

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

COMSCORE, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7389
(Primary Standard Industrial
Classification Code Number)

54-1955550
(I.R.S. Employer
Identification Number)

11465 Sunset Hills Road
Suite 200
Reston, Virginia 20190
(703) 438-2000

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 8, 2007
PRELIMINARY PROSPECTUS

Shares



Common Stock

Prior to this offering, there has been no public market for our common stock. The initial public offering price of the common stock is expected to be between \$ and \$ per share. We have applied to list our common stock on The NASDAQ Global Market under the symbol "SCOR."

We are selling shares of common stock and the selling stockholders are selling shares of common stock. We will not receive any of the proceeds from the shares of common stock sold by the selling stockholders.

The underwriters have an option to purchase a maximum of additional shares from us and the selling stockholders to cover over-allotments of shares. The underwriters can exercise this right at any time within 30 days from the date of this prospectus.

Investing in our common stock involves risks. See "Risk Factors" on page 8.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to comScore	Proceeds to Selling Stockholders
Per Share	\$	\$	\$	\$
Total	\$	\$	\$	\$

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Delivery of the shares of common stock will be made on or about , 2007.

Credit Suisse

William Blair & Company

Deutsche Bank Securities

Friedman Billings Ramsey

Jefferies & Company

The date of this prospectus is , 2007

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You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

Dealer Prospectus Delivery Obligation

Until _____, 2007 (25 days after the commencement of this offering) all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

"comScore", "Media Metrix" and "MyMetrix" are registered trademarks in the U.S. and several other countries. Our unregistered trademarks and service marks include: "Ad Metrix", "Campaign R/F", "Campaign Metrix", "comScore Marketing Solutions", "Marketing Solutions", "Plan Metrix", "qSearch", "Video Metrix" and "World Metrix".

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before buying shares in this offering. Therefore, you should read this entire prospectus carefully, including the "Risk Factors" section beginning on page 8 and our consolidated financial statements and the related notes. Unless the context requires otherwise, the words "we," "us," "our" and "comScore" refer to comScore, Inc. and its consolidated subsidiaries.

comScore, Inc.

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 more than 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.

We deliver our digital marketing intelligence through our comScore Media Metrix product family and through comScore Marketing Solutions. 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 insights 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 Marketing Solutions products are typically delivered on a monthly, quarterly or ad hoc basis through electronic reports and analyses.

In 2006, we generated revenues of \$66.3 million and had cash flow from operations of \$10.9 million. We derive our revenues primarily from the fees that we charge for subscription-based products and customized projects. A significant characteristic of our business model is our large percentage of subscription-based contracts. Subscription-based revenues have grown to 75% of our total revenues in 2006. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in this prospectus for a discussion of how we determine subscription-based revenues.

Our Industry

The Internet is a global digital medium for commerce, content, advertising and communications. According to International Data Corporation, or IDC, the number of global Internet users is projected to grow from approximately 968 million in 2005 to over 1.7 billion in 2010. As the online population continues to grow, the Internet is increasingly becoming a tool for research and commerce and for distributing and consuming media.

The interactive nature of digital media on the Internet enables businesses to access a wealth of user information that was virtually unavailable through offline audience measurement and marketing intelligence techniques. Digital media provide businesses with the opportunity to measure detailed user activity, such as how users interact with Web page content; to assess how users respond to online marketing, such as which online ads users click on to pursue a transaction; and to analyze how audiences and user behavior compare

across various Web sites. This type of detailed user data can be combined with demographic, attitudinal and transactional information to develop a deeper understanding of user behavior, attributes and preferences.

We believe that the growth in the online and digital media markets for digital commerce, content, advertising and communications creates an unprecedented opportunity for businesses to acquire a deeper understanding of both their customers and their competitive market position. Businesses can use accurate, relevant and objective digital marketing intelligence to develop and validate key strategies and improve performance.

The comScore Digital Marketing Intelligence Platform

We provide a leading digital marketing intelligence platform that enables our customers to devise and implement more effective digital business strategies.

Key attributes of our platform include:

Panel of global Internet users. Our ability to provide digital marketing intelligence is based on information continuously gathered from a broad cross-section of more than 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.

Scalable technology infrastructure. We developed our databases and computational infrastructure to support the growth in online activity among our global Internet panel and the increasing complexity of digital content formats, advertising channels and communication applications. The design of our technology infrastructure is based on distributed processing and data capture environments that allow for the collection and organization of vast amounts of data on online activity.

Benefits of our platform include:

Advanced digital marketing intelligence. We use our proprietary technology to compile vast amounts of data on Internet user activity and to organize that data into discrete, measurable elements that can be used to provide actionable insights to our customers.

Objective third-party resource for digital marketing intelligence. We are an independent company that is not affiliated with the digital businesses we measure and analyze, allowing us to serve as an objective third-party provider of digital marketing intelligence.

Vertical industry expertise. We have developed expertise across a variety of industries to provide digital marketing intelligence specifically tailored to the needs of our customers operating in specific industry sectors. We have dedicated personnel to address the automotive, consumer packaged goods, entertainment, financial services, media, pharmaceutical, retail, technology, telecommunications and travel industries.

Ease of use and functionality. The comScore digital marketing intelligence platform is designed to be easy to use by our customers. Our products are primarily available through the Internet using a standard browser; our customers do not need to install additional hardware or software to access our products.

Our Strategy

Our objective is to be the leading provider of global digital marketing intelligence products. We plan to pursue our objective through internal initiatives and, potentially, through acquisitions and other investments. The principal elements of our strategy are to:

- deepen relationships with current customers;
- grow our customer base;
- expand our digital marketing intelligence platform;
- address emerging digital media;

- extend technology leadership;
- build brand awareness through media exposure; and
- grow internationally.

Risks Related to Our Business

Our business is subject to a number of risks that you should be aware of before making an investment decision. These risks are discussed more fully in the section entitled "Risk Factors" immediately following this prospectus summary. We have a limited operating history, and we must continue to retain and attract customers. We must be able to maintain an Internet user panel of sufficient size in order to provide the quality of marketing intelligence demanded by our customers. Although we were profitable in each quarter of 2006, we were not profitable in 2005, and we had, at December 31, 2006, an accumulated deficit of \$99.5 million.

Company Information

We incorporated in August 1999 in Delaware. Our principal offices are located at 11465 Sunset Hills Road, Suite 200, Reston, Virginia 20190. Our telephone number is (703) 438-2000. You can access our Web site at www.comscore.com. Information contained on our Web site is not part of this prospectus and is not incorporated in this prospectus by reference.

comScore, Media Metrix and MyMetrix are registered trademarks in the U.S. and several other countries. Our unregistered trademarks and service marks include: Ad Metrix, Campaign R/F, Campaign Metrix, comScore Marketing Solutions, Marketing Solutions, Plan Metrix, qSearch, Video Metrix and World Metrix.

The Offering

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Total common stock offered	shares
Common stock outstanding after this offering	shares

Use of proceeds We intend to use the net proceeds from this offering for working capital, for capital expenditures and for other general corporate purposes. We may also use a portion of our net proceeds to fund potential acquisitions. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders. See "Use of Proceeds."

Proposed NASDAQ Global Market symbol SCOR

Risk factors See "Risk Factors" and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

The number of shares of common stock that will be outstanding after this offering is based on 108,025,682 shares outstanding as of December 31, 2006 and excludes:

- 13,619,700 shares of common stock issuable upon exercise of options outstanding at a weighted-average exercise price of \$0.40 per share;
- 5,316,147 shares of common stock reserved for future issuance under our 1999 Stock Plan;
- 7,000,000 shares of common stock reserved for future issuance under our 2007 Equity Incentive Plan, which will be effective upon completion of this offering;
- 100,000 shares of common stock issuable upon the exercise of a warrant, which warrant shall terminate if not exercised prior to this offering, at an exercise price of \$1.00 per share; and
- 775,923 shares of common stock issuable upon the exercise of warrants, which total includes warrants for our preferred stock that will become exercisable for common stock after this offering, at a weighted-average exercise price of \$0.96 per share.

Unless otherwise indicated, all information in this prospectus assumes:

- a -for- reverse split of our common stock that will occur prior to the consummation of this offering;
- the conversion, in accordance with our certificate of incorporation, of all our shares of outstanding preferred stock into shares of our common stock;
- no exercise by the underwriters of their option to purchase up to additional shares to cover over-allotments, consisting of shares to be purchased from us and shares to be purchased from the selling stockholders; and
- the adoption of our amended and restated certificate of incorporation and bylaws that will occur immediately prior to the consummation of this offering.

Summary Historical Financial Data

You should read the summary historical financial data set forth below in conjunction with our consolidated financial statements, the notes to our consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained elsewhere in this prospectus. The consolidated statements of operations data and the consolidated statements of cash flows data for each of the three years ended December 31, 2004, 2005 and 2006 as well as the consolidated balance sheet data as of December 31, 2005 and 2006 are derived from our audited consolidated financial statements that are included elsewhere in this prospectus. Our historical results are not necessarily indicative of results to be expected for future periods.

	Year Ended December 31,		
	2004	2005	2006
	(In thousands)		
Consolidated Statement of Operations Data:			
Revenues	\$ 34,894	\$ 50,267	\$ 66,293
Cost of revenues(1)	13,153	18,218	20,560
Selling and marketing(1)	13,890	18,953	21,473
Research and development(1)	5,493	7,416	9,009
General and administrative(1)	4,982	7,089	8,293
Amortization	356	2,437	1,371
Total expenses from operations	37,874	54,113	60,706
(Loss) income from operations	(2,980)	(3,846)	5,587
Interest (expense) income, net	(246)	(208)	231
(Loss) gain from foreign currency	—	(96)	125
Revaluation of preferred stock warrant liabilities	—	(14)	(224)
(Loss) income before income taxes and cumulative effect of change in accounting principle	(3,226)	(4,164)	5,719
(Benefit) provision for income taxes	—	(182)	50
Net (loss) income before cumulative effect of change in accounting principle	(3,226)	(3,982)	5,669
Cumulative effect of change in accounting principle	—	(440)	—
Net (loss) income	(3,226)	(4,422)	5,669
Accretion of redeemable preferred stock	(2,141)	(2,638)	(3,179)
Net (loss) income attributable to common stockholders	\$ (5,367)	\$ (7,060)	\$ 2,490

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

	Year Ended December 31,		
	2004	2005	2006
	(In thousands)		
Cost of revenues	\$ —	\$ —	\$ 12
Selling and marketing	—	—	82
Research and development	—	—	13
General and administrative	14	3	91

The following table presents consolidated balance sheet data as of December 31, 2006:

- on an actual basis without any adjustments to reflect subsequent or anticipated events;
- on a pro forma basis reflecting (i) the conversion of all outstanding shares of our Series A, Series B, Series C, Series C-1, Series D and Series E preferred stock into an aggregate of 86,286,697 shares of our common stock effective immediately prior to the completion of this offering, for a total of 108,025,682 shares of common stock, which amount includes 1,738,172 shares subject to put and (ii) the reclassification of our preferred stock warrant liabilities from current liabilities to additional paid in capital effective upon the completion of this offering; and
- on a pro forma as adjusted basis reflecting the conversion and reclassification described above and the receipt by us of the net proceeds from the sale of shares of common stock in this offering at an assumed initial public offering price of \$ per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	As of December 31, 2006		
	Actual	Pro Forma (In thousands)	Pro Forma as Adjusted
Consolidated Balance Sheet Data:			
Cash, cash equivalents and short-term investments	\$ 16,032	\$ 16,032	
Total current assets	31,493	31,493	
Total assets	42,087	42,087	
Total current liabilities	32,880	31,875	
Capital lease obligations, long-term	2,261	2,261	
Common stock subject to put	4,357	4,357	
Redeemable preferred stock	101,695	—	
Stockholders' equity (deficit)	(99,557)	3,143	

	Year Ended December 31,		
	2004	2005 (In thousands)	2006
Consolidated Statement of Cash Flows Data:			
Net cash provided by operating activities	\$ 1,907	\$ 4,253	\$ 10,905
Depreciation and amortization	2,745	5,123	4,259
Capital expenditures	1,208	1,071	2,314

Year Ended December 31,		
2004	2005	2006
(In thousands)		

Other Financial and Operating Data (unaudited):

Adjusted EBITDA(2)	\$ (221)	\$ 730	\$ 9,945
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(2) We define Adjusted EBITDA as net income plus the (benefit) provision for income taxes, depreciation, amortization of purchased intangible assets and stock-based compensation; plus interest expense (income) and other income. Adjusted EBITDA is not a measure of liquidity calculated in accordance with GAAP, and should be viewed as a supplement to — not a substitute for — our results of operations presented on the basis of GAAP. Adjusted EBITDA does not purport to represent cash flow provided by, or used in, operating activities as defined by GAAP. Our statement of cash flows presents our cash flow activity in accordance with GAAP. Furthermore, Adjusted EBITDA is not necessarily comparable to similarly-titled measures reported by other companies.

We prepare Adjusted EBITDA to eliminate the impact of items that we do not consider indicative of our core operating performance. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. Our presentation of Adjusted EBITDA should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance for the following reasons:

- Adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, and stock-based compensation, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired;
- analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in our industry;
- we believe Adjusted EBITDA is an important indicator of our operational strength and the performance of our business because it provides a link between profitability and operating cash flow. Although our cash flow from operations presented is a similar measure, Adjusted EBITDA is a better measure of our true operating results because it adjusts for the effects of collections of receivables, disbursements of payables, and other factors that are influenced by seasonal conditions; and
- prior to January 1, 2006, we accounted for stock-based compensation plans under the recognition and measurement provisions of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations, as permitted by Statement of Financial Accounting Standards (SFAS) No. 123, *Accounting for Stock-Based Compensation*. In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), *Share-Based Payment* (SFAS 123R), which is a revision of SFAS No. 123. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their estimated fair values. Pro forma disclosure is no longer an alternative permitted under SFAS 123R. We adopted the provisions of SFAS 123R on January 1, 2006, using the prospective method. Unvested stock-based awards issued to employees prior to January 1, 2006, the date that we adopted the provisions of SFAS 123R, were accounted for at the date of adoption using the intrinsic value method originally applied to those awards. We recorded approximately \$198,000 in stock-based compensation expense subsequent to the adoption of SFAS 123R for the fiscal year ended December 31, 2006 as compared with approximately \$14,000 and \$3,000 for the years ended December 31, 2004 and 2005, respectively, prior to the adoption of SFAS 123R. By comparing our Adjusted EBITDA our investors can evaluate our operating results without the additional variations of stock compensation expense, which is not necessarily comparable from year to year due to the change in accounting treatment and is a non-cash expense that is not a primary measure of our operations.

Our management uses Adjusted EBITDA:

- as a measure of operating performance, because it does not include the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our annual operating budget;
- to allocate resources to enhance the financial performance of our business;
- as a metric for evaluating the performance of Dr. Magid M. Abraham, our Chief Executive Officer, and Mr. Gian M. Fulgoni, our Executive Chairman of the Board of Directors. The Company uses Adjusted EBITDA as a quantitative metric for setting both Dr. Abraham and Mr. Fulgoni's respective salaries and bonuses. In addition, option grants held by both Dr. Abraham and Mr. Fulgoni include vesting which can be accelerated upon achieving certain targets tied to EBITDA;
- to evaluate the effectiveness of our business strategies; and
- in communications with our board of directors, stockholders, analysts and investors concerning our financial performance.

We understand that although Adjusted EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of, our results of operations as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or other contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, related to our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

A reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure, for each of the fiscal periods indicated is as follows:

	Year Ended December 31,		
	2004	2005 (In thousands)	2006
Net (loss) income	\$ (3,226)	\$ (4,422)	\$ 5,669
(Benefit) provision for income taxes	—	(182)	50
Amortization	356	2,437	1,371
Depreciation	2,389	2,686	2,888
Stock-based compensation	14	3	198
Interest expense (income), net	246	208	(231)
Adjusted EBITDA	<u>\$ (221)</u>	<u>\$ 730</u>	<u>\$ 9,945</u>

RISK FACTORS

An investment in our common stock offered by this prospectus involves a substantial risk of loss. You should carefully consider these risk factors, together with all of the other information included in this prospectus, 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

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

We believe that the quality, size and scope of our Internet user panel are critical to our business. There can be no assurance, however, that we will be able to maintain a panel 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, 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. 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.

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;
- 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 mix of subscription-based versus project-based revenues;
- the impact on our contract renewal rates, in particular for our subscription-based products, caused by our customers’ budgetary constraints, competition, customer dissatisfaction 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;
- 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;
- adverse judgments or settlements in legal disputes;
- the timing of costs related to the development or acquisition of technologies, services or businesses to support our existing customer base and potential growth opportunities; 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. You should not rely on the results of prior quarters as an indication of future performance.

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. 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, either of which could adversely affect our business and operating results.

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 China; 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.

We have incurred significant losses in recent periods, including net losses of \$3.2 million and \$4.4 million in 2004 and 2005, respectively. Although we achieved net income of \$5.7 million in 2006, we cannot assure you that we will continue to sustain or increase profitability in the future. As of December 31, 2006, we had an accumulated deficit of \$99.5 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.

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 cause errors in our data collection and analysis systems. Any defect in our panelist data collection software, network systems, statistical projections or other methodologies could result in:

- 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.

Any material defect or error in our data collection systems could adversely affect our reputation and operating results.

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

If the information that we provide to our customers or the media 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 may contain inaccuracies. Any dissatisfaction by our customers or the media with our digital marketing intelligence, measurement or data collection and statistical projection methodologies 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.

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 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 2002, we integrated our existing methodologies with those of Jupiter Media Metrix, which we had recently acquired. As part of this process, we discontinued reporting certain metrics. Some customers were dissatisfied and either terminated their subscriptions or failed to renew their subscriptions because of these changes. Future changes to our methodologies or the information we collect may cause similar customer dissatisfaction and result in loss of customers.

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.

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' online behavior, including Compete Inc., Hitwise Pty. Ltd and NetRatings, Inc.;
- online advertising companies that provide measurement of online ad effectiveness, including aQuantive, Inc., DoubleClick Inc., 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 Arbitron Inc., Nielsen Media Research, Inc. and Taylor Nelson Sofres plc;
- analytical services companies that provide customers with detailed information of behavior on their own Web sites, including Omniture, Inc., WebSideStory, Inc. and WebTrends Corporation;
- full-service market research firms and survey providers that may measure online behavior and attitudes, including Harris Interactive Inc., Ipsos Group, Taylor Nelson Sofres plc and The Nielsen Company; and
- specialty information providers for certain industries that we serve, including IMS Health Incorporated (healthcare) and Telephia, Inc. (telecommunications).

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. 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.

Concern over spyware and privacy, including any violations of privacy laws or perceived misuse of personal information, could cause public relations problems and could impair our ability to recruit panelists or maintain a panel 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 use of personal information may create negative public reaction related to our business practices. Public concern has increased recently 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, or to the extent that new anti-spyware programs classify our software as spyware or as a potential spyware application, our brand may be harmed and users of these programs may uninstall our software. Any resulting reputational harm 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 if a third party were to gain unauthorized access to the personally identifiable 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. For example, California law requires companies that maintain data on California residents to inform individuals of any security breaches that result in their personal information being stolen. 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.

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

We have experienced significant growth in recent periods. We have substantially expanded our overall business, customer base, headcount, data collection and processing infrastructure and operating procedures as our business has grown. We increased our total number of full time employees from 176 employees as of December 31, 2003 to 377 employees as of December 31, 2006, and we expect to continue to expand our workforce to meet our strategic objectives. In addition, during this same period, we made substantial investments in our network infrastructure operations as a result of our growth. We believe that we will need to continue to effectively manage and expand our organization, operations and facilities in order to accommodate our expected future growth. If we continue to grow, our current systems and facilities may not be adequate. Our need to effectively manage our operations and growth 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 growth, our business may be impaired.

If the Internet advertising and eCommerce markets develop slower 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. 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. 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. Because of the foregoing factors, among others, the market for Internet advertising and eCommerce may not continue to grow at significant rates. If these markets do not continue to develop, or if they develop slower 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 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 years ended December 31, 2004, 2005 and 2006, we derived over 38%, 41% and 39%, respectively, of our total revenues from our top 10 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 years ended December 31, 2004, 2005 and 2006, we derived approximately 5%, 14% and 12%, respectively,

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.

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 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.

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 plan to continue to expand 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. 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.

We have limited experience with respect to our pricing model, and if the prices 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 prices for our products that our existing and potential customers will find acceptable. 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 at the prices we have historically charged. As a result, it is possible that future competitive dynamics in our market may require us to reduce our prices, which could have an adverse effect on our revenues, profitability and operating results.

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 70% and 75% of our revenues in 2005 and 2006, respectively. However, 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 you that current subscriptions will be renewed at the same or higher price levels, 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 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. We have limited historical data with respect to rates of customer subscription renewals, so we cannot accurately predict 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 prices or functionality of our products, the prices or functionality of products offered by our competitors, mergers and acquisitions affecting our customer base or reductions in our customers' spending levels.

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 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, 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 offline activities of our panelists. The availability and accuracy of these data is important to the continuation and development of our products that link online activity to offline purchases. 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 on October 3, 2008, if not renewed, and our agreement for our data center facility located in Illinois expires on April 28, 2008, 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.

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.

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.

We have very 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;
- 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;
- 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 or that we will be able to recruit a representative sample for our audience measurement 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 recently taken steps 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 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, online publishers and advertisers have recently started to use Asynchronous JavaScript and XML, or AJAX, a development technique that allows Web applications to quickly make incremental updates without having to refresh the entire Web page. AJAX may make page views a less useful metric for measuring the usage and effectiveness of online media. If our products are not effective at addressing evolving customer needs that result from increased AJAX usage, our business may be harmed. Similarly, technological advances in the handheld device industry may lead to changes in our customers' requirements. 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 our software 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. 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 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 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 one issued patent, 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, 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, including those of Utah and California, 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. 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 or decrease the amount and utility of the information that we would be permitted to collect. 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.

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. On April 19, 2007, we received a letter from the IAB, citing discrepancies between our audience measurement data, those of our competitors and those provided by the server logs of IAB's member organizations. In its letter, the IAB asked us to submit to an independent audit and accreditation process of our audience measurement systems and processes.

Any standards adopted by the IAB or similar organizations 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, 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 need additional personnel to grow our business, and 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.

We may expand through investments in, or acquisitions of, other companies, any of which may not be successful and may divert our management's attention.

Our business strategy may include 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 companies.

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; 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.

Changes in, or interpretations of, accounting rules and regulations, including recent rules and regulations regarding expensing of stock options, 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 this prospectus.

On December 16, 2004, the FASB issued SFAS No. 123R (revised 2004), *Share-Based Payment*, which is a revision of SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS No. 123R). SFAS No. 123R supersedes APB Opinion No. 25, *Accounting for Stock Issued to Employees*, and amends SFAS No. 95, *Statement of Cash Flows*. Generally, the approach in SFAS No. 123R is similar to the approach described in SFAS No. 123. However, SFAS No. 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. We were required to adopt SFAS No. 123R on January 1, 2006, and have adopted it as of that date.

As permitted by SFAS No. 123, we accounted for share-based payments to employees through December 31, 2005 using APB Opinion No. 25's intrinsic value method and, as such, generally recognized no compensation cost for employee stock options. Accordingly, the adoption of SFAS No. 123R's fair value method has had a significant impact on the presentation of our results of operations, although it has not impacted our overall financial position. The long-term impact of adoption of SFAS No. 123R cannot be predicted at this time because it will depend on levels of share-based payments granted in the future and the assumptions for the variables which impact the computation of the fair value of any such grants.

Historically, we have used stock options as part of our compensation programs to motivate and retain existing employees and to attract new employees. Because we are now required to expense stock options, we may choose to reduce our reliance on stock options as part of our compensation packages. If we reduce our use of stock options, it may be more difficult for us to retain and attract qualified employees. If we do not reduce our use of stock options, our expenses in future periods may increase. Beginning in 2007, we expect to make use of restricted stock awards and reduce our use of stock options as a form of stock-based compensation, but we cannot be certain whether or how our stock-based compensation policy will change in the future.

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 for each year beginning with the year ending December 31, 2008. That report must include management's assessment of the effectiveness of our internal control over financial reporting as of the end of that and each subsequent fiscal year. Additionally, our independent registered public accounting firm will be required to issue a report on management's assessment of our internal control over financial reporting and 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. In addition, we cannot assure you that we will be able to complete the work necessary for our management to issue its management report in a timely manner, or that we will be able to complete any work required for our management to be able to conclude that our internal control over financial reporting is operating effectively. 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 as of December 31, 2008. 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 experienced “changes in control” that have triggered the limitations of Section 382 of the Internal Revenue Code on our net operating loss carryforwards. As a result, we may be limited in the portion of net operating loss carryforwards that we can use in the future to offset taxable income for U.S. Federal income tax purposes.

At December 31, 2006, we had both federal and state net operating loss carryforwards of approximately \$81.2 million each which are available to offset future taxable income. The federal net operating loss carryforwards will begin to expire in 2020. The state net operating loss carryforwards began to expire in 2006.

In addition, at December 31, 2005 and 2006, we had net operating loss carryforwards for tax purposes related to our foreign subsidiaries of \$966,000 and \$703,000, respectively, which begin to expire in 2010.

In 2006, deferred tax assets, before valuation allowance, decreased approximately \$2.4 million due to our use of net operating loss carryforwards to offset taxable income.

We periodically assess the likelihood that we will be able to recover our deferred tax assets. 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 profits. As a result of this analysis of all available evidence, both positive and negative, we concluded that a full valuation allowance against deferred tax assets should be applied as of December 31, 2006. To the extent we determine that all or a portion of our valuation allowance is no longer necessary, we will recognize an income tax benefit in the period such determination is made for the reversal of the valuation allowance. Once the valuation allowance is eliminated or reduced, its reversal will no longer be available to offset our current tax provision. 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.

Risks Related to this Offering

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

Before this offering, there was no public trading market for our common stock, and we cannot assure you that one will develop or be sustained after this offering. If a market does not 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 initial public offering price for our common stock will be determined through our negotiations with the underwriters, and may not bear any relationship to the market price at which our common stock will trade after this offering or to any other established criteria of the value of our business. The price of our common stock that will prevail in the market after this offering 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 securities 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. The public trading price for our common stock after this offering will be affected by a number of factors, including:

- 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 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 addition, the stock prices of many technology companies have experienced wide fluctuations that have often been unrelated to the operating performance of those companies.

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.

Our stock price could decline due to the large number of outstanding shares of our common stock eligible for future sale.

Sales of substantial amounts of our common stock in the public market following this offering, or the perception that these sales could occur, could cause the market price of our common stock to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem appropriate.

Upon completion of this offering, we will have _____ outstanding shares of common stock, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options or warrants after _____, 2007. The _____ shares sold pursuant to this offering will be immediately tradable without restriction. Of the remaining shares:

- _____ shares will be eligible for sale immediately upon completion of this offering, subject in some cases to volume and other restrictions of Rule 144 and Rule 701 under the Securities Act;
- _____ shares will be eligible for sale upon the expiration of lock-up agreements, subject in some cases to volume and other restrictions of Rule 144 and Rule 701 under the Securities Act; and
- _____ shares will be eligible for sale upon the exercise of vested options after the expiration of the lock-up agreements.

The lock-up agreements expire 180 days after the date of this prospectus, provided that the 180-day period may be extended in certain cases for up to 34 additional days under certain circumstances where we announce or pre-announce earnings or a material event within approximately 17 days prior to, or approximately 16 days after, the termination of the 180-day period. Credit Suisse Securities (USA) LLC may, in its sole discretion and at any time without notice, release all or any portion of the securities subject to lock-up agreement. After the closing of this offering, we intend to register approximately _____ shares of common stock that have been reserved for future issuance under our stock incentive plans.

Insiders will continue to have substantial control over us after this offering, which could limit your ability to influence the outcome of key transactions, including a change of control.

Our directors, executive officers and each of our stockholders who own greater than 5% of our outstanding common stock and their affiliates, in the aggregate, will beneficially own approximately _____ % of the outstanding shares of our common stock after this offering. As a result, these stockholders, if acting together, would be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers, acquisitions or other extraordinary transactions. They may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentration of ownership may have the effect of delaying, preventing or deterring a change of control of our company, could

deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and might affect the market price of our common stock.

Our management will have broad discretion over the use of the proceeds from this offering and may not apply the proceeds of this offering in ways that increase the value of your investment.

Our management will have broad discretion to use the net proceeds we receive from this offering, and you will be relying on its judgment regarding the application of these proceeds. We expect to use the net proceeds from this offering for general corporate purposes, which may include working capital, capital expenditures, other corporate expenses and potential acquisitions of complementary products, technologies or businesses. We have not allocated these net proceeds for any specific purposes. However, management may not apply the net proceeds of this offering in ways that increase the value of your investment.

If you purchase shares of our common stock in this offering, you will experience substantial and immediate dilution.

If you purchase shares of our common stock in this offering, you will experience substantial and immediate dilution of \$ per share based on an assumed initial public offering price of \$ per share, the mid-point of the range shown on the cover of this prospectus, because the price that you pay will be substantially greater than the net tangible book value per share of the common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares of our capital stock. You will experience additional dilution upon the exercise of options to purchase common stock under our equity incentive plans, if we issue restricted stock to our employees under these plans or if we otherwise issue additional shares of our common stock. See "Dilution."

We will 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 will 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 will need to devote a substantial amount of time to public reporting requirements and corporate governance. We expect these rules and regulations to significantly increase our legal and financial compliance costs and to make some activities more time-consuming and costly. We will also incur additional costs associated with our public company reporting requirements. We are unable to currently estimate these costs with any degree of certainty. If these costs are not offset by increased revenues and improved financial performance, our operating results would be adversely affected. We also expect these rules and regulations to 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. 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:

- establish 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
- establish 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This prospectus, including the sections entitled “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business,” contains 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, 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 “Risk Factors.” 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,” “might,” “would,” “continue” or the negative of these terms or other comparable terminology. These statements are only predictions. Actual events 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 SEC, we do not plan to publicly update or revise any forward-looking statements after we distribute this prospectus, whether as a result of any new information, future events or otherwise. 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 prospectus 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.

This prospectus also contains estimates and other information concerning our industry, including market size and growth rates of the markets in which we participate, that are based on industry publications, surveys and forecasts, including those generated by Forrester Research, IDC, JupiterResearch, Infonetics, the Internet Advertising Bureau and PricewaterhouseCoopers. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. These industry publications, surveys and forecasts generally indicate that their information has been obtained from sources believed to be reliable. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in “Risk Factors.” These and other factors could cause actual results to differ materially from those expressed in these publications, surveys and forecasts.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the _____ shares of our common stock that we are selling in this offering will be approximately \$ _____ million, based on an assumed initial public offering price of \$ _____ per share, the mid-point of the range on the front cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses. If the underwriters' over-allotment option is exercised in full, we estimate that we will receive additional net proceeds of approximately \$ _____ million. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.

The principal purposes of this offering are to create a public market for our common stock and to facilitate our future access to the public equity markets, as well as to obtain additional capital.

Except as discussed below, we currently have no specific plans for the use of a significant portion of the net proceeds of this offering. However, we anticipate that we will use the net proceeds from this offering for general corporate purposes, which may include working capital, capital expenditures, other corporate expenses and acquisitions of complementary products, technologies or businesses. We expect to use approximately \$4 million of the net proceeds for capital expenditures related to computer hardware and equipment as well as office improvements. We currently have no agreements or commitments with respect to acquisitions of complementary products, technologies or businesses. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations and the anticipated growth of our business. Pending these uses, we intend to invest the net proceeds of this offering primarily in short-term, investment-grade, interest-bearing instruments.

If we were to price the offering at \$ _____ per share, the low end of the range on the cover of this prospectus, we estimate that we would receive net proceeds of \$ _____ million, assuming the total number of shares offered by us remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If we were to price the offering at \$ _____ per share, the high end of the range on the cover of this prospectus, then we estimate that we would receive net proceeds of \$ _____ million, assuming the total number of shares offered by us remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

DIVIDEND POLICY

We have never declared or paid any dividends on our capital stock. We anticipate that we will retain any earnings to support operations and to finance the growth and development of our business. Accordingly, we do not expect to pay cash dividends on our common stock in the foreseeable future.

CAPITALIZATION

The following table sets forth our capitalization as of December 31, 2006:

- on an actual basis without any adjustments to reflect subsequent or anticipated events;
- on a pro forma basis reflecting (i) the conversion of all outstanding shares of our Series A, Series B, Series C, Series C-1, Series D and Series E preferred stock into an aggregate of 86,286,697 shares of our common stock effective immediately prior to the completion of this offering, for a total of 108,025,682 shares of common stock, which amount includes 1,738,172 shares subject to put and (ii) the reclassification of our preferred stock warrant liabilities from current liabilities to additional paid in capital effective upon the completion of this offering; and
- on a pro forma as adjusted basis reflecting the conversion and reclassification described above and the receipt by us of the net proceeds from the sale of shares of common stock in this offering at an assumed initial public offering price of \$ per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of December 31, 2006	
	Actual	Pro Forma as Adjusted
	(In thousands, except share data)	
Preferred stock warrant liabilities	1,005	—
Redeemable preferred stock, \$0.001 par value, 73,673,224 shares authorized; 71,829,471 shares issued and outstanding actual; no shares issued or outstanding pro forma and pro forma as adjusted	101,695	—
Common stock subject to put right, 1,738,172 shares outstanding	4,357	4,357
Stockholders’ equity (deficit):		
Common stock, \$0.001 par value; 130,000,000 shares authorized, 20,000,813 shares issued and outstanding actual; 150,000,000 shares authorized, 106,287,510 shares issued and outstanding pro forma and shares issued and outstanding pro forma as adjusted	20	106
Additional paid-in capital	—	102,614
Accumulated other comprehensive loss	(75)	(75)
Accumulated deficit	(99,502)	(99,502)
Total stockholders’ equity (deficit)	(99,557)	3,143
Total capitalization	\$ 7,500	\$ 7,500

The table above excludes, as of December 31, 2006:

- 13,619,700 shares of common stock issuable upon exercise of options outstanding at a weighted-average exercise price of \$0.40 per share;
- 5,316,147 shares of common stock reserved for future issuance under our 1999 Stock Plan;
- 7,000,000 shares of common stock reserved for future issuance under our 2007 Equity Incentive Plan, which will be effective upon completion of this offering;
- 100,000 shares of common stock issuable upon the exercise of a warrant, which warrant shall terminate if not exercised prior to this offering, at an exercise price of \$1.00 per share; and

- 775,923 shares of common stock issuable upon the exercise of warrants, which total includes warrants for our preferred stock that will become exercisable for common stock after this offering, at a weighted-average exercise price of \$0.96 per share.

A \$1.00 decrease or increase in the offering price would result in an approximately \$ million increase or decrease in each of as adjusted cash and cash equivalents, as adjusted additional paid-in capital, as adjusted total stockholders' equity and as adjusted total capitalization, assuming the total number of shares offered by us remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

DILUTION

If you invest in our common stock, your interest will be diluted to the extent of the difference between the public offering price per share of our common stock and the pro forma as adjusted net tangible book value per share of our common stock after this offering. Our pro forma net tangible book value as of December 31, 2006 was \$5.2 million, or \$0.05 per share of common stock. Pro forma net tangible book value per share represents total tangible assets less total liabilities, divided by the number of shares of common stock outstanding after giving effect to the conversion of all outstanding shares of our Series A, Series B, Series C, Series C-1, Series D and Series E preferred stock into an aggregate of 86,286,697 shares of our common stock effective immediately prior to the completion of this offering, for a total of 108,025,682 shares of common stock outstanding on December 31, 2006, which amount includes 1,738,172 shares subject to put. After giving effect to the sale by us of _____ shares of our common stock in this offering at the assumed initial public offering price of \$ _____ per share, the mid-point of the range on the front cover of this prospectus, and after deducting the underwriting discounts and commissions and our estimated offering expenses, our pro forma as adjusted net tangible book value as of December 31, 2006 would have been \$ _____ million, or \$ _____ per share. This represents an immediate increase in net tangible book value of \$ _____ per share to our existing stockholders and an immediate dilution of \$ _____ per share to our new investors purchasing shares of common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share	\$ _____
Pro forma net tangible book value per share as of December 31, 2006	\$ 0.05
Increase in pro forma net tangible book value per share attributable to this offering per share to existing investors	_____
Pro forma as adjusted net tangible book value per share after this offering	_____
Dilution per share to new investors	\$ _____

The following table sets forth as of December 31, 2006, on a pro forma as adjusted basis, the differences between the number of shares of common stock purchased from us, the total consideration paid, and the average price per share paid by existing stockholders and new investors purchasing shares of our common stock in this offering based on an assumed initial public offering price of \$ _____ per share, the mid-point of the range on the front cover of this prospectus, and before deducting underwriting discounts and commissions and estimated offering expenses.

	Shares Purchased		Total Consideration		Average Price
	Number	Percent	Amount	Percent	per Share
Existing stockholders	108,025,682	%	\$ 88,752,479	%	\$ 0.82
New investors	_____	_____	_____	_____	_____
Total	_____	100.0%	\$ _____	100.0%	\$ _____

If the underwriters exercise their over-allotment option in full, the percentage of shares of common stock held by existing stockholders will decrease to approximately _____ % of the total number of shares of our common stock outstanding after this offering, and the number of shares held by new investors will be increased to _____, or approximately _____ % of the total number of shares of our common stock outstanding after this offering.

A \$1.00 decrease in the assumed offering price would decrease our net tangible book value after this offering by \$ _____ million and dilution in net tangible book value per share to new investors by \$ _____, assuming the total number of shares offered by us remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A \$1.00 decrease in the assumed offering price would decrease each of total consideration paid by new investors in the offering and total consideration paid by all stockholders by \$ _____ million, assuming the total number of shares offered by us remains the same and before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A \$1.00 increase in the assumed offering price would increase our net tangible book value after this offering by \$ million and dilution in net tangible book value per share to new investors by \$, assuming the total number of shares offered by us remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. A \$1.00 increase in the assumed offering price would increase each of total consideration paid by new investors in the offering and total consideration paid by all stockholders by \$ million, assuming the total number of shares offered by us remains the same and before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The table above excludes, as of December 31, 2006:

- 13,619,700 shares of common stock issuable upon exercise of options outstanding at a weighted-average exercise price of \$0.40 per share;
- 5,316,147 shares of common stock reserved for future issuance under our 1999 Stock Plan;
- 7,000,000 shares of common stock reserved for future issuance under our 2007 Equity Incentive Plan, which will be effective upon completion of this offering;
- 100,000 shares of common stock issuable upon the exercise of a warrant, which warrant shall terminate if not exercised prior to this offering, at an exercise price of \$1.00 per share; and
- 775,923 shares of common stock issuable upon the exercise of warrants, which total includes warrants for our preferred stock that will become exercisable for common stock after this offering, at a weighted-average exercise price of \$0.96 per share.

Assuming the exercise of all options and warrants outstanding as of December 31, 2006, the effects would be as follows:

- pro forma as adjusted net tangible book value per share after this offering would decrease from \$ to \$, resulting in additional dilution to new investors of \$ per share;
- our existing stockholders, including the holders of these options and warrants, would own %, and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering; and
- our existing stockholders, including the holders of these options and warrants, would have paid % of the total consideration, at an average price per share of \$, and our new investors would have paid % of the total consideration.

SELECTED CONSOLIDATED FINANCIAL DATA

You should read the selected consolidated financial data set forth below in conjunction with our consolidated financial statements, the notes to our consolidated financial statements and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained elsewhere in this prospectus.

The consolidated statements of operations data and the consolidated statements of cash flows data for the years ended January 31, 2003 and December 31, 2003 as well as the consolidated balance sheet data as of January 31, 2003 and December 31, 2003 and 2004 are derived from our audited consolidated financial statements not included in this prospectus. The consolidated statements of operations data and the consolidated statements of cash flows data for each of the three years ended December 31, 2004, 2005 and 2006 as well as the consolidated balance sheet data as of December 31, 2005 and 2006 are derived from our audited consolidated financial statements that are included elsewhere in this prospectus. In 2003, we changed our fiscal year to the twelve months ended December 31. The year ended January 31, 2003 and the year ended December 31, 2003 in the table below both include the results of operations for the month ended January 31, 2003. The pro forma basic net income per share data are unaudited and give effect to the conversion into common stock of all outstanding shares of our Series A, Series B, Series C, Series C-1, Series D and Series E preferred stock from their dates of original issuance. Our historical results are not necessarily indicative of results to be expected for future periods.

	Year Ended	Year Ended December 31,			
	January 31,	(In thousands, except share and per share data)			
	2003	2003	2004	2005	2006
Consolidated Statement of Operations Data:					
Revenues	\$ 15,400	\$ 23,355	\$ 34,894	\$ 50,267	\$ 66,293
Cost of revenues(1)	14,925	15,671	13,153	18,218	20,560
Selling and marketing(1)	9,134	11,677	13,890	18,953	21,473
Research and development(1)	6,172	5,444	5,493	7,416	9,009
General and administrative(1)	4,431	4,124	4,982	7,089	8,293
Amortization	562	772	356	2,437	1,371
Total expenses from operations	35,224	37,688	37,874	54,113	60,706
(Loss) income from operations	(19,824)	(14,333)	(2,980)	(3,846)	5,587
Interest (expense) income, net	(885)	(595)	(246)	(208)	231
(Loss) gain from foreign currency	—	—	—	(96)	125
Revaluation of preferred stock warrant liabilities	—	—	—	(14)	(224)
(Loss) income before income taxes and cumulative effect of change in accounting principle	(20,708)	(14,928)	(3,226)	(4,164)	5,719
(Benefit) provision for income taxes	—	—	—	(182)	50
Net (loss) income before cumulative effect of change in accounting principle	(20,708)	(14,928)	(3,226)	(3,982)	5,669
Cumulative effect of change in accounting principle	—	—	—	(440)	—
Net (loss) income	(20,708)	(14,928)	(3,226)	(4,422)	5,669
Accretion of redeemable preferred stock	(2,216)	(2,476)	(2,141)	(2,638)	(3,179)
Net (loss) income attributable to common stockholders	\$ (22,924)	\$ (17,404)	\$ (5,367)	\$ (7,060)	\$ 2,490
Net (loss) income attributable to common stockholders per common share:					
Basic and diluted	\$ (1.77)	\$ (1.29)	\$ (0.38)	\$ (0.46)	\$ 0.00
Weighted-average number of shares used in per share calculations:					
Basic and diluted	12,918,989	13,451,440	14,358,561	15,650,969	19,236,064
Pro forma net (loss) income attributable to common stockholders per common share:					
Basic					
Diluted					
Pro forma weighted-average number of shares used in per share calculations:					
Basic					
Diluted					

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

	Year Ended January 31, 2003	Year Ended December 31,			
		2003	2004 (In thousands)	2005	2006
Cost of revenues	\$ —	\$ —	\$ —	\$ —	\$ 12
Selling and marketing	—	—	—	—	82
Research and development	—	—	—	—	13
General and administrative	128	171	14	3	91

	As of January 31, 2003	As of December 31,			
		2003	2004 (In thousands)	2005	2006
Consolidated Balance Sheet Data:					
Cash, cash equivalents and short-term investments	\$ 6,973	\$ 9,557	\$ 8,404	\$ 9,174	\$ 16,032
Total current assets	11,778	15,482	15,678	20,792	31,493
Total assets	23,603	22,154	22,967	29,477	42,087
Total current liabilities	13,645	15,515	18,591	27,220	32,880
Equipment loan and capital lease obligations, long-term	4,072	2,421	1,438	1,283	2,261
Preferred stock warrant liabilities and common stock subject to put	404	349	2,218	4,997	5,362
Redeemable preferred stock	78,586	93,737	95,878	98,516	101,695
Stockholders' deficit	(73,735)	(89,919)	(95,230)	(102,294)	(99,557)

	Year Ended January 31, 2003	Year Ended December 31,			
		2003	2004 (In thousands)	2005	2006
Consolidated Statement of Cash Flows Data:					
Net cash provided by (used in) operating activities	\$ (12,653)	\$ (3,912)	\$ 1,907	\$ 4,253	\$ 10,905
Depreciation and amortization	5,865	6,604	2,745	5,123	4,259
Capital expenditures	1,962	726	1,208	1,071	2,314

	Year Ended	Year Ended December 31,			
	January 31, 2003	2003	2004 (In thousands)	2005	2006
Other Financial and Operating Data (unaudited):					
Adjusted EBITDA(2)	\$ (13,930)	\$ (7,558)	\$ (221)	\$ 730	\$ 9,945

(2) We define Adjusted EBITDA as net income plus the (benefit) provision for income taxes, depreciation, amortization of purchased intangible assets and stock-based compensation; plus interest expense (income) and other income. Adjusted EBITDA is not a measure of liquidity calculated in accordance with GAAP, and should be viewed as a supplement to — not a substitute for — our results of operations presented on the basis of GAAP. Adjusted EBITDA does not purport to represent cash flow provided by, or used in, operating activities as defined by GAAP. Our statement of cash flows presents our cash flow activity in accordance with GAAP. Furthermore, Adjusted EBITDA is not necessarily comparable to similarly-titled measures reported by other companies.

We prepare Adjusted EBITDA to eliminate the impact of items that we do not consider indicative of our core operating performance. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. Our presentation of Adjusted EBITDA should not be construed as an implication that our future results will be unaffected by unusual or non-recurring items.

We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance for the following reasons:

- Adjusted EBITDA is widely used by investors to measure a company's operating performance without regard to items such as interest expense, taxes, depreciation and amortization, and stock-based compensation, which can vary substantially from company to company depending upon accounting methods and book value of assets, capital structure and the method by which assets were acquired;
- analysts and investors use Adjusted EBITDA as a supplemental measure to evaluate the overall operating performance of companies in our industry;
- we believe Adjusted EBITDA is an important indicator of our operating performance because it provides a link between profitability and operating cash flow. Although our cash flow from operations presented is a similar measure, Adjusted EBITDA is a better measure of our true operating results because it adjusts for the effects of collections of receivables, disbursements of payables, and other factors that are influenced by seasonal conditions; and
- prior to January 1, 2006, we accounted for stock-based compensation plans under the recognition and measurement provisions of Accounting Principles Board (APB) Opinion No. 25, *Accounting for Stock Issued to Employees*, and related interpretations, as permitted by Statement of Financial Accounting Standards (SFAS) No. 123, *Accounting for Stock-Based Compensation*. In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 123 (revised 2004), *Share-Based Payment* (SFAS 123R), which is a revision of SFAS No. 123. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their estimated fair values. Pro forma disclosure is no longer an alternative permitted under SFAS 123R. We adopted the provisions of SFAS 123R on January 1, 2006, using the prospective method. Unvested stock-based awards issued prior to January 1, 2006, the date that we adopted the provisions of SFAS 123R, were accounted for at the date of adoption using the intrinsic value method originally applied to those awards. We recorded approximately \$198,000 in stock-based compensation expense subsequent to the adoption of SFAS 123R for the fiscal year ended December 31, 2006 as compared with approximately \$14,000 and \$3,000 for the years ended December 31, 2004 and 2005, respectively, prior to the adoption of SFAS 123R. By comparing our Adjusted EBITDA our investors can evaluate our operating results without the additional variations of stock compensation expense, which is not necessarily comparable from year to year due to the change in accounting treatment and is a non-cash expense that is not a primary measure of our operations.

Our management uses Adjusted EBITDA:

- as a measure of operating performance, because it removes the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget;
- to allocate resources to enhance the financial performance of our business;
- as a metric for evaluating the performance of Dr. Magid M. Abraham, our Chief Executive Officer, and Mr. Gian M. Fulgoni, our Executive Chairman of the Board of Directors. The Company uses Adjusted EBITDA as a quantitative metric for setting both Dr. Abraham and Mr. Fulgoni's respective salaries and bonuses. In addition, option grants held by both Dr. Abraham and Mr. Fulgoni include vesting which can be accelerated upon achieving certain targets tied to EBITDA;
- to evaluate the effectiveness of our operational strategies; and
- in communications with the board of directors, stockholders, analysts and investors concerning our financial performance.

We understand that although Adjusted EBITDA is frequently used by securities analysts, lenders, investors and others in their evaluation of companies, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis, of our results of operations as reported under GAAP. Some of these limitations are:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or other contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, related to our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

A reconciliation of Adjusted EBITDA to net income, the most directly comparable GAAP measure, for each of the fiscal periods indicated is as follows:

	Year Ended	Year Ended December 31,			
	January 31, 2003	2003	2004	2005	2006
		(In thousands)			
Net (loss) income	\$ (20,708)	\$ (14,928)	\$ (3,226)	\$ (4,422)	\$ 5,669
(Benefit) provision for income taxes	—	—	—	(182)	50
Amortization	562	772	356	2,437	1,371
Depreciation	5,303	5,832	2,389	2,686	2,888
Stock-based compensation	128	171	14	3	198
Interest expense (income), net	885	595	246	208	(231)
Adjusted EBITDA	<u>\$ (13,930)</u>	<u>\$ (7,558)</u>	<u>\$ (221)</u>	<u>\$ 730</u>	<u>\$ 9,945</u>

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 prospectus. 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 prospectus. See "Cautionary Note Regarding Forward-Looking Statements."

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 more than 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.

We deliver our digital marketing intelligence through our comScore Media Metrix product family and through comScore Marketing Solutions. 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 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, 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 over 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.

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. The total cost of the

acquisition was approximately \$3.3 million, consisting of cash and shares of our common stock. For the ninety-day period beginning July 28, 2007, the former shareholder of Q2 (or its transferees) has the right to sell 1,060,000 shares of our common stock back to us for an aggregate price of \$2.65 million, or \$2.50 per share. 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. The total cost of the acquisition was approximately \$3.6 million, consisting of cash and shares of our common stock. For the ninety-day period beginning January 1, 2008, the former shareholders of SurveySite (or their transferees) have the right to sell 678,172 shares of our common stock back to us for an aggregate price of approximately \$1.8 million, or \$2.67 per share.

Our total revenues have grown from \$15.4 million during the fiscal year ending January 31, 2003 to \$66.3 million during the fiscal year ended December 31, 2006, a compounded annual growth rate of approximately 63%. By comparison, our total expenses from operations have grown from \$35.2 million to \$60.7 million over the same period, a compounded annual growth rate of approximately 20%. The growth in our revenues was 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;
- increases in the prices of our products and services;
- the sales of new products to existing and new customers; and
- growth in sales outside of the U.S. as a result of entering into new international markets.

As of December 31, 2006, we had 706 customers, compared to 334 as of January 31, 2003. We sell most of our products through our direct sales force.

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 and through comScore Marketing Solutions.

A significant characteristic of our business model is our large percentage of subscription-based contracts. Subscription-based revenues accounted for 78% of our total revenues in 2004 and decreased to 70% of total revenues in 2005 primarily due to the acquisition of SurveySite. Subscription-based revenues increased to 75% of total revenues in 2006.

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 fiscal year ended December 31, 2006, our international revenues were \$5.7 million, an increase of \$2.4 million over international revenues of \$3.4 million for the fiscal year ended December 31, 2005. International revenues comprised approximately 9% of our total revenues in 2006 as compared to 7% of total revenues in 2005.

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 2.0, Plan Metrix, World Metrix and Video Metrix. We intend to commercially launch Ad Metrix in the second quarter of 2007. 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. Approximately half of the revenues derived from survey products are generated on a subscription basis. Our contracts for survey services typically include fixed fee agreements that range from two months to one year.

Project Revenues

We generate project revenues by providing customized information reports to our customers on a non-recurring basis as part of our 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.

In the second quarter of 2007, we intend to commercially launch Campaign Metrix, a product that will provide detailed information about online advertising campaigns. Project revenues from Campaign Metrix will be generated when a customer accesses or downloads a report through our Web site. Pricing for our Campaign Metrix product will initially be based on the scope of the information provided in the report generated by the customer.

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 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 this prospectus, 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 in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104). SAB 104 requires that four basic criteria must be met prior to revenue recognition: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or the services have been rendered, (iii) the fee is fixed and 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 periodic reports of customized data. These arrangements are accounted for in accordance with Emerging Issues Task Force (EITF) Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables*. 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 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 periodic reports of customized data generally occurs after the data has been accumulated for a specified period subsequent to contract execution, usually one calendar quarter. 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 commencing upon the delivery of the first report of customized data over the period such reports are delivered.

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.

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.

Goodwill and Intangible Assets

We record goodwill and intangible assets when we acquire other businesses. The allocation of acquisition costs 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 the replacement cost, income and market approaches. The replacement cost approach is based on determining the discrete cost of replacing or reproducing a specific asset. We generally use the replacement cost approach 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.

Under Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets* (SFAS 142), 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. In accordance with SFAS 142, 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 required under SFAS 142 at the enterprise level by comparing the fair value of a reporting unit, based on estimated future cash flow, 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 derived 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.

Long-lived assets

Our long-lived assets primarily consist of property and equipment and intangible assets. In accordance with SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived 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. 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. Substantially all of our long-lived assets are located in the United States. 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 years ended December 31, 2004, 2005, or 2006.

Allowance for Doubtful Accounts

We manage credit risk on accounts receivable by performing credit evaluations of our customers on a selective basis, 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 liability method in accordance with SFAS No. 109, *Accounting for Income Taxes*. 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 sheet. Management then assesses the likelihood that deferred tax assets will be recovered in future periods. In assessing the need for a valuation allowance against the net deferred tax asset, 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. To the extent that 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 net carrying value of such assets.

To date, we have recorded a valuation allowance against our deferred tax assets, principally net operating loss carryforwards, due to uncertainty regarding our ability to generate future taxable income. Any current income tax benefit or provision to date has been offset by changes in the valuation allowance against our deferred tax assets. To the extent we determine that all or a portion of our valuation allowance is no longer necessary, we will recognize an income tax benefit in the period such determination is made for the reversal of the valuation allowance. Once the valuation allowance is eliminated, its reversal will no longer be available to offset our current tax provision. These events could have a material impact on our reported results of operations.

As of December 31, 2006, we had \$81.2 million of both federal and state net operating loss carryforwards each of which begin to expire in 2020 for federal and began to expire in 2006 for state income tax reporting purposes. In addition, we had net operating loss carryforwards related to our foreign subsidiaries totalling \$966,000 as of December 31, 2005 and \$703,000 as of December 31, 2006, which begin to expire in 2010. Under Section 382 of the Internal Revenue Code, the utilization of net operating loss carryforwards is limited based on changes in percentage of our ownership. As a result of prior ownership changes, we believe that we will be limited in our use of net operating loss carryforwards to offset taxable income.

Stock-Based Compensation

Through December 31, 2005, as permitted by SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), we applied the intrinsic value method for accounting for stock-based compensation as set forth in Accounting Principles Board Opinion No. 25, *Accounting for Stock Issued to Employees* (APB 25). For purposes of the pro forma disclosures required under SFAS 123, we used the minimum-value method to estimate the fair value of our stock-based awards. On January 1, 2006, we adopted SFAS No. 123R, *Share-Based Compensation* (SFAS 123R). Under SFAS 123R, a non-public company that previously used the minimum value method for pro forma disclosure purposes is required to adopt the standard using the prospective method. Under the prospective method, all awards granted, modified or settled after the date of adoption are accounted for using the measurement, recognition and attribution provisions of SFAS 123R. As a result, stock-based awards granted prior to the date of adoption of SFAS 123R will continue to be accounted for under APB 25 with no recognition of stock-based compensation in future periods, unless such awards are modified or settled.

Subsequent to the adoption of SFAS 123R, we estimate the fair value of our stock-based awards on the date of grant using the Black-Scholes option-pricing model. The determination of fair value using the Black-Scholes model requires a number of complex and subjective variables. One key input into the model is the estimated fair value of our common stock on the date of grant. Our board of directors has estimated the fair value of our common stock for the purpose of establishing exercise prices for our stock option grants. Our board has relied upon market place transaction history as well as the assistance of independent valuation specialists for purposes of estimating the fair value of our common stock.

Other key variables in the Black-Scholes option-pricing model include the expected volatility of our common stock price, the expected term of the award and the risk-free interest rate. In addition, under

SFAS 123R, we are required to estimate forfeitures of unvested awards when recognizing compensation expense. If factors change and we employ different assumptions in the application of SFAS 123R in future periods, the compensation expense we record may differ significantly from what we have recorded during 2006.

At December 31, 2006, total estimated unrecognized compensation expense related to unvested stock-based awards granted prior to that date was \$1.3 million, which is expected to be recognized over a weighted-average period of 1.86 years.

We expect stock-based compensation expense to increase in absolute dollars as a result of the adoption of SFAS 123R as options that were granted at the beginning of 2006 and beyond vest. Beginning in 2007, we expect to make use of restricted stock awards and reduce our use of stock options as a form of stock-based compensation. 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 the 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.

Estimation of Fair Value of Warrants to Purchase Redeemable Convertible Preferred Stock

On July 1, 2005, we adopted FASB Staff Position 150-5 (FSP 150-5). Our outstanding warrants to purchase shares of our redeemable convertible preferred stock are subject to the requirements in FSP 150-5, which require us to classify these warrants as current liabilities and to adjust the value of these warrants to their fair value at the end of each reporting period. At the time of adoption, we recorded \$440,000 for the cumulative effect of this change in accounting principle to reflect the cumulative change in estimated fair value of these warrants as of that date. We recorded \$14,000 for the year ended December 31, 2005 and \$224,000 for the year ended December 31, 2006, to reflect further increases in the estimated fair value of the warrants. We estimated the fair value of these warrants at the respective dates using the Black-Scholes option valuation model, based on the estimated market value of the underlying redeemable convertible preferred stock at the valuation measurement date, the contractual term of the warrant, risk-free interest rates and expected dividends on and expected volatility of the price of the underlying redeemable convertible preferred stock. These estimates, especially the market value of the underlying redeemable convertible preferred stock and the expected volatility, are highly judgmental and could differ materially in the future.

Upon the closing of this offering, all outstanding warrants to purchase shares of our preferred stock will become warrants to purchase shares of our common stock and, as a result, will no longer be subject to FSP 150-5. The then-current aggregate fair value of these warrants will be reclassified from liabilities to additional paid-in capital, a component of stockholder's equity, and we will cease to record any related periodic fair value adjustments. We anticipate that we will incur a non-cash charge relating to our outstanding warrants for preferred stock in the period in which this offering closes. Assuming that the price at which our common stock is valued for these purposes is the initial public offering price of \$ per share, the amount of that charge would be approximately \$. The exact amount of the charge may depend on the closing trading price of our common stock on The NASDAQ Global Market on , the expected date of the closing of this offering.

Seasonality

Historically, a slightly higher percentage of our customers have renewed their subscription products with us toward the end of the fourth quarter. While we execute projects for our customers throughout the year, we have historically experienced a slight upturn in our project-based business in 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.

	Year Ended December 31,		
	2004	2005	2006
Revenues	100.0%	100.0%	100.0%
Cost of revenues	37.7	36.2	31.0
Selling and marketing	39.8	37.7	32.4
Research and development	15.7	14.8	13.6
General and administrative	14.3	14.1	12.5
Amortization	1.0	4.8	2.1
Total expenses from operations	108.5	107.7	91.6
(Loss) income from operations	(8.5)	(7.7)	8.4
Interest (expense) income, net	(0.7)	(0.4)	0.3
(Loss) gain from foreign currency	—	(0.2)	0.2
Revaluation of preferred stock warrant liabilities	—	—	(0.3)
(Loss) income before income taxes and cumulative effect of change in accounting principle	(9.2)	(8.3)	8.6
(Benefit) provision for income taxes	—	(0.4)	0.1
Net (loss) income before cumulative effect of change in accounting principle	(9.2)	(7.9)	8.6
Cumulative effect of change in accounting principle	—	(0.9)	—
Net (loss) income	(9.2)	(8.8)	8.6
Accretion of redeemable preferred stock	(6.1)	(5.2)	(4.8)
Net (loss) income attributable to common stockholders	(15.4)%	(14.0)%	3.8%

Years Ended December 31, 2004, 2005 and 2006

Revenues

	Year Ended December 31,			Increase		Percent Change	
	2004	2005	2006	2004 v. 2005	2005 v. 2006	2004 v. 2005	2005 v. 2006
Total revenues	\$ 34,894	\$ 50,267	\$ 66,293	\$ 15,373	\$ 16,026	44.1%	31.9%

Total revenues increased by approximately \$16.0 million for the year ended December 31, 2006 as compared to the year ended December 31, 2005. This increase was primarily due to increased sales to existing customers based in the U.S. totaling \$52.9 million in 2006, or \$12.5 million higher than in 2005. In addition, revenues in 2006 from new U.S. customers were \$7.7 million, an increase of \$1.2 million compared to 2005. Revenues from customers outside of the U.S. totaled approximately \$5.7 million, or approximately 9% of total revenues, in 2006, representing an increase of \$2.3 million compared to 2005. This increase in 2006 was due primarily to our ongoing expansion efforts in Europe, which included the opening of an office in London in the first half of 2005, plus continued growth in Canada. We also experienced revenue growth due to general increases in our price levels in 2006 compared to 2005.

Our total customer base grew during this period from 565 as of December 31, 2005 to 706 as of December 31, 2006. There was continued revenue growth in both our subscription revenues, which increased by approximately \$14.6 million from 2005 to 2006, and our project-based revenues, which increased by \$1.4 million from 2005 to 2006.

In 2005, total revenues increased approximately \$15.4 million over 2004 revenues. This growth was principally driven by increased sales to existing U.S. customers of \$40.4 million, an increase of \$11.2 million over 2004. Further, revenues from new customers based in the U.S. were \$6.5 million, which was a \$2.6 million increase over 2004. Revenues from customers outside of the U.S. totaled \$3.4 million, or approximately 7% of revenues, in 2005. This represented an increase of \$1.6 million over 2004, when international revenues were \$1.8 million, or 5% of total revenues. We also experienced revenue growth due to general increases in our price levels in 2005 compared to 2004.

Our total customer base grew during this period from 469 as of December 31, 2004 to 565 as of December 31, 2005. During this period, our subscription revenues increased by approximately \$8.0 million from 2004 to 2005, while project-based revenues increased by approximately \$7.4 million. Our 2005 revenues were positively impacted by the acquisitions of SurveySite and Q2. SurveySite, which we acquired on January 4, 2005, contributed \$5.1 million in revenues in 2005. Q2, which we acquired on July 28, 2004, contributed \$3.6 million in revenues in 2005 as compared to \$1.5 million in revenues in 2004.

We generally invoice customers on an annual, quarterly or monthly basis, or at the completion of certain milestones, in advance of revenues being recognized. Amounts that have been invoiced are recorded in accounts receivable and any unearned revenues are recorded in deferred revenues until the invoice has been collected and the revenue recognized. As a result of the increased revenues in 2006 as compared to 2005, we experienced an increase in our cash, cash equivalents and short-term investments of \$6.9 million, accounts receivable increased \$3.8 million and deferred revenues increased by \$3.2 million. In 2005 as compared to 2004, we experienced an increase in our cash, cash equivalents and short-term investments of \$770,000, an increase in accounts receivables of \$4.1 million and an increase in deferred revenues of \$7.1 million.

Cost of Revenues

	Year Ended December 31,			Increase		Percent Change	
	2004	2005	2006	2004 v. 2005	2005 v. 2006	2004 v. 2005	2005 v. 2006
	(Dollars in thousands)						
Cost of revenues	\$ 13,153	\$ 18,218	\$ 20,560	\$ 5,065	\$ 2,342	38.5%	12.9%
As a percentage of revenues	37.7%	36.2%	31.0%				

Cost of revenues consists primarily of expenses related to operating our network infrastructure and the recruitment, maintenance and support of our consumer panels. Expenses associated with these areas include the salaries and related expenses of network operations, survey operations, custom analytics and technical support, all of which are expensed as they are incurred. Cost of revenues also includes data collection costs for our products and operational costs associated with our data centers, including depreciation expense associated with computer equipment.

Cost of revenues increased in 2006 as compared to 2005, primarily due to increased costs associated with supporting our consumer panel and data centers. Our panel costs increased in large part due to increased recruiting costs per panelist reflecting the impact of higher growth in online advertising and advertising rates. Our data center costs increased as a result of the relocation in 2006 of our Illinois data center to a new service provider and increased utility costs at our Virginia data center. Cost of revenues declined as a percentage of revenues over the same periods primarily due to the increases in revenues as described above and a moderation of the increases in costs to build and maintain our panel. The decline in cost of revenues as a percentage of revenues was offset in part by increases in bandwidth and data costs, which grew 9%. The headcount and costs associated with our technology staff grew at a lower rate than our growth in revenues.

Cost of revenues increased in 2005 as compared to 2004 primarily due to our acquisition of SurveySite and higher costs associated with data center operations and employee salaries, benefits and related costs required to support growth in our revenues and customer base during 2005. The cost of revenues as a percentage of revenues declined in 2005 compared to 2004 primarily due to the increases in revenues as described above as well as relatively flat panel costs and smaller increases in bandwidth and data center costs,

which did not grow at the same rate as our customer base and revenues. The headcount and costs associated with our technology staff grew at a lower rate than our growth in revenues.

We expect cost of revenues to increase in absolute dollar amounts as we seek to grow our business but vary as a percentage of revenues depending on whether we benefit from investments in our panel and network infrastructure.

Selling and Marketing Expenses

	Year Ended December 31,			Increase		Percent Change	
	2004	2005	2006	2004 v. 2005	2005 v. 2006	2004 v. 2005	2005 v. 2006
	(Dollars in thousands)						
Selling and marketing expenses	\$ 13,890	\$ 18,953	\$ 21,473	\$ 5,063	\$ 2,520	36.5%	13.3%
As a percentage of revenues	39.8%	37.7%	32.4%				

Selling and marketing expenses consist primarily of salaries, benefits, commissions and bonuses 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, including rent and depreciation. 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 comScore. 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 in 2006 as compared to 2005 in absolute dollars, primarily due to increased employee salaries and benefits and related costs resulting from additional account management personnel in our sales force, plus an increase in commission costs associated with increased revenues. Our selling and marketing headcount increased from 143 employees as of December 31, 2005 to 155 employees as of December 31, 2006. In addition, the expansion of our European office in London and increased marketing efforts in Europe contributed to our increase in selling and marketing expenses and headcount in 2006. The decrease in selling and marketing expenses as a percentage of revenues during this period reflects the increased productivity of our direct sales force and an increase in revenues.

Selling and marketing expenses increased in 2005 as compared to 2004, primarily due to an increase in the number of account managers, higher commissions associated with our growth in revenues and an increase in online and offline advertising and promotional efforts in support of building our brands. In addition, our selling and marketing headcount increased from 77 employees as of December 31, 2004 to 143 employees as of December 31, 2005. The acquisition of SurveySite and the opening of our first European office in London also contributed to our increase in selling and marketing expenses and headcount in 2005. The decrease in selling and marketing expenses as a percentage of revenues during this period reflected the increased productivity of our direct sales force.

We expect selling and marketing expenses to increase in absolute dollar amounts as we continue to grow our selling and marketing efforts but to vary in future periods as a percentage of revenues depending on whether we benefit from increased productivity in our sales force and from increased revenues resulting in part from our ongoing marketing initiatives.

Research and Development Expenses

	Year Ended December 31,			Increase		Percent Change	
	2004	2005	2006	2004 v. 2005	2005 v. 2006	2004 v. 2005	2005 v. 2006
				(Dollars in thousands)			
Research and development expenses	\$ 5,493	\$ 7,416	\$ 9,009	\$ 1,923	\$ 1,593	35.0%	21.5%
As a percentage of revenues	15.7%	14.8%	13.6%				

Research and development expenses include new product development costs, consisting primarily of compensation and related costs for personnel associated with research and development activities, and allocated overhead, including rent and depreciation.

Research and development expenses increased in 2006 as compared to 2005 primarily due to increased headcount and our continued focus on developing new products, such as World Metrix, Video Metrix, Campaign Metrix and Ad Metrix. Research and development costs decreased slightly as a percentage of revenues, primarily due to our growth in revenues.

The increase in research and development expenses in 2005 compared to 2004 was due to new product development activity, including the launch of a streaming media audience measurement product. The acquisition and integration of SurveySite's operations also contributed to the absolute dollar increase in research and development costs during this period.

We expect research and development expenses to increase in absolute dollar amounts as we continue to enhance and expand our product offerings. As a result of the size and diversity of our panel and our historical investment in our technology infrastructure, we expect that we will be able to develop new products with moderate increases in research and development spending as compared to our growth in revenues. We also expect research and development expenses to moderate due to our decision to outsource certain software development activities in 2005.

General and Administrative Expenses

	Year Ended December 31,			Increase		Percent Change	
	2004	2005	2006	2004 v. 2005	2005 v. 2006	2004 v. 2005	2005 v. 2006
				(Dollars in thousands)			
General and administrative expenses	\$ 4,982	\$ 7,089	\$ 8,293	\$ 2,107	\$ 1,204	42.3%	17.0%
As a percentage of revenues	14.3%	14.1%	12.5%				

General and administrative expenses consist primarily of salaries and related expenses for executive management, finance, accounting, human capital, legal, information technology and other administrative functions, as well as professional fees, overhead, including allocated rent and depreciation, and expenses incurred for other general corporate purposes.

General and administrative expenses increased in 2006 as compared to 2005, primarily due to increased professional fees and expanding our finance department. As a percentage of revenues, general and administrative expenses decreased in 2006 as compared to 2005, due primarily to our growth in revenues.

General and administrative expenses increased in 2005 as compared to 2004, primarily due to higher salaries, benefits and related costs associated with our existing employees plus an increase in our general and administrative headcount from 14 employees as of December 31, 2004 to 27 employees as of December 31, 2005. The higher headcount was due primarily to an increase in employees in such functions as finance, accounting, human capital and legal, as we built our staff and infrastructure to support our growth. Our acquisition of SurveySite also contributed to the increase in general and administrative expenses and related headcount in 2005. On a percentage of revenues basis, general and administrative expenses were flat in 2005 as compared to 2004, as the increase in headcount related to broadening our administrative support capabilities and the acquisition of SurveySite was offset by the growth in our customer base and revenues.

We expect general and administrative expenses to increase on an absolute basis in future annual periods as we incur increased costs associated with being a public company. Operating as a public company will present additional management and reporting requirements that will significantly increase our directors' and officers' liability insurance premiums and professional fees both in absolute dollars and as a percentage of revenues. We also anticipate hiring additional personnel to help manage future growth and our operations as a public company.

Amortization Expense

	Year Ended December 31,			Increase		Percent Change	
	2004	2005	2006	2004 v. 2005	2005 v. 2006	2004 v. 2005	2005 v. 2006
	(Dollars in thousands)						
Amortization expense	\$ 356	\$ 2,437	\$ 1,371	\$ 2,081	\$ (1,066)	584.6%	(43.7)%
As a percentage of revenues	1.0%	4.8%	2.1%				

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

Amortization expense decreased during fiscal year 2006 over 2005 because certain intangible assets related to previous acquisitions were fully amortized as of that period.

The increase in amortization expense from 2004 to 2005 in absolute dollars is attributable primarily to the amortization expense relating to the Q2 acquisition on July 28, 2004 and the SurveySite acquisition on January 4, 2005.

Absent additional acquisitions, we expect amortization expense to continue to decline as the remaining amount of intangible assets related to previous acquisitions is amortized.

Interest (Expense) Income, Net

Interest income consists primarily of interest earned from short-term investments, such as 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 was \$(246,000) in 2004, \$(208,000) in 2005 and \$231,000 in 2006. The year-to-year change from 2004 to 2005 and from 2005 to 2006 primarily reflects the net effect of interest income that we earned on our cash balances offset by the interest expense associated with the capital leases that we had in place in each year. Our net interest expense decreased from 2004 to 2005 due to our larger cash and investments balances and the lower amounts outstanding under our capital leases. We reported net interest income in 2006 due to a \$6.9 million increase in our cash and investments balance. We also continued to reduce the outstanding balance on our outstanding capital lease obligations.

Gain/Loss on Foreign Currency Transactions

Our gains and losses on foreign currency transactions arise from our Canadian and United Kingdom foreign subsidiaries that hold cash and receivables in currencies other than its functional currency. Our loss on foreign currency transactions in 2005 was \$96,000. We recorded a gain of \$125,000 in 2006 as a result of fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar, Euro and British Pound.

Provision for Income Taxes

As of December 31, 2006, we had net operating loss carryforwards for federal income tax purposes in the amount of approximately \$81.2 million, which begin to expire in 2020 for federal and began to expire in 2006 for state income tax reporting purposes. In the future, we intend to utilize any carryforwards available to us to reduce our tax payments. Approximately \$13.3 million of the net operating loss carryforwards are subject to

annual limitations based on changes in percentage of our ownership as limited under Section 382 of the Internal Revenue Code. We do not expect that this limitation will impact our ability to utilize all of our net operating losses prior to their expiration. In 2005, we had an income tax benefit of \$182,000 related to a deferred tax liability of \$356,000 associated with a temporary difference related to certain acquired intangible assets of SurveySite. This compares to an income tax expense of \$50,000 in 2006 reflecting a payment of alternative minimum tax (AMT) partly offset by a decrease in the deferred tax liability.

Quarterly Results of Operations

The following tables set forth selected unaudited quarterly consolidated statement of operations data for each of the quarters indicated. The consolidated financial statements for each of these quarters have been prepared on the same basis as the audited consolidated financial statements included in this prospectus and, in the opinion of management, include all adjustments necessary for the fair presentation of the consolidated results of operations for these periods. You should read this information together with our consolidated financial statements and related notes included elsewhere in this prospectus. These quarterly operating results are not necessarily indicative of the results for any future period.

	Three Months Ended							
	Mar. 31, 2005	Jun. 30, 2005	Sept. 30, 2005	Dec. 31, 2005	Mar. 31, 2006	Jun. 30, 2006	Sept. 30, 2006	Dec. 31, 2006
	(In thousands) (Unaudited)							
Revenues	\$ 11,135	\$ 13,150	\$ 12,953	\$ 13,029	\$ 14,985	\$ 16,906	\$ 16,165	\$ 18,237
Cost of revenues(1)	3,936	4,863	4,602	4,817	5,148	5,205	4,977	5,230
Selling and marketing(1)	4,234	4,813	4,821	5,085	5,345	5,323	5,171	5,634
Research and development(1)	1,678	1,876	1,908	1,954	2,137	2,258	2,273	2,341
General and administrative(1)	1,489	1,804	1,779	2,017	1,918	2,176	1,897	2,302
Amortization	621	603	612	601	371	333	333	334
Total expenses from operations	11,958	13,959	13,722	14,474	14,919	15,295	14,651	15,841
(Loss) income from operations	(823)	(809)	(769)	(1,445)	66	1,611	1,514	2,396
Interest (expense) income, net	(58)	(71)	(39)	(40)	11	23	84	113
(Loss) gain from foreign currency	(21)	(1)	(72)	(2)	6	(33)	3	149
Revaluation of preferred stock warrant liabilities	—	—	(6)	(8)	2	(211)	(6)	(9)
(Loss) income before income taxes and cumulative effect of change in accounting principle	(902)	(881)	(886)	(1,495)	85	1,390	1,595	2,649
(Benefit) provision for income taxes	(53)	(52)	(38)	(39)	—	—	—	50
Net (loss) income before cumulative effect of change in accounting principle	(849)	(829)	(848)	(1,456)	85	1,390	1,595	2,599
Cumulative effect of change in accounting principle	—	—	(440)	—	—	—	—	—
Net (loss) income	(849)	(829)	(1,288)	(1,456)	85	1,390	1,595	2,599
Accretion of redeemable preferred stock	(611)	(643)	(675)	(709)	(742)	(777)	(812)	(848)
Net (loss) income attributable to common stockholders	\$ (1,460)	\$ (1,472)	\$ (1,963)	\$ (2,165)	\$ (657)	\$ 613	\$ 783	\$ 1,751

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

	Three Months Ended							
	Mar. 31, 2005	Jun. 30, 2005	Sept. 30, 2005	Dec. 31, 2005	Mar. 31, 2006	Jun. 30, 2006	Sept. 30, 2006	Dec. 31, 2006
	(In thousands) (Unaudited)							
Cost of revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2	\$ 4	\$ 6
Selling and marketing	—	—	—	—	6	26	23	27
Research and development	—	—	—	—	—	2	4	7
General and administrative	—	1	1	1	1	10	40	40

	As a Percentage of Total Revenues							
	Mar. 31, 2005	Jun. 30, 2005	Sept. 30, 2005	Dec. 31, 2005	Mar. 31, 2006	Jun. 30, 2006	Sept. 30, 2006	Dec. 31, 2006
	(Unaudited)							
Revenues	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of revenues	35.3	37.0	35.5	37.0	34.4	30.8	30.8	28.7
Selling and marketing	38.0	36.6	37.2	39.0	35.7	31.5	32.0	30.9
Research and development	15.1	14.3	14.7	15.0	14.3	13.4	14.1	12.9
General and administrative	13.4	13.7	13.7	15.5	12.8	12.9	11.7	12.6
Amortization	5.6	4.6	4.7	4.6	2.5	2.0	2.1	1.8
Total expenses from operations	107.4	106.2	105.8	111.1	99.6	90.5	90.6	86.9
(Loss) income from operations	(7.4)	(6.2)	(5.8)	(11.1)	0.4	9.5	9.4	13.1
Interest (expense) income, net	(0.5)	(0.5)	(0.3)	(0.3)	0.1	0.1	0.5	0.6
(Loss) gain from foreign currency	(0.2)	—	(0.6)	—	—	(0.2)	—	0.8
Revaluation of preferred stock warrant liabilities	—	—	—	—	—	(1.2)	—	—
(Loss) income before income taxes and cumulative effect of change in accounting principle	(8.1)	(6.7)	(6.8)	(11.4)	0.6	8.2	9.9	14.5
(Benefit) provision for income taxes	(0.5)	(0.4)	(0.3)	(0.3)	—	—	—	0.3
Net (loss) income before cumulative effect of change in accounting principle	(7.6)	(6.3)	(6.5)	(11.1)	0.6	8.2	9.9	14.3
Cumulative effect of change in accounting principle	—	—	(3.4)	—	—	—	—	—
Net (loss) income	(7.6)	(6.3)	(9.9)	(11.1)	0.6	8.2	9.9	14.3
Accretion of redeemable preferred stock	(5.5)	(4.9)	(5.2)	(5.4)	(5.0)	(4.6)	(5.0)	(4.6)
Net (loss) income attributable to common stockholders	(13.1)	(11.2)	(15.1)	(16.6)	(4.4)	3.6	4.8	9.6

Over the eight quarters of 2005 and 2006, revenues have generally increased due primarily to increases in subscription revenues from existing customers, growth in our customer base (both domestically and internationally), general increases in pricing for our products and the acquisition of SurveySite. In 2005, revenues increased sequentially from the first quarter to the second quarter before declining slightly in the third quarter and remaining relatively flat in the fourth quarter. Over these quarterly periods, fluctuations in project revenues partially offset the steady growth in subscription revenues and contributed to the relatively flat revenues on a sequential basis from the second through the fourth quarters of 2005. In 2006, revenues increased significantly on a sequential basis in the first and second quarters before decreasing in the third quarter due to fluctuations in the closing of agreements relating to, and the execution of, projects. Revenues increased significantly in the

fourth quarter of 2006 due to increased growth in subscription revenues for existing and new customers. Subscription revenues increased sequentially in each of the quarters presented.

Cost of revenues as a percentage of total revenues held relatively steady in each of the quarters in 2005 before declining in 2006. The decrease in cost of revenues on a percentage basis was due to the growth in revenues relative to the moderation in fixed costs to support our consumer panel, data center and technical infrastructure.

On an absolute basis, total expenses from operations increased significantly in the second quarter of 2005 due primarily to costs associated with the integration of the Q2 and SurveySite acquisitions and certain expenses for external data sources. Total expenses from operations remained relatively flat in the third quarter of 2005 and increased in the fourth quarter of 2005, primarily due to higher sales costs related to the opening of our first European sales office, located in London, and increased general and administrative costs in support of overall business growth. On an absolute basis, total expenses from operations declined slightly in the first quarter of 2006 before increasing in the second quarter of 2006, due to increases in general and administrative expenses associated with the hiring of new finance personnel and increases in professional services fees related to anticipated business expansion. In addition, expenses from operations increased in the second quarter of 2006 due to higher research and development costs tied to the development of several new products. After a decline in the third quarter, expenses from operations increased again in the fourth quarter of 2006, due to increased commissions tied to higher sales growth plus higher salaries, benefits and related costs associated with hiring additional personnel in our operations, technology, sales, research and development and general and administrative organizations to support the growth of our business. The total expenses from operations in 2006 increased at a lower rate than revenues and we were consequently able to better leverage our cost structure.

We became profitable on a net income basis in the first quarter of 2006, and were profitable on a net income basis every quarter in 2006 as our revenues increased significantly during these periods and our costs grew at a lower rate.

Liquidity and Capital Resources

The following table summarizes our cash flows:

	For the Year Ended		
	2004	December 31, 2005 (In thousands)	2006
Consolidated Cash Flow Data:			
Net cash provided by operating activities	\$ 1,907	\$ 4,253	\$ 10,905
Net cash used in investing activities	(1,332)	(2,505)	(9,573)
Net cash used in financing activities	(952)	(1,092)	(1,381)
Effect of exchange rate changes on cash	25	(36)	(43)
Net increase (decrease) in cash and equivalents	(352)	620	(92)

Since our inception, we have funded our operations and met our capital expenditure requirements primarily with venture capital and private equity funding. In five separate issuances of preferred stock, from Series A on September 27, 1999 to Series E on August 1, 2003, we have raised over \$88 million from a number of institutional investors. The proceeds from all of these issuances have been used for general business purposes, with the exception of the Series E Preferred Stock offering, which was partially used to extinguish a \$1.5 million bank note. Each share of preferred stock is convertible into common stock at the respective conversion ratio for each series of preferred stock at any time, subject to adjustment triggered by changes in our capitalization such as a stock split. Conversion is automatic in the event of a public offering of common stock at a price of at least \$2.50 per share with gross proceeds of at least \$25 million. This conversion is expected to take place upon consummation of this offering.

Our principal uses of cash historically have consisted of payroll and other operating expenses and payments related to the purchase of equipment primarily to support our consumer panel and technical infrastructure required to support our customer base. Since the beginning of 2004, we have purchased over

\$4.6 million in property and equipment, made \$3.9 million in principal payments on capital lease obligations, and spent \$1.9 million as the cash component of consideration paid for acquisitions.

As of December 31, 2006, our principal sources of liquidity consisted of cash, cash equivalents and short-term investments of \$16.0 million.

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 \$10.9 million of net cash from operating activities during 2006. The significant components of cash flows from operations were net income of \$5.7 million, \$4.3 million in non-cash depreciation and amortization expenses, a \$1.4 million increase in accounts payable and accrued expenses and a \$3.1 million increase in amounts collected from customers in advance of when we recognize revenues as a result of our growing customer base, offset by a \$3.9 million increase in accounts receivable.

We generated \$4.3 million of net cash from operating activities during 2005. The significant components of cash flows from operations were a \$6.4 million increase in amounts collected from customers in advance of when we recognized revenues as a result of our growing customer base, and \$5.1 million in non-cash depreciation and amortization expenses. These items were partially offset by a \$3.5 million net increase in accounts receivable related to our larger customer base, a net loss of \$4.4 million and other uses of cash in operations.

We generated \$1.9 million of net cash from operating activities in 2004. The significant components of cash flows from operations were a \$0.6 million increase in amounts collected from customers in advance of when we recognized revenues as a result of our growing customer base, a \$1.7 million net increase in accounts payable and accrued expenses due to the timing of payments to our vendors when compared to the same period in 2003 and \$2.7 million in non-cash depreciation and amortization expenses. These items were partially offset by a \$0.7 million net increase in accounts receivable due to our larger customer base, a net loss of \$3.2 million and other uses of cash in operations.

Investing Activities

Our primary 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, 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 \$9.6 million of net cash in investing activities during 2006, a net \$7.0 million of which was used to purchase short-term investments, \$2.3 million of which was used to purchase property and equipment and \$0.3 million of which was used to pay contingent considerations associated with our Q2 and SurveySite acquisitions. We used \$2.5 million of net cash in investing activities during 2005, of which \$1.1 million was used to purchase property and equipment, \$0.9 million was used as part of the acquisition of SurveySite and \$0.3 million was used to pay contingent consideration associated with the Q2 acquisition. In 2004, we used \$1.3 million of net cash in investing activities, \$1.2 million of which was used to purchase property and equipment and \$0.9 million of which was used as part of the consideration for the acquisition of Q2, partially offset by \$0.8 million in net proceeds from the sale of short-term investments.

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

Our primary financing activities since 2004 have consisted of financings to fund the acquisition of capital assets. We entered into an equipment lease agreement with GE Capital in 2003 and a line of credit agreement with GE Capital in 2005 to finance the purchase of hardware and other computer equipment to support our business growth. These borrowings were secured by a senior security interest in the equipment acquired under the facility. In December 2006, we entered into an equipment lease agreement with Banc of America Leasing & Capital, LLC to finance the purchase of new hardware and other computer equipment as we continue to expand our technology infrastructure in support of our business growth. This agreement includes a \$5 million line of credit available through December 31, 2007. Through December 31, 2006, we used this credit facility to establish an equipment lease for the amount of approximately \$2.9 million. The base term for this lease is three years and includes a small charge in the event of prepayment.

We used \$1.4 million of net cash in financing activities during 2006. We used \$1.6 million to make payments on our capital lease obligations partially offset by \$241,000 in proceeds from the exercise of our common stock options.

We used \$1.1 million of net cash from financing activities during 2005. We used \$1.2 million to make payments on our capital lease obligations partially offset by \$136,000 in proceeds from the exercise of our common stock options.

In 2004, we used approximately \$1.0 million of cash in financing activities. Substantially all of the use of this cash resulted from payments on our capital lease obligations.

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

Set forth below is information concerning our known contractual obligations as of December 31, 2006 that are fixed and determinable.

	<u>Total</u>	<u>Less Than 1 Year</u>	<u>1-3 Years (In thousands)</u>	<u>3-5 Years</u>	<u>More Than 5 Years</u>
Capital lease obligations	\$ 4,418	\$ 1,986	\$ 2,432	—	—
Operating lease obligations	5,058	2,009	2,063	760	226
Total	\$ 9,476	\$ 3,995	\$ 4,495	\$ 760	\$ 226

Our principal lease commitments consist of obligations under leases for office space and computer and telecommunications equipment. We finance the purchase of some of our computer equipment under a capital lease arrangement over a period of 36 months. Our purchase obligations relate to outstanding orders to purchase computer equipment and are typically small; they do not materially impact our overall liquidity.

We currently have a line of credit for up to \$5.0 million available to us until December 31, 2007. We have used \$2.9 million of such line of credit to establish an equipment lease for the amount of approximately \$2.9 million bearing interest at a rate of 7.75% per annum.

Future Capital Requirements

We believe that our existing cash, cash equivalents, and short-term investments and operating cash flow, will be sufficient to meet our projected operating and capital expenditure requirements for at least the next twelve months. In addition, we expect that the net proceeds from this offering will provide us with the financial flexibility to execute our strategic objectives, including the ability to make acquisitions and strategic investments.

Our ability to generate cash, however, is subject to our performance, general economic conditions, industry trends and other factors. To the extent that funds from this offering, combined with existing cash, cash equivalents, short-term investments and operating cash flow are insufficient to fund our future activities and requirements, we may need to raise additional funds through public or private equity or debt financing. If we issue equity securities in order to raise additional funds, substantial dilution to existing stockholders may occur.

For the ninety-day period beginning July 28, 2007, the former shareholder of Q2 has the right to sell its 1,060,000 shares back to us for an aggregate price of \$2.65 million, or \$2.50 per share. For the ninety-day period beginning January 1, 2008, the former shareholders of SurveySite have the right to sell their 678,172 shares back to us for an aggregate price of approximately \$1.8 million, or \$2.67 per share.

Quantitative and Qualitative Disclosures 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 December 31, 2006, our cash reserves were maintained in money market investment accounts and fixed income securities totaling \$16.0 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 is derived from transactions denominated in U.S. dollars, even though we maintain sales and business operations in foreign countries. As such, we have exposure to adverse changes in exchange rates associated with operating expenses of our foreign operations, but we believe this exposure to be immaterial 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.

Recent Accounting Pronouncements

In June 2006, the Financial Accounting Standards Board issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, an interpretation of FASB Statement No. 109. This interpretation clarifies the accounting for income taxes by prescribing that a company should use a more-likely-than-not recognition threshold based on the technical merits of the tax position taken. Tax provisions that meet the more-likely-than-not recognition threshold should be measured as the largest amount of tax benefits, determined on a cumulative probability basis, which is more likely than not to be realized upon ultimate settlement in the financial statement. The interpretation also provides guidance on derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition, and explicitly excludes income taxes from the scope of SFAS No. 5, *Accounting for Contingencies*. FIN 48 is effective for fiscal years beginning after December 15, 2006. We are currently assessing the effect of FIN 48 on our consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. The purpose of this statement is to define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. The measurement and disclosure requirements are effective for us as of January 1, 2008 and are applied prospectively. We are currently evaluating the potential impact of adopting this new guidance on our results of operations and financial position.

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 more than 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.

We deliver our digital marketing intelligence through our comScore Media Metrix product family and through comScore Marketing Solutions. 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 Marketing Solutions products are typically delivered on a monthly, quarterly or ad hoc basis through electronic reports and analyses.

Industry Background

Growth of Digital Commerce, Content, Advertising and Communications

The Internet is a global digital medium for commerce, content, advertising and communications. According to IDC, the number of global Internet users is projected to grow from approximately 968 million in 2005 to over 1.7 billion in 2010. As the online population continues to grow, the Internet is increasingly becoming a tool for research and commerce and for distributing and consuming media. According to IDC, the global business-to-consumer eCommerce market is projected to grow from \$411 billion in 2005 to \$1 trillion in 2010. According to Jupiter Research, over 80% of online users in the United States research offline purchases using the Internet, making the Internet an important channel for both online and offline merchants. Consumers are also using the Internet to access an increasing amount of digital content across media formats including video, music, text and games. According to IDC, the domestic markets for online video and music consumption are projected to reach over \$1.7 billion and over \$3.3 billion, respectively, in 2010.

As consumers increasingly use the Internet to research and make purchases and to consume digital media, advertisers are shifting more of their marketing budgets to digital channels. According to the Internet Advertising Bureau and PricewaterhouseCoopers, domestic online advertising spending, including search advertising, grew to \$16.8 billion in 2006, an increase of 34% over 2005. Despite the size and growth of the digital marketing sector, the shift of traditional advertising spending to the Internet has yet to match the rate of consumption of online media. According to Forrester Research, digital advertising represented only 6% of the total United States advertising market in 2004 despite consumers spending 16% of their available media time online. As advertisers spend more of their marketing budgets to reach Internet users, we believe that digital marketing will continue to grow.

In addition to the growth in online commerce, content and marketing, a number of new digital technologies and devices are emerging that enable users to access content and communicate in new ways.

Internet-enabled mobile phones allow users to access digital content such as games, music, video and news on their mobile devices through a wireless connection to the Internet. According to IDC, the worldwide number of shipments of converged mobile devices is projected to grow from 57 million in 2005 to 261 million in 2010, representing compounded annual growth of 36% over that period. Other digital communications technologies such as voice over Internet protocol (VoIP) utilize the Internet network infrastructure to enable efficient and cost-effective personal communications such as chat and VoIP-based telephony. According to Infonetics, the worldwide number of VoIP subscribers is projected to grow from 24.5 million in 2005 to 140.7 million in 2009. Delivery of digital television services over a network infrastructure using Internet Protocol, or IPTV, has a number of advantages over conventional television, including two-way communications, digital content and features, and interactivity. According to Infonetics, the worldwide number of IPTV subscribers is projected to grow from 2.4 million in 2005 to 68.9 million in 2009. We believe these and other new digital media and communications devices and services offer a similar opportunity as the Internet for us to measure and analyze user behavior.

Importance of Digital Marketing Intelligence

The interactive nature of digital media such as the Internet enables businesses to access a wealth of user information that was virtually unavailable through offline audience measurement and marketing intelligence techniques. Digital media provide businesses with the opportunity to measure detailed user activity, such as how users interact with Web page content; to assess how users respond to online marketing, such as which online ads users click on to pursue a transaction; and to analyze how audiences and user behavior compare across various Web sites. This type of detailed user data can be combined with demographic, attitudinal and transactional information to develop a deeper understanding of user behavior, attributes and preferences. Unlike offline media such as television and radio, which generally only allow for the passive measurement of relative audience size, digital media enable businesses to actively understand the link between digital content, advertising and user behavior.

We believe that the growth in the online and digital media markets for digital commerce, content, advertising and communications creates an unprecedented opportunity for businesses to acquire a deeper understanding of both their customers and their competitive market position. Businesses can use accurate, relevant and objective digital marketing intelligence to develop and validate key strategies and improve performance. For example, with a deep understanding of the size, demographic composition and other characteristics of its audience, an online content provider can better communicate the value of its audience to potential advertisers. With detailed metrics on the effectiveness of an online advertising campaign and how that campaign influences online and offline purchasing behavior, a business can refine its marketing initiatives. With insight into market share and customer behavior and preferences, a business can understand not only how its digital business is performing relative to its competitors but also the drivers behind such performance. Moreover, by using the appropriate digital marketing intelligence, businesses can refine their digital content, commerce, advertising and communications initiatives to enhance the effectiveness and return on investment of their marketing spending, enabling them to build more successful businesses.

Challenges in Providing Digital Marketing Intelligence

While the interactive and dynamic nature of digital markets creates the opportunity for businesses to gain deep insights into user behavior and competitive standing, there are a number of issues unique to the Internet that make it challenging for companies to provide digital marketing intelligence. Compared to offline media such as television or radio, the markets for digital media are significantly more fragmented, complex and dynamic. As of December 2006, we believe that there were more than 17,000 and 25,000 U.S. and global Web sites, respectively, that each receive more than 30,000 unique visitors per month, as compared to only a few hundred channels typically available with standard digital cable or satellite television and broadcast or satellite radio. The complexities of online user activity and the breadth of digital content and advertising make providing digital marketing intelligence a technically challenging and highly data-intensive process.

Digital media continues to develop at a rapid pace and includes numerous formats such as textual content, streaming and downloadable video and music, instant messaging, VoIP telephony, online gaming and email.

Digital advertising also includes multiple formats such as display, search, rich media and video. Detailed user activity such as viewing, clicking or downloading various components of a Web page across digital media or interacting with various advertising formats creates a substantial amount of data that must be captured on a continuous basis. The data must also be cleansed for quality, relevancy and privacy protection and be organized to enable companies to obtain relevant digital marketing intelligence. This capture of audience data can prove extremely challenging when it involves millions of Internet users with varying demographic characteristics accessing tens of thousands of Web sites across diverse geographies. In addition, the ongoing development of digital media programming languages and technologies contributes to the challenge of accurately measuring user activity. For example, online publishers and advertisers have recently started to use Asynchronous JavaScript and XML, or AJAX, a development technique that allows Web applications to quickly make incremental updates without having to refresh the entire Web page. Prior to AJAX, marketers relied heavily on page view statistics to plan and evaluate their online media spending programs. With AJAX, we believe marketers are beginning to question the definition of, and need for, page views, and are seeking alternative metrics for measuring the usage and effectiveness of online media. To maintain their relevance, audience and media measurement technologies must keep pace with the continued evolution and increasing complexity of digital media.

Need for Accuracy and Reliability. Relevant digital marketing intelligence requires access to accurate and reliable global data that measure online user activity. Existing data collection methodologies, including those that rely on third party sources, surveys or panels, face significant challenges and limitations. Survey or panel methodologies must measure a sufficiently large and representative sample size of Internet users to accurately capture data that is statistically projectable to the broader Internet population. In addition, the international composition of Internet audiences requires a geographically dispersed sample to accurately capture global digital activity. Digital marketing intelligence that depends on third-party sources to obtain Internet audience usage data has the potential to be biased, may be constrained by the data that the third party is capable of capturing, and may be limited in its application. For example, a solution that relies on data supplied by an Internet service provider, or ISP, may show a bias toward the demographic composition or other characteristics of that ISP's users. We believe that a meaningful digital media sourcing methodology must be based on data sourced from a large, representative global sample of online users that can be parsed, enhanced, mined and analyzed; must evolve rapidly and be flexible to adapt to changing technologies; and must be able to provide actionable digital marketing intelligence that can be used to improve business decision-making.

Need for Third-Party Objectivity. We believe that the availability of objective third-party data that measure digital audience size, behavior, demographic and attitudinal characteristics represents a key factor in the continued growth of digital content, advertising and commerce. This is similar to offline media markets, such as television and radio, whose development was significantly enhanced by the introduction of third-party audience measurement ratings that provided a basis for the pricing of advertising in those media. As the buying and selling of online advertising continues to grow, we believe that companies on both sides of the advertising transaction will increasingly seek third-party marketing intelligence to assess the value and effectiveness of digital media. In addition, as advertisers work with Web site publishers to target online advertising campaigns to reach a specific demographic or behavioral user profile, the need for objective audience and user information, unbiased by either party to the transaction, will become increasingly important.

Need for Competitive Information. In addition to the scope, complexity and rapid evolution of online digital media, the lack of data on competitors makes it difficult for companies to gain a comprehensive view of user behavior beyond their own digital businesses. While products and tools exist that enable companies to understand user activity on their own Web sites, these products are unable to provide a view of digital audience activity on other Web sites or offline. In order for publishers, marketers, merchants and service providers to benefit from accurate and comprehensive digital marketing intelligence they need to understand user activity on Web sites across the Internet and how online consumer behavior translates into offline actions.

The comScore Digital Marketing Intelligence Platform

We provide a leading digital marketing intelligence platform that enables our customers to devise and implement more effective digital business strategies. Our platform is comprised of proprietary databases and a computational infrastructure that measures, analyzes and reports digital activity from our global panel of more than two million Internet users. We offer our customers deep insights into consumer behavior on their own online properties and those of their competitors, including objective, detailed information on users' demographic characteristics, attitudes, lifestyles and multi-channel buying activity. We also provide industry-specific metrics to our customers.

We deliver our digital marketing intelligence through our comScore Media Metrix product family and through comScore Marketing Solutions. Media Metrix provides intelligence on digital media usage, including a measurement of the size, behavior and characteristics of the audiences for individual Web sites and advertising networks within the global home, work and university Internet user populations as well as insight into the effectiveness of online advertising. Our Marketing Solutions products combine the proprietary information gathered from our user panel with the vertical industry expertise of comScore analysts to deliver digital marketing intelligence customized for specific industries. Media Metrix and Marketing Solutions products are typically delivered electronically in the form of periodic reports, through customized analyses or are generally available online via a user interface on the comScore Web site.

Key attributes of our platform include:

- *Panel of global Internet users.* Our ability to provide digital marketing intelligence is based on information continuously gathered from a broad cross-section of more than 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. Through our proprietary technology, we measure detailed Internet audience activity across the spectrum of digital content and marketing channels. Many comScore panelists also participate in online survey research that captures and integrates demographic, attitudinal, lifestyle and product preference information with Internet behavior data. The global nature of our Internet panel enables us to provide digital marketing intelligence for over 30 individual countries. Our global capability is valuable to companies based in international markets as well as to multi-national companies that want to better understand their global Internet audiences and the effectiveness of their global digital business initiatives.
- *Scalable technology infrastructure.* We developed our databases and computational infrastructure to support the growth in online activity among our global Internet panel and the increasing complexity of digital content formats, advertising channels and communication applications. The design of our technology infrastructure is based on distributed processing and data capture environments that allow for the collection and organization of vast amounts of data on online activity, including usage of proprietary networks such as AOL, instant messaging and audio and video streaming. Our database infrastructure currently captures approximately 182 million Web pages and 4.5 billion URL records each week from our global Internet panel, resulting in over 28 terabytes of data collected by our platform each month. We believe that our efficient and scalable technology infrastructure allows us to operate and expand our data collection infrastructure on a cost-effective basis. In recognition of the scale of our data collection and warehousing technology, we have received multiple awards, including the 2003, 2004 and 2005 Winter Corporation Grand Prize for Database Size on a Windows NT Platform.

Benefits of our platform include:

- *Advanced digital marketing intelligence.* We use our proprietary technology to compile vast amounts of data on Internet user activity and to organize the data into discrete, measurable elements that can be used to provide actionable insights to our customers. We believe that our digital marketing intelligence platform enables companies to gain a deeper understanding of their digital audiences, which allows them to better assess and improve their company and product-specific competitive position. Because our marketing intelligence is based on a large sample of global Internet users and can incorporate

multi-channel transactional data, we are able to provide companies with an enhanced understanding of digital audience activity beyond their own Web sites and the ability to better assess the link between digital marketing and offline user activity. Digital content providers, marketers, advertising agencies, merchants and service providers can use the insights our platform provides to craft improved marketing campaigns and strategies and to measure the effectiveness and return on investment of their digital initiatives.

- *Objective third-party resource for digital marketing intelligence.* We are an independent company that is not affiliated with the digital businesses we measure and analyze, allowing us to serve as an objective third-party provider of digital marketing intelligence. Because businesses use our data to plan and evaluate the purchase and sale of online advertising and to measure the effectiveness of digital marketing, it is important that we provide unbiased data, marketing intelligence, reports and analyses. We deploy advanced statistical methodologies in building and maintaining the comScore global Internet user panel and utilize proven data capture, and computational practices in collecting, statistically projecting, aggregating and analyzing information regarding online user activity. We believe that our approach ensures that the insights we provide are as objective as possible and allows us to deliver products and services that are of value to our customers in their key business decision-making. We believe that the media industry views us as a highly recognized and credible resource for digital marketing intelligence. For example, between March 1 and December 31, 2006, our information on digital activity was cited more than 16,500 times by third-party media outlets, an average of approximately 55 citations per day. Our data are regularly cited by well-known media outlets such as the Associated Press, Reuters, Bloomberg, CNBC, *The New York Times* and *The Wall Street Journal*. Moreover, many of the leading Wall Street investment banks also purchase and cite our data in their published research reports prepared by financial analysts that cover Internet businesses.
- *Vertical industry expertise.* We have developed expertise across a variety of industries to provide digital marketing intelligence specifically tailored to the needs of our customers operating in specific industry sectors. We have dedicated personnel to address the automotive, consumer packaged goods, entertainment, financial services, media, pharmaceutical, retail, technology, telecommunications and travel sectors. We believe that companies across different industries have distinct information and marketing intelligence needs related to understanding their digital audiences and buyers, evaluating marketing initiatives and understanding company or product-specific competitive position. For example, a pharmaceutical company may want to understand how online research by consumers influences new prescriptions for a particular drug, while a financial services company may want to assess the effectiveness of its online advertising campaigns in signing up new consumers and how this compares to the efforts of its competitors. By working with companies in various industries over the course of multiple years, we have developed industry-specific applications of our data and our client service representatives have developed industry-specific knowledge and expertise that allow us to deliver relevant and meaningful marketing insight to our customers.
- *Ease of use and functionality.* The comScore digital marketing intelligence platform is designed to be easy to use by our customers. Our Media Metrix products are available through the Internet using a standard browser. Media Metrix customers can also run customized reports and refine their analyses using an intuitive interface available on our Web site. Our Marketing Solutions products are available either through the Internet or by using standard software applications such as Microsoft Excel, Microsoft PowerPoint or SPSS analytical software. Our customers do not need to install additional hardware or complex software to access and use our products.

Strategy

Our objective is to be the leading provider of global digital marketing intelligence products. We plan to pursue our objective through internal initiatives and, potentially, through acquisitions and other investments. The principal elements of our strategy are to:

- *Deepen relationships with current customers.* We intend to work closely with our customers to enable them to continuously enhance the value they obtain from our digital marketing intelligence platform. Many of our customers are Fortune 1000 companies that deploy multiple marketing initiatives, and we believe many of our customers would benefit from more extensive use of our product offerings to gain additional insights into their key digital initiatives. We will work to develop and expand our customer relationships to increase our customers' use of our digital marketing intelligence platform.
- *Grow our customer base.* As the digital media, commerce, marketing and communications sectors continue to grow, we believe the demand for digital marketing intelligence products will increase. To meet this increase in market demand, we intend to invest in sales, marketing and account management initiatives in an effort to expand our customer base. We intend to offer both general and industry-specific digital marketing products that deliver value to a wide range of potential customers in current and new industry verticals.
- *Expand our digital marketing intelligence platform.* We expect to continue to increase our product offerings through our digital marketing intelligence platform. As digital markets become more complex, we believe that companies will require new information and insights to measure, understand and evaluate their digital business initiatives. We intend to develop new applications that leverage our digital marketing intelligence platform to be able to provide the most timely and relevant information to our customers. For example, in 2003 we were one of the first companies to offer data, analysis and reports on the fast-growing Internet search market.
- *Address emerging digital media.* The extension of digital media and communications to include new formats such as VoIP, IP television, content for mobile phones and next generation gaming consoles creates new opportunities to measure and analyze emerging digital media. We intend to extend our digital marketing platform to capture, measure and analyze user activity in these emerging digital media and communications formats.
- *Extend technology leadership.* We believe that the scalability and functionality of our database and computational infrastructure provide us with a competitive advantage in the digital media intelligence market. Accordingly, we intend to continue to invest in research and development to extend our technology leadership. We intend to continue to enhance our technology platform to improve scalability, performance and cost effectiveness and to expand our product offerings.
- *Build brand awareness through media exposure.* Our digital media, commerce and marketing information is frequently cited by media outlets. In addition, we proactively provide them with data and insights that we believe may be relevant to their news reports and articles. We believe that media coverage increases awareness and credibility of the comScore and Media Metrix brands and supplements our marketing efforts. We intend to continue to work with media outlets, including news distributors, newspapers, magazines, television networks, radio stations and online publishers, to increase their use of comScore data in content that discusses digital sector activity.
- *Grow internationally.* While we are currently in the early stages of providing customers with international services, we believe that a significant opportunity exists to provide our product offerings to multi-national and international companies. Approximately half of the existing comScore Internet user panel resides outside of the United States. In July 2006, we launched World Metrix, a product that measures global digital media usage. World Metrix is based on a sample of online users from countries that comprise approximately 95% of the global Internet population. We plan to expand our sales and marketing and account management presence outside the U.S. as we provide a broader array of digital marketing intelligence products that are tailored to local country markets as well as the global marketplace.

Our Product Offerings

We deliver our digital marketing intelligence through our comScore Media Metrix product family and through comScore Marketing Solutions.

comScore Media Metrix

Media Metrix provides its subscribers, consisting primarily of publishers, marketers, advertising agencies and advertising networks, with intelligence on digital media usage and a measurement of the size, behavior and characteristics of the audiences for Web sites and advertising networks among home, work and university Internet populations. Media Metrix also provides insights into the effectiveness of online advertising. Media Metrix data can be used to accurately identify and target key online audiences, evaluate the effectiveness of digital marketing and commerce initiatives, support the selling of online advertising by publishers, and to identify and exploit relative competitive standing. The vast majority of our Media Metrix subscribers access selected reports and analyses through the MyMetrix user interface on our Web site.

Our flagship product, Media Metrix 2.0, details the online activity and site visitation behavior of Internet users, including use of proprietary networks such as AOL, instant messaging, audio and video streaming, and other digital applications. Our customers subscribe to ongoing access to our digital marketing intelligence reports and analyses, including:

- comprehensive reports detailing online behavior for home, work and university audiences;
- demographic characteristics of visitors to Web sites and properties;
- buying power metrics that profile Web site audiences based on their online buying behavior;
- detailed measurement and reporting of online behavior for over 30 countries and over 100 U.S. local markets;
- measurement of key ethnic segments, including the online Hispanic population; and
- reach and frequency metrics for online advertising campaigns that show the percent of a target audience reached and the frequency of exposure to advertising messages.

