 for the three and nine months ended September 30, 2010, respectively, as compared to losses of $71,000 and $53,000 during the three and nine months ended September 30, 2009, respectively. Our foreign currency transactions are recorded as a result of fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar, Euro, British Pound, and the functional currencies of our Latin America entities.

Provision for Income Taxes

During the three and nine months ended September 30, 2010, we recorded an income tax benefit of $1.2 million and an income tax provisions of $874,000, respectively, compared to income tax provisions of $1.8 million and $4.4 million in the same periods of 2009, respectively. The tax provisions for the three and nine months ended September 30, 2010 were attributable to current taxes of ($129,000) and $855,000, respectively, and the utilization of our deferred tax assets of ($1.1) million and $19,000, respectively. These amounts include ($951,000) and ($381,000), respectively, of current and deferred tax expense for discrete items such as stock shortfalls, statutory rate changes, and changes in uncertain tax positions recorded during the three and nine months ended September 30, 2010. The tax provision for the three and nine months ended September 30, 2009 was attributable to current taxes of $100,000 and $257,000, respectively, and the utilization of our U.S. deferred tax assets of $1.8 million and $4.2 million, respectively. These amounts include $71,000 and $728,000, respectively, of deferred tax expense for discrete items such as stock shortfalls recorded during the three and nine months ended September 30, 2009.

During the three and nine months ended September 30, 2010 and 2009, certain restricted stock awards vested that generated a tax deduction at a market price that was less than the price of the restricted stock on the dates the shares were granted. This shortfall of tax deductions would reduce additional paid-in capital to the extent windfall tax benefits had been realized in prior years. However, as we have not yet realized our

windfall tax benefits because the tax benefits have not resulted in a reduction to current taxes payable, the three and nine months ended September 30, 2010 and 2009 were impacted. The tax provision impact of the shortfall totaling $41,000 and $342,000 has been included in income tax expense for the three and nine months ended September 30, 2010, respectively, and $96,000 and $776,000 for the three and nine months ended September 30, 2009, respectively.

Recent Pronouncements

Recent accounting pronouncements are detailed in Note 2 to our Consolidated Financial Statements included in Item 1 of this Quarterly Report on Form 10-Q.

Liquidity and Capital Resources

The following table summarizes our cash flows:

	Nine Months Ended September 30,	
	2010	2009
	(Unaudited) (In thousands)	
Net cash provided by operating activities	$ 24,872	$ 18,420
Net cash used in investing activities	(42,270)	(6,554)
Net cash used in financing activities	(4,772)	(1,783)
Effect of exchange rate changes on cash	119	596
Net (decrease) increase in cash and cash equivalents	$ (22,051)	$ 10,679

Our principal uses of cash historically have consisted of payroll and other operating expenses and payments related to the investment in equipment primarily to support our consumer panel and technical infrastructure required to support our customer base, and cash paid for acquisitions. As of September 30, 2010, our principal sources of liquidity consisted of cash, cash equivalents and short-term investments of $36.2 million, which represent cash generated from operating activities. As of September 30, 2010, we held $2.6 million in long-term investments consisting of four separate auction rate securities. In prior years, we invested in these auction rate securities for short periods of time as part of our investment policy. However, uncertainties in the credit markets have limited our ability to liquidate our holdings of auction rate securities, as there have been no auctions for these securities in 2010 or 2009.

The four securities were valued using a discounted cash flow model that takes into consideration the financial condition of the issuers, the workout period, the discount rate and other factors. During the year ended December 31, 2009 we recorded a $429,000 unrealized gain related to these securities. Based on our current fair value estimate as of September 30, 2010, we recorded a $188,000 unrealized loss. The net unrealized gain of $241,000 is included in Accumulated other comprehensive income within our Consolidated Balance Sheets included in Part I, Item 1 of this Quarterly Report on form 10-Q. We are uncertain as to when the liquidity issues relating to these investments will improve. Accordingly, we classified these securities as long-term on our Consolidated Balance Sheets included in Part I, Item 1 of this Quarterly Report on form 10-Q. If the credit ratings of the issuer, the bond insurers or the collateral deteriorate further, we may further adjust the carrying value of these investments

Operating Activities

Our cash flows from operating activities are significantly influenced by our investments in personnel and infrastructure to support the anticipated growth in our business, increases in the number of customers using our products and the amount and timing of payments made by these customers.

We generated approximately $24.9 million of net cash from operating activities during nine months ended September 30, 2010. Our cash flows from operations was driven by our net loss of $1.1 million, as adjusted for $20.5 million in non-cash charges such as depreciation, amortization, provision for bad debts, stock-based compensation and bond premium amortization, and a non-cash deferred tax expense. In addition, we experienced a $3.2 million decrease in accounts receivable due to improved collections activities during the nine months ended September 30, 2010. We also experienced a $1.7 million increase in amounts collected from customers in advance of when we recognize revenues as a result of our growing customer base. In addition, our operating cash flows were positively impacted due to a $1.2 million increase in accounts payable and accrued expenses due to the timing of payments issued to our vendors. Cash flows from operations were also positively impacted by a $407,000 increase in deferred rent due to tenant allowances related to our leases.

We generated approximately $18.4 million of net cash from operating activities during the nine months ended September 30, 2009. The significant components of cash flows from operations were net income of $2.4 million, adjusted for $13.3 million in non-cash depreciation, amortization and stock-based compensation expenses and $271,000 in bad debt expense, a $3.2 million decrease in accounts receivable due to increased collections activity and a $4.2 million decrease in deferred income taxes, offset by a $1.9 million decrease in amounts collected from customers in advance of when we recognize revenues due to some of our customers changing billing frequency and a $3.5 million decrease in accounts payable and accrued expenses.

Investing Activities

Our primary regularly recurring investing activities have consisted of purchases of computer network equipment to support our Internet user panel and maintenance of our database, furniture and equipment to support our operations, purchases and sales of marketable securities, and payments related to the acquisition of several companies. As our customer base continues to expand, we expect purchases of technical infrastructure equipment to grow in absolute dollars. The extent of these investments will be affected by our ability to expand relationships with existing customers, grow our customer base, introduce new digital formats and increase our international presence.

We used $42.3 million of net cash in investing activities during the nine months ended September 30, 2010. $68.9 million, net of cash acquired was used for the acquisition of ARSgroup, Nexius, and Nedstat. In addition, $3.4 million was used to purchase property and equipment to maintain and expand our technology and infrastructure. Of this amount, $405,000 was funded through landlord allowances received in connection with our Canadian office lease. These amounts were offset by $30.0 million generated from maturities of our investments.

We used $6.6 million of net cash in investing activities during the nine months ended September 30, 2009, a net $1.7 million of which was used to purchase investments. In addition, $4.8 million was used to purchase property and equipment to maintain and expand our technology and infrastructure. Of this amount, $333,000 was funded through landlord allowances received in connection with our Seattle office lease.

We expect to achieve greater economies of scale and operating leverage as we expand our customer base and utilize our Internet user panel and technical infrastructure more efficiently. While we anticipate that it will be necessary for us to continue to invest in our Internet user panel, technical infrastructure and technical personnel to support the combination of an increased customer base, new products, international expansion and new digital market intelligence formats, we believe that these investment requirements will be less than the revenue growth generated by these actions. This should result in a lower rate of growth in our capital expenditures to support our technical infrastructure. In any given period, the timing of our incremental capital expenditure requirements could impact our cost of revenues, both in absolute dollars and as a percentage of revenues.

Financing Activities

We used $4.8 million of cash during the nine months ended September 30, 2010 for financing activities. This included $4.7 million for shares repurchased by us pursuant to the exercise by stock incentive plan participants of their right to elect to use common stock to satisfy their tax withholding obligations. In addition, we used $944,000 to make payments on our capital lease obligations offset by $897,000 in proceeds from the exercise of our common stock options.

We used $1.8 million of cash during the nine months ended September 30, 2009 for financing activities. This included $1.5 million for shares repurchased by us pursuant to the exercise by stock incentive plan participants of their right to elect to use common stock to satisfy their tax withholding obligations. In addition, we used $725,000 to make payments on our capital lease obligations offset by $412,000 in proceeds from the exercise of our common stock options.

We do not have any special purpose entities, and other than operating leases for office space, described below, we do not engage in off-balance sheet financing arrangements.

Contractual Obligations and Known Future Cash Requirements

Our principal lease commitments consist of obligations under leases for office space and computer and telecommunications equipment. In prior and current years, we financed the purchase of some of our computer equipment under a capital lease arrangement over a period of either 36 or 42 months. Our purchase obligations relate to outstanding orders to purchase computer equipment and are typically small; they do not materially impact our overall liquidity.

In March 2010, we increased our equipment line of credit with Banc of America Leasing & Capital, LLC to $11.2 million. The equipment line of credit is available to finance the purchase of new software, hardware and other computer equipment as we expand our technology infrastructure in support of our business growth. The initial utilization of this credit facility was an equipment lease for approximately $1.1 million bearing an interest rate of approximately 5% per annum. The base term for this lease is thirty-six months and includes a nominal charge in the event of prepayment. The lease payment is approximately $403,000 per annum. In March 2010 we entered into an equipment lease for approximately $3.6 million bearing an interest rate of approximately 5% per annum. The base term for this lease is forty-two months and includes a nominal charge in the event of prepayment. The lease payment is approximately $1.1 million per annum. In June 2010 we entered into an equipment lease for approximately $1.9 million bearing an interest rate of approximately 5% per annum. The base term for this lease is thirty-six months and includes a nominal charge in the event of prepayment. The lease payment is approximately $686,000 million per annum. In September 2010 we entered into an equipment lease for approximately $1.6 million bearing an interest rate of approximately 4% per annum. The base term for this lease is thirty-six months and includes a nominal charge in the event of prepayment. The lease payment is approximately $564,000 million per annum. Assets acquired under equipment leases secure the obligations.

On September 28, 2010, we extended our $5.0 million revolving line of credit with Bank of America, with an interest rate equal to BBA LIBOR rate plus an applicable margin based upon funded debt to unrestricted EBITDA ratio, through November 30, 2010. This line of credit includes no restrictive financial covenants. We maintain letters of credit in lieu of security deposits with respect to certain office leases. During the nine months ended September 30, 2010, five letters of credit were reduced by approximately $646,000 and no amounts were borrowed against the line of credit. As of September 30, 2010, $3.3 million of letters of credit were outstanding, leaving $1.7 million available for additional letters of credit or other borrowings. These letters of credit may be reduced periodically provided we meet the conditional criteria of each related lease agreement.

Off Balance Sheet Arrangements

We have no off-balance sheet arrangements (as defined in Item 303 of Regulation S-K).

Item 3. ***Quantitative and Qualitative Disclosure about Market Risk***

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. We do not hold or issue financial instruments for trading purposes or have any derivative financial instruments. To date, most payments made under our contracts are denominated in U.S. dollars and we have not experienced material gains or losses as a result of transactions denominated in foreign currencies. As of September 30, 2010, our cash reserves were maintained in bank deposit accounts and auction rate securities totaling $38.9 million. These securities, like all fixed income instruments, are subject to interest rate risk and will decline in value if market interest rates increase. We have the ability to hold our fixed income investments until maturity and, therefore, we would not expect to experience any material adverse impact in income or cash flow.

Foreign Currency Risk

A portion of our revenues and expenses from business operations in foreign countries are derived from transactions denominated in currencies other than the functional currency of our operations in those countries. As such, we have exposure to adverse changes in exchange rates associated with revenues and operating expenses of our foreign operations, but we believe this exposure to not be significant at this time. As such, we do not currently engage in any transactions that hedge foreign currency exchange rate risk. As we grow our international operations, our exposure to foreign currency risk could become more significant.

Due to our increased presence in Europe and the fluctuations between the U.S. Dollar and the Euro, our revenues and operating results may be adversely impacted.

Interest Rate Sensitivity

As of September 30, 2010, our principal sources of liquidity consisted of cash, cash equivalents and short-term investments of $36.2 million. These amounts were invested primarily in bank deposit accounts. The cash and cash equivalents are held for working capital purposes. We do not enter into investments for trading or speculative purposes. We believe that we do not have any material exposure to changes in the fair value as a result of changes in interest rates. Declines in interest rates, however, will reduce future investment income. If overall interest rates changed by 1% during the nine months ended September 30, 2010, our interest exposure would have been approximately $7,000, assuming consistent investment levels.

Auction Rate Securities

As of September 30, 2010, our principal sources of liquidity consisted of cash, cash equivalents and short-term investments of $36.2 million which represent cash generated from operating activities. As of September 30, 2010, we held $2.6 million in long-term investments consisting of four separate auction rate securities. In prior years, we invested in these auction rate securities for short periods of time as part of our investment policy. However, uncertainties in the credit markets have limited our ability to liquidate our holdings of auction rate securities, as there have been no auctions for these securities in 2009 or during the nine months ended September 30, 2010.

The four remaining securities were valued using a discounted cash flow model that takes into consideration the financial condition of the issuers, the workout period, the discount rate and other factors. We are uncertain as to when the liquidity issues relating to these investments will improve. Accordingly, we classified these securities as long-term on our Consolidated Balance Sheets. If the credit ratings of the issuer, the bond insurers or the collateral deteriorate further, we may further adjust the carrying value of these investments.

Item 4. ***Controls and Procedures***

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Securities Exchange Act of 1934 (the “Exchange Act”) Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report (the “Evaluation Date”), have concluded that as of the Evaluation Date, our disclosure controls and procedures are effective, in all material respects, to ensure that information required to be disclosed in the reports that we file and submit under the Exchange Act (i) is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission’s rule and forms and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. ***Legal Proceedings***

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not presently a party to any pending legal proceedings the outcome of which we believe, if determined adversely to us, would individually or in the aggregate have a material adverse impact on our consolidated results of operations, cash flows or financial position.

Item 1A. ***Risk Factors***

An investment in our common stock involves a substantial risk of loss. You should carefully consider these risk factors, together with all of the other information included herewith, before you decide to purchase shares of our common stock. The occurrence of any of the following risks could materially adversely affect our business, financial condition or operating results. In that case, the trading price of our common stock could decline, and you may lose part or all of your investment.

Risks Related to Our Business and Our Technologies

We derive a significant portion of our revenues from sales of our subscription-based digital marketing intelligence products. If our customers terminate or fail to renew their subscriptions, our business could suffer.

We currently derive a significant portion of our revenues from our subscription-based digital marketing intelligence products. Subscription-based products accounted for 86% of our net revenues during the full year 2009 and the nine months ended September 30, 2010, respectively. Uncertain economic conditions or other factors, such as the failure or consolidation of large financial institutions, may cause certain customers to terminate or reduce their subscriptions. If our customers terminate their subscriptions for our products, do not renew their subscriptions, delay renewals of their subscriptions or renew on terms less favorable to us, our revenues could decline and our business could suffer.

Our customers have no obligation to renew after the expiration of their initial subscription period, which is typically one year, and we cannot assure that current subscriptions will be renewed at the same or higher dollar amounts, if at all. Some of our customers have elected not to renew their subscription agreements with us in the past. If we experience a change of control, as defined in such agreements, some of our customers also have the right to terminate their subscriptions. Moreover, some of our major customers have the right to cancel their subscription agreements without cause at any time. Given the current unpredictable economic conditions as well as our limited historical data with respect to rates of customer subscription renewals, we may have difficulty accurately predicting future customer renewal rates. Our customer renewal rates may decline or fluctuate as a result of a number of factors, including customer satisfaction or dissatisfaction with our products, the costs or functionality of our products, the prices or functionality of products offered by our competitors, mergers and acquisitions affecting our customer base, general economic conditions or reductions in our customers' spending levels. In this regard, we have seen a number of customers with weaker balance sheets choosing not to renew subscriptions with us during economic downturns.

Our quarterly results of operations may fluctuate in the future. As a result, we may fail to meet or exceed the expectations of securities analysts or investors, which could cause our stock price to decline.

Our quarterly results of operations may fluctuate as a result of a variety of factors, many of which are outside of our control. If our quarterly revenues or results of operations do not meet or exceed the expectations of securities analysts or investors, the price of our common stock could decline substantially. In addition to the other risk factors set forth in this "Risk Factors" section, factors that may cause fluctuations in our quarterly revenues or results of operations include:

- our ability to increase sales to existing customers and attract new customers;
- our failure to accurately estimate or control costs — including those incurred as a result of acquisitions, investments and other business development initiatives;
- our revenue recognition policies related to the timing of contract renewals, delivery of products and duration of contracts and the corresponding timing of revenue recognition;
- the uncertainties associated with the integration of acquired new lines of business, and operations in countries in which we may have little or no previous experience;
- the mix of subscription-based versus project-based revenues;
- changes in our customers' subscription renewal behaviors and spending on projects;
- our ability to estimate revenues and cash flows associated with business operations acquired by us;
- the impact on our contract renewal rates, for both our subscription and project-based products, caused by our customers' budgetary constraints, competition, customer dissatisfaction, customer corporate restructuring or change in control, or our customers' actual or perceived lack of need for our products;
- the potential loss of significant customers;
- the effect of revenues generated from significant one-time projects or the loss of such projects;

- the impact of our decision to discontinue certain products;
- the amount and timing of capital expenditures and operating costs related to the maintenance and expansion of our operations and infrastructure;
- the timing and success of new product introductions by us or our competitors;
- variations in the demand for our products and the implementation cycles of our products by our customers;
- changes in our pricing and discounting policies or those of our competitors;
- service outages, other technical difficulties or security breaches;
- limitations relating to the capacity of our networks, systems and processes;
- maintaining appropriate staffing levels and capabilities relative to projected growth, or retaining key personnel as a result of the integration of recent acquisitions;
- adverse judgments or settlements in legal disputes;
- the cost and timing of organizational restructuring, in particular in international jurisdictions;
- the extent to which certain expenses are more or less deductible for tax purposes, such as share-based compensation that fluctuates based on the timing of vesting and our stock price;
- the timing of any additional reversal of our deferred tax valuation allowance;
- adoption of new accounting pronouncements; and
- general economic, industry and market conditions and those conditions specific to Internet usage and online businesses.

We believe that our quarterly revenues and results of operations on a year-over-year and sequential quarter-over-quarter basis may vary significantly in the future and that period-to-period comparisons of our operating results may not be meaningful. Investors are cautioned not to rely on the results of prior quarters as an indication of future performance.

Material defects or errors in our data collection and analysis systems could damage our reputation, result in significant costs to us and impair our ability to sell our products.

Our data collection and analysis systems are complex and may contain material defects or errors. In addition, the large amount of data that we collect may make our data collection and analysis systems more susceptible to defects or errors. The companies that we recently acquired also rely on data collection and analysis software and systems to service enterprise clients. Any defect in our panelist data collection software, our census collection systems, our enterprise focused software and systems, network systems, statistical projections or other methodologies could lead to consequences that impact operating results, including:

- loss of customers;
- damage to our brand;
- lost or delayed market acceptance and sales of our products;
- interruptions in the availability of our products;
- the incurrence of substantial costs to correct any material defect or error;
- sales credits, refunds or liability to our customers;
- diversion of development resources; and
- increased warranty and insurance costs.

We may lose customers or be liable to certain customers if we provide poor service or if our products do not comply with our customer agreements.

Errors in our systems resulting from the large amount of data that we collect, store and manage could cause the information that we collect to be incomplete or to contain inaccuracies that our customers regard as significant. The failure or inability of our systems, networks and processes to adequately handle the data in a high quality and consistent manner could result in the loss of customers. In addition, we may be liable to certain of our customers for damages they may incur resulting from these events, such as loss of business, loss of future revenues, breach of contract or loss of goodwill to their business.

Our insurance policies may not cover any claim against us for loss of data, inaccuracies in data or other indirect or consequential damages and defending a lawsuit, regardless of its merit, could be costly and divert management's attention. Adequate insurance coverage may not be available in the future on acceptable terms, or at all. Any such developments could adversely affect our business and results of operations.

Our business may be harmed if we change our methodologies or the scope of information we collect.

We have in the past and may in the future change our methodologies, the methodologies of acquired companies, or the scope of information we collect. Such changes may result from identified deficiencies in current methodologies, development of more advanced methodologies, changes in our business plans or expressed or perceived needs of our customers or potential customers. Any such changes or perceived changes, or our inability to accurately or adequately communicate to our customers and the media such changes and the potential implications of such changes on the data we have published or will publish in the future, may result in customer dissatisfaction, particularly if certain information is no longer collected or information collected in future periods is not comparable with information collected in prior periods. For example, in 2009, we adopted new methodology that would integrate server-based web beacon information with our existing panel-based data. In 2009, we also acquired and entered into a strategic alliance with web analytics companies in order to enhance the scope of our server-based web beacon information. As a result, some of our existing customers or customers of acquired entities may refuse to participate, or participate only in a limited fashion, and other may become dissatisfied as a result of changes in our methodology and decide not to continue purchasing their subscriptions or may decide to discontinue providing us with their web beacon or other server-side information. Such customers may elect to publicly air their dissatisfaction with the methodological changes made by us, thereby damaging our brand and harming our reputation. Additionally, we expect that we will need to further integrate new capabilities with our existing methodologies if we develop or acquire additional products or lines of business in the future. The resulting future changes to our methodologies, the information we collect, or the strategy we implement to collect and analyze information, such as the movement away from pure panel-centric measurement to a hybrid of panel- and site-centric measurement, may cause additional customer dissatisfaction and result in loss of customers.

Our business may be harmed if we deliver, or are perceived to deliver, inaccurate information to our customers, to the media or to the public generally.

If the information that we provide to our customers, to the media, or to the public is inaccurate, or perceived to be inaccurate, our brand may be harmed. The information that we collect or that is included in our databases and the statistical projections that we provide to our customers, to the media or to the public may contain or be perceived to contain inaccuracies. These projections may be viewed as an important measure for the success of certain businesses, especially those businesses with a large online presence. Any inaccuracy or perceived inaccuracy in the data reported by us about such businesses may potentially affect the market perception of such businesses and result in claims or litigation around the accuracy of our data, or the appropriateness of our methodology, may encourage aggressive action on the part of our competitors, and could harm our brand. Any dissatisfaction by our customers or the media with our digital marketing intelligence, measurement or data collection and statistical projection methodologies, whether as a result of inaccuracies, perceived inaccuracies, or otherwise, could have an adverse effect on our ability to retain existing customers and attract new customers and could harm our brand. Additionally, we could be contractually required to pay damages, which could be substantial, to certain of our customers if the information we provide to them is found to be inaccurate. Any liability that we incur or any harm to our brand that we suffer because of actual or perceived irregularities or inaccuracies in the data we deliver to our customers could harm our business.

If we are not able to maintain panels of sufficient size and scope, or if the costs of maintaining our panels materially increase, our business would be harmed.

We believe that the quality, size and scope of our Internet, mobile and cross-media user panels are critical to our business. There can be no assurance, however, that we will be able to maintain panels of sufficient size and scope to provide the quality of marketing intelligence that our customers demand from our products. If we fail to maintain a panel of sufficient size and scope — including coverage of international markets, customers might decline to purchase our products or renew their subscriptions, our reputation could be damaged and our business could be materially and adversely affected. We expect that our panel costs may increase and may comprise a greater portion of our cost of revenues in the future. The costs associated with maintaining and improving the quality, size and scope of our panel are dependent on many factors, many of which are beyond our control, including the participation rate of potential panel members, the turnover among existing panel members and requirements for active participation of panel members, such as completing survey questionnaires. Concerns over the potential unauthorized disclosure of personal information or the classification of our software as "spyware" or "adware" may cause existing panel members to uninstall our software or may discourage potential panel members from installing our software. To the extent we experience greater turnover, or churn, in our panel than we have historically experienced, these costs would increase more rapidly. We also have terminated and may in the future terminate relationships with service providers whose practices we believe may not comply with our privacy policies, and have removed and may

in the future remove panel members obtained through such service providers. Such actions may result in increased costs for recruiting additional panel members. In addition, publishing content on the Internet and purchasing advertising space on Web sites may become more expensive or restrictive in the future, which could decrease the availability and increase the cost of advertising the incentives we offer to panel members. To the extent that such additional expenses are not accompanied by increased revenues, our operating margins would be reduced and our financial results would be adversely affected.

Difficulties entering into arrangements with website owners, wireless communications operators and other entities supporting server- and census-based methodologies may negatively affect our methodologies and harm our business.

We believe that our methodologies are enhanced by the ability to collect information using server-based web beacon information and other census-level approaches. There can be no assurance, however, that we will be able to maintain relationships with a sufficient number and scope of websites in order to provide the quality of marketing intelligence that our customers demand from our products. If we fail to continue to expand the scope of our server-based data collection approaches, customers might decline to purchase our products or renew their subscriptions, our reputation could be damaged and our business could be adversely affected.

We may expand through investments in, acquisitions of, or the development of new products with assistance from other companies, any of which may not be successful and may divert our management's attention.

In mid-2008, we closed our acquisition of M:Metrics and have integrated this business into our own. In November 2009, we acquired the Certifica group of companies located in Latin America. Additionally, in 2010, we acquired the ARSgroup, Nexius, Inc. and Nedstat B.V. We also expect to continue to evaluate and enter into discussions regarding a wide array of potential strategic transactions, including acquiring complementary products, technologies or businesses. We also may enter into relationships with other businesses in order to expand our product offerings, which could involve preferred or exclusive licenses, discount pricing or investments in other company, or to expand our sales capabilities. These transactions could be material to our financial condition and results of operations. Although these transactions may provide additional benefits, they may not be profitable immediately or in the long term. Negotiating any such transactions could be time-consuming, difficult and expensive, and our ability to close these transactions may be subject to regulatory or other approvals and other conditions which are beyond our control. Consequently, we can make no assurances that any such transactions, if undertaken and announced, would be completed.

An acquisition, investment or business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products, personnel or operations of the acquired companies, particularly if the key personnel of the acquired company choose not to be employed by us, and we may have difficulty retaining the customers of any acquired business due to changes in management and ownership. Acquisitions may also disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our business. Moreover, we cannot assure you that the anticipated benefits of any acquisition, investment or business relationship would be realized or that we would not be exposed to unknown liabilities. In connection with any such transaction, we may:

- encounter difficulties retaining key employees of the acquired company or integrating diverse business cultures;
- issue additional equity securities that would dilute the common stock held by existing stockholders;
- incur large charges or substantial liabilities;
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges;
- use cash that we may need in the future to operate our business;
- enter new geographic markets that subject us to different laws and regulations that may have an adverse impact on our business;
- experience difficulties effectively utilizing acquired assets; and
- incur debt on terms unfavorable to us or that we are unable to repay.

The impact of any one or more of these factors could adversely affect our business or results of operations or cause the price of our common stock to decline substantially.

Future acquisitions or dispositions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses, or write-offs of goodwill, any of which could harm our financial condition. Also, the anticipated benefit of many of our acquisitions may not materialize.

Concern over spyware and privacy, including any violations of privacy laws, perceived misuse of personal information, or failure to adhere to the privacy commitments that we make, could cause public relations problems and could impair our ability to recruit panelists or maintain panels of sufficient size and scope, which in turn could adversely affect our ability to provide our products.

Any perception of our practices as an invasion of privacy, whether legal or illegal, may subject us to public criticism. Existing and future privacy laws and increasing sensitivity of consumers to unauthorized disclosures and the collection or use of personal information and online usage information may create negative public reaction related to our business practices. The U.S. Congress and various media sources have expressed

concern over the collection of online usage information from cable providers and telecommunications operators to facilitate targeted Internet advertising, and the collection of online behavioral data generally. A similar concern has been raised by regulatory agencies in the United Kingdom. In addition, U.S. and European lawmakers and regulators have expressed concern over the use of third party cookies or web beacons to understand Internet usage, and the European Commission has issued directives requiring the regulation of cookies throughout the European Union. Such actions may have a chilling effect on businesses that collect or use online usage information generally or substantially increase the cost of maintaining a business that collects or uses online usage information. Additionally, public concern has grown regarding certain kinds of downloadable software known as “spyware” and “adware.” These concerns might cause users to refrain from downloading software from the Internet, including our proprietary technology, which could make it difficult to recruit additional panelists or maintain a panel of sufficient size and scope to provide meaningful marketing intelligence. In response to spyware and adware concerns, numerous programs are available, many of which are available for free, that claim to identify and remove spyware and adware from users’ computers. Some of these anti-spyware programs have in the past identified, and may in the future identify, our software as spyware or as a potential spyware application. We actively seek to prevent the inclusion of our software on lists of spyware applications or potential spyware applications, to apply best industry practices for obtaining appropriate consent from panelists and protecting the privacy and confidentiality of our panelist data and to comply with existing privacy laws. However, to the extent that we are not successful, and anti-spyware programs classify our software as spyware or as a potential spyware application, or third party service providers fail to comply with our privacy or data security requirements, our brand may be harmed and users may refrain from downloading these programs or may uninstall our software. Any resulting reputational harm, potential claims asserted against us or decrease in the size or scope of our panel could reduce the demand for our products, increase the cost of recruiting panelists and adversely affect our ability to provide our products to our customers. Any of these effects could harm our business.

Any unauthorized disclosure or theft of private information we gather could harm our business.

Unauthorized disclosure of personally identifiable information regarding Web site visitors, whether through breach of our secure network by an unauthorized party, employee theft or misuse, or otherwise, could harm our business. If there were an inadvertent disclosure of personally identifiable information, or client confidential information, or if a third party were to gain unauthorized access to the personally identifiable or client confidential information we possess, our operations could be seriously disrupted and we could be subject to claims or litigation arising from damages suffered by panel members or pursuant to the agreements with our customers. In addition, we could incur significant costs in complying with the multitude of state, federal and foreign laws regarding the unauthorized disclosure of personal information. Finally, any perceived or actual unauthorized disclosure of the information we collect could harm our reputation, substantially impair our ability to attract and retain panelists and have an adverse impact on our business.

The market for digital marketing intelligence is at an early stage of development, and if it does not develop, or develops more slowly than expected, our business will be harmed.

The market for digital marketing intelligence products is at a relatively early stage of development, and it is uncertain whether these products will achieve high levels of demand and increased market acceptance. Our success will depend to a substantial extent on the willingness of companies to increase their use of such products and to continue use of such products on a long-term basis. Factors that may affect market acceptance include:

- the reliability of digital marketing intelligence products;
- public concern regarding privacy and data security;
- decisions of our customers and potential customers to develop digital marketing intelligence capabilities internally rather than purchasing such products from third-party suppliers like us;
- decisions by industry associations in the United States or in other countries that result in association-directed awards, on behalf of their members, of digital measurement contracts to one or a limited number of competitive vendors;
- the ability to maintain high levels of customer satisfaction; and
- the rate of growth in eCommerce, online advertising and digital media.

The market for our products may not develop further, or may develop more slowly than we expect or may even contract, all of which could adversely affect our business and operating results.

Because our long-term success depends, in part, on our ability to expand the sales of our products to customers located outside of the United States, our business will become increasingly susceptible to risks associated with international operations.

During 2009, we acquired a company with a substantial presence in multiple Latin American countries, and in 2010, we acquired a company with a substantial presence in multiple European countries. Despite this acquisition, we otherwise have had limited experience operating in markets outside of the United States. Our inexperience in operating our business outside of the United States may increase the risk that the international expansion efforts we have begun to undertake will not be successful. In addition, conducting international operations subjects us to new risks that we have not generally faced in the United States. These risks include:

- recruitment and maintenance of a sufficiently large and representative panel both globally and in certain countries;
- expanding the adoption of our server- or census-based web beacon data collection in international countries;
- different customer needs and buying behavior than we are accustomed to in the United States;
- difficulties and expenses associated with tailoring our products to local markets, including their translation into foreign languages;
- difficulties in staffing and managing international operations — including complex and costly hiring, disciplinary, and termination requirements;
- longer accounts receivable payment cycles and difficulties in collecting accounts receivable;
- potentially adverse tax consequences, including the complexities of foreign value-added taxes and restrictions on the repatriation of earnings;
- reduced or varied protection for intellectual property rights in some countries;
- the burdens of complying with a wide variety of foreign laws and regulations;
- fluctuations in currency exchange rates;
- increased accounting and reporting burdens and complexities; and
- political, social and economic instability abroad, terrorist attacks and security concerns.

Additionally, operating in international markets requires significant management attention and financial resources. We cannot be certain that the investments and additional resources required to establish and maintain operations in other countries will hold their value or produce desired levels of revenues or profitability. We cannot be certain that we will be able to maintain and increase the size of the Internet user panel that we currently have in various countries, that we will be able to recruit a representative sample for our audience measurement products, or that we will be able to enter into arrangements with a sufficient number of website owners to allow us to collect server-based information for inclusion in our digital marketing intelligence products. In addition, there can be no assurance that Internet usage and eCommerce will continue to grow in international markets. In addition, governmental authorities in various countries have different views regarding regulatory oversight of the Internet. For example, the Chinese government has taken steps in the past to restrict the content available to Internet users in China.

The impact of any one or more of these risks could negatively affect or delay our plans to expand our international business and, consequently, our future operating results.

If the Internet advertising and eCommerce markets develop more slowly than we expect, our business will suffer.

Our future success will depend on continued growth in the use of the Internet as an advertising medium, a continued increase in eCommerce spending and the proliferation of the Internet as a platform for a wide variety of consumer activities. These markets are evolving rapidly, and it is not certain that their current growth trends will continue.

The adoption of Internet advertising, particularly by advertisers that have historically relied on traditional offline media, requires the acceptance of new approaches to conducting business and a willingness to invest in such new approaches in light of a difficult economic environment. Advertisers may perceive Internet advertising to be less effective than traditional advertising for marketing their products. They may also be unwilling to pay premium rates for online advertising that is targeted at specific segments of users based on their demographic profile or Internet behavior. The online advertising and eCommerce markets may also be adversely affected by privacy issues relating to such targeted advertising, including that which makes use of personalized information, or online behavioral information. Furthermore, online merchants may not be able to establish online commerce models that are cost effective and may not learn how to effectively compete with other Web sites or offline merchants. In addition, consumers may not continue to shift their spending on goods and services from offline outlets to the Internet. As a result, growth in the use of the Internet for eCommerce may not continue at a rapid rate, or the Internet may not be adopted as a medium of commerce by a broad base of customers or companies worldwide. Moreover, the adoption of advertising through mobile media may slow as a result of uncertain economic conditions or other factors. Because of the foregoing factors, among others, the market for Internet advertising and eCommerce, including commerce through mobile media, may not continue to grow at significant rates. If these markets do not continue to develop, or if they develop more slowly than expected, our business will suffer.

Our growth depends upon our ability to retain existing large customers and add new large customers; however, to the extent we are not successful in doing so, our ability to maintain profitability and positive cash flow may be impaired.

Our success depends in part on our ability to sell our products to large customers and on the renewal of the subscriptions of those customers in subsequent years. For the year ended December 31, 2009 and the nine months ended September 30, 2010 we derived approximately 29% of our total revenues from our top 10 customers. Uncertain economic conditions or other factors, such as the failure or consolidation of large client companies, or internal reorganization or changes in focus, may cause certain large customers to terminate or reduce their subscriptions. Moreover, ARS and Nexius, both recently acquired companies, have revenues

highly concentrated in a few large customers. The loss of any one or more of those customers could decrease our revenues and harm our current and future operating results. The addition of new large customers or increases in sales to existing large customers may require particularly long implementation periods and other costs, which may adversely affect our profitability. To compete effectively, we have in the past been, and may in the future be, forced to offer significant discounts to maintain existing customers or acquire other large customers. In addition, we may be forced to reduce or withdraw from our relationships with certain existing customers or refrain from acquiring certain new customers in order to acquire or maintain relationships with important large customers. As a result, new large customers or increased usage of our products by large customers may cause our profits to decline and our ability to sell our products to other customers could be adversely affected.

We derive a significant portion of our revenues from a single customer, Microsoft Corporation. For the year ended December 31, 2009 we derived approximately 12% of our total revenues from Microsoft. For the nine months ended September 30, 2010 we derived approximately 11% of our total revenues from Microsoft. If Microsoft were to cease or substantially reduce its use of our products, our revenues and earnings might decline.

As our international operations grow, changes in foreign currencies could have an increased effect on our operating results.

A portion of our revenues and expenses from business operations in foreign countries are derived from transactions denominated in currencies other than the functional currency of our operations in those countries. As such, we have exposure to adverse changes in exchange rates associated with revenues and operating expenses of our foreign operations, but we believe this exposure to be immaterial at this time and do not currently engage in any transactions that hedge foreign currency exchange rate risk. As we grow our international operations, and acquire companies with established business in international regions, our exposure to foreign currency risk could become more significant.

During 2009, the value of the U.S. Dollar fluctuated but generally depreciated against the British Pound, the Euro, the Canadian Dollar and other local currencies of international customers. As the U.S. Dollar appreciates relative to the local currencies of our international customers, the cost to the customer for of our products and projects correspondingly increase and could result in reductions in sales or renewals, longer sales cycles, difficulties in collection of accounts receivable and increased price competition, any of which could adversely affect our operating results. Likewise, as the U.S. Dollar appreciates, our contracts denominated in foreign currencies also result in reduced revenues. The recent volatility in European financial markets has caused the U.S. Dollar to strengthen against the Euro. If this continues, our revenues and operating results may be adversely impacted.

Conditions and changes in the national and global economic environment may adversely affect our business and financial results.

Adverse economic conditions in markets in which we operate can harm our business. If the economies of the United States and other countries continue to experience prolonged uncertainty, customers may delay or reduce their purchases of digital marketing intelligence products and services. Recently, economic conditions in the countries in which we operate and sell products have been negative, and global financial markets have experienced significant volatility stemming from a multitude of factors, including adverse credit conditions impacted by the subprime-mortgage crisis, slower economic activity, concerns about inflation and deflation, decreased consumer confidence, increased unemployment, reduced corporate profits and capital spending, adverse business conditions, liquidity concerns and other factors. Economic growth in the U.S. and in many other countries slowed in the fourth quarter of 2007 and remained slow throughout 2008 and 2009. Notwithstanding certain signs of recovery during early 2010, economic growth may continue to stagnate during 2010 in the U.S. and internationally, particularly in view of recent economic turmoil in Europe. During challenging economic times, and in tight credit markets, many customers have and may continue to delay or reduce spending. Additionally, some of our customers may be unable to fully pay for purchases or may discontinue their businesses, resulting in the incurrence of uncollectible receivables for us. This could result in reductions in our sales, longer sales cycles, difficulties in collection of accounts receivable, slower adoption of new technologies and increased price competition. This downturn may also impact our available resources for financing new and existing operations. If global economic and market conditions, or economic conditions in the United States or other key markets deteriorate, we may experience a material and adverse impact on our business, results of operations and financial condition.

For the first nine months of 2010, our renewal rates for our subscription-based products remained reasonably consistent during this period on a dollar-basis with 2008 and 2009. In addition, we experienced increases in project revenues and renewal rates of smaller customers during the nine month period ended September 30, 2010.

If we fail to respond to technological developments, our products may become obsolete or less competitive.

Our future success will depend in part on our ability to modify or enhance our products to meet customer needs, to add functionality and to address technological advancements. For example, if certain handheld devices become the primary mode of receiving content and conducting transactions on the Internet, and we are unable to adapt to collect information from such devices, then we would not be able to report on online activity. To remain competitive, we will need to develop new products that address these evolving technologies and standards across the universe of digital media — including television, Internet and mobile usage. However, we may be unsuccessful in identifying new product opportunities or in developing or marketing new products in a timely or cost-effective manner. In addition, our product innovations may not achieve the market penetration or price levels necessary for profitability. If we are unable to develop enhancements to, and new features for, our existing methodologies or products or if we are unable to develop new products that keep pace with rapid technological developments or changing industry standards, our products may become obsolete, less marketable and less competitive, and our business will be harmed.

The market for digital marketing intelligence is highly competitive, and if we cannot compete effectively, our revenues will decline and our business will be harmed.

The market for digital marketing intelligence is highly competitive and is evolving rapidly. We compete primarily with providers of digital media intelligence and related analytical products and services. We also compete with providers of marketing services and solutions, with full-service survey providers and with internal solutions developed by customers and potential customers. Our principal competitors include:

- large and small companies that provide data and analysis of consumers' digital media behavior, including Compete Inc., Google, Inc., Hitwise Pty. Ltd, Quantcast Corporation, Visible Measures Corporation and The Nielsen Company;
- online advertising companies that provide measurement of online ad effectiveness, including Microsoft/ Google, ValueClick, Inc. and WPP Group plc;
- companies that provide audience ratings for TV, radio and other media that have extended or may extend their current services, particularly in certain international markets, to the measurement of digital media, including Google, Inc., Arbitron Inc., The Nielsen Company and Taylor Nelson Sofres (owned by WPP Group plc);
- analytical services companies that provide customers with detailed information of behavior on their own Web sites, including Adobe Systems Incorporated, Coremetrics (an IBM company)Google Inc., and WebTrends Inc.;
- full-service market research firms and survey providers that may measure online behavior and attitudes or conduct communications evaluation and testing, including Crowd Science, Inc., Harris Interactive Inc., Ipsos Group, Synnovate, GfK Group, Kantar (owned by WPP Group plc) and The Nielsen Company;
- companies that provide behavioral, attitudinal and qualitative advertising effectiveness, including Dynamic Logic, Inc. (a Millward Brown Company), Insight Express, LLC and Marketing Evolution Inc.; and
- specialty information providers and enterprise software and analytical service providers for certain industries that we serve, including IMS Health Incorporated (healthcare) and Nielsen Mobile, Inc. (telecommunications); Arantech, Aircom International, International Business Machines, Corp.

Some of our current competitors have longer operating histories, access to larger customer bases and substantially greater resources than we do. As a result, these competitors may be able to devote greater resources to marketing and promotional campaigns, panel retention, panel development or development of systems and technologies than we can. In addition, some of our competitors may adopt more aggressive pricing policies or have started to provide some services at no cost. Furthermore, large software companies, Internet portals and database management companies may enter our market or enhance their current offerings, either by developing competing services or by acquiring our competitors, and could leverage their significant resources and pre-existing relationships with our current and potential customers.

If we are unable to compete successfully against our current and future competitors, we may not be able to retain and acquire customers, and we may consequently experience a decline in revenues, reduced operating margins, loss of market share and diminished value from our products.

We may encounter difficulties managing our growth and costs, which could adversely affect our results of operations.

We have experienced significant growth over the past several years in the U.S. and internationally. We have substantially expanded our overall business, customer base, headcount, data collection and processing infrastructure and operating procedures as our business has grown through both organic growth and acquisitions. We increased our total number of full time employees to 926 employees as of September 30, 2010 from 176 employees as of December 31, 2003. As a result of downward adjustments to compensation and reductions in our workforce made during 2009, however, we may encounter decreased employee morale and increased employee turnover. Moreover, as a result of acquisition integration initiatives, we may reduce the workforce of an acquired company or reassign personnel. Such actions may expose us to disruption by dissatisfied employees or employee-related claims, including without limitation, claims by terminated employees that believe they are owed more compensation than we believe these employees are due under our compensation and benefit plans, or claims maintained internationally in jurisdictions whose laws and procedures differ from those in the United States. In addition, during this same period, we made substantial investments in our network infrastructure operations as a result of our growth and the growth of our panel, and we have also undertaken certain strategic acquisitions. We believe that we will need to continue to effectively manage and expand our organization, operations and facilities in order to accommodate potential future growth or acquisitions and to successfully integrate acquired businesses. If we continue to grow, either organically or through acquired businesses, our current systems and facilities may not be adequate. Our need to effectively manage our operations and cost structure requires that we continue to assess and improve our operational, financial and management controls, reporting systems and procedures. If we are not able to efficiently and effectively manage our cost structure, our business may be impaired.

Failure to effectively expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our products.

Increasing our customer base and achieving broader market acceptance of our products will depend to a significant extent on our ability to expand our sales and marketing operations. We expect to continue to rely on our direct sales force to obtain new customers. We may expand or enhance our direct sales force both domestically and internationally. We believe that there is significant competition for direct sales personnel with the sales skills and technical knowledge that we require. Our ability to achieve significant growth in revenues in the future will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of direct sales personnel, and our ability to cross train our existing sales force with the sales forces of acquired businesses so that the sales personnel have the necessary information and ability to sell or develop sales prospects for both our products and the products of recently-acquired companies. In general, new hires require significant training and substantial experience before becoming productive. Our recent hires and planned hires may not become as productive as we require, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we currently operate or where we seek to conduct

business. Our business will be seriously harmed if the efforts to expand our sales and marketing capabilities are not successful or if they do not generate a sufficient increase in revenues.

If we fail to develop our brand, our business may suffer.

We believe that building and maintaining awareness of comScore and our portfolio of products in a cost-effective manner is critical to achieving widespread acceptance of our current and future products and is an important element in attracting new customers. We will also need to carefully manage the brands used by recently-acquired businesses as we integrate such businesses into our own. We rely on our relationships with the media and the exposure we receive from numerous citations of our data by media outlets to build brand awareness and credibility among our customers and the marketplace. Furthermore, we believe that brand recognition will become more important for us as competition in our market increases. Our brand's success will depend on the effectiveness of our marketing efforts and on our ability to provide reliable and valuable products to our customers at competitive prices. Our brand marketing activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses we incur in attempting to build our brand. If we fail to successfully market our brand, we may fail to attract new customers, retain existing customers or attract media coverage to the extent necessary to realize a sufficient return on our brand-building efforts, and our business and results of operations could suffer.

We have a limited operating history and may not be able to achieve financial or operational success.

We were incorporated in 1999 and introduced our first syndicated Internet audience measurement product in 2000. Many of our other products were first introduced during the past few years. Accordingly, we are still in the early stages of development and have only a limited operating history upon which our business can be evaluated. You should evaluate our likelihood of financial and operational success in light of the risks, uncertainties, expenses, delays and difficulties associated with an early-stage business in an evolving market, some of which may be beyond our control, including:

- our ability to successfully manage any growth we may achieve in the future;
- the risks associated with operating a business in international markets, including Asia, Europe and Latin America; and
- our ability to successfully integrate acquired businesses, technologies or services.

We have a history of significant net losses, may incur significant net losses in the future and may not maintain profitability.

Although we achieved net income in the 2009 fiscal year of $4.0 million, we incurred a net loss of $1.1 million for the nine months ended September 30, 2010. As such we cannot assure you that we will be able to sustain or increase profitability in the future, particularly if we engage in additional acquisition activity. As of September 30, 2010, we had an accumulated deficit of $52.8 million. Because a large portion of our costs are fixed, we may not be able to reduce or maintain our expenses in response to any decrease in our revenues, which would adversely affect our operating results. In addition, we expect operating expenses to increase as we implement certain growth initiatives, which include, among other things, the development of new products, expansion of our infrastructure, plans for international expansion and general and administrative expenses associated with being a public company. If our revenues do not increase to offset these expected increases in costs and operating expenses, our operating results would be materially and adversely affected. You should not consider our revenue growth in recent periods as indicative of our future performance, as our operating results for future periods are subject to numerous uncertainties.

We have limited experience with respect to our pricing model, and if the fees we charge for our products are unacceptable to our customers, our revenues and operating results will be harmed.