A representative MyMetrix screenshot, detailing the most visited online properties in the United States for December 2006, is shown on the following page.

[Print](#) | [Refresh](#) | [Save to MyReports](#) | [Home](#) | [Reports](#) | [Custom](#) | [Support](#) | [Help](#) | [Logout](#)

MyMetrix
 Contact Support | My | Logout
 © Condore Networks

KEY MEASURES REPORT
TOP 100 PROPERTIES [UNDFP]

Rank 3 to 100 of 100
 First | Prev | Next | Last

Rank	Property	Total Unique Visitors (UD)	Reach	Average Daily Visitors (ADV)	Total Visits (TV)	Average Bounce Rate	Total Pages per Page (TPP)	Total Pages per Page (TPP)	Average Page per Visitor	Average Minutes per Visitor	Average Pages per Visitor	By/By Page Date (BPP)
1	1 Total AdMarket Total Audience	174,158	100.0	151,388	337,442	81.7	451,044	116.8	21.8	1,704.8	2,068	100
2	100 Yahoo! Search	158,458	79.6	40,839	42,724	88.3	38,827	33.2	11.8	300.7	275	115
3	100 Time Warner Network	150,880	84.4	38,738	31,784	88.4	18,800	13.8	8.8	300.8	107	117
4	100 Microsoft Sites	112,888	64.4	37,499	2,887	81.4	13,280	12.4	8.4	10.8	116	127
5	100 eBay	94,888	54.4	19,738	9,488	87.4	11,548	28.2	4.7	77.1	181	188
6	100 Fox Interactive Media	78,778	45.1	18,834	14,881	84.3	41,000	10.8	8.8	201.1	206	114
7	100 AOL	78,778	45.1	18,834	14,881	84.3	41,000	10.8	8.8	201.1	206	114
8	100 Ask Network	68,778	39.1	8,858	1,887	84.8	1,711	8.8	3.7	17.8	31	108
9	100 AOL-News	44,100	25.3	3,418	2,882	78.8	1,443	13.8	2.4	18.2	38	178
10	100 AOL-News	44,100	25.3	3,418	2,882	78.8	1,443	13.8	2.4	18.2	38	178
11	100 Apple Computer, Inc.	36,418	20.8	4,851	6,844	84.8	7,021	4.7	3.8	15.8	18	131
12	100 New York Times Digital	36,418	20.8	4,851	6,844	84.8	7,021	4.7	3.8	15.8	18	131
13	100 Verizon Communications Corporation	34,491	19.8	3,195	6,931	87.7	1,123	11.7	2.8	18.9	33	181
14	100 Target Corporation	34,288	19.7	2,892	4,888	88.8	787	11.2	2.1	19.4	38	188
15	100 Amazon.com	34,288	19.7	2,892	4,888	88.8	787	11.2	2.1	19.4	38	188
16	100 eBay	31,888	18.4	2,884	2,884	88.8	844	8.2	2.4	18.8	38	142
17	100 eBay	31,888	18.4	2,884	2,884	88.8	844	8.2	2.4	18.8	38	142
18	100 Adobe Sites	28,881	16.8	1,828	2,881	88.8	881	8.2	1.5	3.2	3	188
19	100 eBay	28,881	16.8	1,828	2,881	88.8	881	8.2	1.5	3.2	3	188
20	100 eBay	28,881	16.8	1,828	2,881	88.8	881	8.2	1.5	3.2	3	188
21	100 Best Buy Sites	24,874	14.2	1,888	2,877	88.8	888	10.8	2.0	12.0	31	217
22	100 Best Buy Sites	24,874	14.2	1,888	2,877	88.8	888	10.8	2.0	12.0	31	217
23	100 Best Buy Sites	24,874	14.2	1,888	2,877	88.8	888	10.8	2.0	12.0	31	217
24	100 CBS Corporation	23,164	13.2	2,448	640	84.8	740	9.7	3.3	27.8	38	188
25	100 CBS Corporation	23,164	13.2	2,448	640	84.8	740	9.7	3.3	27.8	38	188
26	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
27	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
28	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
29	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
30	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
31	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
32	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
33	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
34	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
35	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
36	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
37	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
38	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
39	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
40	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
41	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
42	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
43	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
44	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
45	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
46	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
47	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
48	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
49	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188
50	100 Bank of America	22,874	13.0	3,702	888	77.7	1,864	10.7	5.1	36.8	64	188

In addition to our core offering, customers can subscribe to the following additional products in the Media Metrix product family:

Plan Metrix. Plan Metrix is a product that combines the continuously and passively observed Internet behavior provided by Media Metrix with comprehensive attitude, lifestyle and product usage data collected through online surveys of our U.S. Internet user panel. Plan Metrix provides advertising agencies, advertisers and publishers with multiple views of Web site audiences including their online behavior, demographics, lifestyles, attitudes, technology product ownership, product purchases and offline media usage. These data are used in the design and evaluation of online marketing campaigns. For example, an online auto retailer could use Plan Metrix to help understand which Web sites a prospective automobile purchaser is most likely to visit prior to making a purchase decision.

World Metrix. We provide insights into worldwide Internet activity through our World Metrix product, which delivers aggregate information about the behavior of online users on a global basis, for approximately 30 individual countries and for regional aggregations such as Latin America, Europe and Asia Pacific. For example, a content publisher can understand its market share of the global Internet audience using our World Metrix product.

Video Metrix. Video Metrix provides insights into the viewing of streaming video by U.S. Internet users. The product measures a wide range of video players and formats, including Windows Media, Flash, RealMedia and QuickTime. Video Metrix offers site-level measurement and audience ratings by demographics and time-of-day to assist agencies, advertisers and publishers in designing and implementing media plans that include streaming video. For example, an advertiser that is seeking to maximize the exposure of its streaming video ads to its target audience could use Video Metrix to help understand on which sites and at what times of the day its target audience is viewing the most streaming video.

Ad Metrix. Available through the Media Metrix client interface, Ad Metrix provides advertisers, agencies and publishers with a variety of online advertising metrics relating to impressions, or advertisements on a Web site that reach a target audience. Ad Metrix helps customers determine the impressions delivered by advertising campaigns across Web sites and online properties, including how many visitors are reached with advertisements and how often. In addition, Ad Metrix allows customers to determine the demographic profile of the advertising audience at a particular site, as well as how the volume of impressions changes over time on that site. The Ad Metrix data are consistent with offline media planning metrics such as GRPs, or gross rating points, which measure the percent of a target audience that is reached with an advertisement weighted by the number of exposures. For example, an advertiser might use Ad Metrix to plan the online portion of an advertising campaign for a sports product on sites that have previously successfully delivered advertising impressions to a target demographic audience. A publisher might use Ad Metrix data to measure its share of advertising impressions relative to competitive publishers. Ad Metrix was launched in early 2007 in beta format and we plan to commercially launch this product in the second quarter of 2007.

Some examples of Media Metrix digital marketing intelligence measurements and their customer uses are described in the following table.

Digital Marketing Intelligence Measurement	Examples of Customer Uses
Site Traffic & Usage Intensity	<ul style="list-style-type: none"> • rank Web sites based on online usage metrics such as unique visitors, page views or minutes of use • drill-down to standard or customer-defined site subsets such as channels or sub-channels (such as Yahoo! Finance and Yahoo! Sports) • analyze statistics over time such as trends in site visitors within demographic segments • assess which Web site audiences are growing or declining, which sites are most attractive to particular demographic segments or which sites or digital applications have the highest level of usage • identify the source of traffic to a particular Web site or channel within a site
Quantitative Consumer Information	<ul style="list-style-type: none"> • profile site users based on life-stage or offline behavior such as panelist-reported TV usage, car ownership, health conditions or offline purchases • efficiently identify and target a particular user segment (e.g., people who say they are likely to buy a car in the next six months) • quantify the audience overlap between different consumer segments or Web sites to identify the number of unique visitors reached
Online Buying Power	<ul style="list-style-type: none"> • quantify the propensity of a particular Web site's audience to purchase certain categories of products (e.g., consumer electronics) online
Competitive Intelligence	<ul style="list-style-type: none"> • compare the standings of Web sites within particular content categories, such as finance or health information • quantify audience size relative to competitors, including share of usage within a category and usage trends across competitors • track major competitors, quantify their growth, and identify initiatives to promote growth and market share
Reach and Frequency	<ul style="list-style-type: none"> • identify and quantify the size of audiences reached by individual Web sites and determine how often they reach those audiences • assist with the planning of online advertising campaigns that need to achieve specific reach or frequency objectives against a targeted audience across multiple Web sites • design the most cost-effective media plans that can achieve campaign objectives for reach and frequency

comScore Marketing Solutions

comScore Marketing Solutions products use our global database, computational infrastructure and our staff of experienced analytical personnel to help customers design more effective marketing strategies that increase sales, reduce costs, deepen customer relationships and ultimately enhance a customer's competitive position. We offer solutions tailored for specific industry verticals, including the automotive, consumer packaged goods, entertainment, financial services, media, pharmaceutical, retail, technology, telecommunications and travel sectors. Many of our Marketing Solutions products are delivered to subscribers on a recurring schedule such as monthly or quarterly. In some cases, we provide customized reports and analyses that combine our expertise with other proprietary information to address a specific customer need.

The core information products offered by comScore Marketing Solutions include:

Market Share Reports. These reports track a company's share of market as measured by industry-specific performance metrics. The metrics of choice vary by industry vertical, including as examples: share of online credit card spending for credit card issuers; share of online travel spending for travel companies; or share of subscribers for ISPs. In each case, market share reports provide an ongoing measurement of competitive performance and insight into the factors driving changes in market share.

Competitive Benchmark Reports. These reports allow customers to compare themselves to competitors using various industry-specific metrics. For example, retailers may look at metrics such as the rate of conversion of site visitors to buyers, average order size or rate of repeat purchases among existing customers. Banks may focus on the percentage of bank customers using online bill payment services, or compare the effectiveness of customer acquisition programs as reflected by the percentage of leads they acquire that ultimately sign up for an online account. In each case, a customer may define and obtain best-of-category metrics and use them as a benchmark to monitor its business performance over time.

Loyalty and Retention Analysis. These analyses provide an understanding of the extent to which consumers are also engaged with competitors, and identifies loyalty drivers to assist customers in capturing a higher share of the consumer's wallet. For example, a travel company might quantify the potential business lost when consumers visit its site, do not complete a purchase but then visit a competing site to book a travel reservation. Retention or churn analyses quantify consumer losses to competitors and the key drivers of such losses. For example, a narrowband Internet service provider may track the rate of attrition among its customer base, identify which competitors are capturing those lost customers, and analyze the characteristics of the lost customers in order to gain insight into ways to improve retention.

Customer Satisfaction Reports. These reports are based on panelist responses to survey questionnaires that ascertain the degree of satisfaction with various products or services offered to consumers. This information is often integrated with the online usage information that we collect from our panelists in order to identify which digital media usage activities affect customer satisfaction. For instance, a sports portal may use these reports to determine which features, such as participating in fantasy sports leagues or viewing streaming video clips, affect customer satisfaction and loyalty the most.

qSearch. This product is a monthly scorecard of the search market that provides a comparison of search activity across portals and major search engines. It helps identify the reach of a search engine, the loyalty of its user base, the frequency of search queries, and the effectiveness of sponsored links displayed on search result pages in driving referrals to advertiser sites. qSearch is used by major search engines and advertising agencies in planning search campaigns.

Campaign Metrix. This product provides detailed information about specific online advertising campaigns. These reports, available through a Web-based interface, describe for each advertising image, or "creative" within an advertising campaign, the size and demographic composition of the audience exposed to that particular advertisement, the average number of impressions delivered and other details regarding ad formats and ad sizes used in the campaign. An advertiser, agency or publisher could use Campaign Metrix to gain insight into the effectiveness of an online advertising campaign by examining the number of unique users exposed to the campaign, the number of times on average that a unique user was exposed to the campaign and

whether the campaign reached the targeted audience demographic. This product was launched in February 2007 in beta format and we plan to commercially launch this product in the second quarter of 2007.

Internet Advertising Effectiveness Studies. These studies provide an understanding of the effectiveness of particular advertising campaigns by measuring the online and offline behavior of a "target group" of comScore panelists, following their exposure to a particular advertisement, and comparing their behavior to that of a "control group" of comScore panelists who were not exposed to such advertisements. This type of a study allows a marketer to understand the impact of their advertising campaign and to estimate the return on their investment in online marketing.

Survey-Based Products. These products leverage our ability to administer surveys to our panel members to obtain valuable information that can be seamlessly integrated with online behavioral data to provide our clients with additional insights into the drivers of consumer behavior.

Customers

As of December 31, 2006, we had 706 customers, including over 100 Fortune 1000 customers. Our customers include:

- fifteen of the top twenty online properties, based on total unique visitors, as ranked by our Media Metrix database for the month of December 2006, including Microsoft, Yahoo!, AOL and Google;
- ten of the top twenty U.S. Internet service providers, based on the number of subscribers as of the third quarter of 2006, as ranked by ISP Planet;
- the top ten investment banks, based on 2006 revenues, as ranked by Dealogic;
- 97 advertising and media buying agencies;
- five of the top six consumer banks, based on consolidated assets as of December 31, 2006, as ranked by the Federal Reserve System, National Information Center;
- seven of the top ten pharmaceutical companies, based on 2005 worldwide sales, as ranked by IMS Health; and
- seven of the top eight credit card issuers, based on total credit cards outstanding in 2006, as ranked by the 2006 Nilson Report.

One of our customers, Microsoft Corporation, accounted for 5% of our revenues in the year ended December 31, 2004, 14% of our revenues in the year ended December 31, 2005 and 12% of our revenues in the year ended December 31, 2006.

The following examples are provided as an illustration of the development and growth of our relationships with our customers:

- **Microsoft** is a leading provider of software, services and solutions. Since 2001, Microsoft's Internet division, MSN, has used our global panel data to better understand the needs of consumers, to help guide product planning strategies and to measure the impact of online marketing efforts, and has increased its use of our products in each subsequent year. Since 2004, MSN has purchased detailed Internet clickstream data patterns to study how consumers use MSN and competitive services, in order to better meet consumer needs. Since June 2005, MSN has used our qSearch product to measure and benchmark the behavior of consumers and competitors in the Internet search market. Since 2005, we have also provided MSN with advertising studies that it has used to measure the impact of MSN's online marketing campaigns and demonstrate to clients the effectiveness of online advertising. In addition, since 1999, Microsoft has been a customer of SurveySite, a company that we acquired on December 31, 2004. comScore SurveySite provides Microsoft with insights about their customers, partners and employees by conducting online qualitative research and quantitative surveys, including ongoing customer satisfaction tracking programs. comScore SurveySite has been a Premier Vendor for Online Research to Microsoft since 2002. comScore SurveySite was also the winner of the 2005

Microsoft Vendor Program Excellence Award in Technology in recognition of its innovative SiteRecruit system. In 2006, comScore SurveySite was also named a Relationship Marketing Specialty Vendor, a designation shared by only five market research vendors worldwide. comScore SurveySite has worked across all of Microsoft's principal business groups including Platform Products and Services, Business Products and Services and Entertainment and Devices.

- **Verizon Communications** is a leader in delivering broadband and other wireline and wireless communication innovations to business, government and wholesale and retail customers. Since 2001, Verizon Communications has used comScore Marketing Solutions products to better understand the competitive landscape in the Internet access industry and trends in broadband offerings. Starting with the purchase of an ISP market share analysis for two specific markets, Verizon Communications now uses our data and analyses in over 40 markets to not only understand its competitive position in the industry, but also to determine the efficacy of its broadband product line and to help guide marketing strategies. Verizon Communications also uses other comScore Marketing Solutions products to obtain answers to a variety of other business issues.
- **Starcom USA** is an independent operating unit of Starcom MediaVest Group, a global advertising and marketing agency. Starcom has been a customer of comScore's Marketing Solutions products since 2004, when it purchased an analysis to quantify the impact of a Fortune 500 client's online advertising on its share of consumer eCommerce spending during the 2003 holiday shopping season. In 2005, Starcom expanded the relationship to include comScore Marketing Solutions' online survey capabilities. Since 2004, Starcom's purchases of our products have expanded from purchasing surveys and holiday season eCommerce tracking to purchases covering almost the entire year. Starcom uses our digital market intelligence to analyze the impact of online advertising on its clients' share of consumer eCommerce spending at a total Internet and product category level. Starcom also uses our marketing solutions brand accountability analyses that we generate from survey results from our global consumer Internet panel.
- **Yahoo!** is a leading global Internet portal. Yahoo! became a customer when we acquired certain Media Metrix assets in 2002. Since then, Yahoo! has purchased additional Media Metrix products and in 2004 chose comScore as Yahoo!'s source of record for Internet audience measurement and search. Yahoo! has exclusively used Media Metrix for digital marketing intelligence in the U.S. since 2006. In 2002, our relationship with Yahoo! expanded with the launch of our qSearch product that tracks consumers' use of various search engines. qSearch information is used by Yahoo! in numerous aspects of managing its search business, including product development, market share tracking, competitive analysis, ad effectiveness and executive reporting. Yahoo! also commissioned us to conduct several analyses that measured the degree to which offline sales and latent online sales (sales made days or weeks after the initial click-through) were impacted by search advertising. In late 2005 and throughout 2006, Yahoo! integrated our advertising effectiveness testing products into its suite of advertiser products, thereby enabling its advertisers to analyze campaign effectiveness by measuring a variety of different metrics including offline sales, surveyed branding and awareness, online site usage and trademark search activity. In 2006, we completed two significant studies for Yahoo! entitled "Close the Loop" — a study on the link between search and image advertising, and "Brand Advocates: The Impact of Search and Social Media on Branding." We became a preferred provider of services to Yahoo! in 2006. In 2007, our relationship with Yahoo! grew with the addition of international and worldwide data and ongoing adoption of certain of our new syndicated and custom comScore digital marketing intelligence products.

Selling and Marketing

We sell the majority of our products through a direct sales force. Sales of the comScore Media Metrix product suite to new clients are managed by sales representatives assigned specifically to new business development. A separate group of account managers within our sales organization is assigned to manage, renew and increase sales to existing Media Metrix customers. The comScore Marketing Solutions sales organization is organized vertically by industry with account executives dedicated to selling into the

automotive, consumer packaged goods, entertainment, financial services, media, pharmaceutical, retail, technology, telecommunications and travel sectors and other industries. Marketing Solutions account executives are tasked with both identifying and generating new business in specific verticals as well as servicing existing customers. Our sales and account representatives receive a base salary and are eligible for bonuses or commissions based on performance.

Our marketing communications staff is primarily focused on leveraging the use of comScore data and insights by the media and maximizing the number of times that comScore is cited as a source of information. We believe that the use of our data by general and industry-specific media outlets increases recognition of the comScore brand name and serves to help validate the value of the analyses and products we provide. In order to accomplish this goal, we seek to maintain relationships with key news distributors, publications, TV networks, reporters and other media outlets. We believe that the media views us as a highly recognized and credible resource for digital marketing intelligence. For example, between March 1 and December 31, 2006, comScore data were cited more than 16,500 times by third-party media outlets, an average of over 55 citations per day. Moreover, we are regularly cited by well-known news distributors, publications and TV networks such as the Associated Press, Reuters, Bloomberg, CNBC, *The New York Times* and *The Wall Street Journal*. We also target various industry conferences and tradeshows as part of our marketing efforts. These events are typically focused on a particular industry, allowing us to demonstrate to industry participants the value of our products to businesses in that industry.

Panel and Methodology

The foundation of our digital marketing intelligence platform is data collected from our comScore panel, which includes more than two million persons worldwide whose online behavior we have explicit permission to measure on a continuous, passive basis. We believe that our panel is one of the largest global panels of its kind, delivering a multi-faceted view of digital media usage and transactional activity as well as selected offline activity. By applying advanced statistical methodologies to our panel data, we project the behavior of the total online population.

We recruit our panel through a variety of online recruitment programs that have been tested and refined since our inception to ensure a diverse sample that sufficiently represents the broader global Internet population. In addition, in the United States we enlist a sub-sample of panelists through various offline recruiting methods. Participants in the comScore research panel receive a package of benefits that is designed to appeal to a broad variety of user categories. Examples of such benefits include, as of December 2006, free security applications such as server-based virus protection, encrypted file protection, encrypted network disk storage locations for user backups; free general purpose applications such as screensavers and games; sweepstakes; cash payments; and points that may be redeemed for prizes. Participants' data and privacy are protected by defined privacy policies that safeguard personally-identifiable information. This combination of recruiting methods allows us to maintain a panel large enough to provide statistically representative samples in most demographic segments.

We continuously determine the size, demographics and other characteristics of the online population using enumeration surveys of tens of thousands of persons annually, whereby respondents are asked a variety of questions about their Internet use, as well as demographic and other descriptive questions about themselves and their households. The sample of participants in each enumeration survey is selected using a random recruiting methodology. The result is an up-to-date picture of the population to which the comScore sample is then projected. We use the results from the enumeration surveys to weight and statistically project the panel data to ensure that the projected data reflect the characteristics of the Internet population.

Privacy

We believe that a key factor differentiating our digital marketing intelligence is our ability to track and analyze online usage behavior using the data collected from our panel. Since the founding of our company, we have endeavored to undertake such data collection and analysis responsibly and only with consumer permission. Participation in our research panel is voluntary. Participants must consent to our privacy and data

security practices before our software collects information on the user's online activity. In addition, we provide panelists with multiple opportunities and methods to remove themselves from our panel. We limit the type of information that we collect by identifying and filtering certain personal information from the data collected. The collected data is secured using multiple layers of physical and digital security mechanisms. Moreover, we maintain a strict policy of not sharing panelists' personally identifiable information with our customers. Understanding the sensitive nature of the data that we collect and analyze, each year since 2000 we have been certified as meeting the AICPA/CICA WebTrust criteria for online privacy. These criteria relate to disclosures we make and the consents obtained from our panelists and our data security practices.

Technology and Infrastructure

We have developed a proprietary system for the measurement of the activity of our global online panel. This system is continuously refined and developed to address the changing digital media landscape and to meet new customer business needs. The system is comprised of hundreds of servers that operate using software built on Microsoft and other technologies. Our technology infrastructure is operated in two third-party Tier-1 co-location facilities (one in Virginia and the other in Illinois). Our systems have multiple redundancies and are structured to ensure the continuation of business operations in the event of network failure or if one of our data centers has been rendered inoperable. As of December 31, 2006, our technology team (excluding employees devoted to research and development) was comprised of over 105 full-time employees (or full-time equivalents) working in four different geographic locations, who design, develop, maintain and operate our entire technology infrastructure. In addition, we have established a relationship with a third party firm for software development in an economically beneficial locale as a means to augment our technology efforts for discrete projects.

Our development efforts have spanned all aspects of our business. We have developed a data capture system that operates across our panelists' computers in almost 200 countries and is used for the real-time capture of consumer Internet behavior. We have built a large scale, efficient and proprietary system for processing massive amounts of data. Typically our systems handle and process data in excess of 10 billion input records per month. Despite the scale of processing required, these data are generally available on a daily basis for our business use. We have also developed a highly efficient and scalable system for the extraction and tabulation of all online activities of our panelists. Likewise, we have created a highly scalable data warehousing environment that allows ready access and analysis of the data we collect. This system, based on Sybase IQ, was awarded the 2003, 2004 and 2005 Grand Prize for the largest Microsoft-based decision support warehouse by the Winter Corporation. In December 2006, we were recognized as a 2007 Technology Pioneer by the World Economic Forum. We believe our scalable and highly cost-effective systems and processing methods provide us with a significant competitive advantage.

Our customers access our digital marketing intelligence product offerings through a variety of methods including MyMetrix, our proprietary, Web-based analysis and reporting system, which in the month of December 2006 was used by 4,020 users to produce more than 170,000 reports.

Research and Development

Our research and development efforts focus on the enhancement of our existing products and the development of new products to meet our customers' digital marketing intelligence needs across a broad range of industries and applications. Because of the rapidly growing and evolving use of the Internet and other digital mediums for commerce, content, advertising and communications, these efforts are critical to satisfying our customers' demand for relevant digital marketing intelligence. As of December 31, 2006, we had approximately 82 full-time employees (or full-time equivalents) working on research and development activities (excluding employees on our technology team cited under "Technology and Infrastructure" above). In addition, we involve management and operations personnel in our research and development efforts. In 2006, 2005 and 2004, we spent \$9.0 million, \$7.4 million and \$5.5 million, respectively, on research and development.

Intellectual Property

We rely on a combination of patent, trademark, copyright and trade secret laws in the United States and other jurisdictions together with confidentiality procedures and contractual provisions to protect our proprietary technology and our brand. We seek patent protection on inventions that we consider important to the development of our business. We control access to our proprietary technology and enter into confidentiality and invention assignment agreements with our employees and consultants and confidentiality agreements with other third parties.

Our success depends in part on our ability to develop patentable products and obtain, maintain and enforce patent and trade secret protection for our products, including successfully defending these patents against any third-party challenges, both in the United States and in other countries. We may be able to protect our technologies from unauthorized use by third parties to the extent that we own or have licensed valid and enforceable patents or trade secrets that cover them. However, the degree of future protection of our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage.

Currently, we own U.S. patent 7,181,412, which was filed March 22, 2000 and covers, among other things, techniques for collecting consumer data. Under current U.S. law, the statutory term for a patent is 20 years from its earliest effective filing date. Accordingly, U.S. patent 7,181,412 is expected to expire on March 22, 2020. However, various circumstances, such as the provisions under U.S. patent law for patent term adjustment and patent term extension, may extend the duration of this patent. Similarly, various circumstances may shorten the duration of this patent, such as a change in U.S. law or a need or decision on our part to terminally disclaim a portion of the statutory term of this patent.

We also currently have twelve U.S. and foreign patent applications pending, and we intend to file, or request that our licensors file, additional patent applications for patents covering our products. However, patents may not be issued for any pending or future pending patent applications owned by or licensed to us, and claims allowed under any issued patent or future issued patent owned or licensed by us may not be valid or sufficiently broad to protect our technologies. Any issued patents owned by or licensed to us now or in the future may be challenged, invalidated, held unenforceable or circumvented, and the rights under such patents may not provide us with the expected benefits. In addition, competitors may design around our technology or develop competing technologies. Intellectual property rights may also be unavailable or limited in some foreign countries, which could make it easier for competitors to capture or increase their market share with respect to related technologies. Although we are not currently involved in any legal proceedings related to intellectual property, we could incur substantial costs to defend ourselves in suits brought against us or in suits in which we may assert our patent rights against others. An unfavorable outcome in any such litigation could have a material adverse effect on our business and results of operations.

In addition to patent and trade secret protection, we also rely on several trademarks and service marks to protect our intellectual property assets. We are the owner of numerous trademarks and service marks and have applied for registration of our trademarks and service marks in the United States and in certain other countries to establish and protect our brand names as part of our intellectual property strategy. Some of our registered marks include comScore, Media Metrix and MyMetrix.

Our intellectual property policy is to protect our products, technology and processes by asserting our intellectual property rights where we believe it is appropriate and prudent. Any pending or future pending patent applications owned by or licensed to us (in the United States or abroad) may not be allowed or may in the future be challenged, invalidated, held unenforceable or circumvented, and the rights under such patents may not provide us with competitive advantages. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. Protecting our intellectual property rights is costly and time consuming. Any increase in the unauthorized use of our intellectual property could make it more expensive to do business and harm our operating results.

There is always the risk that third parties may claim that we are infringing upon their intellectual property rights and, if successful in proving such claims, we could be prevented from selling our products.

For additional, important information related to our intellectual property, please review the information set forth in “Risk Factors — Risks Related to Our Business, Our Technologies and Our Industry.”

Competition

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

- large and small companies that provide data and analysis of consumers’ online behavior, including Compete Inc., Hitwise Pty. Ltd and NetRatings, Inc.;
- online advertising companies that provide measurement of online ad effectiveness, including aQuantive, Inc., DoubleClick Inc., 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 Arbitron Inc., Nielsen Media Research, Inc. and Taylor Nelson Sofres plc;
- analytical services companies that provide customers with detailed information of behavior on their own Web sites, including Omniture, Inc., WebSideStory, Inc. and WebTrends Corporation;
- full-service market research firms and survey providers that may measure online behavior and attitudes, including Harris Interactive Inc., Ipsos Group, Taylor Nelson Sofres plc and The Nielsen Company; and
- specialty information providers for certain industries that we serve, including IMS Health Incorporated (healthcare) and Telephia, Inc. (telecommunications).

Some of our current competitors have longer operating histories, relationships with more customers and substantially greater resources than we do. As a result, these competitors may be able to devote more resources to marketing and promotional campaigns, panel retention and development techniques or technology and systems development than we can. In addition, some of our competitors may be able to adopt more aggressive pricing policies. Furthermore, large software companies, Internet portals and database management companies may enter the 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.

We believe the principal competitive factors in our markets include the following:

- the ability to provide actual and perceived high-quality, accurate and reliable data regarding Internet and other digital media audience behavior and activity in a timely manner, including the ability to maintain a large and statistically representative sample panel;
- the ability to adapt product offerings to emerging digital media technologies and standards;
- the breadth and depth of our products and their flexibility and ease of use;
- the availability of data across various industry verticals and geographic areas and our expertise across these verticals and in these geographic areas;
- the ability to offer survey-based information combined with digital media usage, eCommerce data and other online information collected from panelists;
- the ability to offer high-quality analytical services based on Internet and other digital media audience measurement information;
- the ability to offer products that meet the changing needs of customers and provide high-quality service; and
- the prices that are charged for products based on the perceived value delivered.

We believe that we compete favorably with our competitors on the basis of these factors. However, if we are unable to compete successfully against our current and future competitors, we may not be able to acquire and retain customers, and we may consequently experience a decline in revenues, reduced operating margins, loss of market share and diminished value from our products.

Government Regulation

Although we do not believe that significant existing laws or government regulations adversely impact us, our business could be affected by different interpretations or applications of existing laws or regulations, future laws or regulations, 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, including those of Utah and California, 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. 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 or decrease the amount and utility of the information that we would be permitted to collect. 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.

Additionally, 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. For additional, important information related to government regulation of our business, please review the information set forth in "Risk Factors — Risks Related to Our Business and Our Technologies."

Employees

As of December 31, 2006, we had 377 employees. None of our employees is represented by a labor union. We have experienced no work stoppages and believe that our employee relations are good.

Legal

Generally, we are involved in various legal proceedings arising from the normal course of business activities. Currently, we do not believe that resolution of these matters will have a material adverse impact on our consolidated results of operations, cash flows or our financial position. However, depending on the amount

and timing, an unfavorable resolution of a matter could materially affect our future results of operations, cash flows or financial position in a particular period.

Facilities

Our corporate headquarters and executive offices are located in Reston, Virginia, where we occupy approximately 34,000 square feet of office space under a lease that expires in June 2008. We also lease space in various locations throughout the United States and in Toronto and London for sales and other personnel. If we require additional space, we believe that we would be able to obtain such space on commercially reasonable terms.

MANAGEMENT

Executive Officers and Directors

The following table sets forth certain information concerning our current executive officers and directors:

Name	Age	Position(s)
<i>Executive Officers</i>		
Magid M. Abraham, Ph.D.	48	President, Chief Executive Officer and Director
Gian M. Fulgoni	59	Executive Chairman of the Board of Directors
John M. Green	55	Chief Financial Officer
Gregory T. Dale	37	Chief Technology Officer
Christiana L. Lin	37	General Counsel and Chief Privacy Officer
<i>Non-Employee Directors:</i>		
Thomas D. Berman(1)(2)	49	Director
Bruce Golden(3)	48	Director
William J. Henderson(2)(3)	59	Director
Ronald J. Korn(1)(3)	66	Director
Frederick R. Wilson(1)(2)	45	Director

- (1) Member of the audit committee.
- (2) Member of the compensation committee.
- (3) Member of the nominating and governance committee.

Magid M. Abraham, Ph.D., one of our co-founders, has served as President, Chief Executive Officer and Director since September 1999. In 1995, Dr. Abraham founded Paragren Technologies, Inc., which specialized in delivering large scale Customer Relationship Marketing systems for strategic and target marketing, and served as its Chief Executive Officer from 1995 to 1999. Prior to founding Paragren, Dr. Abraham was employed by Information Resources, Inc. from 1985 until 1995, where he was President and Chief Operating Officer from 1993 to 1994 and later Vice Chairman of the Board of Directors from 1994 until 1995. Since May 2006, Dr. Abraham has also been a member of the board of directors of ES3, LLC, a storage and logistics services company. Dr. Abraham received the Paul Green Award in 1996 and the William F. O'Dell Award in 2000 from the American Marketing Association for a 1995 article that he co-authored in the Journal of Marketing Research. He received a Ph.D. in Operations Research and an M.B.A. from MIT. He also holds an Engineering degree from the École Polytechnique in France.

Gian M. Fulgoni, one of our co-founders, has served as Executive Chairman of the Board of Directors since September 1999. Prior to co-founding comScore, Mr. Fulgoni was employed by Information Resources, Inc., where he served as President from 1981 to 1989, Chief Executive Officer from 1986 to 1998 and Chairman of the Board of Directors from 1991 until 1995. Mr. Fulgoni has served on the board of directors of PetMed Express, Inc. since 2002 and previously served from August 1999 through November 2000. Mr. Fulgoni also serves on the board of directors of INXPO, LLC, an Illinois-based provider of virtual events, since July 2005. He also served on the board of directors of Platinum Technology, Inc. from 1990 to 1999, U.S. Robotics, Inc. from 1991 to 1994, and Yesmail.com, Inc. from 1999 to 2000. Mr. Fulgoni has twice been named an Illinois Entrepreneur of the Year. In 1992, he received the Wall Street Transcript Award for outstanding contributions as Chief Executive Officer of Information Resources, Inc. in enhancing the overall value of that company to the benefit of its shareholders. Educated in the United Kingdom, Mr. Fulgoni holds an M.A. in Marketing from the University of Lancaster and a B.Sc. in Physics from the University of Manchester.

John M. Green has served as Chief Financial Officer since May 2006. Prior to joining comScore, Mr. Green served as the Chief Financial Officer and U.S. Services Business Leader for BioReliance, a subsidiary of Invitrogen Corporation, from 2004 to March 2006. Prior to joining BioReliance, Mr. Green

served as the General Manager, Business Integrations at Invitrogen from September 2003 to April 2004. From March 2001 through August 2003, Mr. Green served as the Chief Financial Officer for InforMax, and as its Chief Operating Officer from October 2001 until the sale of InforMax and integration into Invitrogen in August 2003. Prior to 2001, Mr. Green held several financial and operating management roles, including serving as Executive Vice President of Operations at HMSHost Corporation, Senior Vice President of Finance and Corporate Controller at Marriott International Incorporated and Director of Business Planning and Director of Finance, Central Europe, at PepsiCo, Inc. Mr. Green received an M.Sc. in Economics from The London School of Economics and a B.A. in Political Science/International Relations from Tufts University.

Gregory T. Dale has served as Chief Technology Officer since October 2000. Prior to that, he served as Vice President, Product Management starting in September 1999. Prior to joining us, he served as Vice President of Client Service at Paragren Technologies, Inc., a company that specialized in enterprise relationship marketing. He holds a B.S. in Industrial Management from Purdue University.

Christiana L. Lin has served as General Counsel and Chief Privacy Officer since January 2006. Prior to that, she served as our Corporate Counsel and Chief Privacy Officer starting in March 2003. Prior to that, she served as our Deputy General Counsel starting in February 2001. Ms. Lin holds a J.D. from the Georgetown University Law Center and a B.A. in Political Science from Yale University.

Thomas D. Berman has served as a director since August 2001. Mr. Berman is a partner with Adams Street Partners, where he has led investments in information technology and business services companies since 1990. He served on the board of directors of PathScale, Inc. from May 2004 to April 2006 and has served on the board of directors of Adams Harris, Inc. since March 2006. Mr. Berman holds an S.B. in Electrical Engineering from MIT and an S.M. from the Sloan School of Management at MIT.

Bruce Golden has served as a director since June 2002. He is a partner at Accel Partners, which he joined in 1997. Mr. Golden has led a number of investments in enterprise software and Internet-related companies while at Accel and currently serves as a member of the boards of directors at several private companies. He holds an M.B.A. from Stanford University and a B.A. from Columbia University.

William J. Henderson has served as a director since August 2001. Mr. Henderson was the 71st Postmaster General of the United States. He served in that position from May 1998 until his retirement in May 2001. Mr. Henderson also served as the Chief Operations Officer of Netflix, Inc. from January 2006 until February 2007. Mr. Henderson also currently serves on the board of directors of Acxiom Corporation, where he has been a director since June 2001. Mr. Henderson holds a B.S. from the University of North Carolina at Chapel Hill and served in the U.S. Army.

Ronald J. Korn has served as a director since November 2005. Since 1991, he has served as the President of Ronald Korn Consulting, which provides business and marketing services. Mr. Korn served as a director, chairman of the audit committee, and member of the loan committee of Equinox Financial Corporation from 1999 until its acquisition in October 2005. Since 2002, he has served as a director, chairman of the audit committee and a member of the compensation and nominating and governance committees of PetMed Express, Inc. and since July 2003, he has served as a director, chairman of the audit committee and a member of the compensation committee of Ocwen Financial Corporation. Prior to that, Mr. Korn was a partner and employee of KPMG, LLP, from 1961 to 1991, where he was the managing partner of KPMG's Miami office from 1985 until 1991. Mr. Korn holds a B.S. from the University of Pennsylvania, Wharton School and a J.D. from New York University Law School.

Frederick R. Wilson has served as a director since August 1999. He has served as managing partner of Union Square Ventures since August 2003. He is also a managing partner of Flatiron Partners and has held that position since August 1996. He holds an M.B.A. from the Wharton School of Business at the University of Pennsylvania and an S.B. in Mechanical Engineering from MIT.

Board Composition

Upon completion of this offering, our directors will be divided into three classes serving staggered three-year terms. Class I, Class II and Class III directors will serve until our annual meetings of stockholders in

2008, 2009 and 2010, respectively. Upon expiration of the term of class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires. This classification of directors could have the effect of increasing the length of time necessary to change the composition of a majority of our board of directors. In general, at least two annual meetings of stockholders will be necessary for stockholders to effect a change in a majority of the members of our board of directors.

Our board of directors currently consists of seven members. Messrs. Abraham, Berman and Wilson are Class I directors and will serve for one year. Messrs. Henderson and Korn are Class II directors and will serve for two years. Messrs. Fulgoni and Golden are Class III directors and will serve for three years.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and governance committee.

Audit Committee

Our audit committee consists of Messrs. Berman, Korn and Wilson, with Mr. Korn serving as chairman. Our audit committee oversees our corporate accounting and financial reporting process and internal controls over financial reporting. Our audit committee evaluates the independent registered public accounting firm's qualifications, independence and performance; engages and provides for the compensation of the independent registered public accounting firm; approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services; reviews our consolidated financial statements; reviews our critical accounting policies and estimates and internal controls over financial reporting; and discusses with management and the independent registered public accounting firm the results of the annual audit and the reviews of our quarterly consolidated financial statements. We believe that our audit committee members meet the requirements for independence and financial literacy under the current requirements of the Sarbanes-Oxley Act of 2002, The NASDAQ Global Market and SEC rules and regulations. In addition, the board of directors has determined that Mr. Korn is qualified as an audit committee financial expert within the meaning of SEC regulations. We have made this determination based on information received by our board of directors, including questionnaires provided by the members of our audit committee. We believe that our audit committee complies with the applicable requirements of the Sarbanes-Oxley Act of 2002, The NASDAQ Global Market and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us. We have adopted an audit committee charter. We expect that the committee will meet no less frequently than quarterly. Our audit committee has previously met approximately two to four times each year in connection with the annual audit of our financial statements.

Compensation Committee

Our compensation committee consists of Messrs. Berman, Henderson and Wilson, with Mr. Henderson serving as chair. Our compensation committee reviews and recommends policy relating to compensation and benefits of our officers and employees, including reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer and other senior officers, evaluating the performance of these officers in light of those goals and objectives and setting compensation of these officers based on such evaluations. The compensation committee also administers the issuance of stock options and other awards under our stock plans. We believe that the composition of our compensation committee meets the requirements for independence under, and the functioning of our compensation committee complies with, any applicable requirements of the Sarbanes-Oxley Act of 2002, The NASDAQ Global Market and SEC rules and regulations. We intend to comply with future requirements to the extent they become applicable to us. We have adopted a compensation committee charter. We expect that the committee will meet at least once a year. Our compensation committee has previously met on an annual basis to review key compensation decisions.

Nominating and Governance Committee

Our nominating and governance committee consists of Messrs. Golden, Henderson and Korn, with Mr. Golden serving as chairman, each of whom the board of directors has determined is an independent director under the rules of The NASDAQ Global Market. The nominating and governance committee recommends to the board of directors nominees for election as directors, and meets as necessary to review director candidates and nominees for election as directors.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics, which establishes the standards of ethical conduct applicable to all directors, officers and employees of our company. The code addresses, among other things, conflicts of interest, compliance with disclosure controls and procedures and internal controls over financial reporting, corporate opportunities and confidentiality requirements. The audit committee is responsible for applying and interpreting our code of business conduct in situations where questions are presented to the committee.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is an executive officer or employee of our company. None of our executive officers serves as a member of the compensation committee of any entity that has one or more executive officers serving on our compensation committee.

Director Compensation

None of our non-employee directors are currently compensated for service on the board of directors. We do, however, reimburse director expenses for attending meetings of the board of directors.

We previously granted equity awards for the purchase of our common stock to two of our present non-employee directors, William Henderson and Ronald Korn, upon their initial appointment to our board of directors. A warrant to purchase 100,000 shares of our common stock at an exercise price of \$1.00 per share was issued on June 26, 2001 to Mr. Henderson. Such warrant shall terminate on the earlier of (i) June 26, 2011; (ii) the completion of this offering; or (iii) a change of control as defined in the warrant. In addition, Mr. Henderson was previously granted stock options for the purchase of 30,000 shares of our common stock at an exercise price of \$0.50 per share on April 9, 2002 and for the purchase of 50,000 shares of our common stock at an exercise price of \$0.90 per share on December 27, 2005. Mr. Korn was awarded stock options for the purchase of 100,000 shares of our common stock at an exercise price of \$0.85 per share on November 25, 2005. The warrant for the purchase of 100,000 shares of our common stock issued to Mr. Henderson, the stock options for the purchase of 80,000 shares of common stock granted to Mr. Henderson and the stock option for the purchase of 100,000 shares of common stock granted to Mr. Korn remain outstanding as of December 31, 2006.

Upon the closing of this offering, our non-employee directors will be entitled to an annual grant of restricted stock having a value of \$50,000 at the time of the grant. Non-employee directors will also be paid an annual cash retainer of \$25,000 for serving on our board of directors, an additional annual cash retainer of \$10,000 for serving as the chairman of our audit committee and \$7,500 for serving as the chair of our compensation committee.

Our non-employee directors did not receive any compensation for their services as directors in 2006.

Limitations on Director and Officer Liability and Indemnification

Our amended and restated certificate of incorporation as will be in effect upon completion of this offering limits the liability of our directors to the maximum extent permitted by Delaware law. Delaware law provides

that directors of a corporation will not be personally liable for monetary damages for breach of their fiduciary duties as directors, except liability for:

- any breach of their duty of loyalty to the corporation or its stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Our amended and restated certificate of incorporation and our amended and restated bylaws will provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Any repeal of or modification to our amended and restated certificate of incorporation and our amended and restated bylaws may not adversely affect any right or protection of a director or officer for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal. Our bylaws will also provide that we shall advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our bylaws permit such indemnification.

We have entered into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our bylaws. These agreements, among other things, provide that we will indemnify our directors and executive officers for certain expenses (including attorney's fees), judgments, fines, penalties and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of such person's services as one of our directors or executive officers, or any other company or enterprise to which the person provides services at our request. We believe that these provisions and agreements are necessary to attract and retain qualified persons as directors and executive officers.

The limitation of liability and indemnification provisions that will be contained in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and officers as required by these indemnification provisions. There is no pending litigation or proceeding involving one of our directors or executive officers as to which indemnification is required or permitted and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

COMPENSATION DISCUSSION AND ANALYSIS

Our Philosophy

The objective of our compensation programs for employees is to retain and attract top talent. The plans are designed to reward, motivate and align employees to achieve business results and to reinforce accountability. In determining the compensation of senior executives, we are guided by the following key principles:

- *Competition.* Compensation should reflect the competitive marketplace, so we can retain, attract, and motivate talented executives. The competitive marketplace for our executives is not necessarily the same as for our business. Once we identify the type of employee needed, we then identify the relevant competitive marketplace based on the relevant competencies and skills of that employee. For example, the marketplace for a chief financial officer may include all public companies, while the marketplace for a chief operating officer would focus on digital marketing intelligence providers.
- *Accountability for Business Performance.* Compensation should be tied, in part, to financial performance, so that executives are held accountable through their compensation for contributions to the performance of the company as a whole through the performance of the businesses for which they are responsible.
- *Accountability for Individual Performance.* Compensation should be tied, in part, to the individual's performance to encourage and reflect individual contributions to our performance. Our board of directors considers individual performance as well as performance of the businesses and responsibility areas that an individual oversees, and weights these factors as appropriate in assessing a particular individual's performance.
- *Alignment with Stockholder Interests.* Compensation should be tied, in part, to our financial performance through equity awards to align executives' interests with those of our stockholders.
- *Independence.* An independent committee of our board of directors should be, and is, responsible for reviewing and establishing the compensation for our Chief Executive Officer and Executive Chairman, and for reviewing and approving the compensation recommendations made by our Chief Executive Officer for all of our other executive officers.

Application of our Philosophy

Our executive compensation and benefit program aims to encourage our management team to continually pursue our strategic opportunities while effectively managing the risks and challenges inherent to our business. Specifically, we have created an executive compensation package that balances short versus long-term components, cash versus equity elements, and fixed versus contingent payments, in ways we believe are most appropriate to incentivize our senior management and reward them for achieving the following goals:

- develop a culture that embodies a passion for our business, creative contribution and a drive to achieve established goals and objectives;
- provide leadership to the organization in such a way as to maximize the results of our business operations;
- lead us by demonstrating forward thinking in the operation, development and expansion of our business;
- effectively manage organizational resources to derive the greatest value possible from each dollar invested; and
- take strategic advantage of the market opportunity to expand and grow our business.

Our executive compensation structure not only aims to be competitive in our industry, but also to be fair relative to compensation paid to other professionals within our organization, relative to our short and long-term performance and relative to the value we deliver to our stockholders. We seek to maintain a performance-oriented culture and a compensation approach that rewards our executive officers when we achieve our goals and objectives, while putting at risk an appropriate portion of their compensation against the possibility that

our goals and objectives may not be achieved. Overall, our approach is designed to relate the compensation of our executive officers to: the achievement of short and longer term goals and objectives; their willingness to challenge and improve existing policies and structures; and their capability to take advantage of unique opportunities and overcome difficult challenges within our business.

Role of Our Compensation Committee

Our compensation committee approves, administers and interprets our executive compensation and benefit policies, including our 1999 Stock Plan, our 2007 Equity Incentive Plan and our short-term compensation, long-term incentives and benefits programs. Our compensation committee is appointed by our board of directors, and consists entirely of directors who are "outside directors" for purposes of Section 162(m) of the Internal Revenue Code and "non-employee directors" for purposes of Rule 16b-3 under the Exchange Act. Our compensation committee is comprised of Messrs. Berman, Henderson and Wilson, and is chaired by Mr. Henderson.

Our compensation committee reviews and makes recommendations to our board of directors to ensure that our executive compensation and benefit program is consistent with our compensation philosophy and corporate governance guidelines and, subject to the approval of our board of directors, is responsible for establishing the executive compensation packages offered to our executive officers. We believe our executives' base salary, target annual bonus levels and long-term incentive award values are set at competitive levels.

Our compensation committee has taken the following steps to ensure that our executive compensation and benefit program is consistent with both our compensation philosophy and our corporate governance guidelines:

- regularly reviewed the performance of and the total compensation earned by or awarded to our Chief Executive Officer and Executive Chairman independent of input from them;
- examined on an annual basis the performance of our other named executive officers and other key employees with assistance from our Chief Executive Officer and Executive Chairman, and approved compensation packages that are competitive in the marketplace; and
- regularly held executive sessions of the compensation committee meeting without management present.

Components of our Executive Compensation Program.

Our executive compensation program consists of three components: short-term compensation (including base salary and annual performance bonuses), long-term incentives and benefits.

Short-term Compensation

We utilize short-term compensation, including base salary, annual adjustments to base salary and annual performance bonuses, to motivate and reward our key executives in accordance with our performance-based program. Each individual's short-term compensation components are tied to an annual assessment of his or her progress against established objectives.

Base salary is used to recognize the experience, skills, knowledge and responsibilities required of each executive officer, as well as competitive market conditions. In establishing the 2007 base salaries of the executive officers, our compensation committee and management took into account a number of factors, including the executive's seniority, position and functional role, level of responsibility and, to the extent such individual was employed by us for at least the prior six months, his or her accomplishments against personal and group objectives. For newly hired executives, we consider the base salary of the individual at his or her prior employment, any unique personal circumstances that motivated the executive to leave that prior position to join us and the compensation range for the particular role being filled. In addition, we consider the competitive market for corresponding positions within comparable geographic areas and industries.

The base salary of our executive officer group is reviewed on an annual basis and adjustments are made to reflect performance-based factors, as well as competitive conditions. Increases are considered within the context of our overall annual merit increase structure as well as individual and market competitive factors. We

do not apply specific formulas to determine increases. Generally, executive officer salaries are adjusted effective the first quarter of each year based on a review of:

- their achievement of specific objectives established during the prior review;
- an assessment of their professional effectiveness, consisting of a portfolio of competencies that include leadership, commitment, creativity and organizational accomplishment; and
- their knowledge, skills and attitude, focusing on capabilities, capacity and the ability to drive results.

Annual performance bonuses for our executive officers are tied to the achievement of our annual company goals and objectives, functional area goals, and/or individual performance objectives. We set clearly defined goals for each executive officer, with an emphasis on quantifiable and achievable targets. A portion of each executive officer's bonus is clearly tied to the achievement of specific targets relative to the performance of the particular business segment or functional area for which they are responsible, with the remainder tied to similar targets relative to our overall financial performance. Individual awards under the program are based on a thorough review of the applicable performance results of the company, business, function or individual as compared to the applicable goals. Each individual may receive an award from zero to 100% of his or her target bonus based on the review.

In 2006, Magid M. Abraham, our Chief Executive Officer, and Gian M. Fulgoni, our Executive Chairman of the Board of Directors, were our only named executive officers that had annual performance bonuses tied to quantitative factors. Both Dr. Abraham and Mr. Fulgoni's respective bonuses were based on a combination of total revenue and EBITDA achieved by the Company in 2006. Dr. Abraham and Mr. Fulgoni each received 80% of their respective target bonus amounts based on the performance of the Company in 2006.

The annual performance bonuses for our other named executive officers in 2006 were based on qualitative factors several of which were the satisfactory completion of specific projects or initiatives. At the end of each fiscal year, the executive officers complete a self-assessment of their performance in the context of their bonus criteria. Dr. Abraham reviews these self-assessments and makes a recommendation to our compensation committee. Messrs. Green and Dale and Ms. Lin each received 100% of their respective target bonus amounts for 2006. Ms. Huston did not receive a bonus payment for 2006 as her employment terminated in February 2006.

Magid M. Abraham, our Chief Executive Officer, periodically reviews the performance of our executive officers on the basis noted above and recommends to the compensation committee any base salary changes or bonuses deemed appropriate.

For the 2005 and 2006 performance measurement years, executive bonuses were paid out in one installment during the month of February following the measurement year.

Long-term Compensation

Our long-term compensation program has historically consisted solely of stock options. Option grants made to executive officers are designed to provide them with incentive to execute their responsibilities in such a way as to generate long-term benefit to us and our stockholders. Through possession of stock options, our executives participate in the long-term results of their efforts, whether by appreciation of our company's value or the impact of business setbacks, either company-specific or industry based. Additionally, stock options provide a means of ensuring the retention of key executives, in that they are in almost all cases subject to vesting over an extended period of time.

Stock options are granted periodically, and are subject to vesting based on the executive's continued employment. Most options vest evenly over four years, beginning on the date of the grant. A portion of options granted to our executives vest according to defined performance milestones rather than solely based on time. Of the option grants and restricted stock currently outstanding and held by our executives, only the stock options held by Dr. Abraham and Mr. Fulgoni are subject to vesting based on performance milestones, as further described in the section entitled "Executive Compensation Outstanding Equity Awards at December 31,

2006.” These grants occurred in December 2003, and we have not used performance milestone-based vesting since then for any of our employees.

Upon joining us, each executive is granted an initial option award that is primarily based on competitive conditions applicable to the executive’s specific position. In addition, the compensation committee considers the number of options owned by other executives in comparable positions within our company. We believe this strategy is consistent with the approach of other companies at the same stage of development in our industry and, in our compensation committee’s view, is appropriate for aligning the interests of our executives with those of our stockholders over the long term.

Periodic awards to executive officers are made based on an assessment of their sustained performance over time, their ability to impact results that drive value to our stockholders and their organization level. Equity awards are not granted regularly or automatically to our executives on an annual basis. Magid Abraham, our Chief Executive Officer, periodically reviews the performance of our executive officers on the basis noted above and recommends to the compensation committee any equity awards deemed appropriate. The compensation committee reviews any such recommendations and presents them to our board of directors for approval, if appropriate.

During 2006, our board of directors granted stock options based upon the recommendations of our compensation committee. These grants were generally made during regularly scheduled board meetings. The exercise price of options was determined by our board of directors after taking into account a variety of factors, including the quality and growth of our management team and specific and general market comparables within our industry. In addition, our board of directors took into account the valuation opinion of our outside consultant, who provided valuations of our common stock at the end of each calendar quarter.

On March 18, 2007, we awarded an aggregate of 1,180,000 shares of restricted stock to our named executive officers based upon the recommendations of our compensation committee, taking into account the factors described above. Beginning in 2007, we expect to increase our use of restricted stock awards and reduce our use of stock options as a form of stock-based compensation.

Benefits

We provide the following benefits to our executive officers on the same basis as the benefits provided to all employees:

- health and dental insurance;
- life insurance;
- short-and long-term disability; and
- 401(k) plan.

These benefits are consistent with those offered by other companies and specifically with those companies with which we compete for employees.

Our Competitive Market

The market for experienced management with the knowledge, skills and experience our organization requires is highly competitive. Our objective is to attract and retain the most highly qualified executives to manage each of our business functions. In doing so, we draw upon a pool of talent that is highly sought after by other companies in our industry and those industries that also produce the requisite skills we seek. The competitive marketplace for our executives is not necessarily the same as for our business. Once we identify the type of employee needed, we then identify the relevant competitive marketplace based on the relevant competencies and skills. For example, the marketplace for a chief financial officer may include all public companies, while the marketplace for a chief operating officer would focus on digital marketing intelligence providers. Upon identifying the target marketplace, we then solicit information through public data sources or through engaging consultants to assist us with an executive search.

We believe that our ability to offer significant upside potential through restricted stock and/or other equity instruments gives us a competitive advantage. Nonetheless, we must also offer cash compensation to our existing and prospective employees through base salaries and cash bonuses that are competitive in the marketplace and allow them to satisfy their day to day financial requirements.

We also compete on the basis of our vision of future success, our culture and company values and the excellence of our management personnel. In all of these areas, we compete with other market research and technology companies.

Total Compensation

We intend to continue our strategy of compensating our named executive officers at competitive levels for each type of executive, with the opportunity to impact their total annual compensation through performance-based incentive programs that include both cash and equity elements. Our approach to total executive compensation is designed to drive results that maximize our financial performance and deliver value to our stockholders. In light of our compensation philosophy, we believe that the total compensation package for our executives should continue to consist of base salary, annual cash performance bonus and long-term equity-based incentives. Of the elements of our compensation approach, we typically offer largely the same benefits to our executive officers. We do not consider benefits to be a key element in attracting executive officers. We typically offer a combination of short-term and long-term compensation to suit our executives' preferences. Certain of our executives who joined us earlier in our history preferred to accept more long-term compensation in the form of stock options, as the potential return was higher at that stage and our ability to fund short-term cash compensation was more limited. At the same time, certain of our executives have preferred greater short-term compensation and reduced long-term compensation. As we have become more profitable, our ability to attract executives through short-term compensation has increased.

Evolution of our Compensation Approach

Our compensation approach is necessarily tied to our stage of development as a company. Accordingly, the specific direction, emphasis and components of our executive compensation program will continue to evolve as our company and its underlying business strategy continue to grow and develop. For example, we intend to reduce our executive compensation program's emphasis on stock options as a long-term incentive component in favor of other forms of equity compensation such as restricted stock awards. Similarly, we may revise how we measure senior executive performance to take into account the unique requirements of being a public company, including, but not limited to, strict compliance with the standards of the Sarbanes Oxley Act. In addition, we may engage a compensation consultant to assist our compensation committee in continuing to evolve our executive compensation program, and we may look to programs implemented by comparable public companies in refining our compensation approach.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the summary information concerning compensation during 2006 for the following persons: (i) our chief executive officer, (ii) our current chief financial officer and any individual serving as our chief financial officer during 2006 and (iii) the three most highly compensated of our other executive officers who received compensation during 2006 of at least \$100,000 and who were executive officers on December 31, 2006. We refer to these persons as our “named executive officers” elsewhere in this prospectus.

Name and Principal Position	Year	Salary	Bonus	Option Awards(1)	All Other Compensation	Total
Magid M. Abraham, Ph.D. <i>President, Chief Executive Officer and Director</i>	2006	\$ 297,612	\$ 117,273	—	\$ 3,072(2)	\$ 417,957
John M. Green <i>Chief Financial Officer</i>	2006	156,731	47,019	\$ 87,366	42(3)	291,158
Gian M. Fulgoni <i>Executive Chairman of the Board of Directors</i>	2006	281,635	111,409	—	3,072(2)	396,116
Gregory T. Dale <i>Chief Technology Officer</i>	2006	222,115	44,423	—	3,072(2)	269,610
Christiana L. Lin <i>General Counsel and Chief Privacy Officer</i>	2006	149,077	29,815	—	2,173(4)	181,065
Sheri Huston <i>Former Chief Financial Officer</i>	2006	60,772	—	—	141,345(5)	202,117

(1) Amounts represent stock-based compensation expense for fiscal year 2006 for stock options granted in 2006 as calculated in accordance with SFAS 123R and as further described in Note 11 “Stockholders’ Deficit — 1999 Stock Option Plan” of the Notes to Consolidated Financial Statements included elsewhere in this prospectus.

(2) Includes discretionary matching contributions of \$3,000 each by us to Dr. Abraham’s, Mr. Fulgoni’s and Mr. Dale’s respective 401(k) plan accounts and payment of life insurance premiums on behalf of each officer.

(3) Represents life insurance premium paid by us on behalf of Mr. Green.

(4) Includes discretionary matching contributions of \$2,000 by us to Ms. Lin’s 401(k) plan account and payment of life insurance premiums on behalf of Ms. Lin.

(5) Includes discretionary matching contribution of \$2,043 by us to Ms. Huston’s 401(k) plan account and payment of life insurance premiums on behalf of Ms. Huston prior to termination of Ms. Huston’s employment in February 2006. Pursuant to her termination, Ms. Huston received aggregate severance payments of \$139,290, representing six months salary and unused accrued vacation, as well as payments of health insurance premiums on her behalf.

All bonuses received by our named executive officers were based on a percentage of their base salary. Our employees historically receive a grant of stock options upon hiring. All of our named executive officers were employed by us prior to the beginning of 2006 except for John M. Green, our Chief Financial Officer. Mr. Green received an option grant in connection with his hiring in May 2006.

Grants of Plan-Based Awards

Our board of directors approved awards under our 1999 Stock Plan to several of our named executive officers in 2006. See “Benefit Plans — 1999 Stock Plan” for more detail regarding these options.

The following table sets forth certain information concerning grants of plan-based awards to named executive officers in 2006:

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price per Share of Option Awards	Grant Date Fair Value of Stock and Option Awards(2)
Magid M. Abraham, Ph.D. <i>President, Chief Executive Officer and Director</i>	—	—	—	—
John M. Green <i>Chief Financial Officer</i>	5/9/2006	650,000(1)	\$ 1.50	\$ 617,045
Gian M. Fulgoni <i>Executive Chairman of the Board of Directors</i>	—	—	—	—
Gregory T. Dale <i>Chief Technology Officer</i>	—	—	—	—
Christiana L. Lin <i>General Counsel and Chief Privacy Officer</i>	—	—	—	—
Sheri Huston <i>Former Chief Financial Officer</i>	—	—	—	—

(1) 1/48th of the total number of shares subject to option vest monthly.

(2) Amounts represent fair value of stock options granted in 2006 as calculated in accordance with SFAS 123R and as further described in Note 11 "Stockholders' Deficit — 1999 Stock Option Plan" of the Notes to Consolidated Financial Statements included elsewhere in this prospectus.

Outstanding Equity Awards at December 31, 2006

Name	Option Awards				
	Number of Securities Underlying Unexercised Options		Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date
	Exercisable	Unexercisable			
Dr. Magid M. Abraham <i>President, Chief Executive Officer and Director</i>	1,083,465(1)	—	1,622,030(1)	\$ 0.05	12/16/2013
John M. Green <i>Chief Financial Officer</i>	81,248(2)	568,752(2)	—	1.50	5/9/2016
Gian M. Fulgoni <i>Executive Chairman of the Board of Directors</i>	—	—	1,166,725(3)	0.05	12/16/2013
Gregory T. Dale <i>Chief Technology Officer</i>	170,633	—	—	0.05	4/28/2014
	125	—	—	0.05	4/28/2014
	59,896	—	—	0.05	4/28/2014
	349	—	—	0.05	4/28/2014
	90,625	—	—	0.05	4/28/2014
	99,998(2)	50,002(2)	—	0.05	4/28/2014
	91,665(2)	108,335(2)	—	0.49	2/2/2015
	18,749(2)	56,251(2)	—	0.90	12/28/2015
Christiana L. Lin <i>General Counsel and Chief Privacy Officer</i>	5,417	—	—	0.05	4/28/2014
	5,834	—	—	0.05	4/28/2014
	21,879(4)	6,245(4)	—	0.05	4/28/2014
	25,402(2)	19,356(2)	—	0.05	4/28/2014
	12,499(2)	37,501(2)	—	0.90	12/28/2015
Sheri Huston <i>Former Chief Financial Officer</i>	—	—	—	—	—

(1) Vesting for Dr. Abraham's option grant for 3,305,495 shares is based on the following milestones related to our performance. Our board of directors has made good faith determinations that the following milestones and vesting have occurred as of December 31, 2006:

- 581,633 shares vested when we first achieved an EBITDA greater than \$0 for a full fiscal quarter;
- 581,633 shares vested when we first achieved revenues of \$40 million or greater for a twelve month period; and
- 520,199 shares vested when we first achieved revenues of \$50 million or greater for a twelve month period.

Dr. Abraham has exercised his option for 600,000 of the vested shares above. As of December 31, 2006, our board of directors had not yet made a good faith determination that the following milestones and vesting have occurred:

- 581,633 shares shall vest when we first achieve net income of greater than \$0 for a twelve month period;
- 520,199 shares shall vest when we first achieve pretax net income of \$5 million or greater for a twelve month period; and
- 520,198 shares shall vest when we first achieve pretax net income of \$10 million or greater for a twelve month period.

Any unvested shares remaining under the option, including any shares not addressed by the milestones above, shall vest on the earlier of (i) December 16, 2009 or (ii) the consummation of a change in control, provided that Dr. Abraham remains a service provider to us.

(2) 1/48th of the total number of shares subject to option vest monthly.

(3) Vesting for Mr. Fulgoni's option grant for 2,377,637 shares is based on the following milestones related to our performance. Our board of directors has made good faith determinations that the following milestones and vesting have occurred as of December 31, 2006:

- 418,367 shares vested when we first achieved an EBITDA greater than \$0 for a full fiscal quarter;
- 418,367 shares vested when we first achieved revenues of \$40 million or greater for a twelve month period; and
- 374,178 shares vested when we first achieved revenues of \$50 million or greater for a twelve month period.

Mr. Fulgoni has exercised his option for all 1,210,912 of the vested shares above. As of December 31, 2006, our board of directors had not yet made a good faith determination that the following milestones and vesting have occurred:

- 418,367 shares shall vest when we first achieve net income of greater than \$0 for a twelve month period;
- 374,178 shares shall vest when we first achieve pretax net income of \$5 million or greater for a twelve month period; and
- 374,178 shares shall vest when we first achieve pretax net income of \$10 million or greater for a twelve month period.

Any unvested shares remaining under the option, including any shares not addressed by the milestones above, shall vest on the earlier of (i) December 16, 2009 or (ii) the consummation of a change in control, provided that Mr. Fulgoni remains a service provider to us.

(4) 1/38th of the total number of shares subject to option vest monthly.

Option Exercises and Stock Vested Table

The following table presents certain information concerning the exercise of options by each of the named executive officers during the fiscal year ended December 31, 2006.

There was no public trading market for our common stock at the time of exercise of the options listed below. The values realized on exercise have been calculated based on the initial public offering price of \$, less the applicable exercise price.

Name	Option Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise
Magid M. Abraham Ph.D. <i>President, Chief Executive Officer and Director</i>	—	—
John M. Green <i>Chief Financial Officer</i>	—	—
Gian M. Fulgoni <i>Executive Chairman of the Board of Directors</i>	836,734	\$
Gregory T. Dale <i>Chief Technology Officer</i>	374,178	—
Christiana L. Lin <i>General Counsel and Chief Privacy Officer</i>	—	—
Sheri Huston <i>Former Chief Financial Officer</i>	114,581	166,666
		114,574
		114,577

Employment Agreements and Potential Payments upon Termination or Change-In-Control

We currently do not have an employment agreement with any of our named executive officers. We have offer letter agreements with Gregory T. Dale, our Chief Technology Officer, Christiana L. Lin, our General

Counsel and Chief Privacy Officer, and John M. Green, our Chief Financial Officer. We also had an offer letter agreement with Sheri Huston, who was formerly our Chief Financial Officer. We do not have offer letter agreements or employment agreements with Magid M. Abraham, our President and Chief Executive Officer, or Gian M. Fulgoni, our Executive Chairman of the Board of Directors.

In September 1999, we entered into an offer letter agreement with Gregory T. Dale. The letter agreement set forth Mr. Dale's base salary of \$105,000 per year, an annual performance bonus of up to 15% of Mr. Dale's base salary and a grant of options for the purchase of 250,000 shares of our common stock. Mr. Dale's current annual base salary is \$225,000, and the compensation committee of our board of directors has approved an increase of his annual base salary to \$260,000 effective March 1, 2007. Mr. Dale is entitled to receive all normal benefits provided to our employees including health insurance and three weeks paid vacation. In December 1999, Mr. Dale was granted a stock option to purchase an aggregate of 275,000 shares of our common stock at an exercise price of \$0.10 per share pursuant to this agreement. The shares subject to the options vested over the next four years in equal monthly installments.

In December 2003, we entered into an offer letter agreement with Christiana L. Lin. The letter agreement set forth Ms. Lin's base salary of \$106,000 per year. Ms. Lin's current annual base salary is \$150,000, and the compensation committee of our board of directors has approved an increase of her annual base salary to \$200,000 effective March 1, 2007. Ms. Lin is entitled to receive all normal benefits provided to our employees including health insurance and twelve days paid vacation. The offer letter agreement provides that our employment relationship with Ms. Lin's employment is at will, and we or Ms. Lin may terminate the relationship at anytime.

In August 2002, we entered into an offer letter agreement with Sheri L. Huston. The letter agreement set forth Ms. Huston's base salary of \$215,000 per year, an annual performance bonus of up to 30% of Ms. Huston's base salary and a grant of options for the purchase of 250,000 shares of our common stock. In October 2002, Ms. Huston was granted a stock option to purchase an aggregate of 250,000 shares of our common stock at an exercise price of \$0.25 per share pursuant to this agreement. The shares subject to the options vested over the next four years in equal monthly installments. On February 28, 2006, Ms. Huston terminated her employment and entered into a Separation Agreement with us. Pursuant to such Separation Agreement, we agreed to pay Ms. Huston severance benefits equivalent to six months base salary as well as Ms. Huston's 2005 performance bonus and the amount of her health insurance premiums in a lump sum payment upon her termination.

In May 2006, we entered into an offer letter agreement with John M. Green. The letter agreement set forth Mr. Green's base salary of \$250,000 per year, an annual performance bonus of up to 30% of Mr. Green's base salary and a grant of options for the purchase of 650,000 shares of our common stock. Mr. Green's current annual base salary is \$250,000, and the compensation committee of our board of directors has approved an increase of his annual base salary to \$270,000 effective March 1, 2007. In May 2006, Mr. Green was granted a stock option to purchase an aggregate of 650,000 shares of our common stock at an exercise price of \$1.50 per share pursuant to this agreement. The shares subject to the options vest over the four years following the start of Mr. Green's employment in equal monthly installments. Upon a change of control, if Mr. Green loses his position as Chief Financial Officer or is not provided an equivalent position, any remaining unvested shares under this option shall fully vest. Also, upon a change of control, if Mr. Green is provided with an alternative but diminished position, the lesser of either (i) any remaining unvested shares under this option or (ii) 162,500 shares under this option shall fully vest. The offer letter agreement provides that we may terminate Mr. Green's employment at any time with or without cause. In the event we terminate Mr. Green without cause, Mr. Green is entitled to severance for six pay periods. If we terminate his employment or he resigns, he is entitled to receive any unpaid prorated base salary along with all benefits and expense reimbursements to which he is entitled by virtue of his past employment with us.

Additionally, any unvested shares pursuant to stock options held by Magid M. Abraham and Gian M. Fulgoni would fully vest upon a change of control, provided that each respectively remained a service provider. These option grants are further described at the section entitled "Outstanding Equity Awards at December 31, 2006."

Upon a change of control in the Company, the options held by the following executive officers at December 31, 2006 would immediately vest as indicated in the table below. Furthermore, assuming a fair market value of our common stock of \$, which is the mid-point of the range on the front cover of this prospectus, such executive officers would obtain an immediate increase in value in their stock holdings as indicated in the table below.

Name	Shares Vesting Upon Change of Control	Exercise Price	Increase in Value
Dr. Magid M. Abraham <i>President, Chief Executive Officer and Director</i>	1,622,030	\$0.05	
John M. Green <i>Chief Financial Officer</i>	568,752	1.50	
Gian M. Fulgoni <i>Executive Chairman of the Board of Directors</i>	1,166,725	0.05	

Benefit Plans

The following section provides more details concerning our 1999 Stock Plan and our 2007 Equity Incentive Plan.

1999 Stock Plan

Our 1999 Stock Plan, as amended (the "1999 Stock Plan") was adopted by our board of directors and approved by our stockholders on September 23, 1999. The plan was last amended by our board of directors and approved by our stockholders on April 12, 2005. Our 1999 Stock Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options and stock purchase rights to our employees, directors and consultants and any parent and subsidiary corporations' employees and consultants. We do not intend to grant any additional awards under our 1999 Stock Plan following this offering. However, our 1999 Stock Plan will continue to govern the terms and conditions of outstanding awards granted thereunder.

We have reserved a total of 26,760,284 shares of our common stock for issuance pursuant to the 1999 Stock Plan. As of December 31, 2006, options to purchase 13,619,700 shares of common stock were outstanding and 5,316,147 shares were available for future grant under this plan.

The compensation committee of our board of directors currently administers our 1999 Stock Plan. Under our 1999 Stock Plan, the plan administrator has the power to determine the terms of the awards, including the employees, directors and consultants who will receive awards, the exercise price, the number of shares subject to each award, the vesting schedule and exercisability of awards and the form of consideration payable upon exercise.

With respect to all incentive stock options granted under the 1999 Stock Plan, the exercise price must at least be equal to the fair market value of our common stock on the date of grant. With respect to all nonstatutory stock options granted under the 1999 Stock Plan, the exercise price must at least be equal to 85% of the fair market value of our common stock on the date of grant. The term of an option may not exceed ten years, except that with respect to any participant who owns 10% of the voting power of all classes of our outstanding stock as of the grant date, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator determines the terms of all other options.

After termination of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in the option agreement. If termination is due to disability or death, the option will remain exercisable for no less than six months. In all other cases, the option will generally remain exercisable for at least thirty days. In the absence of a specified period of time in the option agreement, the option will remain exercisable for a period of three months following termination (or twelve months in the event of a

termination due to death or disability). However, an option generally may not be exercised later than the expiration of its term.

Stock purchase rights may be granted alone, in addition to or in tandem with other awards granted under our 1999 Stock Plan. Stock purchase rights are rights to purchase shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares subject to a stock purchase right granted to any employee, director or consultant. The administrator may impose whatever conditions to vesting it determines to be appropriate. Unless the administrator determines otherwise, we have a repurchase option exercisable upon termination of the purchaser's service with us. Shares subject to stock purchase rights that do not vest are subject to our right of repurchase or forfeiture.

Our 1999 Stock Plan provides that in the event of certain change in control transactions, including our merger with or into another corporation or the sale of substantially all of our assets, the successor corporation will assume or substitute an equivalent award with respect to each outstanding award under the plan. If there is no assumption or substitution of outstanding awards, such awards will become fully vested and exercisable and the administrator will provide notice to the recipient that he or she has the right to exercise such outstanding awards for a period of fifteen days from the date of such notice. The awards will terminate upon the expiration of such stated notice period.

Unless otherwise determined by the administrator, the 1999 Stock Plan generally does not allow for the sale or transfer of awards under the 1999 Stock Plan other than by will or the laws of descent and distribution, and may be exercised only during the lifetime of the participant and only by such participant.

We have also established a U.K. sub-plan to our 1999 Stock Plan for option grants to U.K. residents.

Our board of directors has the authority to amend, alter, suspend or terminate the 1999 Stock Plan provided such action does not impair the rights of any participant without the written consent of such participant.

2007 Equity Incentive Plan

Our board of directors and stockholders have adopted our 2007 Equity Incentive Plan (the "2007 Equity Incentive Plan"), to become effective upon the completion of this offering. Our 2007 Equity Incentive Plan provides for the grant of incentive stock options, within the meaning of Section 422 of the Code, to our employees and any parent and subsidiary corporations' employees, and for the grant of nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance units and performance shares to our employees, directors and consultants and our parent and subsidiary corporations' employees and consultants.

We have reserved a total of 7,000,000 shares of our common stock for issuance pursuant to the 2007 Equity Incentive Plan, plus (a) any shares which have been reserved but not issued under our 1999 Stock Plan and are not subject to any awards granted thereunder, and (b) any shares subject to stock options or similar awards granted under the 1999 Stock Plan that expire or otherwise terminate without having been exercised in full and shares issued pursuant to awards granted under the 1999 Stock Plan that are forfeited to or repurchased by us. The maximum number of shares that may be added to the 2007 Equity Incentive Plan from the 1999 Stock Plan is 5,000,000 shares. In addition, our 2007 Equity Incentive Plan provides for annual increases in the number of shares available for issuance thereunder on the first day of each fiscal year, beginning with our 2008 fiscal year, equal to the least of:

- 4% of the outstanding shares of our common stock on the last day of the immediately preceding fiscal year;
- 9,000,000 shares; or
- such other amount as our board of directors may determine.

Our board of directors or a committee of our board administers our 2007 Equity Incentive Plan. In the case of options intended to qualify as "performance based compensation" within the meaning of Section 162(m) of the Code, the committee will consist of two or more "outside directors" within the meaning of Section 162(m) of the Code. The administrator has the power to determine the terms of the awards, including the exercise price, the number of shares subject to each such award, the exercisability of the awards and the form of consideration payable upon exercise. The administrator also has the authority to institute an exchange program whereby the exercise prices of outstanding awards may be reduced, outstanding awards may be surrendered or cancelled in exchange for awards with a higher or lower exercise price, or outstanding awards may be transferred to a third party.

The exercise price of options granted under our 2007 Equity Incentive Plan must at least be equal to the fair market value of our common stock on the date of grant. The term of an incentive stock option may not exceed ten years, except that with respect to any participant who owns 10% of the voting power of all classes of our outstanding stock as of the grant date, the term must not exceed five years and the exercise price must equal at least 110% of the fair market value on the grant date. The administrator determines the terms of all other options.

After termination of an employee, director or consultant, he or she may exercise his or her option for the period of time stated in the option agreement. Generally, if termination is due to death or disability, the option will remain exercisable for twelve months. In all other cases, the option will generally remain exercisable for three months. However, an option generally may not be exercised later than the expiration of its term.

Stock appreciation rights may be granted under our 2007 Equity Incentive Plan. Stock appreciation rights allow the recipient to receive the appreciation in the fair market value of our common stock between the exercise date and the date of grant. The administrator determines the terms of stock appreciation rights, including when such rights become exercisable and whether to pay the increased appreciation in cash or with shares of our common stock, or a combination thereof. Stock appreciation rights expire under the same rules that apply to stock options.

Restricted stock may be granted under our 2007 Equity Incentive Plan. Restricted stock awards are shares of our common stock that vest in accordance with terms and conditions established by the administrator. The administrator will determine the number of shares of restricted stock granted to any employee. The administrator may impose whatever conditions to vesting it determines to be appropriate. For example, the administrator may set restrictions based on the achievement of specific performance goals. Shares of restricted stock that do not vest are subject to our right of repurchase or forfeiture.

Restricted stock units may be granted under our 2007 Equity Incentive Plan. Restricted stock units are awards that will result in a payment to a participant at the end of a specified period only if performance goals established by the administrator are achieved or the award otherwise vests. The administrator may impose whatever conditions to vesting, restrictions and conditions to payment it determines to be appropriate. For example, the administrator may set restrictions based on the achievement of specific performance goals, on the continuation of service or employment or any other basis determined by the administrator. Payments of earned restricted stock units may be made, in the administrator's discretion, in cash or with shares of our common stock, or a combination thereof.

Performance units and performance shares may be granted under our 2007 Equity Incentive Plan. Performance units and performance shares are awards that will result in a payment to a participant only if performance goals established by the administrator are achieved or the awards otherwise vest. The administrator will establish organizational or individual performance goals in its discretion, which, depending on the extent to which they are met, will determine the number and/or the value of performance units and performance shares to be paid out to participants. Performance units shall have an initial dollar value established by the administrator prior to the grant date. Performance shares shall have an initial value equal to the fair market value of our common stock on the grant date. Payment for performance units and performance shares may be made in cash or in shares of our common stock with equivalent value, or in some combination, as determined by the administrator.

Unless the administrator provides otherwise, our 2007 Equity Incentive Plan does not allow for the transfer of awards and only the recipient of an award may exercise an award during his or her lifetime.

Our 2007 Equity Incentive Plan provides that in the event of a change in control, as defined in the 2007 Equity Incentive Plan, each outstanding award will be treated as the administrator determines, including that the successor corporation or its parent or subsidiary will assume or substitute an equivalent award for each outstanding award. The administrator is not required to treat all awards similarly. If there is no assumption or substitution of outstanding awards, the awards will fully vest, all restrictions will lapse, and the awards will become fully exercisable. The administrator will provide notice to the recipient that he or she has the right to exercise the option and stock appreciation right as to all of the shares subject to the award, all restrictions on restricted stock will lapse, and all performance goals or other vesting requirements for performance shares and units will be deemed achieved, and all other terms and conditions met. The option or stock appreciation right will terminate upon the expiration of the period of time the administrator provides in the notice. In the event the service of an outside director is terminated on or following a change in control, other than pursuant to a voluntary resignation, his or her options and stock appreciation rights will fully vest and become immediately exercisable, all restrictions on restricted stock will lapse, and all performance goals or other vesting requirements for performance shares and units will be deemed achieved, and all other terms and conditions met.

Our 2007 Equity Incentive Plan will automatically terminate in 2017, unless we terminate it sooner. In addition, our board of directors has the authority to amend, alter, suspend or terminate the 2007 Equity Incentive Plan provided such action does not impair the rights of any participant.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Our board of directors approved all of the transactions set forth below. We believe that we have executed all of the transactions set forth below on terms no less favorable to us than we could have obtained from unaffiliated third parties.

Transactions and Relationships with Directors, Officers and 5% Stockholders

On August 1, 2003, we entered into a Licensing and Services Agreement with Citadel Investment Group, L.L.C., an entity affiliated with Citadel Equity Fund Ltd., a stockholder on the date of such agreement that had a representative on our board of directors. Pursuant to the terms of the Licensing and Services Agreement, we granted Citadel Investment Group, L.L.C. a license to certain digital marketing intelligence data and products, subject to certain limitations. In each of 2004, 2005 and 2006, we received license fees of \$3 million and in 2007 we will receive an additional \$3 million. The initial term of the Licensing and Service Agreement is five years and expires in August 2008. On November 27, 2006, Citadel Equity Fund Ltd. sold its voting stock to several of our other stockholders and, as a result, no longer beneficially owns more than 5% of our outstanding voting stock nor has a representative on our board of directors.

In 2006, Linda Abraham, the spouse of our President and Chief Executive Officer, Magid Abraham, held the positions of acting Executive Vice President for Finance, Telecom and Pharmaceuticals and Executive Vice President for Product Management. In these positions, Ms. Abraham earned approximately \$143,564 in salary. Ms. Abraham remains employed as our Executive Vice President for Product Management.

Registration Rights Agreements

We and certain holders of our capital stock have entered into an agreement, pursuant to which these stockholders will have registration rights with respect to their shares of common stock following this offering. See "Description of Capital Stock — Registration Rights" for a further description of the terms of this agreement.

Indemnification Agreements

We have entered into an indemnification agreement with each of our directors and officers. The indemnification agreements and our amended and restated certificate of incorporation and bylaws require us to indemnify our directors and officers to the fullest extent permitted by Delaware law. See "Management — Limitations on Director and Officer Liability and Indemnification."

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our common stock as of March 31, 2007 and as adjusted to reflect the sale of shares of our common stock offered by this prospectus, by:

- each beneficial owner of 5% or more of the outstanding shares of our common stock;
- each of our directors;
- each of our named executive officers;
- each selling stockholder; and
- all directors and executive officers as a group.

After giving effect to the conversion of all shares of our preferred stock into shares of our common stock, the table assumes the conversion of all shares of our preferred stock into shares of our common stock immediately prior to the completion of this offering. See “Description of Capital Stock — Preferred Stock”. Beneficial ownership is determined in accordance with the rules of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options or warrants held by that person that are currently exercisable or exercisable within 60 days of March 31, 2007 are deemed outstanding, but are not deemed outstanding for computing the percentage ownership of any other person. Percentage of beneficial ownership is based on 112,189,893 shares of common stock outstanding as of March 31, 2007 and _____ shares of common stock outstanding after this offering.

To our knowledge, except as set forth in the footnotes to this table and subject to applicable community property laws, each person named in the table has sole voting and investment power with respect to the shares set forth opposite such person’s name. Except as otherwise indicated, the address of each of the persons in this table is c/o comScore, Inc., 11465 Sunset Hills Road, Suite 200, Reston, Virginia 20190.

Name of Beneficial Owner	Shares Beneficially Owned Prior to the Offering		Number of Shares Offered	Shares Beneficially Owned After the Offering	
	Number	Percent		Number	Percent
5% Stockholders:					
Accel Partners(1)	29,514,275	26.3%			
J.P. Morgan Partners SBIC, LLC and related entities(2)	12,530,421	11.2			
Institutional Venture Partners(3)	10,949,164	9.8			
Lehman Brothers Inc.(4)	8,708,908	7.8			
Adams Street Partners(5)	8,505,767	7.6			
Topspin Partners, L.P.(6)	5,887,217	5.2			
Directors and Named Executive Officers:					
Magid M. Abraham, Ph.D.(7)	9,424,154	8.2			
Gian M. Fulgoni(8)	7,863,564	7.0			
Gregory T. Dale(9)	941,029	*			
John M. Green(10)	298,958	*			
Sheri Huston	510,398	*			
Christiana L. Lin(11)	282,360	*			
Thomas D. Berman(12)	8,505,767	7.6			
Bruce Golden(13)	29,514,275	26.3			
William J. Henderson(14)	147,708	*			
Ronald J. Korn(15)	39,583	*			
Frederick R. Wilson(16)	3,699,712	3.3			
All directors and executive officers as a group (eleven persons)(17)	61,227,508	52.7			

* Represents less than one percent (1%) of the outstanding shares of common stock.

- (1) Includes 21,486,401 shares held by Accel VII L.P., 5,371,593 shares held by Accel Internet Fund III L.P., and 2,656,281 shares held by Accel Investors '99 L.P. (together, the "Accel Funds"). Accel VII Associates L.L.C. is a general partner of Accel VII L.P. and has sole voting and dispositive power with respect to the shares held by Accel VII L.P. Accel Internet Fund III Associates L.L.C. is a general partner of Accel Internet Fund III L.P. and has sole voting and dispositive power with respect to the shares held by Accel Internet Fund III L.P. James W. Breyer, Arthur C. Patterson, Theresia Gouw Ranzetta, James R. Swartz, and J. Peter Wagner are managing members of Accel VII Associates L.L.C. and Accel Internet Fund III Associates L.L.C. and share voting and dispositive powers. They are also the General Partners of Accel Investors '99 L.P. and share voting and dispositive power with respect to the shares held by Accel Investors '99 L.P. The general partners and managing members disclaim beneficial ownership of the shares owned by the Accel Funds except to the extent of their proportionate pecuniary interest therein. The address for Accel Partners is 428 University Avenue, Palo Alto, California 94301.
- (2) Includes 10,988,417 shares held by J.P. Morgan Partners (SBIC), LLC ("JPMP SBIC") and 1,542,004 shares held by J.P. Morgan Partners (BHCA), L.P. ("BHCA"). The sole member of JPMP SBIC is BHCA. Pursuant to Rule 13d-3 under the Exchange Act, BHCA may be deemed to beneficially own the shares held by JPMP SBIC; however, the foregoing shall not be construed as an admission that BHCA is the beneficial owner of such shares. The general partner of BHCA is JPMP Master Fund Manager, L.P. ("JPMP MFM"). The general partner of JPMP MFM is JPMP Capital Corp. ("JPMP Capital"), a wholly owned subsidiary of JPMorgan Chase & Co. Each of JPMP MFM and JPMP Capital may be deemed, pursuant to Rule 13d-3 under the Exchange Act, to beneficially own the shares held by JPMP MFM and BHCA; however, the foregoing shall not be construed as an admission that JPMP SBIC or JPMP Capital is the beneficial owner of such shares. JPMP Capital exercises voting and dispositive power over the securities held by JPMP SBIC and BHCA. Voting and disposition decisions at JPMP Capital are made by an investment committee of three or more of its officers, and therefore no individual officer of JPMP Capital is the beneficial owner of the securities. The address for each of JPMP SBIC, BHCA, JPMP MFM and JPMP Capital is c/o J.P. Morgan Partners, LLC, 270 Park Avenue, New York, New York 10017.
- (3) Includes 8,968,827 shares held by Institutional Venture Partners X, L.P. and 1,980,337 shares held by Institutional Venture Partners X GmbH & Co. Beteiligungs KG. The address of Institutional Venture Partners is 3000 Sand Hill Road, Building 2, Suite 250, Menlo Park, California 94025.
- (4) Shares beneficially owned by Lehman Brothers Inc. includes shares held by the following wholly owned subsidiaries and affiliates of Lehman Brothers Inc.: 3,829,870 shares held by LB I Group Inc., 3,157,739 shares held by Lehman Brothers Venture Partners L.P., and 1,721,299 shares held by Lehman Brothers Venture Capital Partners I, L.P. The address for Lehman Brothers Inc. is 3000 Sand Hill Road, Building 3, Suite 190, Menlo Park, CA 94025.
- (5) Adams Street Partners, LLC, is the administrative member of BVCF IV, L.P., the entity that holds these shares. Adams Street Partners, LLC disclaims beneficial ownership of these shares except to the extent of its proportionate pecuniary interest therein. Mr. Thomas D. Berman is a partner of Adams Street Partners, LLC. Mr. Berman disclaims beneficial ownership of these shares except to the extent of his proportionate pecuniary interest therein.
- (6) Includes 5,621,116 shares held by Topspin Partners, L.P. and 266,101 shares held by Topspin Associates, L.P. The address for Topspin Partners is Three Expressway Plaza, Roslyn Heights, New York 11577.
- (7) Includes 2,909,375 shares held by the Abraham Family Trust and 2,185,297 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007. Also includes 118,242 shares subject to options held by Mr. Abraham's wife, Linda Abraham, that are immediately exercisable or exercisable within 60 days of March 31, 2007. Also includes 500,000 shares subject to a right of repurchase held by the Company pursuant to a restricted stock sale agreement.
- (8) Includes 792,545 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007. Also includes 375,000 shares subject to a right of repurchase held by the Company pursuant to a restricted stock sale agreement.

- (9) Includes 567,443 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007. Also includes 90,000 shares subject to a right of repurchase held by the Company pursuant to a restricted stock sale agreement.
- (10) Includes 148,958 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007. Also includes 150,000 shares subject to a right of repurchase held by the Company pursuant to a restricted stock sale agreement.
- (11) Includes 87,493 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007. Also includes 95,000 shares subject to a right of repurchase held by the Company pursuant to a restricted stock sale agreement.
- (12) This total does not include 8,505,767 shares held by JP Morgan Chase Bank as custodian for BVCF IV, L.P. Mr. Berman is a partner of Adams Street Partners, LLC, the administrative member of BVCF IV, L.P. Mr. Berman disclaims beneficial ownership of these shares except to the extent of his proportionate pecuniary interest therein.
- (13) This does not include 29,514,275 shares owned by the Accel Funds. Bruce Golden is a general partner of Accel Partners. Mr. Golden disclaims beneficial ownership of any of the Accel Funds' shares except to the extent of his proportionate pecuniary interest therein.
- (14) Includes 47,708 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007 and 100,000 shares subject to warrants that are immediately exercisable or exercisable within 60 days of March 31, 2007.
- (15) Includes 39,583 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007.
- (16) Mr. Wilson is a managing member of Flatiron Partners and shares voting and dispositive power with respect to the 3,699,712 shares of common stock (assuming the conversion of all shares of preferred stock) owned by the Flatiron Funds and Flatiron Associates entities. Mr. Wilson disclaims beneficial ownership of these shares except to the extent of his proportionate pecuniary interest therein.
- (17) Includes 3,987,269 shares subject to options that are immediately exercisable or exercisable within 60 days of March 31, 2007 and 100,000 shares subject to warrants that are immediately exercisable or exercisable within 60 days of March 31, 2007. Also includes shares subject to a right of repurchase held by the Company pursuant to a restricted stock sale agreement.

DESCRIPTION OF CAPITAL STOCK

The following information describes our common stock and preferred stock, as well as options to purchase our common stock and provisions of our amended and restated certificate of incorporation and bylaws. This description is only a summary. You should also refer to our amended and restated certificate of incorporation and bylaws, which have been filed with the Securities and Exchange Commission as exhibits to our registration statement, of which this prospectus forms a part.

General

Upon the completion of this offering, our authorized capital stock will consist of 150,000,000 shares of common stock with a \$0.001 par value per share, and 5,000,000 shares of preferred stock with a \$0.001 par value per share, all of which shares of preferred stock will be undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time. As of March 31, 2007, after giving effect to the conversion of all outstanding preferred stock into shares of common stock, there would have been 108,974,393 shares of common stock issued and outstanding, held of record by 294 stockholders.

Common Stock

Each holder of our common stock is entitled to one vote for each share on all matters to be voted upon by the stockholders and there are no cumulative rights. Subject to any preferential rights of any outstanding preferred stock, holders of our common stock will be entitled to receive ratably the dividends, if any, as may be declared from time to time by the board of directors out of funds legally available therefor. If there is a liquidation, dissolution or winding up of our company, holders of our common stock would be entitled to share in our assets remaining after the payment of liabilities and any preferential rights of any outstanding preferred stock.

Holders of our common stock will have no preemptive or conversion rights or other subscription rights, and there will be no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of our common stock will be fully paid and non-assessable. The rights, preferences and privileges of the holders of our common stock will be subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock which we may designate and issue in the future.

Pursuant to our acquisition of Q2 Brand Intelligence, Inc. and SurveySite Inc., we granted the former shareholders of these entities the right to sell a certain number of shares of our common stock back to us at an agreed-upon price. These rights transfer to any subsequent holder of these shares and are described in more detail in the "Overview" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Preferred Stock

Immediately prior to the completion of this offering, all outstanding shares of all series of our convertible preferred stock will be converted into shares of common stock according to the formula set forth in our current certificate of incorporation.

Under the terms of our amended and restated certificate of incorporation, our board of directors is authorized to issue shares of preferred stock in one or more series without stockholder approval. Our board of directors has the discretion to determine the rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, of each series of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible future acquisitions and other corporate purposes, will affect, and may adversely affect, the rights of holders of common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of common

stock until the board of directors determines the specific rights attached to that preferred stock. The effects of issuing preferred stock could include one or more of the following:

- restricting dividends on the common stock;
- diluting the voting power of the common stock;
- impairing the liquidation rights of the common stock; or
- delaying or preventing changes in control or management of our company.

We have no present plans to issue any shares of preferred stock.

Warrants

As of February 1, 2007, assuming the conversion of our convertible preferred stock into common stock, warrants for the purchase of an aggregate of 875,923 shares of our common stock were outstanding as follows:

- A warrant issued on June 9, 2000 to purchase 46,551 shares of our Series B Convertible Preferred Stock at an exercise price of \$2.90 per share. This warrant was issued in connection with the lease of certain of our equipment. Upon the automatic conversion of our convertible preferred stock immediately prior to the completion of this offering, the warrant shall be exercisable for 92,347 shares of our common stock at an exercise price of \$1.46 per share. The warrant shall terminate on the earlier of (i) June 9, 2010 or (ii) five years from the date of effectiveness of this registration statement. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.
- A warrant issued on July 31, 2000 to purchase 20,100 shares of our common stock to a consultant to us at an exercise price of \$2.50 per share. The warrant shall terminate on July 31, 2010.
- A warrant issued on September 29, 2000 to purchase 9,694 shares of our Series B Convertible Preferred Stock at an exercise price of \$4.90 per share. This warrant was issued in connection with the lease of certain of our equipment. Upon the automatic conversion of our convertible preferred stock immediately prior to the completion of this offering, the warrant shall be exercisable for 19,231 shares of our common stock at an exercise price of \$2.47 per share. The warrant shall terminate on the earlier of (i) September 29, 2010 or (ii) five years from the date of effectiveness of this registration statement. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.
- A warrant issued on June 26, 2001 to purchase 100,000 shares of our common stock to William Henderson, a member of our board of directors, at an exercise price of \$1.00 per share. The warrant shall terminate on the earlier of (i) June 26, 2011; (ii) the completion of this offering; or (iii) a change of control as defined in the warrant.
- A warrant issued on November 30, 2001 to purchase 10,000 shares of our common stock to our landlord at an exercise price of \$5.90 per share. The warrant shall terminate on September 30, 2009.
- A warrant issued on July 3, 2002 to purchase 12,000 shares of our common stock to our landlord at an exercise price of \$3.00 per share. The warrant shall terminate on the earlier of (i) July 3, 2012; (ii) the receipt of prior written notice from an underwriter of this offering requesting exercise; or (iii) the closing of a merger as defined in the warrant. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.

- A warrant issued on July 31, 2002 to purchase 36,127 shares of our Series D Convertible Preferred Stock at an exercise price of \$0.8996 per share. This warrant was issued in connection with a promissory note. Upon the automatic conversion of our convertible preferred stock immediately prior to the completion of this offering, the warrant shall be exercisable for 40,625 shares of our common stock at an exercise price of \$0.80 per share. The warrant includes certain registration rights under our fourth amended and restated investor rights agreement, but the holder of the warrant does not have a stand-alone right to demand registration of the shares. The warrant shall terminate on the later of (i) July 31, 2012 or (ii) five years from the completion of this offering. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.
- A warrant issued on July 31, 2002 to purchase 108,382 shares of our Series D Convertible Preferred Stock at an exercise price of \$0.8996 per share. This warrant was issued in connection with the lease of certain of our equipment originally. Upon the automatic conversion of our convertible preferred stock immediately prior to the completion of this offering, the warrant shall be exercisable for 121,875 shares of our common stock at an exercise price of \$0.80 per share. The warrant includes certain registration rights under our fourth amended and restated investor rights agreement, but the holder of the warrant does not have a stand-alone right to demand registration of the shares. The warrant shall terminate on the later of (i) July 31, 2012 or (ii) five years from the completion of this offering. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.
- A warrant issued on December 5, 2002 to purchase 45,854 shares of our Series D Convertible Preferred Stock at an exercise price of \$0.8996 per share. This warrant was issued in connection with a promissory note. Upon the automatic conversion of our convertible preferred stock immediately prior to the completion of this offering, the warrant shall be exercisable for 51,563 shares of our common stock at an exercise price of \$0.80 per share. The warrant includes certain registration rights under our fourth amended and restated investor rights agreement. The warrant shall terminate on December 4, 2012. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.
- A warrant issued on June 24, 2003 to purchase 100,000 shares of our common stock to our landlord at an exercise price of \$0.60 per share. The warrant shall terminate on the earlier of (i) June 24, 2013; (ii) the receipt of prior written notice from an underwriter of this offering requesting exercise; or (iii) the closing of a merger as defined in the warrant. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.
- A warrant issued on December 19, 2003 to purchase 240,000 shares of our Series E Convertible Preferred Stock at an exercise price of \$0.50 per share. This warrant was issued in connection with an equipment financing. Upon the automatic conversion of our convertible preferred stock immediately prior to the completion of this offering, the warrant shall be exercisable for 240,000 shares of our common stock at an exercise price of \$0.50 per share. The warrant includes certain registration rights under our fourth amended and restated investor rights agreement, but the holder of the warrant does not have a stand-alone right to demand registration of the shares. The warrant shall terminate on the later of (i) December 19, 2013; or (ii) five years from the completion of this offering. However, in the event that an underwriter of this offering provides prior written notice to the holder of the warrant requesting exercise, the warrant must either be exercised or waived. Furthermore, this warrant will expire upon the closing of a merger as defined in the warrant. However, if this warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant will automatically exercise prior to expiration.

- A warrant issued on April 29, 2005 to purchase 68,182 shares of our common stock to a creditor at an exercise price of \$1.10 per share. The warrant shall terminate on the later of (i) April 29, 2015 or (ii) five years after the closing of this offering. The warrant shall also terminate upon a merger as defined in the warrant. However, if the warrant is not exercised prior to termination and the fair market value of a share of our common stock exceeds the exercise price per share of this warrant immediately prior to termination, this warrant shall automatically exercise prior to expiration.

Registration Rights

In August 2003, we and the holders of all series of our convertible preferred stock entered into a fourth amended and restated investor rights agreement, which is included as an exhibit to the registration statement of which this prospectus is a part. Under the agreement, commencing 180 days after the closing of this offering, the holders of a majority of the shares of common stock issued upon the conversion of the shares of our Series A, B, C, C-1, D and E convertible preferred stock, which we refer to as “registrable securities”, may require us to prepare and file a registration statement under the Securities Act, at our expense, covering the lesser of registrable securities with an aggregate anticipated offering price of at least \$10,000,000 or 3,000,000 shares of registrable securities. Under these demand registration rights, we are required to use our best efforts to cause the shares requested to be included in the registration statement, subject to customary conditions and limitations. We are not obligated to effect more than two of these demand registrations.

In addition, these holders have certain “piggyback” registration rights. If we propose to register any of our equity securities under the Securities Act other than specified excluded registrations, these holders are entitled to written notice of the registration and may require us to include all or a portion of their registrable securities in the registration and in any related underwriting. However, the managing underwriter has the right, subject to specified conditions, to limit the number of registrable securities such holders may include. Once we become eligible to file a registration statement on Form S-3, the holders of the registrable securities may require us to register these shares on Form S-3, if such registration will generate anticipated aggregate net proceeds of at least \$2,000,000, or consist of at least 3,000,000 shares. The holder of certain of our warrants that are exercisable for shares of our convertible preferred stock also have some or all of the registration rights described above. The registration rights described above terminate no later than five years after this offering. Registration of these shares under the Securities Act would result in these shares, other than shares purchased by our affiliates, becoming freely tradable without restriction under the Securities Act.

Effect of Certain Provisions of our Amended and Restated Certificate of Incorporation and Bylaws and the Delaware Anti-Takeover Statute

Amended and Restated Certificate of Incorporation and Bylaws

Some provisions of Delaware law and our amended and restated certificate of incorporation and bylaws contain provisions that could make the following transactions more difficult:

- acquisition of us by means of a tender offer;
- acquisition of us by means of a proxy contest or otherwise; or
- removal of our incumbent officers and directors.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids and to promote stability in our management. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors.

- *Undesignated Preferred Stock.* The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue one or more series of preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of comScore. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company.

- *Stockholder Meetings.* Our charter documents provide that a special meeting of stockholders may be called only by resolution adopted by the board of directors.
- *Requirements for Advance Notification of Stockholder Nominations and Proposals.* Our bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.
- *Board Classification.* Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.
- *Limits on Ability of Stockholders to Act by Written Consent.* We have provided in our certificate of incorporation that our stockholders may not act by written consent. This limit on the ability of our stockholders to act by written consent may lengthen the amount of time required to take stockholder actions. As a result, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our bylaws.
- *Amendment of Certificate of Incorporation and Bylaws.* The amendment of the above provisions of our amended and restated certificate of incorporation and bylaws requires approval by holders of at least two-thirds of our outstanding capital stock entitled to vote generally in the election of directors.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the General Corporation Law of the State of Delaware, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66²/₃% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, lease, exchange, mortgage, transfer, pledge or other disposition of 10% or more of either the assets or outstanding stock of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or

- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines interested stockholder as an entity or person who, together with affiliates and associates, beneficially owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Listing on The NASDAQ Global Market

We have applied to list our common stock on The NASDAQ Global Market under the symbol "SCOR".

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Investor Services. Its address is P.O. Box 43078, Providence, RI 02940, and its telephone number is 1-800-942-5909.

SHARES ELIGIBLE FOR FUTURE SALE

We will have _____ shares of common stock outstanding after the completion of this offering (_____ shares if the underwriters exercise their over-allotment option in full). Of those shares, the _____ shares of common stock sold in the offering (_____ shares if the underwriters exercise their over-allotment option in full) will be freely transferable without restriction, unless purchased by persons deemed to be our "affiliates" as that term is defined in Rule 144 under the Securities Act. Any shares purchased by an affiliate may not be resold except pursuant to an effective registration statement or an applicable exemption from registration, including an exemption under Rule 144 promulgated under the Securities Act. The remaining _____ shares of common stock to be outstanding immediately following the completion of this offering are "restricted," which means they were originally sold in offerings that were not registered under the Securities Act. Restricted shares may be sold through registration under the Securities Act or under an available exemption from registration, such as provided through Rule 144, which rules are summarized below. Taking into account the 180-day lock up agreements described below, and assuming the underwriters do not release any stockholders from these agreements, shares of our common stock will be available for sale in the public market as follows:

- _____ shares will be eligible for sale immediately upon completion of this offering, subject in some cases to volume and other restrictions of Rule 144 and Rule 701 under the Securities Act;
- _____ additional shares will be eligible for sale in the public market under Rule 144 or Rule 701 beginning 90 days after the date of this prospectus, subject to volume, manner of sale, and other limitations under those rules;
- _____ additional shares will become eligible for sale, subject to the provisions of Rule 144, Rule 144(k) or Rule 701, beginning 180 days after the date of this prospectus, upon the expiration of agreements not to sell such shares entered into between the underwriters and such stockholders; and
- _____ additional shares will be eligible for sale from time to time thereafter upon expiration of their respective one-year holding periods, but could be sold earlier if the holders exercise any available registration rights.

Subject to certain exceptions, each of our officers, directors and security holders has agreed not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any such aforementioned transaction is to be settled by delivery of our common stock or such other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC for a period that shall continue and include the date 180 days after the date of this prospectus. In addition, without the prior written consent of Credit Suisse Securities (USA) LLC, such officers, directors and security holders will not make any demand for or exercise any right with respect to, the registration of any common stock or any security convertible into or exercisable or exchangeable for common stock during such lock-in period.

Notwithstanding the foregoing, for the purpose of allowing the underwriters to comply with NASD Rule 2711(f)(4), if (1) during the last 17 days of the initial 180-day lock-up period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the initial 180-day lock-up period, we announce that we will release earnings results during the 16-day period beginning on the last day of the initial 180-day lock-up period, then in each case the initial 180-day lock-up period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the material news or material event, as applicable, unless Credit Suisse Securities (USA) LLC waives, in writing, such extension.

After the offering, the holders of approximately 86,286,692 shares of our issued and outstanding common stock will be entitled to registration rights. For more information on these registration rights, see “Description of Capital Stock — Registration Rights.”

In general, under Rule 144, as currently in effect, beginning 90 days after the effective date of this offering, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned shares of our common stock for one year or more, may sell in the open market within any three-month period a number of shares that does not exceed the greater of:

- one percent of the then outstanding shares of our common stock (approximately shares immediately after the offering); or
- the average weekly trading volume in the common stock on The NASDAQ Global Market during the four calendar weeks preceding the sale.

Sales under Rule 144 are also subject to certain limitations on the manner of sale, notice requirements and the availability of our current public information. In addition, a person (or persons whose shares are aggregated) who is deemed not to have been our affiliate at any time during the 90 days preceding a sale by such person and who has beneficially owned his or her shares for at least two years, may sell the shares in the public market under Rule 144(k) without regard to the volume limitations, manner of sale provisions, notice requirements or the availability of current public information we refer to above.

Any of our employees, officers, directors or consultants who purchased his or her shares before the completion of this offering or who holds options as of that date pursuant to a written compensatory plan or contract is entitled to rely on the resale provisions of Rule 701, which permits non-affiliates to sell their Rule 701 shares without having to comply with the public information, holding period, volume limitation or notice provisions of Rule 144 and permits affiliates to sell their Rule 701 shares without having to comply with Rule 144’s holding-period restrictions, in each case commencing 90 days after completion of this offering. Neither Rule 144, Rule 144(k) nor Rule 701 supersedes the contractual obligations of our security holders set forth in the lock-up agreements described above.

Within three months following the completion of this offering, we intend to file a registration statement on Form S-8 under the Securities Act to register shares of common stock reserved for issuance under our 1999 Stock Plan and our 2007 Equity Incentive Plan, thus permitting the resale of such shares. Prior to the completion of this offering, there has been no public market for our common stock, and any sale of substantial amounts in the open market may adversely affect the market price of our common stock offered hereby.

U.S. FEDERAL TAX CONSEQUENCES TO NON-U.S. HOLDERS

This section summarizes certain material U.S. federal income and estate tax considerations relating to the ownership and disposition of common stock by non-U.S. holders. This summary does not provide a complete analysis of all potential tax considerations. The information provided below is based on existing authorities. These authorities may change, or the Internal Revenue Service ("IRS") might interpret the existing authorities differently. In either case, the tax considerations of owning or disposing of common stock could differ from those described below. For purposes of this summary, a "non-U.S. holder" is any holder that holds our common stock as a capital asset for U.S. federal income tax purposes and is any holder other than a citizen or resident of the United States, a corporation organized under the laws of the United States or any state, a trust that is (i) subject to the primary supervision of a U.S. court and the control of one or more U.S. persons or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person or an estate whose income is subject to U.S. income tax regardless of source. If a partnership or other flow-through entity is a beneficial owner of common stock, the tax treatment of a partner in the partnership or an owner of the entity will depend upon the status of the partner or other owner and the activities of the partnership or other entity. Accordingly, partnerships that hold our common stock and partners in such partnerships should consult their own tax advisors. The summary generally does not address tax considerations that may be relevant to particular investors because of their specific circumstances, or because they are subject to special rules (such as insurance companies, tax-exempt organizations, financial institutions, brokers, dealers in securities, partnerships, owners of 5% or more of our common stock and certain U.S. expatriates). Finally, the summary does not describe the effects of any applicable foreign, state, or local laws.

Investors considering the purchase of common stock should consult their own tax advisors regarding the application of the U.S. federal income and estate tax laws to their particular situations and the consequences of foreign, state or local laws, and tax treaties.

Dividends

Any dividend paid to a non-U.S. holder on our common stock will generally be subject to U.S. withholding tax at a 30 percent rate. The withholding tax might not apply, however, or might apply at a reduced rate, if the non-U.S. holder satisfies the applicable conditions under the terms of an applicable income tax treaty between the United States and the non-U.S. holder's country of residence. A non-U.S. holder must demonstrate its entitlement to treaty benefits by providing a properly completed Form W-8BEN or appropriate substitute form to us or our paying agent. If the holder holds the stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to the agent. The holder's agent will then be required to provide certification to us or our paying agent, either directly or through other intermediaries. For payments made to a foreign partnership or other flow through entity, the certification requirements generally apply to the partners or other owners rather than to the partnership or other entity, and the partnership or other entity must provide the partners' or other owners' documentation to us or our paying agent. Special rules, described below, apply if a dividend is effectively connected with a U.S. trade or business conducted by the non-U.S. holder.

Sale of Common Stock

Non-U.S. holders will generally not be subject to U.S. federal income tax on any gains realized on the sale, exchange, or other disposition of common stock. This general rule, however, is subject to several exceptions. For example, the gain would be subject to U.S. federal income tax if:

- the gain is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business (in which case the special rules described below under the caption "Dividends or Gains Effectively Connected with a U.S. Trade or Business" apply);
- subject to certain exceptions, the non-U.S. holder is an individual who is present in the United States for 183 days or more in the year of disposition, in which case the gain would be subject to a flat 30% tax, which may be offset by U.S. source capital losses, even though the individual is not considered a resident of the U.S.; or

- the rules of the Foreign Investment in Real Property Tax Act, or FIRPTA, described below, treat the gain as effectively connected with a U.S. trade or business.

The FIRPTA rules may apply to a sale, exchange or other disposition of common stock if we are, or were within five years before the transaction, a “U.S. real property holding corporation,” or USRPHC. In general, we would be a USRPHC if interests in U.S. real estate comprised most of our assets. We do not believe that we are a USRPHC or that we will become one in the future.

Dividends or Gain Effectively Connected With a U.S. Trade or Business

If any dividend on common stock, or gain from the sale, exchange or other disposition of common stock, is effectively connected with a U.S. trade or business conducted by the non-U.S. holder, then the dividend or gain will be subject to U.S. federal income tax at the regular graduated rates. If the non-U.S. holder is eligible for the benefits of an income tax treaty between the United States and the holder’s country of residence, any “effectively connected” dividend or gain would generally be subject to U.S. federal income tax only if it is also attributable to a permanent establishment or fixed base maintained by the holder in the United States. Payments of dividends that are effectively connected with a U.S. trade or business, and therefore included in the gross income of a non-U.S. holder, will not be subject to the 30 percent withholding tax. To claim exemption from withholding, the holder must certify its qualification, which can be done by filing a Form W-8ECI. If the non-U.S. holder is a corporation, that portion of its earnings and profits that is effectively connected with its U.S. trade or business would generally be subject to a “branch profits tax” in addition to any regular U.S. federal income tax on the dividend or gain. The branch profits tax rate is generally 30 percent, although an applicable income tax treaty might provide for a lower rate.

U.S. Federal Estate Tax

The estates of nonresident alien individuals are generally subject to U.S. federal estate tax on property with a U.S. situs. Because we are a U.S. corporation, our common stock will be U.S. situs property and therefore will be included in the taxable estate of a nonresident alien decedent. The U.S. federal estate tax liability of the estate of a nonresident alien may be affected by a tax treaty between the United States and the decedent’s country of residence.

Backup Withholding and Information Reporting

The Internal Revenue Code of 1986, as amended, and the Treasury regulations promulgated thereunder require those who make specified payments to report the payments to the IRS. Among the specified payments are dividends and proceeds paid by brokers to their customers. The required information returns enable the IRS to determine whether the recipient properly included the payments in income. This reporting regime is reinforced by “backup withholding” rules. These rules require the payors to withhold tax from payments subject to information reporting if the recipient fails to cooperate with the reporting regime by failing to provide his taxpayer identification number to the payor, furnishing an incorrect identification number, or repeatedly failing to report interest or dividends on his returns. The withholding tax rate is currently 28 percent. The backup withholding rules do not apply to payments to corporations, whether domestic or foreign.

Payments to non-U.S. holders of dividends on common stock will generally not be subject to backup withholding, and payments of proceeds made to non-U.S. holders by a broker upon a sale of common stock will not be subject to information reporting or backup withholding, in each case so long as the non-U.S. holder certifies its nonresident status. Some of the common means of certifying nonresident status are described under “— Dividends.” We must report annually to the IRS any dividends paid to each non-U.S. holder and the tax withheld, if any, with respect to such dividends. Copies of these reports may be made available to tax authorities in the country where the non-U.S. holder resides.

Information reporting and backup withholding also generally will not apply to a payment of the proceeds of a sale of common stock effected outside the United States by a foreign office of a foreign broker. However, information reporting requirements (but not backup withholding) will apply to a payment of the proceeds of a sale of common stock effected outside the United States by a foreign office of a broker if the broker (i) is a

United States person, (ii) derives 50 percent or more of its gross income for certain periods from the conduct of a trade or business in the United States, (iii) is a “controlled foreign corporation” as to the United States, or (iv) is a foreign partnership that, at any time during its taxable year is more than 50 percent (by income or capital interest) owned by United States persons or is engaged in the conduct of a U.S. trade or business, unless in any such case the broker has documentary evidence in its records that the holder is a non-U.S. holder and certain conditions are met, or the holder otherwise establishes an exemption. Payment by a United States office of a broker of the proceeds of a sale of common stock will be subject to both backup withholding and information reporting unless the holder certifies its non-United States status under penalties of perjury or otherwise establishes an exemption.

Any amounts withheld from a payment to a holder of common stock under the backup withholding rules can be credited against any U.S. federal income tax liability of the holder.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state, local and foreign tax consequences of purchasing, holding and disposing of our common stock, including the consequences of any proposed change in applicable laws.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated _____, 2007, we and the selling stockholders have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC is acting as representative, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	
Deutsche Bank Securities Inc.	
Friedman, Billings, Ramsey & Co., Inc.	
Jefferies & Company, Inc.	
William Blair & Company, L.L.C.	
Total	

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that, if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

We and the selling stockholders have granted to the underwriters a 30-day option to purchase on a pro rata basis up to _____ additional shares from us and the selling stockholders at the initial public offering price less the underwriting discounts and commissions. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock initially at the public offering price on the cover page of this prospectus and to selling group members at that price less a selling concession of \$ _____ per share. After the initial public offering Credit Suisse Securities (USA) LLC may change the public offering price and concession.

The following table summarizes the compensation and estimated expenses we and the selling stockholders will pay:

	Per Share		Total	
	Without Over-allotment	With Over-allotment	Without Over-allotment	With Over-allotment
Underwriting Discounts and Commissions paid by us	\$	\$	\$	\$
Expenses payable by us	\$	\$	\$	\$
Underwriting Discounts and Commissions paid by selling stockholders	\$	\$	\$	\$
Expenses payable by the selling stockholders	\$	\$	\$	\$

Credit Suisse Securities (USA) LLC has informed us that they do not expect sales to accounts over which the underwriters have discretionary authority to exceed 5% of the shares of common stock being offered.

We have agreed that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission, or SEC, a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, without the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus, except (a) issuances by us pursuant to the exercise of employee stock options outstanding on the date hereof or pursuant to our dividend reinvestment plan and (b) up to _____ shares of our common stock that may be sold at our permission by certain existing and former

employees designated by us. However, in the event that either (1) during the last 17 days of the “lock-up” period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the “lock-up” period, we announce that we will release earnings results during the 16-day period beginning on the last day of the “lock-up” period, then in either case the expiration of the “lock-up” will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless Credit Suisse Securities (USA) LLC waives, in writing, such an extension.

Subject to certain exceptions, our officers, directors and certain of our existing security holders have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Credit Suisse Securities (USA) LLC for a period of 180 days after the date of this prospectus. However, in the event that either (1) during the last 17 days of the “lock-up” period, we release earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of the “lock-up” period, we announce that we will release earnings results during the 16-day period beginning on the last day of the “lock-up” period, then in either case the expiration of the “lock-up” will be extended until the expiration of the 18-day period beginning on the date of the release of the earnings results or the occurrence of the material news or event, as applicable, unless Credit Suisse Securities (USA) LLC waives, in writing, such an extension.

We and the selling stockholders have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

We have applied to list the shares of common stock on The NASDAQ Global Market under the symbol “SCOR”.

Prior to this offering, there has been no public market for our common stock. The initial public offering price has been determined by a negotiation between us and Credit Suisse Securities (USA) LLC and will not necessarily reflect the market price of our common stock following the offering. The principal factors that were considered in determining the public offering price included:

- the information presented in this prospectus and otherwise available to the underwriters;
- the history of and prospects for the industry in which we compete;
- the ability of our management;
- the prospects for our future earnings;
- the present state of our development and our current financial condition;
- the recent market prices of, and the demand for, publicly traded common stock of generally comparable companies; and
- the general condition for the securities markets at the time of this offering.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions and penalty bids in accordance with Regulation M under the Securities Exchange Act of 1934, or the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may

be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by either exercising their over-allotment option and/or purchasing shares in the open market.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit Credit Suisse Securities (USA) LLC to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on The NASDAQ Global Market and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on the Web sites maintained by one or more of the underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. Credit Suisse Securities (USA) LLC may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the underwriters and selling group members that will make Internet distributions on the same basis as other allocations.

The common stock is being offered for sale in those jurisdictions in the United States, Europe and elsewhere where it is lawful to make such offers.

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), each underwriter represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

- (a) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the manager for any such offer; or
- (d) in any other circumstances that do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of shares to the public” in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each of the underwriters has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) to persons who have professional experience in matters relating to investments falling with Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which section 21 of FSMA does not apply to us; and
- (b) it has complied with, and will comply with, all applicable provisions of FSMA with respect to anything done by it in relation to the common stock in, from or otherwise involving the United Kingdom.

NOTICE TO CANADIAN RESIDENTS

Resale Restrictions

The distribution of the common stock in Canada is being made only on a private placement basis exempt from the requirement that we and the selling stockholders prepare and file a prospectus with the securities regulatory authorities in each province where trades of common stock are made. Any resale of the common stock in Canada must be made under applicable securities laws, which will vary depending on the relevant jurisdiction, and which may require resales to be made under available statutory exemptions or under a discretionary exemption granted by the applicable Canadian securities regulatory authority. Purchasers are advised to seek legal advice prior to any resale of shares of the common stock.

Representations of Purchasers

By purchasing common stock in Canada and accepting a purchase confirmation, a purchaser is representing to us, the selling stockholders and the dealer from whom the purchase confirmation is received that:

- the purchaser is entitled under applicable provincial securities laws to purchase the common stock without the benefit of a prospectus qualified under those securities laws;
- where required by law, that the purchaser is purchasing as principal and not as agent;
- the purchaser has reviewed the text above under “Resale Restrictions”; and
- the purchaser acknowledges and consents to the provision of specified information concerning its purchase of common stock to the regulatory authority that by law is entitled to collect the information.

Further details concerning the legal authority for this information is available on request.

Rights of Action — Ontario Purchasers Only

Under Ontario securities legislation, certain purchasers who purchase a security offered by this prospectus during the period of distribution will have a statutory right of action for damages or, while still the owner of shares of common stock, for rescission against us and the selling stockholders in the event that this prospectus contains a misrepresentation without regard to whether the purchaser relied on the misrepresentation. The right of action for damages is exercisable not later than the earlier of 180 days from the date the purchaser first had knowledge of the facts giving rise to the cause of action and three years from the date on which payment is made for shares of common stock. The right of action for rescission is exercisable not later than 180 days from the date on which payment is made for shares of common stock. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against us or the selling stockholders. In no case will the amount recoverable in any action exceed the price at which shares of common stock were offered to the purchaser and if the purchaser is shown to have purchased the securities with knowledge of the misrepresentation, we and the selling stockholders will have no liability. In the case of an action for damages, we and the selling stockholders will not be liable for all or any portion of the damages that are proven to not represent the depreciation in value of the common stock as a result of the misrepresentation relied upon. These rights are in addition to, and without derogation from, any other rights or remedies available at law to an Ontario purchaser. The foregoing is a summary of the rights available to an Ontario purchaser. Ontario purchasers should refer to the complete text of the relevant statutory provisions.

Enforcement of Legal Rights

All of our directors and officers as well as the experts named herein and the selling stockholders may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon us or those persons. All or a substantial portion of our assets and the assets of those persons may be located outside of Canada and, as a result, it may not be

possible to satisfy a judgment against us or those persons in Canada or to enforce a judgment obtained in Canadian courts against us or those persons outside of Canada.

Taxation and Eligibility for Investment

Canadian purchasers of our common stock should consult their own legal and tax advisors with respect to the tax consequences of an investment in the common stock in their particular circumstances and about the eligibility of the common stock for investment by the purchaser under relevant Canadian legislation.

LEGAL MATTERS

The validity of the shares of common stock offered hereby has been passed upon for comScore, Inc. by Wilson Sonsini Goodrich & Rosati, Professional Corporation, Washington, D.C. The underwriters have been represented in connection with this offering by Cravath, Swaine & Moore LLP, New York, New York. Certain members of, investment partnerships comprised of members of, and persons associated with, Wilson Sonsini Goodrich & Rosati, Professional Corporation beneficially hold an aggregate of 151,083 shares of our common stock on an as-converted basis.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our consolidated financial statements and schedule at December 31, 2005 and 2006, and for each of the three years in the period ended December 31, 2006, as set forth in their reports. We have included our consolidated financial statements and schedule in this prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's reports, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement on Form S-1 with the SEC for the common stock we are offering pursuant to this prospectus. This prospectus does not include all of the information contained in the registration statement. You should refer to the registration statement and its exhibits for additional information. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are summaries and are not necessarily complete and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document. When we complete this offering, we will also be required to file annual, quarterly and special reports, proxy statements and other information with the SEC.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's Web site at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
comScore, Inc.

We have audited the accompanying consolidated balance sheets of comScore, Inc. (the Company) as of December 31, 2005 and 2006, and the related consolidated statements of operations, stockholders' deficit, and cash flows for each of the three years in the period ended December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of comScore, Inc. at December 31, 2005 and 2006, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2006, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 2 to the consolidated financial statements, the Company adopted FASB Staff Position 150-5, *Issuer's Accounting Under FASB Statement No. 150 for Freestanding Warrants and Other Similar Instruments on Shares That Are Redeemable*, effective July 1, 2005, and changed its method of accounting for stock-based compensation in accordance with guidance provided in FASB Statement No. 123(R), *Share-Based Payments*, effective January 1, 2006.

/s/ ERNST & YOUNG LLP

March 29, 2007
McLean, Virginia

COMSCORE, INC.
CONSOLIDATED BALANCE SHEETS

	December 31,	
	2005	2006
(In thousands)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,124	\$ 5,032
Short-term investments	4,050	11,000
Accounts receivable, net of allowances of \$185 and \$188, respectively	10,328	14,123
Prepaid expenses and other current assets	1,029	1,068
Restricted cash	261	270
Total current assets	20,792	31,493
Property and equipment, net	4,480	6,980
Other non-current assets	786	1,267
Intangible assets, net	2,355	983
Goodwill	1,064	1,364
Total assets	<u>\$ 29,477</u>	<u>\$ 42,087</u>

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

COMSCORE, INC.
CONSOLIDATED BALANCE SHEETS — (Continued)

	December 31,	
	2005	2006
	(In thousands, except share data)	
Liabilities and stockholders' deficit		
Current liabilities:		
Accounts payable	\$ 1,048	\$ 1,353
Accrued expenses	4,185	6,020
Deferred revenues	19,588	22,776
Capital lease obligations	1,618	1,726
Preferred stock warrant liabilities	781	1,005
Total current liabilities	27,220	32,880
Capital lease obligations, long-term	1,283	2,261
Deferred tax liability	174	77
Other liabilities	362	374
Total liabilities	29,039	35,592
Commitments and contingencies		
Redeemable preferred stock:		
Series A preferred convertible stock, \$0.001 par value; 9,187,500 shares authorized; 9,187,500 shares issued and outstanding; liquidation preference of \$7,715 at December 31, 2006	8,443	8,154
Series B preferred convertible stock, \$0.001 par value; 3,535,486 shares authorized; 3,479,241 shares issued and outstanding; liquidation preference of \$14,315 at December 31, 2006	15,668	15,130
Series C preferred convertible stock, \$0.001 par value; 13,355,052 shares authorized; 13,236,018 shares issued and outstanding; liquidation preference of \$25,220 at December 31, 2006	27,565	26,633
Series C-1 preferred convertible stock, \$0.001 par value; 357,144 shares authorized; 357,144 shares issued and outstanding; liquidation preference of \$420 at December 31, 2006	458	443
Series D preferred convertible stock, \$0.001 par value; 22,238,042 shares authorized; 21,564,020 shares issued and outstanding; liquidation preference of \$40,723 at December 31, 2006	31,337	34,682
Series E preferred convertible stock, \$0.001 par value; 25,000,000 shares authorized; 24,005,548 shares issued and outstanding; liquidation preference of \$19,565 at December 31, 2006	15,045	16,653
Common Stock subject to put; 1,738,172 shares issued and outstanding	4,216	4,357
Stockholders' deficit:		
Common stock, \$0.001 par value; 130,000,000 shares authorized; 16,737,440 and 20,000,813 shares issued and outstanding at December 31, 2005 and 2006, respectively	17	20
Additional paid-in capital	—	—
Deferred stock compensation	(6)	—
Accumulated other comprehensive loss	(24)	(75)
Accumulated deficit	(102,281)	(99,502)
Total stockholders' deficit	(102,294)	(99,557)
Total liabilities and stockholders' deficit	\$ 29,477	\$ 42,087

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

COMSCORE, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2004	2005	2006
	(In thousands, except share and per share data)		
Revenues	\$ 34,894	\$ 50,267	\$ 66,293
Cost of revenues (excludes amortization of intangible assets resulting from acquisitions shown below)(1)	13,153	18,218	20,560
Selling and marketing(1)	13,890	18,953	21,473
Research and development(1)	5,493	7,416	9,009
General and administrative(1)	4,982	7,089	8,293
Amortization of intangible assets resulting from acquisitions	356	2,437	1,371
Total expenses from operations	37,874	54,113	60,706
(Loss) income from operations	(2,980)	(3,846)	5,587
Interest (expense) income, net	(246)	(208)	231
(Loss) gain from foreign currency	—	(96)	125
Revaluation of preferred stock warrant liabilities	—	(14)	(224)
(Loss) income before income taxes and cumulative effect of change in accounting principle	(3,226)	(4,164)	5,719
(Benefit) provision for income taxes	—	(182)	50
Net (loss) income before cumulative effect of change in accounting principle	(3,226)	(3,982)	5,669
Cumulative effect of change in accounting principle	—	(440)	—
Net (loss) income	(3,226)	(4,422)	5,669
Accretion of redeemable preferred stock	(2,141)	(2,638)	(3,179)
Net (loss) income attributable to common stockholders	\$ (5,367)	\$ (7,060)	\$ 2,490
Net (loss) income attributable to common stockholders per common share:			
Basic and diluted	\$ (0.38)	\$ (0.46)	\$ 0.00
Weighted-average number of shares used in per share calculation — common stock:			
Basic and diluted	14,358,561	15,650,969	19,236,064
Net (loss) income attributable to common stockholders per common share subject to put:			
Basic and diluted	\$ 0.07	\$ 0.08	\$ 0.08
Weighted-average number of shares used in per share calculation — common share subject to put:			
Basic and diluted	457,596	1,738,172	1,738,172
(1) Amortization of stock-based compensation is included in the line items above as follows:			
Cost of revenues	\$ —	\$ —	\$ 12
Selling and marketing	—	—	82
Research and development	—	—	13
General and administrative	14	3	91

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

COMSCORE, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT

	Common Stock		Additional Paid-In Capital	Deferred Stock Compensation	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount					
Balance at December 31, 2003	13,729,967	\$ 14	\$ —	\$ (10)	\$ 30	\$ (89,953)	\$ (89,919)
Net loss	—	—	—	—	—	(3,226)	(3,226)
Foreign currency translation adjustment	—	—	—	—	(19)	—	(19)
Exercise of common stock options	2,403,710	2	121	—	—	—	123
Repurchase of options previously issued	(928,125)	(1)	(45)	—	—	—	(46)
Amortization of deferred stock compensation	—	—	—	1	—	—	1
Issuance of common stock warrants	—	—	13	—	—	—	13
Accretion of redeemable preferred stock warrants	—	—	16	—	—	—	16
Accretion of redeemable preferred stock	—	—	(105)	—	—	(2,036)	(2,141)
Accretion of common stock subject to put	—	—	—	—	—	(32)	(32)
Balance at December 31, 2004	15,205,552	15	—	(9)	11	(95,247)	(95,230)
Net loss	—	—	—	—	—	(4,422)	(4,422)
Foreign currency translation adjustment	—	—	—	—	(35)	—	(35)
Exercise of common stock options	1,531,888	2	134	—	—	—	136
Amortization of deferred stock compensation	—	—	—	3	—	—	3
Issuance of common stock warrants	—	—	16	—	—	—	16
Accretion of redeemable preferred stock warrants	—	—	8	—	—	—	8
Accretion of redeemable preferred stock	—	—	(158)	—	—	(2,480)	(2,638)
Accretion of common stock subject to put	—	—	—	—	—	(132)	(132)
Balance at December 31, 2005	16,737,440	17	—	(6)	(24)	(102,281)	(102,294)
Net income	—	—	—	—	—	5,669	5,669
Foreign currency translation adjustment	—	—	—	—	(51)	—	(51)
Exercise of common stock options	3,263,373	3	238	—	—	—	241
Amortization of deferred stock compensation	—	—	—	6	—	(3)	3
Amortization of stock-based compensation	—	—	195	—	—	—	195
Accretion of redeemable preferred stock	—	—	(433)	—	—	(2,746)	(3,179)
Accretion of common stock subject to put	—	—	—	—	—	(141)	(141)
Balance at December 31, 2006	20,000,813	\$ 20	\$ —	\$ —	\$ (75)	\$ (99,502)	\$ (99,557)

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

COMSCORE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2004	2005 (In thousands)	2006
Operating activities			
Net (loss) income	\$ (3,226)	\$ (4,422)	\$ 5,669
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation	2,389	2,686	2,888
Amortization of intangible assets resulting from acquisitions	356	2,437	1,371
Provisions for bad debts	12	90	212
Stock-based compensation	14	3	198
Revaluation of preferred stock warrant liabilities	—	14	224
Cumulative effect of change in accounting principle	—	440	—
Amortization of deferred finance costs	30	33	33
Deferred tax benefit	—	(182)	(97)
Changes in operating assets and liabilities, net of effect of acquisitions:			
Accounts receivable, net	(736)	(3,540)	(3,882)
Prepaid expenses and other current assets	539	(157)	(311)
Other non-current assets	174	539	30
Accounts payable and accrued expenses	1,689	(245)	1,417
Deferred revenues	608	6,427	3,139
Other liabilities	58	130	14
Net cash provided by operating activities	<u>1,907</u>	<u>4,253</u>	<u>10,905</u>
Investing activities			
Payment of restricted cash	—	(41)	(9)
Purchase of short-term investments	(5,600)	(8,960)	(14,900)
Sale of short-term investments	6,400	8,810	7,950
Purchase of property and equipment	(1,208)	(1,071)	(2,314)
Acquisition of businesses, net of cash acquired of \$715 in 2005	(924)	(943)	—
Payment of additional consideration for acquired businesses	—	(300)	(300)
Net cash used in investing activities	<u>(1,332)</u>	<u>(2,505)</u>	<u>(9,573)</u>
Financing activities			
Proceeds from the exercise of common stock options	123	136	241
Repurchase of previously issued stock options	(46)	—	—
Principal payments on capital lease obligations	(1,029)	(1,228)	(1,622)
Net cash used in financing activities	<u>(952)</u>	<u>(1,092)</u>	<u>(1,381)</u>
Effect of exchange rate changes on cash	25	(36)	(43)
Net (decrease) increase in cash and cash equivalents	<u>(352)</u>	<u>620</u>	<u>(92)</u>
Cash and cash equivalents at beginning of year	4,856	4,504	5,124
Cash and cash equivalents at end of year	<u>\$ 4,504</u>	<u>\$ 5,124</u>	<u>\$ 5,032</u>
Supplemental cash flow disclosures			
Interest paid	\$ 353	\$ 314	\$ 249
Capital lease obligations incurred	\$ —	\$ 1,704	\$ 2,707
Accretion of preferred stock	\$ 2,141	\$ 2,638	\$ 3,179

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

NOTES TO 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. 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.

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 as defined by Accounting Research Bulletin (ARB) No. 51, *Consolidated Financial Statements*, as amended by Statement of Financial Accounting Standards (SFAS) No. 94, *Consolidation of all Majority-Owned Subsidiaries*. 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, as defined by Financial Accounting Standards Board (FASB) Interpretation No. 46, *Consolidation of 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from those estimates.

Reclassifications

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year presentation.

Cash and Cash Equivalents, Short-Term Investments, and Restricted Cash

Cash and cash equivalents and restricted cash consist of highly liquid investments with an original maturity of three months or less at the time of purchase. Cash, cash equivalents, and restricted cash consists primarily of money market accounts.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Short-term investments, which consist principally of high-grade auction rate securities, are stated at fair market value, which approximates cost. These securities are accounted for as available-for-sale securities in accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. The Company typically has the option to re-invest in its short-term investments every 30 days. The Company uses the specific identification method to compute realized gains and losses on its short-term investments.

Restricted cash is comprised of a certificate of deposit that is collateral for a letter of credit pertaining to the security deposit for an operating lease.

Interest income on short-term investments was \$100,000, \$133,000 and \$515,000 for the years ended December 31, 2004, 2005 and 2006, 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 collectibility 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 Statement of Operations in which the asset is deployed.

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 replacement cost, income and market approaches. The replacement cost approach is based on determining the discrete cost of replacing or reproducing a specific asset. The Company generally uses the replacement cost approach 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 worth 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 trademarks and brand assets.

Under SFAS No. 142, *Goodwill and Other Intangible Assets* (SFAS 142), intangible assets with finite lives are amortized over their useful lives while goodwill and indefinite lived assets are not amortized but are

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

evaluated for potential impairment at least annually by comparing the fair value of a reporting unit, based on estimated future cash flows, 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 derived fair value of the goodwill to its carrying value, and any impairment determined is recorded in the current period. In accordance with SFAS 142, all of the Company's goodwill is associated with one reporting unit. Accordingly, on an annual basis the Company performs the impairment assessment for goodwill required under SFAS 142 at the enterprise level. The Company completed its annual impairment analysis for 2004, 2005 and 2006 and determined that there was no impairment of goodwill.

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

	<u>Useful Lives (Years)</u>
Non-compete agreements	3 to 4
Customer relationships	1 to 3
Acquired methodologies/technology	1 to 3
Trademarks and brands	2

Impairment of Long-Lived Assets

Long-lived assets, including property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount should be addressed pursuant to SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS 144). Pursuant to SFAS 144, impairment is determined by comparing the carrying value of these long-lived assets to an estimate of the future undiscounted cash flows expected to result from the use of the assets and eventual disposition. In the event an impairment exists, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the asset, which is generally determined by using quoted market prices or valuation techniques such as the discounted present value of expected future cash flows, appraisals, or other pricing models as appropriate. There were no impairment charges recognized during the years ended December 31, 2004, 2005 and 2006. In the event that there are changes in the planned use of the Company's long-term assets or its expected future undiscounted cash flows are reduced significantly, the Company's assessment of its ability to recover the carrying value of these assets could change.

Foreign Currency Translation

The Company applies SFAS No. 52, *Foreign Currency Translation*, with respect to its international operations. 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 included as a component of other comprehensive income. The Company incurred a foreign currency transaction loss of \$96,000 for the year ended December 31, 2005 and a gain of \$125,000 for the year ended December 31, 2006. These gains and losses related to U.S. dollar denominated cash accounts and accounts receivable held by the Company's foreign subsidiaries. Foreign currency transaction losses were not material in 2004.

Business Segment Information

The Company is managed and operated as one business segment. A single management team reports to the chief operating decision maker who manages the entire business. The Company does not operate any material separate lines of business or separate business entities with respect to its services. The various products that the Company offers are all related to analyzing consumer behavior on the Internet. The same

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

data source is used regardless of the product delivered. The Company's expenses are shared and are not allocated to individual products. Accordingly, the Company does not accumulate discrete financial information by product line and does not have separately reportable segments as defined by SFAS No. 131, *Disclosure About Segments of an Enterprise and Related Information*.

Revenue Recognition

The Company recognizes revenues in accordance with Securities and Exchange Commission Staff Accounting Bulletin (SAB) No. 104, *Revenue Recognition* (SAB 104). SAB 104 requires that four basic criteria must be met prior to revenue recognition: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or the services have been rendered, (iii) the fee is fixed and 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 periodic reports of customized data. These arrangements are accounted for in accordance with Emerging Issues Task Force (EITF) Issue No. 00-21, *Revenue Arrangements with Multiple Deliverables*. 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 periodic reports of customized data generally occurs after the data has been accumulated for a specified period subsequent to contract execution, usually one calendar quarter. 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 commencing upon the delivery of the first report of customized data over the period such reports are delivered.

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.

Costs of Revenues

Cost of revenues consists primarily of expenses related to the operating network infrastructure and the recruitment, maintenance and support of consumer panels. Expenses associated with these areas include the salaries, stock-based compensation and related expenses of network operations, survey operations, custom analytics and technical support departments, and are expensed as they are incurred. Cost of revenues also

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

includes data collection costs for the products and operational costs associated with the Company's data centers, including depreciation expense associated with computer equipment.

Selling and Marketing

Selling and marketing expenses consist primarily of salaries, stock-based compensation, benefits, commissions and bonuses paid to the direct sales force and industry analysts, as well as costs related to online and offline advertising, product management, seminars, promotional materials, public relations, other sales and marketing programs, and allocated overhead, including rent and depreciation. All selling and marketing costs are expensed as they are incurred.

Research and Development

Research and development expenses include new product development costs, consisting primarily of compensation, stock-based compensation and related costs for personnel associated with research and development activities, and allocated overhead, including rent and depreciation.

General and Administrative

General and administrative expenses consist primarily of salaries, stock-based compensation and related expenses for executive management, finance, accounting, human capital, legal, information technology and other administrative functions, as well as professional fees, overhead, including allocated rent and depreciation and expenses incurred for other general corporate purposes.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents, short term investments and accounts receivable. Cash equivalents are held at financial institutions, which are regarded as highly creditworthy. Short term investments consist of high-grade auction rate securities which the Company has the option to re-invest in every 30 days. With respect to accounts receivable, credit risk is mitigated by the Company's ongoing credit evaluation of its customers' financial condition.

For the years ended December 31, 2004, 2005 and 2006, one customer accounted for 5%, 14% and 12%, respectively, of total revenues. No customer accounted for more than 10% of accounts receivable as of December 31, 2005 and 2006.

Advertising Costs

All advertising costs are expensed as incurred. Advertising expense, which is included in sales and marketing expense, totaled \$84,000, \$58,000 and \$210,000 for the years ended December 31, 2004, 2005 and 2006, respectively.

Stock-Based Compensation

In December 2004, the FASB issued SFAS No. 123(R), *Share-Based Payment* (SFAS 123R), which requires companies to expense the estimated fair value of employee stock options and similar awards. This statement is a revision to SFAS No. 123, *Accounting for Stock-Based Compensation* (SFAS 123), supersedes Accounting Principles Board Opinion No. 25 (APB 25), *Accounting for Stock Issued to Employees*, and amends SFAS No. 95, *Statement of Cash Flows*.

Prior to January 1, 2006, the Company accounted for its stock-based compensation plans under the recognition and measurement provisions of APB 25, and related interpretations, as permitted by SFAS 123.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Effective January 1, 2006, the Company adopted SFAS 123R, including the fair value recognition provisions, using the prospective method. Under SFAS 123R, a non-public company that previously used the minimum value method for pro forma disclosure purposes is required to adopt the standard using the prospective method. Under the prospective method, all awards granted, modified or settled after the date of adoption are accounted for using the measurement, recognition and attribution provisions of SFAS 123R. As a result, stock-based awards granted prior to the date of adoption of SFAS 123R will continue to be accounted for under APB 25 with no recognition of stock-based compensation in future periods, unless such awards are modified or settled. Subsequent to the adoption of SFAS 123R, the Company estimates the value of stock-based awards on the date of grant using the Black-Scholes option-pricing model. For stock-based awards subject to graded vesting, the Company has utilized the straight-line ratable method for allocating compensation cost by period. For the year ended December 31, 2006, the Company recorded stock-based compensation expense of \$198,000 in accordance with SFAS 123R.

Cumulative Effect of Change in Accounting Principle

Effective July 1, 2005, the Company adopted the provisions of FASB Staff Position No. 150-5, *Issuer's Accounting under Statement No. 150 for Freestanding Warrants and Other Similar Instruments on Shares that are Redeemable* (FSP 150-5), an interpretation of SFAS No. 150, *Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity* (SFAS 150). Pursuant to FSP 150-5, freestanding warrants for shares that are either puttable or warrants for shares that are redeemable are classified as liabilities on the consolidated balance sheet at fair value.

Upon adoption of FSP 150-5, the Company reclassified the carrying value of its warrants to purchase shares of its redeemable convertible preferred stock from mezzanine equity to a liability and recorded a cumulative effect charge of approximately \$440,000 for the change in accounting principle to record the warrants at fair value on July 1, 2005. The Company recorded additional charges of approximately \$14,000 to reflect the increase in fair value between July 1, 2005 and December 31, 2005. In the year ended December 31, 2006, the Company recorded approximately \$224,000 of charges to reflect the increase in fair value between January 1, 2006 and December 31, 2006. The Company will continue to adjust the liabilities for changes in fair value until the earlier of the exercise of the warrants to purchase shares of its redeemable convertible preferred stock or the completion of a liquidation event, including the completion of an initial public offering, at which time the liabilities will be reclassified to stockholders' equity (deficit).

The pro forma effect of the adoption of FSP 150-5 on the results of operations for fiscal years 2004 and 2005 if applied retroactively, assuming FSP 150-5 had been adopted in these years, has not been disclosed as these amounts would not be materially different from the reported amounts.

Comprehensive (Loss) Income

Comprehensive (loss) income includes net (loss) income as well as the effects of foreign currency translation loss adjustments reflected in the table below:

	Years Ended December 31,		
	2004	2005	2006
	(In thousands)		
Comprehensive (loss) income:			
Net (loss) income	\$ (3,226)	\$ (4,422)	\$ 5,669
Other comprehensive loss:			
Foreign currency cumulative translation adjustment	(19)	(35)	(51)
Total comprehensive (loss) income	<u>\$ (3,245)</u>	<u>\$ (4,457)</u>	<u>\$ 5,618</u>

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Income Taxes

Income taxes are accounted for using the liability method in accordance with SFAS No. 109, *Accounting for Income Taxes*. 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.

Earnings Per Share

The Company computes earnings per share in accordance with the provisions of FASB No. 128, *Earnings Per Share* (SFAS 128). The Company has issued shares of common stock in connection with business acquisitions (see Note 3) that give the holders the right to require the Company to repurchase the shares at a fixed price at a specified future date ("Common Stock Subject to Put"). The difference between the fair value of the shares of Common Stock Subject to Put on the issuance date and the price at which the Company may be required to repurchase those shares is being accreted over the period from issuance to the first date at which the Company could be required to repurchase the shares as a dividend to the holders. EITF Topic D-98, *Classification and Measurement of Redeemable Securities* (EITF D-98) states that when a common shareholder has a contractual right to receive, at share redemption, an amount that is other than fair value, such shareholder has received, in substance, a preferential distribution. Under SFAS 128, entities with capital structures that include classes of common stock with different dividend rates are required to apply the two-class method of calculating earnings per share. Accordingly, the Company calculates earnings per share for its common stock and its Common Stock Subject to Put using a method akin to the two-class method under SFAS 128.

In addition, the Company's series of convertible redeemable preferred stock are considered participating securities as they are entitled to an 8% noncumulative preferential dividend before any dividends can be paid to common stockholders. The Company includes its participating preferred stock in the computation of earnings per share using the two-class method in accordance with EITF 03-06, *Participating Securities and the Two-Class Method under FASB Statement No. 128* (EITF 03-06).

The two-class computation method for each period allocates the undistributed earnings or losses to each participating security based on their respective rights to receive dividends. In addition to undistributed earnings or losses, the accretion to their redemption or put prices is also allocated to the Common Stock Subject to Put and the convertible redeemable preferred stock. In periods of undistributed losses, all losses are allocated to common stock in accordance with EITF 03-06 as the holders of Common Stock Subject to Put and participating preferred stock are not required to fund losses nor are their redemption or put prices reduced as a result of losses incurred. In periods of undistributed income, income is first allocated to the participating preferred stock for their preferential dividend, currently \$7.1 million per annum. Any undistributed earnings remaining are then allocated to holders of common stock, Common Stock Subject to Put and preferred stock (assuming conversion) on a pro rata basis. The total earnings or losses allocated to each class of common stock are then divided by the weighted-average number of shares outstanding for each class of common stock to determine basic earnings per share. EITF 03-06 does not require the presentation of basic and diluted earnings per share for securities other than common stock; therefore, earnings per share is only computed for the Company's common stock.

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 and the

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

conversion of the Company's convertible preferred stock using the if-converted method. No potentially dilutive securities are convertible or exercisable into shares of Common Stock Subject to Put.

For all periods presented, all potentially dilutive securities have been excluded from earnings per share calculations as their effect would have been anti-dilutive. 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:

	Year Ended December 31,		
	2004	2005	2006
Stock options	8,950,177	14,104,727	13,750,111
Convertible preferred stock warrants	565,643	565,643	565,643
Common stock warrants	1,948,660	1,994,800	576,786
Convertible preferred stock	86,286,744	86,286,744	86,286,744

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table sets forth the computation of basic and diluted EPS:

	Year Ended December 31,		
	2004	2005	2006
(In thousands, except share and per share data)			
Calculation of basic and diluted net income per share — two class method:			
Net (loss) income	\$ (3,226)	\$ (4,422)	\$ 5,669
Accretion of redeemable preferred stock	(2,141)	(2,638)	(3,179)
Accretion of common stock subject to put	(32)	(133)	(138)
Undistributed (loss) earnings	(5,399)	(7,193)	2,352
Allocation of undistributed (loss) earnings:			
Common stock			
Earnings before cumulative effect of change in accounting principle	(5,399)	(6,753)	—
Cumulative effect of change in accounting principle	—	(440)	—
Common stock subject to put	—	—	—
Preferred stock	—	—	2,352
Total allocated (loss) earnings	\$ (5,399)	\$ (7,193)	\$ 2,352
Net (loss) income attributable to common stockholders per common share:			
Basic and diluted	\$ (0.38)	\$ (0.46)	\$ 0.00
Cumulative effect of change in accounting principle	\$ 0.00	\$ (0.03)	\$ 0.00
Weighted average shares outstanding — common stock basic and diluted	14,358,561	15,650,969	19,236,064
Net (loss) income attributable to common stockholders per common share subject to put:			
Basic and diluted	\$ 0.07	\$ 0.08	\$ 0.08
Weighted average shares outstanding — common stock subject to put basic and diluted	457,596	1,738,172	1,738,172

Fair Value of Financial Instruments

SEAS No. 107, *Disclosure about Fair Value of Financial Instruments*, defines the fair value of financial instruments as the amount at which the instrument could be exchanged in a current transaction between willing parties. Cash equivalents, short-term investments, accounts receivable, accounts payable, accrued expenses and capital lease obligations reported in the consolidated balance sheets equal or approximate their respective fair values. The fair value of the Company's preferred stock warrants liabilities, convertible preferred stock and common stock subject to put is not practicable to determine, as no quoted market price exists for these instruments. The convertible preferred stock will be converted into common stock of the Company upon consummation of a qualified initial public offering.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Recent Pronouncements

In June 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*, an interpretation of SFAS No. 109. This interpretation clarifies the accounting for income taxes by prescribing that a company should use a more-likely-than-not recognition threshold based on the technical merits of the tax position taken. Tax provisions that meet the more-likely-than-not recognition threshold should be measured as the largest amount of tax benefits, determined on a cumulative probability basis, which is more likely than not to be realized upon ultimate settlement in the financial statements. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting for interim periods, disclosure and transition, and explicitly excludes income taxes from the scope of SFAS No. 5, *Accounting for Contingencies*. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company is currently assessing the effect of FIN 48 on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements*. The purpose of this statement is to define fair value, establish a framework for measuring fair value and enhance disclosures about fair value measurements. The measurement and disclosure requirements are effective for the Company as of January 1, 2008 and are applied prospectively. The Company is currently evaluating the potential impact of adopting this new guidance on its results of operations and financial position.

3. Acquisitions

Q2 Brand Intelligence, Inc.

On July 28, 2004, the Company acquired the outstanding stock of Denaro and Associates, Inc, otherwise known as Q2 Brand Intelligence, Inc. (Q2), to improve the Company's ability to provide customers more robust custom research integrated with its underlying digital marketing intelligence platform. The total cost of the acquisition was \$3,336,000, which included cash of \$873,000, the issuance of 1,060,000 shares of restricted common stock valued at \$2,412,000 and related costs incurred in the amount of \$51,000. The former sole shareholder of Q2 is entitled to receive up to an additional \$600,000 in cash based on the entity's achievement of certain performance criteria. No amounts were earned as of December 31, 2004. In 2005 and 2006, the performance criteria were met and the Company paid \$300,000 each year which was recorded as additional goodwill.

The Company accounted for the acquisition as a purchase in accordance with SFAS No. 141, *Business Combinations* (SFAS 141). Accordingly, the results of operations of Q2 have been included in the accompanying consolidated financial statements since the purchase date. In accordance with SFAS 141, the purchase price was allocated to the assets and liabilities of Q2 based on their estimated fair values.

The following table summarizes the estimated fair values of the tangible assets acquired and liabilities assumed at the date of acquisition:

	<u>(In thousands)</u>
Accounts receivable	\$ 917
Prepays and other	24
Property and equipment	<u>60</u>
Total assets acquired	1,001
Accounts payable and accrued expenses	511
Deferred revenues	58
Net tangible assets acquired	<u>\$ 432</u>

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The common stock issued to the former sole shareholder of Q2 is subject to a restricted stock agreement that includes a put right at a price of \$2.50 per share to be effective for a ninety-day period beginning on the third anniversary of the closing date. The Company has valued the common stock subject to put at fair value on the date of issuance. The fair value of the common stock subject to put was estimated as the sum of (i) the fair value of common stock exclusive of a put right with a fair value of \$0.05 per share and (ii) the fair value of the embedded put right as measured using the Black-Scholes option-pricing formula of \$2.23 per share. The key assumptions used in the Black-Scholes option-pricing formula were as follows: expected dividend yield — 0%; risk-free interest rate — 3.16%; expected volatility — 40.0%; expected term — 3 years. The carrying value of the common stock subject to the put right is being accreted to the put obligation over the three year term using the effective interest rate method. For the years ended December 31, 2004, 2005 and 2006, the Company accreted a total of \$32,000, \$78,000 and \$80,000, respectively.

The non-tangible portion of the purchase price, including the payment of the contingent purchase consideration, was allocated as follows:

	<u>(In thousands)</u>
Trademarks and brands	\$ 338
Non-compete agreements	112
Customer relationships	1,249
Goodwill	1,364
Acquired methodology	451

Acquired trademarks and brand names were initially determined to have an indefinite life and, therefore, were not amortized. In July 2005, the Company determined that the trademarks and brand names would be phased out over the next six months so that the services could be branded under the Company's name. At the time of the decision, there were no indicators of impairment. Accordingly, the asset was amortized on a straight-line basis over its remaining six month useful life. The change in the estimated useful life resulted in additional amortization expense of \$290,000 for the year ended December 31, 2005. Acquired methodology and customer relationships are being amortized on a straight-line basis over one to three years. The non-compete agreement is being amortized on a straight-line basis over four years.

SurveySite, Inc.

On January 4, 2005, the Company acquired the assets and assumed certain liabilities of SurveySite Inc., or SurveySite. Through this acquisition, the Company acquired proprietary data-collection technology and increased customer penetration and revenues in the survey business. The total cost of the acquisition was \$3.6 million, which included cash of \$1.7 million, the payment of additional purchase consideration of \$132,000, the issuance of 678,172 shares of restricted common stock valued at \$1.6 million and related costs incurred and adjustments in the amount of \$111,000.

The Company accounted for the acquisition as a purchase in accordance with SFAS 141. Accordingly, the results of operations of SurveySite have been included in the accompanying consolidated financial statements since the purchase date. In accordance with SFAS 141, the purchase price was allocated to the assets and liabilities of SurveySite based on their estimated fair values. Based on this analysis, the fair value of the identifiable tangible and intangible assets exceeded the cost of the acquired business by approximately \$790,000. Therefore, in accordance with SFAS 141, the Company reduced, on a pro rata basis, the value attributed to certain assets acquired.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The following table summarizes the estimated fair values of the tangible assets acquired and liabilities assumed at the date of acquisition:

	<u>(In thousands)</u>
Cash	\$ 715
Accounts receivable	606
Prepaid expense and other current assets	90
Property and equipment	283
Total assets acquired	<u>1,694</u>
Accounts payable and accrued expenses	245
Deferred revenues	480
Deferred tax liability	356
Net tangible assets acquired	<u>\$ 613</u>

The former shareholders of SurveySite are entitled to receive \$132,000 based on the entity's achievement of certain performance criteria. The performance criteria was achieved as of December 31, 2005 and the performance criteria was also expected to be achieved in 2006, therefore, the total contingent purchase consideration was paid in January 2006 and is included in the purchase price. The common stock issued is subject to a restricted stock agreement that includes a put right at a price of \$2.67 per share to be effective for a ninety-day period beginning on the third anniversary of the closing date. The Company has valued the common stock subject to put at fair value on the date of issuance. The fair value of the common stock subject to put was estimated as the sum of (i) the fair value of common stock exclusive of a put right of \$0.25 per share and (ii) the fair value of the embedded put right as measured using the Black-Scholes option-pricing formula of \$2.17 per share. The key assumptions used in the Black-Scholes option-pricing formula were as follows: expected dividend yield — 0%; risk-free interest rate — 3.36%; expected volatility — 40.0%; expected term — 3 years. The carrying value of the common stock subject to the put right is being accreted to the put obligation over the three year term using the effective interest rate method. For the year ended December 31, 2005 and 2006, the Company accreted a total of \$55,000 and \$58,000, respectively.

The non-tangible portion of the purchase price, including the payment of the contingent purchase consideration, was allocated as follows:

	<u>(In thousands)</u>
Trademarks	\$ 323
Non-compete agreements	213
Customer relationships	2,228
Acquired methodologies/technology	237

Acquired methodology and customer relationships are being amortized on a straight-line basis over six months to three years. The trademarks and non-compete agreements are being amortized on a straight-line basis over two and three years, respectively.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

4. Property and Equipment

Property and equipment, including equipment under capital lease obligations, consists of the following:

	December 31	
	2005	2006
	(In thousands)	
Computer equipment	\$ 15,165	\$ 14,855
Computer software	3,220	2,816
Office equipment and furniture	1,178	1,159
Leasehold improvements	832	1,079
	<u>20,395</u>	<u>19,909</u>
Less: accumulated depreciation and amortization	(15,915)	(12,929)
	<u>\$ 4,480</u>	<u>\$ 6,980</u>

Property and equipment financed through capital lease obligations, consisting of computer equipment, totaled \$4.5 million and \$4.6 million at December 31, 2005 and 2006, respectively. At December 31, 2005 and 2006, accumulated depreciation related to property and equipment financed through capital leases totaled \$2.2 million and \$1.1 million, respectively. During the year ended December 31, 2006, \$3.2 million of fully depreciated assets were written off. In addition, \$2.6 million of assets financed through capital leases terminated and were subsequently returned and written off.

For the years ended December 31, 2004, 2005 and 2006, total depreciation expense was \$2.4 million, \$2.7 million and \$2.9 million, respectively.

5. Goodwill and Intangible Assets

	December 31	
	2005	2006
	(In thousands)	
Goodwill	\$ 1,064	\$ 1,364
Intangible assets consist of the following:		
Trademarks and brands	\$ 662	\$ 662
Non-compete agreements	326	326
Customer relationships	3,467	3,467
Acquired methodologies/technology	688	688
Total intangible assets	5,143	5,143
Accumulated amortization	(2,788)	(4,160)
Intangible assets, net	<u>\$ 2,355</u>	<u>\$ 983</u>

Amortization expense related to intangible assets was approximately \$356,000, \$2.4 million and \$1.4 million for the years ended December 31, 2004, 2005 and 2006, respectively.

Future expected amortization of intangible assets as of December 31, 2006, is as follows:

	(In thousands)
2007	\$967
2008	16

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

The weighted average amortization period by major asset class as of December 31, 2006, is as follows:

	(In years)
Trademarks and brands	1.7
Non-compete agreements	3.4
Customer relationships	2.7
Acquired methodologies/technology	2.0

6. Accrued Expenses

Accrued expenses consist of the following:

	December 31,	
	2005	2006
	(In thousands)	
Accrued payroll and related	\$ 2,428	\$ 3,118
Other	1,757	2,902
	<u>\$ 4,185</u>	<u>\$ 6,020</u>

7. Commitments and Contingencies

Leases

In December 2006, the Company entered into an equipment lease agreement with Banc of America Leasing & Capital, LLC to finance the purchase of new hardware and other computer equipment as the Company continues to expand its technology infrastructure in support of its business growth. This agreement includes a \$5.0 million line of credit available through December 31, 2007; its initial utilization of this credit facility was to establish an equipment lease for approximately \$2.9 million bearing interest at a rate of 7.75% per annum. The base term for this lease is three years and includes a nominal charge in the event of prepayment. Assets acquired under the equipment leases secure the obligations.

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 as of December 31, 2006 are as follows:

	Capital Leases	Operating Leases
	(In thousands)	
2007	\$ 1,986	\$ 2,009
2008	1,418	1,383
2009	1,014	680
2010	—	377
2011	—	383
Thereafter	—	226
Total minimum lease payments	4,418	<u>\$ 5,058</u>
Less amount representing interest	(431)	
Present value of net minimum lease payments	3,987	
Less current portion	(1,726)	
Capital lease obligations, long-term	<u>\$ 2,261</u>	

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Total rent expense was \$1.9 million, \$2.5 million and \$2.6 million for the years ended December 31, 2004, 2005 and 2006, respectively.

The Company is required to maintain a letter of credit in the amount of approximately \$256,000 as additional security deposit pertaining to an operating lease.

In June 2003, the Company modified its lease for its corporate headquarters resulting in (i) a reduction in the space rented, (ii) the lease termination date being revised from January 2011 to June 2008, and (iii) a reduction in the monthly lease rate. In connection with the modification, the Company relinquished its security deposit on the original lease and made certain cash payments which totaled \$2.0 million. The Company has treated the modification payments, net of a deferred rent liability of approximately \$300,000 associated with the vacated space, as prepaid rent and is recognizing the amount over the remaining lease term. The prepaid lease balance at December 31, 2005 and 2006 was approximately \$665,000 and \$386,000, respectively. The short-term portion is included in Prepaid Expenses and Other Current Assets and the long-term portion is included in Other Non-Current Assets in the Consolidated Balance Sheets.

Contingencies

The Company has no asserted claims, 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 financial position or results of operations.

8. Income Taxes

Income tax expense (benefit) is comprised of the following:

	Year Ended December 31,		
	2004	2005	2006
	(In thousands)		
Current:			
Federal	\$ —	\$ —	\$ 147
State	—	—	—
Foreign	—	—	—
Total	—	—	147
Deferred:			
Federal	—	—	—
State	—	—	—
Foreign	—	(182)	(97)
Total	—	(182)	(97)
Income tax expense (benefit)	—	(182)	50

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

A reconciliation of the statutory United States income tax rate to the effective income tax rate follows:

	Year Ended December 31,		
	2004	2005	2006
Statutory federal tax rate	34.0%	34.0%	34.0%
Nondeductible items	(0.9)	(1.2)	3.4
State tax rate, net of federal benefit	4.5	2.6	5.6
Foreign	—	0.4	(0.2)
Change in valuation allowance	(37.6)	(31.2)	(41.9)
Effective tax rate	0.0%	4.6%	0.9%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	December 31	
	2005	2006
(In thousands)		
Deferred tax asset:		
Net operating loss	\$ 34,498	\$ 31,580
Tax credits	—	147
Accrued vacation and bonus	96	197
Deferred revenues	708	438
Acquired intangibles	287	673
Depreciation	345	525
Deferred rent	103	96
Other	102	90
Total deferred tax assets	36,139	33,746
Deferred tax liabilities:		
Intangibles	(174)	(77)
Less valuation allowance	(36,139)	(33,746)
Net deferred tax liability	\$ (174)	\$ (77)

As of December 31, 2005 and 2006, the Company had both federal and state net operating loss carryforwards for tax purposes of approximately \$88.5 million and \$81.2 million, respectively, which begin to expire in 2020 for federal and began to expire in 2006 for state income tax reporting purposes. In addition, at December 31, 2005 and 2006, the Company had net operating loss carryforwards for tax purposes related to our foreign subsidiaries of \$966,000 and \$703,000, respectively, which begin to expire in 2010.

Under the provisions of the Internal Revenue Code Section 382, certain substantial changes in the Company's ownership may result in a limitation on the amount of U.S. net operating loss carryforwards which could be utilized annually to offset future taxable income and taxes payable. Additionally, despite the net operating loss carryforward, the Company may have a future tax liability due to alternative minimum tax, foreign tax or state tax requirements.

Management believes that, based on a number of factors, the available objective evidence creates sufficient uncertainty regarding the realizability of the deferred tax assets such that a full valuation allowance

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

is required. Such factors include the lack of a significant history of profits, recent increases in expense levels to support the Company's growth, the fact that the market in which the Company competes is intensely competitive and characterized by rapidly changing technology, and the lack of carryback capacity to realize deferred tax assets.

9. Convertible Preferred Stock

The Company's certificate of incorporation provides for the issuance of 9,187,500 shares of Series A Preferred Stock (Series A), 3,535,486 shares of Series B Preferred Stock (Series B), 13,355,052 shares of Series C Preferred Stock (Series C), 357,144 shares of Series C-1 Preferred Stock (Series C-1), 22,238,042 shares of Series D Preferred Stock (Series D) and 25,000,000 shares of Series E Preferred Stock (Series E).

The Series E ranks senior to all other classes of capital stock, with the exception of the Incentive Plan (see Note 11), on a distribution of assets upon liquidation, dissolution, or winding up of the Company. Upon such event, each share of Series E is entitled to a liquidation preference equal to 1.63 times the original purchase price of \$0.50 per share. In addition, each share of Series E is entitled to participate in any distribution pari passu with all classes of stock after \$88,392,465 (the Cap Amount) has been distributed to the holders of Series A through Series D preferred stock. The assets distributed to each share of Series E upon liquidation, dissolution or winding up of the Company shall not exceed five times the original purchase price of \$0.50 per share. Series E is convertible into common stock at a conversion price equal to the original issuance price, subject to adjustment.

The holders of Series E are entitled to dividends in preference to any class of capital stock of the Company at an annual rate of 8.0%. Following payment of any dividends to holders of Series E, holders of Series D are entitled to dividends in preference to any class of stock other than Series E at an annual rate of 8%. Following the payment of any dividends to the holders of Series D, holders of Series A, Series B, Series C and Series C-1 are entitled to dividends in preference to common stockholders at an annual rate of 8%. All dividends are noncumulative and are paid only when, if, and as declared by the Board of Directors. No dividend shall be paid on shares of common stock in any fiscal year unless (i) the noncumulative preferential dividends of the preferred stock have been paid in full and (ii) the holders of preferred stock participate in any such dividend on common stock on a pro rata basis assuming conversion of all preferred stock into common stock.

The Series A, B, C, C-1 and D (Series A-D) each has a liquidation preference senior to the common stock. In the event of any liquidation, dissolution, or winding up of the Company, each Series A-D share is entitled to a liquidation preference equal to a portion of the Cap Amount. The portion of the Cap Amount to which each share of Series A, B, C and C-1 is entitled is equal to the original purchase price for such share (plus all declared and unpaid dividends) multiplied by an adjustment factor set forth in the certificate of incorporation. The portion of the Cap Amount to which each share of Series D is entitled is equal to the original issue price (plus all declared and unpaid dividends) plus a 25% premium, compounded annually (but such total not to exceed 250% of the original issue price) multiplied by an adjustment factor set forth in the certificate of incorporation. The original purchase price per share for Series A, Series B, Series C, Series C-1 and Series D was \$1.00, \$4.90, \$2.27, \$1.40 and \$0.90, respectively. After the payment of the liquidation preference to the Series A-D, each share of Series A-D is entitled to participate in any distribution pari passu with all classes of stock. The assets distributed to each share of Series A-D upon liquidation, dissolution, or winding up of the Company shall not exceed 2.5 times the original purchase price of such shares.

Upon the occurrence of a Liquidation Event, defined as a consolidation, merger, or sale of the Company, Management shall be entitled to receive the first 10% of any liquidation proceeds pursuant to an Incentive Plan (see Note 11). The distribution of such proceeds shall be to the Incentive Plan participants (senior management and Company's founders) based on both their respective equity ownership in the Company and a variable percentage which is subject to Board approval.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

As a result of the issuance of Series E, the conversion prices of the Series A, Series B, Series C, Series C-1 and Series D were adjusted to the following rates: Series A \$0.86 per share, Series B \$2.47 per share, Series C \$1.50 per share, Series C-1 \$1.18 per share and Series D of \$0.80 per share.

Each share of preferred stock is convertible at any time into shares of common stock based on the conversion price then in effect. Conversion is automatic in the event of a public offering of common stock at a price of at least \$2.50 per share with gross proceeds of at least \$25 million. Each holder of preferred stock is entitled to the number of votes equal to the number of whole shares of common stock into which the shares held by the holder are then convertible at each meeting of the stockholders of the Company. All series of preferred stock have anti-dilution protection in the event the Company issues shares at a purchase price less than \$0.50.

All classes of preferred stock are redeemable by the holder on or after August 1, 2008. Series E ranks senior to all other classes of stock and may be redeemed at 1.63 times its original purchase price plus all declared but unpaid dividends. The aggregate redemption value for the Series A-D shares is equal to the Cap Amount. In the event that any series of preferred stock is converted into common stock prior to redemption, the aggregate redemption value of the remaining series of preferred stock remains equal to the Cap Amount. The redemption value for the Series A-D shares is equal to the liquidation preference in effect on the redemption date for each series of preferred stock as adjusted by a formula set forth in the certificate of incorporation. Upon the initiation of the Cap Amount, the carrying values of Series A, Series B, Series C and Series C-1 were in excess of their individual redemption values. The carrying value of Series D was below its individual redemption value. The differences between the carrying value of each series of preferred stock and its respective redemption value (as adjusted for the Cap Amount for Series A-D) is being accreted as preferred stock dividends using the interest method over the period to the redemption date. Such accretion amounted to \$2.1 million, \$2.6 million and \$3.2 million for the years ended December 31, 2004, 2005 and 2006, respectively.

10. Convertible Preferred Stock Warrants

In prior years, the Company issued fully vested warrants to purchase 486,608 shares of preferred stock in connection with a master lease and various equipment lease agreements. The exercise prices of the warrants range from \$0.50 to \$4.90 per share and the warrants expire 10 years from the date of issue. The Company recorded the fair value of the warrants totaling \$383,000 as deferred financing costs with an offset to warrants to purchase redeemable preferred stock. The fair value of the warrants was estimated using the Black-Scholes option pricing model. The deferred financing costs are being amortized to interest expense over the respective agreement on a straight line basis. For each of the years ended December 31, 2004, 2005 and 2006, the Company recorded \$33,000 in interest expense.

Upon adoption of FSP 150-5 (July 1, 2005), the Company reclassified the carrying value of its warrants to purchase shares of its convertible preferred stock from mezzanine equity to a liability and adjusted the warrants to fair value. The fair value of the convertible preferred stock warrants at December 31, 2005 and 2006 was approximately \$781,000 and \$1.0 million, respectively. The fair value of warrants was estimated using the Black-Scholes option pricing model.

11. Stockholders' Deficit

1999 Stock Option Plan

In September 1999, the Company established the 1999 Stock Option Plan (the Plan) under which eligible employees and nonemployees may be granted options to purchase shares of the Company's common stock. The Plan provides for the issuance of a maximum of 26.8 million shares of common stock. The exercise price is determined by the Board of Directors, which is generally equal to fair value for incentive stock options and

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

is determined on a per-grant basis for nonqualified options. The vesting period of options granted under the Plan is determined by the Board of Directors, generally ratably over a four-year period. The options expire 10 years from the date of the grant. As of December 31, 2006, 5,316,147 shares were available for grant under the plan.

Effective January 1, 2006, the Company adopted the fair value recognition provisions of SFAS 123R using the prospective transition method, which requires the Company to apply its provisions only to awards granted, modified, repurchased or cancelled after the effective date. Under this transition method, stock-based compensation expense recognized beginning January 1, 2006 is based on the following: (1) the grant-date fair value of stock option awards granted or modified beginning January 1, 2006; and (2) the balance of deferred stock-based compensation related to stock option awards granted prior to January 1, 2006, which was calculated using the intrinsic-value method as previously permitted under APB 25. Results for prior periods have not been restated.

In connection with the adoption of SFAS 123R, the Company estimates the fair value of stock option awards granted beginning January 1, 2006 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 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. The weighted-average expected option term for options granted during the year ended December 31, 2006 was calculated using the simplified method described in SAB No. 107, *Share-Based Payment*. The simplified method defines the expected term as the average of the contractual term and the vesting period. Estimated volatility for the year ended December 31, 2006 also reflected the application of SAB No. 107 interpretive guidance and, accordingly, incorporates historical volatility of similar entities whose share prices are publicly available. The risk-free interest rate is based on the yield curve of a zero-coupon U.S. Treasury bond on the date the stock option award is granted with a maturity equal to the expected term of the stock option award. The Company used historical data to estimate the number of future stock option forfeitures.

As a result of adopting SFAS 123R on January 1, 2006, the Company's income before income taxes and net income for the year ended December 31, 2006 was \$198,000 less than if the Company had continued to account for stock-based compensation under APB No. 25. Basic and diluted net income per common share for the year ended December 31, 2006 would have been unaffected if the Company had not adopted SFAS 123R. As of December 31, 2006, total unrecognized compensation expense related to non-vested stock options, granted prior to that date is estimated at \$1.3 million, which the Company expects to recognize over a weighted average period of approximately 1.86 years. Total unrecognized compensation expense as of December 31, 2006 is estimated based on outstanding non-vested stock options and may be increased or decreased in future periods for subsequent grants or forfeitures. The following are the weighted-average assumptions used in valuing the stock options granted during the year ended December 31, 2006, and a discussion of the Company's assumptions.

Dividend yield	0.00%
Expected volatility	63.37%
Risk-free interest rate	4.76%
Expected life of options (in years)	6.02

Dividend yield — The Company has never declared or paid dividends on its common stock and does not anticipate paying 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 Company has used the historical volatility of its peer group to estimate expected volatility. The peer group includes companies that are similar in revenue size, in the same industry or are competitors.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

Risk-free interest rate — This is the average U.S. Treasury rate (with a term that most closely resembles the expected life of the option) for the quarter in which the option was granted.

Expected life of the options — This is the period of time that the options granted are expected to remain outstanding. This estimate is derived from the average midpoint between the weighted average vesting period and the contractual term as described in the SAB No. 107.

The weighted average grant date fair value of options granted during the year ended December 31, 2006 was \$0.86. Options granted in the years ended December 31, 2004 and 2005 were issued prior to the adoption of SFAS 123R. The total fair value of shares vested during the year ended December 31, 2006 was \$178,000.

A summary of the Plan is presented below:

	Number of Shares	Weighted-Average Exercise Price
Options outstanding at December 31, 2003	8,909,016	\$ 0.12
Options granted	9,281,457	0.07
Options exercised	2,403,710	0.05
Options forfeited	481,733	0.15
Options expired	164,630	0.97
Options outstanding at December 31, 2004	15,140,400	0.09
Options granted	4,194,511	0.70
Options exercised	1,531,888	0.09
Options forfeited	878,210	0.22
Options expired	59,999	0.33
Options outstanding at December 31, 2005	16,864,814	0.23
Options granted	1,713,550	1.45
Options exercised	3,263,373	0.07
Options forfeited	1,509,284	0.45
Options expired	186,007	0.56
Options outstanding at December 31, 2006	13,619,700	0.40
Options exercisable at December 31, 2006	7,050,519	0.24

The following table summarizes information about options outstanding at December 31, 2006:

Exercise Price	Options Outstanding			Options Exercisable		
	Options Outstanding	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life	Options Exercisable	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life
\$0.01 – \$0.50	9,791,048	\$ 0.11	6.4	6,079,905	\$ 0.11	5.9
0.51 – 1.00	2,414,903	0.87	8.5	741,666	0.85	8.1
1.01 – 1.50	896,639	1.50	8.9	171,228	1.50	7.4
1.51 – 2.00	517,110	1.75	9.3	57,720	1.83	6.8
	<u>13,619,700</u>	0.40	7.0	<u>7,050,519</u>	0.24	6.2

The aggregate intrinsic value of options exercised for the years ended December 31, 2004, 2005 and 2006 was \$1,747, \$1,072,511 and \$3,699,292, respectively. The aggregate intrinsic value for all options outstanding under the Company's stock plans as of December 31, 2006 was \$18,454,548. The aggregate

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

intrinsic value for options exercisable under the Company's stock plans as of December 31, 2006 was \$10,665,346.

During 2003, the Company initiated an offer to exchange certain outstanding incentive stock options. Employees had the option to exchange all outstanding incentive stock options to purchase shares of the Company's common stock that had an exercise price equal to or greater than \$0.10 for new options with an exercise price equal to fair market value of the common stock to be granted the first business day that was six months and one day after the cancellation date. Employees tendered options to purchase 4,919,090 shares of common stock during the offer period. In April 2004, 4,436,009 stock options were granted in connection with the tender offer.

Incentive Plan

In connection with the Series E offering, the Company created a management incentive plan (the Incentive Plan) for certain officers, founders and key employees of the Company. Under the terms of the Incentive Plan, up to 10% of any liquidation proceeds from the consolidation, merger, or sale of the Company will be distributed to the plan participants. Of the potential payout to a plan participant, 75% is based on a pre-determined formula with the remaining 25% of the payout at the discretion of the administrators of the Incentive Plan. The potential payout is reduced by any amounts the participant would receive in the liquidation through stock option exercises or stock ownership. The Incentive Plan terminates upon a qualifying initial public offering of the Company's common stock.

Common Stock Warrants

In prior years, the Company has granted an aggregate of 2,016,842 warrants to purchase common stock. The common stock warrants begin to expire in February 2006 through to April 2015 with exercise prices ranging from \$0.60 to \$4.90. As of December 31, 2006, warrants to purchase 310,282 shares of common stock were outstanding.

Shares Reserved for Issuance

At December 31, 2006, the Company has reserved for future issuance the following shares of common stock upon conversion of preferred stock and the exercise of options and warrants:

Series A	10,683,130
Series B	6,902,114
Series C	20,023,442
Series C-1	423,730
Series D	24,248,733
Series E	24,005,548
Common stock available for future issuances under the Plan	5,316,147
Common stock available for outstanding options	13,619,700
Common stock warrants	310,282
	<u>105,532,826</u>

In addition, the Company has reserved 111,579 Series B shares, 214,062 Series D shares and 240,000 Series E shares pursuant to outstanding warrants.

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

12. Employee Benefit Plans

The Company has a 401(k) Plan for the benefit of all employees who meet certain eligibility requirements. This plan covers substantially all of the Company's full-time employees. The Company made \$181,000 and \$221,000 in contributions to the 401(k) Plan for the year ended December 31, 2005 and 2006, respectively. No contributions were made for the year ended December 31, 2004.

13. Related Party Transactions

On August 1, 2003, the Company entered into a Licensing and Services Agreement with a counterparty that until November 27, 2006 was a stockholder of the Company. Pursuant to the terms of the Licensing and Services Agreement, the Company granted the counterparty a license to certain digital marketing intelligence data and products. In each of 2004, 2005 and 2006, the Company recognized revenues of \$3 million. In relation to this counterparty, there were no outstanding amounts included in our accounts receivable balance as of December 31, 2004, 2005 and 2006.

14. 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 each year is set forth below:

	Year Ended December 31,		
	2004	2005	2006
	(In thousands)		
United States	\$ 33,096	\$ 46,900	\$ 60,550
Canada	1,798	2,479	3,150
United Kingdom/Other	—	888	2,593
Total Revenues	<u>\$ 34,894</u>	<u>\$ 50,267</u>	<u>\$ 66,293</u>

The composition of the Company's property, plant and equipment between those in the United States and those in other countries as of the end of each year is set forth below:

	December 31,	
	2005	2006
	(In thousands)	
United States	\$ 4,063	\$ 6,525
Canada	413	305
United Kingdom	4	150
Total	<u>\$ 4,480</u>	<u>\$ 6,980</u>

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

15. Quarterly Financial Information (Unaudited)

	Three Months Ended							
	Mar. 31, 2005	Jun. 30, 2005	Sept. 30, 2005	Dec. 31, 2005	Mar. 31, 2006	Jun. 30, 2006	Sept. 30, 2006	Dec. 31, 2006
	(In thousands, except share and per share data)							
Revenues	\$ 11,135	\$ 13,150	\$ 12,953	\$ 13,029	\$ 14,985	\$ 16,906	\$ 16,165	\$ 18,237
Cost of revenues(1)	3,936	4,863	4,602	4,817	5,148	5,205	4,977	5,230
Selling and marketing(1)	4,234	4,813	4,821	5,085	5,345	5,323	5,171	5,634
Research and development(1)	1,678	1,876	1,908	1,954	2,137	2,258	2,273	2,341
General and administrative(1)	1,489	1,804	1,779	2,017	1,918	2,176	1,897	2,302
Amortization	621	603	612	601	371	333	333	334
Total expenses from operations	11,958	13,959	13,722	14,474	14,919	15,295	14,651	15,841
(Loss) income from operations	(823)	(809)	(769)	(1,445)	66	1,611	1,514	2,396
Interest (expense) income, net	(58)	(71)	(39)	(40)	11	23	84	113
(Loss) gain from foreign currency	(21)	(1)	(72)	(2)	6	(33)	3	149
Revaluation of preferred stock warrant liabilities	—	—	(6)	(8)	2	(211)	(6)	(9)
(Loss) income before income taxes and cumulative effect of change in accounting principle	(902)	(881)	(886)	(1,495)	85	1,390	1,595	2,649
(Benefit) provision for income taxes	(53)	(52)	(38)	(39)	—	—	—	50
Net (loss) income before cumulative effect of change in accounting principle	(849)	(829)	(848)	(1,456)	85	1,390	1,595	2,599
Cumulative effect of change in accounting principle	—	—	(440)	—	—	—	—	—
Net (loss) income	(849)	(829)	(1,288)	(1,456)	85	1,390	1,595	2,599
Accretion of redeemable preferred stock	(611)	(643)	(675)	(709)	(742)	(777)	(812)	(848)
Net (loss) income attributable to common stockholders	\$ (1,460)	\$ (1,472)	\$ (1,963)	\$ (2,165)	\$ (657)	\$ 613	\$ 783	\$ 1,751

COMSCORE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

	Three Months Ended							
	Mar. 31, 2005	Jun. 30, 2005	Sept. 30, 2005	Dec. 31, 2005	Mar. 31, 2006	Jun. 30, 2006	Sept. 30, 2006	Dec. 31, 2006
	(In thousands, except share and per share data)							
Net (loss) income attributable to common stockholders	\$ (1,493)	\$ (1,505)	\$ (1,996)	\$ (2,199)	\$ (691)	\$ 579	\$ 748	\$ 1,716
Net (loss) income attributable to common stockholders per common share:								
Basic and diluted	\$ (0.10)	\$ (0.10)	\$ (0.13)	\$ (0.14)	\$ (0.04)	\$ 0.00	\$ 0.00	\$ 0.00
Weighted-average number of shares used in per share calculation —								
common stock								
Basic and diluted	15,256,120	15,608,104	15,752,664	15,977,938	18,049,639	19,217,897	19,790,295	19,860,437
Net (loss) income attributable to common stockholders per common share								
subject to put:	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02	\$ 0.02
Basic and diluted								
Weighted-average number of shares used in per share calculation —								
common share subject to put:								
Basic and diluted	1,738,172	1,738,172	1,738,172	1,738,172	1,738,172	1,738,172	1,738,172	1,738,172

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

Cost of revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2	\$ 4	\$ 6
Selling and marketing	—	—	—	—	—	6	23	27
Research and development	—	—	—	—	—	2	4	7
General and administrative	—	1	1	1	1	10	40	40

Until _____, 2007 (25 days after the commencement of this offering) all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

Shares



Common Stock

PROSPECTUS

Credit Suisse

Friedman Billings Ramsey

Deutsche Bank Securities

Jefferies & Company

William Blair & Company

, 2007

PART II

Information not required in prospectus

ITEM 13. *Other Expenses of Issuance and Distribution*

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by comScore, Inc. in connection with the sale of the common stock being registered hereby. All amounts are estimates except the SEC Registration Fee, the NASD filing fee and The NASDAQ Global Market listing fee.

	<u>Amount to be Paid</u>
Securities and Exchange Commission registration fee	\$ 2,648
NASD filing fee	9,125
The NASDAQ Global Market listing fee	100,000
Blue Sky fees and expenses	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees	*
Miscellaneous	*
Total	*

* To be filed by amendment

ITEM 14. *Indemnification of Directors and Officers*

Section 145(a) of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation or enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no cause to believe his or her conduct was unlawful.

Section 145(b) of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if he or she acted under similar standards, except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to be indemnified for such expenses which the court shall deem proper.

Section 145 of the Delaware General Corporation Law further provides that: (i) to the extent that a former or present director or officer of a corporation has been successful in the defense of any action, suit or proceeding referred to in subsections (a) and (b) or in the defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by

him or her in connection therewith; (ii) indemnification provided for by Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; and (iii) the corporation may purchase and maintain insurance on behalf of any present or former director, officer, employee or agent of the corporation or any person who at the request of the corporation was serving in such capacity for another entity against any liability asserted against such person and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liabilities under Section 145.

Article X of our amended and restated certificate of incorporation authorizes us to provide for the indemnification of directors to the fullest extent permissible under Delaware law.

Article VI of our bylaws provides for the indemnification of officers, directors and third parties acting on our behalf if such person acted in good faith and in a manner reasonably believed to be in and not opposed to our best interest and, with respect to any criminal action or proceeding, the indemnified party had no reason to believe his or her conduct was unlawful.

We have entered into indemnification agreements with our directors, executive officers and others, in addition to indemnification provided for in our bylaws, and intend to enter into indemnification agreements with any new directors and executive officers in the future.

We have purchased and intend to maintain insurance on behalf of any person who is or was a director or officer against any loss arising from any claim asserted against him or her and incurred by him or her in any such capacity, subject to certain exclusions.

See also the undertakings set out in response to Item 17 herein.

ITEM 15. *Recent Sales of Unregistered Securities*

In the past three years, we have issued and sold the following securities as adjusted for the -for- stock split:

1. From December 7, 1999 through the date hereof, we have granted options to purchase 34,774,285 shares of our Common Stock at a weighted average exercise price of \$0.36 per share. As of March 21, 2007, 9,635,397 of these options had been exercised at prices ranging from \$0.05 to \$2.00 per share, and 12,407,535 of these options had been cancelled at a prices ranging from \$0.05 to \$2.00 per share.

2. On March 18, 2007, we awarded an aggregate of 3,214,500 shares of our restricted stock to certain of our named executive officers and our employees based upon the recommendations of our compensation committee. The Company has a right of repurchase on such shares that lapses ratably over a 48 month period.

3. In April 2005, we issued a warrant to purchase 68,182 shares of our common stock at a price of \$1.10 per share. That warrant has not been exercised as of the date hereof.

The sales of the above securities were deemed to be exempt from registration under the Securities Act with respect to items 1 and 2 above in reliance on Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving a public offering or transactions pursuant to compensatory benefit plans and contracts relating to compensation as provided under such Rule 701, and with respect to items 1 through 3 above also in reliance on Section 4(2) of the Securities Act. The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and warrants issued in such transactions. All recipients had adequate access, through their relationships with us, to information about us.

ITEM 16. Exhibits and Financial Statement Schedules

(a) Exhibits.

A list of exhibits filed herewith is contained in the exhibit index that immediately precedes such exhibits and is incorporated herein by reference.

(b) Financial Statement Schedule

SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS

	As of December 31,		
	2004	2005	2006
	(In thousands)		
Allowance for Doubtful Accounts			
Beginning Balance	\$ (298)	\$ (102)	\$ (185)
Additions	(12)	(90)	(212)
Reductions	208	7	209
Ending Balance	<u>\$ (102)</u>	<u>\$ (185)</u>	<u>\$ (188)</u>
Deferred Tax Valuation Allowance			
Beginning Balance	\$ (32,698)	\$ (33,056)	\$ (36,139)
Additions	(358)	(3,083)	—
Reductions	—	—	2,393
Ending Balance	<u>\$ (33,056)</u>	<u>\$ (36,139)</u>	<u>\$ (33,746)</u>

Report of Independent Registered Public Accounting Firm

Board of Directors
comScore, Inc.

We have audited the consolidated financial statements of comScore, Inc. as of December 31, 2005 and 2006, and for each of the three years in the period ended December 31, 2006, and have issued our report thereon dated March 29, 2007 (including elsewhere in this Registration Statement). Our audits also included the financial statement schedule listed in Item 16(b) of Form S-1 of this Registration Statement. These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ Ernst & Young LLP

McLean, VA
March 29, 2007

ITEM 17. Undertakings

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification by the Registrant for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14 or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

- (1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
- (2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Reston, Commonwealth of Virginia, on the eighth day of May, 2007.

comScore, Inc.

By: /s/ MAGID M. ABRAHAM
Magid M. Abraham, Ph.D.
President, Chief Executive
Officer and Director

Pursuant to the requirements of the Securities Act of 1933, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ MAGID M. ABRAHAM</u> Magid M. Abraham, Ph.D.	President, Chief Executive Officer (Principal Executive Officer) and Director	May 8, 2007
<u>/s/ JOHN M. GREEN</u> John M. Green	Chief Financial Officer (Principal Financial and Accounting Officer)	May 8, 2007
<u>*</u> Gian M. Fulgoni	Executive Chairman of the Board of Directors	May 8, 2007
<u>*</u> Thomas D. Berman	Director	May 8, 2007
<u>*</u> Bruce Golden	Director	May 8, 2007
<u>*</u> William J. Henderson	Director	May 8, 2007
<u>*</u> Ronald J. Korn	Director	May 8, 2007
<u>*</u> Frederick R. Wilson	Director	May 8, 2007
<u>*By: /s/ MAGID M. ABRAHAM</u> Magid M. Abraham, Ph.D. Attorney-In-Fact		

EXHIBIT INDEX

Exhibit Number	<u>Description</u>
1.1**	Form of Underwriting Agreement
3.1**	Amended and Restated Certificate of Incorporation currently in effect
3.2*	Amended and Restated Bylaws currently in effect
3.3**	Form of Amended and Restated Certificate of Incorporation of the Registrant (to be effective upon the closing of the offering)
3.4**	Form of Amended and Restated Bylaws of the Registrant (to be effective upon the closing of the offering)
4.1**	Specimen Common Stock Certificate
4.2*	Fourth Amended and Restated Investor Rights Agreement by and among comScore Networks, Inc. and certain holders of preferred stock, dated August 1, 2003
4.3	Warrant to purchase 46,551 shares of Series B Convertible Preferred Stock, dated June 9, 2000
4.4	Warrant to purchase 20,100 shares of common stock, dated July 31, 2000
4.5	Warrant to purchase 9,694 shares of Series B Convertible Preferred Stock, dated September 29, 2000
4.6*	Warrant to purchase 100,000 shares of common stock, dated June 26, 2001
4.7*	Warrant to purchase 10,000 shares of common stock, dated November 30, 2001
4.8*	Warrant to purchase 12,000 shares of common stock, dated July 3, 2002
4.9	Warrant to purchase 36,127 shares of Series D Convertible Preferred Stock, dated July 31, 2002
4.10	Warrant to purchase 108,382 shares of Series D Convertible Preferred Stock, dated July 31, 2002
4.11*	Warrant to purchase 45,854 shares of Series D Convertible Preferred Stock, dated December 5, 2002
4.12*	Warrant to purchase 100,000 shares of common stock, dated June 24, 2003
4.13	Warrant to purchase 240,000 shares of Series E Convertible Preferred Stock, dated December 19, 2003
4.14*	Warrant to purchase 68,182 shares of common stock, dated April 29, 2005
4.15*	Stock Restriction and Put Right Agreement by and between comScore Networks, Inc. and Lawrence Denaro, dated July 28, 2004
4.16*	Stock Restriction and Put Right Agreement by and among comScore Networks, Inc., 954253 Ontario, Inc. and Rice and Associates Advertising Consultants, Inc., dated January 1, 2005
5.1**	Opinion of Wilson Sonsini Goodrich & Rosati, Professional Corporation
10.1*	Form of Indemnification Agreement for directors and executive officers
10.2*	1999 Stock Plan
10.3*	Form of Stock Option Agreement under 1999 Stock Plan
10.4*	Form of Notice of Grant of Restricted Stock Purchase Right under 1999 Stock Plan
10.5*	Form of Notice of Grant of Restricted Stock Units under 1999 Stock Plan
10.6*	2007 Equity Incentive Plan
10.7*	Form of Notice of Grant of Stock Option under 2007 Equity Incentive Plan
10.8*	Form of Notice of Grant of Restricted Stock under 2007 Equity Incentive Plan
10.9*	Form of Notice of Grant of Restricted Stock Units under 2007 Equity Incentive Plan
10.10*	Stock Option Agreement with Magid M. Abraham, dated December 16, 2003
10.11*	Stock Option Agreement with Gian M. Fulgoni, dated December 16, 2003
10.12	Lease Agreement by and between comScore Networks, Inc. and Comstock Partners, L.C., dated June 23, 2003, as amended
10.13	Separation Agreement with Sheri L. Huston, dated February 28, 2006
10.14*	Letter Agreement with John M. Green, dated May 8, 2006
10.15	Letter Agreement with Gregory Dale, dated September 27, 1999
10.16	Letter Agreement with Christiana Lin, dated December 29, 2003
10.17	Asset Purchase Agreement by and among SurveySite Inc., comScore Networks, Inc., comScore Canada, Inc. and certain other parties, dated December 16, 2004

<u>Exhibit Number</u>	<u>Description</u>
10.18	Agreement and Plan of Merger and Reorganization by and among comScore Networks, Inc., comScore Acquisition Holding Company, Denaro and Associates, Inc. and Lawrence Denaro, dated July 28, 2004.
21.1*	List of Subsidiaries
23.1	Consent of Ernst & Young LLP
23.2**	Consent of Wilson Sonsini Goodrich & Rosati, Professional Corporation (included in Exhibit 5.1)
24.1*	Power of Attorney

* Previously filed.

** To be filed by amendment.

[COMDISCO LETTERHEAD]

FEDERAL EXPRESS

August 16, 2000

David Jones
ComScore, Inc.
1761 Business Center Drive
Suite 250
Reston, VA 20190

Re: Preferred Stock Warrant Agreement Dated June 9, 2000 to the Master Lease Agreement Dated June 9, 2000, Equipment Schedule Nos. VL-1 and VL-2 Dated as of June 9, 2000 by and between Comdisco, Inc. ("Warrantholder") and ComScore, Inc. ("Company")

Dear David,

Pursuant to the closing of your Series B Preferred financing on July 5, 2000, this letter is to confirm that Comdisco, Inc., as Warrantholder, hereby agrees that the price per share shall be equal to \$2.90/sh providing the right to purchase 46,551 shares for an aggregate price of \$134,997.90 pursuant to the above referenced warrant.

Except as specifically set forth above, all other terms and conditions of the Warrant shall remain in full force and effect including any adjustments under Section 8.

Please indicate your acceptance by signing in the space provided below and returning to the undersigned and I will have it countersigned and will forward a copy to you to attach to your copy of the warrant. If you have any questions, please do not hesitate to call me at (650) 566-4912.

Sincerely,

/s/ Vika Tonga

Vika Tonga
Information/Document Specialist

ComScore, Inc.

By: /s/David B. Jones

Title: Controller

Comdisco, Inc.

By: /s/Jill C. Hanes

Title: /s/SVP

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS.

WARRANT AGREEMENT

To Purchase Shares of the Series B Preferred Stock, or Upon Certain Terms, the Series A Preferred Stock of
COMSCORE, INC.

Dated as of June 9, 2000 (the "Effective Date")

WHEREAS, ComScore, Inc., a Delaware corporation (the "Company") has entered into a Master Lease Agreement dated as of June 9, 2000, Equipment Schedule No. VL-1 and VL-2 dated as of June 9, 2000, and related Summary Equipment Schedules (collectively, the "Leases") with Comdisco, Inc., a Delaware corporation (the "Warrantholder"); and

WHEREAS, the Company desires to grant to Warrantholder, in consideration for such Leases, the right to purchase shares of its Series B Preferred Stock if the Next Round, as defined below, is a private equity financing, or if the Next Round is a Merger Event, as defined below, or an Initial Public Offering, as defined below, then shares of its Series A Preferred Stock;

NOW, THEREFORE, in consideration of the Warrantholder executing and delivering such Leases and in consideration of mutual covenants and agreements contained herein, the Company and Warrantholder agree as follows:

1. GRANT OF THE RIGHT TO PURCHASE PREFERRED STOCK.

For Value received, the Company hereby grants to the Warrantholder, and the Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase from the Company that number of fully paid and non-assessable shares of the Company's Preferred Stock ("Preferred Stock") equal to One Hundred Thirty-five Thousand Dollars (\$135,000.00) ("Aggregate Purchase Price"), divided by the Exercise Price ("Exercise Price"). In the event the Next Round is a financing as defined in (i) below and successfully completed on or before August 31, 2000, Warrantholder shall have the right to purchase from the Company its Series B Preferred Stock, and the Exercise Price shall be defined as the sum of \$1.00 per share (the "Last Round Price") plus the product of (a) the difference between the price per share of the next round of equity financing (the "Next Round") and the Last Round, multiplied by (b) the fraction resulting from dividing (x) the number of days from the date of closing of the Last Round to the date of the Lease proposal (April 12, 2000), by (y) the number of days from the date of the closing of the Last Round to the date of closing of the Next Round. Notwithstanding the foregoing, the price per share of the Next Round shall be capped at a Ninety-five Million Dollar Pre-money Valuation. "Nine-five Million Dollar Pre-Money Valuation" shall be calculated by dividing Nine-five Million Dollars (\$95,000,000.00) by the number of fully diluted shares of the Company's authorized Common Stock, Preferred Stock, warrants and options, as converted to Common Stock outstanding immediately prior to the closing of the Next Round. In the event the Next Round is an event as described in (ii) or (iii) below or the Next Round is not successfully completed by August 31, 2000, then Warrantholder shall have the right to purchase 135,000 shares of Series A Preferred Stock from the Company at an Exercise Price of \$1.00 per share. The number and purchase price of such shares are subject to adjustment as provided in Section 8 hereof.

"Next Round" shall be defined as the earlier to occur of (i) preferred stock financing of at least \$2,000,000.00, (ii) the sale, conveyance disposal, or encumbrance of all or substantially all of the Company's property or business or Company's merger into or consolidation with any other corporation (other than a wholly-owned subsidiary corporation) or any other transaction or series of related transactions in which more than fifty percent (50%) of the voting power of Company is disposed of ("Merger Event"), provided that a Merger Event shall not apply to a merger effected exclusively for the purpose of changing the domicile of the company, or (iii) an initial public offering of the Company's Common Stock which such public offering has been declared effective by the SEC.

2. TERM OF THE WARRANT AGREEMENT.

Except as otherwise provided for herein, the term of this Warrant Agreement and the right to purchase Preferred Stock as granted herein shall commence on the Effective Date and shall be exercisable for a period of (i) ten (10) years or (ii) five (5) years from the effective date of the Company's initial public offering, whichever is earlier.

3. EXERCISE OF THE PURCHASE RIGHTS.

(a) **Exercise.** The purchase rights set forth in this Warrant Agreement are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2 above, by tendering to the Company at its principal office a notice of exercise in the form attached hereto as **Exhibit I** (the "Notice of Exercise"), duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the purchase price in accordance with the terms set forth below, and in no event later than twenty-one (21) days thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Preferred Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as **Exhibit II** (the "Acknowledgment of Exercise") indicating the number of shares which remain subject to future purchases, if any.

The Exercise Price may be paid at the Warrantholder's election either (i) by cash or check, or (ii) by surrender of Warrants ("Net Issuance") as determined below. If the Warrantholder elects the Net Issuance method, the Company will issue Preferred Stock in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = the number of shares of Preferred Stock to be issued to the Warrantholder,
Y = the number of shares of Preferred Stock requested to be exercised under this Warrant Agreement.
A = the fair market value of one (1) share of Preferred Stock.
B = the Exercise Price.

For purposes of the above calculation, current fair market value of Preferred Stock shall mean with respect to each share of Preferred Stock:

(i) if the exercise is in connection with an initial public offering of the Company's Common Stock, and if the Company's Registration Statement relating to such public offering has been declared effective by the SEC, then the fair market value per share shall be the product of (x) the initial "Price to Public" specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(ii) if this Warrant is exercised after, and not in connection with the Company's initial public offering, and:

(a) if traded on a securities exchange, the fair market value shall be deemed to be the product of (x) the average of the closing prices over a five (5) day period ending three days before the day the current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise; or

(b) if actively traded over-the-counter, the fair market value shall be deemed to be the product of (x) the average of the closing bid and asked prices quoted on the NASDAQ system (or similar system) over the five (5) day period ending three days before the day the current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(iii) if at any time the Common Stock is not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the current fair market value of Preferred Stock shall be the product of (x) the highest price per share which the Company could obtain from a willing buyer (not a current employee or director) for shares of Common Stock sold by the Company, from authorized but unissued shares, as determined in good faith by its Board of Directors and (y) the number of shares of

Common Stock into which each share of Preferred Stock is convertible at the time of such exercise, unless the Company shall become subject to a merger, acquisition or other consolidation pursuant to which the Company is not the surviving party, in which case the fair market value of Preferred Stock shall be deemed to be the value received by the holders of the Company's Preferred Stock on a common equivalent basis pursuant to such merger or acquisition.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue an amended Warrant Agreement representing the remaining number of shares purchasable hereunder. All other terms and conditions of such amended Warrant Agreement shall be identical to those contained herein, including, but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all Preferred Stock subject hereto, and if the fair market value of one share of the Preferred is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 3(a) above (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Preferred Stock upon such expiration shall be determined pursuant to Section 3(a) above. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of Preferred Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

4. RESERVATION OF SHARES.

During the term of this Warrant Agreement, the Company will at all times have authorized and reserved a sufficient number of shares of its Preferred Stock to provide for the exercise of the rights to purchase Preferred Stock as provided for herein.

5. NO FRACTIONAL SHARES OR SCRIP.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Exercise Price then in effect.

6. NO RIGHTS AS SHAREHOLDER.

This Warrant Agreement does not entitle the Warrantholder to any voting rights or other rights as a shareholder of the Company prior to the exercise of the Warrant.

7. WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Warrant Agreement.

8. ADJUSTMENT RIGHTS.

The purchase price per share and the number of shares of Preferred Stock purchasable hereunder are subject to adjustment, as follows:

(a) Merger and Sale of Assets. If at any time there shall be a capital reorganization of the shares of the Company's stock (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), or a merger or consolidation of the Company with or into another corporation whether or not the Company is the surviving corporation, or the sale of all or substantially all of the Company's properties and assets to any other person (hereinafter referred to as a "Merger Event"), then, as a part of such Merger Event, lawful provision shall be made so that the Warrantholder shall thereafter be entitled to receive, upon exercise of the Warrant, the number of shares of preferred stock or other securities of the successor corporation resulting from such Merger Event, equivalent in value to that which would have been issuable if Warrantholder had exercised this Warrant immediately prior to the Merger Event. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant Agreement with respect to the rights and interest of the Warrantholder after the Merger Event to the end that the provisions of this Warrant Agreement (including adjustments of the Exercise Price and number of shares of Preferred Stock purchasable) shall be applicable to the greatest extent possible.

(b) Reclassification of Shares. If the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or otherwise, change any of the securities as to which purchase rights under this Warrant Agreement exist into the same or a different number of securities of any other class or classes, this Warrant Agreement shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Warrant Agreement immediately prior to such combination, reclassification, exchange, subdivision or other change.

(c) Subdivision or Combination of Shares. If the Company at any time shall combine or subdivide its Preferred Stock, the Exercise Price shall be proportionately decreased in the case of a subdivision, or proportionately increased in the case of a combination.

(d) Stock Dividends. If the Company at any time shall pay a dividend payable in, or make any other distribution (except any distribution specifically provided for in the foregoing subsections (a) or (b)) of the Company's stock, then the Exercise Price shall be adjusted, from and after the record date of such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction (i) the numerator of which shall be the total number of all shares of the Company's stock outstanding immediately prior to such dividend or distribution, and (ii) the denominator of which shall be the total number of all shares of the Company's stock outstanding immediately after such dividend or distribution. The Warrantholder shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares of Preferred Stock (calculated to the nearest whole share) obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares of Preferred Stock issuable upon the exercise hereof immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment.

(e) Right to Purchase Additional Stock. If, the Warrantholder's total cost of equipment leased pursuant to the Leases exceeds \$3,000,000, Warrantholder shall have the right to purchase from the Company, at the Exercise Price (adjusted as set forth herein), an additional number of shares, which number shall be determined by (i) multiplying the amount by which the Warrantholder's total equipment cost exceeds \$3,000,000 by 4.5%, and (ii) dividing the product thereof by the Exercise Price per share referenced above.

(f) Antidilution Rights. Additional antidilution rights applicable to the Preferred Stock purchasable hereunder are as set forth in the Company's Certificate of Incorporation, as amended through the Effective Date, a true and complete copy of which is attached hereto as **Exhibit IV** (the "Charter"). The Company shall promptly provide the Warrantholder with any restatement, amendment, modification or waiver of the Charter. The Company shall provide Warrantholder with prior written notice of any issuance of its stock or other equity security to occur after the Effective Date of this Warrant, which notice shall include (a) the price at which such stock or security is to be sold, (b) the number of shares to be issued, and (c) such other information as necessary for Warrantholder to determine if a dilutive event has occurred.

(g) Notice of Adjustments. If: (i) the Company shall declare any dividend or distribution upon its stock, whether in cash, property, stock or other securities; (ii) the Company shall offer for subscription prorata to the holders of any class of its Preferred or other convertible stock any additional shares of stock of any class or other rights; (iii) there shall be any Merger Event; (iv) there shall be an initial public offering; or (v) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least twenty (20) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Preferred Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; (B) in the case of any such Merger Event, dissolution, liquidation or winding up, at least twenty (20) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Preferred Stock shall be entitled to exchange their Preferred Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up); and (C) in the case of a public offering, the Company shall give the Warrantholder at least twenty (20) days written notice prior to the effective date thereof.

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the adjustment, (ii) the amount of the adjustment, (iii) the method by which such adjustment was calculated, (iv) the Exercise Price, and (v) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given by first class mail, postage prepaid, addressed to the Warrantholder, at the address as shown on the books of the Company.

(h) **Timely Notice.** Failure to timely provide such notice required by subsection (g) above shall entitle Warrantholder to retain the benefit of the applicable notice period notwithstanding anything to the contrary contained in any insufficient notice received by Warrantholder. The notice period shall begin on the date Warrantholder actually receives a written notice containing all the information specified above.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

(a) **Reservation of Preferred Stock.** The Preferred Stock issuable upon exercise of the Warrantholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Warrant Agreement, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever; provided, however, that the Preferred Stock issuable pursuant to this Warrant Agreement may be subject to restrictions or transfer under state and/or Federal securities laws. The Company has made available to the Warrantholder true, correct and complete copies of its Charter and Bylaws, as amended. The issuance of certificates for shares of Preferred Stock upon exercise of the Warrant Agreement shall be made without charge to the Warrantholder for any issuance tax in respect thereof, or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Preferred Stock. The Company shall not be required to pay any tax which may be payable in respect of any transfer involved and the issuance and delivery of any certificate in a name other than that of the Warrantholder.

(b) **Due Authority.** The execution and delivery by the Company of this Warrant Agreement and the performance of all obligations of the Company hereunder, including the issuance to Warrantholder of the right to acquire the shares of Preferred Stock, have been duly authorized by all necessary corporate action on the part of the Company, and the Leases and this Warrant Agreement are not inconsistent with the Company's Charter or Bylaws, do not contravene any law or governmental rule, regulation or order applicable to it, do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound, and the Leases and this Warrant Agreement constitute legal, valid and binding agreements of the Company, enforceable in accordance with their respective terms.

(c) **Consents and Approvals.** No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, Federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Warrant Agreement, except for the filing of notices pursuant to Regulation D under the 1933 Act and any filing required by applicable state securities law, which filings will be effective by the time required thereby.

(d) **Issued Securities.** All issued and outstanding shares of Common Stock, Preferred Stock or any other securities of the Company have been duly authorized and validly issued and are fully paid and nonassessable. All outstanding shares of Common Stock, Preferred Stock and any other securities were issued in full compliance with all Federal and state securities laws. In addition, as of the date hereof:

(i) The authorized capital of the Company consists of (A) 50,000,000 shares of Common Stock, of which 12,122,396 shares are issued and outstanding, and (B) 9,187,500 shares of Series A Preferred Stock, of which 9,187,500 shares are issued and outstanding and are convertible into 9,187,500 shares of Common Stock at \$1.00 per share.

(ii) The Company has reserved 4,210,937 shares of Common Stock for issuance under its 1999 Stock Plan, under which 3,411,200 options are outstanding at an average price of \$0.10 per share. There are no other options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued shares of the Company's capital stock or other securities of the Company.

(iii) In accordance with the Company's Certificate of Incorporation, no shareholder of the Company has preemptive rights to purchase new issuances of the Company's capital stock.

(e) **Insurance.** The Company has in full force and effect insurance policies, with extended coverage, insuring the Company and its property and business against such losses and risks, and in such amounts, as are customary for corporations engaged in a similar business and similarly situated and as otherwise may be required pursuant to the terms of any other contract or agreement.

(f) **Other Commitments to Register Securities.** Except as set forth in this Warrant Agreement, the Company is not, pursuant to the terms of any other agreement currently in existence, under any obligation to register under the 1933 Act any of its presently outstanding securities or any of its securities which may hereafter be issued.

(g) **Exempt Transaction.** Subject to the accuracy of the Warrantholder's representations in Section 10 hereof, the issuance of the Preferred Stock upon exercise of this Warrant will constitute a transaction exempt from (i) the registration requirements of Section 5 of the 1933 Act, in reliance upon Section 4(2) thereof, and (ii) the qualification requirements of the applicable state securities laws.

(h) **Compliance with Rule 144.** At the written request of the Warrantholder, who proposes to sell Preferred Stock issuable upon the exercise of the Warrant in compliance with Rule 144 promulgated by the Securities and Exchange Commission, the Company shall furnish to the Warrantholder, within ten days after receipt of such request, a written statement confirming the Company's compliance with the filing requirements of the Securities and Exchange Commission as set forth in such Rule, as such Rule may be amended from time to time.

10. REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER.

This Warrant Agreement has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder:

(a) **Investment Purpose.** The right to acquire Preferred Stock or the Preferred Stock issuable upon exercise of the Warrantholder's rights contained herein will be acquired for investment and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of the same except pursuant to a registration or exemption.

(b) **Private Issue.** The Warrantholder understands (i) that the Preferred Stock issuable upon exercise of this Warrant is not registered under the 1933 Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant Agreement will be exempt from the registration and qualifications requirements thereof, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 10.

(c) **Disposition of Warrantholder's Rights.** In no event will the Warrantholder make a disposition of any of its rights to acquire Preferred Stock or Preferred Stock issuable upon exercise of such rights unless and until (i) it shall have notified the Company of the proposed disposition, and (ii) if requested by the Company, it shall have furnished the Company with an opinion of counsel (which counsel may either be inside or outside counsel to the Warrantholder) satisfactory to the Company and its counsel to the effect that (A) appropriate action necessary for compliance with the 1933 Act has been taken, or (B) an exemption from the registration requirements of the 1933 Act is available. Notwithstanding the foregoing, the restrictions imposed upon the transferability of any of its rights to acquire Preferred Stock or Preferred Stock issuable on the exercise of such rights do not apply to transfers from the beneficial owner of any of the aforementioned securities to its nominee or from such nominee to its beneficial owner, and shall terminate as to any particular share of Preferred Stock when (1) such security shall have been effectively registered under the 1933 Act and sold by the holder thereof in accordance with such registration or (2) such security shall have been sold without registration in compliance with Rule 144 under the 1933 Act, or (3) a letter shall have been issued to the Warrantholder at its request by the staff of the Securities and Exchange Commission or a ruling shall have been issued to the Warrantholder at its request by such Commission stating that no action shall be recommended by such staff or taken by such Commission, as the case may be, if such security is transferred without registration under the 1933 Act in accordance with the conditions set forth in such letter or ruling and such letter or ruling specifies that no subsequent restrictions on transfer are required. Whenever the restrictions imposed hereunder shall terminate, as hereinabove provided, the Warrantholder or holder of a share of Preferred Stock then outstanding as to which such restrictions have terminated shall be entitled to receive from the Company, without expense to such holder, one or more new certificates for the Warrant or for such shares of Preferred Stock not bearing any restrictive legend.

(d) **Financial Risk.** The Warrantholder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment.

(e) **Risk of No Registration.** The Warrantholder understands that if the Company does not register with the Securities and Exchange Commission pursuant to Section 12 of the 1934 Act (the "1934 Act"), or file reports pursuant to Section 15(d), of the 1934 Act, or if a registration statement covering the securities under the 1933 Act is not in effect when it desires to sell (i) the rights to purchase Preferred Stock pursuant to this Warrant Agreement, or (ii) the Preferred Stock issuable upon exercise of the right to purchase, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of its rights of the Warrantholder to purchase Preferred Stock or Preferred Stock which might be made by it in reliance upon Rule 144 under the 1933 Act may be made only in accordance with the terms and conditions of that Rule.

(f) **Accredited Investor.** Warrantholder is an "accredited investor" within the meaning of the Securities and Exchange Rule 501 of Regulation D, as presently in effect.

11. **TRANSFERS.**

Subject to the terms and conditions contained in Section 10 hereof, this Warrant Agreement and all rights hereunder are transferable in whole or in part by the Warrantholder and any successor transferee, provided, however, in no event shall the number of transfers of the rights and interests in all of the Warrants exceed three (3) transfers. The transfer shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form attached hereto as **Exhibit III** (the "Transfer Notice"), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer,

12. **MISCELLANEOUS.**

(a) **Effective Date.** The provisions of this Warrant Agreement shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Warrant Agreement shall be binding upon any successors or assigns of the Company.

(b) **Attorney's Fees.** In any litigation, arbitration or court proceeding between the Company and the Warrantholder relating hereto, the prevailing party shall be entitled to attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Warrant Agreement.

(c) **Governing Law.** This Warrant Agreement shall be governed by and construed for all purposes under and in accordance with the laws of the State of Illinois.

(d) **Counterparts.** This Warrant Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(e) **Notices.** Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, facsimile transmission (provided that the original is sent by personal delivery or mail as hereinafter set forth) or seven (7) days after deposit in the United States mail, by registered or certified mail, addressed (i) **to the Warrantholder** at 6111 North River Road, Rosemont, Illinois 60018, **Attention:** Venture Lease Administration, cc: **Legal Department**, Attention: General Counsel, (and/or, if by Facsimile, (847) 518-5465 and (847)518-5088) and (ii) **to the Company** at 1761 Business Center Drive, Suite 250, Reston, CA 20190, **Attention:** David Jones (and/or if by Facsimile, (703) 438-2091) or at such other address as any such party may subsequently designate by written notice to the other party.

(f) **Remedies.** In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where Warrantholder will not have an adequate remedy at law and where damages will not be readily ascertainable. The Company expressly agrees that it shall not oppose an application by the Warrantholder or any other person entitled to the benefit of this Agreement requiring specific performance of any or all provisions hereof or enjoining the Company from continuing to commit any such breach of this Agreement.

(g) **No Impairment of Rights.** The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment.

(h) **Survival.** The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant Agreement shall survive the execution and delivery of this Warrant Agreement.

(i) **Severability.** In the event any one or more of the provisions of this Warrant Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Warrant Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid illegal or unenforceable provision.

(j) **Amendments.** Any provision of this Warrant Agreement may be amended by a written instrument signed by the Company and by the Warrantholder.

(k) Additional Documents. The Company, upon execution of this Warrant Agreement, shall provide the Warrantholder with certified resolutions with respect to the representations, warranties and covenants set forth in subparagraphs (a) through (d), (f) and (g) of Section 9 above. If the purchase price for the Leases referenced in the preamble of this Warrant Agreement exceeds \$1,000,000, the Company will also provide Warrantholder with an opinion from the Company's counsel with respect to those same representations, warranties and covenants. The Company shall also supply such other documents as the Warrantholder may from time to time reasonably request.

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed by its officers thereunto duty authorized as of the Effective Date.

COMPANY:

COMSCORE, INC.

By: /s/Magid Abraham

Title: CEO

WARRANTHOLDER:

COMDISCO

By: /s/Jill C. Hanses

Title: SVP

EXHIBIT I
NOTICE OF EXERCISE

To: COMSCORE, INC.