We have limited experience in determining the fees that our existing and potential customers will find acceptable for our products, the products of companies that we recently acquired, and any potential products that are developed as a result of the integration of our company with acquired companies. The majority of our customers purchase specifically-tailored subscription packages that are priced in the aggregate. Due to the level of customization of such subscription packages, the pricing of contracts or individual product components of such packages may not be readily comparable across customers or periods. Existing and potential customers may have difficulty assessing the value of our products and services when comparing it to competing products and services. As the market for our products matures, or as new competitors introduce new products or services that compete with ours, we may be unable to renew our agreements with existing customers or attract new customers with the fees we have historically charged. As a result, it is possible that future competitive dynamics in our market as well as global economic pressures may require us to reduce our fees, which could have an adverse effect on our revenues, profitability and operating results.

If we are unable to sell additional products to our existing customers or attract new customers, our revenue growth will be adversely affected.

To increase our revenues, we believe we must sell additional products to existing customers, including existing customers of acquired businesses, and regularly add new customers. If our existing and prospective customers do not perceive our products to be of sufficient value and quality, we may not be able to increase sales to existing customers and attract new customers, or we may have difficulty retaining existing customers, and our operating results will be adversely affected.

We depend on third parties for data that is critical to our business, and our business could suffer if we cannot continue to obtain data from these suppliers.

We rely on third-party data sources for information regarding certain digital activities such as television viewing and mobile usage, as well as for information about offline activities of and demographic information regarding our panelists. The availability and accuracy of these data is important to the continuation and development of our cross-media products, -products that use server- or census-based information as part of the

research methodology, and products that link online and offline activity. If this information is not available to us at commercially reasonable terms, or is found to be inaccurate, it could harm our reputation, business and financial performance.

System failures or delays in the operation of our computer and communications systems may harm our business.

Our success depends on the efficient and uninterrupted operation of our computer and communications systems and the third-party data centers we use. Our ability to collect and report accurate data may be interrupted by a number of factors, including our inability to access the Internet, the failure of our network or software systems, computer viruses, security breaches or variability in user traffic on customer Web sites. A failure of our network or data gathering procedures could impede the processing of data, cause the corruption or loss of data or prevent the timely delivery of our products.

In the future, we may need to expand our network and systems at a more rapid pace than we have in the past. Our network or systems may not be capable of meeting the demand for increased capacity, or we may incur additional unanticipated expenses to accommodate these capacity demands. In addition, we may lose valuable data, be unable to obtain or provide data on a timely basis or our network may temporarily shut down if we fail to adequately expand or maintain our network capabilities to meet future requirements. Any lapse in our ability to collect or transmit data may decrease the value of our products and prevent us from providing the data requested by our customers. Any disruption in our network processing or loss of Internet user data may damage our reputation and result in the loss of customers, and our business and results of operations could be adversely affected.

We rely on a small number of third-party service providers to host and deliver our products, and any interruptions or delays in services from these third parties could impair the delivery of our products and harm our business.

We host our products and serve all of our customers from two third-party data center facilities located in Virginia and Illinois. While we operate our equipment inside these facilities, we do not control the operation of either of these facilities, and, depending on service level requirements, we may not continue to operate or maintain redundant data center facilities for all of our products or for all of our data, which could increase our vulnerability. These facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, power loss, telecommunications failures and similar events. They are also subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. A natural disaster or an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems could result in lengthy interruptions in availability of our products. We may also encounter capacity limitations at our third-party data centers. Additionally, our data center facility agreements are of limited durations, and our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, if at all. Our agreement for our data center facility located in Virginia expires in April 2013, if not renewed, and our agreement for our data center facility located in Illinois expires in July 2011, if not renewed. Although we are not substantially dependent on either data center facility because of planned redundancies, and although we currently are able to migrate to alternative data centers, such a migration may result in an interruption or delay in service. If we are unable to renew our agreements with the owners of the facilities on commercially reasonable terms, or if we migrate to a new data center, we may experience delays in delivering our products until an agreement with another data center facility can be arranged or the migration to a new facility is completed.

We currently leverage a large content delivery network, or CDN, to provide services that allow us to offer a more efficient tagging solution for our Media Metrix 360 product offerings. If that service faced unplanned outage or the service became immediately unavailable, an alternate CDN provider or additional capacity in our data centers would need to be established to support the large volume of tag requests that we currently manage which would either require additional investments in equipment and facilities or a transition plan. This could unexpectedly raise the costs and could contribute the delays or losses in tag data that could affect the quality and reputation of our Media Metrix 360 data products.

Further, we depend on access to the Internet through third-party bandwidth providers to operate our business. If we lose the services of one or more of our bandwidth providers for any reason, we could experience disruption in the delivery of our products or be required to retain the services of a replacement bandwidth provider. It may be difficult for us to replace any lost bandwidth on commercially reasonable terms, or at all, due to the large amount of bandwidth our operations require.

Our operations also rely heavily on the availability of electrical power and cooling capacity, which are also supplied by third-party providers. If we or the third-party data center operators that we use to deliver our products were to experience a major power outage or if the cost of electrical power increases significantly, our operations and profitability would be harmed. If we or the third-party data centers that we use were to experience a major power outage, we would have to rely on back-up generators, which may not function properly, and their supply may be inadequate. Such a power outage could result in the disruption of our business. Additionally, if our current facilities fail to have sufficient cooling capacity or availability of electrical power, we would need to find alternative facilities.

Any errors, defects, disruptions or other performance problems with our products caused by third parties could harm our reputation and may damage our business. Interruptions in the availability of our products may reduce our revenues due to increased turnaround time to complete projects, cause us to issue credits to customers, cause customers to terminate their subscription and project agreements or adversely affect our renewal rates. Our business would be harmed if our customers or potential customers believe our products are unreliable.

The success of our business depends in large part on our ability to protect and enforce our intellectual property rights.

We rely on a combination of patent, copyright, service mark, trademark and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights, all of which provide only limited protection. While we have filed a number of patent applications and own three issued patents, we cannot assure you that any additional patents will be issued with respect to any of our pending or future patent applications, nor can we assure you that any patent issued to us will provide adequate protection, or that any patents issued to us will not be challenged, invalidated, circumvented, or held to be unenforceable in actions against alleged infringers. Also, we cannot assure you that any future trademark or service mark registrations will be issued with respect to pending or future applications or that any of our

registered trademarks and service marks will be enforceable or provide adequate protection of our proprietary rights. Furthermore, adequate (or any) patent, trademark, service mark, copyright and trade secret protection may not be available in every country in which our services are available.

We endeavor to enter into agreements with our employees and contractors and with parties with whom we do business in order to limit access to and disclosure of our proprietary information. We cannot be certain that the steps we have taken will prevent unauthorized use of our technology or the reverse engineering of our technology. Moreover, third parties might independently develop technologies that are competitive to ours or that infringe upon our intellectual property. In addition, the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights in Internet-related industries are uncertain and still evolving, both in the United States and in other countries. The protection of our intellectual property rights may depend on our legal actions against any infringers being successful. We cannot be sure any such actions will be successful.

An assertion from a third party that we are infringing its intellectual property, whether such assertions are valid or not, could subject us to costly and time-consuming litigation or expensive licenses.

The Internet, mobile media, software and technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights, domestically or internationally. As we grow and face increasing competition, the probability that one or more third parties will make intellectual property rights claims against us increases. In such cases, our technologies may be found to infringe on the intellectual property rights of others. Additionally, many of our subscription agreements may require us to indemnify our customers for third-party intellectual property infringement claims, which would increase our costs if we have to defend such claims and may require that we pay damages and provide alternative services if there were an adverse ruling in any such claims. Intellectual property claims could harm our relationships with our customers, deter future customers from subscribing to our products or expose us to litigation. Even if we are not a party to any litigation between a customer and a third party, an adverse outcome in any such litigation could make it more difficult for us to defend against intellectual property claims by the third party in any subsequent litigation in which we are a named party. Any of these results could adversely affect our brand, business and results of operations.

One of our competitors has filed patent infringement lawsuits against others, demonstrating this party's propensity for patent litigation. It is possible that this third party, or some other third party, may bring an action against us, and thus cause us to incur the substantial costs and risks of litigation. Any intellectual property rights claim against us or our customers, with or without merit, could be time-consuming and expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent us from offering our products to our customers and may require that we procure or develop substitute products that do not infringe on other parties' rights.

With respect to any intellectual property rights claim against us or our customers, we may have to pay damages or stop using technology found to be in violation of a third party's rights. We may have to seek a license for the technology, which may not be available on reasonable terms or at all, may significantly increase our operating expenses or may significantly restrict our business activities in one or more respects. We may also be required to develop alternative non-infringing technology, which could require significant effort and expense. Any of these outcomes could adversely affect our business and results of operations.

Domestic or foreign laws, regulations or enforcement actions may limit our ability to collect and use information about Internet users or restrict or prohibit our product offerings, causing a decrease in the value of our products and an adverse impact on the sales of our products.

Our business could be adversely impacted by existing or future laws or regulations of, or actions by, domestic or foreign regulatory agencies. For example, privacy concerns could lead to legislative, judicial and regulatory limitations on our ability to collect maintain and use information about Internet users in the United States and abroad. Various state legislatures have enacted legislation designed to protect Internet users' privacy, for example by prohibiting spyware. In recent years, similar legislation has been proposed in other states and at the federal level and has been enacted in foreign countries, most notably by the European Union, which adopted a privacy directive regulating the collection of personally identifiable information online and more recently, restricting the use of cookies without opt-in consent by the user. Recently, the U.S. Congress and regulators have expressed concern over the collection of Internet usage information as part of a larger initiative to regulate online behavioral advertising. A similar concern has been raised by regulatory agencies in the United Kingdom. In addition, U.S. and European lawmakers and regulators have expressed concern over the use of third party cookies or web beacons to understand Internet usage. These laws and regulations, if drafted or interpreted broadly, could be deemed to apply to the technology we use, and could restrict our information collection methods, and the collection methods of third parties from whom we may obtain data, or decrease the amount and utility of the information that we would be permitted to collect. Even if such laws and regulations are not enacted, lawmakers and regulators may publicly call into question the collection and use of Internet or mobile usage data and may affect vendors and customers' willingness to do business with us. In addition, our ability to conduct business in certain foreign jurisdictions, including China, is restricted by the laws, regulations and agency actions of those jurisdictions. The costs of compliance with, and the other burdens imposed by, these and other laws or regulatory actions may prevent us from selling our products or increase the costs associated with selling our products, and may affect our ability to invest in or jointly develop products in the United States and in foreign jurisdictions.

In addition, failure to comply with these and other laws and regulations may result in, among other things, administrative enforcement actions and fines, class action lawsuits and civil and criminal liability. State attorneys general, governmental and non-governmental entities and private persons may bring legal actions asserting that our methods of collecting, using and distributing Web site visitor information are illegal or improper, which could require us to spend significant time and resources defending these claims. For example, some companies that collect, use and distribute Web site visitor information have been the subject of governmental investigations and class-action lawsuits. Any such regulatory or

civil action that is brought against us, even if unsuccessful, may distract our management's attention, divert our resources, negatively affect our public image or reputation among our panelists and customers and harm our business.

The impact of any of these current or future laws or regulations could make it more difficult or expensive to attract or maintain panelists, particularly in affected jurisdictions, and could adversely affect our business and results of operations.

Laws related to the regulation of the Internet could adversely affect our business.

Laws and regulations that apply to communications and commerce over the Internet are becoming more prevalent. In particular, the growth and development of the market for eCommerce has prompted calls for more stringent tax, consumer protection and privacy laws in the United States and abroad that may impose additional burdens on companies conducting business online. The adoption, modification or interpretation of laws or regulations relating to the Internet or our customers' digital operations could negatively affect the businesses of our customers and reduce their demand for our products. Even if such laws and regulations are not enacted, lawmakers and regulators may publicly call into question the collection and use of Internet or mobile usage data and may affect vendors and customers' willingness to do business with us.

If we fail to respond to evolving industry standards, our products may become obsolete or less competitive.

The market for our products is characterized by rapid technological advances, changes in customer requirements, changes in protocols and evolving industry standards. For example, industry associations such as the Advertising Research Foundation, the Council of American Survey Research Organizations, the Internet Advertising Bureau, or IAB, and the Media Ratings Council have independently initiated efforts to either review online market research methodologies or to develop minimum standards for online market research. In September 2007, we began a full audit to obtain accreditation by the Media Ratings Council. Any standards adopted by U.S or internationally based industry associations may lead to costly changes to our procedures and methodologies. As a result, the cost of developing our digital marketing intelligence products could increase. If we do not adhere to standards prescribed by the IAB or other industry associations, our customers could choose to purchase products from competing companies that meet such standards. Furthermore, industry associations based in countries outside of the United States often endorse certain vendors or methodologies. If our methodologies fail to receive an endorsement from an important industry association located in a foreign country, advertising agencies, media companies and advertisers in that country may not purchase our products. As a result, our efforts to further expand internationally could be adversely affected.

The success of our business depends on the continued growth of the Internet as a medium for commerce, content, advertising and communications.

Expansion in the sales of our products depends on the continued acceptance of the Internet as a platform for commerce, content, advertising and communications. The use of the Internet as a medium for commerce, content, advertising and communications could be adversely impacted by delays in the development or adoption of new standards and protocols to handle increased demands of Internet activity, security, reliability, cost, ease-of-use, accessibility and quality-of-service. The performance of the Internet and its acceptance as a medium for commerce, content commerce, content, advertising and communications has been harmed by viruses, worms, and similar malicious programs, and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the Internet does not remain a medium for widespread commerce, content, advertising and communications, the demand for our products would be significantly reduced, which would harm our business.

We rely on our management team and may need additional personnel to grow our business; the loss of one or more key employees or the inability to attract and retain qualified personnel could harm our business.

Our success and future growth depends to a significant degree on the skills and continued services of our management team, including our founders, Magid M. Abraham, Ph.D. and Gian M. Fulgoni. Our future success also depends on our ability to retain, attract and motivate highly skilled technical, managerial, marketing and customer service personnel, including members of our management team. All of our employees work for us on an at-will basis. We plan to hire additional personnel in all areas of our business, particularly for our sales, marketing and technology development areas, both domestically and internationally, which will likely increase our recruiting and hiring costs. Competition for these types of personnel is intense, particularly in the Internet and software industries. As a result, we may be unable to successfully attract or retain qualified personnel. Our inability to retain and attract the necessary personnel could adversely affect our business.

Changes and instability in the national and global political environments may adversely affect our business and financial results.

Recent turmoil in the political environment in many parts of the world, including terrorist activities, military actions, and increases in energy costs due to instability in oil-producing regions may continue to put pressure on global economic conditions. If global economic and market conditions, or economic conditions in the United States or other key markets deteriorate, we may experience material impacts on our business, operating results, and financial condition.

Changes in, or interpretations of, accounting rules and regulations, could result in unfavorable accounting charges or cause us to change our compensation policies.

Accounting methods and policies, including policies governing revenue recognition, expenses and accounting for stock options are continually subject to review, interpretation, and guidance from relevant accounting authorities, including the Financial Accounting Standards Board, or FASB, and the SEC. Changes to, or interpretations of, accounting methods or policies in the future may require us to reclassify, restate or otherwise change or revise our financial statements, including those contained in Part II, Item 8 of our Annual Report on Form 10-K.

Investors could lose confidence in our financial reports, and our business and stock price may be adversely affected, if our internal control over financial reporting is found by management or by our independent registered public accounting firm to not be adequate or if we disclose significant existing or potential deficiencies or material weaknesses in those controls.

Section 404 of the Sarbanes-Oxley Act of 2002 requires us to include a report on our internal control over financial reporting in our Annual Report on Form 10-K. That report includes management's assessment of the effectiveness of our internal control over financial reporting as of the end the fiscal year. Additionally, our independent registered public accounting firm is required to issue a report on their evaluation of the operating effectiveness of our internal control over financial reporting.

We continue to evaluate our existing internal controls against the standards adopted by the Public Company Accounting Oversight Board, or PCAOB. During the course of our ongoing evaluation of our internal controls, we have in the past identified, and may in the future identify, areas requiring improvement, and may have to design enhanced processes and controls to address issues identified through this review. Remedying any significant deficiencies or material weaknesses that we or our independent registered public accounting firm may identify could require us to incur significant costs and expend significant time and management resources. We cannot assure you that any of the measures we may implement to remedy any such deficiencies will effectively mitigate or remedy such deficiencies. Further, if we are not able to complete the assessment under Section 404 in a timely manner or to remedy any identified material weaknesses, we and our independent registered public accounting firm would be unable to conclude that our internal control over financial reporting is effective at the required reporting deadlines. If our internal control over financial reporting is found by management or by our independent registered public accountant to not be adequate or if we disclose significant existing or potential deficiencies or material weaknesses in those controls, investors could lose confidence in our financial reports, we could be subject to sanctions or investigations by The NASDAQ Global Market, the Securities and Exchange Commission or other regulatory authorities and our stock price could be adversely affected.

A determination that there is a significant deficiency or material weakness in the effectiveness of our internal control over financial reporting could also reduce our ability to obtain financing or could increase the cost of any financing we obtain and require additional expenditures to comply with applicable requirements.

Our net operating loss carryforwards may expire unutilized or underutilized, which could prevent us from offsetting future taxable income.

We have previously experienced "changes in control" that have triggered the limitations of Section 382 of the Internal Revenue Code on a portion of our net operating loss carryforwards. As a result, we may be limited in the amount of net operating loss carryforwards that we can use in the future to offset taxable income for U.S. Federal income tax purposes.

As of September 30, 2010, we estimate our federal and state net operating loss carryforwards for tax purposes are approximately $51.2 million and $35.5 million, respectively. These net operating loss carryforwards will begin to expire in 2023 for federal income tax reporting purposes and in 2014 for state income tax reporting purposes.

In addition, at September 30, 2010 we estimate our aggregate net operating loss carryforwards for tax purposes related to our foreign subsidiaries are $31.0 million, which will begin to expire in 2014.

We periodically assess the likelihood that we will be able to recover our deferred tax assets, principally net operating loss carryforwards. We consider all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies. As a result of this analysis of all available evidence, both positive and negative, the total valuation allowance against our deferred tax assets increased by $1.3 million during the nine months ended September 30, 2010, primarily due to estimated tax losses for 2010.

As of September 30, 2010, we had a valuation allowance of $4.9 million against certain deferred tax assets. The valuation allowance relates to the acquired deferred tax assets of the M:Metrics UK subsidiary, the deferred tax asset related to the value of our auction rate securities, and the deferred tax assets of the foreign subsidiaries that are in their start-up phases, including China, Germany, Hong Kong and certain Certifica and Nedstat entities. Depending on our actual results in the future, there may be sufficient positive evidence to support the conclusion that all or a portion of our remaining valuation allowance should be further reduced. To the extent we determine that all or a portion of our valuation allowance is no longer necessary, we expect to recognize an income tax benefit in the period such determination is made for the reversal of the valuation allowance. If we determine that, based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized, we expect to recognize income tax expense in the period such determination is made for the increase in the valuation allowance. These events could have a material impact on our reported results of operations.

We may require additional capital to support business growth, and this capital may not be available on acceptable terms or at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new products or enhance our existing products, enhance our operating infrastructure and acquire complementary businesses and technologies.

Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could include restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us or at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited. In addition, the terms of any additional equity or debt issuances may adversely affect the value and price of our common stock.

Due to the prevailing global economic conditions that largely began in 2008 and continued throughout 2009, many businesses do not have access to the capital markets on acceptable terms. In addition, as a result of this global credit market crisis, conditions for acquisition activities have become very difficult as tight global credit conditions have adversely affected the ability of potential buyers to finance acquisitions. Although these conditions have not immediately affected our current plans, these adverse conditions are not likely to improve significantly in the near future and could have a negative impact on our ability to execute on future strategic activities.

We face the risk of a decrease in our cash balances and losses in our investment portfolio.

We hold a large balance of cash, cash equivalents and short-term investments. The ability to achieve our investment objectives is affected by many factors, some of which are beyond our control. We rely on third-party money managers to manage the majority of our investment portfolio in a risk-controlled framework. Our cash is invested in high-quality fixed-income securities and is affected by changes in interest rates. Interest rates are highly sensitive to many factors, including governmental monetary policies and domestic and international economic and political conditions.

The outlook for our investment income is dependent on the future direction of interest rates and the amount of cash flows from operations that are available for investment. Any significant decline in our investment income or the value of our investments as a result of falling interest rates, deterioration in the credit of the securities in which we have invested, decreased liquidity in the market for these investments, or general market conditions, could have an adverse effect on our net income and cash position.

Our investment strategy attempts to manage interest rate risk and limit credit risk. By policy, we only invest in what we view as very high quality debt securities, and our largest holdings are short-term U.S. Government securities. We do not hold any sub-prime mortgages or structured investment vehicles. We do not invest in below investment-grade securities.

We have invested some of our assets in auction rate securities, which are subject to risks that may cause losses and affect the liquidity of those investments.

As of September 30, 2010, our principal sources of liquidity consisted of cash, cash equivalents and short-term investments of $36.2 million. As of September 30, 2010, we held $2.6 million in long-term investments consisting of four separate auction rate securities with a par value of $4.3 million. In prior years, we invested in these auction rate securities for short periods of time as part of our investment policy. However, uncertainties in the credit markets have prevented us and other investors in recent periods from liquidating some holdings of auction rate securities. As there were no auctions for these securities during the nine months ended September 30, 2010, we may incur additional losses.

Risks Related to the Securities Market and Ownership of our Common Stock

We cannot assure you that a market will continue to develop or exist for our common stock or what the market price of our common stock will be.

Prior to our initial public offering, which was completed on July 2, 2007, there was no public trading market for our common stock, and we cannot assure you that one will continue to develop or be sustained. If a market does not continue to develop or is not sustained, it may be difficult for you to sell your shares of common stock at an attractive price or at all. We cannot predict the prices at which our common stock will trade.

The trading price of our common stock may be subject to significant fluctuations and volatility, and our new stockholders may be unable to resell their shares at a profit.

The stock markets, in general, and the markets for technology stocks in particular, have experienced high levels of volatility. The market for technology stocks has been extremely volatile and frequently reaches levels that bear no relationship to the past or present operating performance of those companies. These broad market fluctuations may adversely affect the trading price of our common stock. In addition, the trading price of our common stock has been subject to significant fluctuations and may continue to fluctuate or decline.

The price of our common stock in the market may be higher or lower than the price you pay, depending on many factors, some of which are beyond our control and may not be related to our operating performance. It is possible that, in future quarters, our operating results may be below the expectations of analysts or investors. As a result of these and other factors, the price of our common stock may decline, possibly materially. These fluctuations could cause you to lose all or part of your investment in our common stock. Factors that could cause fluctuations in the trading price of our common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market price and trading volume of technology companies and of companies in our industry;
- actual or anticipated changes or fluctuations in our operating results;
- actual or anticipated changes in expectations regarding our performance by investors or securities analysts;
- the failure of securities analysts to cover our common stock after this offering or changes in financial estimates by analysts;
- actual or anticipated developments in our competitors' businesses or the competitive landscape;

- actual or perceived inaccuracies in, or dissatisfaction with, information we provide to our customers or the media;
- litigation involving us, our industry or both;
- regulatory developments;
- privacy and security concerns, including public perception of our practices as an invasion of privacy;
- general economic conditions and trends;
- major catastrophic events;
- sales of large blocks of our stock;
- the timing and success of new product introductions or upgrades by us or our competitors;
- changes in our pricing policies or payment terms or those of our competitors;
- concerns relating to the security of our network and systems;
- our ability to expand our operations, domestically and internationally, and the amount and timing of expenditures related to this expansion; or
- departures of key personnel.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation, which could result in substantial costs and divert our management's attention and resources from our business. In addition, volatility, lack of positive performance in our stock price or changes to our overall compensation program, including our equity incentive program, may adversely affect our ability to retain key employees.

If securities or industry analysts do not publish research or reports about our business or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us issue an adverse or misleading opinion regarding our stock, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Future sales of shares by existing stockholders or new issuances of securities by us could cause our stock price to decline.

If we or our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock or other securities in the public market, the trading price of our common stock could decline. Sales of substantial amounts of shares of our common stock or other securities by us or our existing stockholders could lower the market price of our common stock and impair our ability to raise capital through the sale of new securities in the future at a time and price that we deem appropriate.

We have incurred and will continue to incur increased costs and demands upon management as a result of complying with the laws and regulations affecting a public company, which could adversely affect our operating results.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act of 2002, as well as rules implemented by the Securities and Exchange Commission and The NASDAQ Stock Market, requires certain corporate governance practices for public companies. Our management and other personnel devote a substantial amount of time to public reporting requirements and corporate governance. These rules and regulations have significantly increased our legal and financial compliance costs and made some activities more time-consuming and costly. We also have incurred additional costs associated with our public company reporting requirements. If these costs do not continue to be offset by increased revenues and improved

financial performance, our operating results would be adversely affected. These rules and regulations also make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage if these costs continue to rise. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors or as executive officers.

Provisions in our certificate of incorporation and bylaws and under Delaware law might discourage, delay or prevent a change of control of our company or changes in our management and, therefore, depress the trading price of our common stock.

Our certificate of incorporation and bylaws contain provisions that could depress the trading price of our common stock by acting to discourage, delay or prevent a change of control of our company or changes in our management that the stockholders of our company may deem advantageous. These provisions:

- provide for a classified board of directors so that not all members of our board of directors are elected at one time;
- authorize “blank check” preferred stock that our board of directors could issue to increase the number of outstanding shares to discourage a takeover attempt;
- prohibit stockholder action by written consent, which means that all stockholder actions must be taken at a meeting of our stockholders;
- prohibit stockholders from calling a special meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and
- provide for advance notice requirements for nominations for elections to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

Additionally, we are subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder and which may discourage, delay or prevent a change of control of our company.

Item 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

(a) ***Unregistered Sales of Equity Securities during the Three Months Ended September 30, 2010***

As previously reported in our Current Report on Form 8-K (file no. 000-1158172), filed July 1, 2010, on July 1, 2010, in connection with our purchase all of the outstanding capital stock of Nexius, Inc. (“Nexius”), we issued a total of 158,070 unregistered shares of comScore common stock as partial consideration for such acquisition. These shares were issued in reliance upon exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), provided by (i) Section 4(2) of the Securities Act and (ii) Regulation D promulgated under the rules and regulations of the Securities Act.

As previously reported in our Current Report on Form 8-K (file no. 000-1158172), filed September 1, 2010, on August 31, 2010, in connection with our purchase of all of the outstanding capital stock of Nedstat B.V. (“Nedstat”), we issued a total of 58,045 shares of common stock to two key employee shareholders of Nedstat. These shares were issued pursuant to the terms of Stock Purchase Agreements based on the purchase of such number of shares equal to 30% of such sharesholders’ respective consideration received in the acquisition of Nedstat by the Company. These shares were issued in reliance upon exemptions from the registration requirements of the Securities Act provided by (i) Section 4(2) of the Securities Act and (ii) Regulation S promulgated under the rules and regulations of the Securities Act.

(b) ***Use of Proceeds from Sale of Registered Equity Securities***

None.

(c) ***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

During the three months ended September 30, 2010, we repurchased the following shares of common stock in connection with certain restricted stock and restricted stock unit awards issued under our Equity Incentive Plans:

Table of Contents

	Total Number of Shares (or Units) Purchased(1)	Average Price Per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans of Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
July 1 — July 31, 2010	81,902	$ 8.62	—	—
August 1 — August 31, 2010	26,465	$ 15.56	—	—
September 1 — September 30, 2010	239	$ —	—	—
Total	108,606		—	—

(1) The shares included in the table above were repurchased either in connection with (i) our exercise of the repurchase right afforded to us in connection with certain employee restricted stock awards or (ii) the forfeiture of shares by an employee as payment of the minimum statutory withholding taxes due upon the vesting of certain employee restricted stock and restricted stock unit awards. A detailed breakout of each category follows below.

For the three months ended September 30, 2010, the shares repurchased in connection with our exercise of the repurchase right afforded to us upon the cessation of employment consisted of the following:

	Total Number of Shares Purchased	Average Price Per Share
July 1 — July 31, 2010	44,848	$ 0.00
August 1 — August 31, 2010	3,612	$ 0.00
September 1 — September 30, 2010	239	$ 0.00
Total	48,699	

The shares we repurchased in connection with the payment of minimum statutory withholding taxes due upon the vesting of certain restricted stock and restricted stock unit awards were repurchased at the then current fair market value of the shares. For the three months ended September 30, 2010, these shares consisted of the following:

	Total Number of Shares Purchased	Average Price Per Share
July 1 — July 31, 2010	37,054	$ 19.04
August 1 — August 31, 2010	22,853	$ 18.02
September 1 — September 30, 2010	—	$ —
Total	59,907	

Item 3. ***Defaults Upon Senior Securities***

None

Item 4. ***Removed and Reserved***

N/A

Item 5. ***Other Information***

None

Item 6. ***Exhibits***

The exhibits listed on the Exhibit Index attached hereto are filed or incorporated by reference (as stated therein) as part of this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

comScore, Inc.

/s/ Kenneth J. Tarpey
Kenneth J. Tarpey
Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

Date: November 9, 2010

EXHIBIT INDEX

Exhibit Number	Description
2.1	Stock Purchase Agreement by and amoung the Registrant, Nexius, Inc., the Shareholders of Nexius, Inc. and Nabil Taleb, as representative of the Sellers, dated July 1, 2010
2.2	Stock Purchase Agreement by and amoung the Registrant, CS Worldnet Holdings B.V., Nedstat B.V., the equity holders of Nedstat B.V. and Stichting Sellers Nedstat, as the respresentative of the Sellers, dated August 31, 2010
3.1(1)	Amended and Restated Certificate of Incorporation of the Registrant (Exhibit 3.3)
3.2(1)	Amended and Restated Bylaws of the Registrant (Exhibit 3.4)
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a 14(a) and Rule 15d 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a 14(a) and Rule 15d 14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(1) Incorporated by reference to the exhibits to the Registrant's Registration Statement on Form S-1, as amended, dated June 26, 2007 (No. 333-141740). The number given in parenthesis indicates the corresponding exhibit number in such Form S-1.

Exhibit 2.1

STOCK PURCHASE AGREEMENT

by and among

COMSCORE, INC.
a Delaware corporation,

NEXIUS, INC.
a Virginia corporation,

THE SHAREHOLDERS
OF NEXIUS, INC.,

and

Nabil Taleb
as the representative of the Sellers

Dated: July 1, 2010

TABLE OF CONTENTS

1. *DEFINITIONS; MATTERS OF INTERPRETATION.* 1

2. *PURCHASE PRICE* 1

2.1 Purchase and Sale of the Stock and Purchase Price 1
2.2 Flow of Funds Certificate 3
2.3 Purchase Price Adjustment 3
2.4 Form of Payments 4
2.5 Release of Nadim Holdback 4

3. *CLOSING* 5

3.1 Timing; Effective Time 5
3.2 Deliveries by the Company and/or Sellers 5
3.3 Deliveries by Purchaser 7
3.4 Other Closing Documents and Actions 7
3.5 Conditions to Purchaser's Obligations 8
3.6 Conditions to Company's and Sellers' Obligations 9
3.7 Termination 10

4. *REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLERS* 11

4.1 Organization 11
4.2 Authorization; Corporate Documentation 11
4.3 Title to the Stock, Etc 12
4.4 Capitalization 12
4.5 Binding Agreement 13
4.6 No Breach 13
4.7 Permits 13
4.8 Compliance With Laws 13
4.9 Title to and Sufficiency of Assets 14
4.10 Condition of Personal Property 14
4.11 Accounts Receivable 14
4.12 Intellectual Property 14
4.13 Contracts 18
4.14 Litigation 20
4.15 Financial Statements 20
4.16 Liabilities 21
4.17 Tax Matters 21
4.18 Insolvency Proceedings 23
4.19 Employee Benefit Plans; ERISA 23
4.20 Insurance 25
4.21 Environmental Matters 26
4.22 Real Estate 27
4.23 No Other Agreement To Sell 28

4.24 Transactions with Certain Persons 28
4.25 Affiliates 28
4.26 Employees and Contractors 28
4.27 Labor Relations 29
4.28 Board Approval 29
4.29 Brokers 30
4.30 Customers 30
4.31 Service Warranties 30
4.32 Supplier Relationships 30
4.33 Bank Accounts 31
4.34 Sensitive Payments; Import and Export Laws 31
4.35 Split-Off of Consulting Business 31
4.36 Absence of Changes 31
4.37 Disclosure 31

5. *REPRESENTATIONS AND WARRANTIES OF PURCHASER* 32

5.1 Organization 32
5.2 Necessary Authority 32
5.3 No Conflicts 32
5.4 Brokers 33
5.5 Investment Intent 33
5.6 Litigation 33
5.7 Adequacy of Funds 33

6. *INDEMNIFICATION* 33

6.1 Indemnification by Sellers 33
6.2 Indemnification by Purchaser 34
6.3 Survival of Representations and Warranties 34
6.4 Certain Limitations on Indentification Obligations; Calculation of Losses 35
6.5 Defense of Claims 36
6.6 Non-Third Party Claims 37
6.7 Liability of the Company 37
6.8 Tax Treatment 37
6.9 No Waiver 38
6.10 No Right of Contribution 38
6.11 Exclusive Remedy 38

7. *PRE-CLOSING MATTERS* 38

7.1 Affirmative Covenants of Company and Sellers 38
7.2 Adverse Developments 39
7.3 Notification of Breach 39
7.4 Access 39
7.5 Financial Statements 39
7.6 No Negotiation 39

7.7 Negative Covenants of Sellers and Company 40
7.8 Termination of Equity Rights 41
7.9 Divestiture of Nexius Consulting Business 41

8. *OTHER MATTERS* 41

8.1 Cooperation 41
8.2 Confidentiality 41
8.3 Cooperation and Records Retention 42
8.4 Tax Matters 42
8.5 Termination of 401(K) Plan 43
8.6 Release and Covenant Not to Sue 43
8.7 Directors and Officers Insurance 44
8.8 Equity Rights Termination 44
8.9 Name Change 44

9. *EXPENSES* 44

10. *AMENDMENT; BENEFIT AND ASSIGNABILITY* 45

11. *NOTICES* 45

12. *WAIVER* 46

13. *ENTIRE AGREEMENT* 46

14. *COUNTERPARTS* 46

15. *CONSTRUCTION* 46

16. *EXHIBITS AND DISCLOSURE SCHEDULES* 46

17. *SEVERABILITY* 47

18. *CHOICE OF LAW* 47

18.1 Choice of Law 47
18.2 Dispute Resolution 47

19. *PUBLIC STATEMENTS* 47

20. *NO THIRD PARTY BENEFICIARIES* 47

21. *WAIVER OF TRIAL BY JURY* 48

22. *MARKET STAND-OFF* 48

23. *REMEDIES* 48

24. *SELLER REPRESENTATIVE* 48

25. *TIME* 50

26. *SELLER REPRESENTATION BY COOLEY* 50

Exhibits

Exhibit A	Form of Escrow Agreement
Exhibit B	Form of Legal Opinion
Exhibit C	Form of Noncompetition Agreement
Exhibit D	Form of Resignation and Release
Exhibit E-1	Form of Nabil Employment Agreement
Exhibit E-2	Form of Employment Agreement for Key Employees
Exhibit F	Form of Employee Non-Disclosure and Non-Solicitation Agreement
Exhibit G	Form of Notice of Grant of Restricted Stock and Terms and Conditions of Restricted Stock Grant
Exhibit H-1	Form of Subscription Agreement (Nabil)
Exhibit H-2	Form of Subscription Agreement (Nadim)
Exhibit I	Form of Equity Rights Termination Agreement
Exhibit J	Form of Asset Contribution Agreement
Exhibit K	Form of Redemption Agreement
Exhibit L	Form of Consulting Employee Waiver
Exhibit M	Form of Cross Transition Services Agreement
Exhibit N	Form of Shareholder Release
Exhibit O	Sample Net Working Capital Calculation

Schedules

Schedule 1	Definitions; Interpretation	Schedule 3.2(e)	Purchaser Required Consents
Schedule 1-A	List of Key Personnel	Schedule 3.2(p)	Contracts To Be Terminated
Schedule 1-B	List of Required Rights Holders	Schedule 3.2(s)	Restricted Stock Grants

Disclosure Schedules

Schedule 4.1(a)	Organization, Addresses, Fictitious Names, Officers/Directors	Schedule 4.17(d) Schedule 4.17(e)	Foreign Presence Tax Consequences of Split-Off
Schedule 4.4	Capitalization	Schedule 4.19(a)	Employee Benefit Plans
Schedule 4.6	No Breach	Schedule 4.19(i)	Acceleration of Benefits
Schedule 4.7	Permits	Schedule 4.20(a)	Insurance Policies
Schedule 4.8	Compliance with Laws	Schedule 4.20(b)	Insurance Claims
Schedule 4.9	Assets; Liens	Schedule 4.22(a)	Leased Premises
Schedule 4.10	Personal Property	Schedule 4.22(b)	Leased Improvements
Schedule 4.11	Accounts Receivable	Schedule 4.24	Transactions with Certain Persons
Schedule 4.12(a)(i)	Intellectual Property		
Schedule 4.12(a)(ii)	IP Licenses	Schedule 4.25	Affiliates
Schedule 4.12(h)	Software	Schedule 4.26(a)	Employees

Schedule 4.12(i)	Trade Secrets	Schedule 4.26(b)	Contractors
Schedule 4.12(j)	Employees, Consultants, & Other Persons	Schedule 4.27	Labor Relations
		Schedule 4.29	Brokers
Schedule 4.12(n)	Open Source	Schedule 4.30(a)	Major Customers
Schedule 4.13(a)	Contracts	Schedule 4.30(b)	Contracts with Major Customers
Schedule 4.13(b)	Oral Contracts		
Schedule 4.13(c)	Backlog	Schedule 4.31	Service Warranties
Schedule 4.13(d)	Certain Notices	Schedule 4.32	Suppliers
Schedule 4.14	Litigation	Schedule 4.33	Bank Accounts
Schedule 4.15	Financial Statements	Schedule 4.35	Absence of Changes
Schedule 4.16	Liabilities		
Schedule 4.17(a)	Tax Matters		

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this “***Agreement***”) is entered into as of the 1st day of July, 2010, by and among **COMSCORE, INC**., a Delaware corporation (“***Purchaser***”), **NEXIUS, INC.**, a Virginia corporation (the “***Company***”), **Nabil Taleb** (“***Nabil***”), **Nadim Taleb** (“***Nadim***”), and **GSN, Ltd.**, a British Virgin Islands company (“***GSN***”), as the sole shareholders of the Company (Nabil, Nadim and GSN, collectively, the “***Sellers***”) and with respect to Section 24 only, Nabil Taleb as the Seller Representative.

RECITALS

Sellers own all of the issued and outstanding capital stock of the Company, consisting of 12,811,360 shares of common stock, $0.01 par value per share (the “***Stock***”).

Sellers desire to sell and convey the Stock to Purchaser, and Purchaser desires to purchase the Stock from Sellers, upon the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. *DEFINITIONS; MATTERS OF INTERPRETATION*. Certain definitions of capitalized terms used herein but not otherwise defined herein are set forth in Schedule 1 including certain matters of interpretation hereunder.

2. *PURCHASE PRICE*

2.1 Purchase and Sale of the Stock and Purchase Price.

(a) At the Closing and upon all of the terms and subject to all of the conditions of this Agreement, Sellers will sell, transfer, assign and convey to Purchaser, and Purchaser will purchase and accept from Sellers, the Stock. In full payment for the Stock, Purchaser will pay, in a combination cash and Purchaser Common Stock as set forth in Section 2.4 the sum of Twenty Four Million Dollars ($24,000,000) as adjusted pursuant to Section 2.3(a), plus the VAR Pay-Off Amount (which amount will be paid directly to VAR Resources, Inc. by Purchaser at Closing) and minus each of:

(i) The outstanding Debt, if any, which will be paid by Purchaser to the applicable lender as indicated on the Flow of Funds Certificate;

(ii) The unpaid Transaction Expenses, if any, which will be paid by Purchaser to the applicable service providers as indicated on the Flow of Funds Certificate;

(iii) The Aggregate Equity Rights Termination Payments, which will be withheld from the portion of the Purchase Price otherwise payable to Nabil and Nadim at the Closing; and

(iv) the amount by which the Preliminary WC is less than the Target WC, if any, determined in accordance with Section 2.3(a).

The amount so payable to or on behalf of Sellers on the Closing Date is referred to herein as the "***Closing Purchase Price***", and the Closing Purchase Price, as further adjusted pursuant to Section 2.3 is referred to as the "***Purchase Price***."

(b) Each Seller will receive a portion of the Closing Purchase Price determined by multiplying the Closing Purchase Price by each Seller's applicable Pro Rata Share, in a combination of cash and Purchaser Common Stock as follows:

(i) All payments due to Nabil from Purchaser hereunder shall be payable sixty percent (60%) in Purchaser Common Stock and forty percent (40%) in cash and the Purchaser Common Stock received by Nabil shall be subject to the transfer restrictions set forth in his Subscription Agreement, *provided that*, the Escrow Fund shall be withheld from the portion of the Purchase Price otherwise payable to Nabil and Nadim at the Closing in the same proportions as cash and Parent Common Stock constitute the Purchase Price, and *provided further*, that any upward adjustment to the Closing Purchase Price paid to the Sellers pursuant to Section 2.3(b) will by paid in cash.

(ii) Subject to the provisos in clause (i) immediately, above, all payments due to Nadim from Purchaser hereunder shall be payable twenty percent (20%) in Purchaser Common Stock and eighty percent (80%) in cash;

(iii) All payments due to GSN from Purchaser hereunder shall be payable one hundred percent (100%) in cash; and

(c) Provided each such recipient thereof has delivered an Equity Rights Termination Agreement, the Aggregate Equity Rights Termination Payments shall be payable to the Rights Holders who have timely executed an Equity Rights Termination Agreement by Purchaser, within fifteen (15) Business Days immediately following the Closing Date, in restricted shares of Purchaser Common Stock pursuant to Purchaser's 2007 Equity Incentive Plan and shall be subject to transfer restrictions, as set forth in the Notice of Grant of Restricted Stock and the Terms and Conditions of Restricted Stock Grant, in substantially the forms attached hereto as *Exhibit G*.

(d) The number of Purchaser Common Stock shares issuable by Purchaser under this Agreement shall be determined by dividing the portion of the payment owed by Purchaser in Purchaser Common Stock by the Trading Price and rounding up or down, as applicable any resulting fractional share to the nearest whole share.

2.2 Flow of Funds Certificate. Not later than one (1) day prior to the Closing Date, the Company and Seller Representative will prepare and deliver to Purchaser a flow of funds certificate signed by the Company and Seller Representative containing the Company's good faith estimate (including all calculations in reasonable detail) of: (a) the amount of Debt as of the Closing Date to be repaid by Purchaser pursuant to Section 2.1(a)(i) together with payoff letters from the Company's lenders, (b) the amount of unpaid Transaction Expenses as of the Closing Date together with payment instructions for each service provider to whom such unpaid Transaction Expenses will be paid, (c) the amount of the Aggregate Equity Rights Termination Payments, (d) any downward adjustment to the Closing Purchase Price pursuant to Section 2.3(a), (e) the Escrow Amount, (f) the Nadim Holdback (g) the VAR Pay-Off Amount together with a payoff letter from VAR Resources, Inc., and (h) the amount of the Closing Purchase Price (such statement, the "***Flow of Funds Certificate***"). Prior to the Closing, the Company and Seller Representative will update the Flow of Funds Certificate, as necessary, based on comments from Purchaser and receipt of any additional information requiring changes to the estimates contained therein. These calculations will be used in connection with the payments described in Section 2.1. The Flow of Funds Certificate will be reasonably acceptable to Purchaser and also will contain wire instructions for all of the foregoing payments as well as wire instructions for any cash payments to be made to Sellers (or instructions to pay certain amounts by check).

2.3 Purchase Price Adjustment.

(a) Preliminary Purchase Price Adjustment. Not later than one (1) day prior to the Closing Date, the Company and Seller Representative will deliver to Purchaser a certificate signed by the Company and Seller Representative (the "***Preliminary WC Statement***") setting forth the Company's and Sellers' good faith estimate (including all calculations in reasonable detail) (the "***Preliminary WC***") of the Net Working Capital of the Company as of the Closing Date (the "***Closing WC***") accompanied by the Company's and Sellers' good faith estimate of the Company's balance sheet as of the Closing Date prepared in accordance with GAAP (the "***Closing Balance Sheet***"). The Company and Sellers shall provide to Purchaser immediately prior to Closing an update of the Preliminary WC Statement to reflect any events or occurrences (such as payment of accounts receivables or writing of checks) or other information, if any, that would make the initially-delivered Preliminary WC Statement inaccurate in any material respect. The Preliminary WC Statement will be prepared applying GAAP as modified by the definition of Net Working Capital. If the Preliminary WC is less than the Target WC, the Closing Purchase Price will be decreased dollar-for-dollar by such shortfall. The Closing Purchase Price will thereafter be subject to further adjustment as provided in Section 2.3(b) to arrive at the Purchase Price. There will be no preliminary upward adjustment of the Closing Purchase Price at Closing.

(b) Calculation of Post-Closing Adjustments. The Closing Purchase Price will be: (A) increased dollar-for-dollar by the amount that the Closing WC is greater than the Preliminary WC, or (B) decreased dollar-for-dollar by the amount that the Closing WC is less than the Preliminary WC. The Closing WC will be determined in accordance with the procedures set forth in Section 2.3(c). If the Preliminary WC was calculated to be greater than the Target WC so that there was no downward adjustment of the Closing Purchase Price under

Section 2.3(a), then the Preliminary WC will be deemed to be equal to the Target WC for purposes of this Section 2.3(b).

(c) Determination of Closing WC. By no later than ninety (90) days following the Closing Date, Purchaser will prepare and deliver to Seller Representative a certificate, signed by Purchaser, certifying Purchaser's good faith determination of Closing WC, including all calculations in reasonable detail and identifying any adjustments that it believes should be made to the Purchase Price under Section 2.3(b) as a result of such determinations. If Seller Representative does not object to Purchaser's certificate within forty five (45) days after receipt, or accept such certificate during such forty five (45) day period, the Purchase Price will be adjusted as set forth in Purchaser's certificate, and payment made in accordance with Section 2.3(d). If Seller Representative objects to Purchaser's certificate, Seller Representative will notify Purchaser in writing of such objection within forty five (45) days after Seller Representative's receipt thereof (such Notice setting forth in reasonable detail the basis for such objection). During such forty five (45) day period, Purchaser will permit Seller Representative access to all records and work papers relating to Purchaser's calculation of Closing WC as may be reasonably necessary to permit Seller Representative to confirm Purchaser's calculation of Closing WC. Purchaser and Seller Representative will thereafter negotiate in good faith to resolve any such objections. If Purchaser and Seller Representative are unable to resolve all of such differences within twenty (20) calendar days of Purchaser's receipt of Seller Representative's objections, either Purchaser or Seller Representative may require the resolution of such dispute by way of the Dispute Resolution Procedure by providing such other party Notice of such demand. The term "***Final Closing WC***" means the definitive Closing WC as agreed to by Sellers and Purchaser or resulting from the determination by the Independent Accounting Firm in accordance with this Section 2.3(c).