- (1) The undersigned Warrantholder hereby elects to purchase _____ shares of the Series _____ Preferred Stock of ComScore, Inc., pursuant to the terms of the Warrant Agreement dated the 9th day of June, 2000 (the "Warrant Agreement") between ComScore, Inc. and the Warrantholder, and tenders herewith payment of the purchase price for such shares in full, together with all applicable transfer taxes, if any.
- (2) In exercising its rights to purchase the Series _____ Preferred Stock of ComScore, Inc., the undersigned hereby confirms and acknowledges the investment representations and warranties made in Section 10 of the Warrant Agreement.
- (3) Please issue a certificate or certificates representing said shares of Series Preferred Stock in the name of the undersigned or in such other name as is specified below.

(Name)

(Address)

WARRANTHOLDER:

COMDISCO, INC.

By: _____

Title: _____

Date: _____

EXHIBIT II

ACKNOWLEDGMENT OF EXERCISE

The undersigned ComScore, Inc., hereby acknowledge receipt of the "Notice of Exercise" from Comdisco, Inc., to purchase _____ shares of the Series _____ Preferred Stock of ComScore, Inc., pursuant to the terms of the Warrant Agreement, and further acknowledges that _____ shares remain subject to purchase under the terms of the Warrant Agreement.

COMPANY:

COMSCORE, INC.

By: _____

Title: _____

Date: _____

**EXHIBIT III
TRANSFER NOTICE**

(To transfer or assign the foregoing Warrant Agreement execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant Agreement and all rights evidenced thereby are hereby transferred and assigned to

(Please Print)

whose address is _____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Warrant Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file evidence of authority to assign the foregoing Warrant Agreement.

**EXHIBIT IV
(INSERT CHARTER)**

COMMON STOCK PURCHASE WARRANT

THIS WARRANT AND THE SHARES OF COMMON STOCK WHICH MAY BE PURCHASED PURSUANT TO THE EXERCISE OF THIS WARRANT HAVE BEEN ACQUIRED SOLELY FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF SUCH REGISTRATION OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH SALE, OFFER, PLEDGE OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF THE ACT AND OF ANY APPLICABLE STATE SECURITIES LAWS UNLESS SOLD PURSUANT TO RULE 144 OF THE ACT.

Void After July 31, 2010

COMSCORE NETWORKS, INC.

WARRANT TO PURCHASE SHARES OF COMMON STOCK

For value received, Kenneth Leiner (the "**Holder**") is entitled to subscribe for and purchase up to 20,100 shares (as adjusted pursuant to Section 3 hereof) of the Common Stock (the "**Common Stock**"), \$0.001 par value (the "**Shares**"), of comScore Networks, inc., a Delaware corporation (the "**Company**"), at the price of \$2.50 per share (the "**Exercise Price**") (as adjusted pursuant to Section 3 hereof), subject to the provisions and upon the terms and conditions hereinafter set forth.

1. Exercise and Payment.

1.1 Exercise. The purchase rights represented by this Warrant may be exercised by the Holder, in whole or in part, by the surrender of a duly executed exercise notice in the form attached hereto as **Exhibit A** at the principal office of the Company, and by the payment to the Company, by check or wire transfer, of an amount equal to the aggregate Exercise Price of the shares being purchased.

1.2 Stock Certificate. In the event of the exercise of this Warrant, a certificate for the shares of Common Stock so purchased shall be delivered to the Holder within a reasonable time, which shall in no event be later than thirty (30) days thereafter.

2. Stock Fully Paid; Reservation of Shares. All of the Shares issuable upon the exercise of this Warrant will, upon issuance and receipt of the Exercise Price therefor, be fully paid and nonassessable. During the period within which this Warrant may be exercised, the Company shall at all times have authorized and reserved for issuance sufficient shares of its Common Stock to provide for the exercise of this Warrant.

3. Adjustment of Exercise Price and Number of Shares. Subject to Section 9 hereof, the number and kind of securities purchasable upon the exercise of this Warrant and the Exercise Price

therefor shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

3.1 Reclassification, Consolidation or Merger. In case of any reclassification or change of the Common Stock (other than a change in par value, or as a result of a subdivision or combination), or in case of any Merger Event (as defined herein), the Company or the successor corporation, as the case may be, shall execute a new warrant, providing that the Holder shall have the right to exercise such new warrant, and procure upon such exercise and payment of the same aggregate Exercise Price, in lieu of the shares of Common Stock theretofore issuable upon exercise of this Warrant, the kind and amount of shares of stock, other securities, money and property receivable upon such reclassification, change, or Merger Event by a holder of an equivalent number of shares of Common Stock. Such new warrant shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 3.

3.2 Stock Splits, Dividends and Combinations. In the event that the Company shall at any time subdivide the outstanding shares of Common Stock, or shall issue a stock dividend on its outstanding shares of Common Stock, the number of Shares issuable upon exercise of this Warrant immediately prior to such subdivision or to the issuance of such stock dividend shall be proportionately increased and the Exercise Price shall be proportionately decreased so that the Holder of the Warrant after such time shall be entitled to receive the number of shares of Common Stock which such Holder would have owned or been entitled to receive had such Warrant been exercised immediately prior to such event, and in the event that the Company shall at any time combine the outstanding shares of Common Stock, the number of Shares issuable upon exercise of this Warrant immediately prior to such combination shall be proportionately decreased and the Exercise Price shall be proportionately increased so that the Holder of the Warrant after such time shall be entitled to receive the number of shares of Common Stock which such Holder would have owned or been entitled to receive had such Warrant been exercised prior to such event, in either case effective at the close of business on the date of such subdivision, stock dividend or combination, as the case may be.

4. Notice of Adjustments. In the event that: (i) the Company shall declare any dividend or distribution upon its Common Stock, whether in cash, property, stock or other securities; (ii) the Company shall offer for subscription pro rata to the holders of its Common Stock any additional shares of stock of any class or other rights; (iii) there shall be any merger or consolidation of the Company with or into a third party pursuant to which the Company's stockholders prior to the transaction own less than fifty percent (50%) of the surviving entity or the sale of all or substantially all of the assets of the Company (a "**Merger Event**"); or (iv) there shall be any voluntary or involuntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Holder:

(a) At least ten (10) days prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Common Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; and

(b) In the case of any such Merger Event, dissolution, liquidation or winding up, at least ten (10) days prior written notice of the date when the same shall take place (and specifying the date

on which the holders of Common Stock shall be entitled to exchange their Common Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up).

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the adjustment, (ii) the amount of the adjustment, (iii) the method by which such adjustment was calculated, (iv) the Exercise Price, and (v) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given by first class mail, postage prepaid, addressed to the Holder, at the address as shown on the books of the Company.

5. Fractional Shares. No fractional shares of Common Stock will be issued in connection with any exercise hereunder. In lieu of such fractional shares the Company shall make a cash payment therefor based upon the Exercise Price then in effect.

6. Representations and Warranties of the Holder. The Holder hereby represents and warrants to the Company, with respect to its acquisition of the Warrant, as follows:

6.1 Experience. The Holder has sufficient knowledge and experience in financial and business matters so that he is capable of evaluating the merits and risks of his investment in the Company and has the capacity to protect his own interests.

6.2 Investment. The Holder is acquiring the Warrant and the Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof. The Holder understands that the Warrant and the Shares have not been, and will not be, registered under the Act by reason of a specific exemption from the registration provisions of the Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of such Holder's representations as expressed herein.

6.3 Rule 144. The Holder acknowledges that the Warrant and the Shares must be held indefinitely unless subsequently registered under the Act or unless an exemption from such registration is available. The Holder is aware of the provisions of Rule 144 promulgated under the Act which permit limited resale of shares purchased in a private placement subject to the satisfaction of certain conditions, including, among other things, the existence of a public market for the shares, the availability of certain current public information about the Company, the resale occurring not less than one (1) year after a party has purchased and paid for the security to be sold, the sale being effected through a "broker's transaction" or in transactions directly with a "market maker" and the number of shares being sold during any three-month period not exceeding specified limitations.

6.4 No Public Market. The Holder understands that no public market now exists for any of the securities issued by the Company and that the Company has made no assurances that a public market will ever exist for the Company's securities.

6.5 No Solicitation. The Holder knows of no public solicitation or advertisement of an offer in connection with the proposed issuance and sale of the Warrant or the Shares.

6.6 Residence. The residence of the Holder for securities law purposes is set forth herein on page 6.

7. Restrictions on Transfer.

7.1 Restrictive Legend. Each certificate representing (i) the Shares and (ii) any other securities issued in respect of the Shares upon any stock split, stock dividend, recapitalization, merger, consolidation or similar event, (collectively, the “**Restricted Securities**”) shall (unless otherwise permitted by the provisions of Section 7.2 below) be stamped or otherwise imprinted with a legend in substantially the following form (in addition to any legend required under applicable state securities laws):

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THESE SHARES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN EXEMPTION THEREFROM UNDER SAID ACT.

7.2 Notice of Proposed Transfers. The holder of each certificate representing Restricted Securities by acceptance thereof agrees to comply in all respects with the provisions of this Section 7. Prior to any proposed transfer of any Restricted Securities, unless there is in effect a registration statement under the Act covering the proposed transfer, the holder thereof shall give written notice to the Company of such Holder’s intention to effect such transfer. Each such notice shall describe the manner and circumstances of the proposed transfer in sufficient detail, and shall, if the Company so requests, be accompanied by either (i) an unqualified written opinion of legal counsel who shall be reasonably satisfactory to the Company, addressed to the Company and reasonably satisfactory in form and substance to the Company’s counsel, to the effect that the proposed transfer of the Restricted Securities may be effected without registration under the Act, or (ii) a “**No Action**” letter from the Securities and Exchange Commission (the “**Commission**”) to the effect that the transfer of such securities without registration will not result in a recommendation by the staff of the Commission that action be taken with respect thereto, whereupon the holder of such Restricted Securities shall be entitled to transfer such Restricted Securities in accordance with the terms of the notice delivered by the holder to the Company; provided, however, that no opinion or No Action letter need be obtained with respect to a transfer to (A) the immediate family of Holder upon the Holder’s death, by will or intestacy, or to a trust for the benefit of the Holder’s immediate family, (B) a partner, active or retired, of a holder of Restricted Securities, (C) the estate of any such partner, or (D) an “**affiliate**” of a holder of Restricted Securities as that term is defined in Rule 405 promulgated by the Commission under the Act, provided that in such cases the transferee agrees in writing to be subject to the terms hereof. Each certificate evidencing the Restricted Securities transferred as above provided shall bear the appropriate restrictive legend set forth in Section 7.1 above, except that such certificate shall not bear such restrictive legend if in the opinion of counsel for the Company such legend is not required in order to establish compliance with any provisions of the Act.

8. Rights of Stockholders. No holder of this Warrant shall be entitled, as a Warrant holder, to vote or receive dividends or be deemed the holder of Common Stock or any other securities of the Company which may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Holder, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to

stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until the Warrant shall have been exercised and the Shares purchasable upon the exercise hereof shall have become deliverable, as provided herein.

9. Expiration of Warrant. Notwithstanding any other provision of this Warrant, this Warrant shall expire and shall no longer be exercisable at 5:00 p.m., California time, on July 31, 2010.

10. Miscellaneous.

10.1 Governing Law. This Agreement shall be governed in all respects by the laws of the State of Delaware.

10.2 Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the Company and the Holder.

10.3 Entire Agreement; Amendment. This Warrant constitutes the full and entire understanding and agreement between the parties with regard to the subjects hereof. Neither this Warrant nor any term hereof may be amended, waived, discharged, or terminated other than by a written instrument signed by the party against whom enforcement of any such amendment, waiver, discharge or termination is sought.

10.4 Notices, etc. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given upon delivery to the party to be notified in person or by courier service or by registered or certified mail, postage prepaid, addressed (a) to the Holder, at the address set forth on the last page of this Warrant or at such other address as such Holder shall have furnished the Company in writing, or (b) if to the Company, at the address set forth on the last page of this Warrant and addressed to the attention of the Chief Executive Officer, or at such other address as the Company shall have furnished to the Holder.

COMSCORE NETWORKS, INC.

By: /s/ Magid Abraham

Title: C.E.O.

Kenneth Leiner

Address: 17724 Lisa Drive
Derwood, MD 20855

By: _____

Title:

1. The undersigned hereby elects to purchase ___shares of Common Stock (the "**Common Stock**") of COMSCORE NETWORKS, INC. pursuant to the terms of the attached Warrant.
2. The undersigned elects to exercise the attached Warrant and tenders herewith payment in full for the purchase price of the shares being purchased, together with all applicable transfer taxes, if any.
3. Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

4. The undersigned hereby represents and warrants that the aforesaid shares of Common Stock are being acquired for the account of the undersigned for investment and not with a view to, or for resale, in connection with the distribution thereof, and that the undersigned has no present intention of distributing or reselling such shares. In support thereof, the undersigned has executed and delivered herewith an Investment Representation Statement in substantially the form attached to the Warrant as **Exhibit B**.

(Signature)

Title:

(Date)

The Securities may be resold in certain limited circumstances subject to the provisions of Rule 144, which requires among other things: (1) the availability of certain public information about the Company, (2) the resale occurring not less than one year after the party has purchased, and made full payment for, within the meaning of Rule 144, the securities to be sold; and, in the case of an affiliate, or of a nonaffiliate who has held the securities less than two years, (2) the sale being made through a broker in an unsolicited “**broker’s transaction**” or in transactions directly with a market maker (as said term is defined under the Securities Exchange Act of 1934) and the amount of securities being sold during any three month period not exceeding the specified limitations stated therein, if applicable.

(e) Purchaser agrees, in connection with the Company’s initial underwritten public offering of the Company’s securities, (1) not to sell, make short sale of, loan, grant any options for the purchase of, or otherwise dispose of any shares of Common Stock of the Company held by me (other than those shares included in the registration) without the prior written consent of the Company and the underwriters managing such initial underwritten public offering of the Company’s securities for one hundred eighty (180) days from the effective date of such registration, and (2) Purchaser further agrees to execute any agreement reflecting the above as may be requested by the underwriters at the time of the public offering.

(f) Purchaser further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 and Regulation A are not exclusive, the Staff of the SEC has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

Date: _____, _____

(Signature of Purchaser)

THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AS AMENDED, OR ANY STATE SECURITIES LAWS. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL (WHICH MAY BE COMPANY COUNSEL) REASONABLY SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS.

WARRANT AGREEMENT

**To Purchase Shares of the Series B Preferred Stock of
COMSCORE NETWORKS, INC.**

Dated as of September 29, 2000 (the "Effective Date")

WHEREAS, ComScore Networks, Inc. a Delaware corporation (the "Company") has entered into a Master Lease Agreement dated as of June 9, 2000, Equipment Schedule No. VL-3 and VL-4 dated as of September 29, 2000, and related Summary Equipment Schedules (collectively, the "Leases") with Comdisco, Inc., a Delaware corporation (the "Warrantholder"); and

WHEREAS, the Company desires to grant to Warrantholder, in consideration for such Leases, the right to purchase shares of its Series B Preferred Stock;

NOW, THEREFORE, in consideration of the Warrantholder executing and delivering such Leases and in consideration of mutual covenants and agreements contained herein, the Company and Warrantholder agree as follows:

1. GRANT OF THE RIGHT TO PURCHASE PREFERRED STOCK.

The Company hereby grants to the Warrantholder, and the Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to subscribe for and purchase from the Company, 9,694 fully paid and non-assessable shares of the Company's Series B Preferred Stock ("Preferred Stock") at a purchase price of \$4.90 per share (the "Exercise Price"). The number and purchase price of such shares are subject to adjustment as provided in Section 8 hereof.

2. TERM OF THE WARRANT AGREEMENT.

Except as otherwise provided for herein, the term of this Warrant Agreement and the right to purchase Preferred Stock as granted herein shall commence on the Effective Date and shall be exercisable for a period of (i) ten (10) years or (ii) five (5) years from the effective date of the Company's public offering, whichever is earlier.

3. EXERCISE OF THE PURCHASE RIGHTS.

(a) **Exercise.** The purchase rights set forth in this Warrant Agreement are exercisable by the Warrantholder, in whole or in part, at any time, or from time to time, prior to the expiration of the term set forth in Section 2 above, by tendering to the Company at its principal office a notice of exercise in the form attached hereto as **Exhibit I** (the "Notice of Exercise"), duly completed and executed. Promptly upon receipt of the Notice of Exercise and the payment of the purchase price in accordance with the terms set forth below, and in no event later than twenty-one (21) days thereafter, the Company shall issue to the Warrantholder a certificate for the number of shares of Preferred Stock purchased and shall execute the acknowledgment of exercise in the form attached hereto as **Exhibit II** (the "Acknowledgment of Exercise") indicating the number of shares which remain subject to future purchases, if any.

The Exercise Price may be paid at the Warrantholder's election either (i) by cash or check, or (ii) by surrender of Warrants ("Net Issuance") as determined below. If the Warrantholder elects the Net Issuance method, the Company will issue Preferred Stock in accordance with the following formula:

$$X = \frac{Y(A-B)}{A}$$

- Where:**
- X = the number of shares of Preferred Stock to be issued to the Warrantholder.
 - Y = the number of shares of Preferred Stock requested to be exercised under this Warrant Agreement.
 - A = the fair market value of one (1) share of Preferred Stock.
 - B = the Exercise Price.

For purposes of the above calculation, current fair market value of Preferred Stock shall mean with respect to each share of Preferred Stock:

(i) if the exercise is in connection with an initial public offering of the Company's Common Stock, and if the Company's Registration Statement relating to such public offering has been declared effective by the SEC, then the fair market value per share shall be the product of (x) the initial "Price to Public" specified in the final prospectus with respect to the offering and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(ii) if this Warrant is exercised after, and not in connection with the Company's initial public offering, and:

(a) if traded on a securities exchange, the fair market value shall be deemed to be the product of (x) the average of the closing prices over a five (5) day period ending three days before the day the current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise; or

(b) if actively traded over-the-counter, the fair market value shall be deemed to be the product of (x) the average of the closing bid and asked prices quoted on the NASDAQ system (or similar system) over the five (5) day period ending three days before the day the current fair market value of the securities is being determined and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise;

(iii) if at any time the Common Stock is not listed on any securities exchange or quoted in the NASDAQ System or the over-the-counter market, the current fair market value of Preferred Stock shall be the product of (x) the highest price per share which the Company could obtain from a willing buyer (not a current employee or director) for shares of Common Stock sold by the Company, from authorized but unissued shares, as determined in good faith by its Board of Directors and (y) the number of shares of Common Stock into which each share of Preferred Stock is convertible at the time of such exercise, unless the Company shall become subject to a merger, acquisition or other consolidation pursuant to which the Company is not the surviving party, in which case the fair market value of Preferred Stock shall be deemed to be the value received by the holders of the Company's Preferred Stock on a common equivalent basis pursuant to such merger or acquisition.

Upon partial exercise by either cash or Net Issuance, the Company shall promptly issue an amended Warrant Agreement representing the remaining number of shares purchasable hereunder. All other terms and conditions of such amended Warrant Agreement shall be identical to those contained herein, including but not limited to the Effective Date hereof.

(b) Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all Preferred Stock subject hereto, and if the fair market value of one share of the Preferred is greater than the Exercise Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 3(a) above (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Preferred Stock upon such expiration shall be determined pursuant to Section 3(a) above. To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 3(b), the Company agrees to promptly notify the Warrantholder of the number of Preferred Stock, if any, the Warrantholder is to receive by reason of such automatic exercise.

4. RESERVATION OF SHARES.

During the term of this Warrant Agreement, the Company will at all times have authorized and reserved a sufficient number of shares of its Preferred Stock to provide for the exercise of the rights to purchase Preferred Stock as provided for herein.

5. NO FRACTIONAL SHARES OR SCRIP.

No fractional shares or scrip representing fractional shares shall be issued upon the exercise of the Warrant, but in lieu of such fractional shares the Company shall make a cash payment therefor upon the basis of the Exercise Price then in effect.

6. NO RIGHTS AS SHAREHOLDER.

This Warrant Agreement does not entitle the Warrantholder to any voting rights or other rights as a shareholder of the Company prior to the exercise of the Warrant.

7. WARRANTHOLDER REGISTRY.

The Company shall maintain a registry showing the name and address of the registered holder of this Warrant Agreement.

8. ADJUSTMENT RIGHTS.

The purchase price per share and the number of shares of Preferred Stock purchasable hereunder are subject to adjustment, as follows:

(a) **Merger and Sale of Assets.** If at any time there shall be a capital reorganization of the shares of the Company's stock (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), or a merger or consolidation of the Company with or into another corporation whether or not the Company is the surviving corporation, or the sale of all or substantially all of the Company's properties and assets to any other person (hereinafter referred to as a "Merger Event"), then, as a part of such Merger Event, lawful provision shall be made so that the Warrantholder shall thereafter be entitled to receive, upon exercise of the Warrant, the number of shares of preferred stock or other securities of the successor corporation resulting from such Merger Event, equivalent in value to that which would have been issuable if Warrantholder had exercised this Warrant immediately prior to the Merger Event. In any such case, appropriate adjustment (as determined in good faith by the Company's Board of Directors) shall be made in the application of the provisions of this Warrant Agreement with respect to the rights and interest of the Warrantholder after the Merger Event to the end that the provisions of this Warrant Agreement (including adjustments of the Exercise Price and number of shares of Preferred Stock purchasable) shall be applicable to the greatest extent possible.

(b) **Reclassification of Shares.** If the Company at any time shall, by combination, reclassification, exchange or subdivision of securities or otherwise, change any of the securities as to which purchase rights under this Warrant Agreement exist into the same or a different number of securities or any other class or classes, this Warrant Agreement shall thereafter represent the right to acquire such number and kind of securities as would have been issuable as the result of such change with respect to the securities which were subject to the purchase rights under this Warrant Agreement immediately prior to such combination, reclassification, exchange, subdivision or other change.

(c) **Subdivision or Combination of Shares.** If the Company at any time shall combine or subdivide its Preferred Stock, the Exercise Price shall be proportionately decreased in the case of a subdivision, or proportionately increased in the case of a combination.

(d) **Stock Dividends.** If the Company at any time shall pay a dividend payable in, or make any other distribution (except any distribution specifically provided for in the foregoing subsections (a) or (b)) of the Company's stock, then the Exercise Price shall be adjusted, from and after the record date of such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction (i) the numerator of which shall be the total number of all shares of the Company's stock outstanding immediately prior to such dividend or distribution, and (ii) the denominator of which shall be the total number of all shares of the Company's stock outstanding immediately after such dividend or distribution. The

Warrantholder shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of shares of Preferred Stock (calculated to the nearest whole share) obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of shares of Preferred Stock issuable upon the exercise hereof immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment.

(e) **Right to Purchase Additional Stock.** If, the Warrantholder's total cost of equipment leased pursuant to the Leases exceeds \$1,000,000, Warrantholder shall have the right to purchase from the Company, at the Exercise Price (adjusted as set forth herein), an additional number of shares, which number shall be determined by (i) multiplying the amount by which the Warrantholder's total equipment cost exceeds \$1,000,000 by 4.75%, and (ii) dividing the product thereof by the Exercise Price per share referenced above.

(f) **Antidilution Rights.** Additional antidilution rights applicable to the Preferred Stock purchasable hereunder are as set forth in the Company's Certificate of Incorporation, as amended through the Effective Date, a true and complete copy of which is attached hereto as **Exhibit IV** (the "Charter"). The Company shall promptly provide the Warrantholder with any restatement, amendment, modification or waiver of the Charter. The Company shall provide Warrantholder with prior written notice of any issuance of its stock or other equity security to occur after the Effective Date of this Warrant, which notice shall include (a) the price at which such stock or security is to be sold, (b) the number of shares to be issued, and (c) such other information as necessary for Warrantholder to determine if a dilutive event has occurred.

(g) **Notice of Adjustments.** If: (i) the Company shall declare any dividend or distribution upon its stock, whether in cash, property, stock or other securities; (ii) the Company shall offer for subscription pro rata to the holders of any class of its Preferred or other convertible stock any additional shares of stock of any class or other rights, (iii) there shall be any Merger Event; (iv) there shall be an initial public offering; or (v) there shall be any voluntary dissolution, liquidation or winding up of the Company; then, in connection with each such event, the Company shall send to the Warrantholder: (A) at least twenty (20) days' prior written notice of the date on which the books of the Company shall close or a record shall be taken for such dividend, distribution, subscription rights (specifying the date on which the holders of Preferred Stock shall be entitled thereto) or for determining rights to vote in respect of such Merger Event, dissolution, liquidation or winding up; (B) in the case of any such Merger Event, dissolution, liquidation or winding up, at least twenty (20) days' prior written notice of the date when the same shall take place (and specifying the date on which the holders of Preferred Stock shall be entitled to exchange their Preferred Stock for securities or other property deliverable upon such Merger Event, dissolution, liquidation or winding up); and (C) in the case of a public offering, the Company shall give the Warrantholder at least twenty (20) days written notice prior to the effective date thereof.

Each such written notice shall set forth, in reasonable detail, (i) the event requiring the adjustment, (ii) the amount of the adjustment, (iii) the method by which such adjustment was calculated, (iv) the Exercise Price, and (v) the number of shares subject to purchase hereunder after giving effect to such adjustment, and shall be given by first class mail, postage prepaid, addressed to the Warrantholder, at the address as shown on the books of the Company.

(h) **Timely Notice.** Failure to timely provide such notice required by subsection (g) above shall entitle Warrantholder to retain the benefit of the applicable notice period notwithstanding anything to the contrary contained in any insufficient notice received by Warrantholder. The notice period shall begin on the date Warrantholder actually receives a written notice containing all the information specified above.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

(a) **Reservation of Preferred Stock.** The Preferred Stock issuable upon exercise of the Warrantholder's rights has been duly and validly reserved and, when issued in accordance with the provisions of this Warrant Agreement, will be validly issued, fully paid and non-assessable, and will be free of any taxes, liens, charges or encumbrances of any nature whatsoever; provided, however, that the Preferred Stock issuable pursuant to this Warrant Agreement may be subject to restrictions on transfer under state and/or Federal securities laws. The Company has made available to the Warrantholder true, correct and complete copies of its Charter and Bylaws, as amended. The issuance of certificates for shares of Preferred Stock upon exercise of the Warrant Agreement shall be made without charge to the Warrantholder for any issuance tax in respect thereof, or other cost incurred by the Company in connection with such exercise and the related issuance of shares of Preferred Stock. The Company shall not be required to pay any tax which may be payable in respect of any transfer involved and the issuance and delivery of any certificate in a name other than that of the Warrantholder.

(b) **Due Authority.** The execution and delivery by the Company of this Warrant Agreement and the performance of all obligations of the Company hereunder, including the issuance to Warrantholder of the right to acquire the shares of Preferred Stock, have been duly authorized by all necessary corporate action on the part of the Company, and the Leases and this Warrant Agreement are not inconsistent with the Company's Charter or Bylaws, do not contravene any law or governmental rule, regulation or order applicable to it, do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound, and the Leases and this Warrant Agreement constitute legal, valid and binding agreements of the Company, enforceable in accordance with their respective terms.

(c) **Consents and Approvals.** No consent or approval of, giving of notice to, registration with, or taking of any other action in respect of any state, Federal or other governmental authority or agency is required with respect to the execution, delivery and performance by the Company of its obligations under this Warrant Agreement, except for the filing of notices pursuant to Regulation D under the 1933 Act and any filing required by applicable state securities law, which filings will be effective by the time required thereby.

(d) **Issued Securities.** All issued and outstanding shares of Common Stock, Preferred Stock or any other securities of the Company have been duly authorized and validly issued and are fully paid and non-assessable. All outstanding shares of Common Stock, Preferred Stock and any other securities were issued in full compliance with all Federal and state securities laws. In addition, as of the date hereof:

(i) The authorized capital of the Company consists of (A) 100,000,000 shares of Common Stock, of which 12,179,896 shares are issued and outstanding, (B) 9,187,500 shares of Series A Preferred Stock, of which 9,187,500 shares are issued and outstanding and are convertible into 9,187,500 shares of Common Stock at \$1.00 per share, and (C) 6,326,531 shares of Series B Preferred Stock, of which 6,254,806 shares are issued and outstanding and are convertible into 6,254,806 shares of Common Stock at \$4.90 per share,

(ii) The Company has reserved 4,210,937 shares of Common Stock for issuance under its 1999 Stock Plan, under which 3,804,717 options are outstanding at an average price of \$0.50 per share. There are no other options, warrants, conversion privileges or other rights presently outstanding to purchase or otherwise acquire any authorized but unissued shares of the Company's capital stock or other securities of the Company.

(iii) In accordance with the Company's Certificate of Incorporation, no shareholder of the Company has preemptive rights to purchase new issuances of the Company's capital stock.

(e) **Insurance.** The Company has in full force and effect insurance policies, with extended coverage, insuring the Company and its property and business against such losses and risks, and in such amounts, as are customary for corporations engaged in a similar business and similarly situated and as otherwise may be required pursuant to the terms of any other contract or agreement.

(f) **Other Commitments to Register Securities.** Except as set forth in this Warrant Agreement, the Company is not, pursuant to the terms of any other agreement currently in existence, under any obligation to register under the 1933 Act any of its presently outstanding securities or any of its securities which may hereafter be issued.

(g) **Exempt Transaction.** Subject to the accuracy of the Warrantholder's representations in Section 10 hereof, the issuance of the Preferred Stock upon exercise of this Warrant will constitute a transaction exempt from (i) the registration requirements of Section 5 of the 1933 Act, in reliance upon Section 4(2) thereof, and (ii) the qualification requirements of the applicable state securities laws.

(h) **Compliance with Rule 144.** At the written request of the Warrantholder, who proposes to sell Preferred Stock issuable upon the exercise of the Warrant in compliance with Rule 144 promulgated by the Securities and Exchange Commission, the Company shall furnish to the Warrantholder, within ten days after receipt of such request, a written statement confirming the Company's compliance with the filing requirements of the Securities and Exchange Commission as set forth in such Rule, as such Rule may be amended from time to time.

10. REPRESENTATIONS AND COVENANTS OF THE WARRANTHOLDER.

This Warrant Agreement has been entered into by the Company in reliance upon the following representations and covenants of the Warrantholder:

(a) **Investment Purposes.** The right to acquire Preferred Stock or the Preferred Stock issuable upon exercise of the Warrantholder's rights contained herein will be acquired for investment and not with a view to the sale or distribution of any part thereof, and the Warrantholder has no present intention of selling or engaging in any public distribution of the same except pursuant to a registration or exemption.

(b) **Private Issue.** The Warrantholder understands (i) that the Preferred Stock issuable upon exercise of this Warrant is not registered under the 1933 Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant Agreement will be exempt from the registration and qualifications requirements thereof, and (iii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 10.

(c) **Disposition of Warrantholder's Rights.** In no event will the Warrantholder make a disposition of any of its rights to acquire Preferred Stock or Preferred Stock issuable upon exercise of such rights unless and until (i) it shall have notified the Company of the proposed disposition, and (ii) if requested by the Company, it shall have furnished the Company with an opinion of counsel (which counsel may either be inside or outside counsel to the Warrantholder) satisfactory to the Company and its counsel to the effect that (A) appropriate action necessary for compliance with the 1933 Act has been taken, or (B) an exemption from the registration requirements of the 1933 Act is available. Notwithstanding the foregoing, the restrictions imposed upon the transferability of any of its rights to acquire Preferred Stock or Preferred Stock issuable on the exercise of such rights do not apply to transfers from the beneficial owner of any of the aforementioned securities to its nominee or from such nominee to its beneficial owner, and shall terminate as to any particular share of Preferred Stock when (1) such security shall have been effectively registered under the 1933 Act and sold by the holder thereof in accordance with such registration or (2) such security shall have been sold without registration in compliance with Rule 144 under the 1933 Act, or (3) a letter shall have been issued to the Warrantholder at its request by the staff of the Securities and Exchange Commission or a ruling shall have been issued to the Warrantholder at its request by such Commission stating that no action shall be recommended by such staff or taken by such Commission, as the case may be, if such security is transferred without registration under the 1933 Act in accordance with the conditions set forth in such letter or ruling and such letter or ruling specifies that no subsequent restrictions on transfer are required. Whenever the restrictions imposed hereunder shall terminate, as hereinabove provided, the Warrantholder or holder of a share of Preferred Stock then outstanding as to which such restrictions have terminated shall be entitled to receive from the Company, without expense to such holder, one or more new certificates for the Warrant or for such shares of Preferred Stock not bearing any restrictive legend.

(d) **Financial Risk.** The Warrantholder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment, and has the ability to bear the economic risks of its investment

(e) **Risk of No Registration.** The Warrantholder understands that if the Company does not register with the Securities and Exchange Commission pursuant to Section 12 of the 1934 Act (the "1934 Act"), or file reports pursuant to Section 15(d), of the 1934 Act, or if a registration statement covering the securities under the 1933 Act is not in effect when it desires to sell (i) the rights to purchase Preferred Stock pursuant to this Warrant Agreement, or (ii) the Preferred Stock issuable upon exercise of the right to purchase, it may be required to hold such securities for an indefinite period. The Warrantholder also understands that any sale of its rights of the Warrantholder to purchase Preferred Stock or Preferred Stock which might be made by it in reliance upon Rule 144 under the 1933 Act may be made only in accordance with the terms and conditions of that Rule.

(f) **Accredited Investor.** Warrantholder is an "accredited investor" within the meaning of the Securities and Exchange Rule 501 of Regulation D, as presently in effect.

11. RIGHT OF FIRST OFFER.

In accordance with the provisions of Section 2 of the Investor Rights Agreement dated as of July 5, 2000 ("Investor Rights Agreement"), if the Company proposes to offer any shares of, or securities convertible into or exercisable for any shares of, any class of its capital stock ("Shares"), subject to the exceptions set forth thereof, the Company shall promptly provide Warrantholder with an offer to sell Warrantholder a portion of such Shares equal to the proportion that the number of shares of Preferred Stock to be issued upon exercise hereunder or number of shares of common stock upon conversion thereof, bears to the total number of shares of common stock of the Company then outstanding (assuming full conversion of all shares of Preferred Stock).

12. **TRANSFERS.**

Subject to the terms and conditions contained in Section 10 hereof, this Warrant Agreement and all rights hereunder are transferable in whole or in part by the Warrantholder and any successor transferee, provided, however, in no event shall the number of transfers of the rights and interests in all of the Warrants exceed three (3) transfers. The transfer shall be recorded on the books of the Company upon receipt by the Company of a notice of transfer in the form attached hereto as **Exhibit III** (the "Transfer Notice"), at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer.

13. **MISCELLANEOUS.**

- (a) **Effective Date.** The provisions of this Warrant Agreement shall be construed and shall be given effect in all respects as if it had been executed and delivered by the Company on the date hereof. This Warrant Agreement shall be binding upon any successors or assigns of the Company.
- (b) **Attorney's Fees.** In any litigation, arbitration or court proceeding between the Company and the Warrantholder relating hereto, the prevailing party shall be entitled to attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Warrant Agreement.
- (c) **Governing Law.** This Warrant Agreement shall be governed by and construed for all purposes under and in accordance with the laws of the State of Illinois.
- (d) **Counterparts.** This Warrant Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- (e) **Notices.** Any notice required or permitted hereunder shall be given in writing and shall be deemed effectively given upon personal delivery, facsimile transmission (provided that the original is sent by personal delivery or mail as hereinafter set forth) or seven (7) days after deposit in the United States mail, by registered or certified mail, addressed (i) **to the Warrantholder** at 6111 North River Road, Rosemont, Illinois 60018, **Attention:** Venture Lease Administration, cc: **Legal Department, Attention:** General Counsel, (and/or, if by Facsimile, (847) 518-5465 and (847)518-5088) and (ii) **to the Company** at 1761 Business Center Drive, Suite 250, Reston, CA 20190, **Attention:** David Jones (and/or if by Facsimile, (703) 438-2033) or at such other address as any such party may subsequently designate by written notice to the other party.
- (f) **Remedies.** In the event of any default hereunder, the non-defaulting party may proceed to protect and enforce its rights either by suit in equity and/or by action at law, including but not limited to an action for damages as a result of any such default, and/or an action for specific performance for any default where Warrantholder will not have an adequate remedy at law and where damages will not be readily ascertainable. The Company expressly agrees that it shall not oppose an application by the Warrantholder or any other person entitled to the benefit of this Agreement requiring specific performance of any or all provisions hereof or enjoining the Company from continuing to commit any such breach of this Agreement
- (g) **No Impairment of Rights.** The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate in order to protect the rights of the Warrantholder against impairment.
- (h) **Survival.** The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant Agreement shall survive the execution and delivery of this Warrant Agreement.
- (i) **Severability.** In the event any one or more of the provisions of this Warrant Agreement shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Warrant Agreement shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.
- (j) **Amendments.** Any provision of this Warrant Agreement may be amended by a written instrument signed by the Company and by the Warrantholder.

IN WITNESS WHEREOF, the parties hereto have caused this Warrant Agreement to be executed by its officers thereunto duty authorized as of the Effective Date.

COMPANY:

COMSCORE NETWORKS, INC.

By: /s/ Magid Abraham

Title: /s/ CEO

WARRANTHOLDER:

COMDISCO, INC.

By: _____

Title: _____

EXHIBIT I

NOTICE OF EXERCISE

To: COMSCORE NETWORKS, INC.

- (1) The undersigned Warrantholder hereby elects to purchase _____ shares the Series B Preferred Stock of ComScore Networks, Inc., pursuant to the terms of the Warrant Agreement dated the 29th day of September, 2000 (the 'Warrant Agreement') between ComScore Networks, Inc. and the Warrantholder, and tenders herewith payment of the purchase price for such shares in full, together with all applicable transfer taxes, if any.
- (2) In exercising Us rights to purchase the Series B Preferred Stock of ComScore Networks, Inc., the undersigned hereby confirms and acknowledges the investment representations and warranties made in Section 10 of the Warrant Agreement.
- (3) Please issue a certificate or certificates representing said shares of Series B Preferred Stock in the name of the undersigned or in such other name as is specified below.

(Name)

(Address)

WARRANTHOLDER:

COMDISCO, INC.

By: _____

Title: _____

Date: _____

EXHIBIT II
ACKNOWLEDGMENT OF EXERCISE

The undersigned ComScore Networks, Inc., hereby acknowledge receipt of the "Notice of Exercise" from Comdisco, Inc., to purchase _____ shares of the Series B Preferred Stock of ComScore Networks, Inc., pursuant to the terms of the Warrant Agreement, and further acknowledges that _____ shares remain subject to purchase under the terms of the Warrant. Agreement

COMPANY:

COMSCORE NETWORKS, INC.

By: _____

Title: _____

Date: _____

EXHIBIT III
TRANSFER NOTICE

(To transfer or assign the foregoing Warrant Agreement execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant Agreement and all rights evidenced thereby are hereby transferred and assigned to

(Please Print)

whose address is _____

Dated: _____

Holder's Signature: _____

Holder's Address: _____

Signature Guaranteed: _____

NOTE. The signature to this Transfer Notice must correspond with the name as it appears on the face of the Warrant Agreement, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant Agreement.

EXHIBIT IV
(INSERT CHARTER)

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR ANY STATE SECURITIES LAWS. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT (i) EFFECTIVE REGISTRATION STATEMENTS RELATED THERETO, (ii) AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATIONS ARE NOT REQUIRED, (iii) RECEIPT OF NO-ACTION LETTERS FROM THE APPROPRIATE GOVERNMENTAL AUTHORITIES, OR (iv) OTHERWISE COMPLYING WITH THE PROVISIONS OF SECTION 7 OF THIS WARRANT.

COMSCORE NETWORKS, INC.

**WARRANT TO PURCHASE 36,127 SHARES
OF SERIES D PREFERRED STOCK**

THIS CERTIFIES THAT, for value received, SILICON VALLEY BANK and its assignees are entitled to subscribe for and purchase 36,127 shares of the fully paid and nonassessable Series D Preferred Stock (as adjusted pursuant to Section 4 hereof, the "Shares") of COMSCORE NETWORKS, INC., a Delaware corporation (the "Company"), at the price \$0.8996 per share (such price and such other price as shall result, from time to time, from the adjustments specified in Section 4 hereof is herein referred to as the "Warrant Price"), subject to the provisions and upon the terms and conditions hereinafter set forth. As used herein, (a) the term "Series Preferred" shall mean the Company's presently authorized Series D Preferred Stock, and any stock into or for which such Series D Preferred Stock may hereafter be converted or exchanged, and after the automatic conversion of the Series D Preferred Stock to Common Stock shall mean the Company's Common Stock, (b) the term "Date of Grant" shall mean July 31, 2002, and (c) the term "Other Warrants" shall mean any other warrants issued by the Company in connection with the transaction with respect to which this Warrant was issued, and any warrant issued upon transfer or partial exercise of or in lieu of this Warrant. The term "Warrant" as used herein shall be deemed to include Other Warrants unless the context clearly requires otherwise.

1. Term. The purchase right represented by this Warrant is exercisable, in whole or in part, at any time and from time to time from the Date of Grant through the later of (i) ten (10) years after the Date of Grant or (ii) five (5) years after the closing of the Company's Initial public offering of its Common Stock ("IPO") effected pursuant to a Registration Statement on Form S-1 (or its successor) filed under the Securities Act of 1933, as amended (the "Act").

2. Method of Exercise; Payment; Issuance of New Warrant. Subject to Section 1 hereof, the purchase right represented by this Warrant may be exercised by the holder hereof, in whole or in part and from time to time, at the election of the holder hereof, by (a) the surrender of this Warrant (with the notice of exercise substantially in the form attached hereto as Exhibit A-1 duly completed and executed) at the principal office of the Company and by the payment to the Company, by certified or bank check, or by wire transfer to an account designated by the Company (a "Wire Transfer") of an amount equal to the then applicable Warrant Price multiplied by the number of Shares then being purchased; or (b) exercise of the "net issuance" right provided for in Section 10.2

hereof. The person or persons in whose name(s) any certificate(s) representing shares of Series Preferred shall be issuable upon exercise of this Warrant shall be deemed to have become the holder(s) of record of, and shall be treated for all purposes as the record holder(s) of, the shares represented thereby (and such shares shall be deemed to have been issued) immediately prior to the close of business on the date or dates upon which this Warrant is exercised. In the event of any exercise of the rights represented by this Warrant, certificates for the shares of stock so purchased shall be delivered to the holder hereof as soon as possible and in any event within thirty (30) days after such exercise and, unless this Warrant has been fully exercised or expired, a new Warrant representing the portion of the Shares, if any with respect to which this Warrant shall not have been exercised shall also be issued to the holder hereof as soon as possible and in any event within such thirty-day period; provided, however, at such time as the Company is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, if requested by the holder of this Warrant, the Company shall use its best efforts to cause its transfer agent to deliver the certificate representing Shares issued upon exercise of this Warrant to a broker or other person (as directed by the holder exercising this Warrant) within the time period required to settle any trade made by the holder after exercise of this Warrant.

3. Stock Fully Paid; Reservation of Shares. All Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance pursuant to the terms and conditions herein, be fully paid and nonassessable, and free from all preemptive rights and taxes, liens and charges with respect to the issue thereof. During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized, and reserved for the purpose of the issue upon exercise of the purchase rights evidenced by this Warrant, a sufficient number of shares of its Series Preferred to provide for the exercise of the rights represented by this Warrant and a sufficient number of shares of its Common Stock to provide for the conversion of the Series Preferred into Common Stock.

4. Adjustment of Warrant Price and Number of Shares. The number and kind of securities purchasable upon the exercise of this Warrant and the Warrant Price shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

(a) Reclassification or Merger. In case of any reclassification or change of securities of the class issuable upon exercise of this Warrant (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in case of any merger of the Company with or into another corporation (other than a merger with another corporation in which the Company is the acquiring and the surviving corporation and which does not result in any reclassification or change of outstanding securities issuable upon exercise of this Warrant), or in case of any sale of all or substantially all of the assets of the Company, the Company, or such successor or purchasing corporation, as the case may be, shall duly execute and deliver to the holder of this Warrant a new Warrant (in form and substance satisfactory to the holder of this Warrant), or the Company shall make appropriate provision without the issuance of a new Warrant, so that the holder of this Warrant shall have the right to receive upon exercise of this Warrant, at a total purchase price not to exceed that payable upon the exercise of the unexercised portion of this Warrant, and in lieu of the shares of Series Preferred theretofore issuable upon exercise of this Warrant, the kind and amount of shares of stock, other securities, money and

property receivable upon such classification, change, merger or sale by a holder of the number of shares of Series Preferred then purchasable under this Warrant. Any new Warrant shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 4. The provisions of this Section 4(a) shall similarly apply to successive reclassifications, changes, mergers and sales.

(b) Subdivision or Combination of Shares. If the Company at any time while this Warrant remains outstanding and unexpired shall subdivide or combine its outstanding shares of Series Preferred, the Warrant Price shall be proportionately decreased and the number of Shares issuable hereunder shall be proportionately increased in the case of a subdivision and the Warrant Price shall be proportionately increased and the number of Shares issuable hereunder shall be proportionately decreased in the case of a combination.

(c) Stock Dividends and Other Distributions. If the Company at any time while this Warrant is outstanding and unexpired shall (i) pay a dividend with respect to Series Preferred payable in Series Preferred, then the Warrant Price shall be adjusted, from and after the date of determination of shareholders entitled to receive such dividend or distribution, to that price determined by multiplying the Warrant Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Series Preferred outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Series Preferred outstanding immediately after such dividend or distribution; or (ii) make any other distribution with respect to Series Preferred (except any distribution specifically provided for in Sections 4(a) and 4(b)), then, in each such case, provision shall be made by the Company such that the holder of this Warrant shall receive upon exercise of this Warrant a proportionate share of any such dividend or distribution as though it were the holder of the Series Preferred (or Common Stock issuable upon conversion thereof) as of the record date fixed for the determination of the shareholders of the Company entitled to receive such dividend or distribution.

(d) Adjustment of Number of Shares. Upon each adjustment in the Warrant Price, the number of Shares of Series Preferred purchasable hereunder shall be adjusted, to the nearest whole share, to the product obtained by multiplying the number of Shares purchasable immediately prior to such adjustment in the Warrant Price by a fraction, the numerator of which shall be the Warrant Price immediately prior to such adjustment and the denominator of which shall be the Warrant Price immediately thereafter.

(e) Antidilution Rights. The other antidilution rights applicable to the Shares of Series Preferred purchasable hereunder are set forth in the Company's Certificate of Incorporation, as amended through the Date of Grant, a true and complete copy of which is attached hereto as Exhibit B (the "Charter"). Such antidilution rights shall not be restated, amended, modified or waived in any manner that is adverse to the holder hereof without such holder's prior written consent, unless such amendment, modification or waiver affects such holder in the same manner as it affects other holders of only the Series Preferred. The Company shall promptly provide the holder hereof with any restatement, amendment, modification or waiver of the Charter promptly after the same has been made.

5. Notice of Adjustments. Whenever the Warrant Price or the number of Shares purchasable hereunder shall be adjusted pursuant to Section 4 hereof, the Company shall make a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Warrant Price and the number of Shares purchasable hereunder after giving effect to such adjustment, and shall cause copies of such certificate to be mailed (without regard to Section 13 hereof, by first class mail, postage prepaid) to this holder of this Warrant. In addition, whenever the conversion price or conversion ratio of "the Series Preferred shall be adjusted, the Company shall make a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the conversion price or ratio of the Series Preferred after giving effect to such adjustment, and shall cause copies of such certificate to be mailed (without regard to Section 13 hereof, by first class mail, postage prepaid) to the holder of this Warrant.

6. Fractional Shares. No fractional shares of Series Preferred will be issued in connection, with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor based on the fair market value of the Series Preferred on the date of exercise as reasonably determined in good faith by the Company's Board of Directors.

7. Compliance with Act; Disposition of Warrant or Shares of Series Preferred.

(a) Compliance with Act. The holder of this Warrant by acceptance hereof, agrees that this Warrant, and the shares of Series Preferred to be issued upon exercise hereof and any Common Stock issued upon conversion thereof are being acquired for investment and that such holder will not offer, sell or otherwise dispose of this Warrant, or any shares of Series Preferred to be issued upon exercise hereof or any Common Stock issued upon conversion thereof except under circumstances which will not result in a violation of the Act or any applicable state securities laws. Upon exercise of this Warrant, unless the Shares being acquired are registered under the Act and any applicable state securities laws or an exemption from such registration is available, the holder hereof shall confirm in writing that the shares of Series Preferred so purchased (and any shares of Common Stock issued upon conversion thereof) are being acquired for investment and not with a view toward distribution or resale in violation of the Act and shall confirm such other matters related thereto as may be reasonably requested by the Company. This Warrant and all shares of Series Preferred issued upon exercise of this Warrant and all shares of Common Stock issued upon conversion thereof (unless registered under the Act and any applicable state securities laws) shall be stamped or imprinted with a legend in substantially the following form:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT (i) EFFECTIVE REGISTRATION STATEMENTS RELATED THERETO, (ii) AN OPINION OF COUNSEL OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATIONS ARE NOT REQUIRED, (iii) RECEIPT OF NO-ACTION LETTERS FROM THE APPROPRIATE GOVERNMENTAL AUTHORITIES, OR (iv) OTHERWISE COMPLYING

WITH THE PROVISIONS OF SECTION 7 OF THE WARRANT UNDER WHICH THESE SECURITIES WERE ISSUED, DIRECTLY OR INDIRECTLY.”

Said legend shall be removed by the Company, upon the request of a holder, at such time as the restrictions on the transfer of the applicable security shall have terminated. In addition, in connection with this issuance of this Warrant, the holder specifically represents to the Company by acceptance of this Warrant as follows:

- (1) The holder is aware of this Company’s business affairs and financial condition, and has acquired information about the Company sufficient to reach an informed and knowledgeable decision to acquire this Warrant. The holder is acquiring this Warrant for its own account for investment purposes only and not with a view to, or for the resale in connection with, any “distribution” thereof in violation of the Act.
 - (2) The holder understands that this Warrant has not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the holder’s investment intent as expressed herein.
 - (3) The holder further understands that this Warrant must be held indefinitely unless subsequently registered under the Act and qualified under any applicable state securities laws, or unless exemptions from registration and qualification are otherwise available. The holder is aware of the provisions of Rule 144 promulgated under the Act.
 - (4) The holder is an “accredited investor” as such term is defined in Rule 501 of Regulation D promulgated under the Act.
- (b) Disposition of Warrant or Shares. With respect to any offer, sale or other disposition of this Warrant or any shares of Series Preferred acquired pursuant to the exercise of this Warrant prior to registration of such Warrant or shares, the holder hereof agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of such holder’s counsel, or other evidence, if reasonably satisfactory to the Company, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Act as then in effect or any federal or state securities law then in effect) of this Warrant or such shares of Series Preferred or Common Stock and indicating whether or not under the Act certificates for this Warrant or such shares of Series Preferred to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with such law. Upon receiving such written notice and reasonably satisfactory opinion or other evidence, the Company, as promptly as practicable but no later than fifteen (15) days after receipt of the written notice, shall notify such holder that such holder may sell or otherwise dispose of this Warrant or such shares of Series Preferred or Common Stock, all in accordance with the terms of the notice delivered to the Company. If a determination has been made pursuant to this Section 7(b) that the opinion of counsel for the holder or other evidence is not reasonably satisfactory to the Company, the Company shall so notify the holder promptly with details thereof after such determination has been made. Notwithstanding the foregoing, this Warrant or such shares of Series Preferred or Common Stock may, as to such federal laws, be offered, sold or otherwise disposed of

in accordance with Rule 144 or 144A under the Act, provided that the Company shall have been furnished with such information as the Company may reasonably request to provide a reasonable assurance that the provisions of Rule 144 or 144A have been satisfied. Each certificate representing this Warrant or the shares of Series Preferred thus transferred (except a transfer pursuant to Rule 144 or 144A) shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with such laws, unless in the aforesaid opinion of counsel for the holder, such legend is not required in order to ensure compliance with such laws. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

(c) Applicability of Restrictions. Neither any restrictions of any legend described in this Warrant nor the requirements of Section 7(b) above shall apply to any transfer of, or grant of a security interest in, this Warrant (or the Series Preferred or Common Stock obtainable upon exercise thereof) or any part hereof (i) to a partner of the holder if the holder is a partnership or to a member of the holder if the holder is a limited liability company, or (ii) to Silicon Valley Bancshares (holder's parent company) or any affiliate of the holder if the holder is a corporation or a bank; provided, however, in any such transfer, (x) the transferee shall on the Company's request agree in writing to be bound by the terms of this Warrant as if an original holder hereof, and (z) other than the transfer to Silicon Valley Bancshares the transferor shall give the Company prior written notice thereof in reasonable detail, including the name of the transferee and the extent of the rights and/or number of shares to be transferred. Subject to the provisions of this Section 7(c), upon receipt by holder of the executed Warrant, holder will transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any) to Silicon Valley Bancshares, holder's parent company. Subject to the provisions of this Section 7(c) and upon providing Company with written notice, holder or Silicon Valley Bancshares may transfer all or part of this Warrant or the Shares issuable upon exercise of this Warrant (or the securities issuable, directly or indirectly, upon conversion of the Shares, if any) to The Silicon Valley Bank Foundation.

8. Rights as Shareholders; Information. No holder of this Warrant, as such, shall be entitled to vote or receive dividends or be deemed the holder of Series Preferred or any other securities of the Company which may at any time be issuable upon the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant shall have been exercised and the Shares purchasable upon the exercise hereof shall have become deliverable, as provided herein. Notwithstanding the foregoing, the Company will transmit to the holder of this Warrant such information, documents and reports as are generally distributed to the holders of any class or series of the securities of the Company concurrently with the distribution to the shareholders.

9. Registration Rights. The Company grants registration rights to the holder of this Warrant for any Common Stock of the Company obtained upon conversion of the Series Preferred, comparable to the registration rights granted to the investors in that certain Second Amended and

Restated Investor Rights Agreement dated as of August 8, 2001, (the "Registration Rights Agreement"), with the following exceptions and clarifications:

(1) The holder will have not have the right to demand registration, but can otherwise participate in any registration demanded by others other holders of at least a majority of the Registrable Securities (as defined in the Rights Agreement).

(2) The holder will be subject to the same provisions regarding indemnification as contained in the Registration Rights Agreement.

(3) The registration rights are freely assignable by the holder offers Warrant in connection with a permitted transfer of this Warrant or the Shares.

10. Additional Rights.

10.1 Acquisition Transactions. The Company shall provide the holder of this Warrant with at least twenty (20) days' written notice prior to closing thereof of the terms and conditions of any of the following transactions (to the extent the Company has notice thereof): (i) the sale, lease, exchange, conveyance or other disposition of all or substantially all of the Company's property or business, or (ii) its merger into or consolidation with any other corporation (other than a wholly-owned subsidiary of the Company), or any transaction (including a merger or other reorganization) or series of related transactions, in which more than 50% of the voting power of the Company is disposed of.

10.2 Right to Convert Warrant into Stock: Net Issuance.

(a) Right to Convert. In addition to and without limiting the rights of the holder under the terms of this Warrant, the holder shall have the right to convert this Warrant or any portion thereof (the "Conversion Right") into shares of Series Preferred as provided in this Section 10.2 at any time or from time to time during the term of this Warrant. Upon exercise of the Conversion Right with respect to a particular number of shares subject to this Warrant (the "Convened Warrant Shares"), the Company shall deliver to the holder (without payment by the holder of any exercise price or any cash or other consideration) that number of shares of fully paid and nonassessable Series Preferred as is determined according to the following formula:

$$X = \frac{B - A}{Y}$$

Where: X = the number of shares of Series Preferred that shall be issued to holder

Y = the fair market value of one share of Series Preferred

A = the aggregate Warrant Price of the specified number of Converted Warrant Shares immediately prior to the exercise of the Conversion Right (i.e., the number of Converted Warrant Shares multiplied by the Warrant Price)

B = the aggregate fair market value of the specified number of Converted Warrant Shares (*i.e.*, the number of Converted Warrant Shares *multiplied* by the fair market value of one Converted Warrant Share)

No fractional shares shall be issuable upon exercise of the Conversion Right, and, if the number of shares to be issued determined in accordance with the foregoing formula is other than a whole number, the Company shall pay to the holder an amount in cash equal to the fair market value of the resulting fractional share on the Conversion Date (as hereinafter defined). For purposes of Section 10 of this Warrant, shares issued pursuant to the Conversion Right shall be treated as if they were issued upon the exercise of this Warrant.

(b) Method of Exercise. The Conversion Right may be exercised by the holder by the surrender of this Warrant at the principal office of the Company together with a written statement (which may be in the form of Exhibit A-1 or Exhibit A-2 hereto) specifying that the holder thereby intends to exercise the Conversion Right and indicating the number of shares subject to this Warrant which are being surrendered (referred to in Section 10.2(a) hereof as the Converted Warrant Shares) in exercise of the Conversion Right. Such conversion shall be effective upon receipt by the Company of this Warrant together with the aforesaid written statement, or on such later date as is specified therein (the "Conversion Date"), and, at the election of the holder hereof, may be made contingent upon the closing of the sale of the Company's Common Stock to the public in a public offering pursuant to a Registration Statement under the Act (a "Public Offering"). Certificates for the shares issuable upon exercise of the Conversion Right and, if applicable, a new warrant evidencing the balance of the shares remaining subject to this Warrant, shall be issued as of the Conversion Date and shall be delivered to the holder within thirty (30) days following the Conversion Date.

(c) Determination of Fair Market Value. For purposes of this Section 10.2, "fair market value" of a share of Series Preferred (or Common Stock if the Series Preferred has been automatically converted into Common Stock) as of a particular date (the "Determination Date") shall mean:

(i) If the Conversion Right is exercised in connection with and contingent upon a Public Offering, and if the Company's Registration Statement relating to such Public Offering ("Registration Statement") has been declared effective by the Securities and Exchange Commission, then the initial "Price to Public" specified in the final prospectus with respect to such offering.

(ii) If the Conversion Right is not exercised in connection with and contingent upon a Public Offering, then as follows:

(A) If traded on securities exchange, the fair market value of the Common Stock shall be deemed to be the average of the closing prices of the Common Stock on such exchange over the five trading days immediately prior to the Determination Date, and the fair market value of the Series Preferred shall be deemed to be such fair market value of the Common Stock multiplied by the number of shares of Common Stock into which each share of Series Preferred is then convertible;

(B) If traded on the Nasdaq Stock Market or other over-the-counter system, the fair market value of the Common Stock shall be deemed to be the average of the closing bid prices of the Common Stock over the five trading days immediately prior to the Determination Date, and the fair market value of the Series Preferred shall be deemed to be such fair market value of the Common Stock multiplied by the number of shares of Common Stock into which each share of Series Preferred is then convertible; and

(C) If there is no public market for the Common Stock, then fair market value shall be determined in good faith by the board of directors of the Company.

In making a determination under clauses (A) or (B) above, if on the Determination Date, five trading days had not passed since the IPO, then the fair market value of the Common Stock shall be the average closing prices or closing bid prices, as applicable, for the shorter period beginning on and including the date of the IPO and ending on the trading day prior to the Determination Date (or if such period includes only one trading day the closing price or closing bid price, as applicable, for such trading day). If closing prices or closing bid prices are no longer reported by a securities exchange or other trading system, the closing price or closing bid price shall be that which is reported by such securities exchange or other trading system at 4:00 p.m. New York City time on the applicable trading day.

10.3 Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all of the Shares subject hereto, and if the fair market value of one share of the Series Preferred is greater than the Warrant Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 10.2 above (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Series Preferred upon such expiration shall be determined pursuant to Section 10.2(c). To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 10.3, the Company agrees to promptly notify the holder hereof of the number of Shares, if any, the holder hereof is to receive by reason of such automatic exercise.

11. Representations and Warranties. The Company represents and warrants to the holder of this Warrant as follows:

(a) This Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and the rules of law or principles of equity governing specific performance, injunctive relief and other equitable remedies.

(b) The Shares have been duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms hereof, will be validly issued, fully paid and nonassessable and free from preemptive rights.

(c) The rights, preferences, privileges and restrictions granted to or imposed upon the Series Preferred and the holders thereof are as set forth in the Charter, and on the Date of Grant,

each share of the Series Preferred represented by this Warrant is convertible into one share of Common Stock.

(d) The shares of Common Stock issuable upon conversion of the Shares have been duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms of the Charter will be validly issued, fully paid and nonassessable.

(e) The execution and delivery of this Warrant are not, and the issuance of the Shares upon exercise of this Warrant in accordance with the terms hereof will not be inconsistent with the Company's Charter or by-laws, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound or require the consent or approval of, the giving of notice to, the registration or filing with or the taking of any action in respect of or by, any Federal, state or local government authority or agency or other person, except for the filing of notices pursuant to federal and state securities laws, which filings will be effected by the time required thereby.

(f) There are no actions, suits, audits, investigations or proceedings pending or, to the knowledge of the Company, threatened against the Company in any court or before any governmental commission, board or authority which, if adversely determined, could have a material adverse effect on the ability of the Company to perform its obligations under this Warrant.

(g) The number of shares of Common Stock of the Company outstanding on the date hereof, on a fully diluted basis (assuming the conversion of all outstanding convertible securities and the exercise of all outstanding options and warrants), does not exceed 48,000,000 shares.

12. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

13. Market Stand-off. The holder of this Warrant agrees to be bound by the "Market Stand-Off provision in Section 1(l) of the Rights Agreement.

14. Notices. Any notice, request, communication or other document required or permitted to be given or delivered to the holder hereof or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to each such holder at its address as shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant.

15. Binding Effect on Successors. This Warrant shall be binding upon any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Series Preferred issuable upon the exercise or conversion of this Warrant shall survive the exercise, conversion and

termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the holder hereof.

16. Lost Warrants or Stock Certificates. The Company covenants to the holder hereof that, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of such Warrant or stock certificate, the Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

17. Descriptive Headings. The descriptive headings of the various Sections of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The language in this Warrant shall be construed as to its fair meaning without regard to which party drafted this Warrant.

18. Governing Law. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California.

19. Survival of Representations, Warranties and Agreements. All representations and warranties of the Company and the holder hereof contained herein shall survive the Date of Grant, the exercise or conversion of this Warrant (or any part hereof) or the termination or expiration of rights hereunder. All agreements of the Company and the holder hereof contained herein shall survive indefinitely until, by their respective terms, they are no longer operative.

20. Remedies. In case any one or more of the covenants and agreements contained in this Warrant shall have been breached, the holders hereof (in the case of a breach by the Company), or the Company (in the case of a breach by a holder), may proceed to protect and enforce their or its rights either by suit in equity and/or by action at law, including, but not limited to, an action for damages as a result of any such breach and/or an action for specific performance of any such covenant or agreement contained in this Warrant.

21. No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against impairment.

22. Severability. The invalidity or unenforceability of any provision, of this Warrant in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction, or affect any other provision of this Warrant, which shall remain in full force and effect.

23. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Warrant, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Warrant, the successful or

prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

24. Entire Agreement: Modification. This Warrant constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and undertakings of the parties, whether oral or written, with respect to such subject matter.

The Company has caused this Warrant to be duly executed and delivered as of the Date of Grant specified above.

COMSCORE NETWORKS, INC.

By: /s/ James A. Powers

Title: General Counsel & Corporate Secretary

Address:

11465 Sunset Hills Road
Suite 200
Reston, VA 20190

EXHIBIT A-1

NOTICE OF EXERCISE

To: COMSCORE NETWORKS, INC. (the "Company")

1. The undersigned hereby:

- o elects to purchase _____ shares of [Series Preferred Stock] [Common Stock] of the Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full, or
- o elects to exercise its net issuance rights pursuant to Section 10.2 of the attached Warrant with respect to _____ Shares of [Series Preferred Stock] [Common Stock].

2. Please issue a certificate or certificates representing _____ shares in the name of the undersigned or in such other name or names as are specified below:

(Name)

(Address)

3. The undersigned represents that the aforesaid shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares, all except as in compliance with applicable securities laws.

(Signature)

(Date)

EXHIBIT A-2

NOTICE OF EXERCISE

To: COMSCORE NETWORKS, INC. (the "Company")

1. Contingent upon and effective immediately prior to the closing (the "Closing") of the Company's public offering contemplated by the Registration Statement on Form S _____, filed _____, 200_, the undersigned hereby:

o elects to purchase _____ shares of [Series Preferred Stock] [Common Stock] of the Company (or such lesser number of shares as may be sold on behalf of the undersigned at the Closing) pursuant to the terms of the attached Warrant, or

o elects to exercise its net issuance rights pursuant to Section 10.2 of the attached Warrant with respect to _____ Shares of [Series Preferred Stock] [Common Stock].

2. Please deliver to the custodian for the selling shareholders a stock certificate representing such _____ shares.

3. The undersigned has instructed the custodian for the selling shareholders to deliver to the Company \$ _____ or, if less, the net proceeds due the undersigned from the sale of shares in the aforesaid public offering. If such net proceeds are less than the purchase price for such shares, the undersigned agrees to deliver the difference to the Company prior to the Closing.

(Signature)

(Date)

EXHIBIT B

CHARTER

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR ANY STATE SECURITIES LAWS. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT (i) EFFECTIVE REGISTRATION STATEMENTS RELATED THERETO, (ii) AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATIONS ARE NOT REQUIRED, (iii) RECEIPT OF NO-ACTION LETTERS FROM THE APPROPRIATE GOVERNMENTAL AUTHORITIES, OR (iv) OTHERWISE COMPLYING WITH THE PROVISIONS OF SECTION 7 OF THIS WARRANT.

COMSCORE NETWORKS, INC.

WARRANT TO PURCHASE 108,382 SHARES
OF SERIES D PREFERRED STOCK

THIS CERTIFIES THAT, for value received, GATX VENTURES, INC. and its assignees are entitled to subscribe for and purchase 108,382 shares of the fully paid and nonassessable Series D Preferred Stock (as adjusted pursuant to Section 4 hereof, the "Shares") of COMSCORE NETWORKS, INC., a Delaware corporation (the "Company"), at the price of \$0.8996 per share (such price and such other price as shall result, from time to time, from the adjustments specified in Section 4 hereof is herein referred to as the "Warrant Price"), subject to the provisions and upon the terms and conditions hereinafter set forth. As used herein, (a) the term "Series Preferred" shall mean the Company's presently authorized Series D Preferred Stock, and any stock into or for which such Series D Preferred Stock may hereafter be converted or exchanged, and after the automatic conversion of the Series D Preferred Stock to Common Stock shall mean the Company's Common Stock, (b) the term "Date of Grant" shall mean July 31, 2002, and (c) the term "Other Warrants" shall mean any other warrants issued by the Company in connection with the transaction with respect to which this Warrant was issued, and any warrant issued upon transfer or partial exercise of or in lieu of this Warrant. The term "Warrant" as used herein shall be deemed to include Other Warrants unless the context clearly requires otherwise.

1. Term. The purchase right represented by this Warrant is exercisable, in whole or in part, at any time and from time to time from the Date of Grant through the later of (i) ten (10) years after the Date of Grant or (ii) five (5) years after the closing of the Company's initial public offering of its Common Stock ("IPO") effected pursuant to a Registration Statement on Form S-1 (or its successor) filed under the Securities Act of 1933, as amended (the "Act").

2. Method of Exercise; Payment; Issuance of New Warrant. Subject to Section 1 hereof, the purchase right represented by the Warrant may be exercised by the holder hereof, in whole or in part and from time to time, at the election of the holder hereof, by (a) the surrender of this Warrant (with the notice of exercise substantially in the form attached hereto as Exhibit A-1 duly completed and executed) at the principal office of the Company and by the payment to the Company, by certified or bank check, or by wire transfer to an account designated by the Company (a "Wire Transfer") of an amount equal to the then applicable Warrant Price multiplied by the number of Shares then being purchased; or (b) exercise of the "net issuance" right provided for in Section 10.2

hereof. The person or persons in whose name(s) any certificate(s) representing shares of Series Preferred shall be issuable upon exercise of this Warrant shall be deemed to have become the holder(s) of record of, and shall be treated for all purposes as the record holder(s) of, the shares represented thereby (and such shares shall be deemed to have been issued) immediately prior to the close of business on the date or dates upon which this Warrant is exercised. In the event of any exercise of the rights represented by this Warrant, certificates for the shares of stock so purchased shall be delivered to the holder hereof as soon as possible and in any event within thirty (30) days after such exercise and, unless this Warrant has been fully exercised or expired, a new Warrant representing the portion of the Shares, if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the holder hereof as soon as possible and in any event within such thirty-day period; provided, however, at such time as the Company is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, if requested by the holder of this Warrant, the Company shall use its best efforts to cause its transfer agent to deliver the certificate representing Shares issued upon exercise of this Warrant to a broker or other person (as directed by the holder exercising this Warrant) within the time period required to settle any trade made by the holder after exercise of this Warrant.

3. Stock Fully Paid; Reservation of Shares. All Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance pursuant to the terms and conditions herein, be fully paid and nonassessable, and free from all preemptive rights and taxes, liens and charges with respect to the issue thereof. During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized, and reserved for the purpose of the issue upon exercise of the purchase rights evidenced by this Warrant, a sufficient number of shares of its Series Preferred to provide for the exercise of the rights represented by this Warrant and a sufficient number of shares of its Common Stock to provide for the conversion of the Series Preferred into Common Stock.

4. Adjustment of Warrant Price and Number of Shares. The number and kind of securities purchasable upon the exercise of this Warrant and the Warrant Price shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

(a) Reclassification or Merger. In case of any reclassification or change of securities of the class issuable upon exercise of this Warrant (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), or in case of any merger of the Company with or into another corporation (other than a merger with another corporation in which the Company is the acquiring and the surviving corporation and which does not result in any reclassification or change of outstanding securities issuable upon exercise of this Warrant), or in case of any sale of all or substantially all of the assets of the Company, the Company, or such successor or purchasing corporation, as the case may be, shall duly execute and deliver to the holder of this Warrant a new Warrant (in form and substance satisfactory to the holder of this Warrant), or the Company shall make appropriate provision without the issuance of a new Warrant, so that the holder of this Warrant shall have the right to receive upon exercise of this Warrant, at a total purchase price not to exceed that payable upon the exercise of the unexercised portion of this Warrant, and in lieu of the shares of Series Preferred theretofore issuable upon exercise of this Warrant, the kind and amount of shares of stock, other securities, money and

property receivable upon such reclassification, change, merger or sale by a holder of the number of shares of Series Preferred then purchasable under this Warrant. Any new Warrant shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 4. The provisions of this Section 4(a) shall similarly apply to successive reclassifications, changes, mergers and sales.

(b) Subdivision or Combination of Shares. If the Company at any time while this Warrant remains outstanding and unexpired shall subdivide or combine its outstanding shares of Series Preferred, the Warrant Price shall be proportionately decreased and the number of Shares issuable hereunder shall be proportionately increased in the case of a subdivision and the Warrant Price shall be proportionately increased and the number of Shares issuable hereunder shall be proportionately decreased in the case of a combination.

(c) Stock Dividends and Other Distributions. If the Company at any time while this Warrant is outstanding and unexpired shall (i) pay a dividend with respect to Series Preferred payable in Series Preferred, then the Warrant Price shall be adjusted, from and after the date of determination of shareholders entitled to receive such dividend or distribution, to that price determined by multiplying the Warrant Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Series Preferred outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Series Preferred outstanding immediately after such dividend or distribution; or (ii) make any other distribution with respect to Series Preferred (except any distribution specifically provided for in Sections 4(a) and 4(b)), then, in each such case, provision shall be made by the Company such that the holder of this Warrant shall receive upon exercise of this Warrant a proportionate share of any such dividend or distribution as though it were the holder of the Series Preferred (or Common Stock issuable upon conversion thereof) as of the record date fixed for the determination of the shareholders of the Company entitled to receive such dividend or distribution.

(d) Adjustment of Number of Shares. Upon each adjustment in the Warrant Price, the number of Shares of Series Preferred purchasable hereunder shall be adjusted, to the nearest whole share, to the product obtained by multiplying the number of Shares purchasable immediately prior to such adjustment in the Warrant Price by a fraction, the numerator of which shall be the Warrant Price immediately prior to such adjustment and the denominator of which shall be the Warrant Price immediately thereafter.

(e) Antidilution Rights. The other antidilution rights applicable to the Shares of Series Preferred purchasable hereunder are set forth in the Company's Certificate of Incorporation, as amended through the Date of Grant, a true and complete copy of which is attached hereto as Exhibit B (the "Charter"). Such antidilution rights shall not be restated, amended, modified or waived in any manner that is adverse to the holder hereof without such holder's prior written consent, unless such amendment, modification or waiver affects such holder in the same manner as it affects other holders of only the Series Preferred. The Company shall promptly provide the holder hereof with any restatement, amendment, modification or waiver of the Charter promptly after the same has been made.

5. Notice of Adjustments. Whenever the Warrant Price or the number of Shares purchasable hereunder shall be adjusted pursuant to Section 4 hereof, the Company shall make a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Warrant Price and the number of Shares purchasable hereunder after giving effect to such, adjustment, and shall cause copies of such certificate to be mailed (without regard to Section 13 hereof, by first class mail, postage prepaid) to the holder of this Warrant. In addition, whenever the conversion price or conversion ratio of the Series Preferred shall be adjusted, the Company shall make a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment the method by which such adjustment was calculated, and the conversion price or ratio of the Series Preferred after giving effect to such adjustment, and shall cause copies of such certificate to be mailed (without regard to Section 13 hereof, by first class mail, postage prepaid) to the holder of this Warrant.

6. Fractional Shares. No fractional shares of Series Preferred will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor based on the fair market value of the Series Preferred on the date of exercise as reasonably determined in good faith by the Company's Board of Directors.

7. Compliance with Act; Disposition of Warrant or Shares of Series Preferred.

(a) Compliance with Act. The holder of this Warrant, by acceptance hereof, agrees that this Warrant, and the shares of Series Preferred to be issued upon exercise hereof and any Common Stock issued upon conversion thereof are being acquired for investment and that such holder will not offer, sell or otherwise dispose of this Warrant, or any shares of Series Preferred to be issued upon exercise hereof or any Common Stock issued upon conversion thereof except under circumstances which will not result in a violation of the Act or any applicable state securities laws. Upon exercise of this Warrant, unless the Shares being acquired are registered under the Act and any applicable state securities laws or an exemption from such registration is available, the holder hereof shall confirm in writing that the shares of Series Preferred so purchased (and any shares of Common Stock issued upon conversion thereof) are being acquired for investment and not with a view toward distribution or resale in violation of the Act and shall confirm such other matters related thereto as may be reasonably requested by the Company. This Warrant and all shares of Series Preferred issued upon exercise of this Warrant and all shares of Common Stock issued upon conversion thereof (unless registered under the Act and any applicable state securities laws) shall be stamped or imprinted with a legend in substantially the following form:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT (i) EFFECTIVE REGISTRATION STATEMENTS RELATED THERETO, (ii) AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATIONS ARE NOT REQUIRED, (iii) RECEIPT OF NO-ACTION LETTERS FROM THE APPROPRIATE GOVERNMENTAL AUTHORITIES, OR (iv) OTHERWISE COMPLYING

WITH THE PROVISIONS OF SECTION 7 OF THE WARRANT UNDER WHICH THESE SECURITIES WERE ISSUED, DIRECTLY OR INDIRECTLY.”

Said legend shall be removed by the Company, upon the request of a holder, at such time as the restrictions on the transfer of the applicable security shall have terminated. In addition, in connection with the issuance of this Warrant, the holder specifically represents to the Company by acceptance of this Warrant as follows:

(1) The holder is aware of the Company’s business affairs and financial condition, and has acquired information about the Company sufficient to reach an informed and knowledgeable decision to acquire this Warrant. The holder is acquiring this Warrant for its own account for investment purposes only and not with a view to, or for the resale in connection with, any “distribution” thereof in violation of the Act.

(2) The holder understands that this Warrant has not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the holder’s investment intent as expressed herein.

(3) The holder further understands that this Warrant must be held indefinitely unless subsequently registered under the Act and qualified under any applicable state securities laws, or unless exemptions from registration and qualification are otherwise available. The holder is aware of the provisions of Rule 144, promulgated under the Act.

(4) The holder is an “accredited investor” as such term is defined in Rule 501 of Regulation D promulgated under the Act.

(b) Disposition of Warrant or Shares. With respect to any offer, sale or other disposition of this Warrant or any shares of Series Preferred acquired pursuant to the exercise of this Warrant prior to registration of such Warrant or shares, the holder hereof agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of such holder’s counsel, or other evidence, if reasonably satisfactory to the Company, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Act as then in effect or any federal or state securities law then in effect) of this Warrant or such shares of Series Preferred or Common Stock and indicating whether or not under the Act certificates for this Warrant or such shares of Series Preferred to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with such law. Upon receiving such written notice and reasonably satisfactory opinion or other evidence, the Company, as promptly as practicable but no later than fifteen (15) days after receipt of the written notice, shall notify such holder that such holder may sell or otherwise dispose of this Warrant or such shares of Series Preferred or Common Stock, all in accordance with the terms of the notice delivered to the Company. If a determination has been made pursuant to this Section 7(b) that the opinion of counsel for the holder or other evidence is not reasonably satisfactory to the Company, the Company shall so notify the holder promptly with details thereof after such determination has been made. Notwithstanding the foregoing, this Warrant or such shares of Series Preferred or Common Stock may, as to such federal laws, be offered, sold or otherwise disposed of

in accordance with Rule 144 or 144A under the Act, provided that the Company shall have been furnished with such information as the Company may reasonably request to provide a reasonable assurance that the provisions of Rule 144 or 144A have been satisfied. Each certificate representing this Warrant or the shares of Series Preferred thus transferred (except a transfer pursuant to Rule 144 or 144A) shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with such laws, unless in the aforesaid opinion of counsel for the holder, such legend is not required in order to ensure compliance with such laws. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

(c) Applicability of Restrictions. Neither any restrictions of any legend described in this Warrant nor the requirements of Section 7(b) above shall apply to any transfer of, or grant of a security interest in, this Warrant (or the Series Preferred or Common Stock obtainable upon exercise thereof) or any part hereof (i) to a partner of the holder if the holder is a partnership or to a member of the holder if the holder is a limited liability company, (ii) to a partnership of which the holder is a partner or to a limited liability company of which the holder is a member, or (iii) to any affiliate of the holder if the holder is a corporation; provided, however, in any such transfer, if applicable, the transferee shall on the Company's request agree in writing to be bound by the terms of this Warrant as if an original holder hereof.

8. Rights as Shareholders; Information. No holder of this Warrant, as such, shall be entitled to vote or receive dividends or be deemed the holder of Series Preferred or any other securities of the Company which may at any time be issuable upon the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, any of the rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant shall have been exercised and the Shares purchasable upon the exercise hereof shall have become deliverable, as provided herein. Notwithstanding the foregoing, the Company will transmit to the holder of this Warrant such information, documents and reports as are generally distributed to the holders of any class or series of the securities of the Company concurrently with the distribution thereof to the shareholders.

9. Registration Rights. The Company grants registration rights to the holder of this Warrant for any Common Stock of the Company obtained upon conversion of the Series Preferred, comparable to the registration rights granted to the investors in that certain Second Amended and Restated Investor Rights Agreement dated as of August 8, 2001, (the "Registration Rights Agreement"), with the following exceptions and clarifications:

(1) The holder will have not have the right to demand registration, but can otherwise participate in any registration demanded by others other holders of at least a majority of the Registrable Securities (as defined in the Rights Agreement).

(2) The holder will be subject to the same provisions regarding indemnification as contained in the Registration Rights Agreement.

(3) The registration rights are freely assignable by the holder of this Warrant in connection with a permitted transfer of this Warrant or the Shares.

10. Additional Rights.

10.1 Acquisition Transactions. The Company shall provide the holder of this Warrant with at least twenty (20) days' written notice prior to closing thereof of the terms and conditions of any of the following transactions (to the extent the Company has notice thereof): (i) the sale, lease, exchange, conveyance or other disposition of all or substantially all of the Company's property or business, or (ii) its merger into or consolidation with any other corporation (other than a wholly-owned subsidiary of the Company), or any transaction (including a merger or other reorganization) or series of related transactions, in which more than 50% of the voting power of the Company is disposed of.

10.2 Right to Convert Warrant into Stock: Net Issuance.

(a) Right to Convert. In addition to and without limiting the rights of the holder under the terms of this Warrant, the holder shall have the right to convert this Warrant or any portion thereof (the "Conversion Right") into shares of Series Preferred as provided in this Section 10.2 at any time or from time to time during the term of this Warrant. Upon exercise of the Conversion Right with respect to a particular number of shares subject to this Warrant (the "Converted Warrant Shares"), the Company shall deliver to the holder (without payment by the holder of any exercise price or any cash or other consideration) that number of shares of fully paid and nonassessable Series Preferred as is determined according to the following formula;

$$X = \frac{B - A}{Y}$$

Where: X = the number of shares of Series Preferred that shall be issued to holder

Y = the fair market value of one share of Series Preferred

A = the aggregate Warrant Price of the specified number of Converted Warrant Shares immediately prior to the exercise of the Conversion Right (*i.e.*, the number of Converted Warrant Shares *multiplied by* the Warrant Price)

B = the aggregate fair market value of the specified number of Converted Warrant Shares (*i.e.*, the number of Converted Warrant Shares *multiplied by* the fair market value of one Converted Warrant Share)

No fractional shares shall be issuable upon exercise of the Conversion Right, and, if the number of shares to be issued determined in accordance with the foregoing formula is other than a whole number, the Company shall pay to the holder an amount in cash equal to the fair market value of the resulting fractional share on the Conversion Date (as hereinafter defined). For purposes of

Section 10 of this Warrant, shares issued pursuant to the Conversion Right shall be treated as if they were issued upon the exercise of this Warrant.

(b) Method of Exercise. The Conversion Right may be exercised by the holder by the surrender of this Warrant at the principal office of the Company together with a written statement (which may be in the form of Exhibit A-1 or Exhibit A-2 hereto) specifying that the holder thereby intends to exercise the Conversion Right and indicating the number of shares subject to this Warrant which are being surrendered (referred to in Section 10.2(a) hereof as the Converted Warrant Shares) in exercise of the Conversion Right. Such conversion shall be effective upon receipt by the Company of this Warrant together with the aforesaid written statement, or on such later date as is specified therein (the "Conversion Date"), and, at the election of the holder hereof, may be made contingent upon the closing of the sale of the Company's Common Stock to the public in a public offering pursuant to a Registration Statement under the Act (a "Public Offering"), Certificates for the shares issuable upon exercise of the Conversion Right and, if applicable, a new warrant evidencing the balance of the shares remaining subject to this Warrant, shall be issued as of the Conversion Date and shall be delivered to the holder within thirty (30) days following the Conversion Date.

(c) Determination of Fair Market Value. For purposes of this Section 10.2, "fair market value" of a share of Series Preferred (or Common Stock if the Series Preferred has been automatically converted into Common Stock) as of a particular date (the "Determination Date") shall mean:

(i) If the Conversion Right is exercised in connection with and contingent upon a Public Offering, and if the Company's Registration Statement relating to such Public Offering ("Registration Statement") has been declared effective by the Securities and Exchange Commission, then the initial "Price to Public" specified in the final prospectus with respect to such offering.

(ii) If the Conversion Right is not exercised in connection with and contingent upon a Public Offering, then as follows:

(A) If traded on a securities exchange, the fair market value of the Common Stock shall be deemed to be the average of the closing prices of the Common Stock on such exchange over the five trading days immediately prior to the Determination Date, and the fair market value of the Series Preferred shall be deemed to be such fair market value of the Common Stock multiplied by the number of shares of Common Stock into which each share of Series Preferred is then convertible;

(B) If traded on the Nasdaq Stock Market or other over-the-counter system, the fair market value of the Common Stock shall be deemed to be the average of the closing bid prices of the Common Stock over the five trading days immediately prior to the Determination Date, and the fair market value of the Series Preferred shall be deemed to be such fair market value of the Common Stock multiplied by the number of shares of Common Stock into which each share of Series Preferred is then convertible; and

(C) If there is no public market for the Common Stock, then fair market value shall be determined in good faith by the board of directors of the Company.

In making a determination under clauses (A) or (B) above, if on the Determination Date, five trading days had not passed since the IPO, then the fair market value of the Common Stock shall be the average closing prices or closing bid prices, as applicable, for the shorter period beginning on and including the date of the IPO and ending on the trading day prior to the Determination Date (or if such period includes only one trading day the closing price or closing bid price, as applicable, for such trading day). If closing prices or closing bid prices are no longer reported by a securities exchange or other trading system, the closing price or closing bid price shall be that which is reported by such securities exchange or other trading system at 4:00 p.m. New York City time on the applicable trading day.

10.3 Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all of the Shares subject hereto, and if the fair market value of one share of the Series Preferred is greater than the Warrant Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 10.2 above (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Series Preferred upon such expiration shall be determined pursuant to Section 10.2(c). To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 10.3, the Company agrees to promptly notify the holder hereof of the number of Shares, if any, the holder hereof is to receive by reason of such automatic exercise.

11. Representations and Warranties. The Company represents and warrants to the holder of this Warrant as follows:

(a) This Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and the rules of law or principles at equity governing specific performance, injunctive relief and other equitable remedies.

(b) The Shares have been duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms hereof, will be validly issued, fully paid and nonassessable and free from preemptive rights.

(c) The rights, preferences, privileges and restrictions granted to or imposed upon the Series Preferred and the holders thereof are as set forth in the Charter, and on the Date of Grant, each share of the Series Preferred represented by this Warrant is convertible into one share of Common Stock.

(d) The shares of Common Stock issuable upon conversion of the Shares have been duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms of the Charter will be validly issued, fully paid and nonassessable.

(e) The execution and delivery of this Warrant are not, and the issuance of the Shares upon exercise of this Warrant in accordance with the terms hereof will not be, inconsistent with the Company's Charter or by-laws, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound or require the consent or approval of, the giving of notice to, the registration or filing with or the taking of any action in respect of or by, any Federal, state or local government authority or agency or other person, except for the filing of notices pursuant to federal and state securities laws, which filings will be effected by the time required thereby.

(f) There are no actions, suits, audits, investigations or proceedings pending or, to the knowledge of the Company, threatened against the Company in any court or before any governmental commission, board or authority which, if adversely determined, could have a material adverse effect on the ability of the Company to perform its obligations under this Warrant.

(g) The number of shares of Common Stock of the Company outstanding on the date hereof, on a fully diluted basis (assuming the conversion of all outstanding convertible securities and the exercise of all outstanding options and warrants), does not exceed 48,000,000 shares.

12. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

13. Market Stand-off. The holder of this Warrant agrees to be bound by the "Market Stand-Off" provision in Section 1(l) of the Rights Agreement.

14. Notices. Any notice, request, communication or other document required or permitted to be given or delivered to the holder hereof or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to each such holder at its address as shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant.

15. Binding Effect on Successors. This Warrant shall be binding upon any corporation succeeding the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets, and all of the obligations of the Company relating to the Series Preferred issuable upon the exercise or conversion of this Warrant shall survive the exercise, conversion and termination of this Warrant and all of the covenants and agreements of the Company shall inure to the benefit of the successors and assigns of the holder hereof.

16. Lost Warrants or Stock Certificates. The Company covenants to the holder hereof that, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of such Warrantor stock certificate, the

Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

17. Descriptive Headings. The descriptive headings of the various Sections of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The language in this Warrant shall be construed as to its fair meaning without regard to which party drafted this Warrant.

18. Governing Law. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California.

19. Survival of Representations, Warranties and Agreements. All representations and warranties of the Company and the holder hereof contained herein shall survive the Date of Grant, the exercise or conversion of this Warrant (or any part hereof) or the termination, or expiration of rights hereunder. All agreements of the Company and the holder hereof contained herein shall survive indefinitely until, by their respective terms, they are no longer operative.

20. Remedies. In case any one or more of the covenants and agreements contained in this Warrant shall have been breached, the holders hereof (in the case of a breach by the Company), or the Company (in the case of a breach by a holder), may proceed to protect and enforce their or its rights either by suit in equity and/or by action at law, including, but not limited to, an action for damages as a result of any such breach and/or an action for specific performance of any such covenant or agreement contained in this Warrant.

21. No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against impairment.

22. Severability. The invalidity or unenforceability of any provision of this Warrant in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction, or affect any other provision of this Warrant, which shall remain in full force and effect.

23. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Warrant, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Warrant, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

24. Entire Agreement Modification. This Warrant constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and undertakings of the parties, whether oral or written, with respect to such subject matter.

The Company has caused this Warrant to be duly executed and delivered as of the Date of Grant specified above.

COMSCORE NETWORKS, INC.

By /s/ James A. Powers

Title: /s/ General Counsel / Secretary

Address:

11465 Sunset Hills Road
Suite 200
Reston, VA 20190

EXHIBIT A-1
NOTICE OF EXERCISE

To: COMSCORE NETWORKS, INC. (the "Company")

1. The undersigned hereby:

- o elects to purchase ___ shares of [Series Preferred Stock] [Common Stock] of the Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full, or
- o elects to exercise its net issuance rights pursuant to Section 10.2 of the attached Warrant with respect to ___ Shares of [Series Preferred Stock] [Common Stock].

2. Please issue a certificate or certificates representing ___ shares in the name of the undersigned or in such other name or names as are specified below:

(Name)

(Address)

3. The undersigned represents that the aforesaid shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares, all except as in compliance with applicable securities laws.

(Signature)

(Date)

EXHIBIT A-2
NOTICE OF EXERCISE

To: COMSCORE NETWORKS, INC. (the "Company")

1. Contingent upon and effective immediately prior to the closing (the "Closing") of the Company's public offering contemplated by the Registration Statement on Form S____, filed ____200____, the undersigned hereby:

o elects to purchase ____shares of [Series Preferred Stock] [Common Stock] of the Company (or such lesser number of shares as may be sold on behalf of the undersigned at the Closing) pursuant to the terms of the attached Warrant, or

o elects to exercise its net issuance rights pursuant to Section 10.2 of the attached Warrant with respect to ____Shares of [Series Preferred Stock] [Common Stock].

2. Please deliver to the custodian for the selling shareholders a stock certificate representing such ____ shares.

3. The undersigned has instructed the custodian for the selling shareholders to deliver to the Company S____or, if less, the net proceeds due the undersigned from the sale of shares in the aforesaid public offering. If such net proceeds are less than the purchase price for such shares, the undersigned agrees to deliver the difference to the Company prior to the Closing.

(Signature)

(Date)

EXHIBIT B
CHARTER

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED OR ANY STATE SECURITIES LAWS. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT (i) EFFECTIVE REGISTRATION STATEMENTS RELATED THERETO, (ii) AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATIONS ARE NOT REQUIRED, (iii) RECEIPT OF NO-ACTION LETTERS FROM THE APPROPRIATE GOVERNMENTAL AUTHORITIES, OR (iv) OTHERWISE COMPLYING WITH THE PROVISIONS OF SECTION 7 OF THIS WARRANT.

COMSCORE NETWORKS, INC.

WARRANT TO PURCHASE 240,000 SHARES
OF SERIES E PREFERRED STOCK

THIS CERTIFIES THAT, for value received, Heller Financial Leasing, Inc., a GE Capital company, and its assignees are entitled to subscribe for and purchase 240,000 shares of the fully paid and nonassessable Series E Preferred Stock (as adjusted pursuant to Section 4 hereof, the "Shares") of COMSCORE NETWORKS, INC., a Delaware corporation (the "Company"), at the price of \$0.50 per share (such price and such other price as shall result, from time to time, from the adjustments specified in Section 4 hereof is herein referred to as the "Warrant Price"), subject to the provisions and upon the terms and conditions hereinafter set forth. As used herein, (a) the term "Series Preferred" shall mean the Company's presently authorized Series E Preferred Stock, and any stock into or for which such Series E Preferred Stock may hereafter be converted or exchanged, and after the automatic conversion of the Series E Preferred Stock to Common Stock shall mean the Company's Common Stock, (b) the term "Date of Grant" shall mean December 19, 2003, and (c) the term "Other Warrants" shall mean any other warrants issued by the Company in connection with the transaction with respect to which this Warrant was issued, and any warrant issued upon transfer or partial exercise of or in lieu of this Warrant. The term "Warrant" as used herein shall be deemed to include Other Warrants unless the context clearly requires otherwise.

1. Term. The purchase right represented by this Warrant is exercisable, in whole or in part, at any time and from time to time from the Date of Grant through the later of (i) ten (10) years after the Date of Grant or (ii) five (5) years after the closing of the Company's initial public offering of its Common Stock ("IPO") effected pursuant to a Registration Statement on Form S-1 (or its successor) filed under the Securities Act of 1933, as amended (the "Act"); provided, however, if the underwriter of an initial public offering of the Company's stock provides the holder of this Warrant reasonable prior written notice, requesting such holder to exercise its option to purchase Shares, the holder shall within a reasonable period of time either exercise its rights under this warrant or waive its right to exercise.

Notwithstanding the term of this Warrant fixed pursuant to the above paragraph, the right to purchase Series Preferred as granted herein shall expire, if not previously exercised, immediately upon the closing of a sale, conveyance, disposal or encumbrance of all or substantially all of the Company's property or business or the Company's merger into or consolidation with any other

corporation or any other transaction or series of related transactions in which more than fifty percent (50%) of the voting power of the Company is disposed of (a "Merger"), provided that the term "Merger" shall not apply to a merger effected exclusively for the purpose of changing the domicile of the company.

The Company shall provide the holder of this Warrant with at least twenty (20) days' written notice prior to closing thereof of the terms and conditions of a Merger. However, if the Company fails to deliver such written notice, then notwithstanding anything to the contrary in this Warrant, the rights to purchase the Company's Series Preferred shall not expire until the Company complies with such notice provisions. If such closing does not take place, the Company shall promptly notify the holder of the Warrant that such proposed transaction has been terminated, and the holder of the Warrant may rescind any exercise of its purchase rights promptly after such notice of termination of the proposed transaction if the exercise of the Warrant has occurred after the Company notified the holder that the Merger was proposed. In the event of such rescission, the Warrant will continue to be exercisable on the same terms and conditions contained herein.

2. Method of Exercise; Payment; Issuance of New Warrant. Subject to Section 1 hereof, the purchase right represented by this Warrant may be exercised by the holder hereof, in whole or in part and from time to time, at the election of the holder hereof, by (a) the surrender of this Warrant (with the notice of exercise substantially in the form attached hereto as Exhibit A-1 duly completed and executed) at the principal office of the Company and by the payment to the Company, by certified or bank check, or by wire transfer to an account designated by the Company (a "Wire Transfer") of an amount equal to the then applicable Warrant Price multiplied by the number of Shares then being purchased; or (b) exercise of the "net issuance" right provided for in Section 10.1 hereof. The person or persons in whose name(s) any certificate(s) representing shares of Series Preferred shall be issuable upon exercise of this Warrant shall be deemed to have become the holder(s) of record of, and shall be treated for all purposes as the record holder(s) of, the shares represented thereby (and such shares shall be deemed to have been issued) immediately prior to the close of business on the date or dates upon which this Warrant is exercised. In the event of any exercise of the rights represented by this Warrant, certificates for the shares of stock so purchased shall be delivered to the holder hereof as soon as possible and in any event within thirty (30) days after such exercise and, unless this Warrant has been fully exercised or expired, a new Warrant representing the portion of the Shares, if any, with respect to which this Warrant shall not then have been exercised shall also be issued to the holder hereof as soon as possible and in any event within such thirty-day period; provided, however, at such time as the Company is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, if requested by the holder of this Warrant, the Company shall use its best efforts to cause its transfer agent to deliver the certificate representing Shares issued upon exercise of this Warrant to a broker or other person (as directed by the holder exercising this Warrant) within the time period required to settle any trade made by the holder after exercise of this Warrant.

3. Stock Fully Paid; Reservation of Shares. All Shares that may be issued upon the exercise of the rights represented by this Warrant will, upon issuance pursuant to the terms and conditions herein, be fully paid and nonassessable, and free from all preemptive rights and taxes,

liens and charges with respect to the issue thereof, other than preemptive rights to which all holders of Series Preferred are subject pursuant to the Rights Agreement (as defined below). During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized, and reserved for the purpose of the issue upon exercise of the purchase rights evidenced by this Warrant, a sufficient number of shares of its Series Preferred to provide for the exercise of the rights represented by this Warrant and a sufficient number of shares of its Common Stock to provide for the conversion of the Series Preferred into Common Stock.

4. Adjustment of Warrant Price and Number of Shares. The number and kind of securities purchasable upon the exercise of this Warrant and the Warrant Price shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

(a) Reclassification. In case of any reclassification or change of securities of the class issuable upon exercise of this Warrant (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), the Company, or such successor corporation, shall duly execute and deliver to the holder of this Warrant a new Warrant (in form and substance satisfactory to the holder of this Warrant), or the Company shall make appropriate provision without the issuance of a new Warrant, so that the holder of this Warrant shall have the right to receive upon exercise of this Warrant, at a total purchase price not to exceed that payable upon the exercise of the unexercised portion of this Warrant, and in lieu of the shares of Series Preferred theretofore issuable upon exercise of this Warrant, the kind and amount of shares of stock, other securities, money and property receivable upon such reclassification or change, by a holder of the number of shares of Series Preferred then purchasable under this Warrant. Any new Warrant shall provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 4. The provisions of this Section 4(a) shall similarly apply to successive rectifications and changes.

(b) Subdivision or Combination of Shares. If the Company at any time while this Warrant remains outstanding and unexpired shall subdivide or combine its outstanding shares of Series Preferred, the Warrant Price shall be proportionately decreased and the number of Shares issuable hereunder shall be proportionately increased in the case of a subdivision and the Warrant Price shall be proportionately increased and the number of Shares issuable hereunder shall be proportionately decreased in the case of a combination.

(c) Stock Dividends and Other Distributions. If the Company at any time while this Warrant is outstanding and unexpired shall (i) pay a dividend with respect to Series Preferred payable in Series Preferred, then the Warrant Price shall be adjusted, from and after the date of determination of shareholders entitled to receive such dividend or distribution, to that price determined by multiplying the Warrant Price in effect immediately prior to such date of determination by a fraction (A) the numerator of which shall be the total number of shares of Series Preferred outstanding immediately prior to such dividend or distribution, and (B) the denominator of which shall be the total number of shares of Series Preferred outstanding immediately after such dividend or distribution; or (ii) make any other distribution with respect to Series Preferred (except any distribution specifically provided for in Sections 4(a) and 4(b)), then, in each such case, provision shall be made by the Company such that the holder of this Warrant shall receive upon

exercise of this Warrant a proportionate share of any such dividend or distribution as though it were the holder of the Series Preferred (or Common Stock issuable upon conversion thereof) as of the record date fixed for the determination of the shareholders of the Company entitled to receive such dividend or distribution.

(d) Adjustment of Number of Shares. Upon each adjustment in the Warrant Price, the number of Shares of Series Preferred purchasable hereunder shall be adjusted, to the nearest whole share, to the product obtained by multiplying the number of Shares purchasable immediately prior to such adjustment in the Warrant Price by a fraction, the numerator of which shall be the Warrant Price immediately prior to such adjustment and the denominator of which shall be the Warrant Price immediately thereafter.

(e) Antidilution Rights. The other antidilution rights applicable to the Shares of Series Preferred purchasable hereunder are set forth in the Company's Certificate of Incorporation, as amended through the Date of Grant, a true and complete copy of which is attached hereto as Exhibit B (the "Charter"). Such antidilution rights shall not be restated, amended, modified or waived in any manner that is adverse to the holder hereof without such holder's prior written consent, unless such amendment, modification or waiver affects such holder in the same manner as it affects other holders of only the Series Preferred. The Company shall promptly provide the holder hereof with any restatement, amendment, modification or waiver of the Charter promptly after the same has been made.

5. Notice of Adjustments. Whenever the Warrant Price or the number of Shares purchasable hereunder shall be adjusted pursuant to Section 4 hereof, the Company shall make a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the Warrant Price and the number of Shares purchasable hereunder after giving effect to such adjustment, and shall cause copies of such certificate to be mailed (without regard to Section 14 hereof, by first class mail, postage prepaid) to the holder of this Warrant. In addition, whenever the conversion price or conversion ratio of the Series Preferred shall be adjusted, the Company shall make a certificate signed by its chief financial officer setting forth, in reasonable detail, the event requiring the adjustment, the amount of the adjustment, the method by which such adjustment was calculated, and the conversion price or ratio of the Series Preferred after giving effect to such adjustment, and shall cause copies of such certificate to be mailed (without regard to Section 14 hereof, by first class mail, postage prepaid) to the holder of this Warrant.

6. Fractional Shares. No fractional shares of Series Preferred will be issued in connection with any exercise hereunder, but in lieu of such fractional shares the Company shall make a cash payment therefor based on the fair market value of the Series Preferred on the date of exercise as reasonably determined in good faith by the Company's Board of Directors.

7. Compliance with Act; Disposition of Warrant or Shares of Series Preferred.

(a) Compliance with Act. The holder of this Warrant, by acceptance hereof, agrees that this Warrant, and the shares of Series Preferred to be issued upon exercise hereof and any

Common Stock issued upon conversion thereof are being acquired for investment and that such holder will not offer, sell or otherwise dispose of this Warrant, or any shares of Series Preferred to be issued upon exercise hereof or any Common Stock issued upon conversion thereof except under circumstances which will not result in a violation of the Act or any applicable state securities laws. Upon exercise of this Warrant, unless the Shares being acquired are registered under the Act and any applicable state securities laws or an exemption from such registration is available, the holder hereof shall confirm in writing that the shares of Series Preferred so purchased (and any shares of Common Stock issued upon conversion thereof) are being acquired for investment and not with a view toward distribution or resale in violation of the Act and shall confirm such other matters related thereto as may be reasonably requested by the Company. This Warrant and all shares of Series Preferred issued upon exercise of this Warrant and all shares of Common Stock issued upon conversion thereof (unless registered under the Act and any applicable state securities laws) shall be stamped or imprinted with a legend in substantially the following form:

“THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NO SALE OR DISPOSITION MAY BE EFFECTED WITHOUT (i) EFFECTIVE REGISTRATION STATEMENTS RELATED THERETO, (ii) AN OPINION OF COUNSEL OR OTHER EVIDENCE, REASONABLY SATISFACTORY TO THE COMPANY, THAT SUCH REGISTRATIONS ARE NOT REQUIRED, (iii) RECEIPT OF NO-ACTION LETTERS FROM THE APPROPRIATE GOVERNMENTAL AUTHORITIES, OR (iv) OTHERWISE COMPLYING WITH THE PROVISIONS OF SECTION 7 OF THE WARRANT UNDER WHICH THESE SECURITIES WERE ISSUED, DIRECTLY OR INDIRECTLY.”

Said legend shall be removed by the Company, upon the request of a holder, at such time as the restrictions on the transfer of the applicable security shall have terminated. In addition, in connection with the issuance of this Warrant, the holder specifically represents to the Company by acceptance of this Warrant as follows:

(1) The holder is aware of the Company’s business affairs and financial condition, and has acquired information about the Company sufficient to reach an informed and knowledgeable decision to acquire this Warrant. The holder is acquiring this Warrant for its own account for investment purposes only and not with a view to, or for the resale in connection with, any “distribution” thereof in violation of the Act.

(2) The holder understands that this Warrant has not been registered under the Act in reliance upon a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of the holder’s investment intent as expressed herein.

(3) The holder further understands that this Warrant must be held indefinitely unless subsequently registered under the Act and qualified under any applicable state securities laws, or unless exemptions from registration and qualification are otherwise available. The holder is aware of the provisions of Rule 144, promulgated under the Act.

(4) The holder is an “accredited investor” as such term is defined in Rule 501 of Regulation D promulgated under the Act.

(b) Disposition of Warrant or Shares. With respect to any offer, sale or other disposition of this Warrant or any shares of Series Preferred acquired pursuant to the exercise of this Warrant prior to registration of such Warrant or shares, the holder hereof agrees to give written notice to the Company prior thereto, describing briefly the manner thereof, together with a written opinion of such holder’s counsel, or other evidence, if reasonably satisfactory to the Company, to the effect that such offer, sale or other disposition may be effected without registration or qualification (under the Act as then in effect or any federal or state securities law then in effect) of this Warrant or such shares of Series Preferred or Common Stock and indicating whether or not under the Act certificates for this Warrant or such shares of Series Preferred to be sold or otherwise disposed of require any restrictive legend as to applicable restrictions on transferability in order to ensure compliance with such law. Upon receiving such written notice and reasonably satisfactory opinion or other evidence, the Company, as promptly as practicable but no later than fifteen (15) days after receipt of the written notice, shall notify such holder that such holder may sell or otherwise dispose of this Warrant or such shares of Series Preferred or Common Stock, all in accordance with the terms of the notice delivered to the Company. If a determination has been made pursuant to this Section 7(b) that the opinion of counsel for the holder or other evidence is not reasonably satisfactory to the Company, the Company shall so notify the holder promptly with details thereof after such determination has been made. Notwithstanding the foregoing, this Warrant or such shares of Series Preferred or Common Stock may, as to such federal laws, be offered, sold or otherwise disposed of in accordance with Rule 144 or 144A under the Act, provided that the Company shall have been furnished with such information as the Company may reasonably request to provide a reasonable assurance that the provisions of Rule 144 or 144A have been satisfied. Each certificate representing this Warrant or the shares of Series Preferred thus transferred (except a transfer pursuant to Rule 144 or 144A) shall bear a legend as to the applicable restrictions on transferability in order to ensure compliance with such laws, unless in the aforesaid opinion of counsel for the holder, such legend is not required in order to ensure compliance with such laws. The Company may issue stop transfer instructions to its transfer agent in connection with such restrictions.

(c) Applicability of Restrictions. Neither any restrictions of any legend described in this Warrant nor the requirements of Section 7(b) above shall apply to any transfer of, or grant of a security interest in, this Warrant (or the Series Preferred or Common Stock obtainable upon exercise thereof) or any part hereof (i) to a partner of the holder if the holder is a partnership or to a member of the holder if the holder is a limited liability company, (ii) to a partnership of which the holder is a partner or to a limited liability company of which the holder is a member, or (iii) to any affiliate of the holder if the holder is a corporation; provided, however, in any such transfer, if applicable, the transferee shall on the Company’s request agree in writing to be bound by the terms of this Warrant as if an original holder hereof.

8. Rights as Shareholders. No holder of this Warrant, as such, shall be entitled to vote or receive dividends or be deemed the holder of Series Preferred or any other securities of the Company which may at any time be issuable upon the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the holder of this Warrant, as such, any of the

rights of a shareholder of the Company or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until this Warrant shall have been exercised and the Shares purchasable upon the exercise hereof shall have become deliverable, as provided herein.

9. Registration Rights. The Company grants registration rights to the holder of this Warrant for any Common Stock of the Company obtained upon conversion of the Series Preferred, comparable to the registration rights granted to the investors in that certain Fourth Amended and Restated Investor Rights Agreement dated as of August 1, 2001 (the "Rights Agreement"), with the following exceptions and clarifications:

(1) The holder will have not have the right to demand registration, but can otherwise participate in any registration demanded by other holders of at least a majority of the Registrable Securities (as defined in the Rights Agreement).

(2) The holder will be subject to the same provisions regarding indemnification as contained in the Rights Agreement.

(3) The registration rights are freely assignable by the holder of this Warrant in connection with a permitted transfer, in accordance with Section 7 above, of this Warrant or the Shares.