(d) The amount of any increase to the Closing Purchase Price (as adjusted pursuant to Section 2.3(a)) or pursuant to Section 2.3(b) will be paid by Purchaser to Sellers, in cash, on a pro rata basis based on each Seller's applicable Pro Rata Share. Any payment owed by Sellers or Purchaser pursuant to Section 2.3(b) will be paid within five (5) Business Days after the Final Closing WC is determined. Any payment owed by the Sellers shall be paid to Purchaser from the Escrow Fund*; provided, that* if any such payment is more than One Hundred Thousand Dollars ($100,000), the Sellers, jointly and severally, shall be obligated to replenish the Escrow Amount in cash by the amount of such payment.

2.4 Form of Payments. Except as expressly provided herein or the Flow of Funds Certificate, all payments hereunder will be made by delivery to the recipient by depositing, by check or wire transfer, the required amount (in immediately available funds) in an account of the recipient, which account will be designated by the recipient in writing at least three (3) Business Days prior to the date of the required payment. Unless otherwise expressly provided, all payments to be made to Sellers shall be paid to the Sellers on a pro rata basis based upon each Seller's applicable Pro Rata Share.

2.5 Release of Nadim Holdback. The Escrow Agent will release the Nadim Holdback Amount to Nadim by delivery of the Nadim Holdback Amount to Nadim and the Purchaser will pay the Moffitt Bonus Amount to Newco upon the completion of the Amended 8-K Filing Requirements, *provided, however*, that if the Amended 8-K Filing Requirements have

not been completed by the seventy-fifth (75th) day after the Closing Date, the Escrow Agent shall release the Nadim Holdback Amount to the Purchaser and Purchaser's obligation to pay the Moffitt Bonus shall terminate.

3. *CLOSING.*

3.1 Timing; Effective Time. The closing of the transactions contemplated by this Agreement (the "***Closing***") will take place at the offices of Holland & Knight LLP, 1600 Tysons Boulevard, Suite 700, McLean, VA 22102, commencing at 10:00 a.m. local time on the date that is three (3) Business Days following the satisfaction or Purchaser's waiver of the closing conditions set forth in Section 3.5 and the satisfaction or Seller Representative's waiver of the closing conditions set forth in Section 3.6 (such later date, the "***Closing Date***"). By mutual agreement of the parties the Closing may take place by conference call and facsimile. To the extent permitted by Law and GAAP, for tax and accounting purposes, the parties will treat the Closing as being effective as of 11:59 p.m. on the Closing Date (the "***Effective Time***"). Subject to the provisions of Section 3.7, failure to consummate the purchase and sale provided for in this Agreement on the date and time and at the place determined pursuant to this Section 3.1 will not result in termination of this Agreement and will not relieve any party of any obligation under this Agreement.

3.2 Deliveries by the Company and/or Sellers. At or before Closing, the Company and/or Sellers will deliver or cause to be delivered to Purchaser:

(a) certificates representing the Stock, duly endorsed or accompanied by stock powers duly executed in blank and otherwise in a form acceptable for transfer on the books of the Company;

(b) the stock book, stock ledger and minute book of the Company;

(c) each of Nabil and Nadim shall have entered into a Subscription Agreement, substantially in the forms attached hereto as *Exhibit H-1* and *Exhibit H-2*, respectively (the "***Subscription Agreements***");

(d) copies of resolutions of the Company's board of directors authorizing the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and of the Company's Articles of Incorporation and Bylaws, as amended, all as certified by the Company's corporate secretary;

(e) the required notices, consents, Permits, waivers authorizations, orders and other approvals listed in Schedule 3.2(e), which will be in form and substance reasonably acceptable to Purchaser, and all such notices, consents, Permits, waivers, authorizations, orders and other approvals will be in full force and effect;

(f) a cross-receipt executed by Sellers, in a form reasonably satisfactory to Purchaser and Sellers;

(g) certificates from the Commonwealth of Virginia and from each jurisdiction where the Company is qualified to do business as a foreign corporation, dated no earlier than ten (10) days prior to the Closing Date, as to the good standing of the Company in such jurisdictions;

(h) an IRS Form W-9 or Form W-8BEN, completed by each Seller, in a form reasonably satisfactory to Purchaser;

(i) an opinion from counsel to the Company and Sellers (other than GSN), addressed to Purchaser, dated as of the Closing Date, in the form attached hereto as *Exhibit B-1*, and an opinion from counsel to GSN addressed to Purchaser, dated as of the Closing Date, in the form attached hereto as *Exhibit B-2*;

(j) the agreements not to compete with Purchaser, executed each Seller, in the form of *Exhibit C* hereto (the "***Noncompetition Agreement***")

(k) the Flow of Funds Certificate, dated as of the Closing Date, and executed by the Company and Seller Representative;

(l) in accordance with Section 2.3(a), the Preliminary WC Statement, dated as of the Closing Date and executed by the Company and Seller Representative accompanied by the Closing Balance Sheet;

(m) the Escrow Agreement executed by the Seller Representative;

(n) resignations effective immediately upon the Closing of each of the directors of the Company, in substantially the same form as attached hereto as *Exhibit D*;

(o) updates to Schedules 4.11 and 4.26, as applicable;

(p) evidence of the termination of each contract or arrangement set forth on Schedule 3.2(p);

(q) a certificate executed by the Company and Seller Representative attesting that the Company and Sellers have satisfied all of the conditions set forth in Section 3.5, in a form reasonably satisfactory to Purchaser;

(r) the Split-Off Documents, each executed by the parties thereto, together with a certificate executed by the Company attesting that the transactions contemplated by the Split-Off Documents have been consummated;

(s) an Equity Rights Termination Agreement, in substantially the form attached hereto as *Exhibit I*, executed by each Required Rights Holder and the Company, accompanied by a Notice of Grant of Restricted Stock, in substantially the form attached hereto as *Exhibit G* in the applicable grant amount for each Rights Holder as set forth on Schedule 3.2(s);

(t) each of the Consulting Employees will have executed and delivered the Consulting Employee Waiver, in substantially the form attached hereto as *Exhibit L*;

(u) the Cross Transition Services Agreement, in substantially the form attached hereto as *Exhibit M*, executed by Newco (the "***Cross Transition Services Agreement***");

(v) a Shareholder Release, in substantially the form attached hereto as *Exhibit N*, duly executed by Salwa Iskandar Youssef;

3.3 Deliveries by Purchaser. On the Closing Date, Purchaser will deliver or cause to be delivered to Sellers, the Company and/or the third parties referenced in Section 2.1, as applicable:

(a) the Closing Purchase Price to the Sellers as provided in Section 2.1, less the Escrow Fund and less the Nadim Holdback; *provided that* Purchaser shall have five (5) Business Days after Closing to deliver to Nabil and Nadim the stock certificates representing the applicable shares of Purchase Common Stock that Purchaser is issuing to them as provided in Section 2.1;

(b) an executed cross-receipt, in a form reasonably satisfactory to Purchaser and Seller;

(c) the Escrow Agreement executed by Purchaser and the Escrow Agent;

(d) the Escrow Fund to the Escrow Agent as provided in Section 2.1 provided that Purchaser shall have five (5) Business Days after Closing to deliver to the Escrow Agent the stock certificates representing the applicable shares of Purchase Common Stock included as part of the Escrow Fund;

(e) The Subscription Agreements executed by Purchaser;

(f) a Notice of Grant of Restricted Stock, in substantially the form attached hereto as *Exhibit G*, executed by Purchaser for each Required Rights Holder in the grant amounts set forth on Schedule 3.2(s); and

(g) a certificate executed by Purchaser attesting that Purchaser has satisfied all of the conditions set forth in Section 3.6, in a form reasonably satisfactory to Sellers.

3.4 Other Closing Documents and Actions. The parties also will execute such other documents and perform such other acts after the Closing Date, as may be necessary for the implementation and consummation of this Agreement.

3.5 Conditions to Purchaser's Obligations. The obligations of Purchaser to consummate this Agreement and Closing of the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions on or prior to the Closing Date unless expressly waived in writing by Purchaser:

(a) Representations and Warranties. The representations and warranties of the Company and Sellers to Purchaser contained herein (and in any certificates delivered by the Company, Seller Representative and/or Sellers pursuant to Section 3.2) that are qualified by materiality (including by a Company Material Adverse Effect qualifier) will be true and correct in all respects as of the Closing Date (in each case, subject to all qualifications as to Knowledge set forth in those representations and warranties) and the representations and warranties of the Company and/or Sellers to Purchaser contained herein (and in any certificates delivered by the Company, Seller Representative and/or Sellers pursuant Section 3.2) that are not so qualified by materiality (including a Company Material Adverse Effect qualifier) will be true and correct in all material respects as of the Closing Date (in each case, subject to all qualifications as to Knowledge set forth in those representations and warranties).

(b) Compliance with Covenants. All of the covenants to be complied with and performed by the Company, Seller Representative and/or Sellers on or before the Closing Date will have been duly complied with and performed.

(c) Closing Documents. On the Closing Date, the Company, Seller Representative and Sellers will have delivered or caused to be delivered to Purchaser the duly executed closing documents as specified in Section 3.2.

(d) Required Consents. The Company and Sellers will have delivered or caused to be delivered to Purchaser the consents, Permits, waivers authorizations, orders and other approvals and notices listed in Schedule 3.2(e).

(e) Absence of Litigation. As of the Closing, no Law will have been adopted, promulgated, entered, enforced or issued by any Governmental Authority, nor will any action, claim, suit or proceeding be pending or threatened before any court, other Governmental Authority or arbitrator which, if successful, would (i) enjoin, restrain, or prohibit the consummation of the transactions contemplated by this Agreement or any Transaction Document, (ii) have the effect of making illegal or otherwise prohibiting the transactions contemplated by this Agreement or by any Transaction Document or (iii) materially adversely affect, including through the imposition of any requirement to divest or hold separate any assets or segments of the business of the Company (other than the Nexius Consulting Business), Purchaser or any of their Affiliates, the right of Purchaser following the Closing to own the Stock or the right of Purchaser and the Company to operate Company's business (excluding the Nexius Consulting Business) as currently operated; *provided, however*, that this condition may not be invoked by Purchaser if any such action, suit or proceeding was initiated by or on behalf of Purchaser or any of its Affiliates.

(f) Personnel. Each of the employees of the Company as of the Closing Date shall have executed a non-disclosure and non-solicitation agreement in the form of *Exhibit F,* and such agreements must be in full force and effect. The Company shall have

entered into employment agreements with Nabil, in substantially the form of *Exhibit E-1*, and with each of the Key Personnel, in substantially the form of *Exhibit E-2*, and Nabil and each Key Personnel must be a full-time employee of the Company and not have submitted a resignation on or before the Closing Date.

(g) Financial Statements. The Company shall have provided to the Purchaser copies of the audited balance sheets and related statements of income and cash flow for the Company for the fiscal year ended December 31, 2009.

(h) Split-Off Documents. The Split-Off Documents, each executed by the parties thereto, together with a certificate executed by the Company attesting that the transactions contemplated by the Split-Off Documents have been consummated.

(i) No Material Adverse Effect. There shall have been no Company Material Adverse Effect during the period from the date of this Agreement to the Closing.

3.6 Conditions to Company's and Sellers' Obligations. The obligations of each of the Company and Sellers to consummate this Agreement and the transactions contemplated hereunder are subject to the satisfaction of each of the following conditions on or prior to the Closing Date unless expressly waived in writing by Sellers:

(a) Representations and Warranties. The representations and warranties of Purchaser to the Company and Sellers contained herein (and in any certificates delivered by Purchaser pursuant to Section 3.3) that are qualified by materiality (including by a Purchaser Material Adverse Effect qualifier) will be true and correct as of the Closing Date (in each case, subject to all qualifications as to Knowledge set forth in those representations and warranties) and the representations and warranties of Purchaser to the Company and Sellers contained herein (and in any certificates delivered by Purchaser pursuant to Section 3.3) that are not so qualified by materiality (including by a Purchaser Material Adverse Effect qualifier) will be true and correct in all material respects as of the Closing Date (in each case, subject to all qualifications as to Knowledge set forth in those representations and warranties).

(b) Compliance with Covenants. All of the covenants to be complied with or performed by Purchaser on or before the Closing Date shall have been duly complied with and performed.

(c) Closing Documents. On the Closing Date, Purchaser shall have delivered to the Company and/or Sellers duly executed closing documents, as specified in Section 3.3.

(d) Absence of Litigation. As of the Closing, no Law will have been adopted, promulgated, entered, enforced or issued by any Governmental Authority, nor shall any action, claim, suit or proceeding be pending or threatened before any court, other Governmental Authority or arbitrator which, if successful, would (i) enjoin, restrain, or prohibit the consummation of the transactions contemplated by this Agreement or any Transaction Document, (ii) have the effect of making illegal or otherwise prohibiting the transactions contemplated by this Agreement or by any Transaction Document or (iii) materially adversely

affect, including through the imposition of any requirement to divest or hold separate any assets or segments of the business of the Company (other than the Nexius Consulting Business), Purchaser or any of their Affiliates, the right of Purchaser following the Closing to own the Stock or the right of Purchaser and Company to operate Company's business (excluding the Nexius Consulting Business) as currently operated and as currently proposed to be operated; *provided, however*, that this condition may not be invoked by the Company or Sellers if any such action, suit or proceeding was initiated by or on behalf of the Company or Sellers or any of their Affiliates.

3.7 Termination.

(a) This Agreement may be terminated at any time prior to the Closing Date:

(i) by mutual written agreement of Purchaser and Seller Representative;

(ii) by Seller Representative, if the Closing has not occurred by September 30, 2010 (the "***End Date***"), and such failure is not due to a failure of the Company or any Seller to perform any of its obligations under this Agreement in any material respect;

(iii) by Purchaser, if the Closing has not occurred by the End Date, and such failure is not due to a failure of Purchaser to fulfill to perform any of its obligations under this Agreement in any material respect;

(iv) by Purchaser, if any Seller or the Company has committed a material breach of any provision of this Agreement, which breach (A) would result in a failure of a condition set forth in Section 3.5 and (B) such breach is not capable of being cured or, if capable of being cured, has not been cured prior to the earlier of: (1) fifteen (15) days following Notice of such breach to the Company and Sellers and (2) the End Date;

(v) by Seller Representative, if Purchaser has committed a material breach of any provision of this Agreement, which breach (A) would result in a failure of a condition set forth in Section 3.6 and (B) such breach is not capable of being cured or, if capable of being cured, has not been cured prior to the earlier of: (1) fifteen (15) days following Notice of such breach to Purchaser and (2) the End Date.

(b) Effect of Termination. If this Agreement is terminated as provided in Section 3.7(a), then all further obligations under this Agreement shall terminate and no party hereto shall have any liability in respect of the termination of this Agreement; *provided, however*, that (i) Sections 9 through 18 and Sections 20, 21 and 23 shall survive any such termination and (ii) no such termination will relieve Purchaser, Sellers or the Company from liability for any intentional breach of any representation or warranty, any breach of any covenant or agreement set forth in this Agreement, or for fraud prior to such termination and in the event of such breach the parties hereto will be entitled to exercise any and all remedies available under law or equity in accordance with this Agreement and will be entitled to be reimbursed by the breaching Party(ies) for any and all reasonable out-of-pocket expenses incurred by the non-

breaching party(ies) in connection with this Agreement and the transactions hereby contemplated and/or such breach.

4. *REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND SELLERS.* The Company and Sellers jointly and severally represent and warrant to Purchaser the following matters in this Section 4. These representations and warranties, and the information in the Disclosure Schedules referenced therein, are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date except to the extent that a representation, warranty or Disclosure Schedule expressly states that such representation or warranty, or information in such Disclosure Schedule, is true and correct only as of another specified date.

4.1 Organization. The Company is a corporation duly organized, validly existing and in good standing under the Laws of the Commonwealth of Virginia, and is qualified or registered to do business and in good standing in each jurisdiction in which the nature of its business or operations would require such qualification or registration, including any foreign jurisdiction in which the Company maintains an office or branch location. The Company is qualified or registered to do business in each jurisdiction listed on Schedule 4.1(a). The Company has full power and authority to own, lease and operate its property and the Company has full corporate power and authority to carry on its business as now conducted and to enter into and to perform this Agreement. The address of the Company's principal office and all of the Company's additional places of business are listed on Schedule 4.1(a). Except as set forth on Schedule 4.1(a), during the past five (5) years, the Company has not been known by or used any corporate, fictitious or other name in the conduct of the Company's business or in connection with the use or operation of the Assets. Schedule 4.1(a) lists all current directors and officers of the Company, showing each such person's name, positions, and, for each such person that receives compensation for services as a director or officer (as opposed to as an employee) and whose compensation for such service is not described on Schedule 4.26(a), annual remuneration, bonuses and fringe benefits paid by the Company for the current fiscal year for such service as a director or officer (as opposed to as an employee) as of the date hereof and the most recently completed fiscal year. The Company currently does not have, and has never had, any Subsidiaries.

4.2 Authorization; Corporate Documentation.

(a) Each of the Company and Sellers has the requisite corporate or other power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement and the other Transaction Documents by the Company and Sellers, and the Company's and Sellers' consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite corporate or other action of Sellers and the Company.

(b) The copies of the Articles of Incorporation of the Company and all amendments thereto, as certified by the Commonwealth of Virginia, and the Bylaws of the Company, as amended to date and certified by its corporate secretary, copies of which have heretofore been delivered to Purchaser, are true, complete and correct in all respects, and are

amended through and in effect on the date hereof and as of the Closing Date, *provided that* the Company's Articles of Incorporation shall be amended prior to the Closing as contemplated by Section 3.5(i). The minute books and records of the corporate proceedings of the Company, copies of which have been made available to Purchaser and originals of which will be delivered to Purchaser on the Closing Date are true, correct and complete, *provided that* the minute books and records of the corporate proceedings of the Company shall be updated between the date hereof and the Closing Date to reflect any actions taken by the Company's Board of Directors and/or shareholders between the date hereof and the Closing Date. There have been no changes, alterations or additions to such minute books and records of the corporate proceedings of the Company that have not been made available to Purchaser's counsel.

4.3 Title to the Stock, Etc. Sellers own good, valid and marketable title to the Stock, free and clear of any and all Liens (including any spousal interests (community or otherwise)) and upon delivery of the Stock to Purchaser on the Closing Date in accordance with this Agreement and upon Purchaser's payment of the Closing Purchase Price in accordance with Section 2.1, the entire legal and beneficial interest in the Stock and good, valid and marketable title to the Stock, free and clear of all Liens (including any spousal interests (community or otherwise) but excluding any Liens imposed by or upon Purchaser) will pass to Purchaser.

4.4 Capitalization. The authorized capital stock of the Company consists of Twenty Million (20,000,000) shares of Common Stock Twelve Million Eight Hundred Eleven Thousand Three Hundred Sixty (12,811,360) shares of Stock are issued and outstanding immediately prior to the Effective Time, all of which is held of record by Sellers in the amounts identified in Schedule 4.4. The Stock to be delivered by Sellers to Purchaser constitutes all outstanding shares of capital stock of the Company. The Stock (i) has been duly and validly issued, (ii) is fully paid and nonassessable, (iii) is held beneficially and of record solely by Sellers, free and clear of Liens, and (iv) was not issued in violation of any preemptive rights or rights of first refusal or first offer. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company, nor are there any voting trusts, proxies, shareholder agreements or any other agreements or understandings with respect to the voting of the Stock. Except as set forth on Schedule 4.4 and except as will be terminated by the Equity Rights Termination Agreement prior to Closing, there are no Options or other rights to subscribe for, purchase or receive any capital stock or other equity interests of the Company or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire any capital stock of the Company, or preemptive rights or rights of first refusal or first offer, nor are there any contracts, commitments, agreements, understandings, arrangements or restrictions to which the Company or any Seller is a party or by which the Company, or any Seller is bound, relating to any shares of the Stock or any other equity securities of the Company, whether or not outstanding. All of the Stock and other securities of the Company have been granted, offered, sold and issued in compliance with all applicable foreign, state and federal securities Laws. All Rights Holders are employees of the Company, and upon execution and delivery of the Equity Rights Termination Agreements, in substantially the form attached hereto as *Exhibit H*, all rights of such Rights Holders, as described in full on Schedule 4.4, to subscribe for, purchase or receive any capital stock or other equity interests of the Company or securities convertible into or exchangeable for, or that otherwise confer on such Rights Holders any right to acquire any capital stock of the Company shall be validly terminated. Prior to Closing, all

Consulting Employees will have terminated or waived any and all rights in and to any Common Stock or other equity of the Company.

4.5 Binding Agreement. This Agreement has been duly executed by the Company and Sellers and delivered to Purchaser, and (assuming, in each case, the due authorization, execution and delivery by Purchaser) constitutes the legal, valid and binding agreement of the Company and Sellers, enforceable against the Company and Sellers in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery at the Closing by the Company and/or each Seller that is a party thereto, each other Transaction Document to which the Company or each Seller is, or is specified to be, a party, will be duly and validly executed by the Company and such Seller and delivered to Purchaser on the Closing Date, and will constitute (assuming, in each case, the due authorization, execution and delivery by each other party thereto) each of the Company's and each Seller's legal, valid and binding obligation, enforceable against it, in accordance with such Transaction Document's terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

4.6 No Breach. Except as set forth on Schedule 4.6, the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby by the Company and Sellers do not and will not (a) violate or conflict with the Company's Articles of Incorporation, Bylaws, or any other organizational or other constituent document or any law, statute, rule, regulation, ordinance, code, directive, writ, injunction, settlement, permit, license, decree, judgment or order (collectively, "***Laws***") of any Governmental Authority to which the Company, any Seller, the Stock or the Assets are subject, (b) with or without giving notice or the lapse of time or both, breach or conflict with, constitute or create a default under, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of any Contract, agreement, or other commitment to which the Company or any Seller is a party or by which the Company, any Seller, the Stock or the Assets may be bound, (c) result in the imposition of a Lien on the Stock or the Assets or (d) require any filing with, or Permit, consent or approval of, or the giving of any notice to, any Governmental Authority or third party, or result in the termination or impairment of any Permit.

4.7 Permits. The Company owns or possesses all right, title and interest in all Permits required to own the Assets and conduct the Company's business (excluding the Nexius Consulting Business) as now being conducted. All Permits of the Company are listed on Schedule 4.7 and are valid and in full force and effect. No loss or expiration of any Permit is pending or, to the Knowledge of the Company, threatened or reasonably foreseeable (including as a result of the transactions contemplated hereby) other than expiration in accordance with the terms thereof, which terms do not expire as a result of the consummation of the transactions contemplated hereby.

4.8 Compliance With Laws. Except as set forth in Schedule 4.8, the Company has complied in all material respects with all Laws and Permits of any Governmental Authority applicable to the Company, the Stock, its business and the Assets.

4.9 Title to and Sufficiency of Assets. Except as set forth on Schedule 4.9, the Company has good and marketable title to all of the Assets (excluding Intellectual Property which is addressed in Section 4.12), free and clear of all Liens other than Permitted Liens. The Assets constitute all of the assets, rights and properties that are used in the operation of the Company's business as it is now conducted (excluding the Nexius Consulting Business) or that are used or held by the Company for use in the operation of the Company's business(excluding the Nexius Consulting Business). Except as set forth on Schedule 4.9, immediately following the Closing, all of the Assets will be owned, leased or available for use by the Company on terms and conditions substantially identical to those under which, immediately prior to the Closing, the Company owns, leases, uses or holds available for use such Assets.

4.10 Condition of Personal Property. All items of Personal Property of the Company with a value greater than $1,000 (excluding Personal Property used exclusively in the Nexius Consulting Business) are set forth on Schedule 4.10. Except as set forth in Schedule 4.10, all items of Personal Property with a value greater than $1,000 individually used or useful in the operation of the Company's business (excluding the Nexius Consulting Business), are in good operating condition and repair (reasonable wear and tear excepted), and are suitable for their intended use in the Company's business (excluding the Nexius Consulting Business).

4.11 Accounts Receivable. All accounts receivable of the Company associated with the Company's business (other than the Nexius Consulting Business) shown on all balance sheets included in the Financial Statements arose from sales actually made or services actually performed in the Ordinary Course of Business and are valid receivables. All billed and unbilled accounts receivable of the Company as of the date hereof are set forth on Schedule 4.11 (and which will be updated as of the Closing Date). All accounts receivable of the Company prior to the date hereof and prior to the Closing (in each case whether billed or unbilled): (a) are subject to no setoffs or counterclaims and (b) have been collected or are fully collectible according to their terms in amounts not less than the aggregate amounts thereof carried on the books of the Company (net of reserves, and assuming a reasonably diligent collection effort). At Closing, all accounts receivable of the Company listed on the Closing Balance Sheet will be valid receivables arising in the Ordinary Course of Business subject to no setoffs or counterclaims.

4.12 Intellectual Property

(a) Disclosure.

(i) Schedule 4.12(a)(i) sets forth all United States and foreign patents and patent applications, trademark and service mark registrations and applications, internet domain name registrations and applications, and copyright registrations and applications owned by the Company (excluding any such items that have been assigned or are to be assigned to Newco pursuant to the Split-Off Documents (the "***Assigned Owned IP***")) ("***Company Owned Intellectual Property***"), specifying as to each item, as applicable: (A) the nature of the item, including the title, (B) the owner of the item, (C) the jurisdictions in which the item is issued or registered or in which an application for issuance or registration has been filed, and (D) the issuance, registration or application numbers and dates.

(ii) Schedule 4.12(a)(ii) sets forth all licenses, sublicenses and other agreements or permissions (“***IP Licenses***”) (other than shrink wrap licenses or other licenses for commercial off-the-shelf software with an annual license fee of $1,000 or less which are not required to be listed, although such licenses are “IP Licenses” as that term is used herein) under which the Company is a licensee or otherwise is authorized to use or practice any Intellectual Property (other than any such IP Licenses that have been assigned or are to be assigned to Newco pursuant to the Split-Off Documents) (the “***Assigned IP Licenses***” and together with the Assigned Owned IP, the “***Assigned IP***”). Except as set forth on Schedule 4.12.(a)(ii), the Company has no obligations under any IP Licenses or Assigned IP Licenses to pay any royalties, to share revenues or provide other similar types of compensation for its use of such Intellectual Property. None of the Assigned IP is or was used by the Company for any portion of its business other than the Nexius Consulting Business.

(b) Ownership. The Company owns, free and clear of all Liens (other than Permitted Liens), has valid and enforceable rights in, and has the unrestricted right to use, sell, license, transfer or assign, all Company Owned Intellectual Property. For the avoidance of doubt, the preceding sentence shall not, in any event, be construed as a representation regarding noninfringement, absence of misuse or misappropriation, or similar claim, with respect to Intellectual Property

(c) Licenses. The Company has a valid and enforceable license to use all Intellectual Property that is the subject of the IP Licenses. The Company had valid and enforceable licenses to use all Assigned IP Licenses, and the assignment of such licenses does not, and did not violate the terms of any such license. The IP Licenses include all of the licenses, sublicenses and other agreements or permissions relating to third party intellectual property necessary to operate the Company as presently conducted (excluding the Nexius Consulting Business). The Company has performed all material obligations imposed on it in the IP Licenses, has made all payments required to date, and is not, nor to the Knowledge of the Company is another party thereto, in breach or default thereunder in any respect, nor has any event occurred that with notice or lapse of time or both would constitute a breach or default thereunder. Immediately following the Closing, the Company will have the same rights to the Licensed IP as it did immediately prior to the Closing.

(d) Registrations. All registrations for Copyrights, Patents and Trademarks that are owned by the Company are valid and in force, and all applications to register any Copyrights, Patents and Trademarks are pending and in good standing, and to the Knowledge of Company, all without challenge of any kind.

(e) Claims.

(i) No claim or action is pending or, to the Knowledge of the Company, threatened that challenges the validity, enforceability, ownership, or right to use, sell, license or sublicense any, Company Owned Intellectual Property or Assigned Owned IP or challenging the Company’s right to provide its services, and no item of Company Owned Intellectual Property or Assigned Owned IP is subject to any outstanding order, ruling, decree, stipulation, charge or agreement restricting in any manner the use, the licensing, or the sublicensing thereof.

(ii) The Company has not received any notice that the Company has infringed upon or otherwise violated the intellectual property rights of third parties or received any claim, charge, complaint, demand or notice alleging any such infringement or violation.

(iii) To the Company's Knowledge, no third party is infringing upon or otherwise violating any Intellectual Property owned by the Company.

(iv) The Company's products and marketing materials have been marked as required by the applicable Patent statute and the Company has given the public notice of its registered Copyrights and notice of its registered Trademarks as required by, or in a manner consistent with, the applicable Trademark and Copyright statutes.

(f) No Infringement of Intellectual Property of Others. None of the Intellectual Property, products or services owned, developed, provided, sold or licensed to third parties by the Company in the business as currently operated (excluding the Nexius Consulting Business), or as operated in the past, infringe upon or otherwise violate any intellectual property rights of any third party. As of the date hereof, to the Knowledge of the Company, none of the Intellectual Property, products or services used by or licensed to the Company by any Person infringe upon or otherwise violate any intellectual property rights of any third party.

(g) Administration and Enforcement. The Company has taken all commercially reasonable actions to maintain and protect the Company Owned Intellectual Property.

(h) Software. All Software owned by the Company (as opposed to licensed by the Company) is described in Schedule 4.12(h) ("***Company Software***"). Except as set forth on Schedule 4.12(h), (i) such Company Software is not subject to any transfer, assignment, site, equipment, or other operational limitations, (ii) the Company has the most current copy or release of the Company Software so that the same may be subject to registration in the United States Copyright Office, (iii) the Company Software includes all information sufficient to use such Software in the conduct of the business or operations of the Company as of the date of this Agreement, (iv) other than agreements made in the normal course of the business and set forth on Schedule 4.12(j), there are no agreements or arrangements in effect with respect to the marketing, distribution, licensing or promotion of the Company Software by any third party, and (v) (A) to the extent that the Company Software was developed by the Company, the Company Software is free from any material defect and Company has not developed and inserted in the Company Software any viruses, worms, time bombs, or unauthorized backdoor access that could be used to interfere with the operation of such Company Software, and (B) to the extent that the Company Software was not developed by the Company, to the Knowledge of the Company, the Software is free from any material defect and does not contain any viruses, worms, time bombs, or unauthorized backdoor access that could be used to interfere with the operation of such Company Software and performs in general conformance with its documentation and has the functionality for which the Software is currently used by the Company.

(i) Trade Secrets. Except as disclosed on Schedule 4.12(i) or as required pursuant to the filing of any Patent application, regarding the Company's Trade Secrets: (i) the Company has taken all commercially reasonable actions to protect such Trade Secrets from unauthorized use or disclosure, (ii) to the Knowledge of the Company, there has not been an unauthorized use or disclosure of such Trade Secrets, (iii) the Company has the sole and exclusive right to bring actions for infringement or unauthorized use of such Trade Secrets, (iv) to the Knowledge of the Company, none of such Trade Secrets infringes upon or otherwise violates valid and enforceable intellectual property or trade secrets of others, and (v) the Company is not, nor as a result of the execution and delivery of this Agreement or the Transaction Documents or the performance of its obligations hereunder or thereunder, will it be, in violation of any agreement relating to such Trade Secrets.

(j) Employees, Consultants and Other Persons. Each present or past employee, officer, consultant or any other Person who developed any part of any Company Owned Intellectual Property on behalf of the Company: (i) is a party to an agreement that conveys or obligates such person to convey to the Company any and all right, title and interest in and to all Intellectual Property developed by such Person in connection with such Person's employment with or engagement on behalf of the Company, (ii) as to copyrighted or copyrightable material created in the course of such Person's employment with or engagement on behalf of the Company is a party to a "work made for hire" agreement pursuant to which the Company is deemed to be the original owner/author of all proprietary rights in such material, or (iii) otherwise has by operation of law vested in the Company any and all right, title and interest in and to all such Intellectual Property developed by such Person in connection with such Person's employment with, or engagement on behalf of, the Company. The Company has made available to Purchaser true and complete copies of all written Contracts referenced in subsections (i) and (ii) above. Attached to Schedule 4.12(j) are copies of the Company's standard forms of written Contracts referenced in subsections (i) and (ii) above.

(k) Employee Breaches. To the Knowledge of the Company, no employee of the Company has transferred Intellectual Property or information that is confidential or proprietary information to the Company or to any third party in violation of any Law or any term of any employment agreement, Patent or invention disclosure agreement or other contract or agreement relating to the relationship of such employee with the Company or any prior employer.

(l) Related Parties; Etc. None of the Intellectual Property is owned by any shareholder, director, officer, employee or consultant of the Company. At no time during the conception or reduction to practice of any of the Intellectual Property owned by the Company was any developer, inventor or other contributor to such Intellectual Property operating under any grants from any Governmental Authority or subject to any employment agreement, invention assignment, nondisclosure agreement or other contract with any Person that could adversely affect the rights of the Company to any Intellectual Property.

(m) Transfer. The execution by the Company and Sellers of this Agreement will not result in the loss or impairment of the rights of the Company to own or use any of the Intellectual Property (other than the Assigned IP as contemplated in the Asset Contribution Agreement), and the Company is not, nor as a result of the execution and delivery

of this Agreement or of the Transaction Documents or the performance of its obligations hereunder or thereunder will it be, in violation of any IP License.

(n) Open Source. Schedule 4.12(n) sets forth all software that is distributed as "open source software" or under a similar licensing or distribution model (including without limitation the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD licenses, the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL), the Sun Industry Standards Source License (SISSL) and the Apache License) used by the Company ("***Open Source Materials***"). Schedule 4.12(n) describes the manner in which these Open Source Materials were used, including whether and how the Open Source Materials were modified or distributed by the Company. Except as set forth in Schedule 4.12(n), the Company has not (i) incorporated Open Source Materials into, or combined Open Source Materials with, any Company Software, or (ii) used or distributed Open Source Materials in conjunction with any Company Software or otherwise in a manner that would require the source code of the Company Software to be distributed, made available, or that grants to any third party any rights or privileges under the Company Software (other than as set forth in a written license agreement between the Company as licensor and such third party).

(o) Privacy. The Company has complied in all material respects with all applicable Laws relating to privacy, personal data protection, and the collection, processing and use of personal information and the Company has not violated any person's rights to privacy, publicity, endorsement, or similar right. The Company has complied in all material respects with its privacy policies and guidelines, if any, relating to privacy, personal data protection, and the collection, processing and use of personal information. The Company takes commercially reasonable measures to ensure that such information is protected against unauthorized access, use or, modification.

4.13 Contracts.

(a) Schedule 4.13(a) attached hereto contains a complete, current and correct list of all of the following types of Contracts to which the Company is a party or by which any of its properties or Assets are bound (*provided that* for the purposes of this Section 4.13(a), the term Contracts does not include Contracts associated solely with the Nexius Consulting Business or Leases, so long as those Leases are disclosed on Schedule 4.22(a)):

(i) any Contract which involves expenditures or receipts by the Company (other than Contracts which do not require payments or yield receipts of more than $5,000 in any twelve (12) month period or more than $15,000 in the aggregate);

(ii) any Contract with any of its officers, directors, employees or Affiliates, not otherwise listed on Schedule 4.24 or Schedule 4.26, including all noncompetition, severance, and indemnification agreements;

(iii) except as otherwise disclosed in Schedule 4.12(a)(ii), any agreement presently in effect for the license of any patent, copyright, trade secret or other

proprietary information agreements involving the payment by or to the Company in excess of $5,000 per year;

(iv) all open service orders for work to be performed by the Company together with a list of all future billings related to such service orders;

(v) any power of attorney;

(vi) any partnership, joint venture, profit-sharing or similar agreement entered into with any Person;

(vii) any Contract for the acquisition or sale of any business of the Company (A) for aggregate consideration under such agreement in excess of $50,000, and (B) that has continuing indemnification, "earn-out" or other contingent payment obligations by the Company that would be reasonably likely to result in payments in excess of $50,000;

(viii) any Contract containing a covenant or covenants which purport to limit the Company's ability or right to engage in any lawful business activity and any Contract which imposes on the Company non-competition or non-solicitation restrictions, or any "exclusivity" or similar provision or covenant, or any pricing or most favored nation covenants, or any other restriction on future contracting;

(ix) any agreement entered into outside the Ordinary Course of Business and presently in effect, involving payment to or obligations of in excess of $5,000, not otherwise described in this Section 4.13(a); and

(x) any loan agreement, agreement of indebtedness, note, security agreement, guarantee or other document pursuant to or in connection with the Company's receipt or extension of credit for money borrowed in excess of $5,000.

(b) All of the Company's oral Contracts are identified on Schedule 4.13(b), and all material terms set forth on such Schedule. Except as set forth on Schedule 4.13(b), all of the revenue received by the Company in fiscal years 2008 and 2009 was received pursuant to written Contracts.

(c) Schedule 4.13(c) sets forth the Company's backlog for services ordered or contracted by customers of the Company. The Company calculated this backlog as of the Balance Sheet Date (which information has been provided to Purchaser) in good faith and consistent with prior accounting periods. To the Knowledge of the Company, there are no facts or circumstances, including any written or oral notice of any program cancellation or change in program schedule, contract reduction, modification or early termination, which would reasonably be expected to cause, individually or in the aggregate, a material change in Company's calculation of such backlog.

(d) The Company has all the Contracts it needs to carry on the Company's business as now being conducted (excluding the Nexius Consulting Business). All of the Contracts, including the Contracts listed on Schedule 4.13(a) are in full force and effect,

and are valid, binding, and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, or similar Laws affecting creditors' rights generally or by court-applied equitable principles. There exists no breach, default or violation on the part of the Company or, to the Knowledge of the Company, on the part of any other party to any Contract nor has the Company received notice of any breach, default or violation. Except as expressly identified on Schedule 4.13(d), (i) the Company has not received notice of an intention by any party to any such Contract that provides for a continuing obligation by any party thereto on the date hereof to terminate such Contract or amend the terms thereof, and (ii) the consummation of the transactions contemplated by this Agreement will not affect the validity, enforceability and continuation of the Contracts on the same terms applicable to the Contracts as of the date hereof. The Company has not waived any rights under any of its Contracts. To the Knowledge of the Company, no event has occurred which either entitles, or would, with notice or lapse of time or both, entitle any party to any such Contract to declare breach, default or violation under any such Contract or to accelerate, or which does accelerate, the maturity of any indebtedness of the Company under any such Contract.

4.14 Litigation. Except as described on Schedule 4.14, there is no litigation, proceeding (arbitral or otherwise), claim, action, suit, judgment, decree, settlement, rule, order or investigation of any nature pending, or, to the Company's Knowledge, threatened by or against the Company, its directors, officers or Sellers, the Company's business, the Stock or the Assets, nor to the Company's Knowledge is there any basis for any of the foregoing that could reasonably be expected to result in a Company Material Adverse Effect. The items listed on Schedule 4.14, if finally determined adverse to the Company, would not reasonably be expected to have, either individually or in the aggregate, a Company Material Adverse Effect. There are no writs, injunctions, decrees, arbitration decisions, unsatisfied judgments or similar orders outstanding against the Company, the Stock, Sellers, the Company's business or the Assets.

4.15 Financial Statements.

(a) Schedule 4.15 sets forth true, correct and complete copies of the unaudited balance sheet and income statement of the Company for the fiscal year ended December 31, 2008, the audited balance sheet and income statement of the Company for the fiscal year ended December 31, 2009, and an unaudited balance sheet and statement of income and cash flows as of and for the period beginning January 1, 2010 and ended May 31, 2010 (collectively, the "***Financial Statements***"). The Financial Statements were prepared in accordance with the books and records of the Company are true, correct and complete in all material respects, and present fairly the financial condition and results of operation of the Company at the respective dates thereof. The Financial Statements have been prepared in accordance with GAAP as consistently applied by the Company throughout and among the periods indicated except that the unaudited statements exclude the footnote disclosures and other presentation items required for GAAP and exclude year-end adjustments which will not be material in amount. Since the dates of the Financial Statements, there have been no changes in the Company's accounting policies or practices. The Company's books and financial records do not include any Contract revenue that has been recognized before it has been earned.

(b) The Company maintains accurate books and records reflecting its Assets and liabilities and maintains proper and adequate internal accounting controls that provide

reasonable assurance that (i) the Company does not maintain any off-the-book accounts and that the Company's Assets are used only in accordance with the Company's management directives, (ii) transactions are executed with management's authorization, (iii) transactions are recorded as necessary to permit preparation of the financial statements of the Company and to maintain accountability for the Company's Assets, (iv) access to the Assets is permitted only in accordance with management's authorization, (v) the reporting of Assets of the Company is compared with existing Assets at regular intervals, and (vi) accounts, notes and other receivables and inventory are recorded accurately, and proper and adequate procedures are implemented to effect the collection of accounts, notes and other receivables on a current and timely basis.

(c) The Company has not been advised by its external auditor, attorneys or other advisors that it must make a material adjustment to any financial record, or must change any material internal practice, policy or procedure to comply with any Laws, or any accounting best practice.

4.16 Liabilities. The Company has no liabilities, obligations or commitments of any nature (whether absolute, accrued, contingent or otherwise, whether matured or unmatured and whether due or to become due) of the type required to be reflected in or on financial statements prepared in accordance with GAAP or that involve "off-balance sheet" financing (broadly construed), except (a) liabilities that are accrued and reflected on the Financial Statements (and on the Closing Balance Sheet), (b) liabilities that are listed on Schedule 4.16 to this Agreement, (c) liabilities that have arisen in the Ordinary Course of Business (other than liabilities for breach or default of any Contract) since December 31, 2009 which individually or in the aggregate could not reasonably be expected to have a Company Material Adverse Effect or (d) obligations to perform after the date hereof any Contracts which are required to be or are disclosed on Schedule 4.13(a), Schedule 4.13(b), or Schedule 4.22(a). Except as disclosed on Schedule 4.16, the Company is not a guarantor nor is it otherwise liable for any obligation (including indebtedness) of any other Person. No Seller has any claim or action against the Company. At Closing the Company will have no liabilities, obligations or commitments of any nature with respect to the Nexius Consulting Business. After consummation of the transactions contemplated under the Split-Off Documents, the Company's total Assets are more than the sum of the Company's total liabilities.

4.17 Tax Matters.

(a) Except as disclosed on Schedule 4.17, (i) the Company has timely filed all Tax Returns required to have been filed by it, (ii) all such Tax Returns are accurate and complete, (iii) the Company has paid all Taxes owed by it which were due and payable (whether or not shown on any Tax Return) except as reflected as a liability on the Closing Balance Sheet, (iv) the Company has complied with all applicable Laws relating to Tax, (v) the Company is not currently the beneficiary of any extension of time within which to file any Tax Return, (vi) there is no, and has been no claim against the Company in writing by a Governmental Authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction, (vii) there are no pending or ongoing audits of the Company's Tax Returns, (viii) the Company has not requested or received any ruling from, or signed any binding agreement with, any Governmental Authority, that would increase the amount of the Company's Tax liabilities in a Tax period ending after the Closing Date, (ix) there are no Liens on any of the

Assets that arose in connection with any failure (or alleged failure) to pay any Tax, (x) no unpaid Tax deficiency has been asserted against or with respect to the Company by any Governmental Authority which Tax remains unpaid, (xi) the Company has collected or withheld all Taxes currently required to be collected or withheld by it, and all such Taxes have been paid to the appropriate Governmental Authorities or set aside in appropriate accounts for future payment when due, (xii) the Company has not granted and is not subject to, any waiver of the period of limitations for the assessment of Tax for any currently open taxable period, (xiii) the Company is not a party to any Tax allocation or sharing agreement, (xiv) the Company neither (A) has been a member of an Affiliated Group filing a consolidated federal income Tax Return nor (B) has any liability for the Taxes of any Person under Regulations Section 1.1502-6 (or any similar provision of state, local or foreign Law), as a transferee or successor, by contract or otherwise, and (xv) there is no contract, agreement, plan or arrangement covering any Person that, individually or collectively, could give rise to the payment of any amount that would not be deductible by the Company by reason of Section 280G of the Code.

(b) The Company has not entered into or participated in any “listed transaction” or “reportable transaction” within the meaning of Treasury Regulation Section 1.6011-4, or otherwise participated in a “tax shelter” as defined in Section 6662(d)(2)(C)(ii) of the Code, and the Company has made all necessary disclosures required by Treasury Regulation Section 1.6011-4.

(c) No power of attorney currently in force has been granted by the Company relating to Taxes.

(d) Except as shown in Schedule 4.17(d), the Company does not have a permanent establishment in any country other than the United States of America.

(e) The Company will not be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period ending after the Closing Date as a result of any (a) change in method of accounting for any taxable period ending on or prior to the Closing Date, (b) closing agreement as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign income Tax law) executed on or prior to the Closing Date, (c) installment sale or open transaction disposition made on or prior to the Closing Date or (d) prepaid amount received on or prior to the Closing Date (other than in the ordinary course of business).

(f) Neither the execution and delivery of the Split-Off Documents nor the consummation of the transactions contemplated thereby, will result in the recognition of any income, any adverse Tax consequences any other Tax obligations or liabilities for the Company.

(g) True, correct and complete copies of all filed federal and state Tax Returns (including amended returns) for the Company with respect to the taxable years commencing on or after January 1, 2006 have been delivered or made available to representatives of the Purchaser.

(h) The Company has complied in all material respects with all applicable Laws relating to the payment and withholding of Taxes (including withholding of

Taxes pursuant to Sections 1441, 1442, 1445, 1446, 3121 and 3402 of the Code and similar provisions under any other domestic or foreign Tax Laws) and have, within the time and the manner prescribed by Law, withheld from and paid over to the proper Governmental Authorities all amounts required to be so withheld and paid over under applicable Laws.

(i) The Company has not requested a private letter ruling from the IRS or comparable rulings from other taxing authorities.

(j) The Company has not agreed to and is not required to make any material adjustments pursuant to Section 481(a) of the Code or any similar provision of Law or has any application pending with any Governmental Authority requesting permission for any changes in accounting methods.

(k) The Company is not and has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

4.18 Insolvency Proceedings. None of the Company, any Seller, the Stock or the Assets is the subject of any pending, rendered or, to the Knowledge of the Company, threatened insolvency proceedings of any character. The Company has not made an assignment for the benefit of creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings. Neither the Company nor any Seller is insolvent and none will become insolvent as a result of entering into this Agreement.

4.19 Employee Benefit Plans; ERISA.

(a) Set forth on Schedule 4.19(a) is a true and complete list of each deferred compensation, executive compensation, incentive compensation, equity purchase or other equity-based compensation plan, employment or consulting agreements, severance or termination pay, holiday, vacation or other bonus plan or practice, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit sharing, pension, or retirement plan, program, agreement, commitment or arrangement, and each other employee benefit plan, program, agreement or arrangement, including each "employee benefit plan" as such term is defined under Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder ("***ERISA***"), maintained or contributed to or required to be contributed to by the Company for the benefit of any employee or terminated employee of the Company, or with respect to which the Company has any liability, whether direct or indirect, actual or contingent, whether formal or informal, and whether legally binding or not, but excluding any regular wage or salary payments or other payroll practices in the ordinary course of business (collectively, the "***Benefit Plans***").

(b) With respect to each Benefit Plan, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations that have not been accounted for by reserves, or otherwise properly footnoted in accordance with GAAP on the Financial Statements. The Company is not and has not in the past been a member of a "controlled group" for purposes of Section 414(b), (c), (m) or

(o) of the Code, nor does the Company have any liability with respect to any collectively-bargained for plans subject to the provisions of ERISA.

(c) Each Benefit Plan is, and has been at all times, in compliance in all material respects with all applicable Laws, including ERISA and the Code. Each Benefit Plan which is intended to be "qualified" within the meaning of Section 401(a) of the Code (i) has been determined by the IRS to be so qualified (or is based on a prototype plan which has received a favorable determination or opinion letter)and (ii) its related trust has been determined to be exempt from taxation under Code Section 501(a) or the Company has requested an initial favorable IRS determination of qualification and/or exemption. To the Knowledge of the Company, there are no facts which would adversely affect the qualified status of such Benefit Plans or the exempt status of such trusts, and the Benefit Plans have been timely amended to comply with the applicable requirements of the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Pension Protection Act of 2006, if applicable and otherwise required, including technical amendments thereto, as well as all required interim amendments. The preceding sentence does not apply to any deferred compensation plan or incentive compensation plan, which are not intended to be and are not "qualified" plans.

(d) With respect to each Benefit Plan which covers any current or former officer, director, manager, consultant or employee (or beneficiary thereof) of the Company, the Company has delivered to Purchaser accurate and complete copies, if applicable, of: (i) all Benefit Plan texts and agreements and related trust agreements or annuity contracts to the extent currently effective; (ii) all material employee communications (including all summary plan descriptions and material modifications thereto); (iii) the three (3) most recent Form 5500, if applicable, and annual report, including all schedules thereto; (iv) the most recent annual and periodic accounting of plan assets; (v) the most recent determination letter received from the IRS; (vi) the most recent actuarial valuation; and (vii) all material communications with any Governmental Authority.

(e) With respect to each Benefit Plan: (i) such Benefit Plan has been administered and enforced in all material respects in accordance with its terms, the Code and ERISA; (ii) no breach of fiduciary duty has occurred; (iii) no dispute is pending, or to the Knowledge of the Company, threatened; (iv) no prohibited transaction, as defined in Section 406 of ERISA or Section 4975 of the Code, has occurred, excluding transactions effected pursuant to a statutory or administration exemption; and (v) all contributions and premiums due through the date of this Agreement have been made as required under ERISA or have been fully accrued on the Financial Statements.

(f) No Benefit Plan is a "defined benefit plan" (as defined in Code Section 414(j)), a "multiemployer plan" (as defined in ERISA Section 3(37)) or a "multiple employer plan" (as described in Code Section 413(c)) or is otherwise subject to Title IV of ERISA or Code Section 412. The Company does not maintain or contribute to or in any way directly or indirectly have any liability (whether contingent or otherwise) with respect to any "multiemployer plan," within the meaning of Section 3(37) or 4001(a)(3) of ERISA.

(g) There is no arrangement under any Benefit Plan with respect to any employee that would result in the payment of any amount that by operation of Code Section

280G or 162(m) would not be deductible by the Company as a result of the transactions provided for in this Agreement.

(h) With respect to each Benefit Plan which is a "welfare plan" (as described in ERISA Section 3(1)): (i) no such plan provides medical or death benefits with respect to current or former employees of the Company beyond their termination of employment (other than coverage mandated by Law which is paid solely by such employees, benefits continuing through the end of the month in which termination occurs, or severance pay or benefits); and (ii) there are no reserves, assets, surplus or prepaid premiums under any such plan.

(i) Except as disclosed on Schedule 4.19(i), the consummation of the transactions contemplated by this Agreement and the other Transaction Documents will not: (i) entitle any individual to severance pay, unemployment compensation or except as expressly set forth in the Equity Rights Termination Agreement, in substantially the form attached hereto as *Exhibit I*, other benefits or compensation; (ii) accelerate the time of payment or vesting, or increase the amount of any compensation due, or in respect of, any individual; (iii) result in or satisfy a condition to the payment of compensation that would, in combination with any other payment contemplated by this Agreement, result in an "excess parachute payment" within the meaning of Code Section 280G(b)(1); or (iv) constitute or involve a prohibited transaction (as defined in ERISA Section 406 or Code Section 4975), or constitute or involve a breach of fiduciary responsibility within the meaning of ERISA Section 502(l) or otherwise violate Part 4 of Subtitle B of Title I of ERISA.

(j) All Benefit Plans can be terminated at any time as of or after the Closing Date without resulting in any material liability to Purchaser or its Affiliates for any additional contributions, penalties, premiums, fees, fines, excess Taxes or any other charges or liabilities (other that routine administrative fees and expenses associated with the termination of the Benefit Plans).

(k) Each Benefit Plan that is subject to Code Section 409A (each, a "***Section 409A Plan***") as of the Closing Date is identified as such on Schedule 4.19(a). Each Section 409A Plan has been administered in compliance with Code Section 409A for the period beginning January 1, 2005 through the date of this Agreement, including all notices, rules and regulations applicable thereto, including any transitional relief or guidance.. The Company does not have any obligation to any employee or other service provider with respect to any Section 409A Plan that may be subject to excise Tax under Code Section 409A.

4.20 Insurance.

(a) Schedule 4.20(a) lists all insurance policies (by policy number, insurer, location of property insured, annual premium, premium payment dates, expiration date, type (i.e., "claims made" or an "occurrences" policy), amount and scope of coverage) held by the Company relating to the Company (excluding the Nexius Consulting Business), the Assets and the business, properties and employees of the Company (excluding the Nexius Consulting Business), copies of which have been made available to Purchaser. Schedule 4.20(a) lists each Person required to be listed as an additional insured under each such policy. Each such insurance policy (i) is legal, valid, binding, enforceable and in full force and effect as of the Closing,

except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles, and (ii) will continue to be legal, valid, binding, enforceable, and in full force and effect on identical terms following the consummation of the transactions contemplated hereby, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. The Company is not in default with respect to its obligations under any insurance policy, nor has the Company been denied insurance coverage. Except as specifically identified on Schedule 4.20(a), the Company does not have any self-insurance or co-insurance programs. In the prior three (3) years, the Company has not received any notice from, or on behalf of, any insurance carrier relating to or involving any adverse change or any change other than in the Ordinary Course of Business, in the conditions of insurance, any refusal to issue an insurance policy or non-renewal of a policy, or requiring or suggesting alteration of any of the Company's assets, purchase of additional equipment or modification of any of the Company's methods of doing business. The Company has not made any claim against an insurance policy as to which the insurer is denying coverage.

(b) Schedule 4.20(b) identifies each insurance claim made by the Company since January 1, 2006. To the Knowledge of the Company, no event has occurred, and no condition or circumstance exists, that would reasonably be expected to (with or without notice or lapse of time) give rise to or serve as a basis for the denial of any such insurance claim.

4.21 Environmental Matters. The Company has been, and is in material compliance with, all applicable Environmental Laws, including without limitation possessing, and having possessed, all required Permits, authorizations, licenses, exemptions and other Governmental Authorizations required for the operation of its facilities and properties under applicable Environmental Laws. The Company has not received any notice or other communication (written or otherwise) from any Governmental Authority or any other Person regarding any investigations, inquiries, notices of non-compliance, administrative proceedings, actions, suits, claims, legal proceedings or other proceedings pending or threatened against any of the Company, its Assets or Sellers relating to applicable Environmental Laws or Environmental Conditions. Except for *de minimis* quantities of Hazardous Materials used, stored, treated, disposed of, or present in substantial compliance with all Environmental Laws on or about any real property constituting the Leased Premises or any other real property or facility formerly owned, leased or operated by the Company, there are no Hazardous Materials that are being used, stored, treated or disposed of by the Company or, to the Knowledge of the Company, otherwise present on, under or about the Leased Premises or, to the Company's Knowledge, any real property formerly owned, leased or operated by the Company. Each of the Leased Premises, during the period it was leased by the Company, has been operated and maintained in, and the Company is and has at all prior times otherwise been in material compliance with all applicable Environmental Laws. The Company has not disposed of, or arranged to dispose of, Hazardous Materials at a disposal facility in a manner or to a location that has resulted in or is likely to result in liability to the Company for any removal, remediation or response costs or natural resource damages under or relating to any of the Environmental Laws. Neither the Sellers nor the Company has any environmental compliance audits, environmental assessments, reports, sampling results, correspondence with Governmental Authorities or other environmental

documents relating to the Company's past or current properties, facilities or operations. The Company has made available to the Purchaser all information and reports about any Environmental Conditions of which it has Knowledge on any real property constituting the Leased Premises and any real property formerly owned, leased or operated by the Company. To the Company's Knowledge, the Company has not assumed, contractually or by operation of Law, any liabilities or obligations under any Environmental Laws. The Company has not operated any above-ground or underground tanks, drum storage areas, disposal sites, or landfills, or created any Environmental Conditions at the Leased Premises or any other real property formerly owned, leased or operated by the Company. The Company has not released any Hazardous Materials on, under or about any real property constituting or connected with the Leased Premises or any real property formerly owned, leased or operated by the Company, and the Company is not aware of the need to conduct any environmental investigations or remediation pursuant to any Environmental Law or that it may be in violation of any requirement of any Environmental Law.

4.22 Real Estate.

(a) Leased Premises. Schedule 4.22(a) contains a complete and accurate list of all premises leased by the Company for the operation of the Company's business (the "***Leased Premises***"), and of all leases related thereto (collectively, the "***Leases***"). The Company has delivered to Purchaser a true and complete copy of each of the Leases, and in the case of any oral Lease, a written summary of the terms of such Lease. The Leases (i) are valid, binding and enforceable in accordance with their terms and are in full force and effect except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles, (ii) no event of default has occurred which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default thereunder on the part of the Company, and (iii) to the Knowledge of the Company, there is no occurrence of any event of default which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default thereunder by any other party. The current annual rent and term under each Lease are as set forth on Schedule 4.22(a). Schedule 4.22(a) separately identifies all Leases for which consents or waivers must have been obtained by the Closing Date in order for such Leases to continue in effect according to their terms after the Closing Date. The Company has not waived any rights under any Lease which would be in effect on or after the date of this Agreement. No event has occurred which either entitles, or would, on notice or lapse of time or both, entitle the other party to any Lease with the Company to declare a default or to accelerate, or which does accelerate, the maturity of any indebtedness of the Company under any Lease.

(b) Leased Improvements. All Leased Improvements are set forth on Schedule 4.22(b). To the Company's Knowledge, the Leased Improvements are (i) structurally sound with no known defects, (ii) in good operating condition and repair, subject to ordinary wear and tear, (iii) not in need of maintenance or repair except for ordinary routine maintenance and repair, and (iv) in conformity with all applicable Laws relating thereto currently in effect. All of the Leased Improvements on the Leased Premises are located entirely on such Leased Premises.

(c) Real Property. The Company does not own, and has not at any time owned any real property or any interest in real property (other than the Leased Premises).

4.23 No Other Agreement To Sell. Except as contemplated by this Agreement and the Split-Off Documents, neither the Company nor any Seller has any legal obligation, absolute or contingent, to any other Person to sell, encumber or otherwise transfer the Company, the Stock, the Assets or the Company's business (in whole or in part), or effect any merger, consolidation, combination, share exchange, recapitalization, liquidation, dissolution or other reorganization involving the Company, or to enter into any agreement with respect thereto.

4.24 Transactions with Certain Persons. Except as set forth on Schedule 4.24, no officer or director of the Company, no Seller, nor any member of any such individual's immediate family (whether directly or indirectly through an Affiliate of such Person) is presently, or has been, a party to any transaction with the Company, including any Contract or other arrangement (a) providing for the furnishing of services by (other than as officers, directors or employees of the Company), (b) providing for the rental of real or personal property from, or (c) otherwise requiring payments to (other than for services or expenses as directors, officers or employees of the Company in the Ordinary Course of Business) any such individual or any Person in which any such individual has an interest as an owner, officer, director, trustee or partner. Other than Contracts listed on Schedule 4.24, the Company does not have outstanding any Contract or other arrangement or commitment with any Seller nor any director, officer, employee, trustee or beneficiary of the Company or any Seller. Except as set forth on Schedule 4.24, the Assets of the Company do not include any receivable or other obligation from any Seller or any director, officer, employee, trustee or beneficiary of the Company or any Seller or any immediate family member or Affiliate or any of the foregoing, and the liabilities of the Company do not include any payable or other obligation or commitment to any such Person. Schedule 4.24 specifically identifies all Contracts, arrangements or commitments set forth on such Schedule 4.24 that cannot be terminated upon thirty (30) days notice by the Company without cost or penalty.

4.25 Affiliates. Except for Sellers, Newco, or as set forth on Schedule 4.25, the Company does not have any Affiliates, does not own any capital stock or other equity securities of or any debt interest in any other Person and does not have any other type of ownership interest in any other Person. With respect to each Company Affiliate, Schedule 4.25 sets forth (i) the name and address of such Affiliate, (ii) a list of officers, directors, and co-owners of such Affiliate, as applicable, (iii) its relationship with the Company, and (iv) the type and amount of capital stock or other equity securities or debt interest owned by the Company in such Affiliate, as applicable.

4.26 Employees and Contractors.

(a) Employees. Schedule 4.26(a) hereto sets forth a complete and accurate list of all employees of the Company as of the date hereof (and which will be updated as of the Closing Date) showing: (i) for each as of that date the employee's name, job title or description, salary level (including any bonus or deferred compensation arrangements other than any such arrangements under which payments are at the discretion of the Company), (ii) each employee whose employment will be terminated prior to Closing and who will be hired by

Newco (each such employee, a "***Consulting Employee***"), and (ii) any bonus, commission or other remuneration (other than salary or regular wages) paid during the Company's fiscal year ending December 31, 2009 for all such employees of the Company other than the Consulting Employees. Except as set forth on Schedule 4.26(a), none of such employees is a party to a written employment agreement or contract with the Company and each is employed "at will." Except as set forth in Schedule 4.26(a), each such employee has entered into the Company's standard form of employee non-disclosure agreement with the Company, in substantially the form attached to Schedule 4.12(j).

(b) Contractors. Schedule 4.26(b) contains a list of all independent contractors (including consultants but excluding subcontractors) engaged by the Company as of the date hereof (which will be updated as of the Closing Date), along with the position, date of retention and rate of remuneration, most recent increase (or decrease) in remuneration and amount thereof, for each such Person. Except as set forth on Schedule 4.26(b), all of such independent contractors are a party to a written agreement or contract with the Company. Each such independent contractor has entered into customary covenants regarding confidentiality, non-competition and assignment of inventions and copyrights in such Person's agreement with the Company, a copy of which has been previously made available to Purchaser. For the purposes of applicable Law, including the Code, all independent contractors who are, or within the last six (6) years have been, engaged by the Company are bona fide independent contractors and not employees of the Company and, except as noted on Schedule 4.26(b), each independent contractor is terminable on fewer than thirty (30) days notice, without any obligation to pay severance or a termination fee.

4.27 Labor Relations. Except as disclosed on Schedule 4.27, (i) the Company is not a party to any collective bargaining agreement or other contract or agreement with any group of employees, labor organization or other representative of any of the employees of the Company, and (ii) to the Knowledge of the Company, there are no activities or proceedings of any labor union or other party to organize or represent such employees. There has not occurred or, to the Knowledge of the Company, been threatened any strike, slow-down, picketing, work-stoppage, or other similar labor activity with respect to any such employees. Schedule 4.27 sets forth all unresolved labor controversies (including unresolved grievances and age or other discrimination claims), if any, between the Company and Persons employed by or providing services to the Company. To the Knowledge of the Company, no officer or employee of the Company has any current plan to terminate his or her employment with the Company.

4.28 Board Approval. The board of directors of the Company has determined that the transactions contemplated by this Agreement are in the best interests of the Company, and has adopted resolutions to such effect which authorized the Company to enter into this Agreement and the Transaction Documents to which it is a party. The Company has provided Purchaser with true and correct copies of all board of directors proceedings relating to this Agreement and the transactions contemplated hereby, which are in full force and effect as of the date hereof and will be in full force and effect as of the Closing Date. No further approval by the equity holders of the Company (other than the execution of this Agreement) is required in connection with the transactions contemplated by this Agreement, *provided that* the Company

shall obtain the consent of the equity holders in connection with the transactions contemplated by the Split-Off Documents prior to the Closing.

4.29 Brokers. Except as set forth on Schedule 4.29, no broker, finder or investment banker or other Person is directly or indirectly entitled to any brokerage, finder's or other contingent fee or commission or any similar charge in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company or Sellers.

4.30 Customers. Set forth on Schedule 4.30(a) is a true, correct, and complete list of the largest twenty (20) customers of the Company on the basis of annual revenues for the year ended December 31, 2009 (the "***Major Customers***").

(b) Set forth on Schedule 4.30(b) is a list of Contracts with any Major Customer in effect or outstanding as of the Closing Date.

(c) No Major Customer within the last twelve (12) months has threatened to cancel or otherwise terminate, or given written or other notice that it intends to cancel or otherwise terminate, any customer relationships of such Major Customer with Company, and (ii) no such Major Customer has during the last twelve (12) months decreased materially or threatened to decrease or limit materially, or given written or other notice that it intends to modify materially its customer relationships with Company.

4.31 Service Warranties. Set forth on Schedule 4.31 are the standard forms of service warranties and guarantees used by the Company and copies of all other outstanding service warranties and guarantees. Except as set forth on Schedule 4.31, no oral product or service warranties or guarantees have been made by the Company since January 1, 2004. Except as specifically described on Schedule 4.31, no service warranty or similar claims have been made against the Company. No person or party has any valid claim, or valid basis for any action or proceeding, against the Company under any Law relating to unfair competition, false advertising or other similar claims arising out of product or service warranties, guarantees, specifications, manuals or brochures or other advertising materials and no such claim, action or proceeding is currently pending or, to the Knowledge of the Company, threatened against the Company. The aggregate loss and expense (including out-of-pocket expenses) attributable to all service warranties and guarantees and similar claims now pending or asserted against the Company hereafter with respect to services rendered on or prior to the Effective Time would not reasonably be expected to exceed the amount of the reserve therefor set forth on the Closing Balance Sheet.

4.32 Supplier Relationships. Set forth on Schedule 4.32 is a true, correct and complete list of the largest ten (10) vendors of and suppliers to the Company on the basis of annual expenses for the year ended December 31, 2009. Since December 31, 2008 (and other than changes or events affecting economic conditions applicable to any customer or supplier or its industry generally), (i) the Company has not received any written, or to the Company's Knowledge, other notice that any such vendor or supplier intends to terminate or materially reduce the level of business done with the Company or will not do business with the Company on substantially the same terms and conditions subsequent to the Closing Date as such vendor or

supplier did with the Company prior to the Closing Date and (ii) no Person listed on Schedule 4.32 has decreased materially or to the Knowledge of Company threatened to decrease or limit materially or modify materially its relationships with Company (other than reductions contemplated by any applicable Contract).

4.33 Bank Accounts. Schedule 4.33 lists the names and locations of all banks and other financial institutions with which the Company maintains an account (or at which an account is maintained to which the Company has access as to which deposits are made on behalf of the Company), in each case listing the type of account, the account number therefor, and the names of all Persons authorized to draw thereupon or have access thereto and lists the locations of all safe deposit boxes used by the Company. All cash in such accounts is held on demand deposit and is not subject to any restriction or limitation as to withdrawal.

4.34 Sensitive Payments; Import and Export Laws. Neither the Company nor any shareholder, director or officer of the Company, or, to the Company's Knowledge, any employee, agent or representative of the Company, has (a) has directly or indirectly used any corporate funds to make any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of what form, whether in money, property, or services (i) to obtain favorable treatment or secure Contracts for the Company in violation of any applicable Law or (ii) to obtain special concessions for the Company or for special concessions already obtained in violation of any applicable Law; or (b) violated any applicable export control, money laundering or anti-terrorism Law, nor have any of them otherwise taken any action which would cause Company to be in violation of the Foreign Corrupt Practices Act of 1977, as amended, or any similar applicable Law.

4.35 Split-Off of Consulting Business. As of Closing, the transactions contemplated by the Split-Off Documents will have been effectively consummated, and such consummation will not (a) violate or conflict with the Company's Certificate of Incorporation, Bylaws or any other organizational or other constituent document or any applicable Law, or (b) with or without giving notice or the lapse of time or both, constitute or result in the breach of any provision of, or constitute a default under, any Contract.

4.36 Absence of Changes. Except as set forth in Schedule 4.36 and except for the transactions contemplated by this Agreement and the Split-Off Documents, since January 1, 2010, (a) the Company has conducted its business only in the Ordinary Course of Business, and (b) there has not been any change in or development with respect to the Company's business, operations, method of accounting or accounting practices, method of recording Tax or Tax election, condition (financial or otherwise), results of operations, prospects, assets or liabilities, except for changes and developments which have not had, and would not reasonably be expected to have a Company Material Adverse Effect.

4.37 Disclosure. No representations or warranties by the Company or Sellers in this Agreement (including the Disclosure Schedules hereto), the Transaction Documents or in any document, exhibit, statement, certificate or schedule which is furnished or to be furnished by the Company or Sellers pursuant to Section 4 in connection with the Closing of the transactions herein contemplated, (a) contains or will contain any untrue statement of a material fact, or (b)

omits or will omit to state, when collectively and read together in conjunction with all of the information contained in this Agreement, the Disclosure Schedules hereto and the other Transaction Documents, any fact necessary to make the statements or facts contained therein not misleading.

5. *REPRESENTATIONS AND WARRANTIES OF PURCHASER.* Purchaser represents and warrants to the Company and Sellers the following matters in this Section 5. These representations and warranties are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date except to the extent that a representation or warranty expressly states that such representation or warranty is true and correct only as of another specified date.

5.1 Organization. Purchaser is a corporation duly incorporated, validly existing and in good standing under the Laws of the State of Delaware, and is qualified or registered to do business in each jurisdiction in which the nature of its business or operations would require such qualification or registration, except where the failure to be so qualified or registered would not cause a material adverse effect on the business of Purchaser, taken as a whole, or impair Purchaser's ability to consummate the transaction contemplated by this Agreement (collectively, a "***Purchaser Material Adverse Effect***").

5.2 Necessary Authority. Purchaser has full power and authority to own, lease and operate its property and Purchaser has full corporate power and authority to carry on its business as now conducted and to execute and deliver this Agreement and the other Transaction Documents to which it is party and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly authorized, executed and delivered by Purchaser and constitutes the legal, valid and binding obligations of Purchaser enforceable against it in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery by Purchaser at the Closing, each Transaction Document to which Purchaser is party, or is specified to be a party, will be duly authorized, executed and delivered by Purchaser and will constitute the legal, valid and binding obligation of Purchaser enforceable against it in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. The individual(s) executing this Agreement and the other Transaction Documents to which Purchaser is a party on behalf of Purchaser have the full right, power and authority to execute and deliver this Agreement and the other Transaction Documents to which Purchaser is a party, and upon execution, no further action will be needed to make this Agreement and such other Transaction Documents valid and binding upon, and enforceable against, Purchaser.

5.3 No Conflicts. The execution, delivery and performance of this Agreement and the other Transaction Documents to which Purchaser is a party by Purchaser and the consummation of the transactions contemplated herein and therein do not and will not (a) require Purchaser to obtain the consent or approval of, or make any filing with, any person or Governmental Authority, except for consents and approvals already obtained or to be obtained prior to Closing and notices or filings already made or to be made prior to Closing, (b) violate or conflict with, Purchaser's Certificate of Incorporation or Bylaws or any Law, (c) constitute or

result in the breach of any provision of, or constitute a default under, any agreement, indenture or other instrument to which Purchaser is a party or by which it or its assets may be bound, or (d) render Purchaser insolvent or unable to pay its debts as they become due, except where such failure, violation, breach or default would not cause a Purchaser Material Adverse Effect.

5.4 Brokers. No broker, finder or investment banker or other person is directly or indirectly entitled to any brokerage, finder's or other fee or commission or any similar charge in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

5.5 Investment Intent. Purchaser is acquiring the Stock for its own account and not with a view to its distribution within the meaning of Section 2(11) of the Securities Act of 1933, as amended (the "***Securities Act***"), and the rules and regulations issued pursuant thereto. Purchaser is an "accredited investor" within the meaning of Rule 501 under the Securities Act and was not organized for the specific purpose of acquiring the Stock. Purchaser has had an opportunity to discuss the Company's business, management and financial affairs with the Company's management. Purchaser understands that the Stock has not been registered under the Securities Act.

5.6 Litigation. There is no litigation, proceeding (arbitral or otherwise), injunction, claim, action, suit, or order of any nature pending, or, to Purchaser's Knowledge, threatened by or against Purchaser, its directors, officers or employees that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with the purchase of the Stock by Purchaser as outlined in this Agreement and in the Transaction Documents.

5.7 Adequacy of Funds. Purchaser has or will have as of the Closing adequate financial resources to satisfy its monetary and other obligations under this Agreement.

6. *INDEMNIFICATION.*

6.1 Indemnification by Sellers. Subject to the limitations set forth herein, prior to Closing, the Company and each Seller, and from and after Closing, each Seller shall jointly and severally indemnify and hold Purchaser, its Affiliates and the Company (from and after the Closing) and each of their respective shareholders, trustees, directors, officers, employees and agents (collectively, the "***Purchaser Parties***") harmless against and from and in respect of all Damages arising or resulting from (a) the inaccuracy in or breach of any representation or warranty made by the Company and/or Sellers in this Agreement, any other Transaction Document or in any certificate delivered at the Closing pursuant to Section 3.2, (b) (i) the non-fulfillment by the Company (prior to the Closing Date) and/or any Seller of any unwaived covenant, obligation or agreement, in each case as contained in this Agreement and/or (ii) the non-fulfillment by Newco of any unwaived covenant, obligation or agreement, in each case as contained in the Cross Transition Services Agreement, (c) the activities or business of the Nexius Consulting Business prior to, or after the Closing Date, including without limitation the execution of the Split-Off Documents and the consummation of the transactions contemplated thereby, or (d) any matter set forth under the heading "Pending Audits" on Schedule 4.17.

6.2 Indemnification by Purchaser. Purchaser agrees to indemnify the Company (prior to this Closing Date), Sellers, their Affiliates, and each of their respective shareholders, trustees, directors, officers, employees and agents (collectively, the "***Seller Parties***") harmless against and from and in respect of all Damages arising or resulting from (a) the inaccuracy in or breach of any representation or warranty made by Purchaser in this Agreement, any other Transaction Document or in any certificate delivered at the Closing pursuant to Section 3.3, or (b) the non-fulfillment or breach of any unwaived covenant, obligation or agreement, in each case as made by or on behalf of Purchaser in this Agreement.

6.3 Survival of Representations and Warranties. Notwithstanding any right of Purchaser fully to investigate the affairs of the Company and notwithstanding any knowledge of facts determined or determinable by Purchaser pursuant to such investigation or right of investigation, Purchaser has the right to rely fully upon the representations and warranties of Sellers and the Company contained in this Agreement as qualified by the Disclosure Schedules. Notwithstanding any right of Sellers and the Company fully to investigate the affairs of Purchaser and notwithstanding any knowledge of facts determined or determinable by Sellers or the Company pursuant to such investigation or right of investigation, Sellers and the Company have the right to rely fully upon the representations and warranties of Purchaser contained in this Agreement. All representations and warranties of the parties hereto contained in this Agreement will survive the execution and delivery hereof and the Closing hereunder, and, after the Closing:

(a) any and all claims based on fraud or Intentional Misrepresentation of Sellers or the Company with respect to the transactions contemplated by this Agreement, any and all claims under Section 6.2(b) and any and all claims based on the representations and warranties made in Sections 4.1 (Organization), 4.2 (Authorization; Corporate Documentation), 4.3 (Title to the Stock, Etc.), and 4.4 (Capitalization) will survive indefinitely;

(b) any and all claims based on the representations and warranties made in Sections 4.14 (Litigation), 4.17 (Tax Matters), 4.19 (Employee Benefit Plans), 4.21 (Environmental Matters), 4.29 (Brokers), 5.1 (Organization), 5.2 (Necessary Authority) and 5.4 (Brokers) will survive until thirty (30) days after the expiration of the applicable statutes of limitation,

(c) any and all claims based on the representations and warranties made in Section 4.12 (Intellectual Property) will survive until the four (4) year anniversary of the Closing; and

(d) any and all claims based on all other representations and warranties will survive until the date that is twenty four (24) months after the Closing Date;

provided, *however*, that if at any time prior to the applicable date referenced in clauses (b), (c) and (d) of this Section 6.3, Purchaser delivers to the Seller Representative, or Seller Representative delivers to Purchaser, as applicable, a Notice stating the existence of a breach of any of the representations and warranties referenced in clauses (b), (c) and (d) of this Section 6.3 or the existence of a breach subject to Section 6.2(b) and asserting a claim for recovery under Section 6.1 or Section 6.2, as applicable, then the claim asserted in such Notice shall survive the applicable date referenced in clause (b), (c) or (d) of this Section 6.3 until such time as such

claim is fully and finally resolved. Except as otherwise expressly provided herein, the covenants and agreements contained in this Agreement will survive the execution and delivery hereof and the consummation of the transactions contemplated hereby indefinitely. The parties acknowledge that the time periods set forth in this Section 6.3 and elsewhere in this Agreement for the assertion of claims and Notices under this Agreement are the result of arms'-length negotiation among the parties and that they intend for the time periods to be enforced as agreed by the parties. The parties further acknowledge that the time periods set forth in this Section 6.3 and elsewhere in the Agreement may be shorter than otherwise provided by Law.

6.4 Certain Limitations on Indentification Obligations; Calculation of Losses.

(a) Except as otherwise expressly provided in this Section 6, the Purchaser Parties will not be entitled to receive any indemnification payments under Section 6.1(a) until the aggregate amount of Damages incurred by the Purchaser Parties exceed One Hundred Twenty Thousand Dollars ($120,000.00) (the "***Basket Amount***"), and then only for the amount of Damages in excess of the Basket Amount.

(b) Except as provided in Section 6.4(c), the maximum aggregate amount of indemnification payments under Section 6.1(a) to which the Purchaser Parties will be entitled to receive upon the triggering of any indemnification obligation hereunder will not exceed thirty percent (30%) of the Purchase Price. Except as provided in Section 6.4(c), the maximum aggregate amount of indemnification payments under Sections 6.1(b) and 6.1(d) to which the Purchaser Parties will be entitled to receive upon the triggering of any indemnification obligation hereunder will not exceed the Purchase Price.

(c) Notwithstanding anything to the contrary in this Agreement, any indemnification payments arising from (i) any and all breaches of the representations and warranties listed in Sections 6.3(a) and the Special Representations, and (ii) any and all claims for fraud or Intentional Misrepresentation, will not be subject to either the Basket Amount set forth in Section 6.4(a) or the maximum aggregate indemnification limitation set forth in Section 6.4(b) and will not be used in calculating whether the maximum aggregate indemnification limitation set forth in Section 6.4(b) has been met, *provided that* any indemnification payments arising from breaches of the Special Representations (other than fraud or Intentional Misrepresentation) will not exceed the aggregate amount of the Purchase Price actually received by the Sellers, which amount is deemed to include any amounts held in the Escrow Fund (and the Nadim Holdback if received by Nadim pursuant to the terms of Section 2.5).

(d) Each of the representations and warranties that contains any "Material Adverse Change," "in all material respects," or other materiality (or correlative meaning) qualification shall be deemed to have been given as though there were no such qualification for purposes of determining the amount of Damages under Section 6, but not for the purpose of determining whether or not any such representation or warranty was breached.

(e) Escrow Fund. To the extent that the Purchaser Parties are entitled to receive any indemnification pursuant to the terms of Section 6 of this Agreement, such Seller Parties shall be required to first exhaust the Escrow Fund as their sole source of recovery prior to pursuing any other sources of recovery, to the extent available under this Agreement.

(f) Reliance on Representations and Warranties. The parties acknowledge that (A) except as expressly provided in Section 4 and in any certificates delivered pursuant to Section 3.2, neither the Company nor any of the Sellers has made and is not making any representations or warranties whatsoever regarding the subject matter of this Agreement, express or implied, (B) except as expressly provided in Section 4, and (C) except as provided in the Transaction Documents, Purchaser is not relying and has not relied on, any representations or warranties whatsoever regarding the subject matter of this Agreement, express or implied.

(g) No Double Recovery. Notwithstanding anything herein to the contrary, no Purchaser Party shall be entitled to indemnification or reimbursement under Section 6.1 of this Agreement for any Damages to the extent such party has received indemnification payments or reimbursements for such Damages under the Asset Contribution Agreement.

6.5 Defense of Claims. In the case of any claim for indemnification under Section 6.1 or 6.2 arising from a claim of a third party (including the IRS or any other Governmental Authority), an indemnified party must give prompt written Notice to the Seller Representative or Purchaser, as applicable, and, subject to the following sentence, in no case later than twenty (20) days after the indemnified party's receipt of Notice of such claim, to Purchaser (if Purchaser is the indemnifying party) or Seller Representative (if Sellers are the indemnifying parties) of any claim, suit or demand of which such indemnified party has actual knowledge and as to which it may request indemnification hereunder. The failure to give such Notice will not, however, relieve the indemnifying party or parties of their indemnification obligations except to the extent that the indemnifying party is actually harmed thereby. The indemnifying party will have the right to defend and to direct the defense against any such claim, suit or demand in its name and at its expense, and with counsel selected by the indemnifying party; *provided, however*, the indemnifying party will not have the right to defend or direct the defense of any such claim, suit or demand if it refuses to acknowledge fully its obligations to the indemnified party or contests, in whole or in part, its indemnification obligations under this Agreement, and *further provided*, the indemnifying party will not have the right to defend or direct the defense of such claim, suit or demand if: (i) the third party asserting the claim is a customer of the Company at such time, unless the indemnifying party is Purchaser, (ii) an adverse judgment with respect to the claim will establish a precedent adverse to the continuing business interests of the Company unless the indemnifying party is Purchaser, (iii) there is a conflict of interest between the indemnified party and the indemnifying party in the conduct of such defense, or (iv) such claim, suit or demand is criminal in nature, could reasonably be expected to lead to criminal proceedings, or seeks an injunction or other equitable relief against the indemnified party. If the indemnifying party elects, and is entitled, to defend such claim, it will within twenty (20) days (or sooner, if the nature of the claim so requires) notify the indemnified party of its intent to do so, and the indemnified party will, at the request and expense of the indemnifying party, cooperate in the defense of such claim, suit or demand. If the indemnifying party elects not to defend such claim, fails to notify the indemnified party of its election as herein provided or refuses to acknowledge or contests its indemnification obligations under this Agreement, the indemnified party may pay, compromise or defend such claim. Notwithstanding the foregoing, the indemnifying party will have no indemnification obligations with respect to any such claim, suit or demand which is compromised or settled by the indemnified party without the prior written consent of the indemnifying party (which consent

will not be unreasonably conditioned, withheld or delayed); *provided, however*, that notwithstanding the foregoing, the indemnified party will not be required to refrain from paying any claim which has matured by a non-appealable court judgment or decree, nor will it be required to refrain from paying any claim where the delay in paying such claim would cause the indemnified party economic loss for which the indemnified party would not be entitled to seek indemnification hereunder. The indemnifying party's right to direct the defense will include the right to compromise or enter into an agreement settling any claim by a third party; *provided that* no such compromise or settlement will obligate the indemnified party to agree to any settlement which requires the taking of any action by the indemnified party other than the delivery of a release, except with the consent of the indemnified party (such consent not to be unreasonably withheld, delayed or conditioned). Notwithstanding the indemnifying party's right to compromise or settle in accordance with the immediately preceding sentence, the indemnifying party may not settle or compromise any claim over the objection of the indemnified party; *provided, however*, that consent by the indemnified party to settlement or compromise will not be unreasonably withheld, delayed or conditioned. The indemnified party will have the right to participate in the defense of any claim, suit or demand with counsel selected by it subject to the indemnifying party's right to direct the defense. The fees and disbursements of such counsel will be at the expense of the indemnified party; *provided, however*, that, in the case of any claim, suit or demand which seeks injunctive or other equitable relief against the indemnified party, the fees and disbursements of such counsel will be at the expense of the indemnifying party.

6.6 Non-Third Party Claims. Any indemnification claim which does not arise from a third party claim must be asserted by a written Notice to the indemnifying party or parties (or in the event that the indemnifying party is a Seller, to the Seller Representative), which Notice shall state the existence of a breach of representations, warranties, covenants, obligations and/or agreements for which the indemnified party is entitled to indemnification pursuant to Section 6 and shall set forth in reasonable detail the basis for such indemnified party's determination that such breach exists and a good faith estimate of the amount of the Damages incurred or that may be incurred by such indemnified party as a result of such breach) and asserting a claim for recovery (to the extent practicable) under this Section 6 based on such breach. The recipient of such Notice will have a period of thirty (30) days after receipt of such Notice within which to respond thereto. If the recipient does not respond within such thirty (30) days, the recipient will be deemed to have accepted responsibility for the Damages set forth in such Notice and will have no further right to contest the validity of such Notice. If the recipient responds within such thirty (30) days after the receipt of the Notice and rejects such claim in whole or in part, the party delivering will be free to pursue such remedies as may be available to it under contract or applicable Law.

6.7 Liability of the Company. Purchaser will not be required to make any claim against the Company after the Closing in respect of any representation, warranty, covenant, obligation, and/or agreement of the Company to Purchaser hereunder or under any other Transaction Document to which the Company is a party.

6.8 Tax Treatment. Unless otherwise required by applicable Law, all indemnification payments will constitute adjustments to the Purchase Price for all Tax purposes, and no party may take any position inconsistent with such characterization.

6.9 No Waiver. The foregoing indemnification provisions in this Section 6 (including the provisions of Section 6.3 and Section 6.4) do not (a) waive or affect any claims for fraud or Intentional Misrepresentation to which any Seller Party or Purchaser Party may be entitled, or relieve or limit the liability of any Seller Party or Purchaser Party arising out of or resulting from fraud or Intentional Misrepresentation in connection with the transactions contemplated by this Agreement or in connection with the delivery of any of the documents referred to herein, or (b) waive or affect any equitable remedies to which Purchaser, the Company or Sellers may be entitled.

6.10 No Right of Contribution. Sellers will not have any right to seek contribution from the Purchaser or, if the Closing occurs, the Company with respect to all or any part of Sellers' indemnification obligations under this Section 6.

6.11 Exclusive Remedy. Except as set forth in the next sentence or otherwise expressly provided herein, the remedies provided for in this Section 6 are the sole and exclusive remedies of the parties hereto and their Affiliates and their respective shareholders, trustees, officers, directors, employees, agents, representatives, successors and assigns for any breach of or inaccuracy in any representation, warranty, obligation, covenant or agreement contained in this Agreement or the Escrow Agreement. The foregoing will not limit any party's right to seek equitable remedies.

7. *PRE-CLOSING MATTERS.* Between the date of this Agreement and the Closing Date:

7.1 Affirmative Covenants of Company and Sellers. The Company and Sellers hereby covenant and agree that, from the date hereof through and including the Closing Date, except (i) as set forth on Schedule 7.1, (ii) as reasonably required to divest the Nexius Consulting Business as contemplated by this Agreement and the Split-Off Documents, (iii) as reasonably necessary to comply with or effect the Company's obligations under this Agreement, (iv) as otherwise expressly contemplated by this Agreement or (v) as consented to in writing by Purchaser (which consent shall not be unreasonably delayed), the Company (excluding the Nexius Consulting Business) will and Sellers will take all commercially reasonable actions within their control to cause the Company (excluding the Nexius Consulting Business) to:

(a) operate only in the Ordinary Course of Business;

(b) preserve intact its business organization, maintain its rights and ongoing operations, retain the services of its officers and key employees and maintain its relationship with its officers and key employees and maintain its relationship with its customers and suppliers;

(c) keep its properties and assets in as good repair and condition as at present, ordinary wear and tear excepted;

(d) keep in full force and effect insurance comparable in amount and scope of coverage to that currently maintained;

(e) operate its business in compliance with all applicable Laws; and

(f) use commercially reasonable best efforts to take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under applicable Laws or otherwise to consummate and make effective the transactions contemplated by this Agreement as promptly as practicable, including, without limitation, using commercially reasonable efforts to obtain all required licenses, permits, consents, approvals, authorizations, qualifications and orders of governmental entities and parties to contracts with Company.

7.2 Adverse Developments. The Company will promptly notify Purchaser in writing of any Company Material Adverse Effect of which it becomes aware. The Company will keep Purchaser informed of all material operational matters and material business developments with respect to the Company's business and its markets.

7.3 Notification of Breach. Each party will promptly notify the other parties of the occurrence of any event, or the existence of any fact, of which such party becomes aware that results in the material inaccuracy of any representation or warranty of such party in this Agreement as of any time prior to the Closing, and such party will use its commercially reasonable efforts to cure such matter.

7.4 Access. Sellers and the Company will provide Purchaser and its Representatives, for the purpose of the continuation of customary due diligence or for any other reasonable purpose, with access to the books and records of the Company and the Company's business (including the opportunity to make copies of such books and records) (excluding the Nexius Consulting Business), to the Assets and, subject to the receipt of reasonable prior Notice from Purchaser, during normal business hours and with the consent of the Company (which consent will not be unreasonably withheld, delayed or conditioned), to the officers, employees, agents, customers and accountants of the Company with respect to matters relating to Company's business (excluding the Nexius Consulting Business) and will provide Purchaser and Purchaser's Representatives with such information concerning the Company (excluding the Nexius Consulting Business), the Stock, the Assets and Company's business (excluding the Nexius Consulting Business) as Purchaser and/or Purchaser's Representative may reasonably request; *provided, however*, that in exercising access rights under this Section 7.4, Purchaser shall not be permitted to interfere unreasonably with the conduct of the business of Company and shall provide Company with

7.5 Financial Statements. Between the date of this Agreement and the closing Date, as soon as the same are available, the Company will provide Purchaser with copies of regularly prepared financial statements of the Company.

7.6 No Negotiation. The Company and Sellers will, and will cause their respective Representatives to immediately cease any existing discussion or negotiation with any Person (other than Purchaser and its Representatives) conducted prior to the date hereof with respect to any proposed, potential or contemplated acquisition of the Stock, the Assets or the Company. The Company and Sellers will refrain, and will cause each of their respective Representatives to refrain from taking, directly or indirectly, any action (a) to solicit or initiate

the submission of any proposal or indication of interest from any Person (other than Purchaser and its Representatives) relating to an acquisition of the Stock, the Assets or the Company or any merger, consolidation, combination, share exchange, recapitalization, liquidation or dissolution involving Company, (b) to participate in any discussions or negotiations regarding, or furnish to any Person (other than Purchaser and its Representatives) any information with respect to, or that may reasonably be expected to lead to, an acquisition of the Stock, the Assets or the Company or any merger, consolidation, combination, share exchange, recapitalization, liquidation or dissolution involving Company (or any proposal or indication of interest relating to any of the foregoing) with any Person (other than Purchaser and its Representatives) or (c) to authorize, engage in, or enter into any agreement or understanding (other than with Purchaser and its Representatives) with respect to an acquisition of the Stock, the Assets or the Company or a merger, consolidation, combination, share exchange, recapitalization, liquidation or dissolution involving the Company (or any proposal or indication of interest relating to any of the foregoing). If any proposal described in this section is received by the Company and/or any Seller, such party(ies) agrees to promptly notify Purchaser in writing of such proposal, and such party(ies) will notify any prospective purchaser of their obligations hereunder. Notwithstanding the foregoing, nothing in this Section 7.6 shall apply to the divestiture of the Nexius Consulting Business as contemplated by this Agreement and the Split-Off Documents.

7.7 Negative Covenants of Sellers and Company. The Company and Sellers hereby covenant and agree that, from the date hereof through and including the Closing Date, except (i) as set forth on Schedule 7.1, (ii) as reasonably required to divest the Nexius Consulting Business as contemplated by this Agreement and the Split-Off Documents, (iii) as reasonably necessary to comply with or effect the Company's obligations under this Agreement, (iv) as otherwise expressly contemplated by this Agreement or (v) as consented to in writing by Purchaser (which consent shall not be unreasonably delayed), neither Company (excluding the Nexius Consulting Business) nor the Sellers will take or permit any of the following actions:

(a) create, amend, modify or terminate any employee benefit plan, and except as required by law or required under the provisions of any Company benefit plan identified in Schedule 4.19(a), not make any contributions to or with respect to any such other than in the Ordinary Course of Business

(b) modify any compensation arrangements or benefits with respect to any of the Company's employees, grant any severance or termination pay (other than required by existing severance arrangements or existing Company policies as in effect on the date of this Agreement) to, or enter into or modify any employment or severance or termination pay agreement with, any of its current or former directors, officers or employees;

(c) grant any equity or equity-based compensation, in each case except as may be required by applicable Law;

(d) enter into any compromise or settlement of any litigation, proceeding or governmental investigation relating to the Company or its business or assets;

(e) issue, pledge, deliver, award, grant or sell, or authorize or propose the issuance, pledge, delivery, award, grant or sale (including the grant of any encumbrances) of,

any shares of any class of its capital stock (including shares held in treasury), any securities convertible into or exercisable or exchangeable for any such shares, or any rights, warrants or options to acquire, any such shares; or

(f) create or incur any Liens on the Assets or the Stock, except for Permitted Liens.

7.8 Termination of Equity Rights. Prior to Closing, the Company (i) shall have taken all actions necessary such that all outstanding rights of the Required Rights Holders, as described on Schedule 4.4, shall be cancelled effective as of the Effective Time, (ii) shall deliver to Purchaser copies of Equity Rights Termination Agreements, in substantially the form of *Exhibit I* from each Required Rights Holder, (iii) shall deliver to Purchaser duly executed Consulting Employee Waivers in substantially the form of *Exhibit L* from each Consulting Employee, and (iv) shall deliver to Purchaser a duly executed Shareholder Release in substantially the form of *Exhibit N* executed by Salwa Iskandar Youssef.

7.9 Divestiture of Nexius Consulting Business. Prior to Closing, the Company shall have consummated the divestiture of the Nexius Consulting Business in compliance with (i) the Company's Certificate of Incorporation, Bylaws or any other organizational or other constituent document, (ii) all applicable Laws, and (iii) all contractual obligations of the Company, and Company shall have certified the same in writing to Purchaser.

8. *OTHER MATTERS.*

8.1 Cooperation. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the parties will take such further action (including the execution and delivery of such further instruments and documents) as any other party reasonably may request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under Section 6). Sellers acknowledge and agree that from and after the Closing, Purchaser will be entitled to possession of, and Sellers will provide to Purchaser, all documents, books, records (including Tax records), agreements, corporate minute books and financial data of any sort relating to the Company (excluding the Nexius Consulting Business).

8.2 Confidentiality. From and after the Closing, each Seller will treat and hold as confidential all of the Confidential Information, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Purchaser or destroy, at the request and option of Purchaser, all tangible embodiments (and all copies) of the Confidential Information which are in possession of such Seller. In the event that any Seller is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, such Seller will notify Purchaser promptly of the request or requirement so that Purchaser may seek an appropriate protective order or waive compliance with the provisions of this Section 8.2. If, in the absence of a protective order or the receipt of a waiver hereunder, such Seller is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, such Seller may disclose the Confidential Information to the tribunal; *provided, however*, that each Seller, as

applicable, will use its commercially reasonable best efforts to obtain, at the request and expense of Purchaser, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Purchaser will designate. The foregoing provisions will not apply to any Confidential Information which is generally available to the public immediately prior to the time of disclosure.