10. Additional Rights.

10.1 Right to Convert Warrant into Stock: Net Issuance.

(a) Right to Convert. In addition to and without limiting the rights of the holder under the terms of this Warrant, the holder shall have the right to convert this Warrant or any portion thereof (the "Conversion Right") into shares of Series Preferred as provided in this Section 10.1 at any time or from time to time during the term of this Warrant. Upon exercise of the Conversion Right with respect to a particular number of shares subject to this Warrant (the "Converted Warrant Shares"), the Company shall deliver to the holder (without payment by the holder of any exercise price or any cash or other consideration) that number of shares of fully paid and nonassessable Series Preferred as is determined according to the following formula:

$$X = \frac{B - A}{Y}$$

Where: X = the number of shares of Series Preferred that shall be issued to holder

Y = the fair market value of one share of Series Preferred

A = the aggregate Warrant Price of the specified number of Converted Warrant Shares immediately prior to the exercise of the Conversion Right (i.e., the number of Converted Warrant Shares multiplied by the Warrant Price)

B = the aggregate fair market value of the specified number of Converted Warrant Shares (*i.e.*, the number of Converted Warrant Shares *multiplied* by the fair market value of one Converted Warrant Share)

No fractional shares shall be issuable upon exercise of the Conversion Right, and, if the number of shares to be issued determined in accordance with the foregoing formula is other than a whole number, the Company shall pay to the holder an amount in cash equal to the fair market value of the resulting fractional share on the Conversion Date (as hereinafter defined). For purposes of Section 10 of this Warrant, shares issued pursuant to the Conversion Right shall be treated as if they were issued upon the exercise of this Warrant.

(b) Method of Exercise. The Conversion Right may be exercised by the holder by the surrender of this Warrant at the principal office of the Company together with a written statement (which may be in the form of Exhibit A-1) specifying that the holder thereby intends to exercise the Conversion Right and indicating the number of shares subject to this Warrant which are being surrendered (referred to in Section 10.1 (a) hereof as the Converted Warrant Shares) in exercise of the Conversion Right. Such conversion shall be effective upon receipt by the Company of this Warrant together with the aforesaid written statement, or on such later date as is specified therein (the "Conversion Date"), and, at the election of the holder hereof, may be made contingent upon the closing of the sale of the Company's Common Stock to the public in a public offering pursuant to a Registration Statement under the Act (a "Public Offering"). Certificates for the shares issuable upon exercise of the Conversion Right and, if applicable, a new warrant evidencing the balance of the shares remaining subject to this Warrant, shall be issued as of the Conversion Date and shall be delivered to the holder within thirty (30) days following the Conversion Date.

(c) Determination of Fair Market Value. For purposes of this Section 10.1, "fair market value" of a share of Series Preferred (or Common Stock if the Series Preferred has been automatically converted into Common Stock) as of a particular date (the "Determination Date") shall mean:

(i) If the Conversion Right is exercised in connection with and contingent upon a Public Offering, and if the Company's Registration Statement relating to such Public Offering ("Registration Statement") has been declared effective by the Securities and Exchange Commission, then the initial "Price to Public" specified in the final prospectus with respect to such offering.

(ii) If the Conversion Right is not exercised in connection with and contingent upon a Public Offering, then as follows:

(A) If traded on a securities exchange, the fair market value of the Common Stock shall be deemed to be the average of the closing prices of the Common Stock on such exchange over the five trading days immediately prior to the Determination Date, and the fair market value of the Series Preferred shall be deemed to be such fair market value of the Common Stock multiplied by the number of shares of Common Stock into which each share of Series Preferred is then convertible;

(B) If traded on the Nasdaq Stock Market or other over-the-counter system, the fair market value of the Common Stock shall be deemed to be the average of the closing bid prices of the Common Stock over the five trading days immediately prior to the Determination Date, and the fair market value of the Series Preferred shall be deemed to be such fair market value of the Common Stock multiplied by the number of shares of Common Stock into which each share of Series Preferred is then convertible; and

(C) If there is no public market for the Common Stock, then fair market value shall be reasonably determined by the board of directors of the Company.

In making a determination under clauses (A) or (B) above, if on the Determination Date, five trading days had not passed since the IPO, then the fair market value of the Common Stock shall be the average closing prices or closing bid prices, as applicable, for the shorter period beginning on and including the date of the IPO and ending on the trading day prior to the Determination Date (or if such period includes only one trading day the closing price or closing bid price, as applicable, for such trading day). If closing prices or closing bid prices are no longer reported by a securities exchange or other trading system, the closing price or closing bid price shall be that which is reported by such securities exchange or other trading system at 4:00 p.m. New York City time on the applicable trading day.

10.2 Exercise Prior to Expiration. To the extent this Warrant is not previously exercised as to all of the Shares subject hereto, and if the fair market value of one share of the Series Preferred is greater than the Warrant Price then in effect, this Warrant shall be deemed automatically exercised pursuant to Section 10.1 above (even if not surrendered) immediately before its expiration. For purposes of such automatic exercise, the fair market value of one share of the Series Preferred upon such expiration shall be determined pursuant to Section 10.1(c). To the extent this Warrant or any portion thereof is deemed automatically exercised pursuant to this Section 10.2, the Company agrees to promptly notify the holder hereof of the number of Shares, if any, the holder hereof is to receive by reason of such automatic exercise.

11. Representations and Warranties. The Company represents and warrants to the holder of this Warrant as follows:

(a) This Warrant has been duly authorized and executed by the Company and is a valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and the rules of law or principles at equity governing specific performance, injunctive relief and other equitable remedies,

(b) The Shares have been duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms hereof, will be validly issued, fully paid and nonassessable and free from preemptive rights.

(c) The rights, preferences, privileges and restrictions granted to or imposed upon the Series Preferred and the holders thereof are as set forth in the Charter, and on the Date of Grant,

each share of the Series Preferred represented by this Warrant is convertible into one share of Common Stock.

(d) The shares of Common Stock issuable upon conversion of the Shares have been duly authorized and reserved for issuance by the Company and, when issued in accordance with the terms of the Charter will be validly issued, fully paid and nonassessable.

(e) The execution and delivery of this Warrant are not, and the issuance of the Shares upon exercise of this Warrant in accordance with the terms hereof will not be, inconsistent with the Company's Charter or by-laws, do not and will not contravene any law, governmental rule or regulation, judgment or order applicable to the Company, and do not and will not conflict with or contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument of which the Company is a party or by which it is bound or require the consent or approval of, the giving of notice to, the registration or filing with or the taking of any action in respect of or by, any Federal, state or local government authority or agency or other person, except for the filing of notices pursuant to federal and state securities laws, which filings will be effected by the time required thereby.

(f) There are no actions, suits, audits, investigations or proceedings pending or, to the knowledge of the Company, threatened against the Company in any court or before any governmental commission, board or authority which, if adversely determined, could have a material adverse effect on the ability of the Company to perform its obligations under this Warrant.

(g) The number of shares of Common Stock of the Company outstanding on the date hereof, on a fully diluted basis (assuming the conversion of all outstanding convertible securities and the exercise of all outstanding options and warrants), does not exceed 117,000,000 shares.

12. Market Stand-Off Provision. The holder of this Warrant agrees to be bound by the "Market Stand-Off" provision in section 1(l) of the Rights Agreement.

13. Modification and Waiver. This Warrant and any provision hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought.

14. Notices. Any notice, request, communication or other document required or permitted to be given or delivered to the holder hereof or the Company shall be delivered, or shall be sent by certified or registered mail, postage prepaid, to each such holder at its address as shown on the books of the Company or to the Company at the address indicated therefor on the signature page of this Warrant.

15. Lost Warrants or Stock Certificates. The Company covenants to the holder hereof that, upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant or any stock certificate and, in the case of any such loss, theft or destruction, upon receipt of an indemnity reasonably satisfactory to the Company, or in the case of any such mutilation upon surrender and cancellation of such Warrant or stock certificate, the

Company will make and deliver a new Warrant or stock certificate, of like tenor, in lieu of the lost, stolen, destroyed or mutilated Warrant or stock certificate.

16. Descriptive Headings. The descriptive headings of the various Sections of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. The language in this Warrant shall be construed as to its fair meaning without regard to which party drafted this Warrant.

17. Governing Law. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of Delaware.

18. Survival of Representations, Warranties and Agreements. All representations and warranties of the Company and the holder hereof contained herein shall survive the Date of Grant, the exercise or conversion of this Warrant (or any part hereof) or the termination or expiration of rights hereunder. All agreements of the Company and the holder hereof contained herein shall survive indefinitely until, by their respective terms, they are no longer operative.

19. Remedies. In case any one or more of the covenants and agreements contained in this Warrant shall have been breached, the holders hereof (in the case of a breach by the Company), or the Company (in the case of a breach by a holder), may proceed to protect and enforce their or its rights either by suit in equity and/or by action at law, including, but not limited to, an action for damages as a result of any such breach and/or an action for specific performance of any such covenant or agreement contained in this Warrant.

20. No Impairment of Rights. The Company will not, by amendment of its Charter or through any other means, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against impairment.

21. Severability. The invalidity or unenforceability of any provision of this Warrant in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction, or affect any other provision of this Warrant, which shall remain in full force and effect.

22. Recovery of Litigation Costs. If any legal action or other proceeding is brought for the enforcement of this Warrant, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Warrant, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

23. Entire Agreement; Modification. This Warrant constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous agreements, representations, and undertakings of the parties, whether oral or written, with respect to such subject matter.

The Company has caused this Warrant to be duly executed and delivered as of the Date of Grant specified above.

COMSCORE NETWORKS, INC.

By /s/ Sheri L. Huston

Title /s/ CFO

Address:

11465 Sunset Hills Road
Suite 200
Reston, VA 20190

EXHIBIT A-1
NOTICE OF EXERCISE

To: COMSCORE NETWORKS, INC. (the "Company")

1. The undersigned hereby:

- o elects to purchase ___ shares of [Series E Preferred Stock] [Common Stock] of the Company pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price of such shares in full, or
- o elects to exercise its net issuance rights pursuant to Section 10.1 of the attached Warrant with respect to ___ Shares of [Series E Preferred Stock] [Common Stock].

2. Please issue a certificate or certificates representing ___ shares in the name of the undersigned or in such other name or names as are specified below:

(Name)

(Address)

3 The undersigned represents that the aforesaid shares are being acquired for the account of the undersigned for investment and not with a view to, or for resale in connection with, the distribution thereof and that the undersigned has no present intention of distributing or reselling such shares, all except as in compliance with applicable securities laws.

(Signature)

(Date)

EXHIBIT B
CHARTER

Signature document

LEASE AGREEMENT

by and between

COMSCORE NETWORKS, INC. as "Tenant"

and

COMSTOCK PARTNERS, L.C. as "Landlord"

June 23, 2003

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made and entered into this 23rd day of June, 2003, by and between (i) COMSTOCK PARTNERS, L.C., a Virginia limited liability company (hereinafter referred to as "Landlord"), and (ii) COMSCORE NETWORKS, INC., a Delaware corporation (hereinafter referred to as "Tenant"), and referred to by singular pronouns of the neuter gender, regardless of the number and gender of the parties involved.

WITNESSETH: Upon and subject to the terms of this Lease, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased Premises (as defined below), for the Term (as defined below), except that Landlord reserves and Tenant shall have no right in and to (a) the use of the exterior faces of all perimeter walls and windows of the Building, (b) the use of the roof of the Building, or (c) the use of the air space above the Building, except as specifically set forth herein.

1. DEFINITIONS

(a) **General Interpretive Principles.** For purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Section have the meanings assigned to them in this Section and include the plural as well as the singular, and the use of any gender shall be deemed to include all other genders; (ii) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (iii) references herein to "Sections," "subsections," "paragraphs," and other subdivisions without reference to a document are to designated Sections, subsections, paragraphs, and other subdivisions of this Lease; (iv) a reference to a subsection without further reference to a Section is a reference to such subsection as contained in the same Section in which the reference appears, and this rule shall also apply to paragraphs and other subdivisions; (v) the words "herein," "hereof," "hereunder," and other words" of similar import refer to this Lease as a whole and not to any particular provisions; (vi) the word "including" means "including, but not limited to"; (vii) daily rent is calculated on a thirty (30) day month applied to the number of days being charged, (viii) all amounts due Landlord hereunder are in Unites States dollars; and (ix) the words "months" and "years" mean calendar months and calendar years..

(b) **Special Lease Definitions.** As used in this Lease the following words and phrases shall have the meanings indicated:

Advance Rent: Forty Eight Thousand Three Hundred and Thirty Two and 53/100 (\$48,332.53) representing the Basic Rent for the first full month of the Term after the Lease Commencement Date, which Tenant shall pay to Landlord, on or before, July 1, 2003 by wire transfer, pursuant to the terms of this Lease.

Basic Rent: For each Lease Year, an amount equal to the product obtained by multiplying the Rentable Area of the Leased Premises leased by Landlord to Tenant during such Lease Year by the Rent per Square Foot for such Lease Year. The Basic Rent shall increase each year by 3% over the immediately prior year's Basic Rent. Therefore the Basic Rent for the second year is determined by multiplying the Basic Rent for the first year by 103% and for each subsequent year by multiplying the Basic Rent for the immediately prior year's Basic Rent by 103%.

Accordingly, the Basic Rent during the Initial Term hereunder will be as follows:

	Annual Rent	Monthly Rent	Rent/S.F.
Lease Year 1	\$579,990.40	\$48,332.53	\$22.00
Lease Year 2	597,390.11	49,782.51	\$22.66
Lease Year 3	615,311.82	51,275.98	\$23.34
Lease Year 4	633,771.17	52,814.26	\$24.04
Lease Year 5	652,784.30	54,398.69	\$24.76

Basic Rent Escalation: See definition of *Basic Rent*.

Building: The existing office building located at 11465 Sunset Hills Road, Reston, Virginia, including the parking lots and parking garage and Landlord's right, title and interest in and to the underlying land.

Building Rentable Area: The total net rentable area in the Building, which (although greater than the actual usable area) is agreed to be 89,221 square feet, including core factor, except as

otherwise provided in Section 3(b).

Brokers: There are no brokers involved in this transaction and the parties hereby indemnify each other in connection therewith.

Landlord's Contractor: Any and all professionals or trades people engaged by or on behalf of Landlord, or by Tenant at Landlord's direction and/or expense, in connection with alterations and construction in the Leased Premises, either before or during the Term of this Lease, including but not limited to general contractors, sub-contractors, architects, engineers, and any other professionals or trades people typically associated with construction and/or alterations.

Landlord's Notice Address: COMSTOCK PARTNERS, L.C. 11465 Sunset Hills Road, Suite 510, Reston, Virginia 20190, Attention: Mr. Christopher Clemente, Manager, with copy to Mr. Marc Bettius, Cohen, Gettings, & Caulkins, 2200 Wilson Blvd., Arlington, Virginia 22201 and a copy to the property management company, as selected by Landlord. Currently the property management company is: The Rockcrest Group, 14800 Conference Center Drive, Suite 201, Chantilly Virginia 22151-3180. Landlord may change the property management company at its option and will notify Tenant in such event.

Lease Commencement Date: July 1, 2003.

Leased Premises: The area located on the first, and second floors of the Building which is outlined in black on the floor plan, attached hereto as Exhibit A and incorporated herein, and containing 26,363.2 square feet of Rentable Area:

Operating Expense Base: For each calendar year ending during the Term, the sum of the 2001 actual operating expenses for each square foot of Building Rentable Area. Notwithstanding the fact that the Lease Commencement Date hereunder is July 1, 2003, the parties have agreed that the Operating Expense Base will be based on 2001 expenses.

Operating Expense Increases: For calendar year 2002 and each calendar year thereafter during the Term, an amount equal to the excess of Landlord's Operating Expenses for such calendar year over the Operating Expense Base.

Original Lease: One certain lease dated September 20, 2000 by and between Comstock Partners, LC (as Landlord) and Comscore Networks, Inc. (as Tenant) covering a portion of the Building containing 57,792.10 square feet (including the Leased Premises as defined herein), as amended July 3, 2002 (the "Original Lease"), terminated by Landlord pursuant to the terms thereof.

Pre-ordered Rent Payments: As defined in section 3(a) hereof.

Rent Payment Account: As defined in section 3(a) hereof.

Rent Payment Account Minimum Balance: As defined in section 3(a) hereof.

Rent Per Square Foot: The Basic Rent shall be Twenty Two and no/00 Dollars (\$22.00) per square foot of the Leased Premises during the First Lease Year. For each Lease Year thereafter during the Term, the Rent per Square Foot of the Leased Premises shall be increased by three percent (3%) as provided for in this Lease.

Rentable Area: The total rentable area of the Leased Premises, which (although greater than the actual usable area) is agreed to be 26,363.2 square feet.

Security Deposit: Upon execution of this Lease, in addition to paying Landlord the Advance Rent set forth herein, Tenant shall deliver and pay to Landlord a Security Deposit as set forth in Paragraph 19 hereof.

Tenant's Financial Reports: Throughout the Lease term Tenant agrees to provide Landlord with regular financial reports regarding Tenant ("Tenant's Financial Reports") and any affiliates of Tenant within forty five (45) days after the close of each calendar month (and the end of each fiscal year), as follows; (i) a Balance Sheet, (ii) a Statement of Profit and Loss for such period, and (iii) a Cash Flow Statement prepared and certified (the certification form to be in form and content attached hereto as Exhibit J, incorporated herein by reference, and signed by an officer of the Tenant) by Tenant or by an independent certified public accounting firm using generally accepted

accounting practices. In the event Tenant fails to deliver the Tenant's Financial Reports in a timely fashion Landlord shall provide written notice of such Default and Tenant shall have fifteen (15) days to cure such Default prior to Landlord exercising its remedies as a result of such Default

Tenant's Board Reports: Throughout the Lease term Tenant agrees to provide Landlord with regular written reports containing such information and details as are provided to the investors holding a seat on the Board of Directors of Tenant ("Tenants Board Reports") within five (5) business days of each meeting of the Board of Directors of Tenant. In the event Tenant fails to deliver the Tenant's Board Reports in a timely fashion Landlord shall provide written notice of such Default and Tenant shall have fifteen (15) days to core such Default prior to Landlord exercising its remedies as a result of such Default.

Tenant's Notice Address: The Tenant's notice address is: COMSCORE NETWORKS, INC. 11465 Sunset Hills Road, Suite 200 Reston, Virginia 20190, Attention: Corporate Counsel.

Tenant's Proportionate Share: The percentage, which the Rentable Area of the Leased Premises is of the Building Rentable Area. The Tenant's Proportionate Share is agreed to be thirty-one and 10/00 percent (31.10%).

Term: The period commencing on the Lease Commencement Date and ending on the last day of the calendar month which completes FIVE (5) YEARS after the Lease Commencement Date, but in any event the Term shall end on any date when this Lease is sooner terminated by Landlord as provided for herein.

(c) **General Definitions.** As used in this Lease the following words and phrases shall have the meanings indicated:

Additional Charges: All amounts payable by Tenant to Landlord under this Lease other than Basic Rent (including but not limited to Tenant's Additional Costs). All Additional Charges shall, unless otherwise provided herein, be due and payable within thirty (30) days of invoice and shall be deemed to be additional rent and all remedies applicable to the non-payment of Basic Rent shall be applicable thereto. Additional Charges shall include, but not be limited to, electrical override usage.

Additional Compensation: Within fifteen (15) days of the execution of this Lease, as additional compensation and as an inducement to Landlord to enter into this Lease with Tenant, the Tenant agrees to provide Landlord, or its assigns, with warrants for the purchase of 100,000 shares of the common stock of Tenant at a price not to exceed \$0.60 per share. The form and content of the warrant agreement shall be identical to the form and content of the previous warrant agreements provided by Tenant to Landlord, except for the price. Additionally, Tenant hereby reaffirms the validity of all previous Warrants granted to Landlord by Tenant.

Alterations: As defined in Section 9(a).

Business Days: All days except Saturdays, Sundays, and the following legal holidays: New Year's Day, Martin Luther King's Birthday, President's Day, Memorial Day, Fourth of July, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, Christmas Day, and those holidays designated by an Executive Order of the President of the United States or by Act of Congress.

Default Interest Rate: A rate per annum equal to a) the greater of (i) the sum of the prime rate of interest from time to time established and publicly announced by The Chase Manhattan Bank, N.A., New York, in its sole discretion, as its then applicable prime rate of interest to be used in determining actual interest rates to be charged to certain of its borrowers, said prime rate to change from time to time as and when the change is announced as being effective, plus four percent (4%), or fifteen percent (15%).

Event of Default: Any of the events set forth in Section 16(a) as an event of default.

Landlord: The Landlord named herein, its successors or assigns and any subsequent owner, lessees, or transferees, from time to time, of the Landlord's interest in the Building and their respective successors and assigns.

Lease: This Lease Agreement, as amended from time to time, and all Exhibits

incorporated herein and/or attached hereto.

Lease Year: The period of twelve (12) months commencing on the Lease Commencement Date and ending on the last day of the month which completes twelve (12) full calendar months after the Lease Commencement Date, and each 12-month period thereafter commencing on the first day after the end of the immediately preceding Lease Year, except that the last Lease Year shall end on the last day of the Term.

Legal Requirements: All laws, statutes, ordinances, orders, rules, regulations, and requirements of all federal, state, and municipal governments, and the appropriate agencies, officers, departments, boards, and commissions thereof, and the board of fire underwriters and/or the fire insurance rating organization or similar organization performing the same or similar functions, whether now or hereafter in force, applicable to the Building or any part thereof and/or the Leased Premises, as to the manner of use or occupancy or the maintenance, repair, or condition of the Leased Premises and/or the Building, and the usual and customary requirements of the carriers of all fire insurance policies maintained by Landlord on the Building.

Mortgage: Any mortgage, deed of trust, or other security instrument of record creating an interest in or affecting title to the Building or the land on which it is constructed, or both, or any part thereof, including a leasehold mortgage or sub-leasehold mortgage, and any and all renewals, modifications, consolidations, or extensions of any such instrument; Mortgagee shall mean the holder or beneficiary of any Mortgage. Tenant shall comply with all reasonable notices from Landlord's Mortgagee as to the manner of use or occupancy or the maintenance, repair or condition of the Leased Premises and/or the Building.

Non-disturbance: Landlord will provide Tenant a suitable non-disturbance agreement from any current or future mortgagees. In connection therewith Tenant shall execute documents reasonably requested by such lender.

Operating Expenses: Tenant shall pay Tenant's Proportionate Share of annual increases in Real Estate Taxes and Operating Expenses above the Calendar 2001 Base Year. An itemized breakdown of 2001 estimated Operating Expenses will be delivered to Tenant upon completion of Landlord's year-end consolidation. Detailed breakdowns of all charges to Tenant will be provided. The aggregate of all costs and expenses reasonably and customarily paid or incurred on a cash basis by Landlord in connection with the ownership, operation, servicing, and maintenance of the Leased Premises, the Building, the land on which the Building is constructed and any ancillary improvements constructed on the land, the surface and garage parking areas, and ingress/egress easements and private roadways servicing the Building, including, but not limited to, employees' wages, salaries, welfare and pension benefits and other customary and usual employee fringe benefits; payroll taxes; **Real Estate Taxes;** property owner's association dues, fees and contributions of any kind, electricity and other utility charges; telephone service; painting of public or other common areas of the Building; exterminating service; security services; trash removal; sewer and water charges; premiums for fire and casualty, liability, rent loss, workmen's compensations, sprinkler, water damage and other insurance; repairs, maintenance, additions and improvements made by Landlord to the Building (properly depreciating any capital improvements); building, janitorial and cleaning services and supplies; uniforms and dry cleaning; snow removal; landscaping maintenance; window cleaning; service contracts for the maintenance of elevators, boilers, HVAC, and other mechanical, plumbing, and electrical equipment; legal fees (other than legal fees relating to the enforcement of Landlord's rights under leases with tenants for space in the Building); accounting fees; advertising (except for advertising expenses and leasing fees relating to leasing space in the building); management fees at reasonable and customarily incurred rates and all other expenses now or hereafter reasonably and customarily incurred in connection with the ownership, operation and maintenance of comparable office buildings in Northern Virginia. Refunds of Real Estate Taxes (reduced by Landlord's actual expenses in obtaining such refunds), receipts from tenants of the Building for after-hours heating or air-conditioning and for excess electrical usage in an amount equal to the actual costs of providing such service, recoveries of expenses and other separate charges made to tenants of the Building for special services (but excluding any mark-up or profit realized by Landlord in connection with providing such special services) and, to the extent that Operating Expenses include the cost of any repair or reconstruction work, the amount of any insurance recoveries, shall be credited against Operating Expenses in computing the amount thereof. Operating Expenses shall also be reduced as provided in Section 3(b).

Notwithstanding anything in this Lease to the contrary, for purposes of the calculations to be made pursuant to this paragraph, Operating Expenses shall exclude (i) capital improvements except as provided under this definition of Operating Expenses, (ii) repairs and replacements, which under

sound accounting principles and practices should be classified as capital expenditures as determined by Landlord's independent accounting firm, depreciated as provided for above, (iii) painting, redecorating, or other work which Landlord performs for any other tenant or prospective tenant of the building other than painting, redecorating, or other work which is standard for the building and performed for tenants subsequent to their initial occupancy, (iv) repairs or other work (including rebuilding) occasioned by fire, windstorms, or other casualty, to the extent covered by insurance, or condemnation, (v) any cost (such as repairs, improvements, electricity, special cleaning or overtime services) to the extent such costs are included in tenants' rent or are expressly reimbursable to Landlord by tenants (as opposed to partial reimbursement in the nature of rent escalation provisions) or are separately charged to and payable by tenants or to the extent Landlord is entitled to compensation by insurance proceeds, (vi) leasing commissions and expenses of procuring tenants, including lease concessions and lease take-over obligations, (vii) depreciation, (viii) interest on and amortization of debt, (ix) taxes of any nature, excluding real estate taxes, but including interest and penalties for late payment of taxes, except as provided herein, (x) rent payable under any lease to which this lease is subject, (xi) wages or salaries of employees other than on-site employees for the building or employees specifically employed, in whole or in part, in connection with the ownership and maintenance of the Building, (xii) costs and expenses of enforcing leases against tenants, including legal fees, (xiii) managing agents' commissions in excess of rates then customarily charged by managing agents for comparable office buildings and, (xiv) expenses resulting from any violation by Landlord of the terms of any lease of space in the building or of any ground or underlying lease or mortgage to which this lease is subordinate.

In the event that pursuant to the terms of this Lease, Tenant is obligated to pay its proportionate share of Operating Expenses, Tenant shall have the right to audit Landlord's books and records as follows:

- A. Tenant shall be entitled at any reasonable time during business hours, after giving at least five (5) days prior written notice, to inspect Landlord's books and records relating to Tenant's proportionate share of Operating Expenses at the site of the location of such books and Records and to obtain an audit thereof by an independent auditor selected by Tenant (and reasonably acceptable to Landlord) to determine the accuracy of such amounts billed to Tenant by Landlord for the last two (2) calendar years immediately preceding the calendar year in which such notice is given.
- B. If such audit discloses a liability for Tenant's proportionate share of Operating Expenses which is less than the amount billed to, and paid by, Tenant, then Landlord shall within thirty (30) days refund to Tenant all amounts paid by Tenant in excess of the amount Tenant is actually required to pay as provided for herein ("Refund Amount").
- C. All costs of such audit shall be paid by Tenant. However, in the event the Refund Amount is greater than five (5) percent (5%) of the amount for which Tenant is actually liable (as disclosed by the audit), all reasonable actual costs of such audit shall be paid by Landlord.

Option to Renew/Expansion: Tenant shall not have an option to renew this Lease and shall have no right to expansion space in the Building.

Option to Terminate: Landlord shall have the sole and exclusive option of terminating this Lease upon five (5) months written notice to Tenant, such termination being effective at any time after the third anniversary of this Lease.

Person: A natural person, a partnership, a limited liability company, a corporation, and any other form of business or legal association or entity.

Real Estate Taxes: All taxes, assessments, vault rentals, water and sewer rents, if any, and other charges, if any, general, special, or otherwise, including all assessments for schools, public betterment, and general or local improvements, which are mandatory or legally compelled, levied or assessed upon or with respect to the ownership of and/or all other taxable interests in the Building and the land on which it is built imposed by any public or quasi-public authority (including The Reston Association and any related or similar organization having jurisdiction over the Building and the ability to assess fees to the owner of the Building whether now existing or created after the date hereof) having jurisdiction and personal property taxes levied or assessed on Landlord's personal property used in connection with the operation, maintenance, and repair of the Building. Except for taxes, fees, charges, and impositions described in the next succeeding sentence, Real Estate Taxes shall not include any inheritance, estate, succession, transfer, gift, franchise, corporation, income, or profit tax or capital levy. If at any time during the Term the methods of taxation shall be altered so

that in addition to or in lieu of or as a substitute for the whole or any part of any Real Estate Taxes levied, assessed or imposed there shall be levied, assessed or imposed (i) a tax, license fee, excise or other charge on the rents received by Landlord, or (ii) any other type of tax or other imposition in lieu of, or as a substitute for, or in addition to, the whole or any portion of any Real Estate Taxes, then the same shall be included as Real Estate Taxes. A tax bill or true copy thereof, together with any explanatory or detailed statement of the area or property covered thereby, submitted by Landlord to Tenant shall be conclusive evidence of the amount of taxes assessed or levied, as well as of the items taxed. If any real property tax or assessment levied against the land, buildings or improvements covered thereby or the rents reserved therefrom, shall be evidenced by improvement or other bonds, or in other form, which may be paid in annual installments, only the amount paid or payable in any Lease Year shall be included as Real Estate Taxes for that Lease Year.

Substantially Completed: The completion of the construction or installation, or both, of the Landlord's improvements in question, except for any special order or long-lead items, to the extent that (i) only minor items remain unfinished, and (ii) such minor items do not prevent Tenant from occupying the Leased Premises for the use specified herein. It is understood and agreed by the parties that all construction and other improvements that are the responsibility of landlord are complete and satisfactory.

Taking: A taking of property or any interest therein or right appurtenant or accruing thereto, by condemnation or eminent domain or by action, proceedings, or agreement in lieu thereof, pursuant to governmental authority.

Tenant: The tenant named herein and any permitted assignee under Section 15.

Tenant's Additional Costs: In addition to any other provision hereof that provides for the Tenant to be responsible for certain costs incurred by Landlord, it is agreed and understood that Tenant shall be responsible for all costs of any kind ("Tenant's Additional Costs") incurred by Landlord in connection with (i) any repairs deemed necessary by Landlord (not to include any reasonably determined to be repairs of normal wear and tear) in any of the leased premises under the Original Lease based on an inspection made by Landlord and Tenant within ten (10) days of the Lease Commencement resulting from Tenant's occupancy or sub-letting of the leased premises under the Original Lease, (ii), any repairs to the Building reasonably deemed necessary by Landlord, including modifications or repairs required as a direct or indirect result of Tenant relocating its equipment and personnel within the Building, (iii) any repairs reasonably deemed necessary by Landlord or as a direct or indirect result of Tenant's failure to abide by the Rules and Regulations and other applicable lease provisions, regarding the use, upkeep and care of the Building or the leased premises under the Original Lease or to strictly enforce same upon its Subtenants under the Original Lease, (iv) any electrical override usage charges or electrical submeter charges and after hours HVAC charges for services provided Tenant hereunder and under the Original Lease, (v) any charges due for services provided to Tenant by Landlord hereunder or under the Original Lease, whether previously invoiced or not, (unless previously paid by Tenant), such as, but not limited to, key replacement charges and operating expense increase charges, as applicable hereunder or under the Original Lease, (vi) legal costs incurred by Landlord in connection with enforcement of this Lease, and (vii) legal costs incurred by Landlord in connection with enforcement of the Original Lease. The Tenant's Additional Charges shall be payable within fifteen (15) days of invoice by Landlord regardless of when the cost is incurred by Landlord, including such costs incurred by Landlord prior to the Lease Commencement Date as defined herein. The total of all of Tenant's Additional Costs set forth in (iv), (v), and (vii) of this paragraph that accrued or otherwise arose from circumstances prior to the date of execution hereof shall not exceed \$75,000.00. There shall not be a limit regarding Additional Costs that arise from (i), (ii), (iii), or (vi) of this paragraph.

Tenant's Special Installations: As defined in Section 9(d).

Unavoidable Delays: Delays caused by strikes, acts of God, lockouts, labor difficulties, riots, explosions, sabotage, accidents, inability to obtain labor or materials, governmental restrictions or delays in obtaining required building permits or occupancy permits, enemy action, civil commotion, fire, unavoidable casualty, or similar causes not caused by and beyond the reasonable control of the Landlord.

2. COMPLETION OF LEASED PREMISES, SCHEDULE AND INSPECTIONS

Notwithstanding anything to the contrary contained in this Lease, the Original Lease, or elsewhere provided, it is understood and agreed that the Leased Premises are currently occupied by Tenant and are hereby unconditionally accepted by Tenant, in all respects, in their

“AS IS, WHERE IS” condition, and further that Landlord has fully satisfied all of its obligations regarding the completion of construction of the Leased premises under this Lease or the Original Lease, completion of any repairs that are the responsibility of the Landlord under this Lease or the Original Lease, completion of the Building as required by this Lease or the Original Lease, providing the Tenant with the Tenant Improvement Allowance as required by the Original Lease, providing Tenant the services as required under the Original Lease, and that Landlord has fully complied with all requirements under this Lease (except those requirements which by their nature are not required to be complied with at this time) and the Original Lease.

(a) **Base Building Definition:** To the best knowledge and belief of Landlord the building shell was completed in accordance with the project specifications set forth in the Base Building Definition attached hereto as, Exhibit B and incorporated herein, (the “Base Building Definition”).

(b) **Tenant Improvement Allowance:** It is agreed and understood that pursuant to the Original Lease Landlord previously provided Tenant a Tenant Improvement Allowance in connection with the construction of Tenant Improvements within the Building, including within the Leased Premises, in the amount of One Million Five Hundred and Fifteen Thousand Seven Hundred and Forty and 72/100 Dollars (the “Tenant Improvement Allowance”), receipt and sufficiency of which is hereby acknowledged by Tenant, used by Tenant for space planning, preparation of the Tenant Improvement Plans (as described below), architectural and engineering services related to the Tenant Improvement Plans, permitting required in connection with the Tenant Improvement Plans, leasehold improvements (including modifications to the existing building specifications required as a result of the Tenant Improvement Plans), Tenant’s building signage, and other costs incurred by Landlord in connection with the Tenant Improvement Plans or construction of the Tenant’s Improvements. Accordingly, Landlord shall not provide any additional allowance for improvements or alterations to the Leased Premises in connection with this Lease. In the event of Tenant’s full and faithful compliance with each and every term and condition of this Lease the Landlord shall not be entitled to any return of the Tenant Improvement Allowance, however in the event of Tenant’s abandonment of the Leased Premises or Tenant’s Default hereunder resulting in Tenant being evicted from the Leased Premises (as evidenced by court order or Landlord’s Notice of Default and Termination as provided for herein) within five (5) years of the Lease Commencement Date Landlord shall, among other remedies provided for in this Lease, be entitled to the full and immediate repayment of the Tenant Improvement Allowance which Tenant shall repay to Landlord upon demand therefore. However, it is agreed and understood that the amount of the Tenant Improvement Allowance that Tenant shall be required to repay to Landlord, as required by this provision, shall be reduced by one hundred and fifty thousand dollars (\$150,000.00) on each anniversary of the Lease Commencement Date hereunder.

(c) **Tenant’s Improvements:** In accordance with the Original Lease, Landlord and Tenant jointly developed a mutually acceptable space plan and finishing schedule for the Leased Premises that met Tenant’s requirements (the “Space Design”). Upon completion of the Space Design, an architectural firm was selected from those listed on Exhibit C, attached hereto and incorporated herein, to prepare the complete construction documents (the “Tenant Improvement Plans”). The Tenant Improvement Plans fully describe all leasehold improvements in connection with the Leased Premises (the “Tenant’s Improvements”) and include all required construction drawings, construction documents and specifications, finishing schedules, structural designs and plans, mechanical designs and plans, electrical designs and plans, plumbing designs and plans, and other documents or items connection with obtaining building permits for the Tenant Improvement Plans and occupancy certificates or use permits for the Leased Premises. The Space Design and the Tenant Improvement Plans created in connection with the Original Lease are attached hereto as Exhibit D-1 and D-2 respectively, each hereby being incorporated herein. Landlord’s specifications for interior building finishes, (the Building Interior Finish Specifications), are attached hereto as Exhibit E, and incorporated herein.

(d) **Tenant’s Costs:** All costs of any modifications of any kind to the Leased Premises that the Tenant desires shall be the sole responsibility of Tenant and shall be payable as provided below. In the event the Tenant desires to make any alterations (“Tenant Alterations”) to the Leased Premises all subject work shall be strictly in accordance with this paragraph 2(d) and Paragraph 9 below, and in such event Tenant shall provide Landlord a written request describing, in adequate detail, the nature of any proposed Tenant Alterations and Landlord shall secure a bid for the proposed Tenant Alterations from Landlord’s General Contractor and provide same to Tenant in writing, provided that the amount payable to Landlord’s General Contractor, is commercially reasonable. In the event Tenant desires to proceed with the proposed Tenant Alterations, Tenant shall deposit cash

in the amount of one hundred percent (100%) of the cost identified in the bid for the proposed tenant Alterations with Landlord prior to commencement of the Tenant Alterations (the "Tenant Alterations Deposit"). Landlord's General Contractor, Signet Construction, Inc. shall be used for all Tenant Improvements, or such other contractor as selected by Landlord.

(e) Plan Approvals: All Tenant Alteration Plans, and any related modifications to the Building shall be subject to Landlord's sole but reasonable approval. Prior to any work commencing, Landlord shall approve all plans and specifications. Prior to any work commencing all required permits shall be obtained by Landlord.

(f) Schedule: RESERVED

(g) Delays: RESERVED

(h) Subcontractors and Suppliers: All sub-contractors and material suppliers performing work or supplying materials to the Building shall be selected by the Landlord's general contractor and shall be subject to the Landlord's approval in its sole but reasonable discretion. In order to protect the integrity and efficiency of the mechanical, electrical and plumbing systems, all mechanical, electrical and plumbing within the Tenant's space shall be designed by the design build team responsible for the mechanical, electrical and plumbing systems in the building.

(i) Inspections: At the time Tenant surrenders the Leased Premises or at the end of the Term, or within ten (10) business days thereafter, Landlord and Tenant, or their respective agents, shall make a similar inspection of the Leased Premises to note the condition of the Leased Premises at the time of surrender and shall prepare a punch list of any items of repair that Tenant shall be responsible for completing, reasonable wear and tear excepted (the "Tenant's Punchlist"). Landlord shall not be obligated to refund to Tenant all or any part of the Security Deposit then being held by Landlord until all repairs that are the responsibility of Tenant are completed to Landlord's reasonable satisfaction. In the event Tenant fails to attend the inspection, as reasonably scheduled by Landlord, the Tenant shall be bound by the Tenant Punchlist, as prepared by Landlord.

(j) Acceptance of Space: Tenant is currently in possession of the Leased premises and hereby acknowledges that the condition of the Leased Premises is acceptable in its present "as is" condition. Accordingly no repairs are needed and Tenant accepts the Leased Premises in its "as is" condition on the date hereof.

3. RENT AND ADDITIONAL CHARGES

(a) Payment of Rent and Additional Charges. Tenant shall pay the Basic Rent for each Lease Year in equal monthly installments in advance on the first day of each month during the Term, commencing on the Lease Commencement Date. The Basic Rent and all Additional Charges shall be paid promptly when due, in lawful money of the United States, without notice or demand and without deduction, diminution, abatement, counterclaim, or setoff of any amount or for any reason whatsoever, except as otherwise expressly provided in subsection (b), to Landlord at Landlord's Notice Address or at such other address or to such other person as Landlord may from time to time designate in writing. If Tenant makes any payment to Landlord by check, such payment shall be by check of Tenant and Landlord shall not be required to accept the check of any other person, and any check received by Landlord shall be deemed received subject to collection. If any check is mailed by Tenant, Tenant shall post such check in sufficient time prior to the date when payment is due so that such check will be received by Landlord on or before the date when payment is due. Tenant shall assume the risk of lateness or failure of delivery of the mails, and no lateness or failure of the mails will excuse Tenant from its obligation to have made the payment in question when required under this Lease. If, during the Term, Landlord receives two or more checks from Tenant which are returned by Tenant's bank for insufficient funds or are otherwise returned unpaid, Tenant agrees that all checks thereafter shall be either bank certified, cashiers', or treasurers' checks. Landlord shall be reimbursed by Tenant an amount equal to one hundred and fifty percent (150%) of all bank service charges resulting from any returned checks plus a handling fee of five hundred dollars (\$500.00). The rent reserved under this Lease shall be the total of all Basic Rent and Additional Charges, increased and adjusted as elsewhere herein provided, payable during the entire Term and, accordingly, the methods of payment provided for herein, namely, annual and monthly rental payments, are for convenience only and are made on account of the total rent reserved hereunder. Notwithstanding anything to the contrary contained herein, or elsewhere provided, it is agreed and understood that throughout the Lease Term Tenant agrees to establish and maintain with a commercial bank or financial institution reasonably acceptable to Landlord, a special account for the payment of Tenant's Basic Rent obligations from which the payments of Basic Rent shall be wired

directly to Landlord's account no later than the first regular business day of each calendar month (the "Rent Payment Account"). It is further agreed that throughout the Lease Term, no later than the 10th calendar day of each month, the Landlord shall receive written verification from the bank or financial institution holding the Rent Payment Account that Tenant has irrevocably pre-ordered automatic wire transfers from the Rent Payment Account to Landlord's account to occur on the first business day of each of the next two (2) months for the full payment of Basic Rent ("Pre-ordered Rent Payments") for the subject months and that the Rent Payment Account has sufficient balances to provide for said payments ("Rent Payment Account Minimum Balance").

(b) Payment of Operating Expense Increases. Tenant shall pay as Additional Charges its Proportionate Share of any Operating Expense Increases in accordance with Section 1(b) for each calendar year, commencing with the calendar year 2002, it being understood and agreed that Tenant shall pay such Additional Charges for 2002 in spite of the fact that the Lease Commences July 1, 2003. Landlord shall make a reasonable estimate of Tenant's Operating Expense Increase for each calendar year, and Tenant shall pay to Landlord 1/12th of the amount so estimated on the first day of each month in advance. If Landlord's estimate of Tenant's Operating Expense Increases for any calendar year is received by Tenant after January 1 of the calendar year, Tenant shall pay to Landlord in a lump sum, within thirty (30) days after receipt of the estimate, the arrearage in the monthly estimates for each month in the calendar year before receipt of the estimate and shall pay the remaining monthly installments on the first day of each month in advance during the balance of the calendar year. After the end of each calendar year, Landlord shall submit to Tenant a statement setting forth in reasonable detail the Operating Expenses for such calendar year and the amount (if any) of Tenant's Operating Expense Increases for such calendar year. If Tenant's Operating Expense Increases so stated are more than the amount (if any) theretofore paid by Tenant for Operating Expense Increases based on Landlord's estimate, Tenant shall pay to Landlord the deficiency within thirty (30) days after the submission of such statement. If Tenant's Operating Expense Increases so stated are less than the amount (if any) theretofore paid by Tenant for Operating Expense Increases based on Landlord's estimate, Landlord shall refund to Tenant the excess within thirty (30) days after submission of such statement. If either the Lease Commencement Date shall not coincide with the beginning of a calendar year or the last day of the Term shall not coincide with the end of a calendar year, then the amount of Operating Expense Increases payable for the calendar year in which the Lease Commencement Date or the last day of the Term occurs, as the case may be, shall be pro-rated on a daily basis between Landlord and Tenant based on the number of days in such calendar year in which this Lease is in effect. Tenant's obligations under this subsection to pay Operating Expense Increases and Landlord's obligation to reimburse Tenant for an overpayment of Operating Expenses shall survive the expiration of the Term. If any part of the Building is leased to tenants (hereinafter referred to as "Special Tenants") which, in accordance with the terms of their leases, provide their own cleaning and janitorial services, electrical services, or are not required to pay Operating Expense Increases on the basis of operating expenses for the Building which include substantially the same components as the Operating Expenses (as defined in this Lease), the following provisions shall apply: (i) the Building Rentable Area shall be reduced by the rentable area of the space leased to Special Tenants; (ii) Tenant's Proportionate Share shall be the percentage which the Rentable Area is of the Building Rentable Area (determined after the reduction specified in clause (i)); and (iii) Operating Expenses shall be reduced by the sum of the amounts payable to Landlord by Special Tenants, in accordance with the terms of their leases, as reimbursements for Real Estate Taxes and expenses of owning, operating, managing and maintaining the Building and the amount of the applicable operating expense base under such Special Tenants' leases.

(c) Interest. If Tenant fails to make any payment of Basic Rent or Additional Charges on the due date thereof, interest shall, at Landlord's option, accrue on the unpaid portion thereof from the due date at the Default Interest Rate, but in no event at a rate higher than the maximum rate allowed by law, and shall be payable on demand.

(d) Accord and Satisfaction. No payment by Tenant, receipt or acceptance by Landlord of any lesser amount than the amount stipulated to be paid hereunder shall be deemed other than on account of the earliest stipulated Basic Rent or Additional Charges; nor shall any endorsement or statement on any check or letter be deemed an accord and satisfaction, and Landlord may accept any check or payment without prejudice to Landlord's right to recover the balance due or to pursue any other remedy available to Landlord.

(e) Late Payment Charge. If Tenant fails to pay any Basic Rent or Additional Charges within five (5) days after the same become due and payable, Tenant shall also pay to Landlord a late payment service charge within thirty (30) days of Landlord's notice that a late payment service charge is due (to cover Landlord's administrative and overhead expenses of processing late payments) equal to the greater of \$100.00 or five percent (5%) of such unpaid sum

for each and every calendar month or part thereof after the due date that such sum has not been paid to Landlord. Such payment shall be deemed liquidated damages and not a penalty, but shall not excuse the untimely payment of rent.

4. COMMON AREAS

Throughout the Term, Tenant and its agents, employees and business invitees shall have the nonexclusive right, in common with others, to use the public lobbies, parking lots, elevator, corridors, stairways, and other common areas in the Building and the toilet rooms in public areas of multi-tenant floors in the Building. Landlord shall have the right at any time, without the Tenant's consent, to make reasonable changes to the arrangement or location of entrances, passageways, doors, doorways, corridors, stairs, toilet rooms, or other public portions of the Building, provided any such change does not unreasonably obstruct Tenant's access to the Leased Premises.

5. SERVICES AND UTILITIES

(a) Services Provided: Throughout the Term, Landlord agrees that the Building will be maintained in a manner befitting comparable Class A rental office buildings in Northern Virginia, and that, subject to Legal Requirements, it will furnish to Tenant the following services:

(1) Subject to the provisions of subsections (b) and (c), normal and usual electricity for lighting purposes and the operation of ordinary office equipment;

(2) Adequate supplies for toilet rooms located in public areas of the Building;

(3) Normal and usual cleaning and janitorial services after business hours on Business Days;

(4) Hot and cold running water in the toilet rooms;

(5) Subject to the provisions of subsection (d), heating and air-conditioning to the Leased Premises when required for the comfortable occupancy of the Leased Premises, at reasonable temperatures, pressures, and degrees of humidity, and in reasonable volumes and velocities, between the hours of 8:00 a.m. and 6:00 p.m. on Business Days and between the hours of 9:00 a.m. and 12:00 p.m. on Saturdays unless Saturday is a legal holiday;

(6) Automatically operated elevator service twenty-four (24) hours a day, seven (7) days a week throughout the Term;

(7) All electric bulbs and fluorescent tubes in building standard light fixtures in the public areas of the Building and building standard fixtures within the Leased Premises;

(8) A reasonable number of keys to the Leased Premises have already been provided to Tenant at no cost to Tenant. All additional keys including replacements for lost keys shall be issued only upon the payment of a reasonable actual cost for each additional key; and

(9) A security access system for the public areas of the Building and card keys or other means of entry into the Building.

(b) Electrical Supply: Landlord shall not be liable in any way to Tenant for any failure or defect in the supply or character of electrical energy furnished to the Leased Premises by reason of any requirement, act or omission of the public utility serving the Building with electricity. Tenant's use of electrical energy in the Leased Premises shall not at any time exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Leased Premises. Tenant shall not install or operate in the Leased Premises any electrically operated equipment, including lighting, which uses electric current in excess of the allocable share of the Building system capacity without Landlord's written consent, which consent may be conditioned upon Tenant's agreement to pay an additional charge to compensate Landlord for Tenant's excessive consumption of electricity and to pay the cost of any additional wiring which may be required for the operation of such equipment. Tenant shall not connect any equipment or other electrical device to the electrical system of the Building that would require unusual or excessive electrical service or that would interfere with the adequate supply of electrical service to (i) other tenants within the Building, or (ii) the Building common facilities. Any feeders or risers to supply Tenants electrical requirements in addition to those originally installed, and all other equipment proper and necessary in connection with such feeders or risers, shall be installed by Landlord upon Tenant's request, at the sole cost and expense of Tenant, provided that, in Landlord's reasonable judgment, such additional feeders or risers are permissible under applicable laws and insurance regulations and the installation of such feeders or risers will not cause permanent damage or injury to the Building or cause or create a dangerous condition or unreasonably interfere with other tenants of the Building.

Electrical Use Limits: If, at any time or from time to time, the estimated connected electrical load (including lighting and power) used by Tenant's electrically operated equipment exceeds an average of eight (8) watts (6 watts for low voltage and 2 watts for high voltage) per square foot of the Leased Premises on a 120/208 volt panel board. Landlord may either (i) install a separate electric meter for the Leased Premises, at Tenant's sole cost and expense, and Tenant shall reimburse Landlord for the cost of electricity it consumes, as recorded by such meter, in excess of the amount of electricity that would be consumed by a tenant whose consumption of electricity was equal to, but did not exceed, the specified limits, or (ii) from time to time have a survey made by an independent electrical engineer or electrical consulting firm to be selected and paid for by Landlord to determine the amount of electricity consumed by Tenant in excess of the amount of electricity that would be consumed by a tenant whose consumption of electricity was equal to, but did not exceed, then specified limits, and Tenant shall pay to Landlord the cost of excess electricity it consumes as determined by such electrical engineer or consulting firm.

(d) **After Hours HVAC:** Landlord shall provide heat and air-conditioning at times in addition to those specified in paragraph (5) of subsection (a) at Tenant's expense, provided Tenant gives Landlord notice prior to 10:00 a.m. on Fridays or the day preceding a holiday (in the case of after-hours service on Saturdays, Sundays, or holidays). Landlord shall initially charge Tenant for after-hours service at the rate of \$45.00 per hour (or, if the Leased Premises include more than one HVAC zone on the same floor and such after hours service is provided for portions of the Leased Premises containing more than one HVAC zone, at the rate of \$45.00 per hour per HVAC zone). Landlord reserves the right from time to time, in its sole discretion, to increase the hourly charge for said after-hours service, but in no event will the rate per hour charged to Tenant be more than an amount per hour which represents Landlord's reasonable estimate of its actual cost of providing such after hours service, including labor, cost of electricity and wear and tear on equipment, plus an allowance of ten percent (10%) thereof to cover general overhead as an Additional Charge hereunder. Tenant shall be permitted to include in the Tenant Improvements a Tenant controlled after hours HVAC system provided it adequately provides Landlord a means of accounting for the after hours use by Tenant, as determined by Landlord and in such event any future increases in the charge for after hour use of that portion of the HVAC system that is under the Tenant's control shall not include a markup to cover general overhead.

(e) **Landlord's Use Rights:** Landlord reserves the right to erect, use, maintain, and repair pipes, conduits, cables, plumbing, vents, and wires in, to and through the Leased Premises as and to the extent that Landlord may now or hereafter deem to be necessary or appropriate for the proper operation and maintenance of the Building, or other tenants' installations in the Building, and the right at all times to transmit water, heat, air-conditioning, and electric current through such pipes, conduits, cables, plumbing, vents, and wires, provided that Landlord, in the exercise of such rights, shall not unreasonably inconvenience Tenant or unreasonably interfere with Tenant's use of the Leased Premises.

(f) **Maintenance Access:** Landlord shall have unrestricted access to any and all air-conditioning facilities in the Leased Premises for the purpose of repairs, maintenance, alterations, and improvements, but in exercising its rights under this subsection Landlord shall use its best efforts to minimize interference with Tenant's business in the Leased Premises.

(g) **Tenant's Efforts:** Tenant agrees to use reasonable efforts to keep or cause to be kept closed all window draperies or venetian blinds in the Leased Premises as and when necessary because of the sun's position whenever the air-conditioning system is in operation, and Tenant agrees at all times to cooperate fully with Landlord and to abide by all the reasonable regulations and requirements which Landlord may prescribe for the proper functioning and protection of the Building air-conditioning system.

(h) **Service Interruptions:** Landlord reserves the right to stop the service of heating, air-conditioning, ventilating, elevator, plumbing, electricity, or other mechanical systems or facilities in the Leased Premises or the Building, if necessary by reason of accident or emergency, or for repairs, alterations, replacements, additions, or improvements which, in the reasonable judgment of Landlord, are desirable or necessary, until said repairs, alterations, replacements, additions, or improvements shall have been completed. The exercise of such right by Landlord shall not constitute an actual or constructive eviction, in whole or in part, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of, Tenant's business, or otherwise, or entitle Tenant to any abatement or diminution of rent. Except in cases of emergency repairs, Landlord will give Tenant reasonable advance notice of any contemplated stoppage of any such repairs, alterations, replacements, additions, or improvements promptly. Landlord shall also perform any such work in a

manner designated to minimize interference with Tenant's normal business operations.

(i) **Service Delays:** If Landlord shall fail to supply, or be delayed in supplying, any service expressly or implied to be supplied under this Lease, or shall be unable to make, or be delayed in making, any repairs, alterations, additions, improvements, or decorations, or shall be unable to supply, or be delayed in supplying, any equipment or fixtures, and if such failure, delay or inability shall result from Unavoidable Delays, such failure, delay or inability shall not constitute an actual or constructive eviction, in whole or in part, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord or its agents by reason of inconvenience to Tenant, or injury to, or interruption of, Tenant's business, or otherwise, or entitle Tenant to any abatement or diminution of rent unless directly resulting from the gross negligence or willful misconduct of Landlord as determined by a court of competent jurisdiction..

(j) **Voice, Data and other Communications Services:** Landlord shall make reasonable efforts to accommodate Tenant's need for additional riser space between floors one and two during the Lease Term and any extensions thereof for the installation of voice/data and other communications devices. All voice/data and/or other communications services shall only be provided to tenants within the Building by reputable providers of such services, as reasonably determined by the Landlord. Tenant shall have the right to include in the Tenant Improvement Plans a reasonable number of risers to be used solely for Tenant's internal (only within the Leased Premises) voice and data communications purposes. Landlord shall not open the secure risers without the consent of Tenant, not to be unreasonably withheld, conditioned or delayed. At Tenant's option such opening of the secure risers shall be supervised by Tenant or its representative.

6. USE OF LEASED PREMISES

(a) **Permitted Uses:** Tenant shall use and occupy the Leased Premises solely for general office purposes strictly in accordance with the applicable zoning regulations and consistent with the character and dignity of the Building, and shall not use or permit or suffer the use of the Leased Premises for any other purpose whatsoever without the prior written consent of the Landlord which shall not be unreasonably conditioned, delayed or withheld. Tenant shall not permit or suffer the Leased Premises to be occupied by anyone other than Tenant except as provided by Section 15. Tenant shall at all times have access to the Leased Premises twenty-four (24) hours a day, seven (7) days a week, subject, however, in all respects to all the terms, covenants and conditions contained in this Lease. However, Landlord may regulate and restrict access to the Building at times other than normal business hours on Business Days for security purposes so long as Tenant's employees and agents have reasonable access to the Leased Premises without unreasonable inconvenience. Throughout the Term, Tenant shall not use, or permit the Leased Premises to be used, for the business of selling food, beverages, or tobacco products, except that Tenant may operate on the Leased Premises vending machines for the sale of food, beverages, and tobacco products exclusively to its employees, agents, assignees or their respective visitors..

(b) **Use Restrictions:** Throughout the Term, Tenant covenants and agrees: (i) to pay before delinquency any and all taxes, assessments and public charges levied, assessed or imposed upon Tenant's business conducted in the Leased Premises, upon the leasehold estate created by this Lease or upon Tenant's fixtures, furnishings or equipment in the Leased Premises; (ii) not to use or permit or suffer the use of any portion of the Leased Premises for any unlawful purpose; (iii) not to use the plumbing facilities for any purpose other than that for which they were constructed, or dispose of any foreign substances therein; (iv) not to place a load on any floor exceeding the floor load per square foot which such floor was designed to carry in accordance with the plans and specifications of the Building, and not to install, operate or maintain in the Leased Premises any heavy item of equipment except in such manner as to achieve a proper distribution of weight; (v) not to strip, over-load, damage, or deface the Leased Premises, or the hallways, stairways, elevators parking facilities, or other public areas of the Building, or the fixtures therein or used therewith; (vi) not to move any furniture or equipment into or out of the Leased Premises except at such times and in such locations as Landlord may from time to time designate; (vii) not to install any other equipment of any kind or nature which will or may necessitate any changes, replacements or additions to or in the use of, the water system, heating system, plumbing system, air-conditioning system, or electrical system of the Leased Premises or the Building, without first obtaining the written consent of Landlord; and (ix) at all times to comply with all Legal Requirements.

(c) **Legal Requirements:** Tenant will not use or occupy the Leased Premises in violation of any Legal Requirements. If any governmental authority, after the commencement of the Term, shall contend or declare that the Leased Premises are being used for a purpose which is in violation of any Legal Requirements, then Tenant shall, upon thirty (30) days' notice from Landlord,

immediately discontinue such use of the Leased Premises. If thereafter the governmental authority asserting such violation threatens, commences, or continues criminal or civil proceedings against Landlord for Tenant's failure to discontinue such use in addition to any and all rights, privileges and remedies given to Landlord under this Lease for default therein, Landlord shall have the right to terminate this Lease forthwith. Tenant shall indemnify and hold Landlord harmless from and against any and all liability for any such violation or violations.

(d) **Fire Insurance Limitations:** Tenant shall not do, permit or suffer to be done any act, matter, thing, or failure to act in respect of the Leased Premises and/or the Building that will invalidate or be in conflict with fire insurance policies covering the Building or any part thereof, and shall not do, or permit anything to be done, in or upon the Leased Premises and/or the Building, or bring or keep anything therein, which shall increase the rate of fire insurance on the Building or on any property located therein. If, by reason of the failure of Tenant to comply with the provisions of this subsection, the fire insurance rate shall at any time be higher than it otherwise would be, then Tenant shall reimburse Landlord and any other tenant of the Building, on demand, for that part of all premiums for any insurance coverage that shall have been charged because of such violations by Tenant and which Landlord or such other tenant, or both, shall have paid on account of an increase in the rate or rates in its own policies of insurance. Tenant shall not be responsible for any increase in fire insurance rates generally applicable to office space in Fairfax County, Virginia, and not resulting from the particular manner in which Tenant uses the Leased Premises.

(e) **Restricted Materials:** Tenant shall not bring or permit to be brought or kept in or on the Leased Premises any flammable, combustible, or explosive fluid, material, chemical or substance except standard cleaning fluid, standard equipment and materials (including magnetic tape) customarily used in conjunction with business machines and equipment of the type used from time to time by Tenant in reasonable quantities.

7. CARE OF LEASED PREMISES

(a) **Tenant Care and Maintenance:** Tenant shall act with care in its use and occupancy of the Leased Premises and the Building and the fixtures therein and, at Tenant's sole cost and expense, shall furnish its own electric bulbs and fluorescent tubes for all non-building standard light fixtures in the Leased Premises and shall make all repairs and replacements to the Leased Premises, structural or otherwise, necessitated or caused by the acts, omissions, or negligence of Tenant or any Person claiming through or under Tenant or by the use or occupancy or manner of use or occupancy of the Leased Premises by Tenant or any such Person; however, the foregoing provisions of this subsection shall be subject to the provisions of Section 13. Without affecting Tenant's obligations set forth in the preceding sentence, Tenant, at Tenant's sole cost and expense, shall also (i) make all repairs and replacements, as and when necessary, to Tenant's Special Installations and to any Alterations made or performed by or on behalf of Tenant or any Person claiming through or under Tenant, and (ii) perform all maintenance and make all repairs and replacements, as and when necessary, to any air conditioning equipment, private elevators, escalators, conveyors, or mechanical systems (other than the Building's standard equipment and systems and other than as specifically approved in writing by Landlord) which may be installed in the Leased Premises, or elsewhere in the Building and serving the Leased Premises, by Landlord, Tenant, or others. However, except as otherwise provided in this Lease, Tenant shall not have any right to install air-conditioning equipment, elevators, escalators, conveyors, or mechanical systems. In addition to the foregoing, all damage or injury to the Leased Premises and to its fixtures, appurtenances and equipment or to the Building or to its fixtures, appurtenances and equipment caused by Tenant moving property in or out of the Building or by installation or removal of furniture, fixtures, or other property by Tenant shall be repaired, restored, or replaced promptly by Tenant, at its sole cost and expense, to the reasonable satisfaction of Landlord. All such aforesaid repairs, restoration, and replacements shall be in quality and class equal to the original work or installation but in no event need exceed Building standards.

(b) **Landlord Repairs:** Except as otherwise provided in subsection (a), Landlord shall make the following repairs as and when necessary: (i) structural repairs to the Leased Premises and Building; (ii) repairs required in order to provide the elevator, plumbing, electrical, heating, and air-conditioning services to be furnished by Landlord pursuant to this Lease; (iii) repairs to exterior portions of the Building, including the windows, balconies, parking areas and roof thereof; and (iv) other repairs to the Building necessary for Tenant's permitted use and enjoyment of the Leased Premises. Landlord's obligations under the preceding sentence shall not accrue until after notice by Tenant to Landlord of the necessity for any specific repair.

RULES AND REGULATIONS

Tenant shall comply with, and shall cause its agents, employees and invitees to, comply with and observe all reasonable rules and regulations concerning the use, management, operation, safety, and good order of the Leased Premises, the Building and the Building parking areas which may from time to time be promulgated by Landlord, provided that such rules and regulations are not inconsistent with the provisions of this Lease and do not materially interfere with Tenant's permitted use of the Leased Premises. Initial rules and regulations, which shall be effective until amended by Landlord (provided such amendments do not unreasonably interfere with Tenant's business), are attached to this Lease as Exhibit F hereto and incorporated herein. Tenant shall be deemed to have received notice of any amendment to the rules and regulations when a copy of such amendment has been delivered to Tenant at the Leased Premises or has been mailed to Tenant in the manner prescribed for the giving of notices. Landlord shall not be responsible to Tenant for any violation of the rules and regulations, or the covenants or agreements contained in any other lease, by any other tenant of the Building, or such tenant's agents, employees or invitees, and Landlord may waive in writing, or otherwise, any or all of the rules or regulations in respect of any one or more tenants.

9. TENANT'S ALTERATIONS AND INSTALLATIONS

Notwithstanding anything to the contrary contained in this Lease, the Original Lease, or elsewhere provided, it is understood and agreed that the Leased Premises are currently occupied by Tenant and are hereby unconditionally accepted by Tenant, in all respects, in their "AS IS, WHERE IS" condition, and further that Landlord has fully satisfied all of its obligations regarding the completion of construction of the Leased premises under this Lease or the Original Lease, completion of any repairs that are the responsibility of the Landlord under this Lease or the Original Lease, completion of the Building as required by this Lease or the Original Lease, providing the Tenant with the Tenant Improvement Allowance as required by the Original Lease, providing Tenant the services as required under the Original Lease, and that Landlord has fully complied with all requirements under this Lease (except those requirements which by their nature are not required to be complied with at this time) and the Original Lease.

(a) Alterations: Tenant shall not make or perform, or permit the making or performance of, any alterations, installations, improvements, additions or other physical changes in or about the Leased Premises (referred to collectively as "Alterations") without Landlord's prior written consent... All plans, specifications and details for such Alterations, and all contractors performing the Alterations are subject to the prior written approval of Landlord. In the event Landlord grants such consent and permits Tenant to contract out such work, such Alterations shall be made and performed in conformity with and subject to the following provisions: (i) all Alterations shall be made and performed at Tenant's sole cost and expense and at such time and in such manner as Landlord may reasonably from time to time designate; (ii) all Alterations shall be performed by adequately insured contractors approved by Landlord and in a good and workmanlike manner in accordance with all applicable Legal Requirements, and Tenant shall indemnify and hold harmless Landlord from and against any and all costs, expenses, claims, liens and damages to person or property resulting from the making of any such alterations, decorations, additions or improvements in or to the Leased Premises or the Building; (iii) no Alteration shall affect any part of the Building other than the Leased Premises or adversely affect any service required to be furnished by Landlord to Tenant or to any other tenant or occupant of the Building; (iv) all business machines and mechanical equipment shall be placed and maintained by Tenant in settings sufficient in Landlord's reasonable judgment to absorb and prevent vibration, noise and annoyance to other tenants or occupants of the Building; (v) Tenant shall submit to Landlord reasonably detailed written plans and specifications for each proposed alteration and shall not commence any such Alteration without first obtaining Landlord's written approval of such plans and specifications; (vi) all Alterations in or to the electrical facilities in or serving the Leased Premises shall be subject to the provisions of Section 5 relating to exceeding electrical capacity; (vii) notwithstanding Landlord's approval of plans and specifications for any Alteration, all Alterations shall be made and performed in full compliance with all Legal Requirements and in accordance with the Rules and Regulations; and (viii) all materials and equipment to be incorporated in the Leased Premises as a result of all Alterations shall be of good quality. If building or other permits from governmental authorities are required for any Alterations, Tenant shall obtain such permits and deliver copies thereof to Landlord before work on such Alterations is begun. After any Alterations are completed, Tenant shall cause all required governmental inspections of the Alterations to be made and shall deliver to Landlord a copy of the inspection report and one complete set of the "as built" plans for such Alterations.

(b) Unauthorized Alterations: If Tenant shall be in Default under this Section by reason of the making of any Alteration not hereby authorized or by reason of failure to give any notice or to obtain any approval required herein, Tenant may cure such default within the applicable grace period provided in this Lease, and if Tenant fails to do so Landlord may correct or remove the same and Tenant shall be liable for any and all costs and expenses incurred by Landlord in such removal.

(c) Installed Fixtures: Except to the extent specifically provided in sub-section (d), all appurtenances, fixtures, improvements, additions and other property attached to or installed in the Leased Premises, whether by Landlord or Tenant or others, and whether at Landlord's expense, or Tenant's expense, or the joint expense of Landlord and Tenant, which are affixed to walls, floors or ceilings or which cannot be removed without structural damage to the Building, shall be and remain the property of Landlord. Any replacements of any property of Landlord, whether made at Tenant's expense or otherwise, shall be and remain the property of Landlord except as agreed to in writing by Landlord prior to Lease Execution or prior to commencing such Alterations. Notwithstanding anything to the contrary set forth herein or elsewhere provided, to the extent that Tenant installs, or previously installed in any of the Leased Premises (as defined herein and as defined in the Original Lease), any fixtures, including but not limited to built in shelving, cabinetry, desks or workstations of any kind including removable workstations shown on the Tenant Improvement Plans, appliances, light fixtures, and built-in audio-visual equipment and communication equipment (excluding phone sets) all such items are considered fixtures of the Building and shall be retained by Landlord. To the extent such items were installed on the 3rd or 4th floor of the Building under the Original Lease, Tenant shall not remove those items from the 3rd or 4th floor, as the case may be and to the extent furniture was located on the 3rd or 4th floor of the Building prior to the Effective Date hereof, Tenant shall not remove those items from the 3rd or 4th floor, and hereby conveys all of its right, title and interest in such items to Landlord free and clear of any liens.

(d) Tenant's Special Installations: All furniture, furnishings and trade fixtures, excepting lighting fixtures and equipment, but including, without limitation, business machines and equipment, vaults, vault doors and door frames, and vault equipment, if any, safe deposit equipment, counterscreens, grillwork, cages, partitions which are moveable, railings, raised floors, equipment relating to food preparation, food storage and serving, dish washing and cleaning devices and any moveable property, installed by or at the expense of Tenant shall remain the property of Tenant and are referred to herein as "Tenant's Special Installations." Tenant may at its expense remove all or any part of said property at any time during the Term, and shall at its expense remove all of said property at the expiration or other termination of the Term unless Landlord shall otherwise consent in writing. Upon removal of any or all of said property Tenant shall then repair all damage. Any of Tenant's Special Installations which are not removed from the Leased Premises at the expiration of the Term shall be deemed to have been abandoned by Tenant and may be disposed of by Landlord without liability to Tenant.

(e) Mechanic's Liens: Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanic's, materialman's or other lien for any such labor or materials shall attach to or affect the reversion or other estate or interest of Landlord in and to the Leased Premises or the Building. Whenever and as often as any mechanic's lien or materialman's lien shall have been filed against the Leased Premises or the Building based upon any act or interest of Tenant or of anyone claiming through Tenant, or if any lien or security interest with respect thereto shall have been filed affecting any materials, machinery or fixtures used in the construction, repair or operation thereof or annexed thereto by Tenant or its successors in interest, Tenant shall forthwith take such action by bonding, deposit or payment as will remove or satisfy the lien or other security interest and in default thereof after the expiration of fifteen (15) days after notice to Tenant, Landlord, in addition to any other remedy under this Lease, may pay the amount secured by such lien or security interest or discharge the same by deposit and the amount so paid or deposited shall be collectible as additional rent. The provisions of this subsection shall not be applicable to liens filed with respect to work done for Tenant's account by Landlord.

10. NAME OF BUILDING; TENANT'S SIGNS

(a) Building Name: The name of the Building shall be 11465 Sunset Hills Road or such other name selected by Landlord in its sole discretion. Landlord expressly reserves the right to have the Building designated by a street number or numbers and to affix to the Building, at locations designated by Landlord, signs indicating any such number or numbers and to change the name of the Building as selected from time to time by Landlord.

(b) Roof Rights: Landlord has not granted to Tenant any rights in or to the roof or

the outer side of the outside walls or windows of the Building, control of which is hereby reserved by Landlord except that Tenant shall have non-exclusive access to and the use of its pro-rata share of available building roof (as determined by Landlord) for the installation and maintenance of communications equipment of Tenant. Landlord will require detailed specifications for review and approval to be provided to Landlord and its chosen consultant at least thirty (30) days prior to the date Tenant desires installation to commence. Any reasonable cost of landlord's consultant in connection with review and approval of the subject specifications and plans shall be reimbursed by Tenant promptly upon request therefore. All roof access will be coordinated with Landlord's management. Any building penetration shall be subject to the approval of Landlord (and its consultant's) in Landlord's sole and absolute discretion. Tenant will obtain all required permits and comply with all applicable restrictions at its sole cost and shall be solely responsible for all costs associated with installation, maintenance and removal of Tenant's roof top equipment and of any associated building penetrations. Tenant also agrees to be responsible for present and future damages to said roof as the result of Tenant's access and use of the roof as described herein.

(c) **Signage:** Tenant shall not display or erect any lettering, signs, advertisements, awnings or other projections on the exterior of the Leased Premises or in the interior of the Leased Premises if visible from a public way, except for customary hallway door lettering or interior suite signage visible to the public way (approved in writing in advance by Landlord), and except that Tenant shall be entitled to maintain its existing exterior building signage subject to Tenant continuing to occupy the Leased Premises in its entirety and provided Tenant has not been in default beyond any applicable cure period. Landlord shall provide Tenant with a prominent ("top billing") location of its name on the existing building monument sign incorporated into the project by Landlord provided Tenant continues to occupy the Leased Premises in its entirety and fully and faithfully complies with all of the terms and conditions hereof, including but not limited to the timely payment of all amounts due Landlord hereunder. The Tenant shall not utilize more than its pro-rata share of signage square feet as provided for in local zoning ordinances. The Tenant shall be solely responsible for obtaining all required permits and approvals and shall be solely responsible for all costs associated with permitting, installation, maintenance and removal of its signage. Landlord will require detailed specifications for review and approval, and installation will be coordinated with Landlord's management. Any building penetration shall be subject to the approval of Landlord (and its consultant's) in Landlord's sole and absolute discretion. Landlord shall provide a directory tablet in the main lobby of the Building, at its expense, upon which Landlord, at Landlord's expense, will affix Tenant's name and a reasonable number of names of its officers, partners or employees, Landlord, at Landlord's expense, shall provide a reasonable number of building standard suite identification signs. Directory listings and suite signage for any sub-tenants of Tenant shall be at Tenant's expense. The size, color, and style of such directory and names affixed thereto shall be selected by Landlord.

11. **LIABILITY INSURANCE**

(a) **General Liability Insurance:** Tenant, at Tenant's sole cost and expense, shall obtain and maintain in effect at all times during the Term, a policy of comprehensive general public liability insurance with broad form property damage endorsement, naming Landlord and (at Landlord's request) any Mortgagee of the Building and any management agent as additional insured(s), protecting Landlord, Tenant and any such Mortgagee and management agent against any liability for bodily injury, death or property damage occurring upon, in or about any part of the Building or the land on which it is built, the Leased Premises or any appurtenances thereto, with such policies to afford protection to the limit of not less than One Million Dollars (\$1,000,000.00) with respect to bodily injury or death to any one person, to the limit of not less than Three Million Dollars (\$3,000,000.00) with respect to bodily injury or death to any number of persons in any one accident, to the limit of not less than One Million Dollars (\$1,000,000.00) with respect to damage to the property of any one owner from one occurrence, and with a deductible of no greater than One Thousand Dollars (\$1,000.00) per occurrence. Such comprehensive liability insurance may be effected by a policy or policies of blanket insurance which cover other property in addition to the Leased Premises, provided that the protection afforded thereunder shall be no less than that which would have been afforded under a separate policy or policies relating only to the Leased Premises and provided further that in all other respects any such policy shall comply with the other provisions of this Section.

(b) **Policy Restrictions:** The insurance policy required to be obtained by Tenant under this Section: (i) shall be issued by an insurance company of recognized responsibility licensed to do business in the jurisdiction in which the Building is located; and (ii) shall be written as primary policy coverage and not contributing with or in excess of any coverage which Landlord may carry. Neither the issuance of any insurance policy required under this Lease, nor the minimum limits

specified herein with respect to Tenant's insurance coverage, shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease. With respect to each insurance policy required to be obtained by Tenant under this Section, on or before the Lease Commencement Date, and at least thirty (30) days before the expiration of the expiring policy or certificate previously furnished, Tenant shall deliver to Landlord a certificate of insurance therefor, together with evidence of payment of all applicable premiums. Each insurance policy required to be carried hereunder by or on behalf of Tenant shall provide (and any certificate evidencing the existence of each such insurance policy shall certify) that such insurance policy shall not be cancelled unless Landlord shall have received thirty (30) days' prior written notice of cancellation.

(c) **Hold Harmless:** Except for the willful gross negligent acts or omissions of Landlord or its agents or employees, Tenant hereby agrees to indemnify and hold harmless Landlord from and against any and all claims, losses, actions, damages, liabilities, and expenses (including attorneys' fees) that (i) arise from or are in connection with Tenant's possession, use, occupancy, management, repair, maintenance, or control of the Leased Premises, or any portion thereof, or (ii) arise from or are in connection with any willful or negligent act or omission of Tenant or Tenant's agents, employees, invitees, or subtenants, or (iii) result from any default, breach, violation, or nonperformance of this Lease or any provisions therein by Tenant, or (iv) arise from injury or death to persons or damage to property sustained on or about the Leased Premises. Tenant shall, at its own cost and expense, defend any and all actions, suits, and proceedings which may be brought against Landlord with respect to the foregoing or in which Landlord may be impleaded. Tenant shall pay, satisfy, and discharge any and all money judgments which may be recovered against Landlord in connection with the foregoing.

(d) Unavailability in the marketplace of any insurance required herein shall not be excused as a force majeure.

12. FIRE INSURANCE

(a) Landlord shall, throughout the Term, at its expense, keep the Building, but not Tenant's Special Installations and Alterations or Tenant's furniture, furnishings, trade fixtures or property removable by Tenant under the provisions of this Lease, insured against all loss or damage by fire with extended coverage in such amount as any first Mortgagee of the Building may from time to time require. Tenant shall, throughout the Term, at its expense, keep Tenant's Special Installations and Alterations and Tenant's personal property insured against all loss or damage by fire with extended coverage in an amount sufficient to prevent Tenant from becoming a co-insurer. Tenant's policies of insurance shall contain an appropriate clause or endorsement under which the insurer agrees that such policy shall not be cancelled without at least thirty (30) days notice to Landlord.

(b) Landlord and Tenant will (i) if requested, advise the other as to the provisions of fire and extended coverage insurance policies obtained pursuant to this Section, and (ii) notify the other promptly of any change in the terms of any such policy which would affect such provisions.

13. DAMAGE BY FIRE OR OTHER CASUALTY

In the event of loss of, or damage to, the Leased Premises or the Building by fire or other casualty, the rights and obligations of the parties hereto shall be as follows:

(a) If the Leased Premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give prompt notice thereof to Landlord, and Landlord, upon receiving such notice, shall proceed promptly and with reasonable diligence, subject to Unavoidable Delays and a reasonable time for adjustment of insurance losses, to repair, or cause to be repaired, such damage in a manner designed to minimize interference with Tenant's occupancy (but with no obligation to employ labor at overtime or other premium pay rates). If the Leased Premises or any part thereof shall be rendered untenable by reason of such damage, whether to the Leased Premises or the Building, the Basic Rent and Additional Charges shall proportionately abate for the period from the date of such damage to the date when such damage shall have been repaired for the portion of the Leased Premises rendered untenable. However, if, prior to the date when all of such damage shall have been repaired, any part of the Leased Premises so damaged shall be rendered tenable and shall be used or occupied by Tenant, then the amount by which the Basic Rent and Additional Charges shall abate shall be equitably apportioned for the period from the date of any such use.

(b) If as a result of fire or other casualty more than one-half (1/2) of the Building Rentable Area is rendered untenable, Landlord within sixty (60) days from the date of such fire or casualty may terminate this Lease by notice to Tenant, specifying a date, not less than twenty (20)

nor more than forty (40) days after the giving of such notice, on which the Term shall expire as fully and completely as if such date were the date herein originally fixed for the expiration of the Term. If the Leased Premises are damaged as a result of fire or other casualty and if the damage to the Leased Premises (but not including Tenant's Special Installations or Alterations) is so extensive that such damage cannot be substantially repaired within one hundred and eighty (180) days from the date of the fire or other casualty (except for Unavoidable Delays), either Landlord or Tenant within thirty (30) days from the date of such fire or other casualty may terminate this Lease by notice to the other, specifying a date, not less than twenty (20) nor more than forty (40) days after the giving of such notice, on which the Term shall expire as fully and completely as if such date were the date originally fixed for the expiration of the Term. If either Landlord or Tenant terminates this Lease, the Basic Rent and Additional Charges shall be apportioned as of the date of such fire or other casualty. If neither Landlord nor Tenant so elects to terminate this Lease, then Landlord shall proceed to repair the damage to the Building and the damage to the Leased Premises (but not Tenant's Special Installations or Alterations), if any shall have occurred, and the Basic Rent and Additional Charges shall meanwhile be apportioned and abated all as provided in subsection (a). However, if such damage is not repaired and the Leased Premises and the Building restored to reasonably the same condition as they were prior to such damage within two hundred and seventy (270) days from the date of such damage (such 270-day period to be extended by the period of any Unavoidable Delays plus a reasonable time for adjustment of insurance losses), Tenant, within thirty (30) days from the expiration of such 270-day period (as the same may be extended), may terminate this Lease by notice to Landlord, specifying a date not more than sixty (60) days after the giving of such notice on which the Term shall expire as fully and completely as if such date were the date herein originally fixed for the expiration of the Term.

(c) If the Leased Premises shall be rendered untenable to the extent of eighty percent (80%) or more by fire or other casualty during the last six (6) months of the Term, Landlord or Tenant may terminate this Lease upon notice to the other party given within ninety (90) days after such fire or other casualty specifying a day, not less than twenty (20) days nor more than forty (40) days after the giving of such notice, on which the Term shall expire as fully and completely as if such date were the date originally fixed for the expiration of the Term. If either Landlord or Tenant terminates this Lease pursuant to this subsection, the Basic Rent and Additional Charges shall be apportioned as of the date of such fire or casualty.

(d) Landlord shall not be required to repair or replace any of Tenant's Special Installations or Alterations or any other personal property of Tenant and no damages, compensation, or claim shall be payable by Landlord for inconvenience, loss of business, or annoyance arising from any repair or restoration of any portion of the Leased Premises or of the Building, but the foregoing shall not be deemed to relieve Landlord of liability for its breach of any covenant of this Lease.

(e) The provisions of this Section shall be considered an express agreement governing any instance of damage or destruction of the Building or the Leased Premises by fire or other casualty, and any law now or hereafter in force providing for such a contingency in the absence of express agreement shall have no application.

(f) Notwithstanding any other provisions of this Lease, Landlord shall not be liable or responsible for, and Tenant hereby releases Landlord and its partners, shareholders, officers, directors, agents, and employees from, any and all liability or responsibility to Tenant or any Person claiming by, through or under Tenant, unless caused by Landlord's gross negligence, by way of subrogation or otherwise, for any injury, loss, or damage to Tenant's property covered by a valid and collectible fire insurance policy with extended coverage endorsement Tenant shall require its insurer(s) to include in all of Tenant's insurance policies which could give rise to a right of subrogation against Landlord a clause or endorsement whereby the insurer(s) shall waive any rights of subrogation against Landlord, and Tenant shall pay any additional premium required therefor.

(g) Notwithstanding any other provision of this Lease, Tenant shall not be liable or responsible for, and Landlord hereby releases Tenant and its partners, shareholders, officers, directors, agents, and employees from, any and all liability or responsibility to Landlord or any Person claiming by, through or under Landlord, unless caused by Tenant's gross negligence, by way of subrogation or otherwise, for any injury, loss, or damage to Landlord's property covered by a valid and collectible fire insurance policy with extended coverage endorsement. Landlord shall require its insurer(s) to include in all of Landlord's insurance policies which could give rise to a right of subrogation against Tenant a clause or endorsement whereby the insurer(s) shall waive any rights of subrogation against Tenant, and Landlord shall pay any additional premium required therefor.

(h) The proceeds payable under all fire and other hazard insurance policies

maintained by Landlord on the Building shall belong to and be the property of Landlord, and Tenant shall not have any interest in such proceeds. Tenant agrees to look to its own fire and hazard insurance policies in the event of damage to Tenant's Special Installations or Alterations or its personal property.

14. CONDEMNATION

(a) In the event of a Taking of the whole of the Leased Premises, this Lease shall terminate as of the date of such Taking. If only a part of the Leased Premises shall be so taken then, except as otherwise provided in this subsection, this Lease shall continue in force and effect but, from and after the date of the Taking, the Basic Rent and Additional Charges shall be equitably reduced on the basis of the portion of the Leased Premises so taken. If a part of the Building shall be taken, and if either (i) the part of the Building so taken contains more than twenty-five percent (25%) of the Rentable Area of the Leased Premises immediately prior to such Taking, or (ii) in Landlord's reasonable opinion it shall be impracticable to continue to operate the Building, then Landlord, at Landlord's option, may give to Tenant within sixty (60) days after the date upon which Landlord shall have received notice of the Taking, thirty (30) days notice of termination of this Lease. If a part of the Building so taken contains more than twenty-five percent (25%) of the Rentable Area of the Leased Premises immediately prior to such Taking, or (ii) by reason of such Taking, Tenant no longer has reasonable means of access to the Leased Premises, then Tenant, at Tenant's option, may give to Landlord within sixty (60) days after the date upon which Tenant shall have received notice of such Taking, thirty (30) days notice of termination of this Lease. If thirty (30) days notice of termination is given by Landlord or Tenant, this Lease shall terminate upon the expiration of the thirty (30) day period. If this Lease is terminated pursuant to the foregoing provisions of this subsection, then, to the extent permitted by applicable law and such Taking, Tenant shall have access to the Leased Premises in order to remove Tenant's Special Installations and any other personal property then owned by Tenant and which Tenant is entitled to remove pursuant to this Lease during the period of thirty (30) days from the date Tenant is permitted access therefor. If a Taking occurs which does not result in the termination of this Lease, Landlord shall repair, alter, and restore the remaining portions of the Leased Premises to their former condition to the extent that the same may be feasible.

(b) Landlord shall have the exclusive right to receive any and all awards made for damages to the Leased Premises and the Building accruing by reason of a Taking or by reason of anything lawfully done in pursuance of public or other authority. Tenant hereby releases and assigns to Landlord all of Tenant's rights to such awards, and covenants to deliver such further assignments and assurances thereof as Landlord may from time to time request, hereby irrevocably designating and appointing Landlord as its attorney-in-fact to execute and deliver in Tenant's name and behalf all such further assignments thereof. However, Tenant shall have the right to make its own claim against the condemning authority for a separate award for the value of any of Tenant's Special Installations and Alterations, for moving and relocation expenses and for such business damages and/or consequential damages as may be allowed by law which do not constitute part of the compensation for the Building and do not diminish the amount of the award to which Landlord would otherwise be entitled.

15. ASSIGNMENT AND SUBLETTING

Tenant shall not mortgage, pledge, encumber, sell, assign, or transfer this Lease, in whole or in part, by operation of law or otherwise, or sublease all or any part of the Leased Premises, without Landlord's written consent, which consent may be withheld for any reason whatsoever except as specifically set forth in this paragraph 15. In all events no such assignment shall be valid unless, prior to the commencement of the subject sub-lease or the occupancy of the sub-tenant Landlord shall have received financial information and documents from the proposed sub-tenant and approved the proposed sublease and Tenant shall have delivered to Landlord (i) a duplicate original instrument of assignment in form reasonably satisfactory to Landlord, duly executed by Tenant, and (ii) an instrument in form attached hereto as Exhibit I, duly executed by the Tenant and the assignee or sub-tenant, in which such assignee or sub-tenant shall agree, among other things, to observe and perform, and to be personally bound by, all of the terms, covenants, and conditions of this Lease on Tenant's part to be observed and performed, whether or not accruing prior to or after the date of such assignment and whether or not relating to matters arising prior to such assignment. In the event of any monetary Default hereunder that remains uncured after the passage of any applicable cure period, as set forth herein, Tenant hereby irrevocably assigns to Landlord the right to collect all Rent and additional charges due Tenant as Sublandlord from any subtenant.

(a) Right to Sublease: Tenant shall not have the right to sublease or assign the Leased

Premises in whole or in part to any party without Landlord's prior written approval. If Landlord allows subleasing, in all events Tenant shall remain primarily liable under the lease. All additional rent and other compensation, in excess of the Basic Rent hereunder, provided by the subject sub-tenant under any sub-lease shall be the sole property of Landlord. In all events, any and all security deposit, paid to Tenant by any sub-tenant shall be promptly delivered to an escrow agent, selected by Landlord. Further, all payments due Tenant, as Sub-landlord, under any such Sub-lease shall be paid by joint check, made payable to Landlord and Tenant and if paid over to Landlord shall be credited against the then current amount due Landlord from Tenant.

(b) Restrictions on Sub-leasing: It is understood and agreed that the overall make up of tenants and the size of sub-leased spaces within the Building is subject to the Landlord's sole and absolute discretion and in all events subject to Landlord's approval. The Landlord reserves the right to deny approval of a sub-lease to any party.

(c) Prior to Offering: In connection with any request by Tenant for consent to sublet all or any portion of the Leased Premises, Tenant shall, at least ten (10) days prior to offering any space for sub-lease, submit to Landlord, in writing, a notice of Tenant's desire to sub-lease a portion of the Leased premises containing such information as the amount of proposed sub-lease space, the location of the proposed sub-lease space, an as-built floor plan of the proposed sub-lease space, the terms to be sought by Tenant under a sub-lease for the proposed sub-lease space, and the date of availability of the proposed sub-lease space.

(d) Sub-tenant Identification: Upon identifying a proposed sub-lease tenant (a "Proposed Sub-tenant") or a proposed assignee (a "Proposed Assignee") Tenant shall submit to Landlord, in writing, a statement containing the name of the Proposed Assignee or Sub-tenant, such information as to its financial responsibility and standing of the Proposed Assignee or Sub-tenant as Landlord may require, and all of the terms and provisions upon which the proposed assignment or sublease is to be made, and a floor plan delineating the proposed sublet area.

(e) Sub-lease Profits: In all events, any and all additional rent and other compensation in excess of the Basic Rent provided for herein, as provided for under any sublease or assignment permitted by Landlord, shall be the sole and exclusive property of Landlord without offset or deduction of any kind, including, but not limited to any offset for Tenant's costs of sub-leasing, legal expenses associated with the subject sub-lease, sub-tenant improvements paid for by Tenant, and any other concessions made to the subject sub-tenant (the "Sub-lease costs"). For the purposes of this provision Tenant agrees that all additional rent and other compensation in excess of the Basic Rent provided for herein generated from sub-leasing any of the Leased premises shall belong to, and be the sole property of Landlord. Further, in no event shall Tenant be entitled to any portion of any profits generated by the sale of special services (including additional services provided by Landlord) to any sub-tenant of Tenant. In all events any permitted sub-tenant shall be required to execute a sub-lease agreement that is acceptable to Landlord in Landlord's reasonable discretion and which incorporates all terms and conditions of this Lease.

(f) Mortgagee Approval: In all events all proposed subleases of the Leased Premises shall be subject to the approval of any lender of Landlord that holds a mortgage on the Building.

(g) Right of First Refusal: The Landlord shall at all times have a right of first refusal upon any portion of the Leased Premises that Tenant desires to sublease which right of first refusal may be assigned by Landlord. In the event the Landlord exercises this option the terms of the subject sub-lease shall be those readily available to Tenant from a third party. However, Landlord's right of first refusal shall not apply where Tenant demonstrates that such sublease provides Tenant a reasonable business benefit.

(h) Invalid Transfers: Any attempted transfer, assignment, sub-leasing, mortgaging or encumbering of this Lease in violation of the provisions of this Section shall be void and confer no rights upon any third person. No permitted assignment or subletting shall relieve Tenant of any of its obligations under this Lease. Landlord and Tenant agree that (i) any consideration paid to Tenant in connection with a sub-leasing of all or any part of the Leased Premises which is attributable to an increase in the rental value of the Leased Premises over and above the Basic Rent and Additional Charges payable under this Lease, and (ii) any consideration paid to Tenant or any sub-tenant or other Person claiming through or under Tenant in connection with an assignment of the Tenant's interest in this Lease or the interest of any sub-tenant or other Person claiming through or under Tenant under any sub-lease, shall accrue to the benefit of Landlord and not to the benefit of Tenant, or any sub-tenant or other Person claiming through or under Tenant, or the creditors of Tenant or of any such subtenant or other Person claiming through or under Tenant, and Landlord shall have the

right to condition its consent to any such assignment or subletting upon receipt by Landlord of Tenant's or any subtenant's or other Person's written confirmation of or other evidence of compliance with, the provisions of clause (i) or (ii), as the case may be.

(i) **Transfer of Control:** If Tenant is a corporation, any transfer of any of Tenant's issued and outstanding capital stock or any issuance of additional capital stock, as a result of which the majority of the issued and outstanding capital stock of Tenant is held by a Person or Persons who do not hold a majority of the issued and outstanding capital stock of Tenant on the date hereof, shall be deemed an assignment under this Section 15; provided, however, that this sentence shall not apply to a corporation if all of the outstanding voting stock of such corporation is registered under Sections 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended. If Tenant is a partnership, or limited liability company, any transfer of any interest in the partnership, or limited liability company, or any other change in the composition of the partnership, or limited liability company, which results in a change in the control of Tenant from the Person or Persons controlling the partnership, or limited liability company, on the date hereof, shall be deemed an assignment under this Section 15. Notwithstanding this provision (15(i)) it is agreed that if such a transfer of stock occurs and within fifteen (15) days of such transfer (if not provided in advance of the transfer) the Landlord (a) receives financial statements and other related information, as required of Tenant hereunder, from the transferee, (b) acknowledges to the Tenant in writing that Landlord finds the financial condition of the transferee of the stock to be reasonably acceptable, and (c) the transferee of the stock affirms this Lease in writing, in a form acceptable to Landlord, then in such event such a transfer of control shall not be considered a Event of Default hereunder.

(j) **Obligations of Assignee or Subtenant:** If Tenant's interest in this Lease is assigned in whole or in part, whether or not in violation of the provisions of this Section, Landlord, at its sole option, may collect all rent and other amounts due Tenant from the assignee, whether Tenant is in Default hereunder or not. If the Leased Premises or any part thereof are sub-leased to, or occupied by, or used by, any Person other than Tenant, whether or not in violation of this Section, Landlord, at its sole option, may collect all rent and other amounts due Tenant from the sub-tenant ("Sub-tenant Payments"), whether Tenant is in Default hereunder or not. In either case, Landlord shall provide written notice to the subject sub-tenant or occupant of the Leased Premises, at the address of the Leased Premises, and to Tenant under this Lease informing the subject parties of Landlord's election of its option to receive all Sub-tenant Payments and thereafter all Sub-tenant Payments due Tenant shall be paid directly to Landlord. In either case, Landlord shall apply the amount collected to the rents reserved in this Lease, but neither any such assignment, sub-leasing, occupancy, or use, whether with or without Landlord's prior consent, nor any such collection or application, shall be deemed a waiver of any term, covenant or condition of this Lease or the acceptance by Landlord of such assignee, sub-tenant, occupant or user as tenant. The consent by Landlord to any assignment or sub-leasing shall not relieve Tenant from its obligation to obtain the express prior written consent of Landlord to any assignment or sub-leasing. The listing of any name other than that of Tenant on any door of the Leased Premises or on any directory in the Building, or otherwise, shall not operate to vest in the Person so named any right or interest in this Lease or in the Leased Premises or be deemed to constitute, or serve as a substitute for, any prior consent of Landlord required under this Section, and it is understood that any such listing shall constitute a privilege extended by Landlord which shall be revocable at Landlord's will by notice to Tenant, except where there exists a valid sublease. Neither an assignment of Tenant's interest in this Lease nor a sub-leasing, occupancy or use of the Leased Premises or any part thereof by any Person other than Tenant, nor the collection of rent by Landlord from any Person other than Tenant as provided in this subsection, nor the application of any such rent as provided in this subsection shall, in any circumstances, relieve Tenant from its obligation fully to observe and perform the terms, covenants and conditions of this Lease on Tenant's part to be observed and performed.

16. DEFAULT PROVISIONS

(a) Each of the following events shall be deemed to be, and is referred to in this Lease as, an "Event of Default":

(1) A default by Tenant in the due and punctual payment of (i) all Basic Rent due, by wire transfer, on the first business day of each calendar month, (ii) all Additional Charges (including but not limited to Tenant's Additional Costs) as and when they become due as set forth herein, (iii) any amounts that become due and the entire balance due under the Promissory Note, representing the Security Deposit as set forth in Paragraph 19 hereof as and when such amounts become due, if applicable; or

(2) The neglect or failure of Tenant to perform or observe any of the terms, covenants, or conditions contained in this Lease on Tenant's part to be performed or observed (other than those referred to in paragraph (1) above for which Tenant does not have the right to a cure period) which if not remedied by Tenant within fifteen (15) business days after Landlord shall have given to Tenant written notice specifying such neglect or failure; if such condition can not practically be remedied within said fifteen (15) day period Tenant shall have forty five days from the date of such notice to remedy the condition provided Tenant timely commences and diligently prosecutes such remedy unless the nature of such condition requires it to be remedied in a shorter period of time; or

(3) The assignment, transfer, mortgaging, or encumbering of this Lease or the sub-leasing of any or all of the Leased Premises in a manner not strictly in accordance with and permitted by Section 15; or

(4) The taking of this Lease or the Leased Premises, or any part thereof, upon execution or by other process of law directed against Tenant, or upon or subject to any attachment at the instance of any creditor of or claimant against Tenant, which execution or attachment shall not be discharged or disposed of within thirty (30) days after the levy thereof; or

(5) The abandonment of the Leased Premises, in whole or in part, by Tenant, provided that no abandonment shall be considered to have occurred so long as Tenant continues to pay all amounts due Landlord, as and when due, and continues to meet all other terms, conditions, and obligations of Tenant under this Lease, as reasonably determined by Landlord.

(6) The failure of any sub-tenant occupying any portion of the Leased Premises to comply with each and every provision of this Lease.

(b) Upon the occurrence of an Event of Default, Landlord shall have the right, at its election, then or at any time thereafter while such Event of Default shall continue, either:

(1) To give Tenant written notice that this Lease will terminate on a date to be specified in such notice, which date shall not be less than ten (10) business days after such notice, and on the date of such notice Tenant's right to possession of the Leased Premises shall cease and this Lease shall thereupon be terminated, but Tenant shall remain liable as provided in subsection (c); or

(2) Without demand or notice, to re-enter and take possession of the Leased Premises, or any part thereof, and repossess the same as of Landlord's former estate and expel Tenant and those claiming through or under Tenant a right to occupy the Leased Premises, and remove the effects of both or either, either by summary proceedings, or by action at law or in equity or by force (if necessary) or otherwise, without being deemed guilty of any manner of trespass and without prejudice to any remedies for arrears of rent or preceding breach of covenant.

If Landlord elects to re-enter the Leased Premises as set forth above, Landlord may terminate this Lease, or, from time to time, without terminating this Lease, may re-lease the Leased Premises, or any part thereof, as agent for Tenant for such term or terms and conditions as Landlord may deem advisable, with the right to make alterations and repairs to the Leased Premises. No such re-entry or taking of possession of the Leased Premises by Landlord shall be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant as set forth above or unless the termination thereof be decreed by a court of competent jurisdiction. Tenant waives any right to the service of any notice of Landlord's intention to re-enter provided for by any present or future law.

(c) If Landlord terminates this Lease pursuant to subsection (b), Landlord shall have the option to accelerate and declare the entire amount of all Basic Rent and Additional Charges (including but not limited to Tenant's Additional Costs) provided for herein until the date this Lease would have expired had such termination not occurred as the total rental set forth in Section (a) (1) of this Paragraph as due and payable forthwith. Tenant shall be liable (in addition to accrued liabilities) to the extent legally permissible for (i) the sum of (A) all Basic Rent and Additional Charges (including but not limited to Tenant's Additional Costs) provided for in this Lease until the date this Lease would have expired had such termination not occurred, and (B) any and all reasonable expenses incurred by Landlord in re-entering the Leased Premises, repossessing the same, making good any default of Tenant, painting the same, adjoining the same with any adjacent space for any new tenants, putting the same in proper repair, re-letting the same (including any and all reasonable attorneys' fees and disbursements and reasonable brokerage fees incurred with so doing), and any and all expenses which Landlord may incur during the occupancy of any new tenant (other than expenses

of a type that are Landlord's responsibility under the terms of this Lease); less (ii) the net proceeds of any re-letting.

In addition to the foregoing, Tenant shall pay to Landlord such sums as the court which has jurisdiction thereover may adjudge reasonable as attorney's fees with respect to any successful law suit or action instituted by Landlord to enforce the provisions of this Lease. Landlord shall have the right, at its sole option, to release the whole or any part of the Leased Premises for the whole of the un-expired Term, or longer, or from time to time for shorter periods, for any rental then obtainable, giving such concessions of rent and making such special repairs, alterations, decorations, and paintings for any new tenant as Landlord, in its sole and absolute discretion, may deem advisable. Tenant's liability as aforesaid shall survive the institution of summary proceedings and the issuance of any warrant thereunder. Landlord shall be under no obligation to re-lease the Leased Premises, but agrees to use its best efforts to do so.

17. BANKRUPTCY TERMINATION PROVISION

At the sole and exclusive option of Landlord, evidenced by written notice from Landlord to Tenant, the Landlord may, without relieving Tenant from any of its obligations that survive termination, terminate this Lease, without the performance of any additional act or the giving of any additional notice to any other party, effective immediately upon the occurrence of any of the following events, even if the effective date of termination precedes the date of Landlord's notice, or on such later date as determined by Landlord: (1) Tenant's admitting in writing its inability to pay its debts generally as they become due, or (2) the commencement by Tenant of a voluntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency, or other similar law, or (3) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of Tenant in an involuntary case under the federal bankruptcy laws, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, and the continuance of any such decree or order unstayed and in effect for a period of thirty (30) consecutive days, or (4) Tenant's making an assignment of all or a substantial part of its property for the benefit of its creditors in satisfaction of a pre-existing debt or obligation, or (5) Tenant's seeking or consenting to or acquiescing in the appointment of, or the taking of possession by, a receiver, trustee or custodian for all or a substantial part of its property, or (6) the entry of a court order without Tenant's consent, which order shall not be vacated, set aside or stayed within thirty (30) days from the date of entry, appointing a receiver, trustee, or custodian for all or a substantial part of Tenant's property. The provisions of this Section shall be construed with due recognition for the provisions of the federal bankruptcy laws, where applicable, but shall be interpreted in a manner which results in a termination of this Lease, at the option of Landlord, in each and every instance, and to the fullest extent that such termination is permitted under the federal bankruptcy laws, it being of prime importance to the Landlord to deal only with tenants who have, and continue to have, a strong degree of financial strength and financial stability.

18. LANDLORD MAY PERFORM TENANT'S OBLIGATIONS

If Tenant shall fail to keep or perform, any of its obligations as provided in this Lease in respect to (a) maintenance of insurance, (b) repairs and maintenance of Leased Premises, (c) compliance with Legal Requirements, or (d) the making of any other payment or performance of any other obligation (other than the payment of amounts due Landlord hereunder), then Landlord may (but shall not be obligated to) upon the continuance of such failure on Tenant's part for ten (10) days after written notice to Tenant (or after such additional period, if any, as Tenant may reasonably require to cure such failure if of a nature which cannot be cured within said 10-day period but not to exceed fifteen additional days), or without notice in the case of an emergency, and without waiving or releasing Tenant from any obligation, and as an additional but not exclusive remedy, make any such payment or perform any such obligation and all sums so paid by Landlord and all necessary incidental costs and expenses, including attorney's fees, incurred by Landlord in making such payment or performing such obligation, together with interest thereon from the date of payment at the Default Interest Rate, shall be deemed Additional Rent and shall be paid to the Landlord on demand, or at Landlord's option may be added to any installment of Basic Rent thereafter falling due, and if not so paid by Tenant, Landlord shall have the same rights and remedies as in the case of a default by Tenant in the payment of Basic Rent.

19. SECURITY DEPOSIT

(a) Upon execution of this Lease, Tenant shall pay Landlord a Security Deposit in the amount of Seven Hundred and Fifty Thousand and 00/100 Dollars (\$750,000.00), in the form of the

promissory note attached hereto as Exhibit G and incorporated herein (the "Security Deposit Promissory Note"). The Security Deposit Promissory Note shall provide for the total amount due thereunder to be due and payable not later than five (5) days after any Default by Tenant that is not cured within the applicable cure period, if any applies. Provided the Tenant has demonstrated financial viability, as reasonably determined by Landlord or Landlord's Mortgagee(s), on the fourth anniversary of the Lease Commencement, the principal amount of this Note shall be reduced from Seven Hundred and Fifty Thousand Dollars (\$750,000.00) to an amount equal to the Basic Rent for the last Lease Year of the Lease Term.

(b) As consideration for Landlord entering into this Lease Agreement the Tenant hereby expressly waives and relinquishes any and all right Tenant may have (i) to any portion of the security deposit paid to Landlord pursuant to the Original Lease, (ii) to earn interest on any cash Security Deposit delivered to Landlord in connection with the Security Deposit Promissory Note hereunder.

(c) Tenant hereby deposits with Landlord the Security Deposit, as security for the prompt, full, and faithful performance by Tenant of each and every provision of this Lease and of all obligations of Tenant hereunder. If an Event of Default occurs, Landlord may use, make demand for payment of the full amount of the Security Deposit Promissory Note and upon receipt thereof, apply, or retain the whole or any part of the Security Deposit for the payment of (i) any Basic Rent or Additional Charges which Tenant may not have paid or which may become due after the occurrence of such Event or Default, (ii) any sum expended by Landlord on Tenant's behalf in accordance with the provisions of this Lease (including the reimbursement of the un-amortized Tenant Improvement Allowance provided by Landlord), or (iii) any sum which Landlord may expend or be required to expend by reason of Tenant's default, including damages or deficiency in the re-leasing of the Leased Premises as provided in Section 16. The use, application, or retention of the Security Deposit, or any portion thereof, by Landlord shall not prevent Landlord from exercising any other right or remedy provided by this Lease or by law and shall not operate as a limitation on any recovery to which Landlord may otherwise be entitled. If any portion of the Security Deposit is used, applied or retained by Landlord for the purpose set forth above, Tenant agrees, within ten (10) days after a written demand therefore is made by Landlord, to deposit cash with the Landlord in an amount sufficient to restore the Security Deposit to its original amount.

(d) If Tenant shall fully and faithfully comply with all of the provisions of this Lease, the Security Deposit, or any balance thereof, shall be returned to Tenant within thirty (30) days after the expiration of the Term, without interest. In the absence of evidence satisfactory to Landlord of any permitted assignment of the right to receive the Security Deposit, or the remaining balance thereof, Landlord may return the same to the original Tenant, regardless of one or more assignments of Tenant's interest in this Lease or the Security Deposit. In such event, upon the return of the Security Deposit (or balance thereof) to the original Tenant, Landlord shall be completely relieved of liability under this Section.

(e) In the event of a transfer of Landlord's interest in the Leased Premises, Landlord shall have the right to transfer the Security Deposit to the transferee thereof. In such event, upon the delivery by Landlord to Tenant of such transferee's written acknowledgement of its receipt of such Security Deposit, Landlord shall be deemed to have been released by Tenant from all liability or obligation for the return of such Security Deposit, and Tenant agrees to look solely to such transferee for the return of the Security Deposit and the transferee shall be bound by all provisions of this Lease relating to the return of the Security Deposit.

(f) The Security Deposit shall not be mortgaged, assigned, or encumbered in any manner whatsoever by Tenant without the prior written consent of Landlord, which may be withheld by Landlord in its sole discretion.

(g) THE SECURITY DEPOSIT PROMISSORY NOTE SHALL CONTAIN A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS TENANT MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST TENANT WITHOUT ANY FURTHER NOTICE.

(h) Should any sums become due and payable under the Security Deposit Promissory Note and such sums are not paid when and as due, time being of the essence, the Borrower hereby constitutes and appoints Marc Bettius and/or Christopher D. Clemente, either of whom may act, as its attorney-in-fact to confess judgment on the Borrower under the Security Deposit Promissory Note for the full sum due thereunder, plus attorney's fees of 20% of the total amount then outstanding under

the Security Deposit Promissory Note, and upon entry of the judgment, the Borrower under the Security Deposit Promissory Note waives the benefit of any and every statute, ordinance, or rule of court which may lawfully waived conferring upon the Borrower under the Security Deposit Promissory Note any right or privilege or exemption, stay of execution or supplemented proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment. The Borrower under the Security Deposit Promissory Note acknowledges that said sum is reasonable as evidenced by Borrowers signature on the Security Deposit Promissory Note. The Borrower under the Security Deposit Promissory Note consents to venue in the Circuit Court of Fairfax County with respect to the institution of an action confessing judgment hereon. The authority and power to appear for and enter judgment against the Borrower under the Security Deposit Promissory Note shall not be exhausted by one or more exercises thereof, or by any imperfect exercise thereof, and shall not be extinguished by any judgment entered pursuant thereto, such authority and power may be exercised on one or more occasions from time to time in the same or different jurisdictions as often as the Lender under the Security Deposit Promissory Note or its assigns shall deem necessary or advisable until all sums due under the Security Deposit Promissory Note are paid in full.