8.3 Cooperation and Records Retention. After the Closing, the Company, Sellers and Purchaser each will (a) provide the other with such assistance as may reasonably be requested by either of them in connection with the preparation of any Tax Return, audit, or other examination by any Taxing Authority or judicial or administrative proceedings relating to liability for any Taxes, (b) retain for a period of five (5) years and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, proceeding or determination, (c) provide the other with any final determination of any such audit or examination, proceeding, or determination that affects any amount required to be shown on any Tax Return of the other for any period, and (d) cooperate with respect to closing the books of the Company and filing a Tax Return for the Company as of the Closing Date. The party requesting any such assistance or information will bear all of the out-of-pocket costs and expenses reasonably incurred in connection with providing such assistance or information. After the Closing, the Company and Sellers will (i) retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the applicable statue of limitations (and, to the extent notified by Purchaser or Sellers, any extensions thereof) of the respective taxable periods, and abide by all record retention agreements entered into with any Taxing Authority, and (ii) give the other parties reasonable written Notice prior to transferring, destroying or discarding any such books and records and, if any of the other parties so request, will allow the requesting party to take possession of such books and records.

8.4 Tax Matters.

(a) Periods Ending on or Before the Closing Date. Sellers will prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company for all periods ending on or prior to the Closing Date which are filed after the Closing Date. Any Tax Returns filed pursuant hereto must be consistent with the prior Tax Returns of the Company unless otherwise required by applicable Law. No later than twenty (20) days prior to filing, Seller Representative will deliver to Purchaser all such Tax Returns described in the preceding sentence and any related work papers and will permit Purchaser to review and comment on each such Tax Return and will make such revisions to such Tax Returns as are reasonably requested by Purchaser. Sellers will timely pay to the appropriate Taxing Authority any Taxes of the Company with respect to such periods to the extent such Taxes were not included as a liability in the calculation of Closing WC (including any Taxes resulting from the consummation of the transactions contemplated by the Split-Off Documents). The costs, fees and expenses related to the preparation of such Tax Returns will be paid by the Sellers and shall not be considered in calculating Net Working Capital.

(b) Periods Beginning Before and Ending After the Closing Date. To the extent that any Tax Returns of the Company relate to any Tax periods which begin before the Closing Date and end after the Closing Date, the Company will prepare or cause to be prepared

in a manner consistent with the prior Tax Returns of the Company unless otherwise required by applicable Law, and file or cause to be filed any such Tax Returns. The Company will permit Purchaser and Sellers to review and comment on each such Tax Return described in the preceding sentence at least twenty (20) days prior to filing such Tax Return and will make such revisions to such Tax Returns as are reasonably requested by Purchaser and Sellers. Sellers will timely pay to the appropriate Taxing Authority any Taxes of the Company shown on such Tax Returns with respect to the portion of such period ending on the Closing Date, to the extent such Taxes were not included as a liability in the calculation of Closing WC. The costs, fees and expenses related to the preparation of such Tax Returns will be paid by Purchaser or the Company and shall not be considered in calculating Net Working Capital. For purposes of this Section, in the case of any Taxes that are imposed on a periodic basis and are payable for a taxable period that includes but does not end on the Closing Date, the portion of such Tax which relates to the portion of such taxable period ending on the Closing Date will (i) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in the entire taxable period, and (ii) in the case of any Tax based upon or related to income or receipts be deemed equal to the amount which would be payable if the relevant taxable period ended on the Closing Date. Any credits relating to a taxable period that begins before and ends after the Closing Date will be taken into account as though the relevant taxable period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations will be made in a manner consistent with GAAP and the prior practice of the Company.

(c) Tax Sharing Agreements. All tax sharing agreements or similar agreements with respect to or involving the Company will be terminated as of the Closing Date and, after the Closing Date, the Company will not be bound thereby or have any liability thereunder.

8.5 Termination of 401(K) Plan. The Company and Sellers will either terminate the Company's 401(k) plan, or transfer the Company's 401(k) plan, effective immediately prior to the Closing Date. Promptly, but in no event later than ninety (90) days following the Closing Date, at Sellers' sole cost and expense, Seller Representative will deliver a completed and executed IRS Form 5310 (Application for Determination for Terminating Plan) and all required accompanying materials, including Form 8717, User Fee for Employee Plan Determination Letter Request, and the appropriate user fee, to the Internal Revenue Service.

8.6 Release and Covenant Not to Sue. Subject to and effective as of the Closing, each Seller hereby releases and discharges the Company and its Affiliates from and against any and all claims, demands, obligations, agreements, debts and liabilities whatsoever, whether known or unknown, both at law and in equity, which such Seller now has, has ever had or may hereafter have against the Company arising on or prior to the Closing Date or on account of or arising out of any matter occurring on or prior to the Closing Date, and whether or not relating to claims pending on, or asserted after, the Closing Date but if any Seller is an employee of the Company excluding any claims related to the right of such employee to receive current earned and accrued but unpaid compensation, un-reimbursed business expenses or other

employment benefits generally available to all Company employees, other than securities or convertible securities of the Company. From and after the Closing, each Seller hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing or causing to be commenced, any proceeding of any kind against the Company or any of its Affiliates, based upon any matter purported to be released hereby. Notwithstanding anything herein to the contrary, the restrictions set forth herein shall not apply to (a) any claims any Seller may have against any party pursuant to the terms and conditions of this Agreement and the agreements delivered in connection herewith and (b) any rights to indemnification for any liabilities arising from any Seller's actions within the course and scope of such Seller's employment with the Company or within the course and scope of such Seller's role as an officer or director of the Company, for which the Company receives insurance proceeds from the Company's D&O Tail Policy.

8.7 Directors and Officers Insurance. Prior to Closing, the Company shall procure, at its sole cost and expense, and shall pay all premiums under, a six (6) year tail insurance policy (the "***D&O Tail Policy***") to the Company's directors' and officers' liability insurance policy as of the Closing on terms with respect to coverage that are no less favorable than those of such policy in effect as of the date hereof and shall cover acts and omissions of current and former officers and directors for the six (6) year period prior to the date hereof through and including the Closing Date. Purchaser acknowledges that the Seller Representative will receive notices on behalf of the Persons insured under the D&O Tail Policy and agrees that the Seller Representative, as the representative of the Sellers and on behalf of the Company, will have all right, in his sole and absolute discretion, to take all actions and pursue all claims, including any litigation, settlement or other proceeding, in connection with the D&O Tail Policy and to incur any and all liabilities relating thereto. The parties hereto further agree that the amount of any retention due under the D&O Tail Policy shall be paid by the Seller Representative, and that no such retention or any other amount due under or in respect of the D&O Tail Policy shall be payable by Purchaser.

8.8 Equity Rights Termination. No later than five (5) Business Days immediately following the Closing Date, the Sellers shall have taken all actions necessary such that all outstanding rights of the Rights Holders, as described on Schedule 4.4, shall be cancelled effective as of the Effective Time and shall deliver to Purchaser an Equity Rights Termination Agreement, in substantially the form attached hereto as *Exhibit I*, executed by each Rights Holder (other than the Required Rights Holders) and the Company, accompanied by a Notice of Grant of Restricted Stock, in substantially the form attached hereto as *Exhibit G* in the applicable grant amount for each such Rights Holder as set forth on Schedule 3.2(s).

8.9 Name Change. Within thirty (30) days following the Closing Date, Purchaser shall cause the Company to change its names so that such name does not include the word "Nexius" therein by filing an amendment to its Articles of Incorporation with the Virginia State Corporation Commission.

9. *EXPENSES.* Except as otherwise expressly set forth elsewhere in this Agreement, Purchaser will bear its own legal and other fees and expenses incurred in connection with its negotiating, executing and performing this Agreement, including any related broker's or finder's fees, and the Company and Sellers will bear their respective legal and other fees and

expenses incurred in connection with their negotiating, executing and performing this Agreement, including any related broker's or finder's fees, for periods on or before the Closing Date; *provided*, *however*, that any unpaid Transaction Expenses will be paid by Purchaser pursuant to Section 2.1. Sellers will bear their own legal and other fees and expenses incurred in connection with this Agreement after the Closing, including any related broker's or finder's fees, subject to the provisions of this Agreement. Sellers will pay all applicable Taxes, if any, which are due as a result of the transfer of the Stock in accordance herewith.

10. ***AMENDMENT; BENEFIT AND ASSIGNABILITY.*** This Agreement may be amended only by the execution and delivery of a written instrument by or on behalf of the Company, Seller Representative and Purchaser. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other person or entity will have any right (whether third party beneficiary or otherwise) hereunder. This Agreement (and the parties respective rights hereunder) may not be assigned by any party without the prior written consent of the other parties; *provided*, *however*, that Purchaser may assign all or any portion of this Agreement to any Affiliate of Purchaser so long as such assignment does not relieve Purchasers of its obligations hereunder.

11. ***NOTICES.*** All notices, demands and other communications pertaining to this Agreement ("***Notices***") will be in writing addressed as follows:

If to Sellers (or the Company prior to the Closing):

c/o Seller Representative

Nabil Taleb
1445 Mayhurst Boulevard
McLean, VA 22102
Facsimile: (703) 935-4458

with a copy to:

Michael Lincoln
One Freedom Square
Reston Town Center
11951 Freedom Drive
Reston, VA 20190-5656
Phone: (703) 456-8022
Facsimile: (703) 456-8100

If to Purchaser (or the Company after the Closing):

comScore, Inc.
11950 Democracy Boulevard, Suite 600
Reston, VA 20190
Attention: Chief Financial Officer
Facsimile (703) 438-2033

with a copy to: Holland & Knight LLP
1600 Tysons Boulevard. Suite 700
McLean, Virginia 22102
Attention: Marisa Terrenzi, Esq.
Facsimile: 703/720-8610

Notices will be deemed given five (5) Business Days after being mailed by certified or registered United States mail, postage prepaid, return receipt requested, or on the first Business Day after being sent, prepaid, by nationally recognized overnight courier that issues a receipt or other confirmation of delivery. Notices delivered via facsimile will be deemed given when actually received by the recipient, *provided that* by no later than two days thereafter such Notice is confirmed in writing and sent via one of the methods described in the previous sentence. Notices delivered by personal service will be deemed given when actually received by the recipient. Any party may change the address to which Notices under this Agreement are to be sent to it by giving written Notice of a change of address in the manner provided in this Agreement for giving Notice.

12. ***WAIVER.*** Unless otherwise specifically agreed in writing to the contrary: (a) the failure of any party at any time to require performance by the other of any provision of this Agreement will not affect such party's right thereafter to enforce the same, (b) no waiver by any party of any default by any other will be valid unless in writing and acknowledged by an authorized representative of the non-defaulting party, and no such waiver will be taken or held to be a waiver by such party of any other preceding or subsequent default, and (c) no extension of time granted by any party for the performance of any obligation or act by any other party will be deemed to be an extension of time for the performance of any other obligation or act hereunder.

13. ***ENTIRE AGREEMENT.*** This Agreement (including the Exhibits, Schedules and Disclosure Schedules hereto, which are incorporated by reference herein and deemed a part of this Agreement) and the other Transaction Documents constitute the entire agreement between the parties with respect to the subject matter hereof and referenced herein, and supersede and terminate any prior agreements between the parties (written or oral) with respect to the subject matter hereof. This Agreement may not be altered or amended except by an instrument in writing signed by the party against whom enforcement of any such change is sought.

14. ***COUNTERPARTS.*** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Facsimiles or other electronic transmissions (e.g, PDFs) of signatures will be deemed to be originals.

15. ***CONSTRUCTION.*** The headings of the Sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

16. ***EXHIBITS AND DISCLOSURE SCHEDULES.*** The Exhibits, Schedules and Disclosure Schedules to this Agreement are a material part of this Agreement.

17. ***SEVERABILITY.*** In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. Any illegal or unenforceable term will be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable Law and such term, as so modified, and the balance of this Agreement will then be fully enforceable.

18. ***CHOICE OF LAW.***

18.1 Choice of Law. This Agreement is to be construed and governed by the laws of the Commonwealth of Virginia without giving effect to principles of conflicts of laws). The Company, Sellers and Purchaser irrevocably agree that any legal action or proceeding arising out of or in connection with this Agreement may be brought in any court of the Commonwealth of Virginia located in Fairfax County or any Federal court sitting in the Eastern District of Virginia (or in any court in which appeal from such courts may be taken) and each party agrees not to assert, by way of motion, as a defense, or otherwise, in any such action, suit or proceeding, any claim that it is not subject personally to the jurisdiction of such court, that the action, suit or proceeding is brought in an inconvenient forum, that the venue of the action, suit or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and hereby agrees not to challenge such jurisdiction or venue by reason of any offsets or counterclaims in any such action, suit or proceeding.

18.2 Dispute Resolution. Prior to initiating any legal action or other legal proceeding arising out of or relating to this Agreement or the Escrow Agreement, a party hereto will meet with the other applicable party to any dispute. If a party to the dispute is an entity it will appoint a designated representative, who will be a senior level manager or other person with the authority to make decisions and/or commitments on behalf of the respective party to resolve the dispute. The parties will meet as often as they reasonably deem necessary to discuss the problem in an effort to resolve the dispute without the necessity of any formal proceeding. Unless delay would impair a party's rights under applicable statutes of limitations, formal proceedings for the resolution of a dispute may not be commenced until the earlier of: (a) the designated representatives concluding in good faith that amicable resolution through continued negotiation of the matter does not appear likely, or (b) the expiration of the thirty (30) day period immediately following the initial request to negotiate the dispute.

19. ***PUBLIC STATEMENTS.*** Prior to Closing, no party hereto will make any press release or other public announcement concerning the transactions contemplated by this Agreement without the prior written approval of all other parties hereto, except to the extent required by Law. After Closing, Sellers will not make any press release or other public announcement concerning the transactions contemplated by this Agreement, without the prior written approval of Purchaser and Purchaser may make any press release or other public announcement concerning the transactions contemplated by this Agreement without Sellers' approval provided Purchaser.

20. ***NO THIRD PARTY BENEFICIARIES.*** Except with respect to indemnity claims of Seller Parties and Purchaser Parties, this Agreement will not confer any rights upon any Person other than the parties hereto and their respective successors and assigns.

21. ***WAIVER OF TRIAL BY JURY.*** THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY IN CONNECTION WITH SUCH AGREEMENTS.

22. ***MARKET STAND-OFF.*** Each Seller acknowledges that the existence of this Agreement and the terms hereof may be considered material non-public information. Each Seller and its officers, directors and Affiliates agree that they will not, and shall cause their employees who have knowledge or become aware of the existence of this Agreement not to, purchase, sell, pledge, hypothecate or otherwise transfer, or grant or acquire any option or other right to purchase, any securities of Purchaser from the date of this Agreement through the third Business Day after the public announcement by Purchaser of the existence of this Agreement and its subject matter.

23. ***REMEDIES.*** Except as otherwise provided in this Agreement, including, without limitation, as provided in Section 6.11 of this Agreement, (a) any party having any rights under any provision of this Agreement will have all rights and remedies set forth in this Agreement and all rights and remedies which such party may have been granted at any time under any other contract or agreement and all of the rights which such party may have under any Law and (b) such party will be entitled to (i) enforce such rights specifically, without posting a bond or other security, (ii) to recover damages by reason of a breach of any provision of this Agreement and (iii) to exercise all other rights granted by Law.

24. ***SELLER REPRESENTATIVE.***

(a) By the execution and delivery of this Agreement, each Seller hereby irrevocably constitutes and appoints Nabil Taleb, as the true and lawful agent and attorney-in-fact (the "***Seller Representative***") of the Sellers, with full powers of substitution to act in the name, place and stead of the Sellers with respect to the performance on behalf of the Sellers under the terms and provisions of this Agreement, as the same may be from time to time amended, and to do or refrain from doing all such further acts and things, and to execute all such documents on behalf of the Sellers as the Seller Representative deems necessary or appropriate in connection with any of the transactions contemplated under this Agreement, including:

(i) following the Closing, to agree upon or compromise any matter related to any payments due after Closing under this Agreement;

(ii) to direct the distribution of all or any portions of the Purchase Price hereunder;

(iii) to act for the Sellers with respect to all indemnification matters or other payment obligations of the Sellers referred to in this Agreement, including the right to

negotiate and compromise on behalf of the Sellers any indemnification or other claim made by or against the Sellers;

(iv) to act for the Sellers with respect to all post-Closing matters contemplated by this Agreement, including pursuant to Section 8, or otherwise;

(v) to terminate, amend, or waive any provision of this Agreement; *provided that* any such action, if material to the rights and obligations of the Sellers in the reasonable judgment of the Seller Representative, will be taken in the same manner with respect to all the Sellers unless otherwise agreed by each of the Sellers who is subject to any disparate treatment of a potentially adverse nature;

(vi) to employ and obtain the advice of legal counsel, accountants and other professional advisors as the Seller Representative, in his sole discretion, deems necessary or advisable in the performance of his duties as the Seller Representative and to rely on their advice and counsel; and

(vii) to do or refrain from doing any further act or deed on behalf of the Sellers which the Seller Representative deems necessary or appropriate in his sole discretion relating to the subject matter of this Agreement as fully and completely as any of the Sellers could do if personally present and acting.

(b) The appointment of the Seller Representative will be deemed coupled with an interest and will be irrevocable, and any other Person may conclusively and absolutely rely, without inquiry, upon any actions of the Seller Representative as the acts of the Sellers hereunder appointing the Seller Representative in all matters referred to in this Agreement. Each of the Sellers appointing the Seller Representative hereby ratifies and confirms all that the Seller Representative will do or cause to be done by virtue of the Seller Representative's appointment as Seller Representative. The Seller Representative will act for the Sellers on all of the matters set forth in this Agreement in the manner the Seller Representative believes to be in the best interest of the Sellers but the Seller Representative will not be responsible to any of the Sellers for any loss or damage any of the Sellers may suffer by reason of the performance by the Seller Representative of the Seller Representative's duties under this Agreement, other than loss or damage arising from gross negligence or willful misconduct in the performance of such Seller Representative's duties under this Agreement.

(c) Each of the Sellers hereby expressly acknowledges and agrees that the Seller Representative is authorized to act on behalf of the Sellers notwithstanding any dispute or disagreement among the Sellers and that any Person may rely on any and all action taken by the Seller Representative under this Agreement without liability to, or obligation to inquire of, any of the Sellers. If the Seller Representative resigns or ceases to function in such capacity for any reason whatsoever, then the Seller Representative shall be the Person appointed by the Sellers that represent a majority of the Pro Rata Shares; provided, however, that if for any reason no successor has been appointed within thirty (30) days, then any Seller will have the right to petition a court of competent jurisdiction for appointment of a successor Seller Representative. Sellers appointing the Seller Representative do hereby jointly and severally agree to indemnify and hold the Seller Representative harmless from and against any and all liability, loss, cost,

damage or expense (including without limitation attorneys' fees) reasonably incurred or suffered as a result of the performance of such Seller Representative's duties under this Agreement except for any such liability arising out of the gross negligence or willful misconduct of the Seller Representative.

25. *TIME.* Time is of the essence under this Agreement.

26. *SELLER REPRESENTATION BY COOLEY.*

Purchaser, Seller Representative and the Company (collectively, the "***Consenting Parties***") acknowledge that at all times relevant hereto up to the Effective Time, Cooley, LLP ("***Cooley***") has represented only the Company. If subsequent to the Closing any dispute were to arise relating in any manner to this Agreement or any other agreement between the Seller Representative or any Seller, on the one hand, and the Company or Purchaser, on the other hand ("***Disputes***"), the Company and Purchaser hereby consent to Cooley's representation of the Seller Representative and/or such Sellers in the Disputes. The Company and Purchaser acknowledge that Cooley has been and will be providing legal advice to the Company in connection with the transactions contemplated by this Agreement and the Transaction Documents and in such capacity will have obtained confidential information of the Company (the "***Company Confidential Information***"). The Company Confidential Information includes all communications, whether written or electronic, including any communications between Cooley, the directors, officers, shareholders, accounting firm, and/or employees of the Company, all files, attorney notes, drafts or other documents directly relating to this Agreement or any Transaction Documents, which predate the Effective Time (collectively, the "***Cooley Work Product***"). In any Dispute, in addition to the Company's full right and access to all Company Confidential Information, to the extent that any Company Confidential Information is in Cooley's possession at the Effective Time, such Company Confidential Information may be used on behalf of the Seller Representative in connection with such Dispute at the sole discretion of the Seller Representative. The Consenting Parties hereby consent to the disclosure and use by Cooley for the benefit of the Sellers and the Seller Representative, in connection with a Dispute, of any information (confidential or otherwise) disclosed to it by the Company (including its directors, officers, shareholders, accounting firm, and/or employees of the Company) prior to the Effective Time. Except as expressly set forth above, this Section 26 shall not grant any rights to the Seller Representative with respect to the Company Confidential Information except as described herein.

{Signature page follows}

IN WITNESS WHEREOF, the parties have executed this Stock Purchase Agreement as of the date first written above.

PURCHASER:

COMSCORE, INC.

By: ______________________________
Name:
Title:

THE COMPANY:

NEXIUS, INC.

By: ______________________________
Name:
Title:

SELLERS:

____
Nabil Taleb

____
Nadim Taleb

GSN, LTD.

By: ______________________________
Name:
Title:

{Signature Page to Stock Purchase Agreement}

SELLER REPRESENTATIVE:

With respect to Section 24 only

____

Nabil Taleb

SCHEDULE 1

DEFINITIONS; MATTERS OF INTERPRETATION.

(a) Definitions. As used in this Agreement, the following terms will have the respective meanings set forth below:

"***Affiliate***" means any Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with or of, such entity. The term "Control" (including, with correlative meaning, the terms "Controlled by" and "under common Control with"), as used in this definition with respect to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

"***Affiliated Group***" has the meaning set forth in Section 1504(a) of the Code.

"***Aggregate Equity Rights Termination Payments***" means the aggregate sum of $2,300,000 payable to the Rights Holders in restricted shares of Purchaser Common Stock in accordance with Section 2.1(c) to be paid to the designated recipients and in the applicable amounts set forth on Schedule 3.2(s).

"***Agreement***" has the meaning set forth in the Preamble to this Agreement.

"***Allowed Debt***" means short-term trade indebtedness, to the extent included in the calculation of Closing WC.

"***Amended 8-K Filing Requirements***" means the delivery from McGladrey of the following to enable the Company to timely file its Amended Form 8-K with the SEC: (i) a report and opinion to the Company regarding the audited balance sheet, income statement and statement of cash flows of the Company for the fiscal year ended December 31, 2009, (ii) a report regarding its review statement on auditing standards (SAS 100) for 2010 interim period ending June 30, 2010 and for the 2009 interim period ending June 30, 2009, and (iii) its written consent permitting the Company to use the foregoing items (i) and (ii) in its filing of the Amended Form 8-K with the SEC.

"***Assets***" means all cash and cash equivalents, marketable securities, Personal Property and real property of the Company, all Contracts, Leases and Property Warranties to which the Company is a party, all Permits held by the Company, all Intellectual Property and all other assets of the Company. Notwithstanding the foregoing, "Assets" shall not include any of the foregoing that have been assigned or are to be assigned to Newco pursuant to the Split-Off Documents.

"***Basket Amount***" has the meaning set forth in Section 6.4(a).

"***Business Day***" means a day, other than a Saturday or Sunday or a national holiday, on which commercial banks are open in the Commonwealth of Virginia for the general transaction of business.

"***CAA***" has the meaning set forth in the definition of Hazardous Materials contained in this Schedule 1.

"***CERCLA***" has the meaning set forth in the definition of Hazardous Materials contained in this Schedule 1.

"***Closing***" has the meaning set forth in Section 3.1.

"***Closing Balance Sheet***" has the meaning set forth in Section 2.3(a).

"***Closing Date***" has the meaning set forth in Section 3.1.

"***Closing Purchase Price***" has the meaning set forth in Section 2.1.

"***Closing WC***" has the meaning set forth in Section 2.3(a).

"***Code***" means the Internal Revenue Code of 1986, as amended.

"***Common Stock***" means the common stock, par value $0.01 per share, of the Company.

"***Company***" has the meaning set forth in the Preamble to this Agreement.

"***Company Confidential Information***" has the meaning set forth in Section 26.

"***Company Material Adverse Effect***" means, with respect to the Company (excluding the Nexius Consulting Business), any event, fact, condition, change, circumstance, occurrence or effect, which, either individually or in the aggregate with all other events, facts, conditions, changes, circumstances, occurrences or effects, (a) has had, or would reasonably be expected to have, a material adverse effect on the business, properties, prospects, assets, liabilities, capitalization, stockholders' equity, condition (financial or otherwise), operations, licenses or other franchises or results of operations of the Company, or materially diminish the value of the Company or the Stock or (b) does or would reasonably be expected to materially impair or delay the ability of the Company or Sellers to perform their obligations under this Agreement or to consummate the transactions contemplated hereby (excluding the Nexius Consulting Business); *provided, however*, that a Material Adverse Effect will not include any adverse effect or change resulting from any event, fact, condition, change, circumstance, occurrence or effect relating to (A) the Nexius Consulting Business that does not have any adverse effect on the Company after the Closing Date, (B) the economy in general or capital or financial markets generally, (C) the industry in which the Company operates and not affecting the Company to a substantially greater degree than comparable companies in the same or industry as the Company, (D) any breach by Purchaser of this Agreement, (E) the taking of any action by Purchaser or any of Purchaser's Subsidiaries, (F) any change in accounting requirements or principles or any change in applicable laws, rules or regulations or the interpretation thereof, provided such change does not affect the Company to a substantially greater degree than comparable companies in the same or industry as the Company, (G) any change in general legal, tax, regulatory, or political conditions, provided in each case, that such change does not affect the Company to a substantially greater degree than comparable companies in the same or industry as the Company, (H) hostilities, acts

of war, sabotage or terrorism, military actions or riots or any escalation or material worsening of any such hostilities, acts of war, sabotage or terrorism, military actions or riots existing or underway as of the date of this Agreement that do not affect the Company to a substantially greater degree than comparable companies in the same or industry as the Company, or (I) earthquakes, hurricanes, floods or other natural disasters that do not affect the Company to a substantially greater degree than comparable companies in the same or industry as the Company.

"***Company Owned Intellectual Property***" has the meaning set forth in Section 4.12(a)(i).

"***Company Software***" has the meaning set forth in Section 4.12(a)(h).

"***Confidential Information***" means any information concerning the business and affairs of the Company or the Assets, that is not generally available to the public, including know-how, trade secrets, customer lists, details of customer or consultant contracts, pricing policies, operational methods and marketing plans or strategies, and any information disclosed to the Company by third parties to the extent that the Company has an obligation of confidentiality in connection therewith.

"***Confidentiality Agreement***" means that certain Mutual Non-Disclosure Agreement between the Company and Purchaser dated February 4, 2010.

"***Consulting Employee***" has the meaning set forth in Section 4.26(a).

"***Consenting Parties***" has the meaning set forth in Section 26.

"***Continuing Employee Benefit Plans***" has the meaning set forth in Section 8.6(a).

"***Continued Employee***" has the meaning set forth in Section 8.6(a).

"***Contracts***" means all contracts, agreements, binding arrangements, bonds, notes, indentures, mortgages, debt instruments, service orders, purchase orders, licenses (and all other contracts, agreements or binding arrangements concerning Intellectual Property), franchises, leases and other instruments or obligations of any kind, written or oral (including any amendments and other modifications thereto), to which the Company is a party or which are binding upon the Company or the Assets, and which are in effect on the date hereof, including those listed on Schedule 4.13(a), Schedule 4.13(b), Schedule 4.22(a), Schedule 4.26(a) and Schedule 4.26(b). Notwithstanding the foregoing, "Contract" shall not include any of the foregoing that have been assigned or are to be assigned (as set forth on Schedule 1.1(c) of the Asset Contribution Agreement) to Newco prior to Closing pursuant to the Split-Off Documents.

"***Cooley***" has the meaning set forth in Section 26.

"***Cooley Work Product***" has the meaning set forth in Section 26.

"***Copyrights***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***Cross Transition Services Agreement***" has the meaning set forth in Section 3.2(u).

“***CWA***” has the meaning set forth in the definition of Hazardous Materials contained in this Schedule 1.

“***Damages***” means any damages, liabilities, obligations, Taxes, losses, expenses, dues, penalties, fines, costs, and fees, including attorneys’, accountants’, investigators’, and experts fees and expenses, reasonably sustained or incurred in connection with the defense or investigation of any actions, suits, proceedings, hearings, investigations, charges, Taxes, Liens (other than Permitted Liens), including any of the foregoing incurred by a Purchaser Party prevailing in enforcing the Purchaser Parties’ indemnification rights provided for hereunder; *provided*, *however*, that for purposes of computing the amount of any Damages incurred by a Purchaser Party or Seller Party, there shall be deducted an amount equal to the amount of any insurance proceeds actually received by any Purchaser Party or Seller Party, as applicable, in connection with such Damages. Notwithstanding the foregoing, the decision to obtain such insurance proceeds shall be made at the sole discretion of the party seeking indemnification, and failure to obtain such insurance proceeds shall not reduce the amount of such Damages; and *provided further*, for purposes hereof, a Purchaser Party shall be deemed the prevailing party in instances where its prevails on any of its claims against a Seller Party (including by settlement) and any instances where a Seller Party, or the Seller Parties, take a nonsuit or voluntary dismissal.

“***Debt***” means (a) the outstanding principal of, and accrued and unpaid interest on, and any premiums, prepayment fees and penalties due upon prepayment and full satisfaction of, all bank or other third party indebtedness for borrowed money of the Company as of the Closing, including indebtedness under any bank credit agreement and any other related agreements, (b) any liability of the Company in respect of letters of credit that have been drawn down, in each case to the extent of such draw, (c) any capital lease obligations or any other similar capital obligations of such Person, (d) any obligations of such Person in respect of off-balance-sheet financing agreements or transactions that are in the nature of, or in substitution of, financings, and (e) all indebtedness referred to above which is directly or indirectly guaranteed by the Company or which the Company has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which it has otherwise assured a creditor against loss, but, for the avoidance of doubt, excludes the Allowed Debt. For the avoidance of doubt, Debt includes the Company’s outstanding indebtedness to GSN.

“***Determination***” has the meaning set forth in the definition of Dispute Resolution Procedure.

“***Disclosure Schedules***” means the disclosure schedules to this Agreement.

“***Dispute***” has the meaning set forth in Section 26.

“***Dispute Resolution Procedure***” means the procedure pursuant to which the items in dispute relating to the calculation of Closing WC are referred by Purchaser or Seller Representative for determination as promptly as practicable to the Independent Accounting Firm, which will be jointly engaged by Purchaser, on the one hand, and Seller Representative, on the other hand, pursuant to an engagement letter in customary form which each of Purchaser and Seller Representative will execute. The Independent Accounting Firm will prescribe procedures

for resolving the disputed items and in all events shall make a written determination, with respect to such disputed items only (i.e., whether and to what extent, if any, the calculations of the Closing WC require adjustment of the Purchase Price based on the terms and conditions of this Agreement (a "***Determination***")). The Determination will be based solely on presentations with respect to such disputed items by Purchaser and Seller Representative to the Independent Accounting Firm and not on the Independent Accounting Firm's independent review; *provided, that* such presentations will be deemed to include any work papers, records, accounts or similar materials delivered to the Independent Accounting Firm by Purchaser or Seller Representative in connection with such presentations and any materials delivered to the Independent Accounting Firm in response to requests by the Independent Accounting Firm. Each of Purchaser and Seller Representative will use its commercially reasonable efforts to make its presentation as promptly as practicable following submission to the Independent Accounting Firm of the disputed items, and each such party will be entitled, as part of its presentation, to respond to the presentation of the other party and any question and requests of the Independent Accounting Firm. Purchaser and Seller Representative will instruct the Independent Accounting Firm to deliver the Determination to Purchaser and Seller Representative no later than thirty (30) calendar days following the date on which the disputed items are referred to the Independent Accounting Firm. In deciding any matter, the Independent Accounting Firm (i) will be bound by the provisions of Section 2.3 as applicable, (ii) may not assign a value to any item greater than the greatest value for such item claimed by either Purchaser or Seller Representative or less than the smallest value for such item claimed by Purchaser or Seller Representative, and (iii) will be bound by the express terms, conditions and covenants set forth in this Agreement, including the definitions contained herein. In the absence of fraud or manifest error, the Determination will be conclusive and binding upon Purchaser and Seller Representative. The Independent Accounting Firm will consider only those items and amounts in Purchaser certificates delivered pursuant to Section 2.3 or (as applicable) which Purchaser and Seller Representative were unable to resolve. All fees and expenses (including reasonable attorney's fees and expenses and fees and expenses of the Independent Accounting Firm) incurred in connection with any dispute under Section 2.3 (as applicable) shall be borne by Purchaser and Seller Representative based on the percentage which the portion of the contested amount not determined in favor of such party bears to the amount actually contested by Purchaser and Seller Representative. By way of example and not by way of limitation, if Seller Representative seeks a $70,000 upward adjustment to Closing WC and the Independent Accounting Firm determines that there will be a $40,000 upward adjustment, then Seller Representative will be responsible for three-sevenths ($^{3}/_{7th}$) of the Independent Accounting Firm's fees and expenses and Purchaser will be responsible for four-sevenths ($^{4}/_{7th}$) of the fees and expenses.

"***Disputes***" has the meaning set forth in Section 26.

"***D&O Tail Policy***" has the meaning set forth in Section 8.8(a).

"***Dollars***" means United States Dollars unless otherwise specified, and $ means USD$ unless otherwise specified.

"***Effective Time***" has the meaning set forth in Section 3.1.

"***End Date***" has the meaning set forth in Section 3.7(a)(ii).

"***Environmental Condition***" means the presence of any Hazardous Materials, including without limitation any contamination, pollution or damage to natural resources or the environment, caused by or relating to the use, manufacture, production, importation, refinement, processing, emission, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaching, pumping, pouring, emptying, discharging, injection, escaping, disposal, dumping or threatened release of Hazardous Materials by the Company or any other Person. With respect to claims by employees or other third parties, Environmental Condition also includes the exposure of Persons to amounts of Hazardous Materials.

"***Environmental Laws***" means any Law relating to natural resources, pollution, protection of or damage to human health or safety or the environment, or actual or threatened releases, discharges, or emissions into the environment or within structures (including ambient air, indoor air, surface water, groundwater, land, surface and subsurface strata), or otherwise relating to the manufacture, production, importation, refinement, processing, emission, handling, storage, treatment, recycling, generation, transportation, release, spilling, leaching, pumping, pouring, emptying, discharging, injection, escaping, disposal, dumping or threatened release of Hazardous Materials, and all laws and regulations relating to record keeping, notification, disclosure and reporting requirements with regard to Hazardous Materials.

"***EPCRA***" has the meaning set forth in the definition of Hazardous Materials contained in this Schedule 1.

"***ERISA***" has the meaning set forth in Section 4.19.

"***Escrow Agent***" shall mean SunTrust Bank, N.A..

"***Escrow Fund***" shall mean three million six hundred thousand dollars ($3,600,000), which will be paid by Purchaser, in a combination of cash and Purchaser Common Stock from the Purchase Price otherwise payable to Nabil and Nadim in the same proportions as cash and Parent Common Stock constitute the Purchase Price to an escrow account to be established by Purchaser and Sellers with the Escrow Agent as escrow agent, pursuant to the Escrow Agreement.

"***Escrow Agreement***" means the Escrow Agreement attached hereto as *Exhibit A*. The Escrow Agreement shall provide for (a) the release of the Nadim Holdback as set forth in Section 2.5, (b) the release to Nabil and Nadim, based on such Person's pro rata interest in the Escrow Fund, twelve (12) months following the Closing Date of forty percent of the cash and forty percent of the shares of Purchaser Common Stock included Escrow Fund, *provided* that no claims for indemnification have been made by a Purchaser Party pursuant to Section 6.1 in an amount in excess of Two Hundred and Fifty Thousand Dollars ($250,000), (including any Damages that count against the Basket Amount) and (c) the release to Nabil and Nadim, based on such Person's pro rata interest in the Escrow Fund, twenty four (24) months from the Closing Date of the balance of the Escrow Fund less a reserve for then-unresolved claims.

"***Final Closing WC***" has the meaning set forth in Section 2.3(c).

"***Financial Statements***" has the meaning set forth in Section 4.15(a).

“***Flow of Funds Certificate***” has the meaning set forth in Section 2.2.

“***GAAP***” means generally accepted accounting principles in the United States of America as consistently applied by the Company (but only to the extent such application by the Company was in accordance with the generally accepted accounting principles in the United States of America).

“***Governmental Authority***” means any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

“***GSN***” has the meaning set forth in the Preamble to this Agreement.

“***Hazardous Materials***” means any substance or material that is listed, defined or designated (whether expressly or by reference) as hazardous or toxic (or by any similar term) under any Environmental Law, or any other material regulated, or that could result in the imposition of liability or responsibility, under any Environmental Law, including without limitation (a) any petroleum, petroleum byproduct, petroleum breakdown product, waste oil, crude oil, asbestos, urea formaldehyde, or polychlorinated biphenyls, (b) any waste, gas or other substance or material that is explosive or radioactive, (c) any “hazardous substance”, “pollutant”, “contaminant”, “hazardous waste”, “regulated substance”, “hazardous chemical” or “toxic chemical” as designated, listed or defined (whether expressly or by reference) in any statute, regulation or other legal requirement for protection of the environment (including without limitation the Comprehensive Environmental Response, Compensation and Liability Act (“***CERCLA***”); the Resource Conservation and Recovery Act (“***RCRA***”); the Clean Water Act (“***CWA***”); the Clean Air Act (“***CAA***”); the Toxic Substances Control Act (“***TSCA***”); the Emergency Planning and Community Right-to-Know Act (“***EPCRA***”); all comparable foreign, state and local laws; all as amended from time to time, and the respective regulations promulgated thereunder), (d) any other substance or material (regardless of physical form) or form of energy that is subject to any legal requirement which regulates or establishes standards of conduct in connection with, or which otherwise relates to, the protection of the environment, and (e) any compound, mixture, solution, product or other substance or material that contains any substance or material referred to in clause (a), (b), (c) or (d) above and that is regulated under any Environmental Law.

“***Independent Accounting Firm***” means Grant Thornton LLP, or such other nationally or regionally recognized accounting firm mutually agreed upon by Purchaser and Seller Representative. If Grant Thornton LLP is unable to serve as the Independent Accounting Firm and Purchaser and Seller Representative have failed to reach agreement on an Independent Accounting Firm within ten (10) calendar days, then the Independent Accounting Firm will be selected by Purchaser and consented to by Seller Representative (such consent not to be unreasonably withheld, delayed or conditioned). Notwithstanding the foregoing, no accounting firm that has had a business relationship with any of Sellers, the Company or Purchaser within the prior two (2) years shall serve as the Independent Accounting Firm.

“***Intellectual Property***” means all of the following as they exist in any jurisdiction throughout the world, in each case, to the extent owned by, licensed to, or otherwise used or held for use by the Company in the business: (a) patents, patent applications and the inventions, designs and improvements described and claimed therein, patentable inventions, and other patent rights (including any divisionals, continuations, continuations-in-part, substitutions, or reissues thereof, whether or not patents are issued on any such applications and whether or not any such applications are amended, modified, withdrawn, or refiled) (collectively, “***Patents***”), (b) trademarks, service marks, trade dress, trade names, brand names, Internet domain names, designs, logos, or corporate names (including, in each case, the goodwill associated therewith), whether registered or unregistered, and all registrations and applications for registration thereof (collectively, “***Trademarks***”), (c) works of authorship, mask works and all copyrights therein, including all renewals and extensions, copyright registrations and applications for registration, and non-registered copyrights (collectively, “***Copyrights***”), (d) trade secrets, confidential business information, concepts, ideas, designs, research or development information, processes, procedures, techniques, technical information, specifications, operating and maintenance manuals, engineering drawings, methods, know-how, data, mask works, discoveries, inventions, modifications, extensions, improvements, and other proprietary rights (whether or not patentable or subject to copyright, trademark, or trade secret protection) (collectively, “***Trade Secrets***”), (e) all domain name registrations, web sites and web pages and related rights, items and documentation related thereto (collectively, “***Internet Assets***”), (f) computer software programs, including all source code, object code, and documentation related thereto and all software modules, tools and databases (“***Software***”), and (g) all licenses, and sublicenses, and other agreements or permissions related to the preceding property. Notwithstanding the foregoing, “Intellectual Property”, “Patents”, “Trademarks”, “Copyrights”, “Trade Secrets”, “Internet Assets”, and “Software” shall not include any of the foregoing items that have been assigned or are to be assigned to Newco pursuant to the Split-Off Documents.

“***Intentional Misrepresentation***” means that the party had actual knowledge that such representation was inaccurate and intentionally made such representation despite such actual knowledge for the purpose of misleading the other party or otherwise inducing the other party to consummate the transactions contemplated hereby.

“***Internet Assets***” has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

“***IP Licenses***” has the meaning set forth in Section 4.12(a)(ii).

“***IRS***” means Internal Revenue Service.

“***Key Personnel***” means the employees of the Company listed on Schedule 1-A hereto.

“***Knowledge***” and similar terms mean (a) with respect to the Company or the Sellers, the actual knowledge of Nabil, Nadim, Ron Moffitt, Joseph Khalil, David Helinski, and Steve Durante and the knowledge that such Persons would reasonably be expected to have after Reasonable Inquiry; and (b) with respect to any other Person, the actual knowledge of such Person.

“***Laws***” has the meaning set forth in Section 4.6.

“***Leases***” has the meaning set forth in Section 4.22(a).

“***Leased Improvements***” means all leasehold improvements and fixtures located on the Leased Premises.

“***Leased Premises***” has the meaning set forth in Section 4.22(a).

“***Liens***” means all mortgages, deeds of trust, collateral assignments, security interests, Uniform Commercial Code financing statements, conditional or other sales agreements, liens, pledges, hypothecations, and other encumbrances on or ownership interests in the Assets or the Stock, as applicable.

“***Major Customers***” has the meaning set forth in Section 4.30(a).

“***McGladrey***” means the accounting firm RSM McGladrey, Inc.

“***Moffitt Bonus Amount***” means $20,000 paid to Nexius and thereafter payable as a bonus to Ronald Moffitt, less applicable withholdings by Nexius, upon the completion of the Amended 8-K Filing Requirements, pursuant to Section 2.5.

“***Nabil***” has the meaning set forth in the Preamble to this Agreement.

“***Nadim***” has the meaning set forth in the Preamble to this Agreement.

“***Nadim Holdback Amount***” means $500,000 which shall be withheld from the stock portion of the Purchase Price otherwise payable to Nadim under Section 2.1(b)(ii) and if Nadim has an insufficient number of Purchaser Common Stock shares to cover the full $500,000 the remainder will be withheld from the cash portion of the Purchase Price otherwise payable to Nadim under Section 2.1(b)(ii) (which amounts shall be delivered by Purchaser to the Escrow Agent at Closing and released to Nadim and or Purchaser in accordance with the terms and conditions of Section 2.5 and the Escrow Agreement).

“***Net Working Capital***” means the difference (whether positive or negative) of (a) the Company’s current assets as of the Closing Date and (b) the Company’s current liabilities as of the Closing Date, in each case as determined in accordance with GAAP (except as otherwise provided herein); *provided that*:

(i) current liabilities will exclude (A) any Debt of the Company to be paid pursuant to Section 2.1 and the amounts of any capital or equipment leases of the Company, to the extent they are less than $555,000 in the aggregate (B) any unpaid Transaction Expenses of the Company to be paid by Purchaser pursuant to Section 2.1, and (C) the Aggregate Equity Rights Termination Payments;

(ii) current liabilities will include (A) any current Taxes payable by the Company resulting from the consummation of the transactions contemplated by this Agreement and (B) the

aggregate balance of all outstanding checks written against the bank accounts, including money market accounts, of the Company;

(iii) current assets will exclude (A) any Tax assets of the Company and (B) any accounts receivable of the Company that are more than 120 days old as of the Closing Date; and

(iv) current assets will include (A) all cash and cash equivalents of the Company, and (B) the aggregate balance of all undeposited checks held by the Company as of the Closing Date.

A sample Net Working Capital calculation based on the Company's June 30, 2010 balance sheet is attached hereto as *Exhibit O*.

"***Newco***" means Nexius Solutions, Inc., a Delaware corporation.

"***Nexius Consulting Business***" means all assets of the Company associated with the Company's consulting business (including the applicable personnel associated with such business) as of the date hereof but specifically excludes the assets of the Company and personnel associated with the following Company business areas: Xplore Manager (to include Customer Support Manager, Capacity Manager, Performance Optimization Manager and Configuration Manager) and The Business Manager.

"***Noncompetition Agreement***" has the meaning set forth in Section 3.2(j).

"***Notices***" has the meaning set forth in Section 11.

"***Open Source Materials***" has the meaning set forth in Section 4.12(n).

"***Options***" means options, warrants or other rights to subscribe for or purchase any Common Stock or other equity interests of the Company or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire, any equity securities of the Company.

"***Ordinary Course of Business***" means, with respect to a Person, an action taken by such Person if (a) such action is recurring in nature, is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person, (b) such action is taken in accordance with reasonably prudent business practices, (c) such action is not required to be authorized by the stockholders (or other equity owners) of such Person, or the board of directors of such Person and (d) such action is similar in nature and magnitude to actions customarily taken in the ordinary course of the normal day-to-day operations of such Person. For the avoidance of doubt, actions related to sales or acquisitions of Persons (whether by merger or stock, equity or asset purchase) will not be considered by the parties hereto to be in the Ordinary Course of Business.

"***Parent 401(k) Plan***" has the meaning set forth in Section 8.6(b).

"***Patents***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

“***Permits***” means all federal, state, local or foreign permits, grants, easements, consents, approvals, authorizations, exemptions, licenses, franchises, certificates, or orders of, any Governmental Authority or any other Person, required for the Company to own the Assets or conduct the Company’s business as is now being conducted. Notwithstanding the foregoing, “Permits” shall not include any of the foregoing that have been assigned or are to be assigned to Newco pursuant to the divestiture of the Split-Off Documents, and which are not used or materially useful in the conduct or operations of the Company’s business (excluding activities related solely to the Nexius Consulting Business).

“***Permitted Liens***” means (a) Liens for Taxes not yet due and payable, (b) statutory or common law Liens of landlords, carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by Law in the Ordinary Course of Business for sums not yet due and payable, (c) Liens as of the date hereof set forth on Schedule 4.9 and specifically identified, with the consent of Purchaser, as “Permitted Liens”, (d) statutory or common law Liens to secure obligations to landlords, lessors or renters under leases or rental agreements not in default and (e) deposits or pledges made in connection with, or to secure payment of, workers’ compensation, unemployment insurance or similar programs mandated by applicable law.

“***Person***” means any individual, partnership, joint venture, corporation, trust, unincorporated organization, limited liability company, group, Governmental Authority, and any other person or entity.

“***Personal Property***” means all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, spare parts, equity interests in or debt instruments of any Affiliate (excluding the stock of Newco held by the Company), and other tangible personal property which are owned or leased by the Company and used or useful in the conduct of the Company’s business or the operations of the Company’s business including the Personal Property identified on Schedule 4.10. Notwithstanding the foregoing, “Personal Property” shall not include any of the foregoing that have been assigned or are to be assigned to Newco pursuant to the Split-Off Documents.

“***Preliminary WC***” will have the meaning set forth in Section 2.3(a).