20. SUBORDINATION

(a) This Lease and Tenant's interest hereunder shall have priority over, and be senior to, the lien of any Mortgage made by Landlord after the date of this Lease. However, if at any time or from time to time during the Term, a Mortgagee or prospective Mortgagee requests that this Lease be subject and subordinate to its Mortgage, and if Landlord consents to such subordination, this Lease and Tenant's interest hereunder shall be subject and subordinate to the lien of such Mortgage and to all renewals, modifications, replacements, consolidations, and extensions thereof and to any and all advances made thereunder and the interest thereon. Tenant agrees that, within ten (10) days after receipt of a written request therefor from Landlord, it will, from time to time, execute and deliver any instrument or other document required by any such Mortgagee to subordinate this Lease and its interest in the Leased Premises to the lien of such Mortgage. If, at any time or from time to time during the Term, a Mortgagee of a Mortgage made prior to the date of this Lease shall request that this Lease have priority over the lien of such Mortgage, and if Landlord consents thereto, this Lease shall have priority over the lien of such Mortgage and all renewals, modifications, replacements, consolidations, and extensions thereof and all advances made thereunder and the interest thereon, and Tenant shall, within ten (10) days after receipt of a written request therefor from Landlord, execute, acknowledge and deliver any and all documents and instruments confirming the priority of this Lease. In addition, the Mortgagee of a Mortgage which has priority over this Lease shall have the right, at its option, to subordinate the lien of its Mortgage, in whole or in part, to this Lease by recording a unilateral declaration to that effect among the applicable Land Records. In any event, however, if this Lease shall have priority over the lien of a first Mortgage, this Lease shall not become subject or subordinate to the lien of any subordinate Mortgage, and Tenant shall not execute any subordination documents or instruments for any subordinate Mortgagee, without the written consent of the first Mortgagee.

(b) This Lease and Tenant's interest hereunder shall be subject and subordinate to each and every ground or underlying lease hereafter made of the Building or the land on which it is constructed, or both, and to all renewals, modifications, replacements, and extensions thereof. Tenant agrees that, within ten (10) days after receipt of written request therefor from Landlord, it will, from time to time, execute, acknowledge and deliver any instrument or other document required by any such lessor to subordinate this Lease and its interest in the Leased Premises to such ground or underlying lease.

(c) If (i) the Building, or any part thereof, or the land on which the Building is constructed, or the Landlord's leasehold estate in the Building, is at any time subject to a first Mortgage, and Landlord has entered into an assignment of this Lease to the holder of said first Mortgage, and (ii) the Tenant is given written notice of such assignment, including the name and address of the assignee, then, in that event, Tenant shall not terminate this Lease or make any abatement in the Basic Rent payable hereunder for any default on the part of the Landlord without first giving written notice, in the manner provided elsewhere in this Lease for the giving of notice, to such first Mortgagee, specifying the default in reasonable detail, and affording such first Mortgagee a reasonable opportunity to make performance, at its election, for and on behalf of the Landlord.

21. ATTORNNMENT

In the event of (a) a transfer of Landlord's interest in the Leased Premises, (b) the

termination of any ground or underlying lease of the Building or the land on which it is constructed, or both, or (c) the purchase of the Building or Landlord's interest therein in a foreclosure sale or by deed in lieu of foreclosure under any Mortgage or pursuant to a power of sale contained in any Mortgage, then in any of such events Tenant shall, upon demand by the owner of the Building or the land on which it is constructed, or both, attorn to and recognize the transferee or purchaser of Landlord's interest or the lessor under the terminated ground or underlying lease, as the case may be, as Landlord under this Lease for the balance then remaining of the Term, and thereafter this Lease shall continue as a direct lease between such person, as "Landlord," and Tenant, as "Tenant," except that such lessor, transferee or purchaser shall not be liable for any act or omission of Landlord prior to such lease termination or prior to such person's succession to title, nor be subject to any offset, defense or counterclaim accruing price to such lease termination or prior to such person's succession to title, nor be bound by any payment of Basic Rent or Additional Charges prior to such lease termination or prior to such person's succession to title for more than one (1) month in advance. Tenant shall, upon request by Landlord or the transferee or purchaser of Landlord's interest or the lessor under the terminated ground or underlying lease, as the case may be, execute and deliver an instrument or instruments confirming the foregoing provisions of this Section. Tenant hereby waives the provisions of any present or future law or regulation which gives or purports to give Tenant any right to terminate or otherwise adversely affect this Lease, or the obligations of Tenant hereunder, upon or as a result of the termination of any such ground or underlying lease or the completion of any such foreclosure and sale.

22. QUIET ENJOYMENT

Landlord covenants that Tenant, upon paying the Basic Rent and the Additional Charges provided for in this Lease, and upon performing and observing all of the terms, covenants, conditions, and provisions of this Lease on Tenant's part to be kept, observed and performed, shall quietly hold, occupy, and enjoy the Leased Premises during the Term without hindrance, ejection, or molestation by Landlord or any party lawfully claiming through or under Landlord.

23. LANDLORD'S RIGHT OF ACCESS TO LEASED PREMISES

(a) Landlord and its agents shall have the following rights in and about the Leased Premises: (i) to enter the Leased Premises at all reasonable times and with reasonable notice to examine the Leased Premises or for any of the purposes set forth in this section or for the purpose of performing any obligation of Landlord under this Lease or exercising any right or remedy reserved to Landlord in this Lease, and if Tenant, its officers, partners, agents, or employees shall not be personally present or shall not open and permit an entry into the Leased Premises at any time when such entry shall be necessary or permissible, to use a master key or forcibly to enter the Leased Premises; (ii) to erect, install, use, and maintain pipes, ducts, and conduits in and through the Leased Premises which, when completed, will not substantially interfere with the use or appearance or materially reduce the space afforded to Tenant in the Leased Premises; (iii) to exhibit the Leased Premises to others at reasonable times and for reasonable purposes; (iv) to make such decorations, repairs, alterations, improvements, or additions, or to perform such maintenance, including, but not limited to, the maintenance of all heating, air-conditioning, elevator, plumbing, electrical and other mechanical facilities installed by Landlord, as Landlord may deem necessary or desirable; and (v) to take all materials into and upon the Leased Premises that may be required in connection with any such decorations, repairs, alterations, improvements, additions, or maintenance. Landlord agrees to give prior notice before it exercises its rights under this subsection, except that Landlord may enter the Leased Premises without notice in the case of an emergency. In making such an entry, Landlord agrees to use reasonable efforts to avoid interfering with the regular and usual conduct of the Tenant's business.

(b) All parts (except surfaces facing the interior of the Leased Premises) of all walls, windows, and doors bounding the Leased Premises (including exterior Building walls, corridor walls, doors, and entrances), all balconies, terraces, and roofs adjacent to the Leased Premises, all space in or adjacent to the Leased Premises used for shafts, stacks, stairways, chutes, pipes, conduits, ducts, fan rooms, heating, and air-conditioning, plumbing, electrical, and other mechanical facilities installed by Landlord, service closets and other Building facilities, and the use thereof, as well as access thereto through the Leased Premises for the purposes of operation, maintenance, alteration, and repair, are hereby reserved to Landlord. Nothing contained in this Section shall impose any obligation upon Landlord with respect to the operation, maintenance, alteration, or repair of the Leased Premises or the Building.

(c) The exercise by Landlord or its agents of any right reserved to Landlord in this Section shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to

any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord, or its agents, or upon any lessor under any ground or underlying lease, by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise. Landlord agrees to exercise its rights under this Section in a manner designed to minimize interference with Tenant's normal business operations, without any obligation, however, to employ labor at overtime or other premium pay rates.

24. LIMITATION ON LANDLORD'S LIABILITY

(a) Except for damages resulting from the willful or negligent act or omission of Landlord, its agents and employees, Landlord shall not be liable to Tenant, its employees, agents, business invitees, licensees, customers, guests or trespassers, for any damage or loss to the property of Tenant or others located on the Leased Premises, or in the Building or the land on which it is built, or for any accident or injury to Persons in the Leased Premises or the Building, resulting from the necessity of repairing any portion of the Building; the use or operation (by Tenant or any other Person or Persons whatsoever) of any elevators, or heating, cooling, electrical or plumbing equipment or apparatus; the termination of this Lease by reason of the destruction of the Building or the Leased Premises; any fire, robbery, theft, and/or any other casualty; any leaking in any part of the Leased Premises; any water, gas, steam, fire, explosion, electricity or falling plaster; the bursting, stoppage or leakage of any pipes, sewer pipes, drains, conduits, appliances or plumbing works; or any other cause whatsoever.

(b) Landlord shall not be required to perform any of its obligations hereunder, nor be liable for loss or damage for failure to do so, nor shall Tenant be released from any of its obligations under this Lease because of the Landlord's failure to perform, where such failure arises from or through Unavoidable Delays or Legal Requirements. If Landlord is so delayed or prevented from performing any of its obligations during the Term, the period of such delay or such prevention shall be deemed added to the time herein provided for the performance of any such obligation.

25. ESTOPPEL CERTIFICATES

Tenant agrees from time to time, within ten (10) days after written request therefor by Landlord, to execute, acknowledge and deliver to Landlord a statement in writing certifying to Landlord, any Mortgagee, assignee of a Mortgagee, or any purchaser of the Building or the land on which it is constructed, or both, or any other Person designated by Landlord, as of the date of such statement, (i) that Tenant is in possession of the Leased Premises; (ii) that this Lease is unmodified and in full force and effect (or, if there have been modifications, that this Lease is in full force and effect as modified and setting forth such modifications); (iii) whether or not there are then existing any set-offs or defenses known to Tenant against the enforcement of any right or remedy of Landlord, or any duty or obligation of Tenant, hereunder (and, if so, specifying the same in detail); (iv) the dates, if any, to which any Basic Rent or Additional Charges have been paid in advance; (v) that Tenant has no knowledge of any uncured defaults on the part of Landlord under this Lease (or, if Tenant has such knowledge, specifying the same in detail); (vi) the amount of any Security Deposit held by Landlord; and (viii) any additional facts reasonably requested by any such Mortgagee, assignee or a Mortgagee or purchaser.

26. SURRENDER OF LEASED PREMISES

(a) Tenant shall, on or before the last day of the Term, except as otherwise expressly provided elsewhere in this Lease, remove all of its property and peaceably and quietly leave, surrender and yield up to the Landlord the Leased Premises, free of sub-tenancies, broom clean and in good order and condition except for reasonable wear and tear, damage by fire or other casualty, or conditions requiring repair by Landlord hereunder at Landlord's expense.

(b) The provisions of this Section shall survive any expiration or termination of this Lease.

27. HOLDING OVER

If Tenant shall hold over possession of the Leased Premises after the end of the Term, Tenant shall be deemed to be occupying the Leased Premises as a Tenant from month to month, at 150% of the Basic Rent, adjusted to a monthly basis, and subject to all the other conditions, provisions and obligations of this Lease insofar as the same are applicable, or as the same shall be adjusted, to a month-to-month tenancy. Notwithstanding the immediately preceding sentence the Tenant shall have the right to hold over for a period of up to two (2) months following the expiration

of the Lease Term, or any extension thereof, at 150% of the Base Rent in effect during the last month of the previous Lease Term with six (6) months written notice. Thereafter the holdover rent will be at 175% of the Basic Rent in effect during the last month of the previous Lease Term plus consequential damages.

28. PARKING

Tenant will have the right to utilize its pro-rata share of the parking spaces in the project's parking structure and in the surface parking lots at no cost during the initial Lease Term and any extensions, including up to 10 reserved spaces in a location that includes the ten closest spaces to the entry door into the Building from the covered garage that were assigned to Tenant pursuant to the Original Lease. Throughout the Term, Tenant and/or its employees shall have the right, without additional cost, to park their automobiles in the surface and garage parking areas provided for the Building. Such parking spaces shall be available on a first-come, first-served basis (except as otherwise provided above), subject, however, to the rights of any other tenant of the Building to park automobiles in reserved parking spaces as provided in its lease. Landlord reserves the right, at any time or from time to time during the Term, to control access to the surface and garage parking areas, by use of mechanical or electric devices or otherwise, to tenants of the Building and their employees, provided that Landlord shall reserve at least twelve (12) parking spaces for parking for visitors of the Building. If, at any time during the Term, Landlord implements a controlled access system for the Building parking areas, Tenant shall have the right without additional cost, to use unassigned parking spaces in the structured parking and the surface parking lots on a pro-rata basis based on the square footage of the Leased Premises. Neither Tenant nor any of its employees shall use any of the parking facilities for storage of vehicles (or any other item such as boats or trailers) or park its or their automobiles in any portion of the Building parking areas reserved for visitor or handicapped parking or for parking of automobiles belonging to other tenants of the Building. Tenant shall cause its employees to abide by any parking reservation system implemented from time to time by Landlord. Any failure to abide by the parking restrictions implemented by Landlord shall entitle Landlord to have the vehicles parked in violation of the restrictions towed away at the risk and expense of the vehicle owner.

29. LEASING COMMISSION

Landlord and Tenant each represent and warrant to the other that neither of them has employed any broker in carrying on the negotiations relative to this Lease. Landlord and Tenant shall each indemnify and hold harmless the other from and against any claim or claims for brokerage or other commission arising from or out of any breach of the foregoing representation and warranty.

30. GENERAL PROVISIONS

(a) The covenants, conditions, agreements, terms and provisions herein contained shall be binding upon, and shall inure to the benefit of, the parties hereto and, subject to the provisions of Section 15, each of their respective personal representatives, successors and assigns.

(b) It is the intention of the parties hereto that this Lease (and the terms and provisions hereof) shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

(c) No failure by Landlord to insist upon the strict performance of any term, covenant, agreement, provision, condition or limitation of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance by the Landlord of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of any such term, covenant, agreement, provision, condition, limitation, right or remedy. No term, covenant, agreement, provision, condition or limitation of this Lease to be kept, observed or performed by Landlord or by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord or by Tenant, as the case may be. No waiver of any breach shall affect or alter this Lease, but each and every term, covenant, agreement, provision, condition and limitation of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

(d) No notice, request, consent, approval, waiver or other communication which may be or is required or permitted to be given under this Lease shall be effective unless the same is in writing and is delivered in person or sent by registered or certified mail, return receipt requested,

first-class postage prepaid, (1) if to Landlord, at Landlord's Notice Address, or (2) if to Tenant, at Tenant's Notice Address, or at any other address that may be given by one party to the other by notice pursuant to this subsection. Such notices, if sent by registered or certified mail, shall be deemed to have been given at the time of mailing.

(e) It is understood and agreed by and between the parties hereto that this Lease contains the final and entire agreement between said parties, and that they shall not be bound by any terms, statements, conditions or representations, oral or written, express or implied, not herein contained. It is understood and agreed, however, that the terms hereof shall be modified, if so required, for the purpose of complying with or fulfilling the requirements of any Mortgagee secured by a first Mortgage that may now be or hereafter become a lien on the Building, provided, however, that such modification shall not be in substantial derogation or diminution of any of the rights of the parties hereunder, nor increase any of the obligations or liabilities of the parties hereunder.

(f) Tenant hereby waives all right to trial by jury in any claim, action, proceeding or counterclaim by Landlord on any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant and/or Tenant's use or occupancy of the Leased Premises. Tenant also agrees to waive any and all counterclaims Tenant may have in any suit for possession by Landlord; it being understood that the subject of any such counterclaim may be asserted by Tenant but only in a separate action brought by Tenant against Landlord.

(g) Tenant hereby waives any objection to the venue of any action filed by Landlord against Tenant in any state or federal court in the jurisdiction in which the Building is located, and Tenant further waives any right, claim or power, under the doctrine of forum non conveniens or otherwise, to transfer any such action filed by Landlord to any other court.

(h) In the event Tenant institutes an action at law or in equity against Landlord under the terms of this Lease and does not prevail, or the case is non-suited by Tenant, then in either event Tenant shall be liable for Landlord's attorney's fees and other expenses of litigation.

(i) If Tenant is a corporation, within two (2) business days of the signing of this Lease, it shall furnish to Landlord certified copies of the resolutions of its Board of Directors (or of the executive committee of its Board of Directors) authorizing Tenant to enter into this Lease; and it shall furnish to Landlord evidence (reasonably satisfactory to Landlord and its counsel) that Tenant is a duly organized corporation in good standing under the laws of the jurisdiction of its incorporation, is qualified to do business in good standing in the Commonwealth of Virginia, has the power and authority to enter into this Lease, and that all corporate action requisite to authorize Tenant to enter into this Lease has been duly taken.

(j) Time is of the essence in the performance of all Tenant's obligations under this Lease.

(k) Wherever appropriate herein, the singular includes the plural and the plural includes the singular.

(l) If any provision of this Lease shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected thereby.

(m) The captions in this Lease are for convenience only and shall not affect the interpretation of the provisions hereof.

(n) This Lease is not intended to create a partnership or joint venture between Landlord and Tenant in the conduct of their respective business.

(o) Notwithstanding any provision to the contrary, Tenant shall look solely to the estate and property of Landlord in and to the Building in the event of any claim against Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Leased Premises, and Tenant agrees that the liability of Landlord arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Leased Premises, shall be limited to such estate and property of Landlord. No other properties or assets of Landlord shall be subject to levy, execution or other enforcement procedures for the satisfaction of any judgment (or other judicial process) or for the satisfaction of any other remedy of Tenant arising out of or in connection with this Lease, the relationship of Landlord and Tenant or Tenant's use of the Leased Premises, and if Tenant shall acquire a lien on or interest in any other properties or assets by judgment or otherwise, Tenant shall promptly release such lien on or interest in such other properties

and assets by executing, acknowledging and delivering to Landlord an instrument to that effect prepared by Landlord's attorneys.

(a) This Lease may be executed in several counterparts, but all counterparts shall constitute one and the same instrument.

(b) Tenant shall use best efforts to deliver to Landlord prior to the Lease Commencement Date, in a form and content reasonably satisfactory to Landlord, the following; (i) an irrevocable and unconditional assignment of each of the subleases (the "Assignment of Subleases"), entered into by Tenant as Sub-landlord with (a) Iona Technologies, Inc, (b) I-Connect, LC, and (c) Opennet, Inc. as subtenants (individually or collectively the "Comscore Subtenants"), (ii) a written statement from each of the Comscore Subtenants acknowledging the assignment of their subject sublease and the attorning of the rent and sublease to Landlord, affirming the validity of the subject sublease, and confirming all amounts due from Sub landlord to Subtenant (the "Subtenant Acknowledgement and Affirmation of Sublease").

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be signed by their duly authorized partners or officers as set forth below:

Seen and agreed this 24 day of June, 2003

ComScore Networks, Inc.

By: /s/ Sheri L. Huston
Print Name: /s/ Sheri L. Huston
Title: /s/ CFO

Witness: /s/ Sarah A. Schar
Name: /s/ Sarah A. Schar

Seen and agreed this 24 day of June, 2003

Comstock Partners, LC

By: /s/ Christopher Clemente
Print Name: Christopher Clemente
Title: Managing Member

Witness: /s/ Sarah A. Schar
Name: /s/ Sarah A. Schar

STATE OF Virginia.

COUNTY OF Fairfax, to-wit:

I the undersigned, a Notary Public in and or the County and aforesaid, do hereby certify that Sheri L. Huston, and his official capacity as CFO of Comscore Networks, Inc., whose name is signed to the foregoing certification, has personally appeared before me in my County and State aforesaid and acknowledged the same.

GIVEN under my hand and seal this 24 day of June, 2003.

/s/ Sarah A. Schar
NOTARY PUBLIC

My commission expires: 10-31-05.

STATE OF Virginia.

COUNTY OF Fairfax, to-wit:

I the undersigned, a Notary Public in and or the County and aforesaid, do hereby certify that Christopher Clemente, and his official capacity as Managing Member of Comstock Partners, LC whose name is signed to the foregoing certification, has personally appeared before me in my County and State aforesaid and acknowledged the same.

GIVEN under my hand and seal this 24 day of June, 2003.

/s/ Sarah A. Schar
NOTARY PUBLIC

My commission expires: 10-31-05.

EXHIBIT A
Floor Plan of Leased Premises

EXHIBIT B
Base Building Definition

11465 Sunset Hills
Base Building Definition

Project Overview

11465 Sunset Hills will be a six story Class A office building with approximately 89,221.2 rentable square feet of office space, with two levels of structured parking adjacent. The lower level of the parking structure will provide covered parking with direct access into the building. A typical office floor contains a compact centralized core; a 35-foot core to exterior wall dimension; and an 8-foot 10-inch finished ceiling height.

The building features a traditional brick and architectural block exterior with glass curtain wall marking both front and rear entrances. Access to 11465 Sunset Hills is provided through main lobby entrances on two separate levels, both lobbies being finished with patterned marble flooring and wall accents. The overall detailing and design of this new development establishes a new measure for buildings along this portion of the Dulles Toll Road corridor.

Delivery of 11465 Sunset Hills was February 2001.

Base Building Definition

Address

- 11465 Sunset Hills Road
Reston, Virginia

Structure

- Reinforced Concrete Superstructure
- 80 lbs. + 20 lbs. per square foot live load.
- 33-foot column free space core to perimeter span with 20-foot perimeter spacing.
- 12'-8" slab to slab typical floor with 13'-4" slab to slab from level 2 to level 3.

Roof

- Four ply built up roofing system consisting of four (4) layers of Type V.I asphalt felt set in hot asphalt and surfaced with washed pea gravel in a flood coat of asphalt. The roof system carries a 15-year warranty.

Building Skin

- Exterior highlights begin with corner bays of the facade expressed with blue-tinted butt-glazed ribbon windows and alternating horizontal bands of ground face and rock face limestone-colored architectural block. The main facade features red brick veneer with architectural block trim accents above and below punch windows. Front and rear entry bays are distinguished by vertically glazed curtain walls. The public face of the building features well-lit walkways and drop-offs with decorative pavers and landscaping. These features are provided to engage the passing pedestrian or vehicle with the intention of easing any possibility of traffic congestion.

Elevators

- Two 3,000 lb. 350-foot/minute speed travel time and floor-by-floor lock-off capability.

Communications

- Fiber Optic Telecommunications is available in the building. Specific tenant requirements will be accommodated during tenant improvement construction
- There are two (2) separate fiber optic vaults located on the Property. One is owned and operated by MCI and the other by Bell Atlantic. There will be a total of eight (8) four-inch conduits connecting the building to the fiber optic vaults (four conduits to each fiber optic vault). The conduits will extend to the main communications closet on the first floor of the

building. The communications closets on each of the five upper floors will have sleeves installed to provide easy access for fiber optic telecommunications to be extended to each floor for tenant purposes.

Interior

- Typical office tenant area shall have a minimum of 8'-10" foot finished ceiling heights
- Exterior core walls ready for paint.
- Window coverings coordinated throughout building.

Core Areas

- Restrooms are designed with ceiling hung toilet partitions; ceramic tile floor; 6'-0" high glazed ceramic tile wet wall; painted drywall walls with brushed stainless steel accessories and a corian vanity top.
- All core doors are solid core wood with wood stain grade finish and painted hollow metal frames.
- The elevator lobbies for future multi-tenant floors are planned to include painted drywall ceilings and walls with reveals and a carpeted floor with a granite stone base.
- The entry lobby finishes contain the distinctive exterior glass curtain wall, which frames the entrance to each of the two lobbies. A two-tone natural stone floor, matching stone door surrounds, architecturally detailed walls and carefully detailed metal finishes characterize this modern and highly finished space. . The two main lobby areas will have 10'-0" ceiling heights.

HVAC System

- The building mechanical system is a highly efficient, self-contained A/C unit system supported by rooftop cooling towers and central controls.
- There is one highly efficient, compressorized, self-contained air conditioning unit per floor.
- The base building will include VAV boxes for the main lobby and toilet rooms on levels one and two. Lobbies and toilet rooms on levels 3 through 6 will be handled by tenant VAV boxes. Base building includes VAV boxes with fan powered VAV boxes at perimeter and shut-off boxes on interior of tenant spaces. Accordingly, sixteen (16) VAV boxes per floor are included within the base building.
- The cooling design load is planned to provide up to 46 tons of cooling per floor, or approximately 325 gross square feet of floor space per ton.
- The HVAC design includes 17,500 CFM per floor, providing approximately 1.15 CFM per square foot
- The HVAC design provides each floor with as much as 2000 CFM outside air and the possibility of an additional 200-CFM for future use.
- Each floor has set of 1-1/2" valved and capped condenser water lines for 10 hour of supplemental water-cooled A/C equipment.
- The energy management system planned for the building will include a state of the art DDC energy monitoring control system with night setback features.

Electrical

- Size of switchgear: 1 — 2,000A, 3 phase, 4W switchgear.
- Type and size of risers: 1 at 300A, 480/277V, 3 phase, 4w feeder, serving the mechanical and lighting panel boards and the 75 KVA, k-13 rated transformers serving the receptacle load panel boards in each typical tenant floor electrical closet.
- The design of the building allows the tenant (8 watts/sf)
 - 6 watts/sf for low voltage
 - 2 watts/sf for high-voltage (lighting)
- Number of electrical and communication closets per floor: one (1) electrical closets and one (1) communications closet per typical tenant floor.
- Size, type and rating of each transformer: 75 KVA dry-type transformer, 480V, 3 phase primary, 208/120V, 3 phase, 5-w, secondary, K-13, located in each electrical closet per typical tenant floor. In addition, there is one (1) 15 KVA, 480V, 3 phase, 208/120V, 3 phase, 4-w transformer in main electric and elevator machine rooms serving the 120V emergency system panel boards.
- Size, type and rating of low voltage panel boards: 225 A, 208/120V, 3-phase, 5-W, 84-circuit panel boards equipped with 200% neutral and isolated ground for harmonic current

mitigation.

- Two (2) sets of four (4) conduits (4" each) extending from on-site fiber optic vaults into first floor communications room offers infrastructure for tenant required fiber and copper telecommunications cables; vertical access through building accomplished via sleeves in typical communications closet.
- The base building has a 80KW, 48Q/277V, 3 phase, 4-W diesel powered generator. This generator through automatic transfer switches carries the 20 HP fire pump, the jockey pump, the emergency lighting, the fire alarm system, and one elevator (in sequence) in the elevator bank.

Plumbing

- There are three wet stacks with-in the tenant area per floor.

Fire / life Safety

- There is a fully automated sprinkler system in the building with code required coverage for unbuilt tenant areas.

Parking

- There are 206 parking spaces in the 2 level structured parking garage located next to the office building and 83 parking spaces on grade (total 289 parking spaces). There are also 4 loading spaces that are approximately 20' wide. In addition, a Metro park-and-ride is located directly across the street.

Building Specifications Summary

• Site Area:	151,758 Square feet (3.48 acres)
• Building Size:	Approximately 89,221.02 Rentable Square Feet
• Number of Floors:	6 - Office Floors
• Floor Rentable Area (subject to change):	
	1st Floor - 12,251.70 NRSF
	2nd Floor - 14,111.50 NRSF
	3rd Floor 15,714.45 NRSF
	4th Floor 15,714.45 NRSF
	5th Floor 15,714.45 NRSF
	6th Floor 15,714.45 NRSF
• Finished Ceiling Height:	8' -10"
• Elevators:	2 Passenger Traction Elevators 3,000 lbs./350 fpm
• Communications:	On-site fiber optic vaults provide substantial telecommunications capabilities
• Parking Provided:	293 Spaces Total (206 in Parking Garage, 83 on grade, 4 loading) Metro park-and-ride located directly across the street
• Loading Bays Provided:	4
• Tenant Occupancy:	February/March 2001

EXHIBIT C
Owner Approved Architects

Davis, Carter, Scott
Architecture & Design Associates, Inc.

EXHIBIT D-2
Tenant Improvement Plans

October 31, 2000
Building Interior Finish Spec's
 11465 Sunset Hills Road Reston VA
BUILDING STANDARD FINISHES

Floor Finish (Carpet F5)

Mfr: Shaw Contract
 Patt: Surfaces BL #50320
 Color : Cloud Cover #20120
 Weight: 32 oz. Level Loop
 Location: Public Corridors Floors 1,2, 3-6

Floor Finish (Carpet F9)

Mfr: Shaw Contract
 Patt: Cypress Point IV 36 #50585
 Color : Grotic Mist #85352
 Weight: 36 oz Cut Pile
 Location: Elevator Lobby Border Floors 3-6

Floor Finish (Carpet F10)

Mfr: Shaw Contract
 Patt: Cypress Point IV 36 #60585
 Color: Deep Olive # 85352
 Weight: 36 oz Cut Pile
 Location: Elevator Lobby Border Floors 3-6

Floor Finish (Carpet F11)

Mfr: Shaw Contract
 Patt: Freeform BL #60332
 Color: Carina #32100
 Weight: 36 oz Cut & Loop Patterned
 Repeat: 12" x 24"
 Location: Elevator Lobby Border Floors 3-6

Wall Base (Carpet Base B2)

Mfr: Shaw Contract
 Patt Color: Match F9
 Height: 4" with matching fabric binding
 Location: Elevator Lobby /Public Corridors Floors 3-8

Wall Finish (Wall Paint #W3)



Mfr: Bollen International Inc
Finish: Custom
Color: Crafton 93-03
Location: Elevator Lobby/ Public Corridors Floors 3-6

Suite Entry Doors/Tenant Interior Doors (Glass Stonefront)

Mfr: YKK
Model No: Medium Stile Door
Finish: Clear Anodized Aluminum
Hardware: Push Pull / Satin Stainless
Location: Tenant Suites opening onto Lobby Floors 1-2
Optional doors for suites opening onto the Elevator
Lobbies Floors 3-6

Suite Entry Doors / Tenant Interior Doors (Red Oak)

Mfr: Weyerhaeuser
Model No: Quarter Sited Red Oak
Stain / Finish: Amber
Location: Tenant Suites, and Public Corridors All Floors

Suite Entry Hardware (Red Oak Doors)

Mfr: Schlage
Style: "L" Series (Morlised Lockets)
Level: 17
Finish: US 32D (630)
Location: Red Oak Suites Entry / Egress Doors Elevator Lobby / Public Corridors Floors 3-6

Suite Entry Doors Frame Paint (Red Oak Doors)

Mfr: Benjamin Moore
Finish: Semi-gloss
Color: 951
Location: Red Oak Suite Entry / Egress Doors Elevator Lobby / Public Corridors Floors 3-6

[ILLEGIBLE]



Interior Door Hardware

Mfr:
Style:
Lever Style:
Finish:

Schlage
"D" Series (Cylindrical Locksets)
Sperta
626

Ceiling (Acoustical ceiling tile # CT2)

Mfr.
Tile:
Color
Size:
Grid:
Location:

Armsiong
Beveled Tegular Cirrus #588
White
24"X 24"X"
Superfine 9/16" Exposed Grid Tes System
Elevator Lobby / Public Corridors Floors 3 - 6



[ILLEGIBLE]

**11465 Sunset Hills Road
Reston, Virginia**

RULES & REGULATIONS

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors or halls or other parts of the Building not occupied by any tenant shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the Leased Premises. Landlord shall have the right to control and operate the public portions of the Building, and the facilities furnished for the common use of all tenants, in such manner as Landlord deems best for the benefit of the tenants generally. No tenant shall permit the visit to the Leased premises of persons in such numbers or under such conditions as to interfere with the use and enjoyment by other tenants of the entrances, corridors, elevators and other public portions or facilities of the Building.
2. No awnings or other projections shall be attached to the outside walls of the Building without the prior written consent of the Landlord, except as provided for in Section 10(c) of the Lease. No drapes, blinds, shades, or screens shall be attached to or hung in, or used in connection with any window or door of the Leased Premises, without the prior written consent of the Landlord. Such awnings, projections, curtains, blinds, shades, screens or other fixtures (when approved by Landlord) must be of a quality, type, design and color and attached in the manner approved by Landlord.
3. Unless otherwise provided in the Lease, no sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or affixed by any tenant on any part of the outside of the Leased Premises or Building, or inside the Leased Premises if visible from outside the Leased Premises, without the prior written consent of the Landlord. In the event of the violation of the foregoing by any tenant, Landlord may remove same without any liability, and may charge the expense incurred by such removal to the Tenant or tenants violating this rule. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for each tenant by the Landlord at the expense of such tenant (except as otherwise provided for in the Lease), and shall be of a size, color and style reasonably determined by Landlord.
4. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors or vestibules without the prior written consent of the Landlord.
5. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances shall be thrown therein. All damages resulting from any misuse of the fixtures shall be borne by the tenant who, or whose employees, agents, visitors or licensees, shall have caused the same.
6. There shall be no markings, paintings, drilling into or in any way defacing any part of the Leased Premises or the Building. No boring, cutting or stringing of wires shall be permitted. Tenant shall not construct, maintain, use or operate within the Leased premises or elsewhere within or on the outside of the Building, any electrical device, wiring or apparatus in connection with a loud speaker system or other sound amplification system, except as permitted under the Lease.
7. No vehicles, or animals, birds or pets of any kind shall be brought into or kept in or about the Leased Premises or the common areas of the Building, and no cooking shall be done or permitted by any tenant on the Leased Premises except in any kitchen actually contained therein. No tenant shall cause or permit any unusual or objectionable odors to be produced upon or permeate from the Leased Premises or the Building. Bicycles will only be parked in approved bicycle parking areas inside the parking garage. No bicycles shall be parked or stored in the common areas of the Building or inside the Leased Premises if visible to the common areas of the Building.
8. No space in the Building shall be used for manufacturing, for the storage of merchandise (except such merchandise that is required for the ordinary operation of Tenant's business, or for the sale of merchandise, goods or property of any kind except as provided for in the Lease.
9. No tenant shall make, or permit to be made, any unseemly or disturbing noises or

disturb or interfere with occupants or visitors of this or neighboring buildings or premises of those having business with them, whether by the use of any musical instrument, radio, talking machine, nonmusical noise, whistling, singing, or in any other way. No tenant shall throw anything out of the doors or windows or down the corridors or stairs.

10. No flammable, combustible or explosive fluid, chemical or similar substance shall be brought or kept upon the Leased Premises. All tenants shall comply in every way with all local, state, and federal environmental laws and shall not permit the production, generation, manufacture, or storage of any material classified as hazardous waste under any local, state or federal law within the Building, on the land where the Building is situated, or on any property adjacent to the land where the Building is situated.

11. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant nor shall any changes be made in existing locks or the mechanism thereof. The doors leading to the corridors or main halls shall be kept closed during business hours except as they may be used for ingress or egress. Each tenant shall, upon the termination of its tenancy, return to Landlord all keys of the Building, stores, offices, storage, and toilet rooms and security access cards either furnished to, or otherwise procured by, such tenant, and in the event of the loss of any keys so furnished, such tenant shall pay to the Landlord the replacement cost thereof. Tenant shall be permitted to secure areas within the Leased Premises where confidential information or materials are normally kept and areas used for computer equipment and executive offices provided Landlord is given a key for emergency use. Tenant shall be responsible for cleaning and maintenance of any secured areas.

12. All removals or the carrying in or out of any safes, freight, furniture or bulky matter of any description must take place during the hours which the Landlord or its Agent may determine from time to time. The Landlord reserves the right to inspect all freight to be brought into the Building and to exclude from the Building all freight which violates any of these Rules and Regulations or the Lease of which these Rules and Regulations are a part.

13. Any Person employed by any tenant to do janitor work within the Leased Premises must obtain Landlord's consent and such Person shall, while in the Building and outside of said Leased Premises, comply with all instructions issued by the Landlord or the Landlord's Building Manager. No tenant shall engage or pay any employees on the Leased Premises, except those actually working for such tenant on said premises.

14. Tenant shall notify Landlord in writing identifying any vendor providing services to the tenant such as providing spring water, ice, coffee, soft drinks, towels, or other like service.

15. Landlord shall have the right to prohibit any advertising by any tenant which, in Landlord's opinion, tends to impair the reputation of the Building or its desirability as a building for offices, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

16. The Landlord reserves the right to exclude from the Building, at all times, any person who is not known or does not properly identify himself to the Building management or security personnel. Each tenant shall be responsible for all Persons for whom he authorizes entry into the Building, and shall be liable to the Landlord for all acts of such persons.

17. The Leased premises shall not be used for lodging or sleeping or for any immoral or illegal purpose.

18. Each tenant, before closing and leaving the Leased Premises at any time, shall see that all windows are closed and all lights turned off and all doors entering the Leased Premises are locked. Landlord shall have no liability for the loss of property of tenant while stored within the Building.

19. The requirements of tenants will be attended to only upon application to the Landlord's Building manager. Employees of the Building shall not perform any work or do anything outside of the regular duties, unless under special instruction from the Landlord's Building Manager.

20. Canvassing, soliciting and peddling in the Building is prohibited and each tenant shall cooperate to prevent the same.

21. No water cooler, or plumbing shall be installed by any tenant without Landlord's

prior written approval, which shall not be unreasonably withheld, conditioned or delayed.

22. There shall not be used in any space or in the public halls of the building, either by any tenant or by jobbers or others, in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards.

23. Mats, trash or other objects shall not be placed in the public corridors.

24. The Landlord does not maintain or clean suite finishes which are non-standard, such as kitchens, wallpaper, special lights, etc. However, should the need for repairs arise, the Landlord will arrange for the work to be done at the Tenant's expense.

25. Drapes installed by the Tenant for its use which are visible from the exterior of the Building (either during daylight or night time) must be approved by Landlord in writing and be maintained and kept clean by the Tenant.

26. Visitor parking spaces are reserved for use by visitors to the Building only and shall not be used by tenants. Loading Spaces are reserved for use by authorized persons making deliveries to the Building. Handicap parking spaces are reserved for use by authorized persons. Automobiles and motorcycles parked in designated visitor spaces (or handicap spaces if no permit is clearly visible) will be towed at such tenants' expense. The parking lots and parking garage will not be used for any purpose other than proper ingress and egress and temporary parking of approved vehicles. The parking lots and parking garage will not be used by any person for the storage of any vehicle of any kind (car, motorcycle, boat, trailer, etc.) or for the storage of any materials of any kind whatsoever. Any vehicle left on the premises continuously for five (5) days or more without the prior written approval of Landlord shall be deemed to be stored by its owner and shall be removed at the sole cost and expense of its owner.

27. The Landlord may, upon request by any tenant, waive the compliance by such tenant with any of the foregoing Rules and Regulations, provided that (i) no waiver shall be effective unless signed by Landlord or Landlord's authorized agent, (if) any such waiver shall not relieve such tenant from the obligation to comply with such rule or regulation in the future unless expressly consented to by Landlord, and (iii) no waiver granted to any tenant shall relieve any other tenant from the obligation of complying with the foregoing Rules and Regulations unless such other tenant has received a similar waiver in writing from Landlord.

28. Smoking is strictly prohibited in all areas of the Building, including but not limited to the Leased Premises, lobbies, elevators, hallways, corridors, stairways and men's and women's toilet facilities, parking lots and garage. Landlord shall have the right to designate areas where smoking is permitted.

29. All Persons shall obey all ingress and egress restrictions as posted on signs on or about the parking lots and roadways serving the Building.

30. No Persons, except those authorized by Landlord, shall enter the roof of the Building or any mechanical or equipment room within the Building.

31. All landscaped areas will be preserved and shall not be used for any purpose not permitted or intended by Landlord.

32. The Landlord shall have no liability of any kind whatsoever for enforcing any rule or regulation set forth herein or in the Lease.

33. Landlord shall have the right at anytime to modify, change, or delete any Rule or Regulation applying to the Building as long as the new Rules and Regulations do not materially interfere with Tenant's business and shall have the right to create additional Rules or Regulations that are intended to comply with laws or regulations of any governing body having jurisdiction over the Building, preserve and protect the nature of the Building, preserve and protect any property of Landlord, or preserve and protect the safety of the tenants or visitors to the Building.

EXHIBIT G
Security Deposit Promissory Note

\$750,000.00

SECURITY DEPOSIT PROMISSORY NOTE

June 23, 2003
Fairfax, Virginia

IMPORTANT NOTICE

THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

COMSCORE NETWORKS, INC., a Delaware corporation (the "Borrower" or "Obligor"), for value received, hereby promises to pay to the order of COMSTOCK PARTNERS, L.C., a Virginia limited liability company, (together with any subsequent holder of this Note, the "Lender") at 11465 Sunset Hills Road, Suite 510, Reston, Virginia 20190, or at such other address as the Lender shall specify in writing to the Borrower, the principal sum of **SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00)**, or so much thereof as remains unpaid.

This Note is that certain Security Deposit Promissory Note referenced in paragraph 19 of one certain lease agreement dated June 20, 2003 by and between Comstock Partners, L.C. ("Landlord") and Comscore Networks, Inc. ("Tenant") covering a portion of the office building ("Leased Premises" or "Building") located at; 11465 Sunset Hills Road, Reston, Virginia, ("Lease").

If not sooner paid, the entire principal of this Note and all accrued and unpaid interest shall be due and payable not later than five (5) days after any Default (as defined in the Lease) by Tenant that is not cured within the applicable Cure Period (as defined in the Lease) after Notice from Landlord (when required pursuant to the Lease).

On the fourth anniversary of the Effective Date (as defined in the Lease) of the Lease, the principal amount of this Note shall be reduced from Seven Hundred and Fifty thousand Dollars (\$750,000.00) to an amount equal to the Basic Rent for the last Lease Year (as defined in the Lease).

Payments or prepayments on this Note shall be applied to pay or reimburse the Lender for any costs and expenses incurred by or on behalf of the Lender under this Note, then to accrued interest, and the remainder to reduce the principal balance hereof.

The Borrower may prepay this Note in whole or in part at any time without penalty or premium.

The failure to pay the principal or any other sum described herein when due shall constitute an Event of Default under this Note. Upon the occurrence of an Event of Default, the entire unpaid balance of this Note shall, at the option of the Lender, become immediately due and payable, without notice or demand and the Lender may, in addition to any other remedy the Lender may exercise, charge the Borrower interest on the outstanding principal balance at rate of 18% per annum from the date of such an Event of Default until the entire principal balance is paid in full.

The Borrower waives presentment, demand, protest and notice of dishonor, to the fullest extent permitted by law, waives all exemptions, whether homestead or otherwise, as to the obligations evidenced by this Note, waives any rights which it may have to require the Lender to first proceed against any other person, agrees that without notice to any Obligor and without affecting any Obligor's liability, the Lender, at any time or times, may grant extensions of the time for payment or other indulgences to any Obligor or permit the renewal of this Note, and may add or release any Obligor primarily or secondarily liable, and agrees that the Lender may apply all moneys made available to it from any Obligor either to this Note or to any other obligation to the Lender of any Obligor,

The Lender shall not be deemed to have waived any of the Lender's rights or remedies hereunder unless such waiver is express and in writing signed by the Lender; and no delay or omission by the Lender in exercising, or failure by the Lender on any one or more occasions to exercise, any of the Lender's rights hereunder, or at law or in equity, including, without limitation, the Lender's right, after any Event of Default, to declare the entire indebtedness evidenced hereby immediately due and payable, shall be construed as a novation of this Note or shall operate as a waiver or prevent the subsequent exercise of any or all of such rights. Acceptance by the Lender of any portion or all of any sum payable hereunder whether before, on or after the due date of such payment, shall not be a waiver of the Lender's right either to require prompt payment when due of all sums payable hereunder or to exercise any of the Lender's rights, powers and remedies hereunder. A waiver of any right in writing on one occasion shall not be construed as a waiver of the Lender's rights to insist thereafter upon strict compliance with the terms hereof and no exercise of any right by the Lender shall constitute or be deemed to constitute an election of remedies by the Lender precluding the subsequent exercise by the Lender of any or all of the rights, powers and remedies available to it hereunder, or at law or in equity.

This Note shall bind and inure to the benefit of the parties hereto and their respective successors and assigns. This Note shall be governed by, and shall be construed according to, the laws of the Commonwealth of Virginia.

Should any sums become due and payable hereunder and such sums are not paid when and as due, time being of the essence, the Borrower hereby constitutes and appoints Marc Bettius and/or Christopher D. Clemente, either of whom may act, as its attorney-in-fact to confess judgment on the Borrower for the full sum due hereunder, plus attorney's fees of 20% of the total amount then outstanding under this Note, and upon entry of the judgment, the Borrower waives the benefit of any and every statute, ordinance, or rule of court which may lawfully waived conferring upon the Borrower any right or privilege or exemption, stay of execution or supplemented proceedings, or other relief from the enforcement or immediate enforcement of a judgment or related proceedings on a judgment. The Borrower acknowledges that said sum is reasonable as evidenced by Borrowers signature hereto. The Borrower consents to venue in the Circuit Court of Fairfax County with respect to the institution of an action confessing judgment hereon. The authority and power to appear for and enter judgment against the Borrower shall not be exhausted by one or more exercises thereof, or by any imperfect exercise thereof, and shall not be extinguished by any judgment entered pursuant thereto, such authority and power may be exercised on one or more occasions from time to time in the same or different jurisdictions as often as the Lender or its assigns shall deem necessary or advisable until all sums due hereunder have been paid in full.

BORROWER HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS NOTE, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION HERewith INCLUDING, BUT NOT LIMITED TO THOSE RELATING TO (A) ALLEGATIONS THAT A PARTNERSHIP EXISTS BETWEEN LENDER AND BORROWER; (B) USURY OR PENALTIES OR DAMAGES THEREFORE; (C) ALLEGATIONS OF UNCONSCIONABLE ACTS, DECEPTIVE TRADE PRACTICE, LACK OF GOOD FAITH OR FAIR DEALINGS, LACK OF COMMERCIAL REASONABLENESS, OR SPECIAL RELATIONSHIPS (SUCH AS FIDUCIARY, TRUST OR CONFIDENTIAL RELATIONSHIP); (D) ALLEGATIONS OF DOMINION, CONTROL, ALTER EGO, INSTRUMENTALITY FRAUD, REAL ESTATE FRAUD, MISREPRESENTATIONS,

DURESS, COERCION, UNDUE INFLUENCE, INTERFERENCE OR NEGLIGENCE; (E) ALLEGATIONS OF TORTUOUS INTERFERENCE WITH PRESENT OR PROSPECTIVE BUSINESS RELATIONSHIPS OR OF ANTITRUST; OR (F) SLANDER, LIBEL OR DAMAGE TO REPUTATION. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed under seal as of the date of the first above written.

COMSCORE NETWORKS, INC.

a _____ corporation

By: _____

Name: _____

Title: _____

STATE OF _____

COUNTY OF _____, to-wit:

I the undersigned, a Notary Public in and or the County and aforesaid, do hereby certify that _____, and his official capacity as _____ of Comscore Networks, Inc., whose name is signed to the foregoing certification, has personally appeared before me in my County and State aforesaid and acknowledged the same.

GIVEN under my hand and seal this ____ day of _____, 200__.

NOTARY PUBLIC

My commission expires: _____

TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

IN WITNESS WHEREOF, the Borrower has caused this Note to be executed under seal as of the date of the first above written.

COMSCORE NETWORKS, INC.

a _____ corporation

By: _____

Name: _____

Title: _____

STATE OF _____

COUNTY OF _____, to-wit:

I the undersigned, a Notary Public in and or the County and aforesaid, do hereby certify that _____, and his official capacity as _____ of Comscore Networks, Inc., whose name is signed to the foregoing certification, has personally appeared before me in my County and State aforesaid and acknowledged the same.

GIVEN under my hand and seal this ____ day of _____, 200__.

NOTARY PUBLIC

My commission expires: _____

EXHIBIT H
List of Landlord Affiliates

Comstock Homes, Inc. ,

**EXHIBIT I
FORM OF ACKNOWLEDGEMENT TO SUBLEASE AGREEMENT**

ACKNOWLEDGEMENT TO SUBLEASE AGREEMENT

THIS ACKNOWLEDGEMENT TO SUBLEASE AGREEMENT (this "Agreement") made and entered into this _____ day of _____, 20_____, by and between _____, a _____ corporation ("Tenant"), _____, a _____ ("Subtenant") and **COMSTOCK PARTNERS, L.C.**, a Virginia limited liability company ("Landlord").

WHEREAS, pursuant to a Lease Agreement (the "Lease") between Tenant and Landlord dated _____, 2000, Landlord did lease to Tenant a portion (the "Premises") of Landlord's building (the "Building") located at 11465 Sunset Hills Road, Reston, Virginia; and

WHEREAS, the Tenant wishes to enter into a sublease with the Subtenant (the "Sublease") wherein the Subtenant would sublease from the Tenant a portion of the Premises as is more fully described on Schedule 1 attached to the Sublease (the "Sublease Premises"); and

WHEREAS, Tenant and Subtenant desire that Landlord acknowledge and consent to the Sublease.

NOW THEREFORE, for and in consideration of the premises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto state as follows:

1. Tenant and Subtenant do hereby represent and warrant to the Landlord that the (*sublease*) dated the _____ day of _____, 20_____, is a true and correct copy of the Sublease.
2. Tenant and Subtenant do hereby represent and warrant to the Landlord that the rent to be paid to the Tenant by the Subtenant pursuant to the Sublease shall be _____, and that no additional consideration be it financial or otherwise, is being provided to the Tenant by the Subtenant for and in consideration of the Sublease.
3. Tenant and the Subtenant hereby represent warrant to the Landlord that the term of the Sublease is from _____ until _____.
4. Subtenant hereby acknowledges and confirms that it has received a copy of the Lease (which may have been redacted to eliminate certain financial terms) and that it fully understands the terms and conditions of the Lease. Subtenant further acknowledges and agrees that the Sublease is and shall remain in all respects subject and subordinate to the Lease, that Subtenant will occupy the Sublease Premises in accordance with the terms of the Lease, and will not due or suffer to be done any act or admit any person or entity to do any act which might result in a violation of or a default under any of the terms and conditions of the Lease.
5. Subject to the representations contained herein being true and correct, Landlord does hereby consent to the Sublease. It is hereby acknowledged by Tenant and Subtenant that Landlord's consent to the Sublease shall not make Landlord or any of its agents a party to the Sublease, and shall not create any contractual liability or duty on the part of the Landlord or any of its agents to the Subtenant, and shall not in any manor increase, decrease or otherwise affect the rights and obligations of the Tenant with respect to the Premises or the Lease.

Witness the following signatures and seals:

TENANT:

a _____ corporation.

By: _____
Name: _____
Title: _____
Date: _____

Witness: _____
Name: _____

ADDITIONAL SIGNATURES ON FOLLOWING PAGE

SUB-TENANT:

_____ corporation.

By: _____
Name: _____
Title: _____
Date: _____

Witness: _____
Name: _____

LANDLORD:
Comstock Partners, L.C.
a Virginia liability company

By: _____
Name: Christopher Clemente
Title: Managing Member
Date: _____

Witness: _____
Name: _____

EXHIBIT J
FORM OF FINANCIAL STATEMENT CERTIFICATION

FINANCIAL STATEMENT CERTIFICATION

In submitting the Financial Statement dated _____, 20_____ for Comscore Networks, Inc. (the "Company"), the undersigned, based on its knowledge, believes the Financial Statements fairly present in all material respects the financial condition, results of operation and cash flows of the Company. Additionally, the undersigned, based on its knowledge, knows of no untrue statement of material fact or omission of material fact and understands that they will be relied upon by Comstock Partners, LC ("Landlord"), and assigns, in extending credit to the Company in the form of the services provided and the property use rights granted as provided for, and contemplated by, one certain lease agreement (including applicable exhibits thereto) dated _____, 2003. Further, the undersigned represents and warrants that the undersigned is familiar with the finances of the Company and has not knowingly withheld any information that might materially affect the Company's financial condition or materially misrepresent the Company's financial condition and in the absence of written notice to the contrary it is expressly agreed that Landlord may rely on this statement as being accurate in all respects, until such date as Landlord receives an updated Financial Statement together with a certification in this form.

Comscore Networks, Inc.

By: _____

Name: _____

Date: _____

STATE OF _____,

COUNTY OF _____, to-wit:

I the undersigned, a Notary Public in and or the County and aforesaid, do hereby certify that _____, and his official capacity as _____ of Comscore Networks, Inc., whose name is signed to the foregoing certification, has personally appeared before me in my County and State aforesaid and acknowledged the same.

GIVEN under my hand and seal this _____ day of _____, 200__.

NOTARY PUBLIC

My commission expires: _____

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (this "Amendment") made and entered into this 3rd day February, 2005, by and between **COMSTOCK PARTNERS, L.C.**, a Virginia limited liability company, hereinafter referred to as "Landlord"; and **COMSCORE NETWORKS, INC.**, a Delaware corporation, hereinafter referred to as "Tenant".

WHEREAS, Landlord and Tenant entered into a Lease Agreement dated June 23, 2003 (the "Lease") for the lease of certain commercial office space located in an office building (the "Building") located at 11465 Sunset Hills Road, Reston, Virginia, and more particularly described in the Lease (the "Premises"); and

WHEREAS, Landlord and Tenant desire to amend certain terms and conditions of the Lease.

NOW THEREFORE, for and in consideration of the mutual promises of the parties herein contained, the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree to amend the Lease as follows:

1. Notwithstanding the date on which this Amendment may be executed by either the Landlord or Tenant, all of the terms and conditions contained within this Amendment shall be effective as of February 1, 2005 ("Effective Date").

2. The definition of the "Leased Premises", as continued in paragraph 1(b) of the Lease, shall be amended to include an additional seven thousand four hundred sixty six (7,466) square feet of office space located on the fourth (4th) floor of the Building as more particularly described on Schedule 1 attached hereto (the "Additional Premises"). As of the Effective Date, the total Leased Premises shall be thirty three thousand eight hundred twenty nine and two tenths (33,829.20) square feet of Rentable Area.

3. The definition of "Basic Rent", as contained in paragraph 1(b) of the Lease, shall be amended to provide that as of the Effective Date of this Amendment, the Basic Rent for the remainder of lease year two (February 1, 2005 through June 30, 2005) shall be Twenty Four and 20/100ths Dollars (\$24.20) per square foot or Sixty Eight Thousand Two Hundred Twenty Two and 22/100ths Dollars (\$68,222.22) per month. The definition of Basic Rent shall further be amended to provide that the Basic Rent shall increase each year by four percent (4%) over the immediately prior years' Basic Rent. Therefore, the Basic Rent for the third lease year shall be determined by multiplying the annualized amended Basic Rent for the remainder of the second lease year (February 1, 2005 through June 30,

2005) of Twenty Four and 20/100ths Dollars (\$24.20) per square foot by one hundred four percent (104%), and for each subsequent year by multiplying the Basic Rent for the immediately prior lease year's Basic Rent by one hundred four percent (104%). Accordingly, the Basic Rent during the Initial Term hereunder will be as follows (and the chart shown on page 1 of the Lease is hereby replaced with the following):

	Annual Rent	Monthly Rent	Rent/S.F.
From 7/1/03 until 6/30/04:	\$579,990.40	\$48,332.53	\$22.00
From 7/1/04 until 1/31/05:	\$597,390.11	\$49,782.51	\$22.66
From 2/1/05 until 6/30/05:	\$818,666.64	\$68,222.22	\$24.20
From 7/1/05 until 6/30/06:	\$851,413.31	\$70,951.11	\$25.17
From 7/1/06 until 6/30/07:	\$885,469.84	\$73,789.15	\$26.17
From 7/1/07 until 6/30/08:	\$920,888.63	\$76,740.72	\$27.22

Notwithstanding the foregoing, the Landlord agrees to reduce the Basic Rent due for the month of February 2005 in the amount of \$12,603.13. Accordingly, the total Basic Rent due for February 2005 is \$55,619.09.

4. The definition of "Rent Per Square Foot", as contained in paragraph 1(b) of the Lease, shall be amended to provide that the Basic Rent is Twenty Four and 20/100ths Dollars (\$24.20) per square foot commencing as of the Effective Date of this Amendment, and that Rent Per Square Foot of the Leased Premises shall be increased by four percent (4%) on the dates set forth in the chart contained in paragraph 3 above.

5. The definition of "Rentable Area", as contained in paragraph 1(b) of the Lease, shall be amended to provide that as of the Effective Date of this Amendment, the total Rentable Area of the Leased Premises is agreed to be thirty three thousand eight hundred twenty nine and two tenths (33,829.20) square feet.

6. The definition for "Tenant's Proportional Share", as contained in paragraph 1(b) of the Lease, shall be amended to provide that the Tenants Proportional Share as of the Effective Date of this Amendment is agreed to be thirty nine and ninety one hundredths percent (39.91%).

7. Landlord's option to terminate the Lease at any time after the third anniversary date of the Lease, as contained in the definition of Option to Terminate as set forth in paragraph 1(b) of the Lease, is deleted in its entirety.

8. First Right of Offer: Provided no Event of Default by Tenant occurs, and no circumstances then exist which, the lapse of time, the giving of notice or both, would constitute an Event of Default, Tenant shall have a First Right of Offer on any contiguous space on any floor

partially occupied by Tenant that may become available during the term of this Lease and any extensions thereof ("Expansion Space"). Such right excludes uses by Landlord and its affiliates. Landlord shall give written notice to Tenant of any Expansion Space that is anticipated to become available and the anticipated date of availability, Tenant shall have five (5) business days to provide written notice to Landlord that Tenant intends to accept the Expansion Space. If Tenant provides notice to Landlord that it desires to accept or lease the Expansion Space, then Landlord and Tenant shall promptly execute an amendment to the Lease to incorporate the Expansion space upon it becoming available. The terms for the Lease of the Expansion Space shall be the then current market rate (for comparable buildings in the general vicinity of the Building) but no less than the then current rental rate applicable under this Lease.

9. The Additional Premises shall be provided to the Tenant in its "as is, where is" condition, and the Landlord shall have no obligation to make any repairs or improvements to the Additional Premises and all such repairs and improvements shall be at the sole cost and expense of the Tenant. In addition, the Landlord agrees that the Tenant may use the modular furniture and certain other furniture as set forth on Schedule 2 attached hereto ("Landlord's Furniture"), currently located in the Additional Premises. The right to use the Landlord's Furniture is being provided to the Tenant as a courtesy by the Landlord and the Tenant accepts the Landlord's Furniture in its "as is, where is" condition. At the expiration of the term of the Lease, the Landlord's Furniture shall be returned to the Landlord in its condition as of the Effective Date of this Amendment, normal wear and tear accepted. Finally, the Landlord acknowledges and consents to the construction of a dividing wall in the Additional Premises so as to convert a conference room into two (2) smaller offices. All such construction activity shall be done at Tenant's sole cost and shall be performed subject to proper building permits by Signet Construction Company, Inc. No other modifications to the improvements contained within the Additional Premises shall be made without the written consent of the Landlord and, further, shall be subject to all of the terms and conditions of the Lease.

10. The Lease is otherwise ratified and reaffirmed in all respects and all terms and conditions thereof, unless otherwise modified by this Amendment, are in full force and effect. If there are any conflicts between the terms of the Lease and this Amendment, then this Amendment shall control.

11. Unless otherwise stated herein, all terms defined in the Lease shall have the same meaning when used in this Amendment.

12. This Amendment may be executed in counterparts all of which when taken together shall constitute one amendment binding on all parties, signatories of the original or any counterpart. Each party shall become bound by this Amendment immediately upon fixing its signature thereto independently of the signature of the other party.

WITNESS the following signatures and seals:

LANDLORD:

COMSTOCK PARTNERS, L.C.
a Virginia limited liability company

By: /s/ Christopher Clemente (SEAL)
Christopher D. Clemente
Managing Member

/s/
WITNESS

2/3/05
DATE

TENANT:

COMSCORE NETWORKS, INC.
a Delaware corporation

By: /s/ Sheri L. Huston (SEAL)
NAME: Sher. L. Huston
TITLE:

/s/
WITNESS

February 4, 2005
DATE

SCHEDULE 1

Attached hereto as Schedule 1 shall be a floorplan of the Additional Premises.

SEPARATION AGREEMENT

This Separation Agreement ("Agreement") is made between comScore Networks, Inc. ("Company"), a Delaware corporation, and Sheri Huston ("Employee").

In consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned, intending to be legally bound, state and agree as provided below.

1. **Separation.** Employee's last day of work with the Company and Employee's employment termination date will be February 28, 2006 (the "Separation Date"). Until the Separation Date, Employee agrees to provide reasonable transition assistance, including without limitation, commercially reasonable efforts to complete the projects listed under Paragraph 1 of the Transition Summary attached as Exhibit B, and handing off of the projects listed under Paragraphs 2-5. From time to time, after the Separation Date, Employee shall be available to respond to transition related questions, to the extent reasonable.

2. **Accrued Salary and Paid Time Off.** The Company will pay Employee for all accrued salary, and all accrued and unused vacation earned through the Separation Date, subject to standard payroll deductions and withholdings, on the Company's ordinary payroll dates. Employee is entitled to the payments described in this section even if Employee elects not to execute this Agreement.

3. **Severance Benefits.** The Company will pay severance to Employee in the form of a lump sum payment for an amount equivalent to six (6) months of the Employee's current base salary (the "Severance Payment"). The Severance Payment shall be made on the Separation Date. In addition, Employee is eligible; for and shall be paid a bonus payment of \$73,788 attributable to 2005 performance (the "Bonus") The Bonus shall be paid upon full execution of this Separation Agreement. Both the Severance Payment and the Bonus will be subject to standard payroll deductions and withholdings.

4. **Health Insurance.** Beginning the first month following the month of separation, to the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, Employee will be eligible to continue Employee's group health insurance benefits at Employee's own expense. On the Separation Date, Company will make a lump sum payment to Employee of \$9014.00, subject to standard payroll deductions and withholdings, intended to be equivalent to Company's portion of Employee's health insurance premiums for a six (6) month period.

5. **Other Compensation or Benefits.** If Employee elects to exercise Employee's vested stock options, Employee must exercise such vested stock options within ninety (90) days of the Separation Date in accordance with the terms and conditions of the comScore Networks, Inc. 1999 Stock Plan Stock Option Agreement. In addition, Company's Chief Executive Officer has agreed to designate Employee as a Participant pursuant to Section 2.1(iii) of the Company Incentive Plan created by Company's Board of Directors on August 1, 2003, attached hereto as Exhibit C.

Employee acknowledges that, except as expressly provided in this Agreement, Employee will not receive any additional compensation, severance or benefits from the Company after the Separation Date.

6. **Expense Reimbursements.** Employee agrees that, within ten (10) days of the Separation Date, Employee will submit Employee's final documented expense reimbursement statement reflecting all business expenses Employee incurred through the Separation Date, if any, for which Employee seeks reimbursement. The Company will reimburse Employee for these expenses pursuant to its regular business practice.

7. **Return of Company Property.** By the Separation Date, Employee agrees to return to the Company all Company documents (ad all copies thereof) and other Company property that Employee had in Employee's possession at any time, including, but not limited to, Company files, manuals, notes, drawings, records,; business plans and forecasts, financial information, specifications, computer-recorded information, tangible property (including, but not limited to, computers), credit cards, entry cards, identification badges and keys; and, any materials of any kind that contain or embody any proprietary or confidential information of the Company (and all reproductions thereof). Notwithstanding- anything to the contrary, Company shall remove all Company materials from Employee's laptop, and effective as of the Separation Date, Company hereby transfers ownership over Employee's laptop to Employee. In the event that Employee discovers any Company materials that failed to be removed from the laptop, Employee shall treat such information as Company confidential information, promptly notify Company of such discovery and permit Company or an independent third party to take reasonable actions to remove or destroy such information. Company makes no warranties as to the operation of the laptop, and assumes no responsibility over its maintenance.

8. **Proprietary Information and Noncompetition Obligations.** Employee acknowledges Employee's continuing obligations under Employee's Employment, Invention Assignment and Non-disclosure Agreement, a copy of which is attached hereto as Exhibit A, including but not limited to, Employee's obligations related to confidentiality and noninterference with personnel relations.

9. **Confidentiality.** The provisions of this Agreement will be held in strictest confidence by Employee and the Company and will not be publicized or disclosed in any manner whatsoever; provided, however, that: (a) Employee may disclose this Agreement in confidence to Employee's immediate family; (b) the parties may disclose this Agreement in confidence to their respective attorneys, accountants, auditors, tax preparers, and financial advisors; (c) the Company may disclose this Agreement as necessary to fulfill standard or legally required corporate reporting or disclosure requirements; and (d) the parties may disclose this Agreement insofar as such disclosure may be necessary to enforce its terms or as otherwise required by law. In particular, and without limitation, Employee agrees not to disclose the terms of this Agreement to any current or former Company employee. Notwithstanding anything to the contrary, the parties shall mutually agree on the positioning if the communication regarding Employee's separation to Company personnel, and to any third parties, and such agreed-upon positioning may be disclosed by either party.

10. Non-Disparagement. Each party agrees to refrain from all conduct, verbal or otherwise, that disparages or damages or could disparage or damage the reputation, goodwill, or standing in the community of the other party, or damage or interfere with the business of the Company. For the purposes of this paragraph, "party" shall mean the Company's current officers and directors. This non-disparagement provision shall not in any way prevent the parties from disclosing any information to their attorneys or in response to a lawful subpoena or court order requiring disclosure of such information. Both parties agree that the separation was not a function of Employee's performance.

11. Release of All Claims/Indemnification. Company hereby releases, acquits and discharges Employee, and Employee hereby releases, acquits and discharges the Company and its affiliates, and their officers, directors, agents, servants, employees, attorneys, shareholders, successors and assigns (collectively, the "Released Parties"), of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorneys' fees, damages, indemnities and obligations of every kind and nature, in law, equity or otherwise, known or unknown, suspected or unsuspected, disclosed and undisclosed, arising out of or in any way related to agreements, events, acts or conduct at any time prior to and including the execution date of this Agreement, including but not limited to: all such claims and demands directly or indirectly arising out of or in any way connected with Employee's employment with the Company or the termination of that employment; claims or demands related to salary, bonuses, commissions, stock, stock options, or any other ownership interests in the Company, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation; claims pursuant to federal, state or local law, statute or cause of action including, but not limited to, the federal Civil Rights Act of 1964, as amended; the federal Americans with Disabilities Act of 1990, as amended; the federal Age Discrimination in Employment Act of 1967, as amended ("**ADEA**"); the Virginia Human Rights Act; tort law; contract law; wrongful discharge; discrimination; harassment; fraud; defamation; emotional distress; and breach of the implied covenant of implied good faith and fair dealing. This release does not extend to the Company's right to pursue all available legal remedies against Employee for any intentional torts, gross negligence, illegal acts, or acts for which criminal penalties are available. Company shall indemnify Employee from and against any loss, damages, liabilities, judgments, settlements or costs and expenses, (including reasonable attorneys' fees) incurred by Employee to defend against any third party claims arising out of or in any way connected with Employee's employment with the Company, or Employee's performance thereunder, to the extent authorized by the Company's Bylaws.

12. Cooperation. Employee agrees to reasonably cooperate with the Company in good faith in any internal investigation or administrative, regulatory, or judicial proceeding, including without limitation, making herself available to the Company upon reasonable notice for interviews and factual investigations; appearing at the Company's request to give testimony without requiring service of a subpoena or other legal process; volunteering to the Company pertinent information; and turning over to the Company all relevant documents which are or may come into my possession all at times and on schedules that are reasonably consistent with her other permitted activities and commitments. Employee understands that in the event the Company asks for her cooperation in accordance with this provision, the Company will reimburse her solely for (a) reasonable out-of-pocket expenses, including travel, lodging and meals, upon her submission of receipts, and (b) to the

extent that she is requested by the Company to cooperate in such an investigation or proceeding for more than 40 cumulative hours, a daily rate of \$950 per day, within 15 days of receipt of an invoice.

13. **ADEA Waiver.** Employee acknowledges that Employee is knowingly and voluntarily waiving and releasing any rights Employee may have under the ADEA. Employee also acknowledges that the consideration given for the waiver and the release in the preceding paragraph hereof is in addition to anything of value to which Employee was already entitled. Employee further acknowledges that Employee has been advised by this writing, as required by the ADEA, that: (a) Employee's waiver and release do not apply to any rights or claims that may arise after the execution date of this Agreement; (b) Employee has been advised hereby that Employee has the right to consult with an attorney prior to executing this Agreement; (c) Employee has twenty-one (21) days to consider this Agreement (although Employee may choose to voluntarily execute this Agreement earlier); (d) Employee has seven (7) days following execution of this Agreement by the parties to revoke the Agreement; and (e) this Agreement will become effective on the date upon which the revocation period has expired, which will be the eighth day after this Agreement is executed by Employee. In addition, this Agreement specifically incorporates and includes by reference all other legally required federal and state notice and rescission periods applicable to Employee.

14. **Remedies.** Employee and the Company each agree that it would be impossible or inadequate to measure and calculate the other's damages from any breach of the covenants set forth in the "Confidentiality" Section above. Accordingly, Employee and the Company each agree that the non-breaching party will have available, in addition to any other right or remedy available, in law, in equity or otherwise, the right to obtain injunctive relief against the threatened breach of the "Confidentiality" Section or the continuation of such breach by the breaching party, without the necessity of proving damages.

15. **Enforcement.** Except as otherwise provided herein, if any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

16. **Costs.** The parties intend that each shall bear its own costs (including attorney's fees), if any, that may have been incurred relating to this Agreement.

17. **No Admission of Liability.** This Agreement is not intended as an admission of liability by any party.

18. **Effective Date.** This Agreement will become effective on the latter of: (a) February 28, 2006; or (b) after seven days have passed since Employee signed the Agreement, assuming that Employee does not revoke the Agreement (the "Effective Date").

19. **Notice.** In the event that any notice is to be given to any party under this Agreement, it shall be given by certified mail, return receipt requested, and addressed to the party as follows:

To Company: comScore Networks, Inc.
Attention: Corporate Counsel
11465 Sunset Hills Drive, Suite 200
Reston, VA 20190

To Employee: Sheri L. Huston
9541 Noory Court
Vienna, VA 22182
773.25 1.7466

20. **Miscellaneous.** This Agreement, including Exhibits A, B and C, constitutes the full and entire understanding and agreement between the parties regarding the subjects hereof. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. This Agreement may not be modified or amended except in writing signed by both Employee and a duly authorized officer of the Company. This Agreement shall bind the heirs, personal representatives, successors and assigns of both Employee and the Company, and inure to the benefit of both Employee and the Company, their heirs, successors and assigns. If any provision of this Agreement is determined to be invalid or unenforceable, in whole or in part, this determination will not affect any other provision of this Agreement and the provision in question shall be modified by the court so as to be rendered enforceable. This Agreement shall be governed in all respects by the laws of the Commonwealth of Virginia as such laws are applied to agreements between Virginia residents entered into and performed entirely in Virginia.

In Witness Whereof, the undersigned have executed this Agreement as of the date written below.

COMPANY:

COMSCORE NETWORKS, INC.

By: /s/ Magid Abraham

Magid Abraham, Chief Executive Officer

EMPLOYEE:

/s/ Sheri Huston
Sheri Huston

2.09.06
Date

Exhibit A — Employment, Invention Assignment and Non-disclosure Agreement
Exhibit B — Transition Summary
Exhibit C — comScore Networks, Inc. Incentive Plan created August 1, 2003

Exhibit A — Employment, Invention Assignment and Non-disclosure Agreement

COMSCORE NETWORKS, INC.

**EMPLOYMENT, INVENTION ASSIGNMENT
AND NON-DISCLOSURE AGREEMENT**

As a condition of my employment with comScore Networks, Inc., a Delaware corporation, its subsidiaries, affiliates, successors or assigns (together, the “Company”), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by Company, I agree to the following:

1. At-Will Employment. I understand and acknowledge that my employment with the Company constitutes “at-will” employment. I acknowledge that this employment relationship may be terminated at any time, with or without good cause or for any or no cause, at the option either of the Company or myself.

2. Confidential Information.

(a) Company Information. I agree at all times during the term of my employment and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company, or to disclose to any person, firm or corporation without written authorization of the Board of Directors of the Company, any Confidential Information of the Company. I understand that “Confidential Information” means any Company proprietary information, technical data, trade secrets or know-how, including but not limited to research, product plans, products, services, customer lists and customers (including but not limited to customers of the Company on whom I called or with whom I became acquainted during the term of my employment), markets, software, developments, inventions, processes, formulae, technology, designs, drawings, engineering, hardware configuration information, marketing, finances or other business information disclosed to me by the Company either directly or indirectly in writing, orally or by drawings or observation of parts or equipment. I further understand that Confidential Information does not include any of the foregoing items which has become publicly known and made generally available through no wrongful act of mine or of others who were under confidentiality obligations as to the item or items involved.

(b) Former Employer Information. I agree that I will not, during my employment with the Company, improperly use or disclose any proprietary information or trade secrets of any former or concurrent employer or other person or entity and that I will not bring onto the premises of the Company any unpublished document or proprietary information belonging to any such employer, person or entity unless consented to in writing by such employer, person or entity.

(c) Third Party Information. I recognize that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company’s part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out my work for the Company consistent with the Company’s agreement with such third party.

3. Inventions.

(a) Inventions Retained and Licensed. I have attached hereto, as Exhibit A, a list describing all inventions, original works of authorship, developments, improvements, and trade secrets which were made by me prior to my employment with the Company (each referred to as "Prior Invention"), which belong to me, which relate to the Company's proposed business, products or research and development, and which are not assigned to the Company hereunder; or, if no such list is attached. I represent that there are no such Prior Invention. If in the course of my employment with the Company, I incorporate into a Company product, process or machine a Prior Invention owned by me or in which I have an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide license to make, have made, modify, use and sell such Prior Invention as part of or in connection with such product, process or machine, unless I and the Company have agreed otherwise in writing with respect to such Prior Invention.

(b) Assignment of Inventions. I agree that I will promptly make full written disclosure to the Company, will hold in trust for the sole right and benefit of the Company, and hereby assign to the Company, or its designee, all my right, title, and interest in and to any and all inventions, original works of authorship, developments, concepts, improvements or trade secrets, whether or not patentable or registrable under copyright of similar laws, which I may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of time I am in the employ of the Company (collectively referred to as "Inventions"), except as provided in Section 3(f) below. I further acknowledge that all original works of authorship which are made by me (solely or jointly with others) within the scope of and during the period of my employment with the Company and which are protectable by copyright are "works made for hire," as that term is defined in the United States Copyright Act.

(c) Inventions Assigned to the United States. I agree to assign to the United States government all my right, title, and interest in and to any and all Inventions whenever such full title is required to be in the United States by a contract between the Company and the United States or any of its agencies.

(d) Maintenance of Records. I agree to keep and maintain adequate and current written records of all Inventions made by me (solely or jointly with others) within the scope of and during the term of my employment with the Company. The records will be in the form of notes, sketches, drawings and any other format that may be specified by the Company. The records will be available to and remain the sole property of the Company at all times.

(e) Patent and Copyright Registrations. I agree to assist the Company, or its designee, at the Company's expense (including payment to me of commercially reasonable consulting fees if I am no longer an employee of the Company), in every proper way to secure the Company's rights in the Inventions and any copyrights, patents, mask work rights or other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments which the Company shall deem necessary in order to apply for and obtain such rights and in order to assign and convey to the Company, its successors, assigns, and nominees the sole and exclusive rights, title and interest in and to such Inventions, and any copyrights, patents, mask work rights or other intellectual property rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the termination of this Agreement. If the Company is unable because of my mental or physical incapacity or for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Inventions or

original works of authorship assigned to the Company as above, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney-in-fact, to act for and in my behalf and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of letters patent or copyright registrations thereon with the same legal force and effect as if executed by me.

(f) Exception to Assignments. I understand that, whether or not I am a California resident, the provisions of this Agreement requiring assignment of Inventions to the Company shall not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870 (attached hereto as Exhibit D). I will advise the Company promptly in writing of any inventions that I believe meet the criteria in California Labor Code Section 2870 and not otherwise disclosed on Exhibit A.

4. Conflicting Employment. I agree that, during the term of my employment with Company, I will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the Company is now involved or becomes involved during the term of my employment, nor will I engage in any other activities that conflict with my obligations to the Company.

5. Returning Company Documents. I agree that, at the time of leaving the employ of the Company, I will deliver to the Company (and will not keep in my possession, recreate or deliver to anyone else) any and all devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items developed by me pursuant to my employment with the Company or otherwise belonging to the Company, its successors or assigns. In the event of the termination of my employment, I agree to sign and deliver the "Termination Certification" attached hereto as Exhibit B.

6. Notification to New Employer. In the event that I leave the employ of the Company, I hereby grant consent to notification by the Company to my new employer about my rights and obligations under this Agreement.

7. **[7(a) and (b) FOR SENIOR EMPLOYEES]** No Solicitation of Employees and Non-Competition. (a) In consideration for my employment by the Company and other valuable consideration, receipt of which is acknowledged, I agree that for a period of twelve (12) months immediately following the termination of my relationship with the company for any reason, with or without cause, I shall not either directly or indirectly solicit, induce, recruit or encourage any of the company's employees to leave their employment, or take away such employees, or attempt to solicit, induce, recruit, encourage or take away employees of the Company, either for myself or for any other person or entity.

(b) In exchange for such same consideration, I also agree that in the event I shall at any time cease to be associated with the Company as an employee, officer and/or director, I shall not, for a period of twelve (12) months thereafter, as an officer, director, employee, consultant, principal or trustee on behalf of any other person, firm, corporation or other entity, engage in any business or activity that competes with the business of the Company as now conducted or as conducted as of the time I leave the Company, nor shall I solicit or assist any person, firm, corporation, association or other entity in soliciting any customer of the Company for purposes competitive with the business of the Company.

8. Conflict of Interest Guidelines. I agree to diligently adhere to the Conflict of Interest Guidelines attached as Exhibit C hereto.

9. Representations. I agree to execute any proper oath or verify any proper document required to carry out the terms of this Agreement. I represent that my performance of all the terms of this Agreement will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my employment by the Company. I have not entered into, and I agree I will not enter into, any oral or written agreement in conflict herewith.

10. Arbitration and Equitable Relief.

(a) Arbitration. Except as provided in Section 9(b) below, I agree that any dispute or controversy arising out of or relating to any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in Fairfax County, Virginia, in accordance with the rules then in effect of the American Arbitration Association. The arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator's decision in any court having jurisdiction. The arbitrator shall decide on which of the Company or me (or a combination thereof) shall pay the costs and expenses of such arbitration and the counsel fees and expenses of each of the Company and me.

(b) Equitable Remedies. I agree that it would be impossible or inadequate to measure and calculate the Company's damages from any breach of the covenants set forth in Sections 2, 3 and 5 herein. Accordingly, I agree that if I breach any provision of such Sections, the Company will have available, in addition to any other right or remedy available, the right to obtain an injunction from a court of competent jurisdiction restraining such breach or threatened breach and to specific performance of any such provision of this Agreement. I further agree that no bond or other security shall be required in obtaining such equitable relief and I hereby consent to the issuance of such injunction and to the ordering of specific performance.

11. General Provisions.

(a) Governing Law; Consent to Personal Jurisdiction. This Agreement will be governed by the laws of the Commonwealth of Virginia. I hereby expressly consent to the personal jurisdiction of the state and federal courts located in Virginia for any lawsuit filed there against me by the Company arising from or relating to this Agreement.

(b) Entire Agreement. This Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein and merges all prior discussions between us. No modification or amendment to the Agreement nor any waiver of any rights under this agreement, will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in my duties, salary or compensation will not affect the validity or scope of this Agreement.

(c) Severability. If one or more of the provisions in this Agreement are deemed void by law, then the remaining provisions will continue in full force and effect.

(d) Successors and Assigns. This Agreement will be binding upon my heirs, executors, administrators and other legal representatives and will be for the benefits of the Company, its successors, and its assigns.

This Employment, Invention Assignment and Non-Disclosure Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument.

Date: 3/27/02

/s/ Sheri L. Huston
Signature

Sheri L. Huston
Name of Employee

{illegible}
Witness

COMSCORE NETWORKS, INC.

By: /s/ Magid Abraham
Magid Abraham
President, CEO

EXHIBIT A

**LIST OF PRIOR INVENTIONS AND
ORIGINAL WORKS OF AUTHORSHIP**

Title

Date

Identifying Number
or Brief Description

No inventions or improvements

Additional Sheets Attached

Signature of Employee: /s/ Sheri L. Huston

Print Name of Employee: Sheri L. Huston

Date: {illegible}

EXHIBIT B

COMSCORE NETWORKS, INC.

TERMINATION CERTIFICATION

This is to certify that I do not have in my possession, nor have I failed to return, any devices, records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, blueprints, sketches, materials, equipment, other documents or property, or reproductions of any aforementioned items belonging to comScore Networks, Inc., its subsidiaries, affiliates, predecessors, successors or assigns (together, the "Company").

I further certify that I have complied with all the terms of the Company's Employment, Invention Assignment and Non-Disclosure Agreement signed by me, including the reporting of any inventions and original works of authorship (as defined therein), conceived or made by me (solely or jointly with others) covered by that agreement.

I further agree that, in compliance with the Employment, Invention Assignment and Non-Disclosure Agreement, I will preserve as confidential all trade secrets, confidential knowledge, data or other proprietary information relating to products, processes, know-how, designs, formulas, developmental or experimental work, computer programs, databases, other original works of authorship, customer lists, business plans, financial information or other subject matter pertaining to any business of the Company or any of its employees, clients, consultants or licensees.

Date: _____

(Employee's Signature)

(Type/Print Employee's Name)

EXHIBIT C

COMSCORE NETWORKS, INC.

CONFLICT OF INTEREST GUIDELINES

It is the policy of comScore Networks, Inc. (the "Company") to conduct its affairs in strict compliance with the letter and spirit of the law and to adhere to the highest principles of business ethics. Accordingly, all officers, employees and independent contractors must avoid activities which are in conflict, or give the appearance of being in conflict, with these principles and with the interests of the Company. The following are potentially compromising situations which must be avoided. Any exceptions must be reported to the President or another proper executive officer of the Company and written approval for continuation must be obtained.

1. Revealing confidential information to outsiders or misusing confidential information. Unauthorized divulging of information is a violation of this policy whether or not for personal gain and whether or not harm to the Company is intended. (The Employment Invention Assignment and Non-Disclosure Agreement elaborates on this principle and is a binding agreement.)
2. Accepting or offering substantial gifts, excessive entertainment, favors or payments which may be deemed to constitute undue influence or otherwise be improper or embarrassing to the Company.
3. Participating in civic or professional organizations that might involve divulging confidential information of the Company.
4. Initiating or approving personnel actions affecting reward or punishment of employees or applicants where there is a family relationship or is or appears to be a personal or social involvement.
5. Initiating or approving any form of personal or social harassment of employees.
6. Holding outside directorships in suppliers, customers or competing companies, where such directorship might influence in any manner a decision or course of action of the Company. Permitting personal investments (if any) in, and personal financial speculation (if any) with respect to, suppliers, customers or competing companies, to influence in any manner a decision or course of action of the Company.
7. Borrowing from or lending to employees, customers or suppliers, other than de minimis amounts. De minimis amounts shall specifically include, but not be limited to, amounts of up to \$100 per employee, customer and supplier at any one time, provided that, the aggregate amount for all employees, customers and supplier does not exceed \$1000.
8. Acquiring any real estate interest of the Company.
9. Improperly using or disclosing to the Company any proprietary information or trade secrets of any former or concurrent employer or other persons or entity with whom obligations of confidentiality exist.
10. Unlawfully discussing prices, costs, customers, sales or markets with competing companies or their employees.

11. Making any unlawful agreements with distributors with respect to prices.

12. Improperly using or authorizing the use of any inventions which are the subject of patent claims of any other person or entity.

13. Engaging in any conduct which is not in the best interest of the Company.

Each officer, employee and independent contractor must take every necessary action to ensure compliance with these guidelines and to bring problem areas to the attention of higher management for review. Violations of this conflict of interest policy may result in immediate discharge.

EXHIBIT D

CALIFORNIA LABOR CODE SECTION 2870

EMPLOYMENT AGREEMENTS; ASSIGNMENT OF RIGHTS

“ (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer’s equipment, supplies, facilities, or trade secret information except for those inventions that either:

- (1) Relate at the time of conception or reduction to practice of the invention to the employer’s business, or actual or demonstrably anticipated research or development of the employer.
- (2) Result from any work performed by the employee for the employer.

(b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.”

Exhibit B — Transition Summary

1. General: Sheri	
Finalize all 2005 bonus payments and reconcile to accrual	Jan 31
Secure term sheets for EMC financing	Feb 3
Unwind from all signatory positions and secure board resolutions to such	
Coordinate and document 2006 goats for Acctg/Finance	Feb 3
Waiver from GE for timing of audited F/S	Feb 3
2. Accounting: Pete	
Train staff on Plan and tracking for CMS bonuses	Feb 3
Fair value assessments for SurveySite and Q2 (required annually)	Feb 24
Review and document initial fair value allocation and basis For amortization period, attempt to have EY sign off before official fieldwork commences	Feb 17
Recommend business process/contract term changes that could help smooth revenue recognition, clear definition of "output measures" acceptable to SEC	??
Transition car table (waterfall analysis) and investor contacts	Feb 17
Audit committee charter	Feb 28
3. Finance: Lisa	
Complete valuation update	Feb 28
Support implementation of time tracking system, Lisa and Farokh to be visible champions	
Finalize elements	
Further development of training plan and curriculum	
Coordinate feedback from pilot	
Document initial custom reports	Feb 28
Walk Lisa through board update and info req's	Feb 3
Improve and expand monthly reporting allocations	Feb 10
4. Legal: Chris	
Rockcrest certification and monthly reporting	Feb 3
5. Open: HR/Finance/Legal	
Analysis of alternative equity incentive arrangements and recommendation Analysis of business structures in far eastern countries (acctg/legal/HR,etc.)	
U.S. 401K enhancements and employee training update Retirement savings plan for Canadian employees Commission/bonus plans (legalese and goals) for 2006 Recommend business process/contract term changes that could help smooth revenue recognition, clear definition of "output measures" acceptable to SEC, etc.	
Q2 earn out tracking	



11465 Sunset Hills Road, Suite 200
Reston, VA 20190

February 28, 2006

Ms. Sheri Huston
9541 Noory Court
Vienna, VA 22182

Subject:

Dear Sheri:

As agreed between you and comScore Networks, Inc. ("comScore" or the "Company"), for the period starting March 1, 2006 and ending March 31, 2006 (the "Transition Period"), you will have access to your comScore e-mail and the comScore virtual private network ("VPN") in order to facilitate transition. During the Transition Period, you agree not to represent yourself as an agent of the Company unless otherwise authorized in writing by the Company. Any comScore information obtained or received by this e-mail or VPN access shall be considered comScore proprietary and confidential information ("comScore Confidential Information") and subject to the Employment, Invention Assignment and Non-disclosure Agreement confidentiality obligations. Upon expiration of the Transition Period, you agree to destroy or return all comScore Confidential Information and, if requested by the company certify its destruction. Please confirm your agreement by signing where indicated below.

Sincerely,

A handwritten signature in black ink, appearing to read "Christiana L. Lin".

Christiana L. Lin, Esq.
comScore Networks, Inc.

Accepted and agreed to:

By: /s/ Sheri L. Huston
Printed Name: Sheri L. Huston
Date: 2.28.06

Exhibit C — comScore Networks, Inc. Incentive Plan

COMSCORE NETWORKS, INC.

INCENTIVE PLAN

1. Creation of Incentive Plan

In order to encourage and reward certain officers, certain founders and key employees of comScore Networks, Inc. (the “**Company**”) for making efforts to increase company and stockholder value, remaining in the Company’s service, pursuing a potential change of control transaction, if appropriate, and/or transferring any personal goodwill relating to the Company, the Company’s Board of Directors (the “**Board**”) has resolved to create this Incentive Plan, as may be amended from time to time (the “**Plan**”). Any capitalized terms shall have the meaning set forth in this plan. The Plan is an incentive plan and is not subject to the Employee Retirement Income Security Act of 1974, as amended.

2. Determination of Participants

2.1 A portion of the payments under the Plan will be provided to certain predetermined individuals (or their affiliated entities) pursuant to Section 4.1 (the “**Predetermined Participants**”). The Predetermined Participants shall consist of the following: (i) partnerships or limited liability companies affiliated with Magid Abraham and Gian Fulgoni, (ii) all individuals employed by the Company at the time of a Liquidation Event (defined below) with titles and positions at least as senior as a Vice President of the Company and (iii) former employees of the Company (or their respective heirs) who, at the time of such employee’s separation from the Company, (x) were members of a select group of management or highly compensated employees and (y) were designated by the Company’s Chief Executive Officer as Participants.

2.2 The Plan Committee (as defined in Section 8.3), in its sole discretion, may from time to time select any other officers and key employees eligible to participate in the Plan (the “**Discretionary Participants**”). The list of Discretionary Participants shall be set forth on Exhibit A hereto, which may be amended by the Plan Committee from time to time. The Plan Committee may select any or all of the Discretionary Participants at any time after the date of the adoption of this Plan until immediately prior to the consummation of a Liquidation Event. The Plan Committee may select Discretionary Participants who are also Predetermined Participants, such that those individuals (or their affiliated entities) may receive payments pursuant to Section 4.1 and Section 4.2 hereunder. The Plan Committee, in its sole discretion, may select new Discretionary Participants or withdraw previously selected Discretionary Participants from the Plan. Together, the Predetermined Participants and the Discretionary Participants are the “**Participants**.”

2.3 In addition to the condition specified in Section 2.1, it shall be a condition precedent to a Participant’s eligibility for a payment under the Plan that such Participant (or in the case of any Participants which are partnerships or limited liability companies affiliated with Magid Abraham and Gian Fulgoni. Magid Abraham and or Gian Fulgoni as natural persons) execute and ?????? revoke a waiver and release in favor of the Company in the form attached as Exhibit B hereto (a “**Release**”), all as provided in this Section 2.3. Prior to the distribution of any payments pursuant to

this plan the Company shall send by overnight courier or by hand delivery to each Participant a written notice describing the material terms of the Liquidation Event, at the address last shown on the records of the Company for such Participant (the “**Transaction Notice**”). A Participant may elect to share in the Potential Transaction Payment (as defined below), on the terms and conditions set forth in Plan, by notifying the Company of such election in writing and delivering to the Company an executed Release (such election and delivery, a “**Plan Election**”) by overnight courier or by hand delivery to the Company’s principal office. A Participant may make a Plan Election at any time prior to the distribution of any payments under this Plan. Any Participant who does not submit a Plan Election shall not be entitled to share in the Potential Transaction Payment hereunder and shall be deemed not to be a Participant hereunder. Furthermore, no Participant shall be eligible to receive any Liquidation Proceeds (as defined below) under this Plan unless and until he or she executes and delivers to the Company a participation notice in the form attached as Exhibit C hereto (a “**participation Notice and Agreement**”).

3. Amount of Potential Transaction Payment

3.1 The maximum amount of payments available, in the aggregate, under this Plan (the “**Potential Transaction Payment**”) shall be an amount up to 10% of any Liquidation Proceeds (as defined below).

3.2 Subject to the terms of this Plan, the Potential Transaction Payment shall be paid to Participants in the same form of consideration as received by the Company’s stockholders in the Liquidation Event; provided that, the Company (or its acquirer or successor) may, in the sole discretion of the Board, attempt to provide that, to the extent reasonably practicable, payments shall be paid in the form of cash or readily tradable securities to the extent necessary to satisfy the tax obligations, of the Participants occurring by reason of their receipt of payments under this Plan. To the extent payments hereunder are paid in the same securities as received by the Company’s stockholders, the value of such securities for the purposes of payment of payments shall be determined in the same manner as the value of the Liquidation Proceeds is determined for purposes of calculating applicable liquidation preferences under Article IV, Section B(2)(d)(ii) the Company’s Amended and Restated Certificate of Incorporation (the “**Restated Certificate**”). Payments payable to a Participant hereunder shall be payable by the Company (or its acquirer or successor) and such payments are and, after the Liquidation Event, shall remain the liability and obligation of the Company (or its acquirer or successor).

4. Participant Allocations

4.1 Subject to the conditions precedent hereunder, as consideration for their services to and or personal goodwill relating to the Company, and subject to adjustment pursuant to Section 5.2 below, each Predetermined Participant shall receive a pro-rata share of the Liquidation Proceeds equal to the product of (i) 0.75 and (ii) the quotient of (x) the sum of (A) the number of shares of common stock held by such Predetermined Participant and (B) the number of Earned Options (as defined below) held by such Predetermined Participant and (y) the aggregate number of shares of common stock and Earned Options held by all Predetermined Participants (the “**Predetermined Transaction Percentage**”). Subject to adjustment pursuant to Section 5.2 below,

the aggregate Predetermined Transaction Percentage shall not exceed 75% of the Potential Transaction Payment.

4.2 Subject to the conditions precedent hereunder, as consideration for their services to and or personal goodwill relating to the Company and subject to adjustment pursuant to section 5.2 below, each Discretionary Participant shall receive a percentage of the Liquidation Proceeds as determined by the Plan Committee, in its sole discretion, from time to time (the “**Discretionary Transaction Percentage**”). Each Discretionary Participant’s Discretionary Transaction Percentages shall be as set forth opposite the name of such Discretionary Participant or Exhibit A hereto, as amended by the Plan Committee from time to time; provided that, subject to Section 5.2, the aggregate percentage of the Potential Transaction Payment allocated to the Discretionary Participants shall not exceed 25% (the “**Maximum Aggregate Discretionary Percentage**”). No later than the time of a Liquidation Event, the Maximum Aggregate Discretionary Percentage shall have been allocated by the Plan Committee. The Plan Committee, in its sole discretion, may increase or decrease each Discretionary Participant’s Discretionary Transaction Percentage, subject to the limit on the Maximum Aggregate Discretionary Percentage set forth above. Together, the Predetermined Transaction Percentages and the Discretionary Transaction Percentages are both “**Transaction Percentages.**”

4.3 The Potential Transaction Payment shall be determined (in good faith by the Plan Committee) immediately after the Liquidation Date, unless the Liquidation Proceeds include Contingent Consideration. In such event, the portion of the Potential Transaction Payment not attributable to the Contingent Consideration (the “**Non-Contingent Payment**”) will be determined (in good faith by the Board) immediately after the Liquidation Date, and the portion of the Potential Transaction Payment attributable to the Contingent Consideration, and each Participant’s portion of the payment payment attributable to such Contingent Consideration, will be paid on a pro-rata basis to all Participants, in proportion to each Participant’s percentage of the Non-Contingent Payment.

5. Amount of Participant Payment

5.1 Provided that a Participant meets the eligibility requirements set forth in Section 2 and 4 of this Plan and this Plan has not been terminated, the payment amount for each Participant shall equal the sum of (a) the Fixed Amount (as defined below) and (b) the aggregate Variable Amounts (as defined below).

(a) The “**Fixed Amount**” for a particular Participant shall equal (i) the individual Payment (as defined below) minus (ii) the value, as of the Liquidation Date, of the individual Payment for such Participant that is attributable to the Contingent Consideration set forth in the merger agreement or other agreements evidencing the Liquidation Event (if any).

(b) Each “**Variable Amount**” for a particular Participant shall equal the individual Payment for such Participant that is attributable to the Contingent Consideration Amount (as defined below) set forth in the merger agreement or other agreements evidencing the Liquidation Event.

5.2 The “**Individual Payment**” for a particular Participant shall equal the greater of zero and (i) the product of (x) the Potential Transaction Payment and (y) such Participant’s Transaction Percentage (the “**Plan Proceeds**”) minus (ii) amounts to be received by such Participant as a result of the exercise or cash-out of options to purchase the Company’s common stock issued pursuant to any incentive plan of the Company (net of any exercise price) or the ownership of the Company’s common stock originally purchased as common stock (the “**Equity Proceeds**”). For avoidance of doubt, to the extent that the Individual Payment as calculated hereby is negative for a particular Participant, such that the Equity Proceeds exceed the Plan Proceeds for such Participant, such Participant shall receive only the Equity Proceeds, but shall not owe the Company anything in respect of the negative Individual Payment. To the extent that Equity Proceeds are deducted from a particular Participant’s Individual Payment, the amount of such Equity Proceeds shall also be deducted from the aggregate Potential Transaction Payment; the amounts deducted shall not be redistributed among the other Participants. The Plan Committee in its good faith shall determine the amounts described in this Section 5, based on the values set forth in the merger agreement or other agreements evidencing the Liquidation Event.

6. Payment Date

Payments (less applicable tax withholdings) will be paid to each eligible Participant by the Company (or its acquiror or successor) as follows: (a) the Fixed Amount, if any, shall be paid within thirty (30) calendar days after the Liquidation Date and (b) each Variable Amount, if any, shall be paid within 30 days after the date of the actual payment of the corresponding Contingent Consideration Amount to the Company’s stockholders. No payments will be paid under this Plan if no Liquidation Event closes prior to the termination of this Plan.

7. Excise Tax

7.1 This Section 7 shall apply, as to a particular Participant, only if the Auditors (as defined below) determine that such Participant, on an after-tax basis, would receive more value under this Plan after the application of this Section 7 than before the application of this Section 7. For this purpose, “**after-tax basis**” shall mean a calculation taking into account all federal and state income and excise taxes imposed on the Participant, including (without limitation) the excise tax described in Section 4999 of the Internal Revenue Code of 1986, as amended (the “**Code**”). If this Section 7 is applicable, it shall supersede any conflicting provision of this Plan.

(a) **Basic Rule.** The Company shall not make any payment or property transfer to, or for the benefit of, the Participant (under this Plan) that would subject the Participant to the excise tax described in Section 4999 of the Code. All calculations required by this Section 7 shall be attested to by the independent auditors retained by the Company most recently prior to the Liquidation Event (the “**Auditors**”), based on information supplied by the Company and the Participant, and shall be binding on the Company and the Participant. All fees and expenses of the Auditors shall be paid by the Company. Any proceeds not distributed to any Participants pursuant to section 7 shall be added to the Liquidation Proceeds which may be allocated to the Discretionary Participants by the Board pursuant to Section 4.2; provided that, the Board, in its sole discretion, may determine that any or all of such amounts may be deducted from the aggregate Potential Transaction Payment and not redistributed among the Participants.

(b) **Reductions.** If the amount of the aggregate payments or property to be transferred to the Participant must be reduced under this Section 7, then the Participant shall direct in writing which order the payments or transfers are to be reduced, but no change in the timing of any payment or transfer shall be made without the Company's written consent.

8. Effective Date; Amendment/Termination of Plan

8.1 This Plan becomes effective on the date on which this Plan is authorized and approved by the stockholders of the Company. With the consent of Magid Abraham (for so long as he is Chief Executive Officer) and Gian Fulgoni (for so long as he is Chairman), the Board may at any time amend or terminate this Plan; provided that (i) such amendment or termination is reflected in a written Board resolution, (ii) no amendment or termination is effected after the date that the Company enters into a definitive agreement to effect a Liquidation Event, (iii) in the event of the death or incapacitating disability of Magid Abraham or Gian Fulgoni, the consent of the heirs or guardian of such individual shall not be required to amend or terminate this Plan and (iv) with respect to any amendment of the Potential Transaction Payment in Section 3.1, such amendment requires the approval of the Board and the consent of Magid Abraham (for so long as he is Chief Executive Officer of the Company), Gian Fulgoni (for so long as he is Chairman of the Company) holders of not less than sixty percent (60%) of the voting power of the then outstanding shares of Preferred Stock of the Company, voting as a single class, on an as-converted basis. Notwithstanding provision in this Plan to the contrary, regardless of their employment status with the Company, Plan may not be amended or terminated without the consent of Magid Abraham or Gian Fulgoni, and such amendment or termination would have the effect of reducing the proceeds potentially payable such person (or his affiliated entities) below 75% of what such person (or his affiliated entities) would otherwise be entitled to receive under the terms of the Plan.

8.2 Notwithstanding the above, this Plan shall terminate on the date (i) of the final public offering of the Company's securities under the Securities Act of 1933, as amended or (ii) immediately prior to an Automatic Recapitalization (as defined in the Restated Certificate).

8.3 Subject to Section 8.1, a committee of the Board (the "**Plan Committee**") consisting of (i) the members of the compensation committee of the Board and (ii) Magid Abraham shall have discretion and authority to administer the Plan and to control its operation, including, but limited to, the power to (a) determine which employees shall be eligible to become Discretionary Participants, (b) interpret the Plan, (c) determine the Discretionary Transaction Percentages for each Discretionary Participant, (d) adopt rules for the administration, interpretation and application of the Plan (including, but not limited to Section 3.2) as are consistent therewith, and (e) interpret, amend or revoke any such rules. The Plan Committee may delegate the administration of the Plan and such other aspects of the Plan (which may include any or all of the determinations and calculations required by the Plan) to such persons as the Plan Committee shall deem appropriate, and no such person nor any member of the Plan Committee shall be liable to any person for any action, termination or calculation in connection with the Plan made in good faith. Each such delegate and each member of the Plan Committee shall be fully protected in taking any action hereunder in reliance in good faith upon the books and records of the Company or upon such information, opinions, reports or statements presented to them by any person as to matters such delegate or

Member of the Plan Committee reasonably believes are within such other person's professional or competence and who has been selected with reasonable care by or on behalf of the Plan Committee or the Company. Any determination, decision or action of the Plan Committee in connection with the construction, interpretation, administration or application of the Plan shall be conclusive, and binding upon all persons, and shall be given the maximum deference permitted by law. Notwithstanding any provision to the contrary in this paragraph, the Plan Committee, may amend Section 2.1, 3.1 or 4.1. which set forth the provisions governing the Predetermined Participants, the Potential Transaction Payment and the Predetermined Transaction Percentage, and the definition of "Earned Options": provided that, (i) in the event of the death or incapacitating disability of Magid Abraham or Gian Fulgoni, the consent of the heirs or guardian of such individual shall not be required to amend any provision of this Plan and (ii) with respect to any amendment of potential Transaction Payment in Section 3.1, such amendment also shall require the approval of the entire Board and the consent of Magid Abraham (for so long as he is Chief Executive Officer of Company), Gian Fulgoni (for so long as he is Chairman of the Company) and holders of not less than sixty percent (60%) of the voting power of the then outstanding shares of Preferred Stock of the Company, voting as a single class, on an as-converted basis. Notwithstanding any provision in this Plan to the contrary, regardless of their employment status with the Company, the Plan may not be amended or terminated without the consent of Magid Abraham or Gian Fulgoni, if such amendment or termination would have the effect of reducing the proceeds potentially payable to either of such individuals (or their affiliated entities) below 75% of what such individual (or their affiliated entities) would otherwise be entitled to receive under the Plan.

9. Confidentiality Obligation

This Plan is a special program adopted by the Company solely for the benefit of those who are designated as Participants in the Plan. Each Participant has an affirmative obligation to maintain the confidentiality of the terms and conditions of his or her participation in the Plan, including his or her designation as a Participant in the Plan and the amount determined as his or her pro-rata share of the Potential Transaction Payment, except where disclosure to a party is necessary because of the particular relationship the Participant shares with that party. Such parties may include the Participant's spouse, attorney, tax or financial advisor, who, in turn, shall be advised by such Participant that they may not disclose or communicate the terms and conditions of the Participant's participation in the Plan.

10. Definitions

10.1 For purposes of this Plan, Contingent Consideration, Contingent Consideration Amount, Earned Options, Liquidation Event and Liquidation Proceeds shall be defined as follows:

(a) "Contingent Consideration" shall mean variable or contingent amounts of consideration to be paid to stockholders of the Company in connection with a Liquidation Event that vary with or are contingent upon events or performance occurring after the date of the closing of a Liquidation Event, including amounts of consideration subject to an escrow agreement, to a purchase price adjustment or to indemnity claims. Each such variable or contingent amount is referred to herein as a "Contingent Consideration Amount."

(b) **“Ear Options”** shall mean (i) for those Predetermined Participants not employed by the Company as of the Liquidation Date, the number of shares of common stock of the Company for which such Predetermined Participant’s options were exercisable at the time of separation; (ii) for those Predetermined Participants employed by the Company as of the Liquidation Date and who have been employed by the Company for less than three (3) years at such time, the number of shares of common stock of the Company for which such Predetermined Participant’s options are exercisable on the Liquidation Date; and (iii) for those Participants employed by the Company as of the Liquidation Date and who have been employed by the Company for more than three (3) years at such time, the number of shares of common stock of the Company for which such Predetermined Participant’s options would be exercisable one (1) year after the Liquidation Date, assuming that the vesting of any unvested options continued for such period under the terms of the applicable option plans and agreements and that no applicable option exercise periods had terminated. Notwithstanding any other provisions in this section 10(b), for each of Magid Abraham and Gian Fulgoni. Earned Options shall mean the sum of (i) The number of shares of common stock of the Company for which such individual’s options were exercisable on the Liquidation Date and (ii) the lesser of (x) the number of shares of common stock of the Company for which such Individual’s options were unexercised and not yet exercisable on the Liquidation Date and (y) seven hundred and fifty thousand (750,000) shares.

(c) **“Liquidation Event”** shall be deemed to mean (i) a consolidation or merger of the Company with or into any other corporation or corporations or entity or entities) (unless the Company’s stockholders of record as constituted immediately prior to such transaction will, immediately after such transaction, hold (solely in respect of their equity interests in the Company before the transaction) at least a majority of the voting power of the surviving or successor entity to the business and assets of the corporation); (ii) a sale, conveyance or disposition of all or substantially all of the assets of the Company (other than a pledge of assets or grant of security interest therein to a commercial lender or similar entity in connection with commercial lending or similar transactions) (unless the Company’s stockholders of record as constituted immediately prior to such transaction will, immediately after such transaction, hold (solely in respect of their equity interests in the Company before the transaction) at least a majority of the voting power of the surviving entity or successor to the business and assets of the Company); (iii) any sale, transfer or issuance or series of sales, transfers or issuances of shares of the Company’s capital stock by the Company or the existing holders thereof to new holders, as a result of which the holders of the Company’s outstanding capital stock possessing the voting power to elect a majority of the the Company’s Board immediately prior to such sale, transfer or issuance cease to own the requisite amount of the Company’s outstanding capital stock to possess the voting power to elect a majority of the Company’s Board; or (iv) the effectuation of a transaction or series of related transactions in which at least a majority of the Company’s the outstanding voting power is transferred to another entity; provided that an Automatic Recapitalization shall not be deemed a Liquidation Event.

(d) **“Liquidation Proceeds”** shall mean the aggregate amount, if any, paid (or that would otherwise be payable but for this Plan) to the Company’s stockholders as a result of Liquidation Event after payment in full of all debts, liabilities and obligations of the Company (other than the Company’s obligations under this Plan and the Restated Certificate) including transaction fees paid payable in connection with such Liquidation Event, but excludes any amounts the acquiror (or an affiliate thereof) pays to the Participants in connection with the commencement of

their employment or service with the acquiror (or an affiliate thereof). Liquidation Proceeds shall, for avoidance of doubt and for greater certainty, not include indebtedness for borrowed money or similar non-trade liabilities or obligations (including pension liabilities, guarantees, capitalized leases, and the like) of the Company repaid, retired, extinguished, or assumed in connection with, or which otherwise remain outstanding as of the Liquidation Date. Liquidation Proceeds shall include Contingent Consideration to the extent actually paid to stockholders of the Company. The Liquidation Proceeds shall be determined by the Board prior to the closing of the Liquidation Event and such determination shall be final and binding; provided that any portion of the Liquidation proceeds attributable to Contingent Consideration shall be distributed on a pro-rata basis to all Participants, in proportion to each Participant's percentage of the Non-Contingent Payment, upon the payment of such Contingent Consideration to stockholders. All amounts and calculations that may include or be effected by Contingent Consideration, including the Potential Transaction Payment, Contingent Consideration Amounts and Participants' Individual Payment and Variable Amount, shall be recalculated upon each payment of Contingent Consideration to stockholders.

(e) "**Liquidation Date**" shall mean the date of the closing of the Liquidation Event.

11. General Provisions

11.1 The Company (or its acquiror or successor) shall withhold applicable taxes and other payroll deductions from any payment under the Plan. As a condition to receiving any payment under this Plan, each Participant must make arrangements satisfactory to the Company (or its acquiror or successor) to enable the applicable entity to satisfy all withholding obligations.

11.2 No amounts payable under this Plan shall actually be funded, set aside or otherwise segregated prior to payment. The obligation to pay the payments awarded hereunder shall at all times be an unfunded and unsecured obligation of the Company and be paid out of the general assets of the company (or its acquiror or successor), and shall not be construed to create a trust or an obligation to create a trust. Participants shall have the status of general creditors of the Company in respect of amounts, if any, payable to Participants under this Plan.

11.3 No Participant shall have the right to assign, transfer, alienate, pledge, ??????mber or otherwise dispose of his interest in this Plan, and such interest shall not (to the extent permitted by law) be subject in any way to the claims of the Participant's creditors or to attachment, execution or other process of law.

11.4 Each Participant shall be provided with a copy of the Plan and any amendments to such Plan and notified of his Transaction Percentage, when calculated pursuant to the terms of the Plan.

11.5 No action of the Company in establishing this Plan, no action taken under this plan and no provision of this Plan itself shall be construed to grant any person the right to remain as ?????? employee of the Company (or its acquiror or successor) for any period of specific duration.

Rather, each employee will be employed "at will," which means that either such employee or the Company (or its acquiror or successor) may terminate the employment relationship at any time for any reason, with or without cause.

12. **Arbitration**

Any and all disputes arising out of, or connected to, the Plan, the interpretation of the Plan's provisions, or a Participant's rights or alleged rights under the Plan shall be subject to binding arbitration, to the extent permitted by law, in Fairfax County, Virginia, before the American Arbitration Association under its National Rules for the Resolution of Employment Disputes. **Each Participant agrees and hereby waives his right to jury trial as to matters arising out of the plan, the terms of the Plan, the interpretation of the Plan's provisions, or a Participant's rights or alleged rights under the Plan, to the extent permitted by law.** The Company and each Participant agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award.

This is the full and complete embodiment of the terms of this Plan described herein.

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EXHIBIT A

TABLE OF DISCRETIONARY PARTICIPANT ALLOCATIONS

Discretionary Participant

Discretionary Transaction Percentage

EXHIBIT B

FORM OF IRREVOCABLE WAIVER AND RELEASE

WHEREAS, the undersigned is a Participant or an affiliate of a Participant (both, a "**Participant**" for purposes hereof) under comScore Networks, Inc.'s Incentive Plan, as amended from time to time (the "**Plan**").

WHEREAS, pursuant to Section 2.2 of the Plan, it is a condition precedent to the Participant's eligibility to receive a payment under the Plan (a "**Payment**") that the Participant, among other things, execute an irrevocable waiver and release in favor of the Company in the form hereof (the "**Release**"), all as specified in the Plan.

WHEREAS, the Company proposes to consummate a Liquidation Event (the "**Specified Liquidation Event**") and has delivered to the Participant a Transaction Notice describing the material terms of the Specified Liquidation Event.

WHEREAS, the Participant desires to satisfy one of the condition precedents to the Participant becoming eligible to receive a Payment in connection with the Specified Liquidation Event by executing and delivering this Release to the Company in conjunction with the Participant's Plan Election.

NOW THEREFORE, in consideration of the benefits that may accrue to the Participant under the Plan and other good and valuable consideration, the receipt and sufficiency is hereby agreed, the Company and the Participant hereby agree as set forth herein. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Plan.

1. Recitals. All of the above recitals are hereby incorporated into this Release by reference as though set forth verbatim herein.
 2. Agreement as to Terms. The Participant agrees to the terms of the Specified Liquidation Event, the Plan and the transactions contemplated thereby, including this Release. The Participant further (a) acknowledges and agrees that the Participant has had full opportunity to review the terms of the Plan and this Release with representatives of the Company and the Participant's independent legal counsel and (b) represents and warrants to the Company that the Participant has read carefully and is familiar with and fully understands the terms of the Plan and the Release, including, without limitation, the conditions precedent to Participant receiving a payment under the Plan.
 3. Irrevocable Waiver and Release of Claims on Closing Date. In consideration of the partial satisfaction the condition precedents to the Participant's eligibility to receive a payment under the Plan, effective upon the closing of the Specified Liquidation Event the "**Closing Date**").
-

the Participant, on behalf of the Participant and the Participant's Affiliated Persons, and the respective heirs, family members, executors, agents and assigns of the Participant and Participant's Affiliated Persons, hereby irrevocably fully and forever releases the Company and the Company's Affiliated Persons and agrees not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters arising out of or directly or indirectly related to the Specified Liquidation Event, the Specified Employment Matters, the Plan, or the Release, whether known or unknown as of the Closing Date, suspected or unsuspected, that the Participant may possess arising from any omissions, acts or facts that have occurred up until and including the Closing Date.

4. Waiver and Release of Claims on Payment of Variable Amounts. In the event that Variable Amounts become payable to the Participant under the Plan in respect of the Specified Liquidation Event (the date of any such payment, a "**Variable Payment Date**"), the Participant, on behalf of the Participant and the Participant's Affiliated Persons, and the respective heirs, family members, executors and assigns of the Participant and Participant's Affiliated Persons, in consideration for such Variable Amount, shall, by accepting any part of such Variable Amount, irrevocably fully and forever release the Company and the Company's Affiliated Persons and agree not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters of any kind arising out of or directly or indirectly related to the Specified Liquidation Event, the Specified Employment Matters, the Plan or the Release, whether known or unknown as of the Variable Payment Date, suspected or unsuspected, that the Participant may possess arising from any omissions, acts or facts that have occurred up until and including the applicable Variable Payment Date.

5. Unknown Claims; Reliance. The Participant acknowledges that the Participant has been advised by legal counsel and, on behalf of the Participant and the Participant's Affiliated Persons, and the respective heirs, family members, executors, agents and assigns of the Participant and Participant's Affiliated Persons, hereby expressly waives the provisions of any applicable laws restricting the release of claims that a party does not know or suspect to exist at the time of the release, and acknowledges that the Company and the Company's Affiliated Persons are entering into the Specified Liquidation Events in reliance on the releases contemplated hereby.

6. Definitions.

(a) The term "**Affiliated Person**" shall mean, as to the Participant and the Company (as applicable, a "**Specified Person**"), as applicable, any director, officer, employee, stockholder, beneficiary, legal counsel, family member or relation, agent or fiduciary of such Specified Person, and any partnership, corporation, limited liability company, association, joint stock company, trust or joint venture controlling, controlled by or under common control with such Specified Person. For these purposes, "control" means the possession, directly or indirectly, of the power to direct management and policies of a person or entity, whether through the ownership of voting securities, contract or otherwise.

(b) The term "**Specified Employment Matter**" shall mean, as to the Participant, (a) any and all claims relating or arising from the Participant's employment relationship with the Company and any termination of that relationship; (b) any and all claims relating to, or arising from,

the participant's right to purchase, actual purchase, ownership or forfeiture of shares of the Company's capital stock or options to acquire such stock, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law; (c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; Conversion; workers' compensation and disability benefits; (d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (the "ADEA") (any waiver or release in respect of the ADEA, an "ADEA Waiver"), the Americans with Disabilities Act of 1990, the Fair Credit Reporting Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act of 1974, The Worker Adjustment and Retraining Notification Act the Family Medical Leave Act, the California Family Rights Act, the California Fair Employment and Housing Act, and California Labor Code section 201, *et seq.* and section 970, *et seq.* and all amendments to each such Act as well as the regulations issued thereunder; (e) any and all claims for violation of the federal, or any state, constitution; (f) any and all claims arising out of any applicable laws and regulations relating to employment or employment discrimination; and (g) any and all claims for attorneys' fees and costs.

7. Acknowledgment of Waiver of Claims under ADEA. The Participant acknowledges that, pursuant to Section 3 and 4 of this Release, the Participant is waiving and releasing any rights the Participant may have under the ADEA at the Closing Date or at the applicable Variable Payment Date, and that any such ADEA Waiver is knowing and voluntary. The Participant and the Company agree that any ADEA Waiver does not apply to any rights or claims that may arise under the ADEA after the Closing Date or the applicable Variable Payment Date, as the case may be. The Participant acknowledges that the consideration given for the irrevocable waiver and releases specified in this Release is in addition to anything of value to which the Participant was already entitled. The Participant further acknowledges that the Participant has been advised by this writing that (a) the Participant should consult with an attorney prior to executing this Release; (b) the Participant has had at least twenty-one (21) days within which to consider this Release; (c) the Participant has seven (7) days following the Closing Date or the applicable Variable Payment Date, as the case may be, to evoke the ADEA Waiver portion of the Participant's waiver and release in respect of Specified Employment Matters; (d) any such ADEA Waiver portion of the Participant's waiver and release in respect of Specified Employment Matters shall not be effective until the applicable revocation period has expired and (e) nothing in this ADEA Waiver prevents or precludes the Participant from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. Any revocation of the ADEA Waiver portion of the Participant's waiver and release in respect of a Specified Employment Matter should be in writing and delivered to the Company, Attention: Chief Executive Officer, at the Company's principal offices by close of business on the seventh day from the Closing Date or the applicable Variable Payment Date, as the case may be.

IN WITNESS WHEREOF, the undersigned have affixed their signatures as of the Effective Date.

“Company”

“Participant”

COMSCORE NETWORKS, INC.

(Authorized signature)

(Name and Title of Person Signing)

(Name of Participant)

EXHIBIT C

**COMSCORE NETWORKS, INC. INCENTIVE PLAN
PARTICIPATION NOTICE**

Attached is a copy of the comScore Networks, Inc. Incentive Plan, as amended from time to time (the "**Plan**"). The Company's Board of Directors, subject to the terms and conditions of the Plan, has designated you a Participant in the Plan. Subject to the terms of the Plan, your Transaction Percentage (as determined under the terms of the Plan) entitles you to receive a percentage of the Potential Transaction Payment. Your share of the Potential Transaction Payment, if any, will be paid to you in accordance with the terms of the Plan.

Please note in particular Section 9 of the Plan, which requires that you maintain the confidentiality of the terms and conditions of your participation in the Plan, including your designation as a Participant and your Transaction Percentage, except where disclosure is necessary to certain individuals. Your eligibility to participate in the Plan is conditioned, among other things, on your acceptance of your designation, subject to your agreement to maintain such confidentiality and to be bound by the terms of the Plan. To indicate your acceptance of your designation as a Participant in the Plan, please sign a copy of this letter in the space indicated below and return it to _____ on or before _____, 200_.

COMSCORE NETWORKS, INC.

By: _____
Title: _____

Accepted:

I represent that I have read and am familiar with the Plan and its terms, including, without limitation, the conditions precedent to my eligibility to receive a payment under the Plan specified in Sections 2.1, 2.2 and 2.3 of the Plan and the provisions concerning the amendment or termination of the Plan specified in Section 8 thereof. I hereby accept my designation as a Participant in the Plan and agree to be bound by the terms of the Plan. I further agree to keep the terms and conditions of my participation in the Plan, including my designation as a Participant and my Transaction Percentage under the Plan, confidential and not to disclose such terms and conditions except where disclosure to a party is necessary because of the particular relationship I share with that party. Such parties may include my spouse, attorney, tax or financial advisor, who, in turn, shall be advised by me that they may not disclose or communicate the terms and conditions of my participation in the Plan.

Date: _____

1761 Business Center Dr. Ste. 120
Reston, VA 20190
(703) 438-2050 (703) 438-2051 fax
FEIN 54-1955550

September 27,1999

Mr. Greg Dale
545 East Braddock Road
Apt. 404
Alexandria, VA 22314

Dear Greg:

It is our pleasure to offer to you employment with our firm in the position of Vice President, Client Services, commencing on or about Monday October 11,1999. In this position you will be reporting to the CEO. Your total compensation package will be as follows:

- 1) A base salary of \$4,038.46 bi-weekly (equivalent to \$105,000 per year.)
- 2) An annual performance bonus of 15% based on mutually agreed upon individual performance objectives.
- 3) The option to buy 250,000 comScore shares at an exercise price to be set by the board of directors for options granted to startup employees. The exercise price is anticipated to be in the 10-20 cents range per share. These options will vest in equal monthly installments over 48 months following the date of employment.
- 4) You will be eligible for comScore's normal benefits including health insurance, and 3 weeks of vacation.

Please sign a copy of this letter and return it in the enclosed stamped, addressed envelope. Or if you prefer you may fax your signed offer letter to 703-438-2051. You will also need to call me at 703-438-2052 or Rhonda at 703-438-2050 to verify your first day of employment.

We are very impressed with your skills and background, and have high expectations that you will be a significant contributor to our team.

I look forward to you joining us.

Best Regards,

/s/ Magid Abraham
Magid Abraham
President, CEO

ACKNOWLEDGEMENT:

In response to the within offer of employment *please sign one only.*

/s/ Gregory Dale _____

I **accept** the within offer of employment.

I **do not** accept the within offer of employment.

December 29, 2003

Ms. Christiana Lin
P.O. Box 11193
Arlington, VA 22210

Dear Chris,

On behalf of ComScore Networks, I am pleased to confirm the details of your return to work on December 29, 2003, part-time following your maternity leave. As agreed, your hours will include working in the office during regular business hours Monday through Thursday, on call Friday, and available nights and weekends for material-passing business issues. You will "split" Monday holidays with Marisa Terrenzi, Assistant Corporate Counsel. Your total compensation package will be as follows:

- 1) A base salary of \$4076.92 bi-weekly (equivalent to \$106,000 per year.)
- 2) You waive participation in the health and dental medical benefits.
- 3) You will be eligible to participate in long term and short term disability and basic life and AD&D insurance provided by comScore.
- 4) You will continue to be eligible to participate in the 401k Plan.
- 5) You will be eligible for 12 days of vacation and 4 sick days annually (80% of full-time vacation and sick benefits) earned on an accrual basis.

Our employment relationship will continue to be at will, which simply means that either you or comScore may terminate your employment at any time. In addition, this schedule and compensation arrangement will be formally reviewed in three months and is subject to change.

We are delighted that you will continue to work with comScore and have high expectations that you will continue as a significant contributor to our team.

Please return a signed copy of this letter as soon as possible.

Best Regards,

/s/ Debbie Butler _____
Debbie Butler
Vice President, Human Capital

ACKNOWLEDGEMENT:

In response to the changes in employment status please sign one only.

/s/ Christiana Lin _____

I accept the changes as outlined above as revised.

/s/ December 31, 2003 _____

Effective date

I **do not** accept the changes as outlined.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT, dated as of December 16, 2004 (this "**Agreement**"), is made by and among SURVEYSITE INC., an Ontario corporation (the "**Seller**"); 954253 ONTARIO INC. ("**Jeff Holdco**") an Ontario corporation, RICE AND ASSOCIATES ADVERTISING CONSULTANTS INC. ("**Marshall Holdco**"), an Ontario corporation (each, a "**Shareholder**" and collectively, the "**Shareholders**"); JEFFREY HOHNER ("**Hohner**"), and MARSHALL RICE ("**Rice**" and Hohner and Rice collectively with the Shareholders, the "**Seller Parties**"); and COMSCORE NETWORKS, INC., a Delaware corporation (the "**Parent**") and its wholly-owned subsidiary COMSCORE CANADA, INC., an Ontario corporation (the "**Purchaser**").

RECITALS

- A. The Shareholders are the sole shareholders of Seller and Hohner and Rice are each the sole shareholder of Jeff Holdco and Marshall Holdco, respectively.
- B. The parties wish to provide for the sale of substantially all of the assets of Seller to Purchaser on the terms set forth in this Agreement.

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement, intending to be legally bound, agree as follows:

ARTICLE I

SALE OF ASSETS

1.1 **Sale of Assets.** At the Closing (as defined below) Seller shall cause to be sold, assigned, transferred, conveyed and delivered to Purchaser, good and valid title to the Assets (as defined below), free of any Encumbrances (as defined in Section 2.10(a) below), on the terms and subject to the conditions set forth in this Agreement. For purposes of this Agreement, "**Assets**" shall mean and include: all of the properties, rights, interests and other tangible and intangible assets of Seller used in, or relating to the operation of, the quantitative and qualitative online market research business of Seller (the "**Business**"); *provided, however*, that the Assets shall not include any Excluded Assets (as defined in Section 1.2 below). Without limiting the generality of the foregoing, the Assets shall include:

- (a) All Accounts Receivable (as defined in Section 2.17(a)) that are less than 65 days outstanding, notes receivable and other receivables of Seller, all work in progress and cash;
 - (b) all equipment, materials, prototypes, tools, supplies, furniture, fixtures, leaseholds improvements and other tangible assets of Seller used in carrying on the Business as a going concern (including, without limitation, the tangible assets identified in Section 2.10 of the Seller Disclosure Schedule);
 - (c) all advertising and promotional materials owned or possessed by Seller;
-

(d) all Proprietary Assets (as defined in Section 2.11) and goodwill of Seller (including, the name "SurveySite Inc." and variations thereof, the surveysite.com website; Canadian trademark applications # 1,234,788 for "SiteRecruit" and #1,234,787 for "SurveySite" and U.S. registered trademarks #2,141,886 for "SurveySite" and #2,582,888 for "FocusSite — the 5 Day Focus Group"; and the Proprietary Assets identified in Section 2.11 of the Seller Disclosure Schedule) and the right to carry on the Business in succession to Seller;

(e) any real property (including buildings, improvements and structures located thereon) or interests in real property (including leasehold interests, right of way and easements) owned, leased or licensed by Seller in connection with the Business, including the real property identified on Section 2.10(b) of the Seller Disclosure Schedule;

(f) all rights of Seller under the Contracts (as defined in Section 2.12) (including, the Contracts identified in Section 2.12 of the Seller Disclosure Schedule);

(g) all claims relating to the Business (including, claims for past infringement of Proprietary Assets) and causes of action of Seller against other Persons (as defined in Section 2.21 (a)(vi)) relating to the Business (regardless of whether or not such claims and causes of action have been asserted by Seller), and all rights of indemnity, warranty rights, rights of contribution, rights to refunds, rights of reimbursement and other rights of recovery possessed by Seller relating to the Business (regardless of whether such rights are currently exercisable); and

(h) all books, records, files and data of Seller relating to the Business, including the Personal Information (as defined in Section 2.24(b) below).

Notwithstanding anything to the contrary in this Agreement, nothing in this Agreement shall be construed as an attempt to sell, transfer, convey, assign or deliver any Contract that is by its terms or at law non-assignable without the consent of the other party thereto and as to which such consent shall not have been given as of the Closing, *provided, however*, that upon the receipt by Purchaser of any such consent, the contract or agreement as to which any such consent relates, shall, without any further action by Seller or Purchaser, be deemed to have been assigned by Seller to Purchaser hereunder as of the date of receipt of such consent. Purchaser shall promptly provide written notice to Seller of receipt of any such consent.

1.2 **Excluded Assets.** Seller is not selling, assigning, transferring or conveying to Purchaser the following assets, rights and properties (collectively, the "**Excluded Assets**"):

- (a) all cash and cash equivalents, marketable securities and investments, if any, of Seller to the extent these assets would exceed the Target Net Working Capital (as defined in Section 1.4);
- (b) all insurance policies and the right to receive insurance recoveries under such policies;
- (c) all financial and taxation records of Seller;

- (d) all extra-provincial, sales, excise or other licenses or registrations, to the extent not assignable or transferable, issued to or held by Seller, whether in respect of the Business or otherwise;
- (e) refunds in respect of reassessments for Taxes (as defined in *Section 2.8(a)*) pertaining to the Business or Assets paid prior to Closing to the extent these assets would exceed the Target Net Working Capital;
- (f) refundable Taxes;
- (g) amounts owing from any director, officer, former director or officer, shareholder, employee or any Affiliate (as such term is defined in the *Business Corporations Act (Ontario)*) to the Seller;
- (h) Accounts Receivable which are more than sixty five (65) days outstanding;
- (i) Any Personal Information (as defined in *Section 2.24(b)*) of a member of the Panel (as defined in *Section 2.24(a)*) who is under the age of thirteen; and
- (j) Contracts relating to any of the foregoing.

1.3 Purchase Price.

(a) Except for the Contingent Consideration (as defined in *Section 1.5 below*) and subject to the terms and conditions of this Agreement, the consideration payable for the Assets (the "**Consideration**") shall be paid by Purchaser to the Seller (or such other party as the Seller may direct) on the Closing Date, and shall be comprised of:

- (i) an aggregate of 678,172 shares of Common Stock of Parent ("**Parent Common Stock**") which Seller hereby directs Parent to issue to Jeff Holdco and Marshall Holdco in the allocation that Seller shall provide Parent on or before the Closing Date;
- (ii) \$2,100,000 Canadian Dollars ("**CAD**") (the "**Cash Consideration**") subject to the adjustment provisions set forth in *Section 1.4* and subject to *Section 5.10* regarding satisfaction of the Bank Loan (as defined in *Section 1.3(b)(i)(3)*), by delivery of a bank draft or certified cheque made payable to the Seller or evidence of a wire transfer to an account of the Seller or as directed by the Seller;
- (iii) the Contingent Consideration payable as set forth in *Section 1.5 below*; and
- (iv) the assumption by Purchaser of the Assumed Liabilities (as defined in *Section (1.3)*).

(b) For purposes of this Agreement "**Assumed Liabilities**" shall mean only the obligations of Seller under (i) the Contracts but only to the extent such obligations (A) arise after the Closing Date, (B) do not arise from or relate to any breach, default or violation by Seller of any

provision of any of such Contracts at or prior to the Closing Date, (C) do not arise from or relate to any event, circumstance or condition occurring or existing on or prior to the Closing Date that, with notice or lapse of time, would constitute or result in a breach, default or violation of any of such Contracts, and (D) are ascertainable solely by reference to the express terms of such Contracts or as set forth in Section 2.12 of the Seller Disclosure Schedule; and (ii) Current Liabilities (as defined in Section 1.4) as reflected on the Updated Current Balance Sheet (as defined in Section 5.13 (a)) and confirmed by the Final Working Capital Statement (as defined in Section 1.4 (c)); provided, however, that notwithstanding the foregoing, and notwithstanding anything to the contrary contained in this Agreement, the "Assumed Liabilities" shall not include, and Purchaser shall not be required to assume or to perform or discharge any other Liabilities (as defined in Section 2.7 below) that is not specifically referred to above in this Section 1.3(b) ("Excluded Liabilities") including the following:

(i) Except to the extent the following Liabilities are Current Liabilities as reflected on the Updated Current Balance Sheet and confirmed by the Final Working Capital Statement:

(1) any Liabilities of Seller for Taxes (as defined in Section 2.8 below), except as set forth in Section 5.6;

(2) subject to Section 5.4, any Liabilities of Seller, payable up to and including the Closing Date, for or with respect to any employees of the Seller, including, without limitation, any Liabilities pursuant to any compensation, collective bargaining, pension, retirement, severance, termination, or other benefit plan, agreement, or arrangement payable or any Liabilities for severance or other arrangement payable to any employee of Seller who elects not to accept Purchaser's offer of employment;

(3) any Liabilities of Seller with respect to any notes payable and other indebtedness of Seller, including (i) the note payable to Hohner disclosed on the Seller Financials (as defined in Section 2.6); and (ii) the loan agreement dated August 13, 2004 between the Seller and Toronto-Dominion Bank (the "Bank Loan"); and

(ii) any Liabilities of Seller under any Environmental Law (as defined in Section 2.19 below);

(c) Any Liabilities of Seller to any member of one of Seller's survey panels incurred prior to the Closing Date or arising as a result of the actions, inactions or requests of Seller prior to the Closing Date, including Liabilities for the payment of money or other incentives to such panel members or violations of Law (as defined in Section 2.14) including all Laws relating, in full or in part, to the protection of personally identifiable information;

1.4 Adjustment Amount.

(a) The parties agree that the Cash Consideration was determined as if the net working capital of Seller was \$750,000 at the close of business on the Closing Date (the "Target Net Working Capital"). The parties agree that the estimate of net working capital at the close of business shall be the number reflected on the draft estimate net working capital statement delivered

by Seller at Closing pursuant to Section 5.13(a) below (the "**Estimated Net Working Capital**"). If the Target Net Working Capital exceeds the Estimated Net Working Capital, then the Cash Consideration to be paid at Closing by Purchaser to Seller shall be reduced by the amount equal to the difference between the Target Net Working Capital and the Estimated Net Working Capital.

(b) The parties agree to make a subsequent adjustment to the consideration upon the Adjustment Date (as defined in Section 1.4(c) below) to reflect the actual net working capital of Seller on the Closing Date (the "**Actual Net Working Capital**"), as shown on the Final Working Capital Statement (as defined in Section 1.4(c) below), as follows:

(i) If the Cash Consideration was adjusted pursuant to Section 1.4(a) above at Closing and (A) the Actual Net Working Capital exceeds the Estimated Net Working Capital, then Purchaser shall pay to Seller within five business days of the Adjustment Date (as defined in Section 1.4(c)), the difference between the Actual Net Working Capital and the Estimated Net Working Capital; or (B) if the Estimated Net Working Capital exceeds the Actual Net Working Capital, then Seller shall pay to Purchaser within five business days of the Adjustment Date the difference between the Estimated Net Working Capital and the Actual Net Working Capital; and

(ii) If the Cash Consideration was not adjusted pursuant to Section 1.4(a) above at Closing because the Estimated Net Working Capital was equal to the Target Net Working Capital, and (A) the Actual Net Working Capital exceeds the Target Net Working Capital, then Purchaser shall pay to Seller within five business days of the Adjustment Date, the difference between the Actual Net Working Capital and the Target Net Working Capital; or (B) if the Target Net Working Capital exceeds the Actual Net Working Capital, then Seller shall pay to Purchaser within five business days of the Adjustment Date the difference between the Target Net Working Capital and the Actual Net Working Capital.

(iii) For purposes of this Agreement, "**Actual Net Working Capital**" shall mean the Current Assets of the Seller on the Closing Date minus all Current Liabilities of the Seller on the Closing Date, calculated in accordance with GAAP (as defined in Section 2.6 below), applied on a consistent basis with the Seller Financials (as defined in Section 2.6 below). The term "**Current Assets**" means the total current assets of Seller, including cash and cash equivalents, Accounts Receivable, work in progress (including the work in progress set out in Section 2.17(c) of the Seller Disclosure Schedule) inventories and prepaid expenses and deposits calculated in accordance with GAAP, applied on a consistent basis with the Seller Financials; *provided that* the Actual Net Working Capital calculation shall not include any Account Receivables which are more than 65 days overdue; and the term "**Current Liabilities**" means the total current liabilities of Seller, including accounts payable and other accrued expenses and deferred revenue of Seller (including deferred revenue set out in Section 2.17(c) of the Seller Disclosure Schedule), in each case calculated in accordance with GAAP, applied on a consistent basis with the Seller Financials. If Purchaser or Parent pays any Current Liability listed on the Updated Current Balance Sheet (as defined in Section 5.13(a) below) during the Review Period (as defined below), such Current Liability shall be deemed to be included on the Final Working Capital Statement.

(c) During the 65 day period after the Closing Date (the "**Review Period**"), Parent will prepare and submit to Seller a draft of the Actual Net Working Capital, such amount to be based

on the Updated Current Balance Sheet, and setting forth all assets and liabilities of Seller which are required to be reflected thereon in accordance with GAAP applied on a basis consistent with the Seller Financials (the "**Draft Working Capital Statement**"). Parent shall furnish Seller with all information and explanations which it may reasonably request for the purpose of reviewing Parent's preparation of the Draft Working Capital Statement until the Draft Working Capital Statement is finalized in accordance with this *Section 1.4(c)*, including access to all current working files, tax files, permanent files, and other documents relating to the calculation of the Draft Working Capital Statement. The Draft Working Capital Statement shall become final and binding on the parties (the "**Final Working Capital Statement**" and such date referred to herein as the "**Adjustment Date**") upon the earliest of (i) the expiration of the 15 calendar day period immediately following delivery of the Draft Working Capital Statement within which Seller may notify Parent of any objections thereto if no notice of objection has been given, (ii) agreement between Seller and Parent that the Draft Working Capital Statement, together with any modifications thereto agreed between Seller and Parent in writing, constitutes the Final Working Capital Statement and (iii) the date of a binding arbitration order pursuant to *Section 7.9 below* with respect to the Final Working Capital Statement; *provided that* neither party may initiate arbitration until such party provides the other party with thirty (30) days prior notice and within that notice period the parties make a good faith effort to resolve the dispute amongst themselves.

(d) Purchaser shall assume the Liability for Current Liabilities as reflected on the Updated Current Balance Sheet, as confirmed by the calculation of Actual Net Working Capital.

1.5 Contingent Consideration.

(a) On the one year anniversary following the Closing Date (the "**Anniversary Date**"), \$100,000 CAD shall be payable to Seller if the gross revenues derived from the Business during the one year period following the Closing Date, calculated in accordance with GAAP on a basis consistent with the Seller Financials, equal or exceed \$5,000,000 CAD (the "**Year One Criteria**").

(b) On the one year anniversary following the Anniversary Date, \$50,000 CAD shall be payable to Seller if the gross revenues derived from the Business during the one year period following the Anniversary Date, calculated in accordance with GAAP on a basis consistent with the Seller Financials, equal or exceed \$6,000,000 CAD (the "**Year Two Criteria**" and, collectively with the Year One Criteria, the "**Performance Criteria**").

(c) The Performance Criteria shall be subject to review and, if mutually agreed, adjusted as set forth in writing by Purchaser and Seller twelve (12) months following the Closing Date.

1.6 Stock Options for Designated Employees and Other Seller Employees. Subject to compliance with applicable Laws, within thirty (30) days of Closing, Parent will grant options to purchase up to 400,000 shares of Parent Common Stock (the "**Option Shares**") to the Designated Employees, other employees and independent contractors (who are natural persons) of Seller to the extent each such employee accepts Purchaser's offer of employment or each such independent contractor enters into a contracting agreement with Purchaser, in the amounts set forth on *Exhibit A*

hereto, subject to the terms and conditions of Parent's stock option plan attached hereto as *Exhibit B* (the "**Stock Option Plan**") and related stock option agreement (a form of which has been previously provided to Seller by Parent) and at an exercise price equal to the fair market value of such stock on the date of grant, as determined in good faith by Parent's Board of Directors, in its sole discretion. The shares governed by such options shall vest in equal monthly installments over four (4) years, beginning one month after the optionee's employment start date (e.g., 1/48th of the option shares shall vest two months after the optionee's employment start), *provided that* the optionee is still employed by Purchaser on such vesting dates.

1.7 Allocation. The Consideration set forth in *Section 1.3(a)* shall be allocated among the Assets as set forth in *Exhibit C*. Neither Purchaser, Seller nor any Selling Party shall file any Tax Return (as defined in *Section 2.8(a)(ii)* below) or other document with, or make any statement or declaration to, any Governmental Entity (as defined in *Section 2.5* below) that is inconsistent with such allocation.

1.8 Closing.

(a) The closing of the sale of the Assets to Purchaser (the "**Closing**") will take place at the offices of Goodmans LLP, Suite 2400, 250 Yonge Street, Toronto, on December 31, 2004, unless Seller and Purchaser agree otherwise (the "**Closing Date**").

(b) Subject to the terms and conditions hereof, at the Closing:

(i) Seller will execute and deliver to Purchaser such bills of sale, endorsements, assignments, consents, approvals, waivers and other documents as may (in the reasonable judgment of Purchaser or its counsel) be necessary or appropriate to assign, convey, transfer and deliver to Purchaser good and valid title to the Assets free of any Encumbrances subject to *Sections 5.10 and 5.11*;

(ii) Purchaser will deliver an assumption agreement to evidence assumption of Assumed Liabilities;

(iii) Purchaser and Parent will have received evidence that, in respect of the purchase and sale of the Assets under this Agreement, Seller has complied with the requirements of (A) the *Bulk Sales Act* (Ontario) and any other applicable provincial or territorial bulk sales legislation and (B) Section 6 of the *Retail Sales Tax Act* (Ontario) and any equivalent or corresponding provision under any other applicable provincial or territorial tax legislation. Seller shall provide Purchaser and Parent with an accurate and complete listing of all trade creditors, amounts owed as of the Closing Date, and payment remittal information (the "**Bulk Transfer Creditor Listing**"). To effect such compliance with the *Bulk Sales Act* (Ontario), Purchaser shall not require Seller to direct out of the Cash Consideration payment for claims of unsecured creditors to the extent such claims are Assumed Liabilities;

(iv) Seller will deliver to Purchaser the Seller Authorizations set forth in *Section 2.15* of the Seller Disclosure Schedule;

(v) Parent will have made an offer of employment to each Employee (as defined in *Section 2.21 (a)*) in accordance with *Section 5.4*;

(vi) Seller and the Seller Parties will have executed and delivered a noncompetition agreement substantially in the form attached hereto as *Exhibit D* (the “*Noncompetition Agreement*”).

(vii) Hohner and Purchaser will have executed and delivered the employment agreement, in substantially the form attached hereto as *Exhibit E* (the “*Hohner Employment Agreement*”);

(viii) Parent and each Shareholder will have executed and delivered the restricted stock agreement (which includes a put right), in substantially the form attached hereto as *Exhibit F* (the “*Restricted Stock Agreement*”);

(ix) Seller will have released any Employees to be employed by Purchaser from and after the Closing from any confidentiality and noncompetition agreements with Seller except to the extent that these have been assigned to Purchaser, and only to the extent that such Employee is employed by Purchaser;

(x) Each of the employees and independent contractors of Seller listed on *Exhibit G* hereto (the “*Designated Employees*”), shall have been offered employment or consulting arrangements with Purchaser, and each of the Key Members (as identified in *Exhibit G*) and a majority of the Management Team (as identified in *Exhibit G*) will have entered into employment or consulting arrangements with Purchaser, shall have agreed to be employees of, or consultants to Purchaser and shall be employees or independent contractors of Seller immediately prior to the Closing Date;

(xi) Each Designated Employee will have entered into Purchaser’s standard nondisclosure and assignment of invention, and non-competition agreement, in substantially the form attached hereto as *Exhibit H*;

(xii) Seller will deliver to Parent and Purchaser a satisfactory Certificate of Status from the Ministry of Consumer and Business Services, dated not more than five business days prior to the Closing Date;

(xiii) Seller will deliver to Parent and Purchaser a certificate of the Secretary of Seller, in the form attached hereto as *Exhibit 1.1*, certifying as to certain corporate matters, together with all attachments thereto, including a certified copy of a special resolution of the Shareholders authorizing the execution, delivery and completion of this Agreement;

(xiv) Jeff Holdco and Marshall Holdco will each deliver to Parent and Purchaser a certificate of the Secretary of each such entity, in the forms attached hereto as *Exhibit 1.2*, *Exhibit 1.3*, certifying as to certain corporate matters, together with all attachments thereto.

(xv) Seller will have delivered to Purchaser and Parent 2004 financial statements and financial statements for year to date as of December 13, 2004 and written certification by the President of Seller reflecting that earnings before interest, tax depreciation and amortization, calculated in the same way, using the same accounting principles, practices, methodologies and policies, as used by Seller in preparing the Seller Financials, was a minimum of (\$311,719) CAD and \$504,701 CAD, respectively, with adjustments as mutually agreed to by Seller and Parent;

(xvi) Subject to *Section 5.12*, Seller will obtain the consent of the other party to Contracts listed in *Section 2.12* to the Seller Disclosure Schedule that require such consent to assign such Contracts to Purchaser including the master services agreement with Microsoft;

(xvii) Seller will deliver to Purchaser and Parent the consent of the landlord to the assignment of the lease listed in *Section 2.10(b)* of the Seller Disclosure Schedule to Purchaser and an estoppel certificate or other confirmation that the lease is in good standing;

(xviii) Seller will deliver to Purchaser and Parent a release and discharge of any Encumbrance affecting or related to the Assets, including the Dell Computers security interest *provided that* the release of the security interest held by Toronto-Dominion Bank shall be governed by *Section 5.10* below;

(xix) Seller and the Selling Parties will deliver to Parent and Purchaser the Seller Closing Certificate (as defined in *Section 1.9(a)* below).

(xx) Parent will have delivered to Seller financial statements for the calendar year 2003 and for the period January 1, 2004 through October 31, 2004;

(xxi) Parent and Purchaser will deliver to Seller (A) a copy of the certificate of incorporation including all amendments thereto, for Purchaser; and (B) a Certificate of Status from the Ministry of Consumer and Business Services, dated not more than five business days prior to the Closing Date;

(xxii) Parent and Purchaser will deliver to Seller (A) a copy of the certificate of incorporation including all amendments thereto, for Parent, certified by the Secretary of State of the State of Delaware; and (B) a certificate, dated not more than five business days prior to the Closing Date, from the Secretary of State of the State of Delaware to the effect that Parent is in good standing in such jurisdiction;

(xxiii) Parent and Purchaser will deliver to Seller Certification of the Secretaries of the Parent and Purchaser, in the forms attached hereto as *Exhibit J* and *Exhibit K* respectively, certifying as to certain corporate matters, together with all attachments thereto including a certified copy of a directors' resolution of each of the Parent and Purchaser authorizing the execution, delivery and completion of this Agreement and the issuance of the Parent Common Stock to the Seller;

(xxiv) Purchaser and Parent will deliver to Seller and the Seller Parties the Parent Closing Certificate (as defined in *Section 1.10(a)* below);

(xxv) Subject to *Section 5.14*, Parent will issue a stock certificate in accordance with *Section 1.3(a)(i)* above to Seller;

(xxvi) Purchaser will pay off the Bank Loan from the Cash Consideration in accordance with *Section 5.10* and will pay the remaining Cash Consideration set forth in *Section 1.3(a)(ii)* above to Seller by wire transfer of immediately available funds to the bank account of Seller's Attorney-At-Law described on *Exhibit L*;

(xxvii) Subject to *Section 5.11*, all consents, waivers, approvals, orders or authorizations of, or registrations, declarations or filings with, any Governmental Entity or any third party, including a party to any agreement with Seller, required in connection with the completion of any of the transactions contemplated by this Agreement or the Related Agreements (as such term is defined in *Section 2.3(ii)*), the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof shall have been obtained, made and complied with on or before Closing; and

(xxviii) In accordance with *Section 5.10*, Seller shall deliver to Purchaser (A) a pay off letter as of December 31, 2004 issued by Toronto-Dominion Bank providing the amount necessary to satisfy the Bank Loan and (B) wire instructions provided by Toronto-Dominion Bank.

(xxix) Subject to *Section 5.11*, Seller shall deliver to Purchaser evidence that the Seller has (A) amended its privacy policy to contemplate the transfer of Personal Information (as such term is defined in *Section 2.24(b)*) and (B) emailed the members of its Panel (as defined in *Section 2.24(a)*) to inform them of such amendment and their right to unsubscribe from the Panel.

1.9 Parent and Purchaser's Conditions Precedent.

(a) The obligations of Purchaser and Parent to complete the purchase of the Assets under this Agreement is subject to satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of Purchaser and Parent and may be waived in writing by them in whole or in part):

(i) All of the representations and warranties of Seller and each Seller Party made in or pursuant to this Agreement shall be true and correct at the Closing Date and with the same effect as if made at and as of the Closing Date, without giving effect to any supplement to the Seller Disclosure Schedule and Purchaser and Parent shall have received a certificate, in the form attached hereto as *Exhibit M*, of Seller and the Seller Parties confirming the truth and correctness of the representations and warranties of Seller and the Seller Parties (the "**Seller Closing Certificate**").

(ii) Seller and the Seller Parties shall have performed or complied with, in all respects, all its obligations, covenants and agreements under this Agreement, including all of the obligations set forth in *Section 1.8(b)* above applicable to Seller and each Seller Party.

(iii) There shall be no injunction or restraining order issued preventing, and no pending or threatened Claim against any party hereto by any Person, for the purpose of enjoining or preventing the consummation of the transactions contemplated in this Agreement or otherwise

claiming that this Agreement or the consummation of such transactions is improper or would give rise to proceedings under any Laws.

(iv) No material damage by fire or other hazard to the Assets shall have occurred prior to the Closing Date.

(v) No Laws shall have been enacted, introduced or announced which may materially and adversely affect the Business.

(vi) There shall be no Material Adverse Effect (as defined in the introductory paragraphs of *Article II*) since the date of this Agreement.

(b) If any of the foregoing conditions in this *Section 1.9* has not been fulfilled by Closing, Purchaser and Parent may terminate this Agreement by written notice to Seller, in which event Purchaser and Parent are released from all obligations under this Agreement without penalty. Purchaser and Parent may waive compliance with any condition in whole or in part if they so elect in their sole discretion, without prejudice to their rights of termination in the event of non-fulfillment of any other condition, in whole or in part, or to their rights to recover damages for breach of any representation, warranty, covenant or condition contained in this Agreement.

1.10 Seller's Conditions Precedent.

(a) The obligations of Seller and the Seller Parties to complete the sale of the Assets under this Agreement is subject to satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is acknowledged to be inserted for the exclusive benefit of Seller and the Seller Parties and may be waived in writing by them in whole or in part):

(i) All of the representations and warranties of Parent and Purchaser made in or pursuant to this Agreement shall be true and correct at the Closing Date and with the same effect as if made at and as of the Closing Date, without giving effect to any supplement to the Parent Disclosure Schedule and Seller and the Seller Parties shall have received a certificate of Parent and Purchasers, in the form attached hereto as *Exhibit N*, confirming the truth and correctness of the representations and warranties of Parent and Purchaser (the "**Parent Closing Certificate**").

(ii) Parent and Purchaser shall have performed or complied with, in all respects, all its obligations, covenants and agreements under this Agreement, including all of the obligations set forth in *Section 1.8(b)* above applicable to Parent and Purchaser.

(iii) There shall be no injunction or restraining order issued preventing, and no pending or threatened Claim against any party hereto by any Person, for the purpose of enjoining or preventing the consummation of the transactions contemplated in this Agreement or otherwise claiming that this Agreement or the consummation of such transactions is improper or would give rise to proceedings under any Laws.

(iv) There shall be no Parent Material Adverse Effect (as defined in the introductory paragraphs of *Article IV*) since the date of this Agreement.

(b) If any of the foregoing conditions in this *Section 1.10* has not been fulfilled by Closing, Seller may terminate this Agreement by written notice to Parent, in which event Seller and the Seller Parties are released from all obligations under this Agreement without penalty. Seller and the Seller Parties may waive compliance with any condition in whole or in part if they so elect in their sole discretion, without prejudice to their rights of termination in the event of non-fulfillment of any other condition, in whole or in part, or to their rights to recover damages for breach of any representation, warranty, covenant or condition contained in this Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER AND THE SELLER PARTIES

For purposes of these representations and warranties, the expression, “to the best of the Seller’s Knowledge”, “to the Knowledge of the Seller” or similar expressions means the actual knowledge of Jeff Hohner or shall mean the constructive knowledge that Jeff Hohner would have had after making due inquiry regarding the relevant matter regardless of whether he made such inquiry, and the expression “to the best of the Seller Party’s Knowledge”, “to the Knowledge of the Seller Party” or similar expressions means the actual knowledge of that Seller Party or shall mean the constructive knowledge that the Seller Party would have had after making due inquiry regarding the relevant matter regardless of whether he made such inquiry. For the purposes of this *Article II*, “**Material Adverse Effect**” shall mean a material adverse effect on the Business, Assets, condition (financial or otherwise), prospects or results of operations of Seller.

The Seller and each Seller Party hereby jointly and severally represent and warrant to Parent and Purchaser, subject to such exceptions as are specifically disclosed in the disclosure schedule (referencing the appropriate section and paragraph numbers) supplied by Seller and the Seller Parties to Parent and Purchaser (the “**Seller Disclosure Schedule**”) and dated as of the date hereof, that on the date hereof and as of the Closing Date as though made at the Closing Date, as follows (except that the representations and warranties made as of a specified date will be true and correct as of such date):

2.1 Organization and Qualification of Seller; Residence of Seller. Seller is a corporation duly organized, validly existing and in good standing under the laws of the Province of Ontario, Canada. Seller has the corporate power to own, use, license and lease its properties and assets, and to carry on its business as presently conducted. Seller is duly qualified to do business and in good standing as an extra-provincial or foreign corporation in each jurisdiction described in *Section 2.1* of the Seller Disclosure Schedule in which the failure to be so qualified would have a Material Adverse Effect. Seller has delivered a true and complete copy of its Articles of Incorporation and By-laws, each as amended to date, to Parent. The operations now being conducted by Seller are not now and have never been conducted by Seller under any other name. Seller is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

2.2 Subsidiaries. Seller does not have and has never had any subsidiaries or Affiliates and does not otherwise own and has never otherwise owned any shares of capital stock or any interest in,

or control, directly or indirectly, any other corporation, partnership, association, joint venture or other business.

2.3 Authority.

(i) All corporate action required to be taken by the board of directors and stockholders of Seller in order to authorize Seller to enter into the Agreement and any Related Agreements (as defined in Section 2.3(ii)) and to transfer the Assets at the Closing has been taken. All action on the part of the officers of Seller necessary for the execution and delivery of the Agreement and any Related Agreements (as defined in Section 2.3(ii)), the performance of all obligations of Seller under the Agreement and any Related Agreements to be performed as of the Closing, and the delivery of the Assets has been taken. The Agreement and any Related Agreements, when executed and delivered by Seller, shall constitute valid and legally binding obligations of Seller enforceable against Seller in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other Laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by Laws relating to the availability of specific performance, injunctive relief or other equitable remedies; or (iii) as limited by the *Limitations Act, 2002* (Ontario).

(ii) All corporate action required to be taken by the board of directors of each Seller Party in order to authorize the Seller Party to enter into the Agreement and any Related Agreements and to transfer the Assets at the Closing has been taken. All action on the part of the officers of each Seller Party necessary for the execution and delivery of the Agreement and any Related Agreements, the performance of all obligations of each Seller Party under the Agreement and any Related Agreements to be performed as of the Closing, and the delivery of the Assets has been taken. The Agreement and any Related Agreements, when executed and delivered by the Seller Party, shall constitute valid and legally binding obligations of the Seller Party enforceable against that Seller Party in accordance with their respective terms except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other Laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) as limited by Laws relating to the availability of specific performance, injunctive relief or other equitable remedies; or (iii) as limited by the *Limitations Act, 2002* (Ontario). The "**Related Agreements**" shall mean all such ancillary agreements to be executed and delivered in connection with the transactions contemplated hereby, including, without limitation, the Noncompetition Agreement, the Hohner Employment Agreement and the Restricted Stock Agreement.

2.4 No Conflict. Except as set forth in the Seller Disclosure Schedule, the execution and delivery of this Agreement and any Related Agreements to which seller or any Seller Party is a party do not, and, the consummation of the transactions contemplated hereby and thereby will not, conflict with, or result in any violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under (i) any provision of the Articles of Incorporation and By-laws of Seller and each Seller Party, (ii) any mortgage, indenture, lease, contract or other agreement or instrument, permit, concession, franchise or license to which Seller, a Seller Party or any of their properties or assets are subject, or (iii) any Law applicable to Seller, a Seller Party or their respective properties or assets (any such event, a "**Conflict**"), that has had or would have a Material Adverse Effect.

2.5 Consents. Except as set forth in the Seller Disclosure Schedule or as set forth in *Section 5.11*, no consent, waiver, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other federal, state, provincial, county, local or other foreign governmental authority, instrumentality, agency or commission ("**Governmental Entity**") or any third party, including a party to any agreement with Seller (so as not to trigger any Conflict), is required by or with respect to Seller in connection with the execution and delivery of this Agreement and any Related Agreements to which Seller is a party or the consummation of the transactions contemplated hereby and thereby.

2.6 Seller Financial Statements. *Section 2.6* of Seller Disclosure Schedule sets forth (i) Seller's balance sheet as of May 31, 2004 and the related statement of income for the twelve month period then ended prepared on a review engagement basis; (ii) Seller's unaudited balance sheet as of December 13, 2004 (the "**Current Balance Sheet**") and the related unaudited statement of income for the period June 2004 through December 13, 2004 (i) and (ii) collectively, the "**Seller Financials**"; and (iii) a reasonable estimate of the Estimated Net Working Capital statement as of the Closing Date based on the Seller Financials. The Seller Financials are true and correct in all material respects, present fairly the financial condition and operating results of Seller, and have been prepared in accordance with Canadian generally accepted accounting principles ("**GAAP**").

2.7 No Undisclosed Liabilities. Seller does not have any liability, indebtedness, obligation, expense, claim, deficiency, guaranty or endorsement of any type, whether accrued, absolute, contingent, matured, unmatured or other (whether or not required to be reflected in financial statements in accordance with GAAP (the "**Liabilities**"), which will result in an Encumbrance on the Assets.

2.8 Tax Matters.

(a) Definition of Taxes. For the purposes of this Agreement,

(i) "**Tax**" or collectively "**Taxes**" includes any taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Entity, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions.; and

(ii) "**Tax Returns**" includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes.

(b) There has been no failure of Seller to duly and timely pay all Taxes, including all installments on account of Taxes for the current year, that are due and payable by it.

(c) There are no proceedings, investigations, audits or Claims (as defined herein) now pending or to the best of the Seller's Knowledge, threatened against Seller in respect of any Taxes, and there are no matters under discussion, audit or appeal with any Governmental Entity relating to Taxes, which will result in an Encumbrance on the Assets. For the purposes of this Agreement, "Claims" shall mean claims, demands, actions, suits, causes of action, assessments or reassessments, charges, judgments, debts, liabilities, expenses, costs, damages or losses, including loss of value, professional fees and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing.

(d) Seller has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any Employees, officers or directors and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by Law to be remitted by it.

(e) Seller has duly and timely collected all amounts on account of any sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.

2.9 Restrictions on Business Activities. There is no agreement (non-compete or otherwise), commitment, judgment, injunction, order or decree to which Seller is a party or otherwise binding upon Seller which has or may have the effect of prohibiting or materially impairing any business practice of Seller, any acquisition of property (tangible or intangible) by Seller or the conduct of business by Seller. Without limiting the foregoing, Seller has not entered into any agreement under which Seller is restricted from selling, licensing or otherwise distributing any of its technology or products to or providing services to, customers or potential customers or any class of customers, in any geographic area, during any period of time or in any segment of the market.

2.10 Title of Properties; Absence of Encumbrances; Sufficiency of Assets.

(a) For the purposes of this Agreement, "Encumbrance," or collectively "Encumbrances," shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset), except as set forth in the Articles of Incorporation of the Seller.

(b) Seller owns no real property, nor has it ever owned any real property. Section 2.10(b) of Seller Disclosure Schedule sets forth a list of all real property currently leased by Seller

relating to the Business, the name of the lessor, the date of the lease and each amendment thereto and, with respect to any current lease, the aggregate annual rental and/or other fees payable under any such lease. All such current leases are in full force and effect, are valid and effective in accordance with their respective terms, and there is not, under any of such leases, any existing default or event of default (or event which with notice or lapse of time, or both, would constitute a default). All of the real property currently leased by Seller is in good operating condition and repair, is maintained in a manner consistent with standards generally followed with respect to similar properties, and is otherwise suitable for the conduct of the business as presently conducted.

(c) Except as set forth in the Seller Disclosure Schedule, Seller has good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all of the Assets, free and clear of any Encumbrances, except as reflected in the Current Balance Sheet and except for Encumbrances for Taxes not yet due and payable and such imperfections of title and Encumbrances, if any, which, individually or in the aggregate, are not material in character, amount or extent, and which do not detract from the value, or interfere with the present use, of the property subject thereto or affected thereby.

(d) Section 2.10(d) of Seller Disclosure Schedule lists all material items of equipment owned or leased by Seller relating to the Business (the "**Equipment**") and such Equipment is (i) sufficient for the conduct of the Business of Seller as currently conducted and (ii) in good operating condition, regularly and properly maintained, subject to normal wear and tear.

(e) The Assets (i) constitute all of the assets, tangible and intangible, of any nature whatsoever, necessary to operate Seller's Business in the manner presently operated by Seller and (ii) include all of the operating assets of Seller.

2.11 Proprietary Assets.

(a) For the purposes of this Agreement,

(i) "**Intellectual Property**" shall mean all intellectual property rights, whether registered or not, owned or used or held by Seller for use in, or relating to the operation of, the Business including Seller's Recruitment Technology, Survey Engine, Online Charts, Auto Mailer, Mass Mailing, XML Web Service, FocusSite Technology, Data Management Tools and Web Panel Management Tools described on Section 2.11(a)(i) of the Seller Disclosure Schedule as well as all (A) issued patents, inventions, pending applications for patents, and patents which may be issued from current applications (including divisionals, reissues, renewals, re-examinations, continuations, continuations in part and extensions; (B) trade-marks, trade-names, brands, business names, Uniform Resource Locators, domain names, telephone, telecopy and email addresses, web sites, designs, graphics, commercial symbols and indicia of origin, and any goodwill associated therewith; and (C) copyright.

(ii) "**Technical Information**" means all know-how and related technical knowledge owned or used or held by Seller for use in, or in respect of the operation of, the Business, including (A) trade secrets, confidential information and other proprietary know-how; (B) public information and non-proprietary know-how; (C) information of a scientific, technical, financial or

business nature regardless of its form; and (D) documented research, forecasts, studies, marketing plans, budgets, market data, developmental, demonstration or engineering work and drawings, blueprints, patterns, plans, flow charts, parts lists, manuals or records.

(iii) **“Proprietary Assets”** means all Intellectual Property and Technical Information.

(b) Section 2.11(b) of Seller Disclosure Schedule contains an accurate and complete list of (i) all Intellectual Property which have been registered, or for which applications of registration has been filed and (ii) all Contracts related to the Proprietary Assets. Seller owns or holds sufficient legal rights to the Proprietary Assets as necessary for its Business as now conducted, without any infringement of the rights of others. There are no outstanding options, licenses or agreements of any kind granted to a third party relating to the Proprietary Assets, nor is Seller bound by or a party to any options, licenses or agreements of any kind with respect to Intellectual Property of any other Person other than such licenses or agreements arising from the purchase of “off the shelf” or standard products.

(c) Seller has not received any communication alleging that Seller has violated or, by conducting its Business as presently conducted, would breach, violate, infringe or interfere any rights of any other Person. Seller is not aware that any of its employees is obligated under any Contract, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with their duties to Seller or that would conflict with Seller’s Business as presently conducted.

(d) To the best of Seller’s Knowledge, neither the execution nor delivery of this Agreement, nor the carrying on of Seller’s Business by the Employees of Seller, nor the conduct of Seller’s Business as presently conducted, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any employee is now obligated, that has had or would have a Material Adverse Effect.

(e) Seller does not utilize in its Business as presently conducted, any inventions, trade secrets or proprietary information of any of its employees made prior to their employment by Seller, except for inventions, trade secrets or proprietary information that have been assigned to Seller.

(f) Seller has no knowledge of any facts or circumstances that would render any Proprietary Asset invalid or unenforceable.

(g) Each of the Proprietary Assets is free of and clear of any Encumbrances, except for non-exclusive licenses granted to customers in the ordinary course of business.

(h) To the best of the Seller’s Knowledge, no Person is infringing or misappropriating any of Seller’s Proprietary Assets.

(i) Seller has taken all commercially reasonable steps that are reasonably required to protect Seller’s rights in its Technical Information or confidential information or trade secrets provided by any other Person to Seller.

2.12 Agreements, Contracts and Commitments. Section 2.12 of Seller Disclosure Schedule contains a complete and accurate list, and Seller has delivered to Parent, true and complete copies of each material agreement, contract, covenant, instrument, lease, license or commitment to which Seller is a party or by which it is bound relating to the Business, including, without limitation, all employment agreements (each, a “Contract” and collectively, the “Contracts”). Seller is in compliance with and has not breached, violated or defaulted under, or received notice that it has breached, violated or defaulted under, any of the terms or conditions of Contract, the breach, violation or default of which has had or would have a Material Adverse Effect, nor is Seller nor any Seller Party aware of any event that would constitute such a breach, violation or default with the lapse of time, giving of notice or both. Section 2.12 of the Seller Disclosure Schedule also denotes each Contract that needs consent from the other party thereto to assign such contract to Purchaser. Each Contract is a valid and binding agreement of Seller, is in full force and effect, and, to the best of the Seller’s Knowledge, is not subject to any default thereunder by any party obligated to Seller pursuant thereto.

2.13 Interested Party Transactions. To the best of Seller’s Knowledge, no officer, director or stockholder of Seller (nor any ancestor, sibling, descendant or spouse of any of such Persons in which any of such Persons has or has had an interest), has or has had, directly or indirectly, (i) an interest in any entity which furnished or sold, or furnishes or sells, services, products, technology or intellectual property that Seller furnishes or sells, or proposes to furnish or sell, or (ii) any interest in any entity that purchases from or sells or furnishes to Seller any goods or services or (iii) a beneficial interest in any Contract; *provided, however*, that ownership of no more than five percent (5%) of the outstanding voting stock of a publicly traded corporation shall not be deemed an “interest in any entity” for purposes of this Section 2.13.

2.14 Compliance with Laws. Seller has complied with, is not in violation of, and has not received any notices of violation with respect to, any applicable law (including common law), statute, by-law, rule, regulation, order, ordinance, protocol, code, guideline, treaty, policy, notice, direction, decree and judicial, arbitral, administrative, ministerial or departmental judgment, award or requirement of any Governmental Entity (each a “Law” and collectively, “Laws”) relating to the Business, the non-compliance of which has had or would have a Material Adverse Effect.

2.15 Governmental Authorization. Section 2.15 of the Seller Disclosure Schedule accurately lists each consent, license, permit, grant or other authorization issued to Seller by a Governmental Entity (i) pursuant to which Seller currently operates or holds any interest in any of their properties related to the Business or (ii) which is required for the operation of the Business or the holding of any such interest (herein collectively called “Seller Authorizations”). Seller Authorizations, if any, are in full force and effect and constitute all Seller Authorizations required to permit Seller to operate or conduct its Business or hold any interest in its Assets.

2.16 Litigation.

(a) Section 2.16(a) of the Seller Disclosure Schedule sets forth, with respect to any pending or threatened action, suit, proceeding or investigation related to the Business, the forum, the parties thereto, the subject matter thereof and the amount of damages claimed or other remedy requested. Other than as disclosed in Section 2.16(a) of the Seller Disclosure Schedule, there is no

action, suit or proceeding of any nature pending or to Seller's Knowledge, threatened against Seller, its Assets or any of its officers or directors, in their respective capacities as such; and Seller does not have Knowledge of any facts or circumstances that would reasonably be expected to give rise to any action or proceeding against, relating to, or affecting Seller or any of its Assets. To Seller's Knowledge, there is no investigation pending or threatened against Seller, its assets or properties or any of its officers or directors, in their respective capacities as such by or before any Governmental Entity. No Governmental Entity has at any time challenged or questioned the legal right of Seller to engage in its Business as presently conducted or to manufacture, offer or sell any of its products in the present manner or style thereof.

(b) Seller has delivered to Parent all responses of counsel for Seller to auditors' requests for information (together with any updates provided by such counsel) regarding actions or proceedings pending or threatened against, relating to or affecting the Business, if any.

2.17 Accounts Receivable; Accounts Payable.

(a) Section 2.17(a) of the Seller Disclosure Schedule contains an accurate and complete list of all accounts receivable of Seller ("**Accounts Receivable**") as of December 13, 2004 relating to the Business along with a range of days elapsed since invoice. All Accounts Receivable of Seller arose from bona fide sales transactions in the ordinary course of business and are collectible except to the extent of reserves therefor set forth in the Current Balance Sheet and the Updated Current Balance Sheet. Except as disclosed in Section 2.17(a) of the Seller Disclosure Schedule, no Person has any Encumbrance on any of such Accounts Receivable and no request or agreement for deduction or discount has been made with respect to any of such Accounts Receivable.

(b) Section 2.17(b) of the Seller Disclosure Schedule contains an accurate and complete list of all accounts payable of Seller (the "**Accounts Payable**") as of December 13, 2004.

(c) Section 2.17(c) of the Seller Disclosure Schedule contains an accurate and complete list of all deferred revenue if any, and all work in progress ("**Deferred Revenue and Work In Progress**") as of December 13, 2004, with a description of steps remaining to complete such work in progress.

2.18 Books and Records. The books of account and financial records of Seller, all of which have been made available to Purchaser and Parent, are complete and accurate and have been maintained in accordance with sound business practices.

2.19 Environmental Matters.

(a) Hazardous Material. Seller has not: (i) operated any underground storage tanks at any property that Seller has at any time owned, operated, occupied or leased; or (ii) illegally released any material amount of any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, prohibited substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Laws including without limitation any asbestos or asbestos-containing material (a "**Hazardous Material**"). No Hazardous Materials are present, as a result of the deliberate actions of Seller, or, to Seller's Knowledge, as a

result of any actions of any third party or otherwise, in, on or under any property, including the land and the improvements, ground water and surface water thereof, that Seller has at any time owned, or leased.

(b) Hazardous Materials Activities. Seller has not transported, stored, used, manufactured, disposed of, released or exposed its employees or others to Hazardous Materials in violation of any Law in effect on or before December 13, 2004, nor has Seller disposed of, transported, sold, or manufactured any product containing a Hazardous Material (any or all of the foregoing being collectively referred to as "**Hazardous Materials Activities**") in violation of any Law related to Hazardous Materials or Hazardous Materials Activities (collectively, "**Environmental Laws**") in effect on or before December 13, 2004 to prohibit, regulate or control Hazardous Materials or any Hazardous Material Activity.

(c) Permits. Seller currently holds all environmental approvals, permits, licenses, clearances and consents (the "**Environmental Permits**") necessary for the conduct of Seller's Hazardous Material Activities and other businesses of Seller as such activities and businesses are currently being conducted.

(d) Environmental Liabilities. No action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending, or to Seller's Knowledge, threatened concerning any Environmental Permit, Hazardous Material or any Hazardous Materials Activity of Seller. To the Seller's Knowledge, there is no fact or circumstance which could involve Seller in any environmental litigation or impose upon Seller any material environmental liability.

2.20 Brokers' and Finders' Fees; Third Party Expenses. Except for the contingent commission payable to GMP Securities Ltd. (the "**Broker's Fee**"), Seller has not incurred, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby. Seller shall be solely responsible for the Broker's Fee and shall fully indemnify Parent and Purchaser for any Claims by GMP Securities Ltd. against Parent or Purchaser related to such Broker's Fee.

2.21 Employment Matters; Collective Agreements; Pension and Other Benefit Plans.

(a) For the purposes of this Agreement,

(i) "**Benefit Plans**" shall mean plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, registered or unregistered to which Seller is a party or by which Seller is bound or under which Seller has, or will have, any liability or contingent liability, relating to: (A) all benefits relating to retirement or retirement savings including pension plans, pensions or supplemental pensions, "registered retirement savings plans" (as defined in the *Income Tax Act (Canada)*), "registered pension plans" (as defined in the *Income Tax Act (Canada)*) and "retirement compensation arrangements" (as defined in the *Income Tax Act (Canada)*) ("**Pension Plans**"); (B) plans in the nature of insurance plans, providing for employment benefits relating to disability or wage or benefits continuation during periods of absence from work (including, short term disability, long term disability, workers compensation and maternity and parental leave), and any and all

employment benefits relating to hospitalization, healthcare, medical or dental treatments or expenses, life insurance, accidental death and dismemberment insurance, death or survivor's benefits and supplementary employment insurance, in each case regardless of whether or not such benefits are insured or self-insured; or (C) plans in the nature of compensation plans, which means all employment benefits relating to bonuses, incentive pay or compensation, performance compensation, deferred compensation, profit sharing or deferred profit sharing, share purchase, share option, stock appreciation, phantom stock, vacation or vacation pay, sick pay, severance or termination pay, employee loans or separation from service benefits, or any other type of arrangement providing for compensation or benefits additional to base pay or salary; or (D) with respect to any of its Employees or former employees of the Business (or any spouses, dependants, survivors or beneficiaries of any such Employees or former employees), directors or officers, individuals working on contract with the Seller relating to the Business or other individuals providing services to the Seller relating to the Business of a kind normally provided by employees or eligible dependants of such Person, excluding statutory Benefit Plans which Seller is required to comply with, including the Canada Pension Plans and plans administered pursuant to applicable health tax, workers' compensation and unemployment insurance legislation.

(ii) "**Collective Agreements**" means collective agreements and related documents including all benefit agreements, letters of understanding, letters of intent and other written communications with bargaining agents or trade unions relating to the Employees or contractors, by which Seller is bound or which impose any obligations upon Seller or set out the understanding of the parties with respect to the meaning of any provisions of such collective agreements.

(iii) "**Employees**" shall mean those individuals employed or retained by Seller, on a full-time, part-time or temporary basis, relating to the Business, including those employees of the Business on disability leave, parental leave or other absence.

(iv) "**Employment Contract**" shall mean Contracts, whether oral or written, relating to an Employee, including any communication or practice relating to an Employee which imposes any obligation on Seller.

(v) "**Occupational Health and Safety Laws**" shall mean all Laws relating in full or in part to the protection of employees or worker health and safety.

(vi) "**Person**" shall mean any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Entity, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative

(vii) "**Remedial Orders**" shall mean any administrative complaint, direction, order or sanction issued, filed or imposed by any Governmental Entity pursuant to any Environmental Laws and includes any order requiring any remediation or clean-up of any Hazardous Material, or requiring that any release or any other activity be reduced, modified or eliminated.

(b) *Section 2.21(b)* of the Seller Disclosure Schedule sets forth a complete list of all Employees as of the date hereof, together with their titles, service dates and material terms of employment, including current wages, salaries or hourly rate of pay, benefits, vacation entitlement, commissions and bonus (whether monetary or otherwise) or other material compensation paid since the beginning of the most recently completed fiscal year or payable to each such Employee, the date upon which any such term of employment became effective if it became effective in the 12 month period prior to the Closing Date and the date upon which each such Employee was first hired by Seller. No Employee is on short-term or long-term disability leave, parental leave, extended absence or receiving benefits pursuant to the *Workplace Safety and Insurance Act (Ontario)* or similar worker's compensation legislation in other provinces.

(c) There are no Employment Contracts which are not terminable on the giving of notice in accordance with applicable Law, nor are there any management agreements, retention bonuses or Employment Contracts providing for cash or other compensation or benefits upon the consummation of the transactions contemplated by this Agreement, except as may be required under applicable Law. Except as disclosed in *Section 2.21(c)* of the Seller Disclosure Schedule, there are no contracts for services with independent contractors or consultants, either written or oral. The independent contractors identified on *Section 2.21(c)* of the Seller Disclosure Schedule are independent contractors at Law and not employees.

(d) Except for the Benefit Plans set forth in *Section 2.21 (m)* of the Seller Disclosure Schedule, there are no employment policies or plans, which are binding upon Seller.

(e) The Business has been and is being operated in material compliance with all Laws relating to employees, including employment standards, Occupational Health and Safety Laws, workers compensation, human rights, labor relations, and pay equity. Seller has materially complied with applicable pay equity legislation. There have been no Claims nor, to the Knowledge of Seller, are there any threatened complaints under such employment-related Laws against Seller in respect of the Business.

(f) There are no outstanding Claims or complaints nor, to the Knowledge of Seller, are there any threatened Claims or complaints, against Seller pursuant to any Laws relating to Employees, including employment standards, human rights, labor relations, Occupational Health and Safety Laws, workers compensation, pay equity. To the Knowledge of Seller, no event or circumstance has occurred which might lead to a Claim or complaint against Seller under any such Laws. There are no outstanding decisions, orders or settlements or pending settlements which place any obligation upon Seller to do or refrain from doing any act.

(g) Seller has made available to Purchaser for review, all inspection reports under the *Occupational Health and Safety Act (Ontario)* relating to the Business, if any. There are no outstanding inspection orders made under the *Occupational Health and Safety Act (Ontario)* relating to the Business. Seller is operating in material compliance with all Occupational Health and Safety Laws, including but not limited to the Workplace Hazardous Materials Information System (WHMIS) relating to the Business. To the Knowledge of Seller, there are no pending or threatened charges against the Business under Occupational Health and Safety Laws relating to the Business. There have been no fatal or critical accidents which might lead to charges under Occupational

Health and Safety Laws. To the Knowledge of Seller, there are no materials present in the Business, exposure to which may result in an industrial disease as defined in the Workplace Safety and Insurance Act (Ontario). Seller has complied in all respects with any Remedial Orders issued under Occupational Health and Safety Laws, if any. There are no appeals of any Remedial Orders under Occupational Health and Safety Laws relating to the Business which are currently outstanding.

(h) Seller is not a party, either directly or by operation of law, to any collective agreement, letter of understanding, letter of intent or other written communication with any bargaining agent, trade union or association which would qualify as a trade union, which would apply to any Employees or any contractors.

(i) To the Knowledge of Seller, there are no threatened or apparent union organizing activities involving any Employees or contractors.

(j) Seller is not required to register and remit employer premiums pursuant to the Workplace Safety and Insurance Act (Ontario).

(k) Section 2.21(m) of the Seller Disclosure Schedule sets forth a complete list of the Benefit Plans. Current and complete copies of all written Benefit Plans or, where oral, written summaries of the material terms thereof, have been provided or made available to Purchaser together with current and complete copies of all documents relating to the Benefit Plans, including, as applicable, (i) all documents establishing, creating or amending any of the Benefit Plans; (ii) all trust agreements and funding agreements; (iii) all insurance contracts, investment management agreements, subscription and participation agreements; (iv) all financial statements and accounting statements and reports, and investment reports for each of the last four years and the four most recent actuarial reports; (v) all reports, statements, annual information returns or other returns, filings and material correspondence with any regulatory authority in the last four years; (vi) all legal opinions, consultants' reports and correspondence relating to the administration or funding of any Benefit Plan or the use of the funds held under such plans; (vii) all booklets, summaries, manuals and written communications of a general nature distributed or made available by the Seller to any Employees or former employees concerning any Benefit Plan; (viii) a copy of the most recent letter of confirmation or registration of the Pension Plans pursuant to any Laws; and (ix) a copy of any statement of investment policies and goals prepared in respect of the Pension Plans, whether or not such statement has been filed with the applicable Governmental Entity.

(l) All obligations to or under the Benefit Plans (whether pursuant to the terms thereof or any Laws) have been satisfied, and there are no outstanding defaults or violations thereunder by Seller or, to the Knowledge of Seller, any default or violation by any other party to any Benefit Plan.

(m) All employer or employee payments, contributions and premiums required to be remitted, paid to or in respect of each Benefit Plan have been paid or remitted in a timely fashion in accordance with its terms and all Laws, and no Taxes, penalties or fees are owing or exigible under any Benefit Plan.

(n) No material changes have occurred in respect of any Benefit Plans since the date of the most recent financial, accounting, actuarial or other report, as applicable, issued in connection with any Benefit Plan, which could reasonably be expected to adversely affect the relevant report (including rendering it misleading in any material respect).

(o) None of the Benefit Plans provide benefits beyond retirement or other termination of service to Employees or former employees or to the beneficiaries or dependants of such employees, or such benefits have been properly accrued on the Seller Financials. None of the Benefit Plans require or permit a retroactive increase in premiums or payments, or require additional premiums or payments or termination of the Benefit Plan or any insurance contract relating thereto, and the level of insurance reserves, if any, under any insured Benefit Plan is reasonable and sufficient to provide for all incurred but unreported claims.

2.22 Customers. Section 2.22 of the Seller Disclosure Schedule identifies, and provides a breakdown of the revenues received from each customer or major operating group within a customer, or other Person that accounted for more than \$25,000 of the gross revenues of Seller since January 1, 2004 (the "**Major Customers**"). Seller has not received any notice (written or oral) from any Major Customer stating that such Customer will (i) cease doing business with Seller or (ii) significantly reduce the volume of its business with Seller. To the Knowledge of Seller, none of the Major Customers listed on Section 2.22 of the Seller Disclosure Schedules threatened with bankruptcy or insolvency.

2.23 Warranties; Indemnities. Seller has not given any warranties or indemnities relating to products or technology sold or licensed or services rendered by Seller other than those contained in the Contracts.

2.24 Personal Information

(a) As of December 1, 2004, Seller's survey panel is comprised of no less than 225,000 distinct email addresses related to the Business and contained in a database (the "**Panel**"). Each individual has joined the Panel voluntarily and has opted in by virtue of (i) completing an online registration form and (ii) clicking on a link emailed to such individual to activate such individual's membership. By joining, all members of the Panel have been informed that they may participate in online marketing research surveys (which include email surveys), but members have no obligation to participate in any particular survey and may elect to unsubscribe at any time. The demographic and statistical information provided by Seller to Purchaser regarding the Panel and its members, to the best of Seller's Knowledge, is true and accurate in all material respects.

(b) Seller has a written privacy policy which governs its collection, use and disclosure of information in the possession of Seller about an identifiable individual, but does not include the name, title or business address or business telephone number of an Employee ("**Personal Information**") and which complies in all material respects with the industry guidelines applicable to the Business, and, with regard to the Personal Information, Seller is in compliance in all material respects with such privacy policy and all applicable Canadian federal, provincial and local Laws relating, in full or in part, to the protection of personally identifiable information.

(c) To the best of Seller's Knowledge, the exercise of one or more Panel member's right to unsubscribe from the Panel pursuant to Section 5.11 will not have a Material Adverse Effect.

2.25 Location of Assets. Section 2.25 of the Seller Disclosure Schedule is an accurate and complete listing of the locations of the Assets.

2.26 Complete Copies of Materials. Seller has delivered or made available true and complete copies of each document (or summaries of same, if such summaries are deemed acceptable by Parent) that has been requested by Parent or its counsel.

2.27 Representations Complete. None of the representations or warranties made by Seller (as modified by the Seller Disclosure Schedule), nor any statement made in any Schedule or certificate furnished by Seller pursuant to this Agreement, contains any untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which made, not misleading.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER RELATED TO SECURITY LAW

Seller and each Shareholder (each, a "**Holder**") represents and warrants, severally and not jointly, to Parent and Purchaser as of the date hereof and as of the Closing Date as though made at the Closing Date as follows:

3.1 Not a U.S. Person. Holder is not a U.S. Person, within the meaning of Regulation S of the Security Act of 1933, as amended (the "**Securities Act**") (see 17 C.F.R. § 230.902(k)) as presently in effect, and is not acquiring the Parent Common Stock under this Agreement for the account of or benefit of any U.S. Person.

3.2 Accredited Investor. Holder is and shall be after giving effect to the transactions herein, an "accredited investor" as that term is defined in Rule 45-501 of the Ontario Securities Commission.

3.3 Purchase Entirely for Own Account. The Parent Common Stock will be acquired for investment for Holder's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and Holder has no present intention of selling, granting any participation in, or otherwise distributing the same. Holder further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or to any third person, with respect to any of the Parent Common Stock.

3.4 Disclosure of Information. Holder has had an opportunity to ask questions and receive answers from Parent and Purchaser regarding the terms and conditions of the transactions contemplated hereunder and the business, properties, prospects and financial condition of Parent. It understands that an investment in the securities may involve a high degree of risk. Holder has sought such accounting, legal and tax advice as it considered necessary to make any informed investment decision with respect to the acquisition of the Parent Common Stock.

3.5 Investment Experience. Holder acknowledges that it is able to fend for itself, can bear the economic risk of this investment, and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of the investment in the Parent Common Stock.

3.6 Restricted Securities. Holder understands that the Parent Common Stock it is receiving is characterized as “restricted securities” under United States securities laws inasmuch as they are being acquired from Parent in a transaction not involving a public offering and that under such laws and applicable regulations such Parent Common Stock may be resold without registration under the Act, only in certain limited circumstances. In addition, Holder represents that Holder is familiar with Regulation S of the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act. Holder understands that no public market presently exists for the Parent Common Stock, and that there are no assurances that any such market will be created. Holder agrees not to engage in hedging transactions with regard to the Parent Common Stock unless in compliance with the Securities Act.

3.7 Further Limitations on Disposition. Without in any way limiting the above, Holder further agrees not to make any disposition of all or any portion of the Parent Common Stock except in compliance with the Restricted Stock Agreement.

3.8 Legends. The certificate or certificates evidencing the Parent Common Stock to be issued by Parent hereunder shall bear appropriate legends, as set forth in the Restricted Stock Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF PARENT AND PURCHASER

For purposes of these representations and warranties, the expression, “to the best of the Purchaser’s Knowledge”, “to the Knowledge of the Purchaser”, “to the best of the Parent’s Knowledge” or “to the Knowledge of the Parent” or similar expressions means the actual knowledge of Magid Abraham or Sheri Huston or shall mean the constructive knowledge that Magid Abraham or Sheri Huston would have had after making due inquiry regarding the relevant matter regardless of whether they made such inquiry. For the purposes of this *Article IV*, “**Parent Material Adverse Effect**” shall mean a material adverse effect on the business, assets, condition (financial or otherwise), prospects or results of operations of Parent or Purchaser.

Each of the Parent and Purchaser jointly and severally represents and warrants to each of the Seller and the Seller Parties subject to such exceptions as are specifically disclosed in the disclosure schedule (referencing the appropriate section and paragraph numbers) supplied by Parent to Seller (the “**Parent Disclosure Schedule**”) and dated as of the date hereof, that on the date hereof and as of the Closing Date as though made at the Closing Date as follows, as follows (except that the representations and warranties made as of a specified date will be true and correct as of such date):

4.1 Organization, Standing and Power. Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, United States of America.

Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Province of Ontario, Canada. Each of Parent and Purchaser has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified would have a Parent Material Adverse Effect or a material adverse effect on the ability of Parent and Purchaser to consummate the transactions contemplated hereby. Parent and Purchaser have each delivered a true and complete copy of each of their Articles of Incorporation and By-Laws, each as amended to date, to Seller.

4.2 Authority. Parent and Purchaser have all requisite corporate power and authority to enter into this Agreement and each of the Related Agreements to which they are a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each of the Related Agreements to which either Parent and Purchaser is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of Parent and Purchaser. This Agreement and each of the Related Agreements to which either Parent or Purchaser is a party have been duly executed and delivered by Parent and Purchaser, as appropriate and constitute the valid and binding obligations of Parent and Purchaser, enforceable in accordance with their respective terms.

4.3 Capital Structure; Parent Common Stock

(a) The authorized capital stock of Parent as of the date hereof is as follows:

(i) 73,673,224 shares of Preferred Stock, (A) 9,187,500 of which have been designated Series A Preferred, all of which are issued and outstanding, (B) 3,535,386 of which have been designated Series B Preferred Stock 3,479,241 of which are issued and outstanding (C) 13,355,052 of which have been designated Series C Preferred Stock, 13,236,018 of which are issued and outstanding, (D) 357,144 of which have been designated Series C-1 Preferred Stock all of which are issued and outstanding, (E) 22,238,042 of which have been designated Series D Preferred Stock, 21,564,020 of which are issued and outstanding, and (F) 25,000,000 of which have been designated Series E Preferred Stock, 24,005,548 of which are issued and outstanding

(ii) 125,000,000 shares of Common Stock, of which 16,107,939 shares are issued and outstanding.

(iii) Parent has reserved (A) 10,683,140 shares of Common Stock for issuance upon the conversion of the Series A Preferred, (B) 7,013,717 shares of Common Stock for issuance upon the conversion of the outstanding Series B Preferred and the Series B Preferred issuable upon exercise of outstanding warrants, (C) 20,116,886 shares of Common Stock for issuance upon the conversion of the outstanding Series C Preferred and the Series C Preferred issuable upon exercise of outstanding warrants, (D) 423,730 shares of Common Stock for issuance upon the conversion of the outstanding Series C-1 Preferred, (E) 24,462,803 shares of Common Stock for issuance upon the conversion of the outstanding Series D Preferred and the Series D Preferred issuable upon exercise of outstanding warrants, (F) 24,245,548 shares of Common Stock for issuance upon the conversion of the outstanding Series E Preferred and the Series E Preferred

issuable upon exercise of outstanding warrants, (G) 19,760,284 shares of its Common Stock for issuance pursuant to the Company's Stock Option Plan, of which options to purchase approximately 18,255,000 shares have been granted and are outstanding, (H) 56,245 shares of Series B Preferred for issuance pursuant to outstanding warrants, (I) 61,765 shares of Series C Preferred for issuance pursuant to outstanding warrants, (J) 190,363 shares of Series D Preferred for issuance pursuant to outstanding warrants, (K) 240,000 shares of Series E Preferred for issuance pursuant to outstanding warrants, and (L) 242,100 shares of Common Stock for issuance pursuant to outstanding warrants.

(iv) All issued and outstanding shares of Parent have been duly authorized and validly issued, are fully paid and non-assessable, and were issued in compliance with (i) all applicable state and federal laws concerning the issuance of securities; (ii) the articles, by-laws, constating documents or any resolutions of the Purchaser or any amendments thereto or restatements thereof, or (iii) the provisions of any agreement, arrangement or understanding pursuant to which the Parent is a party or by which it is bound.

(b) The Parent Common Stock to be issued to Seller pursuant to this Agreement will be upon issuance duly authorized, validly issued, fully paid and nonassessable, free and clear of all Encumbrances, and not subject to (i) any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of Delaware General Corporation Law or Parent's certificate of incorporation; or (ii) issued in violation of (A) any applicable state and federal laws concerning the issuance of securities; (B) the articles, by-laws, constating documents or any resolutions of the Parent or any amendments thereto or restatements thereof, or (C) the provisions of any agreement, arrangement or understanding pursuant to which the Parent is a party or by which it is bound.

(c) Purchaser is a wholly-owned subsidiary of Parent.

4.4 Financial Information. Parent has provided to Seller the unaudited consolidated and consolidating balance sheet and statement of income for year ended January 30, 2004 and year to date ended on October 31, 2004 (collectively, the "**Parent Statements**"). The Parent Statements are true and correct in all material respects and have been prepared in accordance with United States generally accepted accounting principles ("**US GAAP**") applied on a consistent basis throughout the periods indicated and with each other, except the unaudited financial statements are subject to the absence of footnotes otherwise required. The Parent Financial Statements present fairly the financial condition and operating results of Parent as of the dates and for the periods indicated therein, except for normal year-end adjustments, which will not be material in amount or significance. Parent maintains a standard system of accounting established and administered in accordance with US GAAP.

4.5 No Conflict. The execution and delivery of this Agreement and any Related Agreements to which the Parent and Purchaser are a party do not, and, the consummation of the transactions contemplate hereby and thereby will not, conflict with, or result in any violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under (i) any provision of the Certificate of Incorporation and Bylaws of the Parent or Purchaser, (ii) any mortgage, indenture, lease, contract or other agreement or instrument, permit, concession, franchise

or license to which the Parent or Purchaser or any of its properties or assets are subject (the "**Parent Contracts**"), or (iii) any Law applicable to the Parent or Purchaser or their respective properties or assets, that has had or would have a Parent Material Adverse Effect.

4.6 Relationship with Third Parties. To the Knowledge of each of the Purchaser and Parent, no party to a Parent Contract has any intention to change its relationship or any material terms upon which it will conduct business with the Purchaser or Parent, as the case may be, that would have a Parent Material Adverse Effect. There has been no material interruption to or material discontinuation in any material arrangements or material relationships reflected in the Parent Contracts.

4.7 Changes. Since October 31, 2004, to the Knowledge of each of the Purchaser and Parent, there has not been:

- (i) any change in the assets, liabilities, financial condition or operating results of the Purchaser or Parent, as the case may be, except changes in the ordinary course of business that have not caused, in the aggregate, a Parent Material Adverse Effect;
- (ii) any damage, destruction or loss, whether or not covered by insurance, that would have a Parent Material Adverse Effect;
- (iii) any waiver or compromise by the Purchaser or Parent of a valuable right or of a material debt owed to it would not have a Parent Material Adverse Effect;
- (iv) any satisfaction or discharge of any Encumbrance or payment of any obligation by the Purchaser or Parent, except in the ordinary course of business and the satisfaction or discharge of which would not have a Parent Material Adverse Effect;
- (v) any material change to a Parent Contract or agreement by which the Purchaser or Parent or any of its assets is bound or subject, other than changes which have not caused, in the aggregate, a Material Adverse Effect;
- (vi) any resignation or termination of employment of any executive officer of the Purchaser or Parent;
- (vii) any Encumbrance created by the Purchaser or Parent with respect to any of its material properties or assets, except liens for taxes not yet due or payable and liens that arise in the ordinary course of business and do not materially impair the Purchaser or Parent's ownership or use of such property or assets, that would have a Parent Material Adverse Effect;
- (viii) any declaration, setting aside or payment or other distribution in respect of any of the Purchaser Common Stock or any direct or indirect redemption purchase, or other acquisition of any of such Purchaser Common Stock, as the case may be, by Purchaser;

- (ix) any sale, assignment or transfer of any intellectual property rights that could reasonably be expected to result in a Parent Material Adverse Effect;
- (x) receipt of notice that there has been a loss of, or material order cancellation by, any major supplier distributor, consignor, licensor or licensee of the Purchaser or Parent that has resulted in a Parent Material Adverse Effect;
- (xi) any other event or condition of any character, other than events affecting the economy or the industry of Parent or Purchaser generally, that could reasonably be expected to result in a Parent Material Adverse Effect; or
- (xii) any arrangement or commitment by Purchaser or Parent to do any of the things described in this Section 4.7.

4.8 Litigation. There is no litigation, action, suit, proceeding of any nature or governmental investigation pending or, to the Knowledge of Parent or Purchaser, threatened against Parent or Purchaser or affecting any of Parent's or Purchaser's properties or assets or any of its officers or directors, in their respective capacities as such and to the Parent's and Purchaser's Knowledge, there is no investigation pending or threatened against Parent or Purchaser, its assets or properties or any of its officers or directors, in their respective capacities as such that would have a Parent Material Adverse Effect. To Parent's and Purchaser's Knowledge, no Governmental Entity has at any time challenged or questioned the legal right of Parent or Purchaser to engage in its business as presently conducted or to manufacture, offer or sell any of its products in the present manner or style thereof.

4.9 Compliance with Laws. Parent and Purchaser has complied with, is not in violation of, and has not received any notices of violation with respect to, any applicable Law, except where failure to comply would not have a Parent Material Adverse Effect.

4.10 Brokers' and Finders' Fees. Neither Parent nor Purchaser has incurred, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transactions contemplated hereby.

4.11 No Undisclosed Liabilities. Parent and Purchaser do not have any liabilities, indebtedness, obligations, expenses, claims, deficiencies, guaranties or endorsements of any type, whether accrued, absolute, contingent, matured, unmatured or other (whether or not required to be reflected in financial statements in accordance with US GAAP), which individually or in the aggregate, exceeds \$250,000 in value and has not been reflected in the Parent Statements.

4.12 Consents. No consent, waiver, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or any third party, including a party to any agreement with Seller (so as not to trigger any Conflict), is required by or with respect to the Parent or Purchaser in connection with the execution and delivery of this Agreement and any Related Agreements to which the Parent or Purchaser is a party or the consummation of the transactions contemplated hereby and thereby.

4.13 Representations Complete. None of the representations or warranties made by Purchaser or Parent (as modified by the Parent Disclosure Schedule), nor any statement made in any

Schedule or certificate furnished by Purchaser or Parent pursuant to this Agreement, contains any untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements contained herein or therein, in the light of the circumstances under which made, not misleading.

ARTICLE V
ADDITIONAL AGREEMENTS

5.1 Confidentiality. Seller and the Seller Parties agree that the information or knowledge relating to this Agreement, or obtained in any investigation related to this transaction, or pursuant to the negotiation and execution of this Agreement or the effectuation of the transactions contemplated hereby, or the confidential and proprietary information of Seller transferred hereunder, shall be considered confidential information and shall not be disclosed to any Person other than professional advisors, without the prior written consent of Parent.

5.2 Change Seller's Name. Forthwith following the completion of the purchase and sale of the Assets under this Agreement, Seller shall discontinue use of the name "SurveySite Inc.", except where legally required to identify Seller until its name has been changed to another name. Seller shall deliver at Closing articles of amendment to change the corporate name of Seller to another name not including the word "SurveySite" and otherwise not confusingly similar to its present name. Seller shall file such articles of amendment with the applicable Governmental Entity immediately following the Closing.

5.3 Expenses. Whether or not the transactions contemplated by this Agreement are consummated, all fees and expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties incurred by a party in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the transactions contemplated hereby, shall be the obligation of the respective party incurring such fees and expenses.

5.4 Employees.

(a) Seller shall be responsible for all notice of termination, severance and other obligations including entitlement to benefit coverage, stock options or incentive compensation to the Employees arising out of their termination of employment with Seller if such Employees are terminated prior to the Closing Date or elect not to accept Purchaser's offer or employment.

(b) Purchaser shall offer employment effective from the Closing Date, to those Employees who are now actively engaged in the Business on such terms and conditions, including salary and benefits, substantially similar to the terms and conditions currently available to the Employees or as otherwise agreed to by Seller and Purchaser. All communications with Employees relating to continued employment shall be mutually agreed upon by Seller and Purchaser.

(c) Purchaser shall have a period of 120 days to review and evaluate those Employees (other than Hohner and the Designated Employees) who accept Purchaser's offer of employment and

should Purchaser decide to terminate any of those such Employees during the 120-day evaluation period subject to the immediately following sentence, Purchaser and Seller shall share equally all reasonable costs and expenses in connection with the termination of each such Employee unless such termination is part of a company-wide work force reduction or a company-wide lay off by Purchaser (the Seller's portion of such expense is referred to hereafter as the "Seller's Portion of the Employee Expense"). If a court, tribunal, administrative agency or other similar body determines that there was bad faith by Purchaser in the manner of termination of any such Employees and awards additional damages based on that finding, then Seller shall not be liable for all or any portion of such additional damages.

5.5 Additional Documents and Further Assurances. Each party hereto, at the request of another party hereto, shall execute and deliver such other instruments and do and perform such other acts and things as may be reasonably necessary or desirable for effecting the consummation of this Agreement and the transactions contemplated hereby. In addition, Seller agrees to promptly forward to Purchaser any checks remitted to Seller for Accounts Receivable transferred to Purchaser hereunder.

5.6 Sales and Transfer Taxes. Subject to Section 5.7 below, Purchaser shall pay directly to the appropriate Governmental Entity all sales and transfer Taxes, registration charges and transfer fees, other than the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada), payable in respect of the purchase and sale of the Assets under this Agreement and, upon the reasonable request of the Seller, the Purchaser shall furnish proof of such payment.

5.7 Goods and Services Tax and Harmonized Sales Tax Election. Purchaser and Seller shall jointly elect, under subsection 167(1) of Part IX of the *Excise Tax Act* (Canada), and any equivalent or corresponding provision under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax, that no tax be payable with respect to the purchase and sale of the Assets under this Agreement. Purchaser and Seller shall make such election(s) in prescribed form containing prescribed information and Purchaser shall file such election(s) in compliance with the requirements of the applicable legislation. If, notwithstanding the foregoing election, Seller is required to collect and remit any amount of goods and services or harmonized sales Tax in respect of the purchase and sale of the Assets, Purchaser shall pay such Tax to Seller upon Seller's written request with appropriate documentation.

5.8 Conduct of Business Prior to Closing. During the period from the date of this Agreement to the Closing Date, Seller shall: (a) conduct the Business in the ordinary course; (b) use all reasonable efforts to maintain good relations with the Employees, its customers and suppliers; (c) continue in full force all insurance policies maintained by Seller in respect of the Business and give all notices and present claims under all insurance policies in a timely fashion; (d) comply with all Laws affecting the operation of the Business; (e) use reasonable commercial efforts to ensure compliance with the terms and covenants of Section 1.9 and Article 5; and (f) Seller and the Seller Parties shall not take any actions that would constitute a breach of the representations, warranties or agreements of Seller or a Seller Party contained in this Agreement.

5.9 Access for Investigation. During the period from the date of this Agreement to the Closing Date, Seller will afford Parent, Purchaser and their legal counsel, accountants, advisors, representatives, affiliates and prospective lenders and investors full and free access to its personnel, properties, contracts, books and records, and all other documents and data; and Parent and Purchaser will afford Seller and Seller's legal counsel, accountants, advisors, representatives, affiliates and prospective lenders and investors reasonable access to its personnel, properties, contracts, books and records, provided, however, that each party provides the other with reasonable notice and such access is requested for normal business hours.

5.10 Bank Loan. Seller shall provide to Purchaser at least two (2) business days prior to Closing (i) a pay offer letter issued by Toronto-Dominion Bank providing the amount necessary to satisfy the Bank Loan as of December 31, 2004 and (ii) wire instructions provided by Toronto-Dominion Bank. At Closing, Purchaser shall remit by wire transfer pursuant to the instructions provided by Toronto-Dominion Bank the amount specified on the pay-off letter to satisfy the Bank Loan in full from the Cash Consideration. As soon as possible thereafter, Seller shall deliver to Purchaser and Parent a release and discharge of the Toronto-Dominion Bank security interest. Time is of the essence in performance by Seller of its obligations under this *Section 5.10*.

5.11 Amendment of Privacy Policy. By Closing, Seller shall have taken the following steps to obtain the consents required under Seller's Privacy Policy and applicable federal, provincial and local Laws of Canada to effect the lawful disclosure, transfer and assignment of Personal Information to Purchaser: (i) amend its privacy policy as set forth on *Exhibit P* hereto to contemplate the transfer of Personal Information; and (ii) email the members of its Panel (as defined in *Section 2.24(a)*) to inform them of such amendment and their right to unsubscribe from the Panel. By Closing, Seller and Purchaser and Parent shall reasonably agree to the mechanism and timing of the transfer of the Personal Information and such agreement shall be incorporated herein at Closing as *Exhibit Q*. Upon the transfer of the Personal Information to Purchaser, Purchaser shall abide by Seller's Privacy Policy as amended in accordance with this *Section 5.11*.

5.12 Contracts. Seller will obtain prior to the Closing Date, all necessary consents, waivers and approvals of parties to any Contract as are required thereunder in connection with the transactions contemplated hereby for such Contracts to remain in effect and in good standing without modification after the Closing.

5.13 Updated Seller Financials.

(a) Within ten (10) business days of Closing, Seller shall provide Parent and Purchaser, Seller's unaudited balance sheet as of December 31, 2004 (the "**Updated Current Balance Sheet**") and the related unaudited statement of income for the period June 2004 through December 31, 2004 (together with the Updated Current Balance Sheet, the "**Updated Seller Financials**"). At Closing, Seller shall provide Parent and Purchaser any update to the reasonable estimate of Estimated Net Working Capital statement referenced in *Section 2.6*. The Updated Seller Financials will be true and correct in all material respects, will present fairly the financial condition and operating results of Seller and will have been prepared in accordance with GAAP. The Updated Seller Financials will only include changes incurred in the ordinary course of business that are not material.

(b) Within ten (10) business days of Closing, Seller shall provide Parent and Purchaser, accurate and complete lists of updated Accounts Receivable, Accounts Payable and Deferred Revenue and Work In Progress as of the Closing Date.

(c) Time is of the essence in performance by Seller of its obligations under this Section 5.13.

5.14 Stock Certificates. Parent shall issue the stock certificates referenced in Section 1.8(b)(xxv) upon the later to occur: (i) the Closing Date and (ii) five (5) business days after Seller directs Parent of the allocation of the shares of Parent Common Stock between Jeff Holdco and Marshall Holdco.

ARTICLE VI

SURVIVAL OF REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION

6.1 Survival of Representations and Warranties. Except as otherwise provided below, all of Seller's and the Seller Parties' representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement (each as modified by the Seller Disclosure Schedule) and all of Parent's and Purchaser's representations and warranties in this Agreement or in any instrument delivered pursuant to this Agreement (each as modified by the Parent Disclosure Schedule) shall survive the Closing Date and continue until the 11:59 p.m. Ontario time on the date which is twenty four (24) months following the date of this Agreement. Sections 2.8, 2.11 and 2.19 shall survive the Closing Date and continue until 11:59 p.m. Ontario time of the last day of the relevant time period set forth in the appropriate statute of limitations and Sections 2.1, 2.3, 4.1, 4.2 and 4.3 shall survive indefinitely.

6.2 Indemnification.

(a) Subject to Section 6.2(c), Seller and each Seller Party, jointly and severally, hereby agree to indemnify and hold Parent, Purchaser and their officers, directors, agents, representatives and affiliates harmless for any Claims incurred by Parent, Purchaser, their respective officers, directors, agents, representatives or affiliates (collectively, the "**Parent Group Members**") as a result of:

- (i) any inaccuracy or breach of any representation or warranty of the Seller or the Selling Parties contained in this Agreement; or
- (ii) any failure by Seller or a Selling Party to perform or comply with any covenant or agreement contained herein.

(b) Subject to Section 6.2(c), Parent and Purchaser, jointly and severally, hereby agree to indemnify and hold Seller, each Seller Party and each Shareholder, and their respective officers, directors, agents, representatives and affiliates, (the "**Seller Group Members**") harmless for any Claims incurred by a Seller Group Member as a result of

(i) any inaccuracy or breach of a representation or warranty of Parent or Purchaser contained in this Agreement; or

(ii) any failure by Parent or Purchaser to perform or comply with any covenant or agreement contained herein.

(c) The maximum amount of monetary liability of any party with regard to the indemnification or any other obligation of such party contained in this Agreement shall not exceed \$ 4,337,938 CAD; *provided that* this limitation shall not apply to any Liability related to the Broker's Fee or Seller's Portion of the Employee Expense.

6.3 Notice and Determination of Claims.

(a) If a Parent Group Member or a Seller Group Member believes that it has suffered or incurred any Claim for which indemnity may be sought under this *Article VI*, such Parent Group Member or Shareholder Group Member, as the case may be (the "**Indemnified Person**"), shall promptly so notify (the "**Claim Notice**") Seller and the Seller Parties or Parent, as the case may be (the "**Indemnifying Person**"), in writing describing such Claim, the amount thereof, if known, and the method of computation of such Claim, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Claim shall have occurred. The failure by the Indemnified Person to promptly give notice as provided herein shall not relieve any indemnification obligation under this *Article VI* except to the extent that the Indemnifying Person is materially and directly damaged as a result of such failure to give notice. If any action at law or suit in equity is instituted by or against a third party with respect to which any Indemnified Person intends to claim any liability or expense as a Claim under this *Article VI*, such Indemnified Person shall promptly notify the Indemnifying Person in writing of such action or suit as specified in this *Section 6.3*. The Indemnified Person shall use reasonable efforts to minimize any Claim for which indemnification is sought hereunder.

(b) Within 15 calendar days after the Indemnified Person has delivered any Claim Notice pursuant hereto the Indemnifying Person shall notify the Indemnified Person in writing whether or not the Claim, or the amount thereof, is disputed. If such notice states that the Claim and the amount are not disputed, or the Indemnifying Person fails to deliver any such notice within such 15 calendar day period, the Claim shall be deemed to be in compliance with this *Article VI*, and shall be immediately forwarded to the Indemnifying Party for payment as set forth in the Claim Notice. If a Claim or the amount thereof is disputed, the amount of indemnification to which an Indemnified Person shall be entitled under this *Article VI* shall be determined: (i) by the written agreement between the Indemnified Person; or (ii) by arbitration pursuant to *Section 7.9*; *provided, however* that no party shall initiate arbitration until 30 calendar days have passed from the time the Indemnifying Person delivered notice that it disputed the Claim Notice pursuant to this *Section 6.3(b)*.

6.4 Handling of Third-Party Claims.

(a) In the event of any Claim for indemnification by a party hereto (an "**Indemnified Person**") resulting from or in connection with any Claim by a third party (a "**Third Party Claim**"),

the Indemnified Person shall give such prompt written notice of the Third Party Claim to Parent or Seller and the Seller Parties, as the case may be (the "**Indemnifying Person**") as soon as reasonably practicable after such Indemnified Person has actual knowledge thereof; *provided, however*, that the failure by the Indemnified Person to give prompt notice as provided herein shall not relieve the Indemnifying Person of any indemnification obligation under this *Article VI* except to the extent that the Indemnifying Person is materially prejudiced as a result of such failure to give prompt notice. Subject to the rights of or duties to any insurer or other third party having potential liability therefor, the Indemnifying Person shall have the right, upon written notice given to the Indemnified Person within 30 calendar days after receipt of the notice from the Indemnified Person of any Third Party Claim, to assume the defense or handling of such Third Party Claim, at the Indemnifying Person's sole expense, in which case the provisions of *Section 6.4(b)* shall govern.

(b) The Indemnifying Person shall defend or handle the same in consultation with the Indemnified Person and shall keep the Indemnified Person timely apprised of the status of such Third Party Claim. The Indemnifying Person shall not, without the prior written consent of the Indemnified Person, agree to a settlement of any Third Party Claim, which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnified Person shall cooperate with the Indemnifying Person and shall be entitled to participate in the defense or handling of such Third Party Claim with its own counsel and at its own expense.

(c) If the Indemnifying Person does not give written notice to the Indemnified Person pursuant to *Section 6.4(a)* within 30 calendar days after receipt of the notice from the Indemnified Person of any Third Party Claim of the Indemnifying Person's election to assume the defense or handling of such Third Party Claim, the provisions of this *Section 6.4(c)* shall govern. In this case, the Indemnified Person may, at the Indemnifying Person's expense (which shall be paid from time to time by the Indemnifying Person as such expenses are incurred by the Indemnified Person), select counsel in connection with conducting the defense or handling of such Third Party Claim and defend or handle such Third Party Claim in such manner as it may deem appropriate; *provided, however* that the Indemnified Person shall keep the Indemnifying Person timely apprised of the status of such Third Party Claim and shall not settle such Third Party Claim without the prior written consent of the Indemnifying Person, which consent shall not be unreasonably withheld, conditioned or delayed. If the Indemnified Person defends or handles such Third Party Claim, the Indemnifying Person shall cooperate with the Indemnified Person and shall be entitled to participate in the defense or handling of such Third Party Claim with its own counsel and at its own expense.

6.5 Set-Off. Parent and Purchaser shall have the right, but not the obligation, to collect, or hold back, indemnification from Seller or the Seller Parties by offsetting the Contingent Consideration, any amounts due and owing pursuant to the Put Right (as defined in the Restricted Stock Agreement) or any other amounts due and owing from Purchaser or Parent to Seller and/or the Selling Parties, if any, upon the terms and subject to the conditions contained in this Agreement. Notwithstanding the foregoing, the aggregate amount that may be collected or held back pursuant to this *Section 6.5* shall not exceed twenty-five percent (25%) of the Consideration, as adjusted pursuant to *Section 1.4*.

6.6 Stock Indemnification. Seller and each Seller Party, at its sole discretion, may elect to satisfy any indemnification obligation under this *Article VI* by forfeiture of Parent Common Stock,

each of which, for the purposes of this Section 6.6, shall be valued at the greater of (i) such Parent Common Stock Fair Market Value (as calculated in accordance with Exhibit O) and (ii) \$3.30 CAD.

6.7 Exclusive Remedy. This Article VI shall be the exclusive remedy for breaches of this Agreement (including any covenant, obligation, representation or warranty contained in this Agreement or in any certificate delivered pursuant to this Agreement) or otherwise in respect of the transactions contemplated hereby.

ARTICLE VII
GENERAL PROVISIONS

7.1 Notices

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial delivery service, or mailed by registered or certified mail (return receipt requested) or sent via facsimile (with acknowledgment of complete transmission) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice), with notice to be deemed effective when personally delivered, three business days after mailing or one business day after transmittal by facsimile.

(a) if to Parent or Purchaser to:

comScore Network, Inc.
11465 Sunset Hills Road, Suite 200
Reston, Virginia 20190
Attention: Chief Financial Officer
Telephone No.: (703) 438-2000
Facsimile No.: (703) 438-2051

with a copy to:

comScore Network, Inc.
11465 Sunset Hills Road, Suite 200
Reston, Virginia 20190
Attention: Corporate Counsel
Telephone No.: (703) 438-2000
FacsimileNo.: (650) 438-2350

(b) if to Seller to:

SurveySite Inc.
90 Sheppard Avenue East, Suite 100
Toronto, Ontario M2N 3A 1

Attention: Jeff Hohner
Telephone No.: (416) 642-1006
Facsimile No.: (416) 642-1007

;

with a copy to:

Goodmans LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Ontario M5B 2M6
Attention: Neil Sheehy
Telephone No.: (416) 597-4229
Facsimile No.: (416) 979-1234

(c) if to Hohner or 954253 ONTARIO INC. to:

52 Parkhurst Boulevard
Toronto, Ontario M4G 2C9

Attention: Jeff Hohner
Telephone No.: (416) 642-1006
Facsimile No.: (416) 642-1007

with a copy to:

Goodmans LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Ontario M5B 2M6
Attention: Neil Sheehy
Telephone No.: (416) 597-4229
Facsimile No.: (416) 979-1234

(d) if to Rice or RICE AND ASSOCIATES ADVERTISING CONSULTANTS INC. to:

308 Hidden Trail
Toronto, Ontario M2R 3R8

Attention: Marshall Rice
Telephone No.: (416) 663-1866
Facsimile No.: (416) 642-1007

with a copy to:

Goodmans LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Ontario M5B 2M6
Attention: Neil Sheehy
Telephone No.: (416) 597-4229
Facsimile No.: (416) 979-1234

7.2 Amendment and Waiver. No modification, amendment or waiver of any provision of this Agreement shall be effective unless in writing and signed by the party to be charged. No failure or delay by either party in exercising any right, power, or remedy under this Agreement shall operate as a waiver of any such right, power or remedy. No waiver that may be given by a party will be applicable except in the specific instance for which it is given.

7.3 Interpretation. The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

7.4 Counterparts and Facsimile Signature. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties, it being understood that all parties need not sign the same counterpart. This Agreement may be signed using facsimile transmission.

7.5 Entire Agreement; Assignment. This Agreement, the Related Agreements, the schedules and Exhibits hereto, and the documents and instruments and other agreements among the parties hereto referenced herein: (a) constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter hereof, including the Letter of Intent dated November 1, 2004; (b) are not intended to confer upon any other Person (including, without limitation, the Designated Employees) any rights or remedies hereunder; and (c) shall not be assigned by operation of law or otherwise except as otherwise specifically provided, except that Parent and Purchaser may assign their respective rights and delegate their respective obligations hereunder to their respective affiliates upon the prior written consent of Seller, not to be unreasonably withheld or delayed. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

7.6 Severability. In the event that any provision of this Agreement or the application thereof, becomes of is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of

the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

7.7 Other Remedies. Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

7.8 Governing Law. This Agreement is a contract made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario and each party irrevocably and unconditionally (i) agrees that any suit, action or other legal proceeding arising out of this Agreement may be brought in the Courts of Ontario; (ii) consents to the jurisdiction of any such court in any such suit, action or proceeding; and (iii) waives any objection which such party may have to the laying of venue of any such suit, action or proceeding in any such court.

7.9 Arbitration. The parties hereto agree to submit any dispute with respect to the Draft Working Capital Statement under *Section 1.4* or the right to receive indemnification and the amount thereof under *Article VI* to arbitration in accordance with this *Section 7.9*. The arbitration shall be carried out in accordance with the *Arbitration Act* (Ontario). The arbitration shall take place in the City of Toronto, in the Province of Ontario through the services provided by the ADR Chambers. The arbitration tribunal shall consist of one (1) arbitrator from ADR Chambers, *provided* such arbitrator is a former judge of the Superior Court of Justice, Ontario. The arbitration shall be completed within sixty (60) days of the appointment of the arbitrator, *provided that* a decision or award made after expiration of such sixty (60) day period shall not be invalid. Each party agrees to cooperate fully with the other and with the arbitrator to ensure that the arbitration can be completed within such sixty (60) day period. The decision of the arbitrator shall be final and binding, and shall not be subject to appeal, whether with respect to matters of fact or law, or with respect to assignment of responsibility for the costs of arbitration.