“***Preliminary WC Statement***” will have the meaning set forth in Section 2.3(a).

“***Pro Rata Share***” means with respect to any Seller, the quotient of (i) the number of shares of Stock held by such Seller immediately following the consummation of the transactions contemplated by the Split-Off Documents divided by (ii) the number of shares of stock held by all Sellers immediately following the consummation of the transactions contemplated by the Split-Off Documents.

“***Property Warranties***” means all of the Company’s rights under any manufacturers’, vendors’ or other warranties relating to the Assets.

“***Purchase Price***” has the meaning set forth in Section 2.1.

“***Purchaser***” has the meaning set forth in the Preamble to this Agreement.

"***Purchaser Common Stock***" means the common stock, par value $0.001 per share, of Purchaser.

"***Purchaser Material Adverse Effect***" has the meaning set forth in Section 5.1.

"***Purchaser Parties***" has the meaning set forth in Section 6.1.

"***RCRA***" has the meaning set forth in the definition of Hazardous Materials contained in this Schedule 1.

"***Reasonable Inquiry***" means the investigation that a reasonably prudent manager (or applicable Person) would make in the ordinary course of performing his assigned duties or responsibilities.

"***Regulations***" means the United States treasury regulations promulgated under the Code.

"***Representative***" means, as to any Person, such Person's Affiliates and its and their directors, officers, employees, agents, advisors (including financial advisors, counsel and accountants) and direct and indirect controlling persons.

"***Required Rights Holders***" means the employees of the Company set forth on Schedule 1-B.

"***Rights Holders***" means employees of the Company who are entitled to receive a portion of the Aggregate Equity Rights Termination Payment as set forth on Schedule 3.2(s).

"***SEC***" means the Securities Exchange Commission.

"***Section 409A Plan***" has the meaning set forth in Section 4.19(l).

"***Securities Act***" has the meaning set forth in Section 5.5.

"***Seller***" has the meaning set forth in the Preamble to this Agreement.

"***Seller Parties***" has the meaning set forth in Section 6.2.

"***Seller Representative***" has the meaning set forth in Section 24.

"***Software***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***Special Representations***" means Sections 4.12 (Intellectual Property), 4.14 (Litigation), 4.17 (Tax Matters), 4.19 (Employee Benefit Plans), 4.21 (Environmental Matters), 4.29 (Brokers), 5.1 (Organization), 5.2 (Necessary Authority) and 5.4 (Brokers).

"***Split-Off Documents***" means the Asset Contribution Agreement, in the form attached hereto as *Exhibit J*, and the Redemption Agreement, in the form attached hereto as *Exhibit K*.

"***Stock***" has the meaning set forth in the Recitals to this Agreement.

"***Subscription Agreements***" has the meaning set forth in Section 3.2(c).

"***Subsidiary***" means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons will be allocated a majority of partnership, association or other business entity gains or losses or will be or control the managing director, managing member, general partner or other managing Person of such partnership, association or other business entity. Unless the context requires otherwise, each reference to a Subsidiary will be deemed to be a reference to a Subsidiary of the Company.

"***Target WC***" means negative Eight Hundred Forty Eight Thousand Forty Nine Dollars (-$848,049).

"***Tax***" means any federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing; it being understood that the foregoing will include any transferee or secondary liability for a Tax and any liability assumed or arising as a result of being, having been, or ceasing to be a member of any Affiliated Group (or being included or required to be included in any Tax Return relating thereto) or as a result of any Tax indemnity, Tax sharing, Tax allocation or similar contract or arrangement.

"***Tax Return***" means any return, declaration, report, claim for refund, information return or other documents (including any related or supporting schedules, statements or information) filed or required to be filed in connection with the determination, assessment or collection of any Taxes of the Company or any Affiliates of the Company other than Sellers or the administration of any Laws or administrative requirements relating to any Taxes.

"***Taxing Authority***" means any Governmental Authority with the power to levy or collect Taxes.

"***Trademarks***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

“***Trade Secrets***” has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

“***Trading Price***” means $16.70 (as adjusted appropriately to reflect any stock splits, stock dividends, combinations, reorganizations, reclassifications or similar events).

“***Transaction Documents***” means each agreement, instrument or document attached hereto as an Exhibit and the other agreements, certificates and instruments to be executed by any of the parties hereto in connection with or pursuant to this Agreement.

“***Transaction Expenses***” means the aggregate of (a) all fees and expenses payable by the Company or Sellers in connection with the consummation of the transactions contemplated hereby (or incurred in connection with the transactions hereunder) including any of the foregoing payable to legal counsel, accountants, investment bankers, financial advisors, brokers, finders, or consultants plus (b) any transfer, sale, use, stamp, conveyance, value added, recording, registration, documentary, filing and other non-income Taxes and administrative and filing fees arising in connection with the consummation of the transaction contemplated by this Agreement and payable by the Company or Sellers.

“***TSCA***” has the meaning set forth in the definition of Hazardous Materials contained in this Schedule 1.

“***VAR Pay-Off Amount***” means the amount owed by the Company to pay off in full the Debt of the Company under the Master Lease Agreement by and between VAR Resources, Inc. and the Company dated July 13, 2009 as shown on the pay-off letter provided by VAR Resources, Inc. on or before Closing.

(b) Certain Interpretive Matters. In this Agreement, unless the context otherwise requires: (a) words of the masculine or neuter gender include the masculine, neuter and/or feminine gender, and words in the singular number or in the plural number each include, as applicable, the singular number or the plural number, (b) reference to any Person includes such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity, (c) any accounting term used and not otherwise defined in this Agreement or any Transaction Document has the meaning assigned to such term in accordance with GAAP, (d) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding or succeeding such term, (e) reference to any Law means such Law as amended, modified codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, (f) any agreement, instrument, insurance policy, statute, regulation, rule or order defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, insurance policy, statute, regulation, rule or order as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, regulations, rules or orders) by succession of comparable successor statutes, regulations, rules or orders and references to all attachments thereto and instruments incorporated therein, (g) except as otherwise indicated, all references in this Agreement to the underlined words “Section,” “Schedule,” “Disclosure Schedule” and “Exhibit”

are intended to refer to Sections, Schedules, Disclosure Schedules and Exhibits to this Agreement, and (h) with respect to information, materials, documents, certificates, agreements or other items provided, or to be provided, by one party to another pursuant to this Agreement, the term "made available" shall mean delivered in physical or electronic form or posted to the electronic data room used by the parties hereto in connection with the transactions contemplated hereby. The parties further acknowledge and agree that: (i) this Agreement is the result of negotiations between the parties and will not be deemed or construed as having been drafted by any one party, (ii) each party and its counsel have reviewed and negotiated the terms and provisions of this Agreement (including any Exhibits, Schedules and Disclosure Schedules attached hereto) and have contributed to its revision, (iii) the rule of construction to the effect that any ambiguities are resolved against the drafting party will not be employed in the interpretation of this Agreement, and (iv) the terms and provisions of this Agreement will be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

(c) Disclosure Schedules. The Disclosure Schedules are arranged in sections and subsections corresponding to the representations and warranties in Section 4, to which they relate. The inclusion of any item in any part or section of the Disclosure Schedules shall not constitute an admission that a violation, right of termination, default, liability or other obligation of any kind exists with respect to such item, but rather is intended only to respond to certain representations and warranties in this Agreement and to set forth other information required by this Agreement. The Disclosure Schedule and the information and disclosures contained therein shall not be deemed to expand in any way the scope or effect of any representations or warranties. Also, the inclusion of any matter in the Disclosure Schedules does not constitute an admission as to its materiality as it relates to any provision of this Agreement. Information and disclosures contained in each section of the Disclosure Schedules shall be deemed to be disclosed and incorporated by reference in each of the other sections of the Disclosure Schedules as though fully set forth in such other sections if (i) specific cross-references are made and such disclosure and incorporation by reference would be reasonably apparent to a third party. Except as expressly set forth in the Disclosure Schedules, the definitions contained in this Agreement are incorporated into the Disclosure Schedules.

Schedule 1-A

List of Key Employees:

Joseph Khalil

David Helinski

Schedule 1-B

List of Required Rights Holders:

Joseph Khalil

David Helinski

Steve Durante

Fabrice Guillaume

Arpan Shah

Atul Srivastava

Schedule 3.2(e)
Purchaser Required Consents

1 Consent of Bank of America Leasing & Capital, LLC is required pursuant to that certain Note and Security Agreement by and between Bank of America Leasing & Capital, LLC and the Company dated December 12, 2007, as amended.

2 Consent of Bank of America Leasing & Capital, LLC is required pursuant to that certain Note and Security Agreement by and between Bank of America Leasing & Capital, LLC and the Company dated June 18, 2007.

Schedule 3.2(p)
Contracts To Be Terminated

None.

Schedule 3.2(s)
Restricted Stock Grants

Rights Holder	*Amount*
Joseph Khalil	800,000
David Helinski	400,000
Steve Durante	204,000
Fabrice Guillaume	110,000
Mark Schmitt	91,800
Arpan Shah	100,000
Atul Srivastava	120,000
Greg Azar	30,600
Maryam Moayer	25,500
Mehdi El Amine	30,000
Kelly Green Haselwood	25,500
Ankit Aggarwal	30,000
Jennifer Milo	30,000
Johnny Ghibril	35,000
Steve Crisler	20,400
Hemen Gandhi	15,300
Jeremy Hanford	15,300
Krista Wolter	15,300
Pranay Mandabia	20,000
Dhirendra Bhattarai	10,200
Hender Jimenez	10,200
Lisa Woodruff	10,200
Tim Matsuoka	10,200
Bob Blacker	15,000
Charles Manahan	20,000
Sameer Dahda	20,000
Mireille estephan	20,000
Traian Antonescu	15,000
Mark Adey	25,000
Frank Horowitz	25,000
	2,299,500

Exhibit 2.2

EQUITY PURCHASE AGREEMENT

by and among

COMSCORE, INC.
a Delaware corporation,

CS WORLDNET HOLDING B.V.,
a Netherlands company,

NEDSTAT B.V.,
a Netherlands company,

THE EQUITY HOLDERS OF
NEDSTAT B.V.

and

Stichting Sellers Nedstat,
as the representative of the Sellers

Dated: 31 August, 2010

TABLE OF CONTENTS

		Page
1.	**DEFINITIONS; MATTERS OF INTERPRETATION**	1
2.	**PURCHASE PRICE**	1
3.	**CLOSING**	5
4.	**REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY**	7
5.	**REPRESENTATIONS AND WARRANTIES OF EACH SELLER AND SELLER REPRESENTATIVE REGARDING HIMSELF, HERSELF OR ITSELF**	25
6.	**REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER**	27
7.	**INDEMNIFICATION**	29
8.	**OTHER MATTERS**	34
9.	**RESTRICTIVE COVENANTS**	37
10.	**EXPENSES**	39
11.	**AMENDMENT; BENEFIT AND ASSIGNABILITY**	39
12.	**NOTICES**	39
13.	**WAIVER**	41
14.	**ENTIRE AGREEMENT**	41
15.	**COUNTERPARTS**	41
16.	**CONSTRUCTION**	42
17.	**SEVERABILITY**	42
18.	**CHOICE OF LAW**	42
19.	**PUBLIC STATEMENTS**	43
20.	**NO THIRD PARTY BENEFICIARIES**	43
21.	**NOTARY**	43
22.	**MARKET STAND-OFF**	43
23.	**REMEDIES**	44
24.	**SELLER REPRESENTATIVE**	44

Exhibits

Exhibit A	Form of Bank Guarantees
Exhibit C	Form of Resignation and Release
Exhibit D	Form of Subscription Agreements
Exhibit E	Form of Termination Agreements

Schedules

Schedule 1	Definitions; Interpretation
Schedule 2.1	Sellers' Equity
Schedule 2.2	Flow of Funds Certificate
Schedule 3.1	Deed of Transfer
Schedule 3.2(k)	Disclosure Letter
Schedule 8.9	Parent Stock Unit Grants

Disclosure Schedules

Schedule 4.1(a)	Jurisdictions and addresses
Schedule 4.14.1(b)	Subsidiaries
Schedule 4.1(c)	Extracts Chambers of Commerce
Schedule 4.4(b)	Equity Securities
Schedule 4.11(a)(i)	Intellectual Property
Schedule 4.11(a)(ii)	Licenses
Schedule 4.11(h)	Software
Schedule 4.12(a)	Contracts
Schedule 4.13	Litigation
Schedule 4.14	Financial Statements
Schedule 4.15	Liabilities
Schedule 4.18(a)	Benefit Plans
Schedule 4.18(f)	Transaction Bonus
Schedule 4.19(a)	Insurance Policies
Schedule 4.19(b)	Insurance Claims
Schedule 4.20(a)	Leased Premises
Schedule 4.21	Transactions Certain Persons
Schedule 4.22(a)	Employees
Schedule 4.22(b)	Employment Conditions

Schedule 4.22(c) Contractors
Schedule 4.23 Labor Relations
Schedule 4.25(a) Twenty Largest Customers
Schedule 4.25(b) Major Customers
Schedule 4.26 Service Warranties
Schedule 4.27 Supplier Relationships
Schedule 4.28 Bank Accounts

EQUITY PURCHASE AGREEMENT

THIS EQUITY PURCHASE AGREEMENT (this "***Agreement***") is entered into as of the 31st day of August, 2010, by and among (a) **COMSCORE, INC.**, a Delaware corporation ("***Parent***"), (b) **CS WORLDNET HOLDING B.V.**, a Netherlands company wholly-owned by Parent ("***Purchaser***"), (c) **NEDSTAT B.V.**, a Netherlands company (the "***Company***"), (d) the Persons who own all of the issued and outstanding ordinary shares of the capital in the Company, each of whom is listed on Schedule 2.1 hereto under the heading "Sellers" (the "***Sellers***") and (e) Stichting Sellers Nedstat as the representative of all of the Sellers ("***Seller Representative***").

RECITALS

A. The Company owns and operates a web analytics business.

B. The Sellers own one hundred percent (100%) of the issued and outstanding ordinary shares in the capital of the Company (the "***Equity***").

C. The Sellers desire to sell and convey the Equity to Purchaser, and Purchaser desires to purchase the Equity from the Sellers, upon the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants, conditions and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. DEFINITIONS; MATTERS OF INTERPRETATION.

Certain definitions of capitalized terms used herein but not otherwise defined herein are set forth in Schedule 1 including certain matters of interpretation hereunder.

2. PURCHASE PRICE.

2.1 Purchase and Sale of the Equity and Purchase Price. At the Closing and upon all of the terms and subject to all of the conditions of this Agreement, each Seller will sell, transfer, assign and convey to Purchaser, without recourse, representation or warranty except as expressly provided herein, the number of shares of Equity set forth opposite such Seller's name on Schedule 2.1, and Purchaser will purchase and accept such shares from such Seller. In full payment for the Equity, Purchaser will pay to each Seller its, his or her Pro Rata Share as set forth in Schedule 2.1 of the Final Purchase Price. Payment of the Closing Amount will take place through the Third Party Account of the Notary. Upon receipt of the Closing Amount in the Third Party Account, the Notary shall hold the Closing Amount for the account of the Purchaser until the execution of the Deed of Transfer as set out

in Section 3.1 below. Upon the execution of the Deed of Transfer, the Notary shall hold part of the Closing Amount equal to the Closing Purchase Price for the account of the Sellers and the remaining part of the Closing Amount for the account of the Company. The Seller Representative, the Company and Purchaser shall instruct the Notary accordingly.

2.2 Flow of Funds Certificate; Payment of Purchase Price.

(a) Attached as Schedule 2.2 is a flow of funds certificate prepared by the Company and Seller Representative (the "***Flow of Funds Certificate***") setting forth (including all calculations in reasonable detail):

(i) the Preliminary WC accompanied by the Company's good faith estimate of the Company's balance sheet as of the Closing Date prepared in accordance with IFRS as consistently applied by the Company (the "***Closing Balance Sheet***");

(ii) the Closing Debt;

(iii) the unpaid Transaction Expenses;

(iv) the Severance Payments;

(v) the Exit Payments;

(vi) the Aggregate Option Termination Payments based on the foregoing;

(vii) the Closing Purchase Price based on the foregoing; and

(viii) each party entitled to a payment pursuant to Section 2.2(b) and the amount due in respect thereof and wire transfer or payment instructions with respect thereto.

These calculations will be used in connection with the payments described in Section 2.2(b).

(b) On the Closing Date, Purchaser, the Company and the Seller Representative shall direct the Notary to pay out the Closing Amount, as follows:

(i) the Closing Debt to the applicable third party lender as indicated on the Flow of Funds Certificate;

(ii) the unpaid Transaction Expenses Payments to the Company, whereby the Parties will ensure that the Company will pay the relevant amounts to the relevant persons, as indicated on the Flow of Funds Certificate;

(iii) the Severance Payments to each of Mr. Kinsbergen, Mr. Wissink and Ms. Ziegler;

(iv) the Exit Payments to the Company, whereby the Parties will ensure that the Company will pay the relevant amounts to the relevant persons, withholding all relevant Taxes;

(v) the Aggregate Option Termination Payments to the Company, whereby the Parties will ensure that the Company will pay the relevant amounts to the relevant persons, withholding all relevant Taxes; and

(vi) The remaining portion of the Closing Amount (i.e. the Closing Amount minus the sum of the amounts in Section 2.2(b) (i) through and including (v)) will be paid to the Sellers (the amount so payable to the Sellers on the Closing Date is referred to herein as the "***Closing Purchase Price***").

(c) Each Seller will receive a portion of the Closing Purchase Price determined by multiplying the Closing Purchase Price by such Seller's applicable Pro Rata Share.

2.3 Working Capital Purchase Price Adjustment.

(a) Preliminary Purchase Price Adjustment. The "***Closing Amount***" shall be the Base Purchase Price (A) plus an amount, if any, equal to the amount by which the Preliminary WC is greater than the Target WC and (B) minus an amount, if any, equal to the amount by which Target WC is greater than the Preliminary WC.

(b) Calculation of Post-Closing Adjustments. The "***Final Purchase Price***" will be the Base Purchase Price (A) plus an amount, if any, equal to the amount by which the Final Closing WC is greater than the Target WC (B) minus an amount, if any, equal to the amount by which the Final Closing WC is less than the Target WC and (C) minus the sum of the amounts in Section 2.2(b) (i) through and including (v). The Final Closing WC will be determined in accordance with the procedures set forth in Section 2.3(c). Each Seller warrants jointly with the other Sellers but for its Pro Rata Warranty Share not severally ("*niet-hoofdelijk*") that the Closing Debt shall not be in excess of the amount set forth in the Flow of Funds Certificate.

(c) Determination of Closing WC. By no later than ninety (90) days following the Closing Date, Purchaser will prepare and deliver to the Seller Representative a certificate ("***Purchaser's Closing Certificate***"), signed by Purchaser, certifying Purchaser's good faith determination of the actual Closing WC (including all calculations in reasonable detail), and good faith determination of the Final Purchase Price

under Sections 2.3(b) along with a copy of the workpapers used in connection with the preparation of such certificate. If the Seller Representative does not object to Purchaser's certificate within thirty (30) days after receipt, or accepts such certificate during such thirty (30) day period, the Closing WC set forth in Purchaser's Closing Certificate shall become final and binding, and payment made in accordance with Section 2.3(d). If the Seller Representative objects to Purchaser's certificate, the Seller Representative will notify Purchaser in writing of such objection (the "***Seller Dispute Notice***") within thirty (30) days after the Seller Representative's receipt thereof (such Notice setting forth in reasonable detail the basis for such objection). During such thirty (30) day period, Purchaser will permit the Seller Representative and its Representatives reasonably access to (a) such work papers relating to the preparation of Purchaser's Closing Certificate, as may be reasonably necessary to permit the Seller Representative to review in detail the manner in which Purchaser's certificate was prepared and (b) such personnel, books and records of the Company and its Subsidiaries as reasonably requested by the Seller Representative to assist it in the preparation of the Seller Dispute Notice. Purchaser and the Seller Representative will thereafter negotiate in good faith to resolve any such objections. If Purchaser and the Seller Representative are unable to resolve all of such differences within twenty (20) calendar days of Purchaser's receipt of the Seller Representative's objections, either Purchaser or the Seller Representative may require the resolution of such dispute by way of the Dispute Resolution Procedure by providing such other party a Notice of such demand. The term "***Final Closing WC***" means the definitive Closing WC as the same shall have become final and binding pursuant to the second sentence of this Section 2.3(c), as agreed to by the Seller Representative and Purchaser or resulting from the determination by the Independent Accounting Firm in accordance with this Section 2.3(c) and the Dispute Resolution Procedure.

(d) If the Final Purchase Price (based on the Final Closing WC) is greater than the Closing Purchase Price, the excess will be paid by Purchaser to the Sellers based on each Seller's applicable Pro Rata Share within five (5) Business Days after the Final Closing WC is determined. If the Closing Purchase Price is greater than the Final Purchase Price (based on the Final Closing WC), the excess will be paid by the Sellers (severally, based on each Seller's applicable Pro Rata Share of such amount) within five (5) Business Days after the Final Closing WC is determined. If Sellers are liable for a shortfall pursuant to the previous sentence, Purchaser shall draw such amount under the Bank Guarantees provided, however, that Sellers shall co-operate fully to allow for such amount to be drawn from the Bank Guarantees, and that Sellers shall be obliged to provide a further Bank Guarantee if and to the extent a claim in excess of EUR 50,000 has been made pursuant to this Section 2.3.

(e) Purchaser agrees that following the Closing through the date on which the Final Closing WC becomes final and binding it shall not, and will cause the Company not to, take any action with respect to any accounting books, records, policies or procedures on which the Net Working Capital are to be based that (i) are inconsistent with the practices of the Company prior to the Closing Date or (ii) would make it impossible or impracticable to calculate the Closing Working Capital in the manner and utilizing the

methods required hereby. Without limiting the generality of the foregoing, no changes shall be made in any reserve or other account existing as of December 31, 2009 except as a result of events or circumstances occurring after such date and, in such event, only in a manner consistent with practices of the Company prior to the Closing Date.

2.4 Form of Payments. Except as expressly provided herein or in the Flow of Funds Certificate, all payments hereunder will be made by delivery to the recipient by depositing, by wire transfer of immediately available funds, the applicable amount in an account of the recipient, which account shall have been designated by the recipient in writing at least three (3) Business Days prior to the date of the required payment. Unless otherwise expressly provided, all payments to be made to the Sellers as a group hereunder shall be paid to the Sellers based on each Seller's applicable Pro Rata Share.

3. CLOSING.

3.1 Timing; Effective Time. The closing of the transactions contemplated by this Agreement (the "**Closing**") will take place at the offices of Houthoff Buruma Coöperatief U.A., in Amsterdam immediately following the execution of this Agreement by all parties, commencing at 10:01 p.m. local time (CET) on 31 August 2010, (the "**Closing Date**"). Closing will take place by executing the notarial deed of transfer, substantially in the same form as attached as Schedule 3.1 (the "**Deed of Transfer**"), by which the transfer of the Shares from the Sellers to the Purchaser will be effectuated. To the extent permitted by Law and IFRS, for tax and accounting purposes, the parties will treat the Closing as being effective as of 11:59 p.m. local time (CET) on the Closing Date (the "**Effective Time**"). Failure to consummate the purchase and sale provided for in this Agreement on the date and time and at the place determined pursuant to this Section 3.1 will not result in termination of this Agreement and will not relieve any party of any obligation under this Agreement.

3.2 Deliveries by the Company and/or Sellers. At or before the Closing, the Company and/or Sellers will deliver or cause to be delivered to Purchaser:

(a) the original of the shareholders' register of the Company;

(b) written confirmation (Dutch: aflossingsnota) of Van Lanschot Bankiers that upon receipt of certain amounts from Mr. Michael Kinsbergen and Mr. Tjerk Kooistra its right of pledge on the shares in the capital of the Company held by Mr. Kinsbergen and its rights of pledge on the depository receipts of shares in the capital of the Company held by Mr. Kooistra are terminated and/or cancelled;

(c) the Bank Guarantees, in substantially the same form as Exhibit A (the "**Bank Guarantees**");

(d) resignation from the position as statutory director effective immediately prior to the Closing of Michael Kinsbergen, in substantially the same form as attached hereto as *Exhibit C*;

(e) resignation from the position as statutory director (but not as employee) effective immediately upon the Closing of Michiel Berger, in substantially the same form as attached hereto as *Exhibit C*;

(f) resignations from the position as supervisory board members effective immediately upon the Closing of each of the supervisory directors of the Company, in substantially the same form as attached hereto as *Exhibit C*;

(g) resignation from the position as statutory director effective immediately prior to the Closing of Michael Kinsbergen of the following Subsidiaries and/or Affiliates Nedstat Ltd, Nedstat GmbH, Nedstat S.A.S., Nedstat Espaňa S.L. and Nedstat A.B., in substantially the same form as attached hereto as *Exhibit C;*

(h) the agreements for termination of their employment with the Company, executed by the Company on the one hand and each of Mr. Kinsbergen, Mr. Wissink and Ms. Ziegler on the other hand, in the form as attached hereto as Exhibit F (the "**Termination Agreements**");

(i) copy of a duly executed resolution of the Company's shareholders by which (i) the execution, delivery and performance of this Agreement and the transactions contemplated hereby is approved, (ii) the current statutory directors of the Company (Michael Kinsbergen and Michiel Berger) shall be replaced by one or more persons designated by the Purchaser (for the avoidance of doubt: Mr. Berger shall remain an employee of the Company), (iii) the resigning managing directors and supervisory directors of the Company shall be granted discharge and (iv) the articles of association of the Company will be amended, with effect as of the moment in time directly following the transfer of the Equity, substantially in the form as attached as Schedule 3.2(i);

(j) Subscription Agreements pursuant to which Michiel Berger and Fred Appelman will subscribe to purchase 49,967 and 8,078 respectively of Parent's common stock from Parent and executed by each of (i) Michiel Berger, the CIO of the Company and (ii) Fred Appelman, the CTO of the Company (the "**Subscription Agreements**");

(k) the Disclosure Letter in the same form as attached hereto as Schedule 3.2(k) and Disclosure Schedules;

(l) a copy of the written notice to the Social-Economic Council (*SER*) pursuant to the requirements of the 2000 Merger Code of the Social-Economic Council (*SER-besluit Fusiegedragsregels 2000*);

3.3 Deliveries by Purchaser. On or prior to the Closing Date, Parent and Purchaser will deliver or cause to be delivered to the Sellers, the Company and the Seller Representative and/or the third parties referenced in Section 2.2(b), as applicable:

(a) The approval of the board of directors of Purchaser with respect to the consummation of the transactions contemplated by this Agreement.

(b) the Closing Amount as provided in Section 2.3(a) to the Third Party Account of the Notary, with reference: *file 320005662*;

(c) the Subscription Agreements duly executed by Parent;

(d) a certificate of the Parent certifying as to: (A) the full force and effect of resolutions of its board of directors attached thereto as exhibits evidencing the authority of Parent to consummate the transactions contemplated by this Agreement; (B) the full force and effect of the certificate of incorporation and bylaws of Parent attached thereto as exhibits; and (C) the incumbency and signature of the officers of Parent with authority to execute the Transaction Documents to which Parent is a party.

3.4 Other Closing Documents and Actions. The parties also will execute such other documents and perform such other acts after the Closing Date, as may be necessary for the implementation and consummation of this Agreement.

4. REPRESENTATIONS AND WARRANTIES REGARDING THE COMPANY.

Sellers, jointly and not severally ('*niet hoofdelijk*'), represent and warrant to Purchaser as follows (for purposes of Sections 4.6 through and including Section 4.31 (including all definitions referenced therein), the term the "***Company***" includes any Subsidiary of the Company)). These representations and warranties, and the information in the Disclosure Schedules referenced therein, are true and correct as of the Closing Date except (A) to the extent as appears from the Disclosure Letter and (B) to the extent that a representation, warranty or Disclosure Schedule in this Agreement expressly states that such representation or warranty, or information in such Disclosure Schedule, is true and correct only as of another specified date.

4.1 Organization.

(a) The Company is a corporation duly organized and validly existing under the Laws of the Netherlands, and is qualified or registered to do business and is in good standing in each jurisdiction in which the nature of its business or operations would require such qualification or registration, including any foreign jurisdiction in which the Company maintains an office or branch location. The Company is qualified or registered to do business in each jurisdiction listed on Schedule 4.1(a), except for such failures to be qualified or registered, if any, that when taken together with all such other failures would not be reasonably likely to have, in the aggregate, a Company Material Adverse Effect. The Company has full power and authority to own, lease and operate its property and the Company has full power and authority to carry on its business as now conducted and to enter into and to perform this Agreement. The address of the Company's principal office and all of the Company's additional places of business are listed on Schedule 4.1(a). No resolution has been proposed or passed for the dissolution of the Company, nor are there any circumstances which may result in the dissolution or liquidation of the Company. No resolution has been

proposed or passed for the legal merger (*fusie*) or (partial) de-merger ((*af)splitsing*) or any equivalent procedure with regard to the Company and no meeting has been convened and no written resolution has been circulated with a view to passing such a resolution.

(b) Each of the Subsidiaries of the Company is listed on Schedule 4.1(b). Each of such Subsidiaries is a corporation or other Person duly organized, validly existing and in good standing under the Laws of the jurisdiction of its incorporation/formation (if such concept is applicable in such jurisdiction), and is qualified or registered to do business in each jurisdiction in which the nature of its business or operations would require such qualification or registration, including any foreign jurisdiction in which each Subsidiary maintains an office or branch location, except for such failures to be in good standing, qualified or registered, if any, that when taken together with all such other failures would not be reasonably likely to have, in the aggregate, a Company Material Adverse Effect. Each of such Subsidiaries is qualified or registered to do business and is in good standing in each jurisdiction listed on Schedule 4.1(b). Each such Subsidiary has full power and authority to own, lease and operate its property and to carry on its business as now conducted. The address of each such Subsidiary's principal office and all of its additional places of business are listed on Schedule 4.1(b). No resolution has been proposed or passed for the dissolution of any Subsidiary of the Company, nor are there any circumstances which may result in the dissolution or liquidation of any Subsidiary of the Company. No resolution has been proposed or passed for the legal merger (*fusie*) or (partial) de-merger ((*af)splitsing*) or any equivalent procedure with regard to any Subsidiary of the Company and no meeting has been convened and no written resolution has been circulated with a view to passing such a resolution.

(c) For the Company and each of the Subsidiaries of the Company, the extracts from the relevant chambers of commerce attached to this Agreement as Schedule Schedule 4.1(c) are true and correct in all material respects, and contain a complete list of all managing directors and all other persons authorised to represent the Company and the relevant Subsidiary, whether on the basis of a power of attorney or otherwise.

4.2 Authorization; Corporate Documentation.

(a) The Company has the requisite corporate or other power and authority to execute and deliver this Agreement and the other Transaction Documents to which it is, or at the Closing will be, a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby. The execution, delivery and performance by the Company of this Agreement and the other Transaction Documents to which the Company is a party, and the Company's consummation of the transactions contemplated hereby and thereby, have been duly authorized by all requisite corporate or other action of the Company.

(b) The current articles of association of the Company, as amended to date, a copy of which have heretofore been delivered to Purchaser, are true, complete and

correct in all respects, and are in effect on the date hereof and as of immediately prior to the consummation of the Closing.

(c) The copies of the articles of association and the other organizational and constituent documents of each Subsidiary of the Company and all amendments thereto, as certified by its jurisdiction of incorporation/formation, copies of which have heretofore been delivered to Purchaser, are true, complete and correct copies of the organizational and other constituent documents of such Subsidiary, as amended through and in effect on the date hereof and as of immediately prior to the consummation of the Closing.

4.3 Title to the Subsidiary Equity. One or more of the Company and its Subsidiaries own good, valid and marketable title to all of the equity interests in the Company's Subsidiaries, free and clear of any and all Liens. None of the Company's Subsidiaries owns any equity interests in any Person other than the Subsidiaries of the Company listed on Schedule 4.1(b).

4.4 Capitalization.

(a) The authorized capital stock of the Company consists of 20,000,000 ordinary shares with a nominal value of EUR 0.01 each, of which 7,634,137 Equity shares are issued and outstanding immediately prior to the Effective Time. The Equity to be delivered by the Sellers to Purchaser constitutes all issued and outstanding shares of capital stock of the Company. The Equity (i) has been duly and validly issued and (ii) is fully paid and nonassessable. No depositary receipts for the Equity (*certificaten*) have been issued with the cooperation of the Company. There are no outstanding or authorized equity appreciation, phantom equity or similar rights with respect to the Company, nor are there any voting trusts, proxies, equity holder agreements or any other agreements or understandings with respect to the voting of the Equity. There are no Options or other rights to subscribe for, purchase or receive any capital stock or other equity interests of the Company or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire any capital stock of the Company, or preemptive rights or rights of first refusal or first offer, nor are there any contracts, commitments, agreements, understandings, arrangements or restrictions to which the Company is a party or by which the Company is bound, relating to any shares of the Equity or any other equity securities of the Company, whether or not outstanding. All of the Equity and other securities of the Company have been granted, offered, sold and issued in compliance with all applicable Laws.

(b) Schedule 4.4(b) sets forth, as of the date hereof, all of the issued and outstanding equity securities for each Subsidiary of the Company and the owners of record of such equity securities. All such equity securities (i) have been duly and validly issued, (ii) are fully paid and nonassessable, (iii) are held beneficially and of record as set forth on Schedule 4.4(b), free and clear of Liens, and (iv) were not issued in violation of any preemptive rights or rights of first refusal or first offer. There are no outstanding or authorized equity appreciation, phantom equity or similar rights with respect to any such

Subsidiary, nor are there any voting trusts, proxies, shareholder agreements or any other agreements or understandings with respect to the voting of such equity securities. There are no options, warrants or other rights to subscribe for, purchase or receive any equity interests of any such Subsidiary or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire any equity securities of any such Subsidiary, or preemptive rights or rights of first refusal or first offer nor are there any contracts, commitments, agreements, understandings, arrangements or restrictions to which such Subsidiary is a party or by which it is bound relating to any of its equity securities, whether or not outstanding. All of the equity securities of the Subsidiaries have been granted, offered, sold and issued in compliance with all applicable Laws.

4.5 Binding Agreement. This Agreement has been duly executed by the Company and delivered to Purchaser, and (assuming the due authorization, execution and delivery by Purchaser and the other parties hereto) constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery at the Closing by the Company, each other Transaction Document to which the Company is, or will be, a party, will be duly and validly executed by the Company and delivered to Purchaser on the Closing Date, and will constitute (assuming, in each case, the due authorization, execution and delivery by each other party thereto) a legal, valid and binding obligation of the Company, enforceable against it, in accordance with such Transaction Document's terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

4.6 No Breach. Other than for exceptions as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, the execution, delivery and performance of this Agreement and the other Transaction Documents and the consummation of the transactions contemplated hereby and thereby by the Company does not and will not (a) violate or conflict with the Company's articles of association, bylaws, or any other organizational or other constituent document or any law, statute, rule, regulation, ordinance, code, directive, writ, injunction, settlement, permit, license, decree, judgment or order of any Governmental Authority in any jurisdiction (collectively, "***Laws***") to which the Company or the Assets are subject, (b) with or without giving notice or the lapse of time or both, breach or conflict with, constitute or create a default under, or give rise to any right of termination, cancellation or acceleration under, any of the terms, conditions or provisions of a Contract entered into with any of the 50 largest (measured by annual sales in 2009) customers of the Company, (c) result in the imposition of a Lien on the Equity or the Assets or (d) require any filing with, or Permit, consent or approval of, or the giving of any notice to, any Governmental Authority or third party, or result in the termination or impairment of any permit, license, franchise or other similar right or authorization.

4.7 Permits. The Company does not have and does not require any Permits to own the Assets and conduct the Company's business as now being conducted in the jurisdictions in which it is currently conducted.

4.8 Compliance With Laws. Except for violations the existence of which or the cost of remedying would not be reasonably likely to have, neither individually nor in the aggregate, a Company Material Adverse Effect, the Company is, and has at all times in the past been, in compliance with all Laws and Permits of any Governmental Authority applicable to the Company, including but not limited to all Environmental Laws.

4.9 Title to and Sufficiency of Assets. The Company has good and marketable title to, or a valid Leasehold interest in, all of the Assets (excluding Intellectual Property which is addressed in Section 4.13), free and clear of all Liens other than Permitted Liens. The Assets constitute all of the assets, rights and properties that are used in the operation of the Company's business as it is now conducted or that are used or held by the Company for use in the operation of the Company's business and they are in good operating condition (reasonable wear and tear excepted) and repair. Immediately following the Closing, all of the Assets will be owned, leased or available for use by the Company on terms and conditions substantially identical to those under which, immediately prior to the Closing, the Company owns, leases, uses or holds available for use such Assets.

4.10 Accounts Receivable.All accounts receivable of the Company shown on all balance sheets included in the Financial Statements arose from sales actually made or services actually performed in the Ordinary Course of Business and are valid receivables.

4.11 Intellectual Property.

The representations and warranties set forth in this Section 4.11 only relate to the business of the Company and its Subsidiaries as currently conducted in Europe. Sellers do not provide any representations or warranties with regard to the Company's and its Subsidiaries' right to use, sell, license, transfer or assign the Intellectual Property outside Europe.

(a) Disclosure.

(i) Schedule 4.11(a)(i) sets forth all patents and patent applications, trademark and service mark registrations and applications, internet domain name registrations and applications, and copyright registrations and applications owned, filed in the name of, subject to a valid obligation of assignment to, or licensed by the Company or otherwise used or held for use by the Company, in any jurisdiction throughout the world, specifying as to each item, as applicable: (A) the nature of the item, including the title, (B) the owner of the item, (C) the jurisdictions in which the item is issued or registered or in which an application for issuance or registration has been filed, and (D) the issuance, registration or application numbers and dates.

(ii) Schedule 4.11(a)(ii) sets forth all licenses, sublicenses and other agreements or permissions ("***IP Licenses***") (other than shrink

wrap licenses or other similar licenses for commercial off-the-shelf software with an annual license fee of EUR 75,000 or less which are not required to be listed, although such licenses are included as "IP Licenses" as that term is used herein) under which the Company is a licensee or otherwise is authorized to use or practice any Intellectual Property, and for each such IP License, describes (A) the applicable Intellectual Property licensed, sublicensed or used and (B) the scope of such licenses, sublicenses and other agreements or permissions granted, and (C) any royalties, license fees or other compensation due to any Person other than Company for the use or sublicensing of third party Intellectual Property.

(b) Ownership. The Company owns, free and clear of all Liens (other than Permitted Liens), has valid and enforceable rights in, and has the unrestricted right to use, sell, license, transfer or assign, all Intellectual Property, except for the Intellectual Property that is the subject of a license under which the Company is a licensee or otherwise is authorized to use or practice any Intellectual Property.

(c) Licenses. The Company has a valid and enforceable license to use all Intellectual Property that is the subject of the IP Licenses. The IP Licenses include all of the licenses, sublicenses and other agreements or permissions relating to third party intellectual property necessary to operate the Company as presently conducted. The Company has performed all obligations imposed on it in the IP Licenses, has made all payments required to date, and is not, nor to the Knowledge of the Sellers is another party thereto, in breach or default thereunder in any respect, nor has any event occurred that with notice or lapse of time or both would constitute a breach or default thereunder. The continued use by the Company of the Intellectual Property that is the subject of the IP Licenses in the same manner that is it currently being used is not restricted by any applicable license of the Company, and is not affected by the transactions contemplated by this Agreement.

(d) Registrations. All registrations for Copyrights, Patents and Trademarks that are owned by or exclusively licensed to the Company are valid and in force, and all applications to register any Copyrights, Patents and Trademarks are pending and in good standing, all without challenge of any kind. All items of Intellectual Property that consists of a pending application identify all pertinent inventors and otherwise duly observe all required formalities. There are no actions that must be taken by the Company within one hundred eighty (180) days of the Closing Date, including the payment of any registration, maintenance or renewal fees or the filing of any responses to actions, documents, applications, or certificates for the purposes of obtaining, maintaining, perfecting, or preserving or renewing any Company owned Intellectual Property, or applications relating thereto required to be listed in Schedule 4.12(a)(i).

(e) Claims.

(i) No claim or Action is pending or, to the Knowledge of the Sellers, threatened, and to the Knowledge of the Sellers, there is no

basis for any claim that challenges the validity, enforceability, ownership, or right to use, sell, license or sublicense any, Intellectual Property or challenging the Company and its Subsidiaries' right to provide its services, and no item of Intellectual Property is subject to any outstanding order, ruling, decree, stipulation, charge or agreement restricting in any manner the use, the licensing, or the sublicensing thereof.

(ii) The Company has not received any written notice nor, to the Sellers' Knowledge, received any notice not in writing that the Company has infringed upon or otherwise violated the intellectual property rights, moral rights, rights of privacy or publicity of any Person, or constitute unfair competition or trade practices or received any claim, charge, complaint, demand or notice alleging any such infringement or violation or to the Knowledge of Sellers no valid basis for such claim exists.

(iii) To the Sellers' Knowledge, no third party is infringing upon or otherwise violating any Intellectual Property owned by the Company.

(f) No Infringement of Intellectual Property of Others. None of the Intellectual Property, products or services owned, developed, provided, used, sold or licensed by the Company in the business as currently operated, or as operated in the past, infringes upon or otherwise violates any intellectual property rights or any moral rights of any Person. To the Knowledge of the Sellers, none of the Intellectual Property that is the subject of IP Licenses, infringe upon or otherwise violate any intellectual property rights or any moral rights of any Person.

(g) Administration and Enforcement. The Company has not transferred ownership of, or granted any exclusive license of or right to use, or authorized the retention of any exclusive rights to use or joint ownership of, any Intellectual Property, or any products or portion thereof, to any third party.

(h) Software. All Software owned by the Company (as opposed to licensed by the Company) is described in Schedule 4.11(h). Except as set forth on Schedule 4.11(h), (i) such Software is not subject to any transfer, assignment, site, equipment, or other operational limitations, (ii) there are no agreements or arrangements in effect with respect to the marketing, distribution, licensing or promotion of the Software by any third party, and (iii) (A) to the extent that the Software was developed by or for the Company, the Software is free from any material defect and does not contain any mechanism for viruses, worms, time bombs, or unauthorized backdoor access that could be used to interfere with the operation of such Software, and performs in general conformance with its documentation as respects the functionality and purposes for which such Software is currently used by the Company and (B) to the extent that the Software was not developed by or for the Company, to the Knowledge of the Sellers, the Software is free from any material defect and does not contain any mechanism for viruses, worms, time bombs, or unauthorized backdoor access that could be used to interfere with the operation of such Software, and performs in general conformance with its documentation, if any, as respects the functionality and purposes for which such

Software is currently used by the Company. The Company maintains copies of all versions of any Software which it has licensed out to any other Person.

(i) Trade Secrets. Except as required pursuant to the filing of any Patent application, regarding the Company's Trade Secrets: (i) the Company has taken all commercially reasonable actions to protect such Trade Secrets from unauthorized use or disclosure, (ii) to the Knowledge of the Sellers, there has not been an unauthorized use or disclosure of such Trade Secrets, (iii) the Company has the sole and exclusive right to bring Actions for infringement or unauthorized use of such Trade Secrets, (iv) to the Knowledge of the Sellers, none of such Trade Secrets infringes upon or otherwise violates valid and enforceable intellectual property or trade secrets of others, and (v) the Company is not, nor as a result of the execution and delivery of this Agreement or the Transaction Documents or the performance of its obligations hereunder or thereunder, will it be, in violation of any agreement relating to such Trade Secrets. Neither the Company nor any Person acting on its behalf has disclosed or delivered to any third party (other than employees and independent contractors operating for the Company's benefit), or permitted the disclosure or delivery to any escrow agent or other third party (other than employees and independent contractors operating for the Company's benefit) of, any source code portion of the Software owned or exclusively licensed by the Company. No event has occurred, and no circumstance or condition exists, that (with or without notice or lapse of time, or both) will, or would reasonably be expected to, result in the disclosure or delivery of any source code portion of the Software owned or exclusively licensed by the Company to any third party (other than employees and independent contractors operating for the Company's benefit).

(j) Employees, Consultants and Other Persons. Each present or past employee, officer, consultant or any other Person who developed any part of any Intellectual Property on behalf of the Company, either: (i) is a party to a valid and irrevocable agreement that conveys or obligates such person to convey to the Company any and all right, title and interest in and to all Intellectual Property developed by such Person, without the payment of additional consideration by the Company, (ii) as to copyrighted or copyrightable material created in the course of such Person's employment with or engagement on behalf of the Company is a party to a "work made for hire" or similar agreement pursuant to which the Company is deemed to be the original owner/author of all proprietary rights in such material which constitutes Intellectual Property, or (iii) otherwise has by operation of Law vested in the Company any and all right, title and interest in and to all such Intellectual Property developed by such Person.

(k) Employee Breaches. To the Knowledge of the Sellers, no employee of the Company has transferred Intellectual Property or information that is confidential or proprietary information to the Company or to any Person in violation of any Law or any term of any employment agreement, Patent or invention disclosure agreement or other contract or agreement relating to the relationship of such employee with the Company or any prior employer.

(l) Related Parties; Etc. None of the Intellectual Property is owned by any current or former shareholder, director, officer, employee or consultant of the Company. At no time during the conception or reduction to practice of any of the Intellectual Property owned by the Company was any developer, inventor or other contributor to such Intellectual Property operating under any grants from any Governmental Authority or subject to any employment agreement, invention assignment, nondisclosure agreement or other contract with any Person that could adversely affect the rights of the Company to any Intellectual Property.

(m) Transfer. The execution by the Company and Sellers of this Agreement will not result in the loss or impairment of the rights of the Company to own or use any of the Intellectual Property, and the Company is not, nor as a result of the execution and delivery of this Agreement or of the Transaction Documents or the performance of its obligations hereunder or thereunder will it be, in violation of any IP License.

(n) Open Source. No software has been or is distributed as "open source software" or under a similar licensing or distribution model (including the GNU General Public License (GPL), GNU Lesser General Public License (LGPL), Mozilla Public License (MPL), BSD licenses, the Artistic License, the Netscape Public License, the Sun Community Source License (SCSL), the Sun Industry Standards Source License (SISSL) and the Apache License) used by the Company ("***Open Source Materials***"). The Company has not (i) incorporated Open Source Materials into, or combined Open Source Materials with, any Intellectual Property owned or exclusively licensed by the Company, or any Intellectual Property that otherwise comprises non-Open Source Materials portions of the Company Intellectual Property, (ii) distributed Open Source Materials in conjunction with any Intellectual Property owned or exclusively licensed by the Company, or any the Company Intellectual Property that otherwise comprises non-Open Source Materials portions of the Company Intellectual Property, or (iii) used Open Source Materials in a manner that grants, or purports to grant, to any third party, any rights or immunities under any the Company Intellectual Property owned or exclusively licensed by the Company, or any the Company Intellectual Property that otherwise comprises non-Open Source Materials portions of the Company Intellectual Property (including requiring that any such the Company Intellectual Property be (1) disclosed or distributed in source code form, (2) licensed for the purpose of making derivative works, or (3) redistributable at no charge).

(o) Privacy. The Company has complied in all material respects with all applicable Laws relating to privacy, personal data protection, and the collection, processing, disclosure and use of personal information and the Company has not violated any person's rights to privacy, publicity, endorsement, or similar rights. The Company has complied in all material respects with its privacy policies and guidelines, if any, relating to privacy, personal data protection, and the collection, processing and use of personal information. The Company takes commercially reasonable measures to ensure that such information is protected against unauthorized access, use or, modification.

4.12 Contracts.

(a) Schedule 4.12(a) attached hereto contains a complete, current and correct list, as of the date hereof, of all of the following types of Contracts to which the Company is a party or by which any of its properties or Assets are bound (*provided that* for the purposes of this Section 4.12(a), the term Contracts does not include Leases, employee contracts and car leases, so long as those Leases are disclosed on Schedule 4.20(a)):

(i) any Contract which involves expenditures or receipts by the Company of more than EUR 25,000 (twenty-five thousand euro) in any twelve (12) month period or more than EUR 50,000 (fifty thousand euro) in the aggregate;

(ii) any Contract with any of its officers, directors, employees or Affiliates, not otherwise listed on Schedule 4.21 or Schedule 4.22(a), including all noncompetition, severance and indemnification agreements;

(iii) except as otherwise disclosed in Schedule 4.11(a)(ii), any agreement presently in effect for the license of any patent, copyright, trade secret or other proprietary information agreements involving the payment by or to the Company in excess of EUR 25,000 (twenty-five thousand euro) per year;

(iv) any power of attorney;

(v) any partnership, joint venture, profit-sharing or similar agreement entered into with any Person;

(vi) any Contract for the acquisition or sale of any business or material portion of any business or Assets of the Company (A) for aggregate consideration under such Contract in excess of EUR 25,000 (twenty-five thousand euro), and (B) that has continuing indemnification, “earn-out” or other contingent payment obligations by the Company that could reasonably be expected to result in payments in excess of EUR 25,000 (twenty-five thousand euro);

(vii) any Contract containing a covenant or covenants which purport to limit the Company’s ability or right to engage in any lawful business activity and any Contract which imposes on the Company non-competition or non-solicitation restrictions, or any “exclusivity” or similar provision or covenant, or any pricing or most favored nation covenants, or any other restriction on future contracting;

(viii) any agreement entered into outside the Ordinary Course of Business and presently in effect, involving payment to or obligations of the Company in excess of EUR 25,000 (twenty-five thousand euro), not otherwise described in this Section 4.12(a); and

(ix) any loan agreement, agreement of indebtedness, note, security agreement, guarantee or other document pursuant to or in connection with the Company's receipt or extension of credit for money borrowed in excess of EUR 50,000.

(b) The Company has not entered into any oral Contracts.

(c) The Company has all the Contracts it needs to carry on the Company's business as now being conducted or is proposed to be conducted immediately following the Closing. All of the Contracts, including the Contracts listed on Schedule 4.12(a) are in full force and effect, and are valid, binding, and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, or similar Laws affecting creditors' rights generally or by court-applied equitable principles. There exists no breach, default or violation on the part of the Company on the part of any other party to any Contract nor has the Company received notice of any breach, default or violation except as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect. Except as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect, (i) the Company has not received notice and the Sellers have no Knowledge of an intention by any party to any such Contract that provides for a continuing obligation by any party thereto on the date hereof to terminate such Contract or amend the terms thereof, (ii) neither the entering into of this Agreement or any of the other Transaction Documents, nor the consummation of the transactions contemplated by this Agreement or the other Transaction Documents will affect the validity, enforceability and continuation of any Contract on the same terms applicable to such Contract as of the date hereof, and (iii) the Company has not waived any rights under any of its Contracts. To the Knowledge of the Sellers, no event has occurred which either entitles, or would, with notice or lapse of time or both, entitle any party to any such Contract to declare breach, default or violation under any such Contract or to accelerate, or which does accelerate, any obligations of any such party, or the maturity of any indebtedness of the Company, under any such Contract.

4.13 Litigation. Except as described on Schedule 4.13, there is no Action pending, or, to the Sellers' Knowledge, threatened by or against the Company. There are no writs, injunctions, decrees, arbitration decisions, unsatisfied judgments or similar orders outstanding against or relating to the Company.

4.14 Financial Statements.

(a) Schedule 4.14 sets forth true, correct and complete copies of the audited balance sheet and income statement of the Company for the fiscal year ended December 31, 2008, the audited balance sheet and income statement of the Company for the fiscal year ended December 31, 2009, and an unaudited balance sheet and statement of income and cash flows as of and for the period beginning January 1, 2010 and ended 31 July, 2010 (collectively, the "***Financial Statements***"). The Financial Statements were prepared in accordance with the books and records of the Company and are in line with all statutory

requirements and present fairly, the financial condition and results of operation of the Company at the respective dates thereof. The Financial Statements have been prepared in accordance with IFRS as consistently applied by the Company throughout and among the periods indicated except (i) as expressly indicated in the Financial Statements that the unaudited statements exclude the footnote disclosures and other presentation items required for IFRS and exclude year-end adjustments which will not be, individually or in the aggregate, material in amount. Since the dates of the Financial Statements, there have been no changes in the Company's accounting policies or practices.

(b) The Company has kept and maintained its books and accounts in accordance with all applicable laws.

(c) The Company has not been advised by its external auditor, attorneys or other advisors that it must make a material adjustment to any financial record, or must materially change any internal practice, policy or procedure to comply with any Laws, or any accounting best practice.

4.15 Liabilities. The Company has no liabilities, obligations or commitments of any nature (whether absolute, accrued, contingent or otherwise, whether matured or unmatured and whether due or to become due), including obligations of the Company arising from any severance, retention or similar agreements with any present or former employees of the Company, or Tax liabilities due or to become due except (a) liabilities that are accrued and reflected on the Financial Statements (and on the Closing Balance Sheet), (b) liabilities that are listed on Schedule 4.15 to this Agreement, (c) liabilities that have arisen in the Ordinary Course of Business (other than liabilities for breach or default of any Contract) since December 31, 2009 which individually or in the aggregate could not reasonably be expected to have a Company Material Adverse Effect or (d) obligations to perform after the date hereof any Contracts which are required to be or are disclosed on Schedule 4.12(a), Schedule 4.12(b), or Schedule 4.20(a). Except as disclosed on Schedule 4.15, the Company is not a guarantor nor is it otherwise liable for any obligation (including indebtedness) of any other Person other than the Subsidiaries. Except as disclosed on Schedule 4.15, no Seller has any claim or action against the Company.

4.16 Tax Matters.

(a) (i) the Company has timely filed all Tax Returns required to have been filed by it, (ii) all such Tax Returns are accurate and complete, (iii) the Company has paid all Taxes owed by it which were due and payable (whether or not shown on any Tax Return) except as reflected as a liability on the Closing Balance Sheet, (iv) the Company has complied with all applicable Laws relating to Tax, (v) the Company is not currently the beneficiary of any extension of time within which to file any Tax Return, (vi) there is no, and has been no claim against the Company in writing by a Governmental Authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction, (vii) there are no pending or ongoing audits of the Company's Tax Returns, (viii) the Company has not requested or received any ruling from, or signed any

binding agreement with, any Governmental Authority, that would increase the amount of the Company's Tax liabilities in a Tax period ending after the Closing Date, (ix) there are no Liens on any of the Assets that arose in connection with any failure (or alleged failure) to pay any Tax, (x) no unpaid Tax deficiency has been asserted against or with respect to the Company by any Governmental Authority which Tax remains unpaid, (xi) the Company has collected or withheld all Taxes currently required to be collected or withheld by it, and all such Taxes have been paid to the appropriate Governmental Authorities or set aside in appropriate accounts for future payment when due, (xii) the Company has not granted and is not subject to, any waiver of the period of limitations for the assessment of Tax for any currently open taxable period, (xiii) the Company is not a party to any Tax allocation or sharing agreement, and (xiv) the Company neither (A) has been a member of any group affiliated or liable or deemed to be affiliated or liable with respect to any Tax nor (B) has any liability for the Taxes of any Person as a transferee or successor, by contract or otherwise, and (xv) there is no contract, agreement, plan or arrangement covering any Person that, individually or collectively, could give rise to any Tax liability (or restrictions on Tax deductions or credits) with respect to excess compensation or "parachute payments" or similar payments.

(b) No power of attorney or similar instrument currently in force has been granted by the Company relating to Taxes.

(c) There is no permanent establishment, business activity or other presence or deemed presence that subjects, or could reasonably subject, the Company to Tax liability in any country other than the Netherlands and Belgium.

4.17 Insolvency Proceedings. The Company has not been declared bankrupt (*failliet*), insolvent or granted any suspension of payments (*surseance van betaling*), has not had a receiver or trustee appointed to it, is not in negotiation with its creditors or subject to any equivalent procedure in the jurisdiction of its incorporation, and to the Sellers' Knowledge, no application for the commencement of any such proceeding in any jurisdiction has been applied for or is expected to be applied for, and no Action is pending in relation thereto. The Company has not made an assignment for the benefit of creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings.

4.18 Employee Benefit Plans.

(a) Set forth on Schedule 4.18(a) is a true and complete list of each deferred compensation, executive compensation, incentive compensation, equity purchase or other equity-based compensation plan, employment or consulting, severance or termination pay, holiday, vacation or other bonus plan or practice, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit sharing, pension, or retirement plan, program, agreement, commitment or arrangement, and each other employee benefit plan, program, agreement or arrangement, maintained or contributed to or required to be contributed to by the Company for the benefit of any employee or former employee of the

Company, or with respect to which the Company has any liability, whether direct or indirect, actual or contingent, whether formal or informal, and whether legally binding or not (collectively, the "***Benefit Plans***").

(b) With respect to each Benefit Plan, there are no funded benefit obligations for which contributions have not been made or properly accrued and there are no unfunded benefit obligations that have not been accounted for by reserves, or otherwise properly footnoted in accordance with IFRS on the Financial Statements.

(c) Each Benefit Plan is, and has been at all times, in compliance with all applicable Laws.

(d) With respect to each Benefit Plan which covers any current or former officer, director, manager, consultant or employee (or beneficiary thereof) of the Company, the Company has delivered to Purchaser accurate and complete copies, if applicable, of: (i) all Benefit Plan texts and related Contracts, including without limitation related trust agreements and annuity contracts; (ii) all employee communications (including all summary plan descriptions and material modifications thereto); (iii) all reports, notices, filings (an all schedules, exhibits or related documents included with or pertinent thereto) required or made under applicable Law or at the request of any Governmental Authority, and any other communications with Governmental Authorities during the past three (3) years; (iv) if applicable, the most recent annual and periodic accounting of plan assets; and (vi) if applicable, the most recent actuarial valuation.

(e) With respect to each Benefit Plan: (i) such Benefit Plan has been administered and enforced in accordance with its terms and applicable Law; (ii) no breach of fiduciary or similar duty has occurred; (iii) no dispute is pending, or to the Knowledge of the Sellers, threatened; (iv) no prohibited transaction under applicable Law has occurred; and (v) all contributions and premiums due through the Closing Date have been made as required under applicable Law or have been fully accrued on the Financial Statements.

(f) Except as disclosed on Schedule 4.18(f), the consummation of the transactions contemplated by this Agreement and the other Transaction Documents will not: (i) entitle any individual to severance pay, unemployment compensation or other benefits or compensation; (ii) accelerate the time of payment or vesting, or increase the amount of any compensation due, or in respect of, any individual; or (iii) constitute or involve a prohibited transaction under applicable Law, or constitute or involve a breach of fiduciary or similar responsibility under applicable Law.

(g) The Company provides no health or welfare benefits to any former or retired employee or is obligated to provide such benefits to any active employee following such employee's retirement or other termination of employment or service.

(h) All contributions and payments accrued under each Benefit Plan, determined in accordance with prior funding and accrual practices, as adjusted to include proportional accruals for the period ending as of the date hereof, have been discharged and paid on or prior to the date hereof except to the extent reflected as a liability on the Closing Balance Sheet.

4.19 Insurance.

(a) Schedule 4.19(a) lists, as of the date hereof, all insurance policies held by the Company relating to the Company, the Assets and the business, properties and employees of the Company, copies of which have been provided to Purchaser. The Company is not in default with respect to its obligations under any insurance policy, nor has the Company been denied insurance coverage within the past three (3) years. In the three (3) year period ending on the date hereof, the Company has not received any notice from, or on behalf of, any insurance carrier relating to or involving any adverse change or any change other than in the Ordinary Course of Business, in the conditions of insurance, any refusal to issue an insurance policy or non-renewal of a policy, or requiring or suggesting alteration of any of the Company's Assets, purchase of additional equipment or modification of any of the Company's methods of doing business.

(b) Except as set forth on Schedule 4.19(b), in the three (3) year period ending on the date hereof, the Company has not made any claim against an insurance policy for an amount of more than EUR 5,000 (five thousand euro) and the Company has not made any claim against an insurance policy as to which the insurer is denying or has denied coverage.

4.20 Real Estate.

(a) Leased Premises. Schedule 4.20(a) contains a complete and accurate list, as of the date hereof, of all premises leased by the Company for the operation of the Company's business (the "***Leased Premises***"), and of all leases related thereto (collectively, the "***Leases***"). The Company has delivered to Purchaser a true and complete copy of each of the Leases, and in the case of any oral Lease, a written summary of the terms of such Lease. The current annual rent and term under each Lease are as set forth on Schedule 4.20(a). Schedule 4.20(a) separately identifies all Leases, as of the date hereof, for which consents or waivers must have been obtained by the Closing Date in order for such Leases to continue in effect according to their terms after the Closing Date. Except (i) as would not be reasonably likely to have, individually or in the aggregate, a Company Material Adverse Effect or (ii) as set forth on Schedule 4.20(a), the Company has not waived any rights under any Lease which would be in effect on or after the date of this Agreement. As of the date hereof, no event has occurred which either entitles, or would, with notice or lapse of time or both, entitle the other party to any Lease with the Company to declare a default or to accelerate, or which does accelerate, any obligations of the Company or the maturity of any indebtedness of the Company under any Lease.

(b) Real Property. The Company does not own, and has never owned, any real property.

(c) Used Real Property. Upon expiry of a lease of any property in use by the Company, no material changes made to the Leased Premises need to be restored and no more than the customary work has to be done to restore such property in its original state, such as taking out carpets, relocatable partitions and the like.

(d) Hazardous Substance. The Company nor any Person for whom the Company is or may be liable has ever, in connection with any property held or owned by the Company in the past, disposed of, stored, transported, or emitted any hazardous substance, all with the exception of hazardous substance in hardware.

4.21 Transactions with Certain Persons. Except as set forth on Schedule 4.21, no officer, manager or director of the Company or Person with similar authority, duties or responsibility, Seller, nor any member of any such individual's immediate family is presently, or has been, a party to any transaction with the Company, including any Contract or other arrangement (a) providing for the furnishing of services by (other than as an officer, director, manager or employee of the Company), (b) providing for the rental of real or personal property from, or (c) otherwise requiring payments to (other than for services or expenses as an officer, director, manager or employee of the Company in the Ordinary Course of Business) any such individual or any Person in which any such individual has an interest as an owner, officer, director, trustee or partner. Other than Contracts listed on Schedule 4.21, the Company does not have outstanding any Contract or other arrangement or commitment with any Seller nor any director, officer, manager, employee, trustee or beneficiary of the Company or any Seller. Except as set forth on Schedule 4.21, the Assets of the Company do not include any receivable or other obligation from any Seller or any director, officer, employee, trustee or beneficiary of the Company or any Seller or any immediate family member or Affiliate or any of the foregoing, and the liabilities of the Company do not include any payable or other obligation or commitment to any such Person in excess of EUR 10,000 (ten thousand euro). Schedule 4.21 specifically identifies all Contracts, arrangements or commitments set forth on such Schedule 4.21 that cannot be terminated upon thirty (30) days notice by the Company without cost or penalty.

4.22 Employees and Contractors.

(a) Employees. Schedule 4.22(a) hereto sets forth a complete and accurate list of all employees of the Company as of the date hereof: (i) showing for each as of that date the employee's name, job title or description, salary level (including any bonus or deferred compensation arrangements other than any such arrangements under which payments are at the discretion of the Company) and (ii) also showing any bonus, commission or other remuneration other than salary paid during the Company's fiscal year ending December 31, 2009.

(b) Schedule 4.22(b) hereto sets forth (i) all details of all employment terms and conditions (including salary, pension entitlements, restrictive covenants and redundancy arrangements) of all managing directors and other Key Employees; and (ii) a copy of the Company's standard employment agreement; and (iii) all details of all employment terms and conditions (including salary, pension entitlements, restrictive covenants and redundancy arrangements) of all employees not employed under the Company's standard employment terms.

(c) Contractors. As of the date hereof, Schedule 4.22(c) contains a list of all independent contractors (including consultants but excluding subcontractors) engaged by the Company solely for operational services as of the date of this Agreement, along with the position, date of retention and rate of remuneration, for each such Person. Except as set forth on Schedule 4.22(c), all of such independent contractors are a party to a written agreement or contract with the Company. Each such independent contractor has entered into covenants regarding confidentiality, non-competition and assignment of inventions, copyrights and other intellectual property rights and/or waiver of any moral rights, if and to the extent these covenants are customary for such independent contractor and its business, in such Person's agreement with the Company, a copy of which has been previously delivered to Purchaser.

4.23 Labor Relations. Except as disclosed on Schedule 4.23, (i) the Company is not a party to any collective bargaining agreement or other contract or agreement with any group of employees, labor organization or other representative of any of the employees of the Company, and (ii) to the Knowledge of the Sellers, there are no activities or proceedings of any labor union or other party to organize or represent such employees. There has not occurred or, to the Knowledge of the Sellers, been threatened any strike, slow-down, picketing, work-stoppage, or other similar labor activity with respect to any such employees. Schedule 4.23 sets forth all unresolved labor controversies (including unresolved grievances and age or other discrimination claims), if any, between the Company and Persons employed by or providing services to the Company.

4.24 Brokers. No broker, finder or investment banker or other Person is directly or indirectly entitled to any brokerage, finder's or other contingent fee or commission or any similar charge in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company or Sellers.

4.25 Customers.

(a) Set forth on Schedule 4.25(a) is a true, correct and complete list of the largest twenty (20) customers of the Company and its Subsidiaries on the basis of annual revenues for the year ended December 31, 2009 (the "***Major Customers***"), including an overview of those aspects that the Sellers consider to be material of the contractual relationship with such Major Customer.

(b) Set forth on Schedule 4.25(b) is a list of Contracts with any Major Customer in effect or outstanding as of the date hereof.

(c) No Major Customer within the last twelve (12) months has threatened to cancel or otherwise terminate or given written notice that it intends to cancel or otherwise terminate, any customer relationships of such Person with Company or any Subsidiary, other than upon expiration of the relevant contract. No Major Customer has during the last twelve (12) months decreased materially or threatened to decrease or limit materially, or given notice that it intends to modify materially and adversely its customer relationships with the Company or any Subsidiary.

4.26 Service Warranties. Set forth on Schedule 4.26 are the standard forms of service warranties and guarantees used by the Company. Except as specifically described on Schedule 4.26, since January 1, 2009, no service warranty or similar claims have been made against the Company. The Company has not received any valid claim for, or to the Knowledge of Sellers no valid basis exits for any action or proceeding, against the Company under any Law relating to unfair competition, false advertising or other similar claims arising out of product or service warranties, guarantees, specifications, manuals or brochures or other advertising materials and no such claim, action or proceeding is currently pending or, to the Knowledge of the Sellers, threatened against the Company. The aggregate loss and expense (including out-of-pocket expenses) attributable to all service warranties and guarantees and similar claims now pending or asserted against the Company hereafter with respect to services rendered on or prior to the Effective Time will not exceed the amount of the reserve therefore set forth on the Closing Balance Sheet.

4.27 Supplier Relationships. Set forth on Schedule 4.27 is a true, correct and complete list of the largest ten (10) vendors of and suppliers to the Company and its Subsidiaries on the basis of annual expenses for the year ended December 31, 2009. Since December 31, 2008 (and other than changes or events affecting economic conditions applicable to any customer or supplier or its industry generally), (i) the Company has not received any notice that any such vendor or supplier intends to terminate or materially reduce the level of business done with the Company or any Subsidiary or will not do business with the Company or any Subsidiary on substantially the same terms and conditions subsequent to the Closing Date as such vendor or supplier did with the Company or a Subsidiary, as applicable, prior to the Closing Date and (ii) no Person listed on Schedule 4.27 has decreased materially or to the Knowledge of Sellers threatened to decrease or limit materially or modify materially its relationships with Company or any Subsidiary (other than reductions contemplated by any applicable Contract).

4.28 Bank Accounts. Schedule 4.28 lists the names and locations of all banks and other financial institutions with which the Company and each Subsidiary maintains an account (or at which an account is maintained to which the Company or a Subsidiary has access as to which deposits are made on behalf of the Company or a Subsidiary), in each case listing the type of account, the account number therefor, and the names of all Persons authorized to draw thereupon or have access thereto and lists the locations of all safe deposit

boxes used by the Company and each Subsidiary. Except as set forth in Schedule 4.28, all cash in such accounts is held on demand deposit and is not subject to any restriction or limitation as to withdrawal.

4.29 Sensitive Payments; Import and Export Laws. Neither the Company nor any shareholder, director, manager or officer of the Company or any other Person with similar position or authority, or, to the Sellers' Knowledge, any employee, agent or representative of the Company, has (a) has directly or indirectly used any corporate funds to make any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Person, private or public, regardless of what form, whether in money, property, or services (i) to obtain favorable treatment or secure Contracts for the Company in violation of any applicable Law or (ii) to obtain special concessions for the Company or for special concessions already obtained in violation of any applicable Law; or (b) violated any applicable export control, money laundering or anti-terrorism Law, nor have any of them otherwise taken any action which would cause Company to be in violation of any Law addressing bribery of foreign officials or any similar applicable Law.

4.31 Absence of Changes. Since January 1, 2010, (a) the Company has conducted its business only in the Ordinary Course of Business, and (b) there has not been any change in or development with respect to the Company's business and results of operations, except for changes and developments which have not had, and would not reasonably be expected to have a Company Material Adverse Effect.

4.32 Disclosure. All information, whether oral, written, electronic or otherwise, provided by or on behalf of the Sellers to the Purchaser or its Affiliates is, in all material respects, true, accurate, and not misleading. The Sellers are not aware of any facts or circumstances as at the date of this Agreement, that have not been disclosed by it to the Purchaser and that may be expected or may reasonably be expected to affect a reasonably prudent Purchaser's willingness to purchase the Shares under the terms and conditions of this Agreement.

5. REPRESENTATIONS AND WARRANTIES OF EACH SELLER AND SELLER REPRESENTATIVE REGARDING HIMSELF, HERSELF OR ITSELF.

Each Seller represents and warrants with respect to itself to Purchaser as follows:

5.1 Necessary Authority. If a legal entity, the Seller has been duly incorporated and is validly existing under the laws of its jurisdiction. The Seller has the full requisite legal capacity or corporate or other power and authority, to execute and deliver this Agreement and the other Transaction Documents to which it, he or she is, or at the Closing will be, a party, to perform its, his or her obligations hereunder and thereunder, and to consummate the transactions contemplated hereby. The Seller's execution, delivery and

performance of this Agreement and the other Transaction Documents to which it is a party, and its consummation of the transactions contemplated hereby and thereby, have been duly authorized in accordance with all applicable Laws and, where applicable, internal regulations. This Agreement constitutes, and, when executed and delivered at the Closing, each Transaction Document to which such Seller is a party will constitute, a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with their respective terms except that such enforcement may be limited by any bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or other Laws (whether statutory, regulatory or decisional), now or hereafter in effect, relating to or affecting the rights of creditors generally or by equitable principles (regardless of whether considered in a proceeding at law or in equity).

5.2 Title to the Equity, Etc. Each Seller owns valid title to the number of shares of Equity opposite its name on Schedule 2.1, free and clear of any and all Liens (including any spousal interests (community or otherwise)). Upon delivery of the shares of Equity owned by such Seller to Purchaser on the Closing Date in accordance with this Agreement and upon Purchaser's payment to such Seller of such Seller's applicable Pro Rata Share of the Final Purchase Price in accordance with Schedule 2.1, the entire legal and beneficial interest in the Equity owned by such Seller and valid title to the Equity owned by such Seller, free and clear of all Liens (including any spousal interests (community or otherwise)), will pass to Purchaser. There are no contracts, commitments, agreements, understandings, arrangements or restrictions to which such Seller is a party or by which such Seller is bound, relating to any shares of the Equity or any other equity securities of the Company, whether or not outstanding.

5.3 No Conflicts. The execution, delivery and performance of this Agreement and the other Transaction Documents to which the Seller is a party and the consummation of the transactions contemplated hereby and thereby do not and will not (a) require the Seller to obtain the consent or approval of, or make any filing with, any person or public authority, except for consents and approvals already obtained and notices or filings already made, (b) violate any Law, (c) conflict with or violate any provision of Seller's articles of association or bylaws or (d) constitute or result in the breach of any provision of, or constitute a default under, any agreement, indenture or other instrument to which Seller is a party or by which it or its assets may be bound.

5.4 Litigation. There is no Action pending, or, to Seller's Knowledge, threatened by or against it, its directors, officers or employees that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with the purchase of the Equity by Purchaser as outlined herein.

5.5 Binding Agreement. This Agreement has been duly executed by such Person and delivered to Purchaser, and (assuming, in each case, the due authorization, execution and delivery by Purchaser and the other parties hereto) constitutes a legal, valid and binding agreement of such Person, enforceable against such Person in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws

affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery at the Closing by such Person, each other Transaction Document to which such Person is, or will be, a party, will be duly and validly executed by such Person and delivered to Purchaser on the Closing Date, and will constitute (assuming, in each case, the due authorization, execution and delivery by each other party thereto) a legal, valid and binding obligation of such Person, enforceable against it, him or her in accordance with such Transaction Document's terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

5.6 Insolvency. The Seller is not the subject of any pending, rendered or, threatened insolvency proceedings of any character. The Seller has not made an assignment for the benefit of its creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings.

6. REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER.

Parent and Purchaser, jointly and severally, represent and warrant to the Sellers the following matters, current as of the date of this Agreement and as of the Closing Date:

6.1 Organization. Purchaser is a corporation duly incorporated and validly existing under the Laws of the Netherlands, and is qualified or registered to do business and is in good standing in each jurisdiction in which the nature of its business or operations would require such qualification or registration. Parent is a corporation duly incorporated and validly existing under the Laws of the State of Delaware, and is qualified or registered to do business and is in good standing in each jurisdiction in which the nature of its business or operations would require such qualification or registration, except where the failure to be so qualified or registered would not cause a material adverse effect on the business of Parent.

6.2 Necessary Authority. Parent and Purchaser each have full corporate power and authority to execute and deliver this Agreement and any other Transaction Document to which it is, or at the Closing will be, a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby. This Agreement has been duly authorized, executed and delivered by Parent and Purchaser and constitutes a legal, valid and binding obligation of Parent and Purchaser enforceable against each of them in accordance with its terms and conditions, subject only to applicable bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. The individual(s) executing this Agreement on behalf of Parent and Purchaser have the full right, power and authority to execute and deliver this Agreement, and upon execution, no further action will be needed to make this Agreement valid and binding upon, and enforceable against, Parent and Purchaser.

6.3 No Conflicts. The execution, delivery and performance of this Agreement and the other Transaction Documents to which Parent or Purchaser (as applicable) is a party by Parent and Purchaser, respectively, and the consummation of the transactions contemplated hereby and thereby do not and will not (a) require Parent or Purchaser to obtain the consent or approval of, or make any filing with, any person or public authority, except for consents and approvals already obtained and notices or filings already made, (b) violate any Law, (c) conflict with or violate any provision of (i) Parent's certificate of incorporation or bylaws or (ii) Purchaser's articles of association, or (d) constitute or result in the breach of any provision of, or constitute a default under, any agreement, indenture or other instrument to which Purchaser or Parent is a party or by which it or its assets may be bound.

6.4 Litigation. There is no Action pending, or, to Parent's or Purchaser's knowledge, threatened by or against Parent or Purchaser, its directors, officers or employees that challenges, or may have the effect of preventing, delaying, making illegal, or otherwise interfering with the purchase of the Equity by Purchaser as outlined herein.

6.5 Binding Agreement. This Agreement has been duly executed by each of Parent and Purchaser and delivered to the Company, the Sellers and the Seller Representative, and (assuming, in each case, the due authorization, execution and delivery by the other parties hereto) constitutes a legal, valid and binding agreement of Parent and Purchaser, enforceable against Parent and Purchaser in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles. Upon execution and delivery at the Closing by Parent and Purchaser, each other Transaction Document to which Parent or Purchaser is, or will be, a party, will be duly and validly executed by Parent or Purchaser, as the case may be, and delivered to the Company, the Sellers and the Seller Representative on the Closing Date, and will constitute (assuming, in each case, the due authorization, execution and delivery by each other party thereto) a legal, valid and binding obligation of Parent or Purchaser, as the case may, enforceable against it and or them, in accordance with such Transaction Document's terms, except as enforceability may be limited by bankruptcy, insolvency or other Laws affecting creditors' rights generally and the exercise of judicial discretion in accordance with general equitable principles.

6.6 Financing. Purchaser has sufficient funds to satisfy its obligations under this Agreement including payment of the Final Purchase Price.

6.7 Insolvency. Neither Parent nor Purchaser is the subject of any pending, rendered or, threatened insolvency proceedings of any character. Neither Parent nor Purchaser has made an assignment for the benefit of its creditors or taken any action with a view to or that would constitute a valid basis for the institution of any such insolvency proceedings. Immediately after giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, Parent and Purchaser and each of their respective Subsidiaries will each be able to pay their respective debts as they become due and will have a fair saleable value greater than the amounts required to pay their respective debts

(including a reasonable estimate of the amount of all contingent liabilities). Immediately after giving effect to the transactions contemplated by this Agreement and the other Transaction Documents, Parent and Purchaser and each of their respective Subsidiaries will have adequate capital to carry on their respective businesses.

7. INDEMNIFICATION.

7.1 Indemnification by the Sellers. Subject to the limitations set forth herein, each Seller shall (i) jointly with the other Sellers but for its Pro Rata Warranty Share not severally ("*niet-hoofdelijk*") indemnify and hold Purchaser, its Affiliates and the Company (from and after the Closing) and each of their respective directors and officers (collectively, the "***Purchaser Parties***") harmless against and from and in respect of any and all Adverse Consequences which arise or result from the inaccuracy or breach of any representation or warranty made by such Seller in Section 4 of this Agreement, and (ii) indemnify and hold Purchaser Parties harmless against and from and in respect of any and all Adverse Consequences which arise or result from the inaccuracy or breach of any representation or warranty made by such Seller in Section 5 of this Agreement and the non-fulfillment by such Seller of any unwaived covenant of such Seller contained in this Agreement. Notwithstanding any provision herein to the contrary, subject to the limitations on the indemnification, no Seller shall be liable for (i) more than its, his or her Pro Rata Warranty Share of any Adverse Consequences, as limited by Section 7.4 or any other provision of this Agreement, relating to a breach of Representations and Warranties as set forth in Section 4, (ii) any Adverse Consequences arising or resulting from the inaccuracy or breach of the Representations and Warranties as set forth in Section 5 of any other Seller or (iii) failure to perform or comply with any unwaived covenant of any other Seller contained in this Agreement.

7.2 Indemnification by Purchaser. Parent and Purchaser, jointly and severally, shall indemnify the Sellers, the Seller Representative and their Affiliates (collectively, the "***Seller Parties***") harmless against and from and in respect of any and all Adverse Consequences which are a direct and proximate result of (i) the inaccuracy or breach of any representation or warranty made by Parent or Purchaser in Section 6 of this Agreement, or (ii) the non-fulfillment or breach of any unwaived covenant made by or on behalf of Parent or Purchaser in this Agreement.

7.3 Survival of Representations and Warranties. Notwithstanding any right of Purchaser fully to investigate the affairs of the Company and notwithstanding any knowledge of facts determined or determinable by Purchaser pursuant to such investigation or right of investigation, Purchaser has the right to rely fully upon the representations and warranties of the Sellers and the Company contained in this Agreement. All representations and warranties of the parties hereto contained in this Agreement will survive the execution and delivery hereof and the Closing hereunder, and, after the Closing: (a) the Indefinite Representations will survive indefinitely, (b) the Key Representations will survive until thirty (30) days after the expiration of the applicable statute of limitation, and (c) all other representations and warranties will survive until 30 April 2012. Each representation,

warranty and claim described in clauses (a) through (c) of this Section 7.3, and any related indemnity claim or right, will further survive if the party asserting such claim has provided written Notice on or prior to the applicable date referenced in clauses (a) through (c) of this Section 7.3 to the party against which such claim is asserted. Purchaser shall be entitled to make a claim for breach of warranty in respect of a contingent liability within the time limitation applicable pursuant to this Section 7.3, irrespective of whether such contingent liability becomes actual prior to the expiration date of the applicable time limitation or not.

7.4 Certain Limitations on Indemnification Obligations; Calculation of Losses.

(a) Except as otherwise expressly provided in this Section 7, the Purchaser Parties will not be entitled to receive any indemnification payments under Section 7.1, until the aggregate amount of Adverse Consequences incurred by the Purchaser Parties exceed EUR 500,000 (five hundred thousand Euro) (the "***Basket Amount***"), whereby the Sellers shall be solely liable for the amount in excess of the Basket Amount.

(b) The maximum aggregate amount of indemnification payments to which the Purchaser Parties will be entitled to receive upon the triggering of any indemnification obligation will be limited as follows (except in the event of fraud or willful misconduct):

(i) in respect of any and all breaches of the Indefinite Representations: 100% (hundred per cent) of the Base Purchase Price, provided that in respect of any and all breaches of the Indefinite Representations contained in Section 5 no Seller shall be liable for more than its, his or her Pro Rata Share of the Base Purchase Price;

(ii) in respect of any and all breaches of the Key Representations: 50% (fifty per cent) of the Base Purchase Price;

(iii) in respect of any and all breaches of the representations and warranties contained herein other than the Indefinite Representations and the Key Representations: 25% (twenty-five per cent) of the Base Purchase Price;

and

(iv) in respect of any and all breaches of the aggregate of the Indefinite Representations, the Key Representations and the other representations and warranties contained herein: 100% (hundred per cent) of the Base Purchase Price;

(v) in respect of any and all breaches of the aggregate of the Key Representations and the other representations and warranties contained herein: 50% (fifty per cent) of the Base Purchase Price.

(c) Notwithstanding any provision herein to the contrary, no Purchaser Party may demand payment from a Seller for amounts owed to such Purchaser Party while there are sufficient amounts available under the Bank Guarantee provided by such Seller to cover the Pro Rata Share of the liability of such Seller towards such Purchaser Party.

(d) Each of the representations and warranties that contains any "Material Adverse Change", "in all material respects", or other materiality (or correlative meaning) qualification shall be deemed to have been given as though there were no such qualification for purposes of determining Adverse Consequences under Section 7.

7.5 Defense of Claims.

(a) In the case of any claim for indemnification under Section 7.1 or 7.2 arising from a claim of a third party (including any Governmental Authority), an indemnified party must give prompt written Notice and, subject to the following sentence, in no case later than twenty (20) days after the indemnified party's receipt of Notice of such claim, to Purchaser (if Purchaser is the indemnifying party) or the Seller Representative (if the Sellers are the indemnifying parties) of any claim, suit or demand of which such indemnified party has knowledge and as to which it may request indemnification hereunder. The failure to give such Notice will not, however, relieve the indemnifying party or parties of their indemnification obligations except to the extent that the indemnifying party is actually harmed thereby.

(b) The indemnifying party will have the right to defend and to direct the defense against any such claim, suit or demand in its name and at its expense, and with counsel selected by the indemnifying party; *provided, however*, the indemnifying party will not have the right to defend or direct the defense of any such claim, suit or demand if it refuses to acknowledge fully its obligations to the indemnified party or contests, in whole or in part, its indemnification obligations therefore, and *further provided*, the indemnifying party will not have the right to defend or direct the defense of such claim, suit or demand if:

(i) the third party asserting the claim is a customer of the Company at such time, unless the indemnifying party is Purchaser;

(ii) an adverse judgment with respect to the claim will establish a precedent adverse to the continuing business interests of the Company unless the indemnifying party is Purchaser;

(iii) there is a conflict of interest between the indemnified party and the indemnifying party that prevents a single legal counsel from representing the indemnified party and the indemnifying party in such defense; or

(iv) such claim, suit or demand is criminal in nature, could reasonably be expected to lead to criminal proceedings, or seeks an injunction or other equitable relief against the indemnified party.

(c) If the indemnifying party elects, and is entitled, to compromise or defend such claim, it will within twenty (20) days (or sooner, if the nature of the claim so requires) notify the indemnified party of its intent to do so, and the indemnified party will, at the request and expense of the indemnifying party, cooperate in the defense of such claim, suit or demand. If the indemnifying party elects not to defend such claim, or fails to notify the indemnified party of its election as herein provided, or refuses to acknowledge or contests its obligation to indemnify under this Agreement the indemnified party may pay, compromise or defend such claim. Except as set forth in the immediately preceding sentence, the indemnifying party will have no indemnification obligations with respect to any such claim, suit or demand which will be settled by the indemnified party without the prior written consent of the indemnifying party (which consent will not be unreasonably withheld or delayed); *provided, however*, that notwithstanding the foregoing, the indemnified party will not be required to refrain from paying any claim which has matured by a court judgment or decree, unless an appeal is duly taken therefrom and exercise thereof has been stayed, nor will it be required to refrain from paying any claim where the delay in paying such claim would result in the foreclosure of a Lien upon any of the property or assets then held by the indemnified party or where any delay in payment would cause the indemnified party material economic loss.

(d) The indemnifying party's right to direct the defense will include the right to compromise or enter into an agreement settling any claim by a third party; *provided that* no such compromise or settlement will obligate the indemnified party to agree to any settlement which requires the taking of any action by the indemnified party other than the delivery of a release, except with the consent of the indemnified party (such consent to be withheld or delayed only for a good faith reason). Notwithstanding the indemnifying party's right to compromise or settle in accordance with the immediately preceding sentence, the indemnifying party may not settle or compromise any claim over the objection of the indemnified party; *provided*, *however*, that consent by the indemnified party to settlement or compromise will not be unreasonably withheld or delayed.

(e) The indemnified party will have the right to participate in the defense of any claim, suit or demand with counsel selected by it (such counsel to be reasonably acceptable to the indemnifying party) subject to the indemnifying party's right to direct the defense. The fees and disbursements of such counsel will be at the expense of the indemnified party.

7.6 Tax Treatment. Unless otherwise required by applicable Law, all indemnification payments will constitute adjustments to the Purchase Price for all Tax purposes, and no party may take any position inconsistent with such characterization.

7.7 No Waiver. The foregoing indemnification provisions in this Section 7 do not waive or affect any claims for fraud or willful misconduct to which any Purchaser Party may be entitled, or relieve or limit the liability of any Seller Party arising out of or resulting from his or its fraud or willful misconduct in connection with the transactions

contemplated by this Agreement or in connection with the delivery of any of the documents referred to herein.

7.8 Exclusive Remedy. Except as set forth in the next sentence or otherwise expressly provided herein, the remedies provided for in this Section 7 are the sole and exclusive remedies of the parties hereto and their Affiliates and their respective shareholders, trustees, officers, directors, employees, agents, representatives, successors and assigns for any breach of or inaccuracy in any representation, warranty or covenant contained in this Agreement. The foregoing will not limit any party's right to seek injunctive relief, equitable remedies or rights to set-off.

7.9 No Right of Contribution. The Sellers may not, and confirm that they will not, make any claim against the Company, its Subsidiaries and their respective directors and employees, in respect of any claim relating to (i) the inaccuracy or breach of any representation or warranty made by such Seller in Sections 4 and 5 of this Agreement, and/or (ii) the non-fulfillment by such Seller of any unwaived covenant of such Seller contained in this Agreement.

7.10 Mitigation. Nothing in this Agreement shall be deemed to relieve Purchaser from any duty under applicable law to mitigate any Adverse Consequences incurred by it or by the Company to the extent reasonably possible and Sellers are not liable in respect of a claim for a warranty breach if and to the extent:

(a) Purchaser or Parent had actual knowledge (excluding deemed knowledge) of such breach prior to the Closing;

(b) a provision is made in the Financial Statements in relation to the event or matter giving rise to such claim or unused portions of other provisions in the Financial Statements are available to settle such Adverse Consequences;

(c) it relates to any Adverse Consequences which arise as a result of any change in the accounting principles after the Closing Date; or

(d) it relates to any Adverse Consequences which would not have arisen but for a change in legislation or regulations, or in a change in the interpretation or implementation thereof by any governmental body or by reason of development in case law made after the date of this Agreement or any amendment to or the withdrawal of any practice previously published by or of any extra-statutory concession previously made by a tax authority (whether or not the change purports to be effective retrospectively in whole or in part); or

(e) such sum (whether by payment, discount, credit, relief, insurance or otherwise) is recoverable from any third party (including any insurance companies) in relation to the event or matter giving rise to such claim; or

(f) with respect to such claim, Purchaser and/or the Company receives payment or an amount due and payable by Purchaser and/or the Company is reduced pursuant to any applicable Tax legislation; or

(g) it relates to any Adverse Consequences which would not have arisen but for a change in the Tax structure or corporate structure of the Company after Closing, or a cessation, or any change in the nature or conduct of any trade or policy carried on by the Company at Closing, being a cessation or change occurring after the Closing Date.

8. OTHER MATTERS.

8.1 Cooperation. In case at any time after the Closing any further action is necessary to carry out the purposes of this Agreement, each of the parties will take such further action (including the execution and delivery of such further instruments and documents) as any other party reasonably may request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under Section 7). The Sellers acknowledge and agree that from and after the Closing, Purchaser will be entitled to possession of, and Sellers will provide to Purchaser, all documents, books, records (including Tax records), agreements, corporate minute books and financial data of any sort relating to the Company and its Subsidiaries.

8.2 Resignation Mr. Kinsbergen. The resignation of Mr. Kinsbergen as managing director of Nedstat Ltd, Nedstat GmbH, Nedstat S.A.S., Nedstat Espaňa S.L. and Nedstat A.B. immediate prior to Closing shall be accepted against a full discharge and Purchaser and Mr. Kinsbergen shall co-operate and take all further actions required to give full effect to such resignations, discharge, and the replacement of Mr. Kinsbergen by such person(s) as the Purchaser requires.

8.3 NetRatings. Purchaser acknowledges that it has been informed by Sellers that the Company received letters from Netratings, Inc., suggesting that the Company's and its Subsidiaries' activities may be infringing upon intellectual property rights of Netratings and its affiliates. All relevant documentation, in as far as in the Company's possession, has been attached to the Disclosure Letter. Purchaser agrees that it or the Company will assume full responsibility for dealing with any claims or other action taken by Netratings and its affiliates in this respect and Sellers shall not be liable for whatever Adverse Consequences resulting from the Company and/or its Subsidiaries infringing any intellectual property rights of Netratings and its Affiliates.

8.4 [Termination Agreements. Each Seller warrants jointly with the other Sellers but for its Pro Rata Warranty Share not severally ("niet-hoofdelijk") that the Company and its Subsidiaries shall have no obligations or liabilities towards Mr. Kinsbergen, Mr. Wissink and Ms. Ziegler other than the payment of the Severance Payments to be paid out as set out in Section 2.2(b) and the formalities set out in the Termination Agreements, and therefore, for the avoidance of doubt, no bonus. Except for the Severance Payments as set out in the Termination Agreements, all costs and expenses related to release of Mr. Kinsbergen,

Mr. Wissink and Ms. Ziegler as employees of the Company (including but not limited to the drafting and execution of the Termination Agreements) and all further liabilities towards Mr. Kinsbergen, Mr. Wissink and Ms. Ziegler will be for the account of Sellers, each for its Pro Rata Share.]

8.5 Confidentiality. From and after the Closing, each Seller will treat and hold as confidential all of the Confidential Information, refrain from using any of the Confidential Information except in connection with this Agreement, and deliver promptly to Purchaser or destroy, at the request and option of Purchaser, all tangible embodiments (and all copies) of the Confidential Information which are in possession of such Person. In the event that any Seller is requested or required (by oral question or request for information or documents in any legal proceeding, interrogatory, subpoena, civil investigative demand, or similar process) to disclose any Confidential Information, such Person will notify Purchaser promptly of the request or requirement so that Purchaser may seek an appropriate protective order or waive compliance with the provisions of this Section 8.2. If, in the absence of a protective order or the receipt of a waiver hereunder, such Person is, on the advice of counsel, compelled to disclose any Confidential Information to any tribunal or else stand liable for contempt, Person may disclose the Confidential Information to the tribunal; *provided*, *however*, that each Seller, as applicable, will use commercially reasonable efforts to obtain, at the request of Purchaser, an order or other assurance that confidential treatment will be accorded to such portion of the Confidential Information required to be disclosed as Purchaser will designate. The foregoing provisions will not apply to any Confidential Information which is generally available to the public immediately prior to the time of disclosure.

8.6 Books and Records. After the Closing, each party agrees that it will reasonably cooperate with and make available (or cause to be made available) to any other party, during normal business hours, all books and records, information and employees (without substantial disruption of employment) retained, remaining in existence or continuing to be employed after the Closing Date which are necessary or useful in connection with any Tax inquiry, audit, or dispute, any litigation or investigation or any other matter requiring any such books and records, information or employees for any reasonable business purpose (a "***Permitted Use***"). The party requesting any such books and records, information or employees will bear all of the out-of-pocket costs and expenses reasonably incurred in connection with providing such books and records, information or employees. All information received pursuant to this Section 9.3 will be kept confidential pursuant to Section 9.2 (which will continue to apply to this extent following the Closing Date) by the party receiving it, except to the extent that disclosure is reasonably necessary in connection with any Permitted Use. This provision will be inapplicable to any direct claims between the Sellers on the one hand and Purchaser or the Company or their representatives or Affiliates on the other hand.

8.7 Cooperation and Records Retention. After the Closing, the Company, Sellers and Purchaser each will (a) provide the other with such assistance as may reasonably be requested by either of them in connection with the preparation of any Tax Return, audit, or

other examination by any Taxing Authority or judicial or administrative proceedings relating to liability for any Taxes, (b) retain for a period of five (5) years and provide the other with any records or other information that may be relevant to such Tax Return, audit or examination, proceeding or determination, (c) provide the other with any final determination of any such audit or examination, proceeding, or determination that affects any amount required to be shown on any Tax Return of the other for any period, and (d) cooperate with respect to closing the books of the Company and filing a Tax Return for the Company as of the Closing Date. The party requesting any such assistance or information will bear all of the out-of-pocket costs and expenses reasonably incurred in connection with providing such assistance or information. After the Closing, the Company and Sellers will (i) retain all books and records with respect to Tax matters pertinent to the Company relating to any taxable period beginning before the Closing Date until the expiration of the applicable statute of limitations (and, to the extent notified by Purchaser or Sellers, any extensions thereof) of the respective taxable periods, and abide by all record retention agreements entered into with any Taxing Authority, and (ii) give the other parties reasonable written Notice prior to transferring, destroying or discarding any such books and records and, if any of the other parties so request, will allow the requesting party to take possession of such books and records.

8.8 Tax Matters.

(a) Periods Beginning Before and Ending After the Closing Date. To the extent that any Tax Returns of the Company relate to any Tax periods which begin before the Closing Date and end after the Closing Date, the Company will prepare or cause to be prepared in a manner consistent with the prior Tax Returns of the Company unless otherwise required by applicable Law, and file or cause to be filed any such Tax Returns.

(b) Any Taxes of the Company with respect to the portion of such period ending on the Closing Date, to the extent such Taxes were not included as a liability in the calculation of Final Closing WC, will be for the account of Sellers, each for its Pro Rata Share. The costs, fees and expenses related to the preparation of such Tax Returns will be paid by Purchaser or the Company and shall not be considered in calculating Net Working Capital. For purposes of this Section, in the case of any Taxes that are imposed on a periodic basis and are payable for a taxable period that includes but does not end on the Closing Date, the portion of such Tax which relates to the portion of such taxable period ending on the Closing Date will (i) in the case of any Taxes other than Taxes based upon or related to income or receipts, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in the entire taxable period, and (ii) in the case of any Tax based upon or related to income or receipts be deemed equal to the amount which would be payable if the relevant taxable period ended on the Closing Date. Any credits relating to a taxable period that begins before and ends after the Closing Date will be taken into account as though the relevant taxable period ended on the Closing Date. All determinations necessary to give effect to the foregoing allocations will be made in a manner consistent with IFRS as consistently applied by the Company.

(c) Tax Sharing Agreements. All tax sharing agreements or similar agreements with respect to or involving the Company will be terminated as of the Closing Date and, after the Closing Date, the Company will not be bound thereby or have any liability thereunder.

8.9 Parent Stock Unit Grants. As soon as reasonably practicable following the Closing (but in any case no later than ninety (90) days following the Closing), Parent shall grant a number of restricted shares or units, as applicable, of Parent common stock with a value of EUR 1,830,000 to the Key Employees of the Company and its Subsidiaries, and on the terms and conditions, set forth on Schedule 8.9.

8.10 Release and Covenant Not to Sue. Subject to and effective as of the Closing, each Seller hereby releases and discharges the Company and its Affiliates from and against any and all claims, demands, obligations, agreements, debts and liabilities whatsoever, whether known or unknown, both at law and in equity, which such Seller now has, has ever had or may hereafter have against the Company arising on or prior to the Closing Date or on account of or arising out of any matter occurring on or prior to the Closing Date, including, but not limited to, any rights to indemnification or reimbursement from the Company or any Subsidiary, whether pursuant to its organizational or other constituent documents, Contract or otherwise, and whether or not relating to claims pending on, or asserted after, the Closing but if any Seller is an employee of the Company as of the Closing Date, excluding any claims related to the right of such employee to receive current earned and accrued but unpaid compensation, un-reimbursed business expenses or other employment benefits generally available to all Company employees, other than securities or convertible securities of the Company. From and after the Closing, each Seller hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing or causing to be commenced, any proceeding of any kind against the Company or any of its Affiliates, based upon any matter purported to be released hereby. Notwithstanding anything herein to the contrary, the restrictions set forth herein shall not apply to any claims any Seller may have against any party pursuant to the terms and conditions of this Agreement or any other Transaction Document.

8.11 Guarantee. Parent hereby unconditionally and irrevocably guarantees the obligations (including payment of the Closing Purchase Price and the Final Purchase Price, and satisfaction of Purchaser's indemnification obligations under any Transaction Document) of Purchaser under this Agreement and the other Transaction Documents (the "***Guaranteed Obligations***"). Parent understands and agrees that its guarantee of the Guaranteed Obligations shall not be discharged except by complete payment and performance of the Guaranteed Obligations and that such Guarantee constitutes a continuing guarantee of payment and not of collectability only, which is not subject to any counterclaim, setoff, deduction or defense Parent or Purchaser may have hereunder, and that such guarantee shall remain in full force and effect until all Guaranteed Obligations have been satisfied and performed in full.

9. RESTRICTIVE COVENANTS

9.1 Non-compete Major Sellers. For a period of two (2) years following Completion, each Major Seller (with the exception of Prime Technology Ventures II N.V. and Prime Technology Venture Partners II B.V.) shall not, and shall procure that none of their shareholders, directors, employees, Affiliates and advisors shall, whether alone or jointly with another person and whether directly or indirectly, in the territory where the Company and/or its Subsidiaries are active on the date hereof:

(a) carry on, be engaged in, be involved in or have any other economic or legal interest in (except as the holder of securities traded on a recognised stock exchange which do not exceed five per cent (5%) in nominal value of the securities of that class) any company or business which is in the same field as the business of the Company and/or its Subsidiaries as conducted on the date hereof;

(b) in relation to any services supplied by the Company and/or its Subsidiaries, solicit or entice the custom of any person with whom business activities were conducted or who was a customer of or in the habit of doing business with the Company and/or its Subsidiaries or whose business was solicited by the Company and/or its Subsidiaries (other than by way of general advertising) at any time during a period of one year prior to the date hereof;

(c) use their knowledge of or influence over any customer or potential customer of the Company and/or its Subsidiaries to the detriment of any of the Company and/or its Subsidiaries or for its own benefit or for the benefit of any other person carrying on business in the same field as the business of the Company and/or its Subsidiaries;

(d) solicit or endeavour to entice away, offer employment to or offer any contract for services to any person who was an employee of any of the Company and/or its Subsidiaries on the date hereof.

9.2 Restriction Prime. The Sellers Prime Technology Ventures II N.V., Prime Technology Venture Partners II B.V., Eehaas Participaties B.V. and Mr. W.F. Burgers shall not be bound to the non-compete obligations set out in Section 9.1. Prime Technology Ventures II N.V., Prime Technology Venture Partners II B.V., Eehaas Participaties B.V. and Mr. W.F. Burgers agree that they shall not, and shall procure that none of their Affiliates shall, whether alone or jointly with another person and whether directly or indirectly, be involved in or profit in any way from: (i) the breach by any of the other Major Sellers of their obligations under Section 9.1 and/or (ii) the breach by any Key Employees of their non-compete obligations towards the Company and/or its Subsidiaries.

9.3 Penalty. If any Party breaches any of its obligations under this Section 9, it shall, without any further action or formality being required, for the benefit of the Purchaser forfeit an immediately due and payable penalty consisting of:

(a) EUR 20,000 (twenty thousand Euro) for each breach; and

(b) an additional penalty of EUR 450 (four hundred and fifty Euro) for each day that the breach continues as of the date on which the relevant Party received written notice of the breach.

The Purchaser shall be entitled to the penalty without having to prove loss or damages and without prejudice to all other rights and remedies available to the Purchaser including the right to claim damages or performance.

9.4 No double penalty. For the avoidance of doubt, it is agreed that the Major Sellers who are also employees of the Company, will not be required to pay the penalty amounts under both this Agreement and their employment agreement with the Company.

10. EXPENSES.

Except as otherwise expressly set forth elsewhere in this Agreement, Purchaser will bear its own legal and other fees and expenses incurred in connection with its negotiating, executing and performing this Agreement, including any related broker's or finder's fees, and the Company and Sellers will bear their (and the Company's) respective legal and other fees and expenses incurred in connection with their negotiating, executing and performing this Agreement, including any related broker's or finder's fees, for periods on or before the consummation of the Closing. Parties agree that any Transaction Expenses set forth on the Flow of Funds will be paid in accordance with Section 2.2(b). Each Seller will bear its legal and other fees and expenses incurred in connection with this Agreement after the Closing, including any related broker's or finder's fees, subject to the provisions of this Agreement.

11. AMENDMENT; BENEFIT AND ASSIGNABILITY.

This Agreement may be amended only by the execution and delivery of a written instrument by or on behalf of the Company, Sellers and Purchaser. This Agreement will be binding upon and will inure to the benefit of the parties hereto and their respective successors and permitted assigns, and no other person or entity will have any right (whether third party beneficiary or otherwise) hereunder. This Agreement (and the parties respective rights hereunder) may not be assigned by any party without the prior written consent of the other parties; *provided*, *however*, that Purchaser may assign all or any portion of this Agreement to any Affiliate of Purchaser. Any purported assignment in violation of this Section 11 is void *ab initio*.

12. NOTICES.

All notices, demands and other communications pertaining to this Agreement ("***Notices***") will be in writing addressed as follows:

If to Sellers (or the Company prior to the Closing):

Stichting Sellers Nedstat
Attention Mr. Sake Bosch
Museumplein 5A
1071 DJ Amsterdam

with a copy to:

Lexence N.V.
Peter van Anrooystraat 7
1076 DA Amsterdam
The Netherlands
Attention: Michiel van Schooten
Facsimile: +31 (20) 573-6887

and

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, NY 10004
Attention: Jan J.H. Joosten
Facsimile: (212) 422-4726

If to Parent or Purchaser (or the Company after the Closing):

CS Worldnet Holding B.V.
Prins Bernardplein 200
1097 JB Amsterdam
Attn: the Board

with a copy to:

comScore, Inc.
11950 Democracy Boulevard, Suite 600
Reston, Virginia 20190 U.S.A.
Attention: Chief Financial Officer
Facsimile: (703) 438-2033

and

HOUTHOFF BURUMA
Weena 355 Postbus 1507
3013 AL Rotterdam 3000 BM Rotterdam
Attn: Michiel Pannekoek
Facsimile: +31 (0)10 217 27 01

and

Holland & Knight LLP
1600 Tysons Boulevard. Suite 700
McLean, Virginia 22102 U.S.A.
Attention: Marisa Terrenzi
Facsimile: (703) 720-8610

Notices will be deemed given five (5) Business Days after being mailed by certified or registered United States mail, postage prepaid, return receipt requested, or on the first Business Day after being sent, prepaid, by nationally recognized overnight courier that issues a receipt or other confirmation of delivery. Notices delivered via facsimile will be deemed given when actually received by the recipient, *provided that* by no later than two days thereafter such Notice is confirmed in writing and sent via one of the methods described in the previous sentence. Notices delivered by personal service will be deemed given when actually received by the recipient. Any party may change the address to which Notices under this Agreement are to be sent to it by giving written Notice of a change of address in the manner provided in this Agreement for giving Notice. For the purpose of this Agreement, except for the serving of litigation documents, the Sellers elect to have their domiciles at the address of the Sellers' Representative referred to in this Section.

13. WAIVER.

Unless otherwise specifically agreed in writing to the contrary: (a) the failure of any party at any time to require performance by the other of any provision of this Agreement will not affect such party's right thereafter to enforce the same, (b) no waiver by any party of any default by any other will be valid unless in writing and acknowledged by an authorized representative of the non-defaulting party, and no such waiver will be taken or held to be a waiver by such party of any other preceding or subsequent default, and (c) no extension of time granted by any party for the performance of any obligation or act by any other party will be deemed to be an extension of time for the performance of any other obligation or act hereunder.

14. ENTIRE AGREEMENT.

This Agreement (including the Exhibits and Schedules hereto, which are incorporated by reference herein and deemed a part of this Agreement) and the other Transaction Documents constitute the entire agreement between the parties with respect to the subject matter hereof and referenced herein, and supersede and terminate any prior agreements between the parties (written or oral) with respect to the subject matter hereof, including the Letter of Intent, dated 18 May 2010, between the Company and the Parent.

15. COUNTERPARTS.

This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Facsimiles, or other electronic transmissions (e.g., PDFs), of signatures will be deemed to be originals.

16. CONSTRUCTION.

The headings of the Sections of this Agreement are for convenience only and in no way modify, interpret or construe the meaning of specific provisions of the Agreement.

17. SEVERABILITY.

In case any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions will not in any way be affected or impaired. Any illegal or unenforceable term will be deemed to be void and of no force and effect only to the minimum extent necessary to bring such term within the provisions of applicable Law and such term, as so modified, and the balance of this Agreement will then be fully enforceable.

18. CHOICE OF LAW.

18.1 Choice of Law. This Agreement and the other Transaction Documents (except to the extent specifically agreed otherwise in such Transaction Document) are to be construed and governed by the laws of the Netherlands (without giving effect to principles of conflicts of laws). The Company, Sellers, the Seller Representative, Parent and Purchaser irrevocably agree that any Action arising out of or in connection with this Agreement may be brought in any court of competent jurisdiction located in Amsterdam, the Netherlands (or in any court in which appeal from such courts may be taken) and each party agrees not to assert, by way of motion, as a defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of such court, that the Action is brought in an inconvenient forum, that the venue of the Action is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and hereby agrees not to challenge such jurisdiction or venue by reason of any offsets or counterclaims in any such Action.

18.2 Dispute Resolution. Prior to initiating any Action arising out of or relating to this Agreement or any other Transaction Document, a party hereto will meet with the other applicable party to any dispute. If a party to the dispute is an entity it will appoint a designated representative, who will be a senior level manager or other person with the authority to make decisions and/or commitments on behalf of the respective party to resolve the dispute. The parties will meet as often as they reasonably deem necessary to discuss the problem in an effort to resolve the dispute without the necessity of any formal proceeding. Unless delay would impair a party's rights under applicable statutes of limitations, formal proceedings for the resolution of a dispute may not be commenced until the earlier of: (a) the designated representatives concluding in good faith that amicable resolution through continued negotiation of the matter does not appear likely, or (b) the expiration of the thirty (30) day period immediately following the initial request to negotiate the dispute.

18.3 Exclusion of Title 1 Book 7 DCC. The Parties hereby agree to exclude the applicability of Title 1 of Book 7 of the DCC.

18.4 Waiver of dissolution and annulment. Each Party hereby waives to the extent permitted by law, the right to rescind (*ontbinden*) or nullify (*vernietigen*) this Agreement, in whole or in part, and, unless explicitly otherwise set out in this Agreement, the right to otherwise terminate this Agreement, in whole or in part.

19. PUBLIC STATEMENTS.

Prior to Closing, no party hereto will make any press release or other public announcement concerning the transactions contemplated by this Agreement, without the prior written approval of all other parties hereto, except to the extent required by Law. After Closing, the Sellers will not make any press release or other public announcement concerning the transactions contemplated by this Agreement, without the prior written approval of Purchaser and Purchaser will not make any press release or other public announcement concerning the transactions contemplated by this Agreement without the Seller Representative's approval (which approval will not be unreasonably withheld or delayed) and Purchaser shall not disclose any material financial terms of the transaction contemplated hereunder except to the extent required by Law. The Sellers Prime Technology Ventures II N.V. and Prime Technology Venture Partners II B.V. shall be allowed to disclose the key financial terms of this Agreement to their current and future investors and shall be allowed to fully disclose the contents of this Agreement following filing by Purchaser of this Agreement with the US Securities & Exchange Commission.

20. NO THIRD PARTY BENEFICIARIES.

This Agreement is not intended to confer upon any Person not a party hereto (or their successors and permitted assigns), other than the Seller Parties and the Purchaser Parties under Section 7, any rights or remedies hereunder.

21. NOTARY.

The Parties agree that the Notary is associated with Purchaser's legal counsel. With reference to the Code of Conduct (Verordening beroeps- en gedragsregels) of the Royal Notarial Professional Organisation (Koninklijke Notariële Beroepsorganisatie), the Parties herewith explicitly agree that the Notary shall execute the Deed of Transfer and that Purchaser may be represented by its counsel in any matter relating to this agreement and disputes in connection therewith.

22. MARKET STAND-OFF.

Each Seller and the Company acknowledge that the existence of this Agreement and the terms hereof may be considered material non-public information. Each Seller and the Company agree that they will not, and shall instruct their directors, officers and employees who have knowledge or become aware of the existence of this Agreement not to, purchase, sell, pledge, hypothecate or otherwise transfer, or grant or acquire any option or other right to purchase, any securities of Parent from the date of this Agreement through the third Business

Day after the public announcement by Purchaser of the existence of this Agreement and its subject matter.

23. REMEDIES.

Except as provided in Section 7.7, any party having any rights under any provision of this Agreement will have all rights and remedies set forth in this Agreement and all rights and remedies which such party may have been granted at any time under any other contract or agreement and all of the rights which such party may have under any Law. Except as specifically set forth in this Agreement, any such party will be entitled to (a) enforce such rights specifically, without posting a bond or other security, (b) recover damages by reason of a breach of any provision of this Agreement and (c) exercise all other rights granted by Law.

24. SELLER REPRESENTATIVE.

(a) By the execution and delivery of this Agreement, each Seller hereby irrevocably constitutes and appoints the Seller Representative, as the true and lawful agent and attorney-in-fact of the Sellers, with full powers of substitution to act in the name, place and stead of the Sellers with respect to the performance on behalf of the Sellers under the terms and provisions of this Agreement, as the same may be from time to time amended, and to do or refrain from doing all such further acts and things, and to execute all such documents on behalf of the Sellers as the Seller Representative deems necessary or appropriate in connection with any of the transactions contemplated under this Agreement, including:

(i) following the Closing, to agree upon or compromise any matter related to any purchase price payment due after the Closing under this Agreement;

(ii) to direct the distribution of all or any portions of the Closing Purchase Price and the Final Purchase Price hereunder;

(iii) to act for the Sellers with respect to all indemnification matters or other payment obligations of the Sellers referred to in this Agreement, including the right to negotiate and compromise on behalf of the Sellers any indemnification or other claim made by or against the Sellers;

(iv) to act for the Sellers with respect to all post-Closing matters contemplated by this Agreement, including pursuant to Section 8, or otherwise;

(v) to terminate, amend, or waive any provision of this Agreement; *provided that* any such action, if material to the rights and obligations of the Sellers in the reasonable judgment of the Seller Representative, will be taken in the same manner with respect to all the Sellers unless otherwise agreed by each of the Sellers who is subject to any disparate treatment of a potentially adverse nature;

(vi) to employ and obtain the advice of legal counsel, accountants and other professional advisors as the Seller Representative, in its sole discretion, deems necessary or advisable in the performance of his duties as the Seller Representative and to rely on their advice and counsel; and

(vii) to do or refrain from doing any further act or deed on behalf of the Sellers which the Seller Representative deems necessary or appropriate in its sole discretion relating to the subject matter of this Agreement as fully and completely as any of the Sellers could do if personally present and acting.

(b) Each Seller hereby agrees to pay to Seller Representative on Seller Representative's first written demand its, his or her Pro Rata Warranty Share of any amount requested by the Seller Representative from all Sellers as contribution to Seller Representative's reasonable costs, including legal fees, in connection with the performance of this Agreement.

(c) The appointment of the Seller Representative will be irrevocable, and any other Person may conclusively and absolutely rely, without inquiry, upon any actions of the Seller Representative as the acts of the Sellers hereunder appointing the Seller Representative in all matters referred to in this Agreement. Each of the Sellers appointing the Seller Representative hereby ratifies and confirms all that the Seller Representative will do or cause to be done by virtue of such Seller Representative's appointment as Seller Representative of the Sellers. The Seller Representative will act for the Sellers appointing the Seller Representative on all of the matters set forth in this Agreement in the manner the Seller Representative believes to be in the best interest of the Sellers but the Seller Representative will not be responsible to any of the Sellers for any loss or damage any of the Sellers may suffer by reason of the performance by the Seller Representative of such Seller Representative's duties under this Agreement, other than loss or damage arising from willful misconduct in the performance of such the Seller Representative's duties under this Agreement.

(d) Each of the Sellers appointing the Seller Representative hereby expressly acknowledges and agrees that the Seller Representative is authorized to act on behalf of the Sellers notwithstanding any dispute or disagreement among the Sellers and that any Person may rely on any and all action taken by the Seller Representative under this Agreement without liability to, or obligation to inquire of, any of the Sellers. If the Seller Representative resigns or ceases to function in such capacity for any reason whatsoever, then the Seller Representative shall be the Person appointed by the Sellers (or their successors or assigns) that represent a majority of the Equity as of immediately prior to the Closing; provided, however, that if for any reason no successor the Seller Representative has been appointed within thirty (30) days, then any Seller will have the right to petition a court of competent jurisdiction for appointment of a successor Seller Representative. Sellers appointing the Seller Representative do hereby jointly and severally agree to indemnify and hold the Seller Representative harmless from and against any and all liability, loss, cost, damage or expense (including without limitation attorneys' fees) reasonably incurred or

suffered as a result of the performance of such Seller Representative's duties under this Agreement except for any such liability arising out of the gross negligence or willful misconduct of the Seller Representative.

{Signature page follows.}

IN WITNESS WHEREOF, the parties have executed this Equity Purchase Agreement as of the date first written above.

PURCHASER:

CS Worldnet Holding B.V.

By: ______________________________
Name:
Title:

PARENT:

comScore, Inc.

By: ______________________________
Name:
Title:

THE COMPANY:

Nedstat B.V.

By: ______________________________
Name:
Title:

SELLER REPRESENTATIVE:

Stichting Sellers Nedstat

____
By: Mr. M. Kinsbergen
Title: Director

{Signature Page to Equity Purchase Agreement.}

By: Mr. B. Wissink
Title: Director

By: Mr. S. Bosch
Title: Director

SELLERS:

MICHIELB BHEER B.V.

by : Mr. M. Berger
its : Managing Director

MICHIEL BERGER

INDICTIS B.V.

by : Mr. H. Velduizen
its : Managing Director

EEHAES PARTICIPATIES B.V.

by : Mr. E.H. Smid
its : Managing Director

MICHAEL KINSBERGEN

WILHELMUS FRANCISCUS BURGERS

BERNARD DOORENBOS

PRIME TECHNOLOGY VENTURES II N.V.

____

By : Prime Technology Venture
Partners II B.V.
by : Mr. S. Bosch
its : Managing Director

PRIME TECHNOLOGY VENTURE II C.V.

____

By : Prime Technology Venture
Partners II B.V.
by : Mr. S. Bosch
its : Managing Director

STICHTING ADMINISTRATIEKANTOOR NEDSTAT

____

by : Mr. M. Kinsbergen
its : Managing Director

STICHTING ADMINISTRATIEKANTOOR NEDSTAT

____

by : Mr. B. Doorenbos
its : Managing Director

Schedule 1

DEFINITIONS; MATTERS OF INTERPRETATION.

(a) Definitions. As used in this Agreement, the following terms will have the respective meanings set forth below:

"***Action***" means any actual or threatened action, suit, arbitration, review, inquiry, proceeding or investigation.

"***Adverse Consequences***" means all damages ('*vermogensschade*') within the meaning of Section 6:96 of the DCC;

"***Affiliate***" means any Person that, directly or indirectly, Controls, is Controlled by, or is under common Control with or of, such entity. The term "Control" (including, with correlative meaning, the terms "Controlled by" and "under common Control with"), as used with respect to any entity, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract or otherwise.

"***Aggregate Option Termination Payments***" the aggregate option termination payments to those, including the Company, entitled to receive these payments in relation to the cancellation of the outstanding option rights of the Company.

"***Agreement***" has the meaning set forth in the Preamble to this Agreement.

"***Allowed Debt***" means short-term trade indebtedness, to the extent included in Net Working Capital.

"***Assets***" means all cash and cash equivalents, marketable securities, Personal Property and real property of the Company and its Subsidiaries, all Contracts, Leases and Property Warranties to which the Company or a Subsidiary is a party, all Permits held by the Company and its Subsidiaries, all Intellectual Property and all other assets of the Company and its Subsidiaries.

"***Bank Guarantees***" has the meaning set forth in Section 3.2(b).

"***Base Purchase Price***" means twenty-nine Million Two Hundred Seventy-Four Thousand EUR (29,274,000 EUR).

"***Basket Amount***" has the meaning set forth in Section 7.4(a).

"***Benefit Plan***" has the meaning set forth in Section 4.18(a).

“***Business Day***” means a day, other than a Saturday or Sunday or a national holiday, on which commercial banks are open for the general transaction of business in the Netherlands and the Commonwealth of Virginia, U.S.A.

“***Cash***” means the aggregate amount of cash and cash equivalents in the bank accounts, including money market accounts, of the Company and its Subsidiaries.

“***Closing***” has the meaning set forth in Section 3.1.

“***Closing Amount***” has the meaning set forth in Section 2.3(a).

“***Closing Balance Sheet***” has the meaning set forth in Section 2.2(a).

“***Closing Debt***” shall be the Debt of the Company at Closing.

“***Closing Date***” has the meaning set forth in Section 3.1.

“***Closing Purchase Price***” has the meaning set forth in Section 2.2(b)(vi).

“***Closing WC***” means Net Working Capital as of the Closing Date.

“***Company***” has the meaning set forth in the Preamble to this Agreement.

“***Company Material Adverse Effect***” means, with respect to the Company, a material adverse effect on the business, the assets, and/or the results of operations or business of the Company and its Subsidiaries taken as a whole; *provided*, *however*, that a Company Material Adverse Effect will not include any adverse effect or change resulting from any change, circumstance or effect relating to (A) the economy in general, unless such change, circumstance or effect disproportionately affects the Company relative to other businesses, (B) the industry in which the Company operates as a whole, and not specifically relating to the Company or disproportionately affecting the Company relative to other businesses in the industry, (C) a natural disaster, (D) an act of terrorism, (E) changes in any Law or interpretations thereof applicable to the Company or any of its Subsidiaries after the date of this Agreement, (E) changes in accounting principles, (F) the response or reaction of customers, vendors, suppliers, executives or employees of the Company or its Subsidiaries to any Transaction Document or any of the transactions contemplated hereby or thereby or the plans or intentions of Purchaser with respect to the conduct of the business of the Company or its Subsidiaries after the Closing, (G) an act or omission of Parent or Purchaser or an act or omission of any Seller, the Seller Representative or the Company to which Purchaser has explicitly consented in writing or any failure of the Company to take any action referred to in Section 8.1 due to Purchaser’s withholding of consent following written notice from the Seller Representative that the withholding of such consent would reasonably be expected to have a Company Material Adverse Effect (determined in accordance with the other clauses of this definition).

“***Confidential Information***” means any information concerning the business and affairs of the Company or the Assets, that is not generally available to the public, including know-how, trade secrets, customer lists, details of customer or consultant contracts, pricing policies,

operational methods and marketing plans or strategies, and any information disclosed to the Company by third parties to the extent that the Company has an obligation of confidentiality in connection therewith.

"***Contracts***" means all contracts, agreements, binding arrangements, bonds, notes, indentures, mortgages, debt instruments, purchase orders, licenses (and all other contracts, agreements or binding arrangements concerning Intellectual Property), leases and other instruments or obligations of any kind, written or oral (including any amendments and other modifications thereto), to which the Company or any of its Subsidiaries is a party or which are binding upon the Company, its Subsidiaries and/or the Assets, including but not limited to the agreement with the British Broadcasting Corporation dated on or about 25 August 2010.

"***Copyrights***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***DCC***" means Dutch Civil Code (*Burgerlijk Wetboek*).

"***Debt***" means all interest bearing debt of the Company excluding the Allowed Debt.

"***Deed of Transfer***" has the meaning set forth in Section 3.1.

"***Determination***" has the meaning set forth in the definition of Dispute Resolution Procedure.

"***Disclosure Letter***" the letter dated and delivered by Sellers to Purchaser on the date of this Agreement and attached hereto as Schedule 3.2(k), for the purposes of Article 4 and 7.1.

"***Disclosure Schedules***" means the disclosure schedules to this Agreement.

"***Dispute Resolution Procedure***" means the procedure pursuant to which the items in dispute are referred by Purchaser or the Seller Representative for determination as promptly as practicable to the Independent Accounting Firm, which will be jointly engaged by Purchaser, on the one hand, and the Seller Representative, on the other hand, pursuant to an engagement letter in customary form which each of Purchaser and the Seller Representative will execute. The Independent Accounting Firm will prescribe procedures for resolving the disputed items and in all events shall make a written determination, with respect to such disputed items only (i.e., in connection with Section 2.3, whether and to what extent, if any, the calculations of the Closing WC require adjustment of the Final Purchase Price based on the terms and conditions of this Agreement (a "***Determination***")). The Determination will be based solely on presentations with respect to such disputed items by Purchaser and the Seller Representative to the Independent Accounting Firm and not on the Independent Accounting Firm's independent review; *provided*, *that* such presentations will be deemed to include any work papers, records, accounts or similar materials delivered to the Independent Accounting Firm by Purchaser or the Seller Representative in connection with such presentations and any materials delivered to the Independent Accounting Firm in response to requests by the Independent Accounting Firm. Each of Purchaser and the Seller Representative will use its commercially Reasonable Best

Efforts to make its presentation as promptly as practicable following submission to the Independent Accounting Firm of the disputed items, and each such party will be entitled, as part of its presentation, to respond to the presentation of the other party and any question and requests of the Independent Accounting Firm. Purchaser and the Seller Representative will instruct the Independent Accounting Firm to deliver the Determination to Purchaser and the Seller Representative no later than thirty (30) calendar days following the date on which the disputed items are referred to the Independent Accounting Firm. In deciding any matter, the Independent Accounting Firm (i) will be bound by the provisions of Section 2.3 as applicable, (ii) may not assign a value to any item greater than the greatest value for such item claimed by either Purchaser or the Seller Representative or less than the smallest value for such item claimed by Purchaser or the Seller Representative, and (iii) will be bound by the express terms, conditions and covenants set forth in this Agreement, including the definitions contained herein. In the absence of fraud or manifest error, the Determination will be conclusive and binding upon Purchaser and the Sellers. The Independent Accounting Firm will consider only those items and amounts in Purchaser's Closing Certificate delivered pursuant to Section 2.3 which Purchaser and the Seller Representative were unable to resolve. All fees and expenses (including reasonable attorney's fees and expenses and fees and expenses of the Independent Accounting Firm) incurred in connection with any dispute under Section 2.3 (as applicable) shall be borne by the parties based on the percentage which the portion of the contested amount not awarded to such party bears to the amount actually contested by the parties. By way of example and not by way of limitation, if the Seller Representative seeks a 70,000 EUR upward adjustment to Closing WC and the Independent Accounting Firm determines that there will be a 40,000 EUR upward adjustment, then the Sellers will be responsible for three-sevenths ($^{3}/_{7th}$) of the fees and expenses and Purchaser will be responsible for four-sevenths ($^{4}/_{7th}$) of the fees and expenses.

"***Effective Time***" has the meaning set forth in Section 3.1.

"***Equity***" has the meaning set forth in the Recitals to this Agreement.

"***EUR***" means the euro, the currency of the Eurozone of the European Union (sign: €).

"***Exit Payments***" means the bonuses and gratifications due and payable by the Company to the persons entitled to receive the same, as set forth in the Flow of Fund Certificate.

"***Final Closing WC***" has the meaning set forth in Section 2.3(c).

"***Final Purchase Price***" has the meaning set forth in Section 2.3(b).

"***Financial Statements***" means the audited balance sheet and income statement of the Company for the fiscal year ended December 31, 2009, and an unaudited balance sheet and statement of income and cash flows as of and for the period beginning January 1, 2010 and ended 31 July 2010.

"***Flow of Funds Certificate***" has the meaning set forth in Section 2.2(a).

"***Guaranteed Obligations***" has the meaning set forth in Section 8.11.

"***Governmental Authority***" means any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body, in any applicable jurisdiction.

"***IFRS***" means International Financial Reporting Standards adopted by the European Union and as applied by the Company.

"***Indefinite Representations***" means Sections 4.1 (organization), 4.2 (authorization), 4.3 (Subsidiaries), 4.4 (capitalization), 5.1 (Seller authority), 5.2 (title to Equity), 5.5 (binding agreement for Sellers) and 5.6 (Seller insolvency).

"***Independent Accounting Firm***" means Grant Thornton LLP, or such other nationally or regionally recognized accounting firm mutually agreed upon by Purchaser and the Seller Representative; *provided*, *however*, that the Independent Accounting Firm may not have a business relationship with any of the Major Sellers, the Company or Purchaser. If Grant Thornton LLP is unable to serve as the Independent Accounting Firm and Purchaser and the Seller Representative have failed to reach agreement on an Independent Accounting Firm within ten (10) calendar days, then the Independent Accounting Firm will be selected by the Seller Representative and consented to by Purchaser (such consent not to be unreasonably withheld, delayed or conditioned).

"***Intellectual Property***" means all of the following as they exist in any jurisdiction throughout the world, and equivalent or similar rights anywhere in the world, in each case, to the extent owned by, licensed to, or otherwise used or held for use by the Company and/or its Subsidiaries in the business: (a) patents, patent applications and the inventions, designs and improvements described and claimed therein, patentable inventions, and other patent rights (including any divisionals, continuations, continuations-in-part, substitutions, or reissues thereof, whether or not patents are issued on any such applications and whether or not any such applications are amended, modified, withdrawn, or refiled) (collectively, "***Patents***"), (b) trademarks, service marks, trade dress, trade names, brand names, Internet domain names, designs, logos, or corporate names (including, in each case, the goodwill associated therewith), whether registered or unregistered, and all registrations and applications for registration thereof (collectively, "***Trademarks***"), (c) works of authorship, mask works and all copyrights therein, including all renewals and extensions, copyright registrations and applications for registration, and non-registered copyrights, and all moral rights (collectively, "***Copyrights***"), (d) trade secrets, confidential business information, concepts, ideas, designs, research or development information, processes, procedures, techniques, technical information, specifications, operating and maintenance manuals, engineering drawings, methods, know-how, data, mask works, discoveries, inventions, modifications, extensions, improvements, and other proprietary rights (whether or not patentable or subject to copyright, trademark, or trade secret protection) (collectively, "***Trade Secrets***"), (e) all domain name registrations, web sites and web pages and related rights, items and documentation related thereto (collectively, "***Internet Assets***"), (f) computer software programs, including all source code, object code, and documentation related thereto and all software modules, tools and databases ("***Software***"), and (g) all licenses, and sublicenses, and other agreements or permissions related to the preceding property.

"***Internet Assets***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***IP Licenses***" has the meaning set forth in Section 4.13(a)(ii).

"***Key Employees***" means Mr. Ranta (Head of SD), Mr. Van der Werff (VP Sales), Mr. Kooistra (VP Business Development), Mr. Verhulst (VP Partnerships), Mr. Fambach (VP Professional Services) and Mr. Makudan (VP Support).

"***Key Representations***" means Sections 4.11 (Intellectual Property and privacy), 4.16 (Tax matters) and the representations specifically relating to pension as set forth in *4.18(b) (Employee Benefit Plans).*

"***Knowledge***" and any similar terms which refer to the knowledge, information, belief or awareness of the Sellers means the actual knowledge of Brent Wissink, Fred Appelman, Michiel Berger and Michael Kinsbergen and is deemed to be made after due and careful consideration and after having made diligent enquiry with senior management having knowledge of the relevant matters.

"***Laws***" has the meaning set forth in Section 4.6.

"***Leases***" has the meaning set forth in Section 4.20(a).

"***Leased Improvements***" means all leasehold improvements and fixtures located on the Leased Premises.

"***Leased Premises***" has the meaning set forth in Section 4.20(a).

"***Liens***" means all mortgages, deeds of trust, collateral assignments, security interests, financing statements, conditional or other sales agreements, liens, pledges, hypothecations, and other encumbrances on or ownership interests in the Assets or the Equity, as applicable.

"***Major Customers***" has the meaning set forth in Section 4.31(a).

"***Major Seller***" means any Seller of the Company whose Pro Rata Share equals five percent (5%) or more, therefore: Michielb Beheer B.V. and Mr. Michiel Berger, Indictis B.V., Mr. Michael Kinsbergen, Mr. Wilhelmus Franciscus Burgers, Prime Technology Ventures II N.V. and Prime Technology Venture Partners II B.V..

"***Net Working Capital***" means, as of any date of determination, (i) current assets consisting of (A) trade receivables and (B) other current assets, and (C) restricted cash, cash and bank balances, minus (ii) the current liabilities consisting of (A) trade payables, (B) current tax liabilities, (C) deferred income and (D) other current liabilities, in each case determined as of 12:01 a.m. CET on 1 September 2010 and calculated in the same manner and using the same methodologies, practices, accounting applications and assumptions consistently utilized for the respective line items on the balance sheet of the Company in previous years; *provided that*: (i) the current liabilities will exclude (A) any Debt of the Company or any Subsidiary paid pursuant

to Section 2.2(b), (B) any Transaction Expenses of the Company payable pursuant to Section 2.2(b) and (C) the Severance Payments, (D) the Exit Payments and (E) the Aggregate Option Rights Termination Payments paid or payable, and (ii) current liabilities will include (A) any current Taxes payable by the Company or any Subsidiary resulting from the consummation of the transactions contemplated by this Agreement, (B) the estimated costs, fees and expenses related to the preparation and execution of the Termination Agreements, the estimated costs, fees and expenses related to the payment of the Severance Payment and the estimated costs, fees and expenses related to the preparation of Tax Returns pursuant to Section 8.8(a), (C) the aggregate balance of all outstanding checks written against the bank accounts, including money market accounts, of the Company and its Subsidiaries. For purposes of clarity, each of the items excluded from or included in current assets or current liabilities, as the case may be, shall be determined as of 12:01 a.m. CET on 1 September 2010.

"***Notices***" has the meaning set forth in Section 12.

"***Notary***" means Mr. Ph.F. König, a civil-law notary (notaris) of Houthoff Buruma Coöperatief U.A., or his deputy, substitute or successor in office, and any other civil-law notary nominated by Purchaser and reasonably acceptable to the Seller Representative.

"***Open Source Materials***" has the meaning set forth in Section 4.11(n).

"***Options***" means options, warrants or other rights to subscribe for or purchase any ordinary shares or other equity interests of the Company or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire, any equity securities of the Company.

"***Order***" means any preliminary or permanent injunction or other order or decree of a Governmental Authority of competent jurisdiction.

"***Ordinary Course of Business***" means, with respect to a Person, an action taken by such Person if such action is recurring in nature, is consistent with the past practices of the Person and is taken in accordance with sound and prudent business practices and in the ordinary course of the normal day-to-day operations of the Person. For the avoidance of doubt, actions related to sales or acquisitions of Persons (whether by merger or stock, equity or asset purchase) will not be considered by the parties hereto to be in the Ordinary Course of Business.

"***Parent***" has the meaning set forth in the Preamble to this Agreement.

"***Patents***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***Permits***" means all federal, national, state, local, municipal or foreign permits, grants, easements, consents, approvals, authorizations, exemptions, licenses, franchises, certificates, or orders of, any Governmental Authority or any other Person, required for the Company or the Subsidiaries to own the Assets or conduct the business of the Company and the Subsidiaries as is now being conducted.

"***Permitted Liens***" means (a) Liens for Taxes not yet due and payable, (b) statutory Liens of landlords, carriers, warehousemen, mechanics and materialmen and other similar Liens imposed by Law in the Ordinary Course of Business for sums not yet due and payable, and (c) Liens as of the date hereof set forth on Schedule 4.9 and specifically identified, with the consent of Purchaser, as "Permitted Liens".

"***Permitted Use***" has the meaning set forth in Section 9.3.

"***Person***" means any individual, partnership, joint venture, corporation, trust, unincorporated organization, limited liability company, group, Governmental Authority, and any other person or entity.

"***Personal Property***" means all of the machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, spare parts, equity interests in or debt instruments of any Affiliate, and other tangible personal property which are owned or leased by the Company and/or its Subsidiaries and used in the conduct of the Company's and/or its Subsidiaries' business or the operations of the Company's business including the Personal Property identified on Schedule 4.10.

"***Preliminary WC***" means the Company's good faith estimate of Closing WC, based on the most recent month end combined balance sheet of the Company available to the Seller Representative at the time of its preparation of the Preliminary WC, with such other adjustments as the Seller Representative believes necessary to reflect its good faith estimate of changes from the date of such balance sheet to the Closing Date and be prepared in accordance with the procedures set forth in the definition of Net Working Capital.

"***Pro Rata Share***" means, with respect to a Seller, the aggregate number of Equity shares held by such Seller divided by the aggregate number of shares of Equity held by all of the Sellers, expressed as a percentage and set forth on Schedule 2.1(a).

"***Pro Rata Warranty Share***" means, with respect to a Seller, the percentage set forth on Schedule 2.1(b) which such Seller shall contribute to an indemnification payment to Purchaser pursuant to Sections 4 and 7 hereof.

"***Property Warranties***" means all of the Company's rights under any manufacturers', vendors' or other warranties relating to the Assets.

"***Purchase Price***" has the meaning set forth in Section 2.1.

"***Purchaser***" has the meaning set forth in the Preamble to this Agreement.

"***Purchaser Closing Certificate***" has the meaning set forth in Section 2.3(c).

"***Purchaser Parties***" has the meaning set forth in Section 7.1.

"***Reasonable Best Efforts***" means the efforts that a reasonably prudent Person would use to achieve a result as expeditiously as reasonably possible.

"***Reasonable Inquiry***" means the investigation that a reasonably prudent manager (or applicable Person) would conduct to determine the accuracy of such matter.

"***Representative***" means, with respect to a particular Person, any director, officer, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"***Sellers***" has the meaning set forth in the Preamble to this Agreement.

"***Sellers Dispute Notices***" has the meaning as set forth in Schedule 2.3(c).

"***Seller Parties***" has the meaning set forth in Section 6.2.

"***Seller Representative***" has the meaning set forth in the Preamble.

"***Severence Payments***" means the payments to be made by the Company pursuant to the Termination Agreements.

"***Share Equivalent Number***" means the sum of (a) the number of Equity shares issued and outstanding immediately prior to the consummation of the Closing and (b) the number of Equity shares underlying the Options that are outstanding immediately prior to the consummation of the Closing.

"***Software***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***Subscription Agreements***" has the meaning set forth in Section 3.2(j).

"***Subsidiary***" means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons will be allocated a majority of partnership, association or other business entity gains or losses or will be or control the managing director, managing member, general partner or other managing Person of such partnership, association or other business entity. Unless the context requires otherwise, each reference to a Subsidiary will be deemed to be a reference to a Subsidiary of the Company.

"***Target WC***" means EUR. 5,776,000

"***Tax***" means any federal, national, state, local, municipal or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer,

registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, personal property, capital stock, social security (or similar), pension, unemployment, disability, payroll, license, employee or other withholding, or other tax, of any kind whatsoever, including any interest, penalties or additions to tax or additional amounts in respect of the foregoing; it being understood that the foregoing will include any transferee or secondary liability for a Tax and any liability assumed or arising as a result of being, having been, or ceasing to be a member of any group of Persons affiliated or liable or deemed to be affiliated or liable for purposes of any Tax (or being included or required to be included in any Tax Return relating thereto) or as a result of any Tax indemnity, Tax sharing, Tax allocation or similar contract or arrangement.

"***Tax Return***" means any return, declaration, report, claim for refund, information return or other documents (including any related or supporting schedules, statements or information) filed or required to be filed in connection with the determination, assessment or collection of any Taxes of the Company or any Affiliate of the Company other than the Sellers or the administration of any Laws or administrative requirements relating to any Taxes.

"***Taxing Authority***" means any Governmental Authority with the power to levy or collect Taxes.

"***Termination Agreements***" has the meaning set forth in Section 3.2(h).

"***Third Party Account***" means the third party account of the Notary: Houthoff Buruma Derdengelden Notariaat Rotterdam, account number: 21.35.05.061 (IBAN: NL03FTSB0213505061).

"***Trademarks***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***Trade Secrets***" has the meaning set forth in the definition of Intellectual Property contained in this Schedule 1.

"***Transaction Documents***" means this Agreement and each duly executed and delivered agreement, instrument or document in a form attached hereto as an exhibit and any other agreements, certificates or instruments contemplated by this Agreement or any other Transaction Document, including the exhibits hereto and thereto.

Transaction Expenses" means the aggregate (as definitively and fully set out on Schedule 2.2) (a) all fees and expenses payable by the Company or Sellers in connection with the consummation of the transactions contemplated hereby (or incurred in connection with the transactions hereunder) including any of the foregoing payable to legal counsel, accountants, investment bankers, financial advisors, brokers, finders, or consultants plus (b) any transfer, sale, use, stamp, conveyance, value added, recording, registration, documentary, filing and other non-income Taxes and administrative and filing fees arising in connection with the consummation of the transaction contemplated by this Agreement and payable by the Company and/or its Subsidiaries or Sellers.

"***U.S. GAAP***" means generally accepted accounting principles in the United States of America.

(b) Certain Interpretive Matters. In this Agreement, unless the context otherwise requires: (i) words of the masculine or neuter gender include the masculine, neuter and/or feminine gender, and words in the singular number or in the plural number each include, as applicable, the singular number or the plural number, (ii) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity, (iii) any accounting term used and not otherwise defined in this Agreement or any Transaction Document has the meaning assigned to such term in accordance with IFRS, (iv) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding or succeeding such term, (v) reference to any Law means such Law as amended, modified codified or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, (vi) any agreement, instrument, insurance policy, statute, regulation, rule or order defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, insurance policy, statute, regulation, rule or order as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, regulations, rules or orders) by succession of comparable successor statutes, regulations, rules or orders and references to all attachments thereto and instruments incorporated therein, (vii) legal terms refer to Dutch legal concepts only, references to legal terms or concepts apply even where the concept referred to by such term does not exist outside the Netherlands, and if necessary shall include a reference to the term in that jurisdiction outside the Netherlands that most approximates the Dutch term, and (viii) except as otherwise indicated, all references in this Agreement to the underlined words "Section" and "Exhibit" are intended to refer to the Sections and Exhibits to this Agreement. All references in this Agreement to the underlined word "Schedule" refer to the Schedules or Sections of the Disclosure Schedule to this Agreement. The parties further acknowledge and agree that: (A) this Agreement is the result of negotiations between the parties and will not be deemed or construed as having been drafted by any one party, (B) each party and its counsel have reviewed and negotiated the terms and provisions of this Agreement (including any Exhibits and Disclosure Schedules attached hereto) and have contributed to its revision, (C) the rule of construction to the effect that any ambiguities are resolved against the drafting party will not be employed in the interpretation of this Agreement, and (D) the terms and provisions of this Agreement will be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

(c) Disclosure Schedules. The inclusion of any item in any part or section of the Disclosure Schedules shall not constitute an admission that a violation, right of termination, default, liability or other obligation of any kind exists with respect to such item, but rather is intended only to respond to certain representations and warranties in this Agreement and to set forth other information required by this Agreement. Also, the inclusion of any matter in the Disclosure Schedules does not constitute an admission as to its materiality as it relates to any provision of this Agreement. Information and disclosures contained in each section of the

Disclosure Schedules shall be deemed to be disclosed and incorporated by reference in each of the other sections of the Disclosure Schedules as though fully set forth in such other sections if its applicability is reasonably apparent to a third party. Except as expressly set forth in the Disclosure Schedules, the definitions contained in this Agreement are incorporated into the Disclosure Schedules.

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Magid M. Abraham, certify that:

1. I have reviewed this quarterly report on Form 10-Q of comScore, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

/s/ Magid M. Abraham
Magid M. Abraham, Ph.D.
President and Chief Executive Officer

Date: November 9, 2010

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Kenneth J. Tarpey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of comScore, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal controls over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

/s/ Kenneth J. Tarpey
Kenneth J. Tarpey
Chief Financial Officer

Date: November 9, 2010

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of comScore, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Magid M. Abraham, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Magid M. Abraham
Magid M. Abraham, Ph.D.
President and Chief Executive Officer

November 9, 2010

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of comScore, Inc. (the "Company") on Form 10-Q for the period ending September 30, 2010 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Kenneth J. Tarpey, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Kenneth J. Tarpey
Kenneth J. Tarpey
Chief Financial Officer

November 9, 2010