7.10 Waiver of Trial By Jury. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

7.11 Rules of Construction. The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

7.12 Specific Performance. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be

entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of Ontario this being in addition to any other remedy to which they are entitled at law or in equity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Parent, Purchaser, Seller and the Seller Parties have caused this Agreement to be executed and delivered as of the date first above written.

PARENT:

COMSCORE NETWORKS, INC.

By: /s/ Magid Abraham
Name: Magid Abraham
Title: President

PURCHASER:

COMSCORE CANADA, INC.

By: /s/ Magid Abraham
Name: Magid Abraham
Title: President

SELLER:

SURVEYSITE INC.

By: /s/ Jeffrey Hohner
Name: Jeffrey Hohner
Title: President

SELLER PARTIES:

954253 ONTARIO INC.

By: /s/ Jeffrey Hohner
Name: Jeffrey Hohner
Title: President

**RICE AND ASSOCIATES ADVERTISING
CONSULTANTS INC.**

By: /s/ Marshall Rice
Name: Marshall Rice
Title: President

JEFFREY HOHNER

/s/ Jeffrey Hohner

MARSHALL RICE

/s/ Marshall Rice

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

by and among

**comScore Networks, Inc.
(Parent),**

**comScore Acquisition Holding Company
(Merger Sub),**

**Denaro and Associates, Inc. doing business as Q2 Brand Intelligence,
Inc.**

(Company),

**and Lawrence Denaro
(Sole Shareholder)**

Dated as of July 28, 2004

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EXHIBITS

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AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

This AGREEMENT AND PLAN OF MERGER AND REORGANIZATION (this "Agreement") is made and entered into as of July 28, 2004 by and among comScore Networks, Inc., a Delaware corporation ("Parent"), comScore Acquisition Holding Company, a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), Denaro and Associates, Inc. doing business as Q2 Brand Intelligence, a Washington corporation (the "Company"), and Lawrence Denaro (the "Sole Shareholder").

RECITALS

- A. Parent, Merger Sub and the Company intend to effect the transactions described in Section 1.1 below (the "Transactions").
- B. This Agreement has been approved by the respective board of directors of Parent, Merger Sub and Company and by Sole Shareholder of Company.
- C. Pursuant to the Transactions, among other things, and subject to the terms and conditions of this Agreement, all of the issued and outstanding shares of capital stock of the Company ("Company Capital Stock") and all outstanding options, warrants and other rights to acquire or receive shares of Company Capital Stock shall be converted into the right to receive the Merger Consideration (as defined in Section 1.3 below).
- D. The Company, Sole Shareholder, Parent and Merger Sub desire to make certain representations and warranties and other agreements in connection with the Transactions.

NOW, THEREFORE, in consideration of the covenants, promises and representations set forth herein, and for other good and valuable consideration, intending to be legally bound hereby the parties agree as follows:

ARTICLE I THE MERGER

1.1 The Merger

At the Effective Time (as defined in Section 1.2 below) and subject to and upon the terms and conditions of this Agreement and the applicable provisions of the Delaware General Corporation Law ("Delaware Corporate Law") and the Washington Business Corporation Act ("Washington Law"). Merger Sub shall be merged with and into Company (the "First Merger"), the separate corporate existence of Merger Sub shall cease and Company shall continue as the surviving corporation. Company as the surviving corporation after the First Merger is hereinafter sometimes referred to as the "First-Step Corporation." As soon as practicable, and subject to and upon the terms and conditions of this Agreement and the applicable provisions of the Delaware Corporate Law or the

Delaware Limited Liability Company Act (“Delaware LLC Law” and together with Delaware Corporate Law, “Delaware Law”) and Washington Law, and as part of a single overall transaction with the First Merger and pursuant to an integrated plan, the First-Step Corporation shall be merged with and into a wholly-owned subsidiary (which shall be a limited liability company) (“Newco”) of Parent (the “Second Merger”). with Newco continuing as the ultimate surviving entity (the First Merger and the Second Merger are referred to herein together as the “Merger”). Newco as the surviving entity after the Second Merger is hereinafter sometimes referred to as the “Surviving Entity.” Within three (3) business days after the Effective Time (as defined in Section 1.2 below) in order to consummate the Second Merger, Parent shall caused to be filed a Certificate of Merger (or like instrument) and the accompanying officers’ certificates with the Secretary of State of the State of Delaware and with the Secretary of State of the State of Washington, in accordance with the applicable provisions of Delaware Law and Washington Law.

1.2 Effective Time

(a) Subject to the terms and conditions hereof, the closing of the First Merger (the “Closing”) shall be held at the offices of Parent, 11465 Sunset Hills Road, Suite 200, Reston, Virginia 20190, unless another time and/or place is mutually agreed upon in writing by Parent and the Company. The date upon which the Closing occurs shall be referred to herein as the “Closing Date.” On the Closing Date, the parties hereto shall cause the First Merger to be consummated by filing a Certificate of Merger (or like instrument) and the accompanying officers’ certificates, each in the form reasonably satisfactory to Parent and Company, with the Secretary of State of the State of Delaware and with the Secretary of State of the State of Washington, in accordance with the applicable provisions of Delaware Law and Washington Law (the time of acceptance by both the Secretary of State of the State of Delaware and the Secretary of State of the State of Washington of such filings shall be referred to herein as the “Effective Time”).

(b) Subject to the terms and conditions hereof, at the Closing:

(i) This Agreement and the Merger will have been approved and adopted by (A) the respective Boards of Directors of Company, Merger Sub and Parent; (B) by Sole Shareholder, and (C) by Parent as the sole stockholder of Merger Sub;

ii) Company and Sole Shareholder will deliver to Parent the stock certificate(s) in the name of Sole Shareholder representing all of the shares of Company Capital Stock;

(iii) Company will deliver to Parent the consents, approvals and waivers from third parties, governmental agencies and other parties set forth in Section 2.6 of the Company Disclosure Schedule;

(iv) Sole Shareholder and Parent will have executed and delivered the Employment Agreement, in substantially the form attached hereto as Exhibit A (the “Denaro Employment Agreement”) and the restricted stock agreement (which

includes a put right equal to \$2.50 per share to be effective for a ninety day period beginning on the third anniversary of the Closing Date), in substantially the form attached hereto as Exhibit B (the "Restricted Stock Agreement");

(v) Lynn Reed and Parent will have executed and delivered the offer letter, in substantially the form attached hereto as Exhibit C and the waiver and release in substantially the form attached hereto as Exhibit D;

(vi) Lynn Reed, the Company and Sole Shareholder will have entered into the Option Cancellation Agreement in substantially the form of Exhibit E hereto (the "Option Cancellation Agreement");

(vii) Sole Shareholder will have delivered the waiver and release, in the form attached hereto as Exhibit F (the "Release");

(viii) Brad Bortner will have executed and delivered the waiver and release, in substantially the form attached hereto as Exhibit G;

(ix) Each of the employees of Company listed on Exhibit H hereto (the "Designated Employees"), will have entered into "at-will" employment or consulting arrangements with Parent and/or Surviving Entity, shall have agreed to be employees of, or consultants to Parent and/or Surviving Entity and shall be employees of the Company immediately prior to the Effective Time;

(x) Each Designated Employee will have entered into the Parent's standard employment nondisclosure, assignment of invention, and noncompetition agreement, in substantially the form attached hereto as Exhibit I;

(xi) Company will deliver to Parent and Merger Sub (A) a copy of the articles of incorporation, including all amendments thereto, of the Company, certified by the Secretary of State of the State of Washington; and (B) a certificate, dated not more than five business days prior to the Closing Date, from the Secretary of State of the State of Washington to the effect that the Company is in good standing in such jurisdiction;

(xii) Company will deliver to Parent and Merger Sub the written resignations of the officers and directors of the Company;

(xiii) Company will have delivered to Parent and Merger Sub 2003 financial statements and written certification by Sole Shareholder reflecting that earnings before interest, tax depreciation and amortization, calculated in the same way, using the same accounting principles, practices, methodologies and policies, as used by the Company in preparing the Company Financials, was a minimum of \$450,000, with adjustments as mutually agreed to by Company and Parent;

(xiv) Company will use commercially reasonable efforts to obtain the consent of the other party to Contracts listed in Section 2.13(b) to the Company Disclosure Schedule that require such consent to assign such Contracts to Merger Sub;

(xv) termination of Northwest Business Bank lien;

(xvi) Company will deliver to Parent and Merger Sub an opinion letter from Perkins Coie, dated the Closing Date, in the form attached hereto as Exhibit J.

(xvii) Company will deliver to Parent and Merger Sub a certificate of the Secretary of the Company, in the form attached hereto as Exhibit K, certifying as to certain corporate matters, together with all attachments thereto;

(xviii) Company and Sole Shareholder will have satisfied and terminated the Promissory Note, dated December 23, 2003, with Northwest Business Bank, principal amount of \$300,000.00, maturing December 26, 2005 and provide documentation to Parent and Merger Sub to that effect (the "Company Line of Credit");

(xix) Company and Sole Shareholder will have satisfied and terminated the lease, dated July 15, 2002, for the 2002 Mercedes S430, with Mercedes Benz of Bellevue, including any penalties related to early payoff, and provide documentation to Parent and Merger Sub to that effect (the "Mercedes Lease");

(xx) Company will deliver to Parent a properly executed statement in substantially the form of Exhibit L hereto for purposes of satisfying Parent's obligations under Treasury Regulation Section 1.1445-2(c)(3);

(xxi) Parent and Merger Sub will deliver to Company and Sole Shareholder (A) a copy of the certificate of incorporation including all amendments thereto, for each of the Parent and Merger Sub, respectively, certified by the Secretary of State of the State of Delaware; and (B) certificates, dated not more than five business days prior to the Closing Date, from the Secretary of State of the State of Delaware to the effect that the Parent and Merger Sub are in good standing in such jurisdiction;

(xxii) Parent and Merger Sub will deliver to Company and Sole Shareholder certificates of the Secretaries of the Parent and Merger Sub, in the forms attached hereto as Exhibit M and Exhibit N, respectively, certifying as to certain corporate matters, together with all attachments thereto;

(xxiii) Parent and Merger Sub will issue the stock certificate in the name of Sole Shareholder in accordance with Sections 1.3(a) and 1.6 below; and

(xxiv) Parent will pay the cash Merger Consideration (as defined below) set forth in Section 1.3(b) below to Sole Shareholder by wire transfer of immediately available funds to the bank account of Shareholder described on Exhibit O.

(xxv) Parent will deliver to Parent and Merger Sub an opinion letter from Wilson, Sonsini Goodrich and Rosati, dated the Closing Date, in the form attached hereto as Exhibit P.

1.3 Merger Consideration

The consideration to be paid to Sole Shareholder pursuant to the Merger (the "Merger Consideration") shall be comprised of:

- (a) an aggregate of 1,060,000 shares of Common Stock of the Parent ("Parent Common Stock") issued at Closing and as more fully described in Section 1.6 below;
- (b) \$775,000 in cash subject to increase or reduction by the Adjustment Amount (as defined in Section 1.10 below) payable at Closing; and
- (c) the Contingent Merger Consideration (as defined in Section 1.11 below) payable as set forth in Section 1.11 below. All of the Merger Consideration shall be allocated to Sole Shareholder.

1.4 Effect of the Merger

At the Effective Time, the effect of the First Merger shall be as provided by this Agreement and in the applicable provisions of Delaware Law and Washington Law.

1.5 Articles of Incorporation and Bylaws; Directors and Officers

At the Effective Time:

(a) The articles of incorporation of the Company immediately prior to the Effective Times shall be the articles of incorporation of the First-Step Corporation at the Effective Time until thereafter amended in accordance with Washington Law and as provided in such articles of incorporation.

(b) The bylaws of the Company, as in effect immediately prior to the Effective Time, shall be the bylaws of the First-Step Corporation at the Effective Time until thereafter amended in accordance with Washington Law and as provided in the articles of incorporation of the First-Step Corporation and such bylaws.

(c) The directors and officers of Merger Sub immediately prior to the Effective Time shall become the officers and directors of the First-Step Corporation and shall hold office until their respective successors are duly elected or appointed and qualified in the manner provided in the articles of incorporation and bylaws of First-Step Corporation.

1.6 Company Capital Stock

At the Effective Time, by virtue of the First Merger and without any further action on the part of Parent, Merger Sub, Company or Sole Shareholder:

- (a) Company Common Stock. Shares of Company Common Stock issued and outstanding immediately prior to the Effective Date and held by Sole Shareholder shall be cancelled and retired and cease to exist and be converted automatically into the right to receive the Merger Consideration.
- (b) Company Stock Options. The Company shall have caused any outstanding options, convertible securities, subscriptions or other commitments or rights of any nature to acquire any securities of the Company to be cancelled on or before the Closing Date.
- (c) Company Treasury Shares. Each share of Company Capital Stock held in Treasury of the Company immediately prior to the Effective Time shall be cancelled and retired and cease to exist.
- (d) Merger Sub Capital Stock. Each share of capital stock of Merger Sub issued and outstanding immediately prior to the Effective Time shall be converted into and exchanged for one validly issued, fully paid and nonassessable share of Common Stock of the First-Step Corporation.
- (e) Surrender of Certificates. At the Closing, (a) Sole Shareholder and Company shall deliver to Parent and Merger Sub the stock certificate(s) representing all of the outstanding shares of Company Capital Stock and the stock certificate(s) so surrendered shall be cancelled and Parent and Merger Sub will deliver to Sole Shareholder a stock certificate representing an aggregate of 1,060,000 shares of Parent Common Stock.

1.7 No Further Ownership Rights in Company Common Stock

All shares of Parent Common Stock issued upon the surrender for exchange of shares of Company Capital Stock in accordance with the terms hereof (including any cash paid in respect thereof) shall be deemed to have been issued in full satisfaction of all rights pertaining to such shares of Company Capital Stock, and there shall be no further registration of transfers on the records of the Surviving Entity of shares of Company Capital Stock which were outstanding immediately prior to the Effective Time.

1.8 Tax Consequences

It is intended by the parties hereto that the First Merger and the Second Merger, taken together and pursuant to which Company shall be deemed merged into Parent for federal income tax purposes, shall constitute a reorganization within the meaning of Section 368(a)(1)(A) of the Code (as defined in Section 2.23(a)(ii) below). The parties agree to so treat the Merger for all Tax reporting purposes unless otherwise required by a contrary

“determination” within the meaning of Section 1313 of the Code. Each party has consulted with its own tax advisor with respect to the tax consequences of the Merger.

1.9 Exemption from Registration

Assuming the accuracy of the representations by Sole Shareholder contained in Article III below, the shares of Parent Common Stock to be issued in connection with the Merger will be issued in a transaction exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”), by reason of Section 4(2) thereof.

1.10 Adjustment Amount

(a) Within 30 days after the Closing Date, Parent shall deliver to Sole Shareholder a statement (the “Draft Closing Date Statement”) setting forth its calculation of the Company’s Working Capital as of the close of business on the Closing Date based on the Current Balance Sheet (as defined in Section 2.7 below) (the “Closing Working Capital”), determined in accordance with the accounting principles, practices, methodologies and policies used in preparation of the Company Financials (as defined in Section 2.7 below). The Draft Closing Date Statement shall become final and binding on the parties (the “Final Working Capital Statement”) upon the earliest of (i) the expiration of the 15 day period within which Sole Shareholder may notify Parent of any objections thereto if no notice of objection has been given, (ii) agreement between the Sole Shareholder and Parent that the Draft Working Capital Statement, together with any modifications thereto agreed between the Sole Shareholder and Parent in writing, constitutes the Final Working Capital Statement and (iii) the date of a binding court order pursuant to Section 7.10 with respect to the Final Working Capital Statement.

(b) The Merger Consideration set forth in Section 1.3(b) above shall be either increased by the Adjustment Amount (as defined below) or decreased by the Adjustment Amount, as applicable. Within three business days after the Final Working Capital Statement has been finally determined in accordance herewith (i) if the Closing Working Capital reflected on the Final Working Capital Statement is more than the Target Working Capital, Parent shall pay to Sole Shareholder the Adjustment Amount for such excess, and (ii) if the Closing Working Capital reflected on the Final Working Capital Statement is less than the Target Working Capital, Sole Shareholder shall pay to Parent the Adjustment Amount for such shortfall. Any such payment hereunder shall be made by wire transfer of immediately available funds to an account designated in writing by Sole Shareholder or Parent, as the case may be.

(c) The term “Working Capital” means Current Assets minus Current Liabilities. The term “Current Assets” means the total current assets of the Company, and the term “Current Liabilities” means the accounts payable and other accrued expenses and deferred revenue of the Company, in each case calculated in the same way, using the same accounting principles, practices, methodologies and policies, as the line items comprising total current assets and accounts payable and other accrued expenses and deferred revenue,

respectively, in the Company Financials as reflected on Exhibit Q hereto. The term "Target Working Capital" means \$275,000. The term "Adjustment Amount" means the difference between the Closing Working Capital and the Target Working Capital.

1.11 Contingent Merger Consideration.

(a) Sole Shareholder shall be entitled to receive up to an additional \$600,000 in cash of Merger Consideration based on achievement of the Performance Criteria (set forth in Section 1.11(b) below) by Surviving Entity and Sole Shareholder over the two years immediately following the Effective Date (the "Contingent Merger Consideration"). A target of \$300,000 of the Contingent Merger Consideration will be payable twelve (12) months following the Effective Time ("Year One") and a target of \$300,000 of the Contingent Merger Consideration will be payable twenty-four (24) months following the Effective Time ("Year Two"), both such payments shall be based on achievement of the Performance Criteria. The Contingent Merger Consideration consists of the Gross Revenue Consideration, the Gross Margin Consideration, and the Profit Margin Consideration (as defined in Section 1.11(b)).

(b) For the purposes hereof, "Performance Criteria" shall mean:

(i) Gross Revenue Consideration. Up to forty percent (40%) of the Contingent Merger Consideration (i.e., a target of \$120,000 for each of Year One and Year Two, respectively) (the "Gross Revenue Consideration") may be deemed earned if a minimum of 80% of each of the Surviving Entity Revenue Goal and the Other Gross Revenue Goal set forth herein are met as defined below. Up to fifty percent (50%) of the Gross Revenue Consideration (i.e., a target of \$60,000 for each of Year One and Year Two, respectively) shall be based upon Surviving Entity achieving: (A) for Year One gross revenues (defined as revenue from the sale of any and all comScore products and services made by the Surviving Entity organizational unit) of \$5,250,000; and (B) for Year Two, gross revenues of \$5,500,000 (the "Surviving Entity Revenue Goal"). Up to another fifty percent (50%) of the Gross Revenue Consideration (i.e., a target of \$60,000 for Year One and Year Two, respectively) shall be based on achievement of gross revenues as agreed to by Sole Shareholder and Parent (the "Other Gross Revenue Goal"); however, the percentage of the Gross Revenue Consideration attributable to the Surviving Entity Revenue Goal shall be proportionately reduced and the percentage of the Gross Revenue Consideration attributable to the Surviving Entity Revenue Goal shall be proportionately increased to the extent that the Surviving Entity Revenue Goals are assigned for less than twelve months in either of Year One or Year Two. For purposes of illustration only, if Other Gross Revenue Goals are assigned to Sole Shareholder six (6) months from the Effective Time, then for Year One, the Surviving Entity Revenue Goal shall account for up to seventy-five percent (75%) of the Gross Revenue Consideration and the Other Gross Revenue Goal shall account for up to twenty-five percent (25%) of the Gross Revenue Consideration and for Year Two the Surviving Entity Revenue Goal shall account for fifty percent (50%)

of the Gross Revenue Consideration and the Other Revenue Consideration shall account for fifty percent (50%) of the Gross Revenue Consideration, Payment under each goal shall be made in proportion to the percentage of the target earned but not to exceed \$60,000 for Year One and Year Two, respectively (as proportionately adjusted based on the Other Revenue Goal criteria); *provided that* a minimum of 80% of the Surviving Entity Revenue Goal shall be required for the corresponding Gross Revenue Consideration to be deemed earned and a minimum of 80% of the Other Revenue Goal must be met shall be required for the corresponding Gross Revenue Consideration to be deemed earned. In the event that the gross revenues earned in Year One exceeds the Surviving Entity Revenue Goal or the Other Gross Revenue Goal, the excess shall be considered when calculating the results for Year Two Surviving Entity Revenue Goal or the Other Gross Revenue Goal; *provided that* the cumulative payout of Gross Revenue Consideration for Year One and Year Two, collectively, shall not exceed \$240,000.

(ii) Gross Margin of Surviving Entity. Up to forty percent (40%) of the Contingent Merger Consideration (i.e., a target of \$120,000 for Year One and Year Two, respectively) (the "Gross Margin Consideration") may be earned if the Surviving Entity achieves or exceeds: (A) for Year One, a gross margin percentage (defined as gross revenues less cost of goods sold divided by gross revenues) equal to the gross margin percentage of Company as of the Closing Date as reflected on the Company Financials (as defined in Section 2.7 below) (the "Year One Margin") (currently estimated to be approximately sixty-two percent (62%)); and (B) for Year Two, a gross margin percentage equal to the Year One Margin plus two percent (2%). A minimum of 85% of the Gross Margin Goal shall be required for any payment of Gross Margin Consideration to be deemed earned. Sole Shareholder shall be entitled to a pro rated pay out of Gross Margin Consideration if achieved gross margins either exceed or do not meet the target gross margins set forth above; *provided, that* the cumulative payout of Gross Margin Consideration for Year One and for Year Two, collectively, shall not exceed \$240,000.

(iii) Operating Profit of Surviving Entity. Up to twenty percent (20%) of the Contingent Merger Consideration (i.e., a target of \$60,000 for Year One and Year Two, respectively) (the "Profit Margin Consideration") may be earned if the Surviving Entity achieves or exceeds: (A) for Year One, a profit margin (defined as (x) gross profit less all other expenses except for interest and taxes and excluding any allocation of Parent overhead divided by (y) gross revenues) of twelve percent (12%); and (B) for Year Two, total profit margin of fourteen percent (14%). A minimum of 85% of the profit margin targets above shall be required for any payment of Profit Margin Consideration to be deemed earned. Sole Shareholder shall be entitled to a pro rated pay out of Profit Margin Consideration if achieved operating profit either exceeds or does not meet the goal for the year; *provided that* the cumulative payout of Profit Margin Consideration for Year One and for Year Two, collectively, shall not exceed \$120,000.

(iv) For the purpose of computing the Performance Criteria, gross revenue, gross margin and operating profit shall be determined in accordance with the accounting principles, practices, methodologies and policies used in the preparation of the Company Financials. In addition, for purposes of calculation of both the gross margin under Section 1.11(b)(ii) and operating profit under Section 1.11(b)(iii), gross revenues shall equal gross revenues as defined in Section 1.11(b)(i)(A).

(v) The Performance Criteria shall be subject to review and mutually agreed adjustment as set forth in writing by Parent and Sole Shareholder twelve (12) months following the Effective Time.

(c) The Contingent Merger Consideration shall be subject to acceleration and immediately and fully payable, to the extent not already earned and paid and regardless of whether otherwise earned, (i) on a Change of Control of Parent (as defined below) within twenty-four (24) months of the Effective Time; or (ii) if Parent or any successor terminates Sole Stockholder's employment "without cause" within twenty-four (24) months of the Effective Time (as defined in the Denaro Employment Agreement). For the purposes hereof, "Change of Control of Parent" shall mean (i) the consummation of any transaction or series of related transactions (within any period of 90 consecutive days) (including without limitation any merger, consolidation or reorganization) involving the acquisition of beneficial ownership of, or power to vote, in excess of 50% or more of the outstanding voting shares of Parent by an acquiror or group of acquirors (except for a Change of Control as a result of an Initial Public Offering as defined in Parent's certificate of incorporation); (ii) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of Parent; or (iii) the adoption of a plan relating to the liquidation or dissolution of Parent.

(d) Parent shall use commercially reasonable efforts to allow the Surviving Entity to conduct its business in a manner that allows it to achieve the Performance Criteria.

(e) Subject to Section 6.5 below, any amounts owed under this Section 1.11 shall be paid as soon as practicable after determination but in no event more than 45 days following the earlier of (i) an event causing acceleration under Section 1.11(c), or (ii) the second anniversary of the Effective Time

1.12 Stock Options for Designated Employees and Other Company Employees

Within thirty (30) days of Closing, Parent will grant options, which will be "incentive stock options" (as defined under Section 422 Code) to the extent permitted under the Code, to purchase up to 267,500 shares of Parent Common Stock to the Designated Employees and other employees of Company to the extent each such employee accepts Parent's offer of employment, in the amounts set forth on Exhibit H hereto, subject to the

terms and conditions of Parent's 1999 Stock Plan and related stock option agreement and at an exercise price equal to the fair market value of such stock on the date of grant, as determined by Parent's Board of Directors, in its sole discretion. The shares governed by such options shall vest in equal monthly installments over four (4) years, beginning one month after the optionee's employment start date (e.g., 1/48th of the option shares shall vest two months after the optionee's employment start), *provided that* the optionee is still employed by Parent on such vesting dates.

1.13 Taking of Necessary Action; Further Action

If, at any time after the Effective Time, any such further action is necessary or desirable to carry out the purposes of this Agreement and to vest the Surviving Entity with full right, title and possession to all assets, property, rights, privileges, powers and franchises of the Company and Merger Sub, the officers and directors of Company, Parent and Merger Sub are fully authorized in the name of their respective entities to take, and will take, all such lawful and necessary action.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE SOLE STOCKHOLDER

The Company and Sole Shareholder hereby jointly and severally represent and warrant to Parent and Merger Sub, subject to such exceptions as are specifically disclosed in the disclosure schedule (referencing the appropriate section and paragraph numbers) supplied by the Company and Sole Shareholder to Parent and Merger Sub (the "Company Disclosure Schedule") and dated as of the date hereof, that on the date hereof and as of the Effective Time as though made at the Effective Time as follows (except that the representations and warranties made as of a specified date will be true and correct as of such date):

2.1 Organization and Qualification of the Company

The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Washington. The Company has the corporate power to own, use, license and lease its properties and assets, and to carry on its business as now being conducted and as currently proposed to be conducted after the Effective Time. The Company is duly qualified to do business and in good standing as a foreign corporation in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the business, assets (including intangible assets), condition (financial or otherwise), or results of operations of the Company (hereinafter referred to as a "Material Adverse Effect"). The Company has delivered a true and correct copy of its Articles of Incorporation and Bylaws, each as amended to date, to Parent. Section 2.1 of the Company Disclosure Schedule lists the directors and officers of the Company as of the date hereof. The operations now being conducted by the Company are not now and have never been

conducted by the Company under any name other than “Denaro and Associates, Inc.”, “Q2 Brand Intelligence”, “Q2 Brand”, “Q2 Intelligence”, “Q2” or some derivative thereof.

2.2 Company Capital Structure

(a) The authorized Company Capital Stock consists of 400,000 (200,000 Class A and 200,000 Class B) shares of authorized Common Stock of which 80,000 (80,000 Class A and no Class B) shares are issued and outstanding as of the date hereof. The Company has no other capital stock authorized, issued or outstanding. All outstanding shares of Company Capital Stock are held by Sole Shareholder and are duly authorized, validly issued, fully paid and non-assessable, are free of Encumbrances (as defined in [Section 2.1 1\(a\) below](#)), created by statute, the Articles of Incorporation or Bylaws of the Company or any agreement to which the Company or Sole Shareholder is a party or by which it or he is bound, and have been issued in compliance with all applicable federal, state and foreign securities laws. There are no declared or accrued but unpaid dividends with respect to any shares of Company Capital Stock.

(b) Except for the Denaro & Associates, Inc. 2000 Stock Incentive Plan (the “[Company Option Plan](#)”), the Company has never adopted or maintained any stock option plan or other plan providing for equity compensation of any person. The Company has reserved 50,000 shares of Common Stock for issuance to employees, directors and consultants pursuant to the Company Option Plan, of which no shares have been issued upon exercise of awards granted under the Company Option Plan, no shares are subject to outstanding, unexercised options and shares remain available for future grant. Any options previously issued under the Company Option Plan have been validly terminated and were originally issued in compliance with all applicable federal, state and foreign securities laws. There are no options, warrants, calls, rights, convertible securities, commitments or agreements of any character, written or oral, to which the Company is a party or by which it is bound obligating the Company to issue, deliver, sell, repurchase or redeem, or cause to be issued, delivered, sold, repurchased or redeemed, any shares of the capital stock of the Company or obligating the Company to grant, extend, accelerate the vesting of, change the price of, otherwise amend or enter into any such option, warrant, call, right, convertible security, commitment or agreement. There are no outstanding or authorized stock appreciation, phantom stock, profit participation, or other similar rights with respect to the Company. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting stock of the Company.

(c) Except for the repurchase of all of the shares of Company Capital Stock held by Michael Murphy as further described in [Section 2.2\(c\)](#) of the Disclosure Schedule, the Company has never repurchased, redeemed or otherwise reacquired any shares of capital stock or other securities of the Company. All securities so required by the Company were reacquired in compliance with all requirements set forth in applicable restricted stock purchase agreements and other applicable contracts.

2.3 Subsidiaries

The Company does not have and has never had any subsidiaries or affiliated companies and does not otherwise own and has never otherwise owned any shares of capital stock or any interest in, or control, directly or indirectly, any other corporation, partnership, association, joint venture or other business entity.

2.4 Authority

The Company has all requisite power and authority to enter into this Agreement and any Related Agreements (as hereinafter defined) to which it is a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and any Related Agreements to which the Company is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Company, and no further action is required on the part of the Company to authorize the Agreement, any Related Agreements to which it is a party and the transactions contemplated hereby and thereby. This Agreement and the Merger have been unanimously approved by the Board of Directors of the Company and by Sole Shareholder. This Agreement and any Related Agreements to which the Company is a party have been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitute the valid and binding obligation of the Company, enforceable in accordance with their respective terms. The "Related Agreements" shall mean all such ancillary agreements to be executed and delivered in connection with the transactions contemplated hereby, including, without limitation, the Release, the Denaro Employment Agreement and the Restricted Stock Agreement.

2.5 No Conflict

The execution and delivery of this Agreement and any Related Agreements to which the Company is a party do not, and, the consummation of the transactions contemplated hereby and thereby will not, conflict with, or result in any violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under (i) any provision of the Articles of Incorporation and Bylaws of the Company, (ii) any mortgage, indenture, lease, contract or other agreement or instrument, permit, concession, franchise or license to which the Company or any of its properties or assets are subject, or (iii) any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Company or its respective properties or assets (any such event, a "Conflict").

2.6 Consents

No consent, waiver, approval, order or authorization of, or registration, declaration or filing with, any court, administrative agency or commission or other federal, state, county, local or other foreign governmental authority, instrumentality, agency or commission ("Governmental Entity") or any third party, including a party to any agreement

with the Company (so as not to trigger any Conflict), is required by or with respect to the Company or Sole Shareholder in connection with the execution and delivery of this Agreement and any Related Agreements to which the Company or Sole Shareholder is a party or the consummation of the transactions contemplated hereby and thereby, except for (i) such consents, waivers, approvals, orders, authorizations, registrations, declarations and filings as may be required under applicable securities laws, and (ii) the filing of the Articles of Merger with the Secretary of State of the State of Delaware and the Secretary of State of the State of Washington.

2.7 Company Financial Statements

Section 2.7 of the Company Disclosure Schedule sets forth (i) the Company's unaudited balance sheet as of December 31, 2003 and the related unaudited statement of income for the twelve-month period then ended; and (ii) the Company's unaudited balance sheet as of the Closing Date (the "Current Balance Sheet") and the related unaudited statement of income for the period January 1, 2004 through the Closing Date (collectively, the "Company Financials"). The Company Financials are true and correct in all material respects, present fairly the financial condition and operating results of the Company, and have been prepared reasonably and on a consistent basis using the same accounting principles, practices, methodologies and policies for and throughout the periods indicated therein (subject to normal year-end adjustments, which will not be material in amount or significance in any individual case or in the aggregate).

2.8 No Undisclosed Liabilities

The Company does not have any liability, indebtedness, obligation, expense, claim, deficiency, guaranty or endorsement of any type, whether accrued, absolute, contingent, matured, unmatured or other (whether or not required to be reflected in financial statements in accordance with United States generally accepted accounting principles ("GAAP")), which individually or in the aggregate, exceeds \$10,000 in value and either (a) has not been reflected in the Current Balance Sheet or (b) will not be reflected in the Final Working Capital Statement.

2.9 Tax and Other Returns and Reports

(a) Definition of Taxes. For the purposes of this Agreement, "Tax" or, collectively, "Taxes", means any and all federal, state, local and foreign taxes, assessments and other governmental charges, duties, impositions and liabilities, including taxes based upon or measured by gross receipts, income, profits, sales, use and occupation, and value added, ad valorem, transfer, franchise, withholding, payroll, recapture, employment, excise and property taxes, together with all interest, penalties and additions imposed with respect to such amounts and any obligations under any agreements or arrangements with any other person with respect to such amounts and including any liability for taxes of a predecessor entity.

(b) Company has timely filed all Tax returns ("Returns" or "Tax Returns"), estimates, information statements and reports required to be filed by or on behalf of the Company, and such Returns are true and correct in all material respects and completed in accordance with applicable law. Company has timely paid all Taxes it is required to pay. Company has not been advised (i) that any of its Tax Returns have been or are being audited as of the date hereof, nor has the Company been notified of any request for such audit or other examination, or (ii) of any deficiency in assessment or proposed judgment to its Taxes. Company has no knowledge of any liability of any Tax to be imposed upon its properties or assets as of the date of this Agreement that is not adequately provided for. The Company has made available to Parent copies of all Tax Returns for all periods since 2001.

(c) The provision made for Taxes on the Company Balance Sheet is sufficient for the payment of all Taxes and assessments, whether or not disputed at the time of the Company Balance Sheet Date, and for all years and periods prior thereto. Since the Company Balance Sheet Date and unless otherwise reflected on the Final Working Capital Statement, Company has not incurred any Taxes other than Taxes incurred in the ordinary course of business consistent in type and amount with past practices of Company. Company has duly withheld and paid all Taxes that it is required to withhold and pay relating to salaries, wages and other compensation, remuneration or benefits paid to the employees of Company and has timely paid over any withheld amounts to the appropriate taxing authority. There are no claims or assessments pending with respect to any Return for any alleged Tax deficiency relating to Company's business and no material Tax issue has been raised by any taxing authority or representative thereof with respect to any such Return.

(d) Company has been a validly electing S corporation within the meaning of Sections 1361 and 1362 of the Code and for state law purposes (except in those states that do not recognize S corporation status) at all times since incorporation and as filed all forms and taken all actions necessary to maintain such status. Neither Company nor Sole Shareholder, or any other previous stockholder of the Company, has taken any action prior to the Closing Date that could cause Company to lose such status as an S corporation. Company has not, since inception, (i) acquired assets from another corporation in a transaction in which Company's Tax basis for the acquired assets was determined, in whole or in part, by reference to the Tax basis of the acquired assets (or any other property) in the hands of the transferor or (ii) acquired the stock of any corporation which is a qualified subchapter S subsidiary.

(e) No claim has ever been made by an authority in a jurisdiction where Company does not file Returns that it is or may be subject to taxation by that jurisdiction.

(f) There are (and immediately following the Effective Time there will be) no Encumbrance on the assets of Company relating to or attributable to Taxes. There is no basis for the assertion of any claim relating or attributable to Taxes that, if adversely determined, would result in any Encumbrance for Taxes on the assets of Company.

(g) Company has not engaged in a transaction that is the same as or substantially similar to one of the types of transactions that the Internal Revenue Service has determined to be a tax avoidance transaction and identified by notice, regulation, or other form of published guidance as a listed transaction, as set forth in Treasury Regulation Section 1.6011-4(b)(2).

2.10 Restrictions on Business Activities

There is no agreement (noncompete or otherwise), commitment, judgment, injunction, order or decree to which the Company is a party or otherwise binding upon the Company which has or may have the effect of materially prohibiting or impairing any business practice of the Company, any acquisition of property (tangible or intangible) by the Company or the conduct of business by the Company. Without limiting the foregoing, the Company has not entered into any agreement under which the Company is restricted from providing services to, customers or potential customers or any class of customers, in any geographic area, during any period of time or in any segment of the market.

2.11 Title of Properties; Absence of Encumbrances

(a) For the purposes of this Agreement, “Encumbrance,” or collectively “Encumbrances,” shall mean any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, claim, infringement, interference, option, right of first refusal, preemptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset), other than liens for Taxes not yet due and payable or restrictions on transfers arising under federal or state securities laws.

(b) The Company owns no real property, nor has it ever owned any real property. Section 2.11(b) of the Company Disclosure Schedule sets forth a list of all real property currently, or at any time in the past, leased by the Company, the name of the lessor, the date of the lease and each amendment thereto and, with respect to any current lease, the aggregate annual rental and/or other fees payable under any such lease. All such current leases are in full force and effect, are valid and effective in accordance with their respective terms, and the Company is not, under any of such leases, in any existing default or an event of default (or event which with notice or lapse of time, or both, would constitute a default) nor, to the knowledge of the Company, is the landlord in any such existing default or an event of default. All of the real property currently leased by the Company is in good operating condition and repair, free from structural, physical and mechanical defects, is maintained in a manner consistent with standards generally followed with respect to similar properties, and is otherwise suitable for the conduct of the business as presently conducted.

(c) The Company has good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all of its tangible properties and assets, real, personal

and mixed, used or held for use in its business, free and clear of any Encumbrances, except as reflected in the Current Balance Sheet and except for Encumbrances for Taxes not yet due and payable and such imperfections of title and Encumbrances, if any, which, individually or in the aggregate, are not material in character, amount or extent, and which do not detract from the value, or interfere with the present use, of the property subject thereto or affected thereby.

(d) Section 2.11(d) of the Company Disclosure Schedule lists all material items of equipment (the "Equipment") owned or leased by the Company and such Equipment is (i) sufficient for the conduct of the business of the Company as currently conducted and (ii) in good operating condition, regularly and properly maintained, subject to normal wear and tear.

2.12 Intellectual Property

(a) Section 2.12(a) of the Company Disclosure Schedule contains an accurate and complete list of all registered Company patents, trademarks, service marks, trade names, and copyrights, if any. To the knowledge of the Company, Company owns or possesses sufficient legal rights to all patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses, information and other proprietary rights and processes (collectively, "Intellectual Property Rights") necessary for its business as now conducted, without any infringement of the rights of others. The Company is not a party to outstanding options, licenses or agreements of any kind relating to the foregoing, nor is Company bound by or a party to any options, licenses or agreements of any kind with respect to Intellectual Property Rights of any other person or entity other than such licenses or agreements arising from the purchase of "off the shelf" or standard products.

(b) Company has not received any communication alleging that Company has violated or, by conducting its business as presently conducted or as presently proposed to be conducted, would violate any of the Intellectual Property Rights of any other person or entity. Company has no knowledge that any of its employees is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement, or subject to any judgment, decree or order of any court or administrative agency, that would interfere with their duties to Company or that would conflict with Company's business as presently conducted or as presently proposed to be conducted.

(c) To the Company's knowledge, neither the execution nor delivery of this Agreement, nor the carrying on of Company's business by the employees of Company, nor the conduct of Company's business as presently conducted or as presently proposed to be conducted, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under, any contract, covenant or instrument under which any employee is now obligated. To the knowledge of the Company, it does not utilize in its business as presently conducted nor as presently proposed to be conducted, any inventions, trade secrets or proprietary information of any of its employees made prior to their employment by Company, except for inventions, trade secrets or proprietary information that have been assigned to Company.

(d) The Company has no knowledge that the Company Intellectual Property Rights are invalid or unenforceable.

(e) To the knowledge of the Company all of the Company's Intellectual Property Rights will be fully transferable, alienable or licensable by the Surviving Entity and/or Parent without restriction and without payment of any kind to any third party.

(f) Each of the Company's Intellectual Property Rights is free of and clear of any Encumbrances, except for non-exclusive licenses granted to customers in the ordinary course of business.

(g) To the knowledge of the Company, no person is infringing or misappropriating any of the Company's Intellectual Property Rights.

(h) The Company has taken all steps that are reasonably required to protect the Company's rights in confidential information and trade secrets of the Company or provided by any other person to the Company. Without limiting the foregoing, the Company has and enforces a policy requiring each employee and consultant of the Company to execute a proprietary information and inventions assignment agreement in the form provided to Parent, and all current and former employees and consultants of Company who have created or modified any of the Company's intellectual property have executed such an agreement assigning all of such employees' and consultants' rights in and to the Company's Intellectual Property Rights to the Company.

2.13 Agreements, Contracts and Commitments

(a) Except as set forth in Schedule 2.13(a), the Company does not have, is not a party to, nor is it bound by:

(i) any collective bargaining agreements;

(ii) any agreements or arrangements that contain any change of control or severance pay or post-employment liabilities or obligations;

(iii) any bonus, deferred compensation, pension, profit sharing or retirement plans, or any other employee benefit plans or arrangements;

(iv) any employment or consulting agreement, contract or commitment with an employee or individual consultant or salesperson or consulting or sales agreement, contract or commitment with a firm or other organization;

(v) any agreement or plan, including, without limitation, any stock option plan, stock appreciation rights plan or stock purchase plan, any of the benefits of

which will be increased, or the vesting of benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement;

(vi) any fidelity or surety bond or completion bond;

(vii) any lease of personal property having a value individually in excess of \$10,000;

(viii) any agreement of indemnification or guaranty;

(ix) any agreement, contract or commitment containing any covenant limiting the freedom of the Company to engage in any line of business or to compete with any person;

(x) any agreement, contract or commitment relating to capital expenditures and involving future payments in excess of \$20,000, either individually or in the aggregate;

(xi) any agreement, contract or commitment relating to the disposition or acquisition of assets or any interest in any business enterprise outside the ordinary course of the Company's business;

(xii) any mortgages, indentures, loans or credit agreements, security agreements or other agreements or instruments relating to the borrowing of money or extension of credit, including guaranties referred to in clause (viii) hereof;

(xiii) any purchase order or contract for the purchase of materials involving \$25,000 or more, either individually or in the aggregate;

(xiv) any construction contracts;

(xv) any distribution, joint marketing or development agreement; or

(xvi) any other agreement, contract or commitment that involves \$25,000 or more or is not cancelable without penalty within thirty (30) days.

(b) Section 2.13(b) of the Company Disclosure Schedule contains a complete and accurate list, and Company has delivered to Parent true and complete copies of each material agreement, contract, covenant, instrument, lease, license or commitment to which the Company is a party or by which it is bound (each, a "Contract" and collectively, the "Contracts"). The Company is in compliance with and has not breached, violated or defaulted under, or received notice that it has breached, violated or defaulted under, any of the terms or conditions of any Contract, nor do the Company or Sole Shareholder have knowledge of any event that would constitute such a breach, violation or default with the

lapse of time, giving of notice or both. Section 2.13(b) of the Company Disclosure Schedule also denotes each Contract that needs consent from the other party thereto to assign such Contract to Merger Sub. Section 2.13(b) of the Company Disclosure Schedule also denotes each Contract with obligations that will need to be fulfilled by the Surviving Entity after the Effective Time with a description of the remaining obligations under such Contracts. Each Contract is a valid and binding agreement of the Company, is in full force and effect, and is not subject to any default thereunder by any party obligated to the Company pursuant thereto. The Company has obtained, or will obtain prior to the Closing Date, all necessary consents, waivers and approvals of parties to any Contract as are required thereunder in connection with the Merger or for such Contracts to remain in effect without modification after the Closing.

2.14 Interested Party Transactions

No officer, director or stockholder of the Company (nor any ancestor, sibling, descendant or spouse of any of such persons, or any trust, partnership or corporation in which any of such persons has or has had an interest), has or has had, directly or indirectly, (i) an interest in any entity which furnished or sold, or furnishes or sells, services, products, technology or intellectual property that the Company furnishes or sells, or proposes to furnish or sell, or (ii) any interest in any entity that purchases from or sells or furnishes to the Company any goods or services or (iii) a beneficial interest in any Contract; *provided, however*, that ownership of no more than one percent (1%) of the outstanding voting stock of a publicly traded corporation shall not be deemed an “interest in any entity” for purposes of this Section 2.14.

2.15 Compliance with Laws

The Company has complied with, is not in violation of, and has not received any notices of violation with respect to, any applicable foreign, federal, state or local statute, law or regulation, except where failure to comply would not have a Material Adverse Effect.

2.16 Governmental Authorization

Section 2.16 of the Company Disclosure Schedule accurately lists each consent, license, permit, grant or other authorization issued to the Company by a Governmental Entity (i) pursuant to which the Company currently operates or holds any interest in any of their properties or (ii) which is required for the operation of its business or the holding of any such interest (herein collectively called “Company Authorizations”). The Company Authorizations are in full force and effect and constitute all Company Authorizations required to permit the Company to operate or conduct its business or hold any interest in its properties or assets, except where failure to comply would not have a Material Adverse Effect.

2.17 Litigation

(a) Section 2.17(a) of the Company Disclosure Schedule sets forth, with respect to any pending or threatened action, suit, proceeding or investigation the Company has notice of, the forum, the parties thereto, the subject matter thereof and the amount of damages claimed or other remedy requested. Other than as disclosed in Section 2.17(a) of the Company Disclosure Schedule, there is no action, suit or proceeding of any nature pending or to the Company's knowledge, threatened against the Company, its assets or properties or any of its officers or directors, in their respective capacities as such; and the Company does not have any knowledge of any facts or circumstances that would reasonably be expected to give rise to any successful action or proceeding against, relating to, or affecting the Company or any of its assets or properties. To the Company's knowledge, there is no investigation pending or threatened against the Company, its assets or properties or any of its officers or directors, in their respective capacities as such, by or before any Governmental Entity. To the Company's knowledge, no Governmental Entity has at any time challenged or questioned the legal right of the Company to engage in its business as presently conducted or to manufacture, offer or sell any of its products in the present manner or style thereof.

(b) Prior to the execution of this Agreement, the Company has delivered to Parent all responses of counsel for the Company to auditors' requests for information (together with any updates provided by such counsel) regarding actions or proceedings pending or threatened against, relating to or affecting the Company.

2.18 Bank Accounts; Accounts Receivable; Accounts Payable

(a) Section 2.18(a) of the Company Disclosure Schedule provides the account number, bank, and authorized signators with respect to each account maintained by or for the benefit of Company at any bank or other financial institution.

(b) Section 2.18(b) of the Company Disclosure Schedule contains an accurate and complete list of all accounts receivable of the Company ("Accounts Receivable") as of the Effective Time along with a range of days elapsed since invoice. Except as reflected in the Current Balance Sheet or the Final Working Capital Statement, all Accounts Receivable of the Company arose from bona fide sales transactions in the ordinary course of business and are collectible except to the extent of reserves therefor set forth in the Current Balance Sheet. No person has any Encumbrance on any of such Accounts Receivable and no request or agreement for deduction or discount has been made with respect to any of such Accounts Receivable.

(c) Section 2.18(c) of the Company Disclosure Schedule contains an accurate and complete list of all accounts payable of the Company as of the Effective Time.

2.19 Insurance

Section 2.19 of the Company Disclosure Schedule contains an accurate summary of the insurance policies currently maintained by the Company. The Company has obtained and maintained in full force and effect insurance with responsible and reputable insurance companies or associations in such amounts, on such terms and covering such risks, including fire and other risks insured against by extended coverage, which (i) in light of the business, operations, assets and properties of the Company, are to the Company's knowledge reasonable and customary, both in scope and amount of coverage, for persons engaged in similar businesses and operations and having similar assets and properties and (ii) are, both in scope and amount of coverage, as required by any Contract to which the Company is a party or by which any of its assets or properties is bound. With respect to the insurance policies and fidelity bonds covering the assets, business, equipment, properties, operations, employees, officers and directors of the Company, there is no claim by the Company pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. All premiums due and payable under all such policies and bonds have been paid and the Company is otherwise in material compliance with the terms of such policies and bonds (or other policies and bonds providing substantially similar insurance coverage). The Company has not received notice of any threatened termination of, or material premium increase with respect to, any of such policies. The insurance coverage provided by the policies set forth in Section 2.19 of the Company Disclosure Schedule will not terminate or lapse by reason of any of the transactions contemplated by this Agreement or any of the Related Agreements.

2.20 Minute Books and Records

(a) The minute books of the Company made available to counsel for Parent are the only minute books of the Company and contain a reasonably accurate summary of all meetings of directors (or committees thereof) and stockholders or actions by written consent since the time of incorporation of the Company.

(b) The Company has delivered to Parent for examination the following: (i) copies of its charter documents; and (ii) a stock ledger and journal reflecting all issuances and transfers of Company Capital Stock.

2.21 Environmental Matters

(a) Hazardous Material. The Company has not: (i) operated any underground storage tanks at any property that the Company has at any time owned, operated, occupied or leased; or (ii) illegally released to the environment any material amount of any substance that has been designated by any Governmental Entity or by applicable federal, state or local law to be radioactive, toxic, hazardous or otherwise a danger to health or the environment, including, without limitation, PCBs, asbestos, petroleum, urea-formaldehyde and all substances listed as hazardous substances pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, or defined as a hazardous

waste pursuant to the United States Resource Conservation and Recovery Act of 1976, as amended, and the regulations promulgated pursuant to said laws (a "Hazardous Material"), but excluding office and janitorial supplies properly and safely maintained. No Hazardous Materials are present in violation of any applicable law, as a result of the deliberate actions of the Company, or, to the Company's knowledge, as a result of any actions of any third party or otherwise, in, on or under any property, including the land and the improvements, ground water and surface water thereof, that the Company has at any time owned, operated, occupied or leased.

(b) Hazardous Materials Activities. The Company has not transported, stored, used, manufactured, disposed of, released or exposed its employees or others to Hazardous Materials in violation of any applicable law or regulation in effect on or before the Closing Date, and the Company has not disposed of, transported, sold, or manufactured any product containing a Hazardous Material in violation of any applicable law or regulation in effect on or before the Closing Date (any or all of the foregoing being collectively referred to as "Hazardous Materials Activities").

(c) Permits. The Company currently holds all environmental approvals, permits, licenses, clearances and consents (the "Environmental Permits") necessary for the conduct of the Company's Hazardous Material Activities and other businesses of the Company as such activities and businesses are currently being conducted.

(d) Environmental Liabilities. No action, proceeding, revocation proceeding, amendment procedure, writ, injunction or claim is pending, or to the Company's knowledge, threatened concerning any Environmental Permit, Hazardous Material or any Hazardous Materials Activity of the Company.

2.22 Brokers' and Finders' Fees

The Company has not incurred, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

2.23 Employee Matters and Benefit Plans

(a) Definitions. With the exception of the definition of "Affiliate" set forth in Section 2.23(a)(i) below (which definition shall apply only to this Section 2.23), for purposes of this Agreement, the following terms shall have the meanings set forth below:

- (i) "Affiliate" shall mean any other person or entity under common control with the Company within the meaning of Section 414(b), (c), (m) or (o) of the Code and the regulations issued thereunder;
- (ii) "Code" shall mean the Internal Revenue Code of 1986, as amended;

(iii) "Company Employee Plan" shall mean any plan, program, policy, practice, contract, agreement or other arrangement providing for compensation, severance, termination pay, deferred compensation, retirement benefits, performance awards, stock or stock-related awards, fringe benefits or other employee benefits or remuneration of any kind, whether written or unwritten or otherwise, funded or unfunded, including without limitation, each "employee benefit plan," within the meaning of Section 3(3) of ERISA which is maintained, contributed to, or required to be contributed to, by the Company or any Affiliate for the benefit of any Employee, or with respect to which the Company or any Affiliate has or may have any liability or obligation;

(iv) "COBRA" shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended;

(v) "DOL" shall mean the United States Department of Labor;

(vi) "Employee" shall mean any current or former employee, consultant or director of the Company or any Affiliate;

(vii) "Employee Agreement" shall mean each management, employment, severance, consulting, relocation, repatriation, expatriation, visa, work permit or other agreement, contract or understanding between the Company or any Affiliate and any Employee;

(viii) "ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended;

(ix) "FMLA" shall mean the Family Medical Leave Act of 1993, as amended;

(x) "International Employee Plan" shall mean each Company Employee Plan that has been adopted or maintained by the Company or any Affiliate, whether informally or formally, or with respect to which the Company or any Affiliate will or may have any material liability, for the benefit of Employees who perform services outside the United States;

(xi) "IRS" shall mean the Internal Revenue Service;

(xii) "Multiemployer Plan" shall mean any "Pension Plan" (as defined below) which is a "multiemployer plan," as defined in Section 4001(a) (3) of ERISA; and

(xiii) "Pension Plan" shall mean each Company Employee Plan which is an "employee pension benefit plan," within the meaning of Section 3(2) of ERISA.

(b) Schedule, Section 2.23(b) of the Company Disclosure Schedule contains an accurate and complete list of each Company Employee Plan and each Employee Agreement. The Company does not have any plan or commitment to establish or enter into any new Company Employee Plan or Employee Agreement or to modify any existing Company Employee Plan or Employee Agreement (except to the extent required by law or to conform any such Company Employee Plan or Employee Agreement, in each case as previously disclosed in writing, to the requirements of any applicable law or as required by this Agreement).

(c) Documents. The Company has provided to Parent (i) correct and complete copies of each Company Employee Plan and each Employee Agreement as currently in effect including (without limitation) all material amendments thereto; (ii) the most recent annual actuarial valuations, if any, prepared for each Company Employee Plan; (iii) the three (3) most recent annual reports (Form Series 5500 and all schedules and financial statements attached thereto), if any, required under ERISA or the Code in connection with each Company Employee Plan; (iv) if the Company Employee Plan is funded, the most recent annual and periodic accounting, if any, of Company Employee Plan assets; (v) the most recent summary plan description together with the summary(ies) of material modifications thereto, if any, required under ERISA with respect to each Company Employee Plan; (vi) the most recent IRS determination, opinion, notification and advisory letter, if any, issued by the IRS with respect to any Company Employee Plan intended to be qualified under Section 401(a) of the Code; (vii) all material written agreements and contracts relating to each Company Employee Plan, including, but not limited to, administrative service agreements, trust agreements, group annuity contracts and group insurance contracts; (viii) all communications material to any Employee or Employees relating to any Company Employee Plan and any proposed Company Employee Plans, in each case, relating to any amendments, terminations, establishments, increases or decreases in benefits, acceleration of payments or vesting schedules or other events occurring since the end of the most recent fiscal year included in the Company Financials which would result in any material liability to the Company; (ix) all material correspondence to or from any Governmental Entity relating to any Company Employee Plan; (x) samples of all COBRA administration forms and related notices; (xi) all policies pertaining to fiduciary liability insurance covering the fiduciaries for each Company Employee Plan; and (xii) all discrimination tests for each Company Employee Plan for the most recent plan year.

(d) Employee Plan Compliance. (i) The Company has performed in all material respects all obligations required to be performed by it under each Company Employee Plan and each Company Employee Plan has been established and maintained in all material respects in accordance with its terms and in compliance with all applicable laws, statutes, orders, rules and regulations, including but not limited to ERISA or the Code; (ii) each Company Employee Plan intended to qualify under Section 401(a) of the Code has received or relies on a favorable determination, opinion, notification or advisory letter from the IRS with respect to its qualified status under the Code, including all amendments to the Code effected by the Tax Reform Act of 1986 and subsequent legislation (or has remaining a period of time under the Code or applicable Treasury regulations or IRS pronouncements in

which to request, and make any amendments necessary to obtain, such a letter from the IRS); (iii) no “prohibited transaction,” within the meaning of Section 4975 of the Code or Sections 406 and 407 of ERISA, and not otherwise exempt under Section 408 of ERISA (or an exemption issued thereunder) has occurred with respect to any Company Employee Plan; (iv) there are no actions, suits or claims pending, or, to the knowledge of the Company, threatened or reasonably anticipated (other than routine claims for benefits) against any Company Employee Plan or against the assets of any Company Employee Plan; (v) each Company Employee Plan can be amended, terminated or otherwise discontinued after the Effective Time in accordance with its terms, without liability to the Parent or Surviving Entity (other than ordinary administration and termination expenses); (vi) there are no audits, inquiries or proceedings pending or, to the knowledge of the Company, threatened by the IRS or DOL with respect to any Company Employee Plan; and (vii) neither the Company nor any Affiliate is subject to any penalty or tax with respect to any Company Employee Plan under Section 502(i) of ERISA or Sections 4975 through 4980 of the Code. The Company has satisfied all overdue liabilities, including any fines and/or penalties owing to the IRS under the Q2 Retirement Savings Plan (Money Purchase Plan) and the Q2 Retirement Savings Plan (401(k) Profit Sharing Plan) and has timely made all contributions and other payments required by and due from it under the terms of each Company Employee Plan. For each Company Employee Plan that is intended to be qualified under Section 401(a) of the Code, to the knowledge of Company, there has been no event, condition or circumstance that has adversely affected or is likely to adversely affect such qualified status.

(e) Pension Plan. Neither the Company nor any Affiliate has ever maintained, established, sponsored, participated in, or contributed to, any Pension Plan which is subject to Title IV of ERISA or Section 412 of the Code. At no time has the Company or any Affiliate contributed to or been obligated to contribute to any Multiemployer Plan. Neither the Company nor any Affiliate has at any time ever maintained, established, sponsored, participated in or contributed to any multiple employer plan (within the meaning of Section 413 of the Code).

(f) No Self-Insured Plans. Neither the Company nor any Affiliate has ever maintained, established sponsored, participated in or contributed to any self-insured plan that provides welfare benefits (within the meaning of Section 3(1) of ERISA) to Employees (including, without limitation, any such plan pursuant to which a stop-loss policy or contract applies) and with respect to which it has any on-going liability.

(g) No Post-Employment Obligations. No Company Employee Plan provides, or reflects or represents any liability to provide, post-termination or retiree life insurance, health or other employee welfare benefits (within the meaning of Section 3(1) of ERISA) to any person for any reason, except as may be required by COBRA or other applicable statute, and the Company has never represented, promised or contracted (whether in oral or written form) to any Employee (either individually or to Employees as a group) or any other person that such Employee(s) or other person would be provided with post-termination or retiree life insurance, health or other employee welfare benefit, except to the extent required by statute.

(h) COBRA etc. Neither the Company nor any Affiliate has, prior to the Effective Time and in any material respect, violated any of the health care continuation requirements of COBRA, the requirements of FMLA, the requirements of the Women's Health and Cancer Rights Act, the requirements of the Newborns' and Mothers' Health Protection Act of 1996, or any similar provisions of state law applicable to its Employees.

(i) Effect of Transaction.

(i) The execution of this Agreement and the consummation of the transactions contemplated hereby will not (either alone or upon the occurrence of any additional or subsequent events) constitute an event under any Company Employee Plan, Employee Agreement, trust or loan that will result in any payment (whether of severance pay or otherwise), acceleration, forgiveness of indebtedness, vesting, distribution, increase in benefits or obligation to fund benefits with respect to any Employee.

(ii) No payment or benefit which has been, will be, or may be made by the Company or its Affiliates under any Company Employee Plan or Employee Agreement with respect to any Employee as a result of the transactions contemplated by this Agreement or otherwise will be characterized as a "parachute payment," within the meaning of Section 280G(b)(2) of the Code (but without regard to clause (A)(ii) thereof).

(j) Employment Matters. The Company: (i) is in compliance in all material respects with all applicable foreign, federal, state and local laws, rules and regulations respecting employment, employment practices, terms and conditions of employment and wages and hours, in each case, with respect to Employees; (ii) has withheld and reported all amounts required by law or by agreement to be withheld and reported with respect to wages, salaries and other payments to Employees; (iii) is not liable for any arrears of wages or any taxes or any penalty for failure to comply with any of the foregoing; and (iv) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Entity, with respect to unemployment compensation benefits, social security or other benefits or obligations for Employees (other than routine payments to be made in the normal course of business and consistent with past practice). There are no pending, threatened or reasonably anticipated claims or actions against the Company under any worker's compensation policy or long-term disability policy. The Company has no direct or indirect liability with respect to any misclassification of any person as an independent contractor rather than as an employee, or with respect to any employee leased from another employer.

(k) Labor. No work stoppage or labor strike against the Company is pending, threatened or reasonably anticipated. The Company does not have any knowledge of any activities or proceedings of any labor union to organize any Employees. There are no actions, suits, claims, labor disputes or grievances pending, or, to the knowledge of the Company, threatened or reasonably anticipated relating to any labor, safety or discrimination

matters involving any Employee, including, without limitation, charges of unfair labor practices or discrimination complaints. Neither the Company nor any of its subsidiaries has engaged in any unfair labor practices within the meaning of the National Labor Relations Act. The Company is not presently, nor has it been in the past, a party to, or bound by, any collective bargaining agreement or union contract with respect to Employees and no collective bargaining agreement is being negotiated by the Company.

(l) International Employee Plan. The Company does not now, nor has it ever had the obligation to, maintain, establish, sponsor, participate in, or contribute to any International Employee Plan.

2.24 Major Customers

Section 2.24 of the Company Disclosure Schedule identifies, and provides a break down of the revenues received from each customer or other person or entity that accounted for more than \$100,000 of the gross revenues of the Company since January 1, 2004 (the "Major Customers"). The Company has not received any notice (written or oral) from any Major Customer stating that such Customer will (i) cease doing business with the Company or (ii) significantly reduce the volume of its business with the Company. To the knowledge of the Company, none of the Major Customers listed on Section 2.24 of the Company Disclosure Schedule is threatened with bankruptcy or insolvency.

2.25 Warranties; Indemnities.

The Company has not given any warranties or indemnities relating to products or technology sold or licensed or services rendered by the Company.

2.26 Certain Obligations. Company and/or Sole Shareholder have satisfied and terminated the Company Line of Credit and the Mercedes Lease.

2.27 Complete Copies of Materials. The Company has delivered or made available accurate and complete copies of each document (or summaries of same, if such summaries are deemed acceptable by Parent) that has been requested by Parent or its counsel.

2.28 Representations Complete Sole Stockholder does not know, nor reasonably should know, of any event that could reasonably (as of the date of this Agreement) be expected to have a material adverse effect of \$250,000 or more on the Parent that has not been disclosed in the Company Disclosure Schedule.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF
SOLE SHAREHOLDER

The Sole Shareholder hereby represents and warrants to Parent and Merger Sub, subject to such exceptions as are specifically disclosed in the disclosure schedule (referencing the appropriate section and paragraph numbers) supplied by Sole Shareholder to Parent and Merger Sub (the "Sole Shareholder Disclosure Schedule") and dated as of the date hereof, that on the date hereof and as of the Effective Time as though made at the Effective Time as follows (except that the representations and warranties made as of a specified date will be true and correct as of such date):

3.1 Purchase Entirely for Own Account

That the shares of Parent Common Stock to be received by Sole Shareholder, the stock options provided in the Employee Agreement and related documents thereto and the Common Stock issuable upon exercise of such options (collectively, the "Securities") will be acquired for investment for Sole Shareholder's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that Sole Shareholder has no present intention of selling, granting any participation in, or otherwise distributing the same. Sole Shareholder further represents that he does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or to any third person, with respect to any of the Securities.

3.2 Disclosure of Information

Sole Shareholder has had an opportunity to ask questions and receive answers from Parent and Merger Sub regarding the terms and conditions of the Merger and the business, properties, prospects and financial condition of Parent. The Sole Shareholder understands that an investment in the Securities may involve a high degree of risk. The Sole Shareholder has sought such accounting, legal and tax advice as he has considered necessary to make any informed investment decision with respect to his acquisition of the Securities.

3.3 Investment Experience

Sole Shareholder acknowledges that he is able to fend for himself, can bear the economic risk of his investment, and has such knowledge and experience in financial or business matters that he is capable of evaluating the merits and risks of the investment in the Securities.

3.4 Accredited Investor

Sole Shareholder is an "accredited investor" within the meaning of Rule 501 of Regulation D under the Securities Act, as presently in effect.

3.5 Restricted Securities

Sole Shareholder understands that the Securities he is receiving are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from Parent in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may be resold without registration under the Act, only in certain limited circumstances. In addition, Sole Shareholder understands the resale limitations imposed by Rule 144A of the Securities Act and otherwise by the Securities Act. Sole Shareholder understands that no public market presently exists for the Securities, and that there are no assurances that any such market will be created.

3.6 Further Limitations on Disposition

Without in any way limiting the above, Sole Shareholder further agrees not to make any disposition of all or any portion of the Securities except in compliance with the Restricted Stock Agreement.

3.7 Legends

The certificate or certificates evidencing the Securities to be issued by Parent to Sole Shareholder shall bear appropriate legends, as determined by the Parent.

3.8 Ownership of Company Common Stock

The Sole Shareholder is the sole record and beneficial owner of the Company Common Stock. Such Company Common Stock is not subject to any Encumbrances or to any rights of first refusal of any kind, and Sole Shareholder has not granted any rights to purchase such Company Common Stock to any other person or entity. The Sole Shareholder has the sole right to transfer such Company Common Stock under this Agreement.

3.9 Authority

The Sole Shareholder has the legal capacity to enter into this Agreement and any Related Agreement to which he is a party and to consummate the transactions contemplated hereby and thereby. This Agreement and each of the Related Agreements to which Sole Shareholder is a party has been duly executed and delivered by Sole Shareholder, and assuming the due authorization, execution and delivery by the other parties hereto and thereto, constitute the valid and binding obligations of Sole Shareholder, enforceable against each such party in accordance with their respective terms.

3.10 No Conflict

The execution and delivery by Sole Shareholder of this Agreement and any Related Agreement to which he is a party and the consummation of the transactions contemplated hereby and thereby will not, conflict with (a) any material mortgage, indenture, lease, contract or other agreement or instrument, permit, concession, franchise or license to which Sole Shareholder or any of his assets or properties is subject, or (b) any law or order applicable to Sole Shareholder.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PARENT AND MERGER SUB

Each of the Parent and Merger Sub jointly and severally represents and warrants to Company and Sole Shareholder subject to such exceptions as are specifically disclosed in the disclosure schedule (referencing the appropriate section and paragraph numbers) supplied by Parent to the Company (the "Parent Disclosure Schedule") and dated as of the date hereof, that on the date hereof and as of the Effective Time as though made at the Effective Time, as follows (except that the representations and warranties made as of a specified date will be true and correct as of such date):

4.1 Organization, Standing and Power

Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. Merger Sub is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; it was formed solely to effect the Merger and it has no assets or liabilities and has never conducted any business other than in connection with the transactions contemplated by this Agreement. Each of Parent and Merger Sub has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified would have a material adverse effect on the ability of Parent and Merger Sub to consummate the transactions contemplated hereby.

4.2 Authority

Parent and Merger Sub have all requisite corporate power and authority to enter into this Agreement and each of the Related Agreements to which they are a party, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement and each of the Related Agreements to which either Parent and Merger Sub is a party and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of Parent and Merger Sub. This Agreement and each of the Related Agreements to which either Parent or Merger Sub is a party have been duly executed and delivered by Parent and Merger Sub, as appropriate, and constitute the valid and binding obligations of Parent and Merger Sub, enforceable in accordance with their respective terms.

4.3 Capital Structure; Parent Common Stock

(a) The authorized capital stock of Parent as of the date hereof is as follows:

(i) 73,673,224 shares of Preferred Stock, (A) 9,187,500 of which have been designated Series A Preferred, all of which are issued and outstanding, (B) 3,535,486 of which have been designated Series B Preferred Stock, 3,479,241 of which are issued and outstanding, (C) 13,355,052 of which have been designated Series C Preferred Stock, 13,236,018 of which are issued and outstanding, (D) 357,144 of which have been designated Series C-1 Preferred Stock, all of which are issued and outstanding, (E) 22,238,042 of which have been designated Series D Preferred Stock, 21,564,020 of which are issued and outstanding, and (F) 25,000,000 of which have been designated Series E Preferred Stock, 24,005,548 of which are issued and outstanding

(ii) 125,000,000 shares of Common Stock, of which [13,207,036]¹ shares are issued and outstanding.

(iii) Parent has reserved (A) 10,683,140 shares of Common Stock for issuance upon the conversion of the Series A Preferred, (B) 7,013,717 shares of Common Stock for issuance upon the conversion of the Series B Preferred and the Series B Preferred issuable upon exercise of outstanding warrants, (C) 20,116,886 shares of Common Stock for issuance upon the conversion of the Series C Preferred and the Series C Preferred issuable upon exercise of outstanding warrants, (D) 423,730 shares of Common Stock for issuance upon the conversion of the Series C-1 Preferred, (E) 24,462,803 shares of Common Stock for issuance upon the conversion of the Series D Preferred and the Series D Preferred issuable upon exercise of outstanding warrants, (F) 24,005,548 shares of Common Stock for issuance upon the conversion of the Series E Preferred, (G) 19,760,284 shares of its

¹ To be updated immediately prior to Closing

Common Stock for issuance pursuant to the Company's 1999 Stock Option Plan, of which options to purchase approximately [17,434,000]² shares have been granted and are outstanding, (H) 56,245 shares of Series B Preferred for issuance pursuant to outstanding warrants, (I) 61,765 shares of Series C Preferred for issuance pursuant to outstanding warrants, (J) 190,363 shares of Series D Preferred for issuance pursuant to outstanding warrants and (K) 242,100 shares of Common Stock for issuance pursuant to outstanding warrants.

(iv) All issued and outstanding shares of Parent have been duly authorized and validly issued, are fully paid and nonassessable, and were issued in compliance with all applicable state and federal laws concerning the issuance of securities.

(b) The Parent Common Stock to be issued to the Sole Shareholder pursuant to this Agreement will be upon issuance duly authorized, validly issued, fully paid and nonassessable, free and clear of all Encumbrances, and not subject to of issued in violation of any purchase option, call option, right of first refusal, preemptive right, subscription right or any similar right under any provision of Delaware Law or Parent's certificate of incorporation.

4.4 Financial Information

Parent has provided to Company and Sole Shareholder the audited consolidated and consolidating balance sheet and statements of income and cash flows for the year ended on January 31, 2003, and the unaudited consolidated and consolidating balance sheet and statement of income for the year ended on January 31, 2004 and unaudited balance sheet (the "May 31 Parent Balance Sheet") and statement of income for the period ended May 31, 2004 (collectively, the "Parent Financial Statements"). The Parent Financial Statements are true and correct in all material respects and have been prepared in accordance with GAAP applied on a consistent basis throughout the periods indicated and with each other, except the unaudited financial statements are subject to the absence of footnotes otherwise required. The Parent Financial Statements present fairly the financial condition and operating results of Parent as of the dates and for the periods indicated therein, except for normal year-end adjustments, which will not be material in amount or significance. Parent maintains a standard system of accounting established and administered in accordance with GAAP.

4.5 Litigation

There is no litigation, action, suit, proceeding of any nature or governmental investigation pending or, to the knowledge of Parent, threatened against Parent or affecting any of Parent's properties or assets or any of its officers or directors, in their respective capacities as such and to the Parent's knowledge, there is no investigation pending or

² To be updated immediately prior to Closing

threatened against the Parent, its assets or properties or any of its officers or directors, in their respective capacities as such, by or before any Governmental Entity that would have a material adverse effect on the business, assets (including intangible assets), condition (financial or otherwise), or results of operations of Parent. To Parent's knowledge, no Governmental Entity has at any time challenged or questioned the legal right of Parent to engage in its business as presently conducted or to manufacture, offer or sell any of its products in the present manner or style thereof.

4.6 Compliance with Laws

Parent has complied with, is not in violation of, and has not received any notices of violation with respect to, any applicable foreign, federal, state or local statute, law or regulation, except where failure to comply would not have a Material Adverse Effect.

4.7 Brokers' and Finders' Fees

Neither Parent nor Merger Sub has incurred, nor will it incur, directly or indirectly, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement or any transaction contemplated hereby.

4.9 Disclosure of Information; Investment Experience

Parent and Merger Sub have had an opportunity to ask questions and receive answers from Company and Sole Shareholder regarding the terms and conditions of the Merger and the business, properties, prospects and financial condition of the Company. Parent and Merger Sub acknowledge that they are able to fend for themselves, can bear the economic risk of this investment, and have such knowledge and experience in financial or business matters that they are capable of evaluating the merits and risks of the investment in the Securities.

4.10 No Undisclosed Liabilities

Parent and Merger Sub do not have any liabilities, indebtedness, obligations, expenses, claims, deficiencies, guaranties or endorsements of any type, whether accrued, absolute, contingent, matured, unmatured or other (whether or not required to be reflected in financial statements in accordance with GAAP), which individually or in the aggregate, exceeds \$250,000 in value and has not been reflected in the May 31 Parent Balance Sheet.

4.11 No Conflict

The execution and delivery of this Agreement and any Related Agreements to which the Parent and Merger Sub are a party do not, and, the consummation of the transactions contemplated hereby and thereby will not, conflict with, or result in any violation of, or default under (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation, modification or acceleration of any obligation or loss of any benefit under (i) any provision of the Certificate of Incorporation and Bylaws of the Parent

or Merger Sub, (ii) any mortgage, indenture, lease, contract or other agreement or instrument, permit, concession, franchise or license to which the Parent or Merger Sub or any of its properties or assets are subject, or (iii) any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to the Parent or Merger Sub or their respective properties or assets.

4.12 Tax Matters

The sole member of Newco shall at all times up to the Second Merger be Parent. Newco will be “disregarded as an entity” separate from Parent within the meaning of Treasury Regulations Section 1.7701-3(a).

4.13 Representations Complete Parent does not know, nor reasonably should know, of any event that could reasonably (as of the date of this Agreement) be expected to have a material adverse effect of \$250,000 or more on the Parent that has not been disclosed in the Parent Disclosure Schedule.

ARTICLE V ADDITIONAL AGREEMENTS

5.1 Confidentiality

Each of the parties hereto hereby agrees that the information or knowledge obtained in any investigation related to this transaction, or pursuant to the negotiation and execution of this Agreement or the effectuation of the transactions contemplated hereby, shall be governed by Part Two, Section 4 (the “Confidentiality Provision”) of the letter agreement, dated May 12, 2004, among the Company, Sole Shareholder and the Parent (the “Letter of Intent”), which Confidentiality Provision shall continue in full force and effect in accordance with its terms. The terms and conditions of this Agreement and the Related Agreements shall be considered Confidential Information thereunder.

5.2 Expenses

(a) Whether or not the Merger is consummated, all fees and expenses incurred in connection with the Merger including, without limitation, all legal, accounting, financial advisory, consulting and all other fees and expenses of third parties (“Third Party Expenses”) incurred by a party in connection with the negotiation and effectuation of the terms and conditions of this Agreement and the transactions contemplated hereby, shall be the obligation of the respective party incurring such fees and expenses.

(b) Any and all Third Party Expenses incurred by Company that are not paid by Company immediately prior to Closing shall be the obligation of Sole Shareholder and shall not be reflected as liabilities on the Draft Closing Working Capital Statement or Final Working Capital Statement or otherwise increase or reduce the Adjustment Amount (the “Sole Shareholder Assumed Expenses”).

5.3 Reasonable Efforts

Subject to the terms and conditions provided in this Agreement, each of the parties hereto shall use its reasonable efforts to take promptly, or cause to be taken, all actions, and to do promptly, or cause to be done, all things necessary, proper or advisable under applicable laws and regulations to consummate and make effective the transactions contemplated hereby to obtain all necessary waivers, consents and approvals and to effect all necessary registrations and filings and to remove any injunctions or other impediments or delays, legal or otherwise, in order to consummate and make effective the transactions contemplated by this Agreement for the purpose of securing to the parties hereto the benefits contemplated by this Agreement; provided that neither party shall be required to agree to any divestiture by Parent or the Company or any of Parent's subsidiaries or affiliates of shares of capital stock or of any business, assets or property of Parent or its subsidiaries or affiliates or the Company or its affiliates, or the imposition of any material limitation on the ability of any of them to conduct their businesses or to own or exercise control of such assets, properties and stock.

5.4 Additional Documents and Further Assurances

Each party hereto, at the request of another party hereto, shall execute and deliver such other instruments and do and perform such other acts and things as may be necessary or desirable for effecting completely the consummation of this Agreement and the transactions contemplated hereby.

5.5 Tax Matters

(a) Maintenance of S Corporation Status. Company shall be a valid electing S corporation (within the meaning of Sections 1361 and 1362 of the Code and for state Tax law purposes) up to and including the Closing Date. Company and Sole Shareholder shall take all necessary actions, and shall not omit to take any action, which action or omission could result in Company's loss of S Corporation status prior to the Closing.

(b) Preparation of Returns: Periods Ending on or Before the Closing Date. The Sole Shareholder shall prepare or cause to be prepared and file or cause to be filed any Tax Returns of the Company relating to state or federal income Tax that include any period ending on or prior to the Closing and that are required to be filed after the Closing Date. Such Returns shall be prepared in accordance with applicable law and past practices consistently applied and shall be subject to the review and approval of Parent, which approval shall not be unreasonably withheld, conditioned or delayed. Such Returns, in substantially final form, shall be provided to Parent at least 30 days prior to filing of such Returns.

(c) Liability for Pre-Closing Taxes. The Sole Shareholder shall be liable for all Taxes payable by the Company or relating to its operations and attributable to any taxable period or portion of a period that begins on or before the Closing Date and ends on or before the Closing Date except to the extent such Taxes are reflected on the Final Closing Statement.

(d) Liability for Post-Closing Taxes. Parent shall be liable for all Taxes payable by the Company or relating to its operations and attributable to any taxable period or portion of a period beginning after the Closing Date.

(e) Cooperation on Tax Matters.

(i) Parent, Company and Sole Shareholder shall cooperate fully, as and to the extent reasonably requested by the other party, in connection with the filing of any Tax Returns pursuant to this Section 5.5 and any audit, litigation or other proceeding with respect to Taxes of Company. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information that are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis. Parent and Company agree that Company will 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 statute of limitations (and, to the extent notified by Parent or Sole Shareholder, any extensions thereof) of the respective taxable periods.

(ii) Each of Parent, Company and Sole Shareholder further agree, upon request, to use their commercially reasonable efforts to obtain any certificate or other document from any governmental authority or any other person as may be necessary to mitigate, reduce or eliminate any Tax that could be imposed.

(f) The Tax Returns for the taxable year of the Company that ends on the Closing Date shall be prepared in accordance with Treasury Regulations Section 1.1502-76; provided, however, that no election shall be made under paragraph (b)(2)(ii)(D) thereof, and the parties will treat the taxable year of the Company as ending for income tax purposes at the end of the Closing Date.

ARTICLE VI
SURVIVAL OF REPRESENTATIONS AND WARRANTIES;
INDEMNIFICATION

6.1 Survival of Representations and Warranties

Company's and Sole Shareholder's representations and warranties (each as modified by the Company Disclosure Schedule) set forth in Sections 2.1, 2.2, 2.4, and 3.8 and the corresponding obligations under Section 6.2(a) shall survive the Merger and any applicable statute of limitations; (ii) Company's and Sole Shareholder's representations and warranties (each as modified by the Company Disclosure Schedule) set forth in Sections 2.9, and 2.23 and the corresponding obligations under Section 6.2(a) shall survive the Merger and

continue until 11:59 p.m. Delaware time thirty (30) days after the last day of the relevant time period set forth in the appropriate statute of limitations, at which point such representations and warranties and obligations shall terminate; (iii) all other representations and warranties of Company and Sole Shareholder in this Agreement or in any instrument delivered pursuant to this Agreement (each as modified by the Company Disclosure Schedule) and the corresponding obligations in Section 6.2(a) shall survive the Merger and continue until the 11:59 p.m. Delaware time on the date which is eighteen (18) months following the Effective Time at which point such representations and warranties and obligations shall terminate; (iv) Parent's and Merger Sub's representations and warranties (each as modified by the Parent Disclosure Schedule) set forth in Sections 4.1, 4.2, and 4.3 and the corresponding obligations under Section 6.2(b) shall survive the Merger and any applicable statute of limitations; and, (v) all other representations and warranties of Parent and Merger Sub in this Agreement or in any instrument delivered pursuant to this Agreement (each as modified by the Parent Disclosure Schedule) and the corresponding obligations under Section 6.2(b) shall survive the Merger and continue until the 11:59 p.m. Delaware time on the date which is eighteen (18) months following the Effective Time at which point such representations and warranties and obligations shall terminate. The obligations of the parties hereunder with respect to their respective covenants and agreements contained herein shall continue until such covenants and agreements have been performed.

6.2 Indemnification

(a) The Sole Shareholder hereby agrees to indemnify and hold Parent and its officers, directors, agents, representatives and affiliates harmless for any claims, losses, liabilities, damages, deficiencies, costs and expenses, including reasonable attorneys' fees and expenses, and expenses of investigation and defense (hereinafter individually a "Loss" and collectively "Losses") incurred by Parent, Merger Sub, their respective officers, directors, agents, representatives or affiliates (including the Surviving Entity) (collectively, the ("Parent Group Members") as a result of:

(i) any inaccuracy or breach of any representation or warranty of the Company or Sole Shareholder contained in this Agreement; or

(ii) any failure by the Company or Sole Shareholder to perform or comply with any covenant or agreement contained herein.

(b) Parent hereby agrees to indemnify and hold Company and Sole Shareholder and their respective officers, directors, agents, representatives and affiliates (the "Sole Shareholder Group Members") harmless for any Loss incurred by a Sole Shareholder Group Member directly or indirectly as a result of

(i) any inaccuracy or breach of a representation or warranty of Parent or Merger Sub contained in this Agreement; or

(ii) any failure by Parent or Merger Sub to perform or comply with any covenant or agreement contained herein.

6.3 Notice and Determination of Claims

(a) If a Parent Group Member or a Sole Shareholder Group Member believes that it has suffered or incurred any Loss for which indemnity may be sought under this [Article VI](#), such Parent Group Member or Shareholder Group Member, as the case may be (the "[Indemnified Person](#)"), shall promptly so notify (the "[Claim Notice](#)") the Sole Shareholder or Parent, as the case may be (the "[Indemnifying Person](#)"), in writing describing such Loss, the amount thereof, if known, and the method of computation of such Loss, all with reasonable particularity and containing a reference to the provisions of this Agreement in respect of which such Loss shall have occurred. The failure by the Indemnified Person to promptly give notice as provided herein shall not relieve any indemnification obligation under this [Article VI](#) except to the extent that the Indemnifying Person is materially and directly damaged as a result of such failure to give notice. If any action at Law or suit in equity is instituted by or against a third party with respect to which any Indemnified Person intends to claim any liability or expense as a Loss under this [Article VI](#), such Indemnified Person shall promptly notify the Indemnifying Person in writing of such action or suit as specified in this [Section 6.3](#). The Indemnified Person shall use reasonable efforts to minimize any Loss for which indemnification is sought hereunder.

(b) Within 15 calendar days after the Indemnified Person has delivered any Claim Notice pursuant hereto the Indemnifying Person shall notify the Indemnified Person in writing whether or not the claim, or the amount thereof, is disputed. If such notice states that the claim and the amount are not disputed, or the Indemnifying Person fails to deliver any such notice within such 15 calendar day period, the claim shall be deemed to be in compliance with this [Article VI](#), and shall be immediately forwarded to the Indemnifying Party for payment as set forth in the Claim Notice. If a claim or the amount thereof is disputed, the amount of indemnification to which an Indemnified Person shall be entitled under this [Article VI](#) shall be determined: (i) by the written agreement between the Indemnified Person and the Indemnifying Person; or (ii) by a proceeding pursuant to [Section 7.10](#) *provided, however* that no party shall initiate such a proceeding until 30 days have passed from the time the Indemnifying Person delivered notice that it disputed the Claim Notice pursuant to this [Section 6.3\(b\)](#).

6.4 Handling of Third-Party Claims

In the event of any claim for indemnification by a party hereto (an "[Indemnified Person](#)") resulting from or in connection with any claim, action or legal proceeding by a third party (a "[Third Party Claim](#)"), the Indemnified Person shall give such prompt written notice of the Third Party Claim to Parent or the Sole Shareholder, as the case may be (the "[Indemnifying Person](#)") as soon as reasonably practicable after such Indemnified Person has actual knowledge thereof; *provided, however*, that the failure by the Indemnified Person to give prompt notice as provided herein shall not relieve the Indemnifying Person of any

indemnification obligation under this Article VI except to the extent that the Indemnifying Person is materially prejudiced as a result of such failure to give prompt notice. Subject to the rights of or duties to any insurer or other third party having potential liability therefor, the Indemnifying Person shall have the right, upon written notice given to the Indemnified Person within 30 days after receipt of the notice from the Indemnified Person of any Third Party Claim, to assume the defense or handling of such Third Party Claim, at the Indemnifying Person's sole expense, in which case the provisions of Section 6.4(b) shall govern.

(b) The Indemnifying Person shall defend or handle the same in consultation with the Indemnified Person and shall keep the Indemnified Person timely apprised of the status of such Third Party Claim. The Indemnifying Person shall not, without the prior written consent of the Indemnified Person, agree to a settlement of any Third Party Claim, which consent shall not be unreasonably withheld, conditioned or delayed. The Indemnified Person shall cooperate with the Indemnifying Person and shall be entitled to participate in the defense or handling of such Third Party Claim with its own counsel and at its own expense.

(c) If the Indemnifying Person does not give written notice to the Indemnified Person pursuant to Section 6.4(a) within 30 days after receipt of the notice from the Indemnified Person of any Third Party Claim of the Indemnifying Person's election to assume the defense or handling of such Third Party Claim, the provisions of this Section 6.4(c) shall govern. In this case, the Indemnified Person may, at the Indemnifying Person's expense (which shall be paid from time to time by the Indemnifying Person as such expenses are incurred by the Indemnified Person), select counsel in connection with conducting the defense or handling of such Third Party Claim and defend or handle such Third Party Claim in such manner as it may deem appropriate; *provided, however* that the Indemnified Person shall keep the Indemnifying Person timely apprised of the status of such Third Party Claim and shall not settle such Third Party Claim without the prior written consent of the Indemnifying Person, which consent shall not be unreasonably withheld, conditioned or delayed. If the Indemnified Person defends or handles such Third Party Claim, the Indemnifying Person shall cooperate with the Indemnified Person and shall be entitled to participate in the defense or handling of such Third Party Claim with its own counsel and at its own expense.

6.5 Set-Off

Sole Shareholder, in his sole discretion, may elect to satisfy any indemnification obligation under this Article VI in cash (including cash that has been earned but not disbursed to Sole Shareholder by Parent) or Parent Common Stock (valued at \$2.50 per share). In the event that Sole Shareholder elects to satisfy its obligation in cash, Parent shall have the right, but not the obligation, to collect indemnification from the Sole Shareholder by offsetting the Contingent Merger Consideration or any amounts pursuant to the Put Right (as defined in the Restricted Stock Agreement) to be paid to the Sole Shareholder, if any, upon the terms and subject to the conditions contained in this Agreement.

6.6 Threshold and Limitations

(a) The Indemnified Persons shall not be entitled to receive any indemnification payment with respect to any claims for indemnification under this Article VI until the aggregate Loss for which such Indemnified Persons would be otherwise entitled to receive indemnification exceeds \$50,000 (the “Threshold”), in which case the Indemnified Persons shall be entitled to indemnification for the aggregate amount of all Losses, including those below the Threshold (subject to the terms and conditions of this Article VI). Notwithstanding the foregoing, the Threshold shall not apply to any liability(ies) arising from the Excluded Losses (defined in Section 6.6(b) below).

(b) Notwithstanding any other provision of this Agreement, other than an obligation for Losses from a Third Party Claim (including obligations imposed by the Internal Revenue Service), arising under: (i) a breach of any representation or warranty herein with respect to the Q2 Retirement Savings Plan (Money Purchase Plan) or the Q2 Retirement Savings Plan (401(k) Profit Sharing Plan), provided that this clause (i) shall not apply to any Losses arising (or any increase in Losses occurring) after Closing as a direct or indirect result of (x) any action or inaction by any Parent Group Member that is not commercially reasonable, (y) the termination of the Q2 Retirement Savings Plan (Money Purchase Plan) or the Q2 Retirement Savings Plan (401(k) Profit Sharing Plan) other than Losses related thereto which would have arisen had such Plan been terminated prior to Closing, or (z) the merger of the Q2 Retirement Savings Plan (Money Purchase Plan) or the Q2 Retirement Savings Plan (401(k) Profit Sharing Plan) into (or the transfer or rollover of any accounts or assets from either such Plan to) any other plan; (ii) a claim by Lynn Reed or Brad Bortner under their respective employment agreements with the Company arising from a breach of any representation or warranty of Sole Shareholder hereunder; (iii) a breach of Company’s and Sole Shareholder’s representations and warranties contained in Section 2.26; (iv) a breach of Sole Shareholder’s covenants contained in Section 5.2(b); or (v) a breach of Company’s and Sole Shareholder’s representations and warranties contained in Section 2.2 (clauses (i) through (iv) collectively, the “Excluded Losses”), the aggregate liability of the Sole Shareholder pursuant to this Article VI shall be limited to twenty-five percent (25%) of Merger Consideration received by Sole Shareholder. Furthermore, the aggregate liability of Sole Shareholder pursuant to this Article VI (including, without limitation, under the Excluded Losses and this clause (b)(v)) shall be limited to the Merger Consideration. Notwithstanding any other provision of this Agreement, the aggregate liability of Parent pursuant to this Article VI shall be limited to the Merger Consideration. For purposes of this Section 6.6(b), liabilities or compliance issues in Sections 2.2(b), 2.2(c), 2.8, 2.9, 2.11(a), 2.13(a)(ii), 2.13(a)(y), 2.13(a)(xii), 2.23(d), 2.23(e), 2.23(h)(ii), of the Disclosure Schedules and relating to Excluded Losses shall not be deemed to be disclosed on the Company Disclosure Schedule.

(c) Any Losses that are the subject of indemnification claims made under this Article VI will, in each case, be net of any insurance proceeds and near-term net tax savings actually received by an Indemnified Person (after taking into account the tax effect of the indemnity payment) as a result of the incident that is the subject of the

indemnification claim; *provided that* the Indemnified Person shall be under no obligation to maximize tax benefits.

(d) Notwithstanding any other Section of this Agreement (including any Exhibit or Schedule hereto) (collectively, the "Transaction Documents") no party will be liable to any other party in connection with any of the Transaction Documents, or any of the transactions contemplated hereby or thereby, for any consequential, incidental or punitive damages. Each party hereby expressly releases the other party, its Affiliates, and their respective directors, officers, employees, agents and representatives from any such liability for consequential, incidental or punitive damages.

(e) This Article VI shall be the exclusive remedy for breaches of this Agreement (including any covenant, obligation, representation or warranty contained in this Agreement or in any certificate delivered pursuant to this Agreement) or otherwise in respect of the transactions contemplated hereby. Any payments under this Article VI shall be treated as adjustments to the Merger Consideration.

ARTICLE VII
GENERAL PROVISIONS

7.1 Notices

All notices and other communications hereunder shall be in writing and shall be deemed given if delivered personally or by commercial delivery service, or mailed by registered or certified mail (return receipt requested) or sent via facsimile (with acknowledgment of complete transmission) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice), with notice to be deemed effective when personally delivered, three business days after mailing or one business day after transmittal by facsimile.

- (a) if to Parent or Merger Sub, to:
comScore Network, Inc.
11465 Sunset Hills Road, Suite 200
Reston, Virginia 20190
Attention: Chief Financial Officer
Telephone No.: (703) 438-2000
Facsimile No.: (703) 438-2051

with a copy to:

comScore Network, Inc.
11465 Sunset Hills Road, Suite 200
Reston, Virginia 20190
Attention: Corporate Counsel
Telephone No.: (703) 438-2000
FacsimileNo.: (650) 438-2350

(b) if to the Company, to:

Denaro & Associates, Inc.
100 West Harrison
South Tower, Suite 500
Seattle, Washington 98119
Attention: Chief Executive Officer
Telephone No.: 206.691.5206
Facsimile No.: 206.284.5131

with a copy to:

Perkins Coie
Attention: Benjamin Straughan
1201 Third Avenue, Suite 4800
Seattle, WA 98101-3099

7.2 Amendment and Waiver

No modification, amendment or waiver of any provision of this Agreement shall be effective unless in writing and signed by the party to be charged. No failure or delay by either party in exercising any right, power, or remedy under this Agreement shall operate as a waiver of any such right, power or remedy. No waiver that may be given by a party will be applicable except in the specific instance for which it is given.

7.3 Interpretation

The words "include," "includes" and "including" when used herein shall be deemed in each case to be followed by the words "without limitation." The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. For purposes of this Agreement, any reference to "knowledge" of the Company means Larry Denaro or Lynn Reed had actual knowledge or reasonably should have known, the facts and circumstances with respect to the representation and warranty given by the Company.

7.4 Counterparts

This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart.

7.5 Entire Agreement; Assignment

This Agreement, the schedules and Exhibits hereto, the Confidentiality Provision and the documents and instruments and other agreements among the parties hereto referenced herein: (a) constitute the entire agreement among the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, including without limitation the Letter of Intent (other than Part II, Sections 4), both written and oral, among the parties with respect to the subject matter hereof; (b) are not intended to confer upon any other person (including, without limitation, the Designated Employees) any rights or remedies hereunder; and (c) shall not be assigned by operation of law or otherwise except as otherwise specifically provided, except that Parent and Merger Sub may assign their respective rights and delegate their respective obligations hereunder to their respective affiliates. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns.

7.6 Severability

In the event that any provision of this Agreement or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

7.7 Other Remedies

Except as otherwise provided herein, any and all remedies herein expressly conferred upon a party will be deemed cumulative with and not exclusive of any other remedy conferred hereby, or by law or equity upon such party, and the exercise by a party of any one remedy will not preclude the exercise of any other remedy.

7.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

7.9 Waiver of Trial By Jury

EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY AND ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY PARTY HERETO IN NEGOTIATION, ADMINISTRATION, PERFORMANCE OR ENFORCEMENT HEREOF.

7.10 Jurisdiction; Service of Process

Sole Shareholder and Company consent to the jurisdiction of the federal and state courts located in the Commonwealth of Virginia (and the appropriate appellate courts therein) in an action or proceeding brought by Parent or Merger Sub seeking to enforce any provision of, or based on any right arising out, of this Agreement and each of the parties consent to the jurisdiction of such courts in any such action or proceeding and waives any objection to venue laid therein. Parent and Merger Sub consent to the jurisdiction of the federal and state courts located in the State of Washington (and the appropriate appellate courts therein) in an action or proceeding brought by Company or Sole Shareholder seeking to enforce any provision of, or based on any right arising out, of this Agreement and each of the parties consent to the jurisdiction of such courts in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on a party anywhere in the world.

7.11 Rules of Construction

The parties hereto agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the party drafting such agreement or document.

7.12 Specific Performance

The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Parent, Merger Sub, Company and Sole Shareholder have caused this Agreement to be executed and delivered as of the date first above written.

COMSCORE NETWORKS, INC.

By: /s/ Magid Abraham
Name: Magid Abraham
Title: CEO

MERGER SUB LLC

By: /s/ Sheri Huston
Name: Sheri Huston
Title: CFO

DENARO & ASSOCIATES, INC.

By: /s/ Lawrence Denaro
Name: Lawrence Denaro
Title: CEO

SOLE SHAREHOLDER

/s/ Lawrence Denaro
Lawrence Denaro
Taxpayer ID Number _____

SPOUSAL CONSENT

I, Anne Denaro, spouse of Lawrence Denaro, have read and approve the foregoing Agreement and Plan of Merger and Reorganization (the "Agreement") and agree to be bound by the provisions of the Agreement insofar as I may have any rights in the Agreement or any shares transferred or issued pursuant thereto under the community property laws of the State of Washington or similar laws relating to marital property in effect in the state of our residence.

/s/ Anne Denaro
Anne Denaro
Date: 7-27-2004

[Signature page to Q2/comScore Merger Agreement]

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our reports dated March 29, 2007, in Amendment No. 1 to the Registration Statement (Form S-1 No. 333-141740) and related Prospectus of comScore, Inc. for the registration of 000,000 shares of its common stock.

/s/ Ernst & Young LLP

McLean, Virginia
May 3, 2007

May 7, 2007

VIA EDGAR AND OVERNIGHT COURIER

U.S. Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, DC 20549

Mail Stop 6010

Attn: Russell Mancuso
Eduardo Aleman
Brian Cascio
Lynn Dicker

**Re: comScore, Inc.
Registration Statement on Form S-1
File No. 333-141740
Initially filed on April 2, 2007
Amendment No. 1 filed on May 7, 2007**

Ladies and Gentlemen:

On behalf of comScore, Inc. (the "**Company**"), we are transmitting for filing Amendment No. 1 to the above referenced registration statement ("**Amendment No. 1**"), marked in accordance with Rule 310 of Regulation S-T. For the convenience of the Staff, we are supplementally providing marked copies, complete with exhibits, of Amendment No. 1.

We are also submitting with Amendment No. 1 the Company's response (the "**Company Response**") to the comments from the staff of the Securities and Exchange Commission received by letter dated April 27, 2007.

Please direct your questions or comments regarding Amendment No. 1 or the Company Response to the undersigned at (202) 973-8800 or Robert G. Day at (650) 493-9300. Thank you for your assistance.

Respectfully submitted,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

/s/ Mark R. Fitzgerald

Mark R. Fitzgerald

cc: Magid M. Abraham, Ph.D., comScore, Inc.
John M. Green, comScore, Inc.
Christiana L. Lin, comScore, Inc.
Robert G. Day
Andrew J. Pitts, Cravath, Swaine & Moore LLP

CERTAIN PORTIONS OF THIS LETTER HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION. CONFIDENTIAL TREATMENT HAS BEEN REQUESTED WITH RESPECT TO THE OMITTED PORTIONS. OMITTED INFORMATION HAS BEEN REPLACED IN THIS LETTER WITH A PLACEHOLDER IDENTIFIED BY THE MARK “[****]”.

May 8, 2007

VIA EDGAR AND OVERNIGHT COURIER

U.S. Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Washington, DC 20549

Mail Stop 6010

Attn: Russell Mancuso
Eduardo Aleman
Brian Cascio
Lynn Dicker

**Re: comScore, Inc.
Registration Statement on Form S-1
File No. 333-141740
Initially filed on April 2, 2007**

Ladies and Gentlemen:

On behalf of comScore, Inc. (the “**Company**”), we submit this letter in response to comments from the staff (the “**Staff**”) of the Securities and Exchange Commission (the “**Commission**”) received by letter dated April 27, 2007 relating to the Company’s Registration Statement on Form S-1 (File No. 333-141740) filed with the Commission on April 2, 2007 (the “**Registration Statement**”).

The Company is concurrently filing via EDGAR Amendment No. 1 to the Registration Statement (“**Amendment No. 1**”), marked in accordance with Rule 310 of Regulation S-T. For

the convenience of the Staff, we are supplementally providing marked copies, complete with exhibits, of Amendment No. 1.

In this letter, we have recited the comments from the Staff in bold and italicized type and have followed each comment with the Company's response. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in Amendment No. 1. Except as otherwise specifically indicated, page references herein correspond to the page of Amendment No. 1. References to "we," "our" or "us" mean the Company or its advisors, as the context may require.

- 1. Please confirm that any preliminary prospectus you circulate will include all non-Rule 430A information. This includes the price range and related information based on a bona fide estimate of the public offering price within that range, and other information that was left blank throughout the document. Also, note that we may have additional comments after you file this information.***

RESPONSE TO COMMENT 1:

In response to the Staff's comment, the Company hereby confirms that any preliminary prospectus it circulates will include all non-Rule 430A information, including the price range and related information based on a bona fide estimate of the public offering price within that range.

Risk Factors, page 8

We rely on a small number of third-party service providers..., page 15

- 2. Please disclose when your data center facility agreements expire, and file the agreements as exhibits to the registration statement.***

RESPONSE TO COMMENT 2:

The Company has revised the disclosure at page 17 of Amendment No. 1 in accordance with the Staff's comment to disclose the respective expiration dates of our agreements for our Virginia and Illinois data center facilities.

The Company respectfully submits that the data center facility agreements are not required to be filed as exhibits to the Registration Statement. The Company believes that the agreements are not material contracts of the type specified under Item 601(b)(10) of Regulation S-K because they are contracts that ordinarily accompany the kind of business conducted by the Company, and do not fall within any of the categories specified in Item 601(b)(10)(ii). In

addition, the two data center facilities are redundant in that the Company could operate using either data center facility if the other facility becomes unavailable or determines not to renew our agreement. Furthermore, although the Company currently relies on only two data center facilities to host and deliver its products, the Company supplementally advises the Staff that there are a number of alternate third-party data center facilities available to provide services to the Company. A partial list of such third-party service providers is attached to this letter as Exhibit A. Accordingly, the Company has revised the disclosure at page 16 of Amendment No. 1 to clarify that the primary risk is an interruption or delay in service, rather than the lack of redundancy or the lack of availability of an alternate service provider.

Cautionary Note, page 26

3. *You may not disclaim responsibility for your disclosure, and you should not use information that you do not believe is reliable. Therefore, please remove the statement regarding your inability to “guarantee...accuracy or completeness.” Likewise, please remove the first sentence of the last paragraph on page 103 which we view as an inappropriate disclaimer.*

RESPONSE TO COMMENT 3:

The Company has revised the disclosure at pages 28 and 109 of Amendment No. 1 in accordance with the Staff’s comment.

Use of Proceeds, page 27

4. *Because Regulation S-K Item 504 requires that you disclose the approximate amount intended to be used for each purpose, please disclose the amount of proceeds intended to be used for capital expenditures.*

RESPONSE TO COMMENT 4:

The Company has revised the disclosure at page 29 of Amendment No. 1 in accordance with the Staff’s comment to disclose the approximate amount of the net proceeds from the offering intended to be used for capital expenditures. In addition, the Company has revised the disclosure at page 29 of Amendment No. 1 to clarify that the Company has no current specific plan for a significant portion of the net proceeds from the offering and that the principal purposes of this offering are to create a public market for the Company’s common stock and to facilitate the Company’s future access to the public equity markets, as well as to obtain additional capital.

Capitalization, page 28

5. *Please revise to remove the caption relating to cash and cash equivalents from your presentation of capitalization.*

RESPONSE TO COMMENT 5:

The Company has revised the disclosure at page 30 of Amendment No. 1 in accordance with the Staff's comment.

Dilution, page 30

6. *We note the disclosure at the bottom of page 30. Expand to disclose how the numbers and percentages in this section would change if all outstanding options and warrants were exercised.*

RESPONSE TO COMMENT 6:

The Company has revised the disclosure at pages 32 and 33 of Amendment No. 1 in accordance with the Staff's comment.

Selected Consolidated Financial Data, page 32

7. *We note your non-GAAP disclosures related to adjusted EBITDA on pages 7 and 35, which appears to be presented as a performance measure. Please refer to Item 10(e) of Regulation S-K and Question 8 of Frequently Asked Questions Regarding the Use of Non-GAAP Financial Measures (available on our web site at <http://www.sec.gov/divisions/corpfin/faqs/nongaapfaq.htm>) and address the following:*

- *As it appears that the measure excludes recurring items, tell us the usefulness of the measure and discuss the facts and circumstances that would support presentation of the non-GAAP measure.*
 - *Discuss the substantive reasons, in detail, why management believes the non-GAAP measure provides useful information to investors.*
 - *Describe in detail the specific manner in which management uses the non-GAAP measure to conduct or evaluate its business.*
-

- *Explain the economic substance behind management's decision to use the measure.*
- *Discuss the material limitations associated with the use of the non-GAAP measure as compared to the use of the most directly comparable GAAP measure and the manner in which management compensates for these limitations when using the non-GAAP measure.*

RESPONSE TO COMMENT 7:

The Company has revised the disclosure on pages 7 through 8 and 37 through 38 of Amendment No. 1 in accordance with the Staff's comment.

Management's Discussion and Analysis of Financial Condition and Results of Operations, page 37

Results of Operations, page 43

Revenues, page 44

8. *Where changes in financial statement line items are the result of several factors, each significant factor should be separately quantified and discussed. For example, you say that revenues increased by a combination of increased business with existing customers, continued growth in the number of customers and increases in your price levels. However, you should quantify the impact of each of these factors. In addition, provide a discussion of each of your significant products and services. Your discussion should also address each of the factors that contributed to the improved margins and the significant changes in expense amounts each period, to the extent practicable.*

RESPONSE TO COMMENT 8:

The Company has revised the disclosure on pages 46 and 47 of Amendment No. 1 in accordance with the Staff's comment. The Company supplementally advises the Staff that the Company did not capture and track revenues by product and service consistently over the periods presented in Amendment No. 1. The Company believes the requested comparisons of revenue by product and service from period to period would be confusing and not meaningful to investors. The Company respectfully refers the Staff to the detailed overview provided in the "Business- Our Product Offerings" section of Amendment No. 1 for a more detailed explanation of the Company's products and services.

9. *In addition, the fluctuations in balance sheet accounts (e.g., receivables, deferred revenue, etc.) should be discussed.*

RESPONSE TO COMMENT 9:

The Company has revised the disclosure on page 47 of Amendment No. 1 in accordance with the Staff's comment.

Cost of Revenues, page 44

10. *Please clarify why panel costs increased in 2006. Also, explain why data center costs increased.*

RESPONSE TO COMMENT 10:

The Company has revised the disclosure on page 47 of Amendment No. 1 in accordance with the Staff's comment.

Provision for Income Taxes, page 47

11. *Please quantify the limitation mentioned in the last sentence on page 47 based on the change in your ownership.*

RESPONSE TO COMMENT 11:

The Company has revised the disclosure on pages 50 and 51 of Amendment No. 1 in accordance with the Staff's comment.

Business, page 54

12. *Where you use acronyms to refer to organizations, please ensure that the disclosure first explains the acronyms' meaning. For example, we note the reference to IDC in this section. Please revise as appropriate.*

RESPONSE TO COMMENT 12:

The Company has reviewed its disclosure throughout Amendment No. 1 to explain the meaning of all acronyms that refer to organizations upon their first use in Amendment No. 1.

13. Please tell us whether the organizations mentioned in this section:

- **make their reports publicly available,**
- **received compensation from you for preparation of the statistics,**
- **prepared the statistics for use in the registration statement, or**
- **have consented to your use of their statistics in your document.**

RESPONSE TO COMMENT 13:

The Company has obtained the consent from each of the organizations cited in this section to include the use of their statistics in the Registration Statement. None of the statistics included in this section were prepared specifically for use in the Registration Statement by the Company. The statistics that are attributable to the Internet Advertising Bureau and PricewaterhouseCoopers are contained in a press release that is available to the public for free (as of the date of this letter, the press release may be found at the following URL: http://www.iab.net/news/pr_2007_03_07.asp). All of the other quoted statistics are contained in reports or through subscriptions that are available to the public for a fee. While the fee arrangements with several of these organizations are based on the number of reports that are accessed, none of the organizations were compensated for the preparation of the statistics cited in the Registration Statement.

14. Please add a section to describe material government regulation, including privacy regulation.

RESPONSE TO COMMENT 14:

The Company has revised the disclosure on page 74 of Amendment No. 1 in accordance with the Staff's comment.

[Privacy, page 67](#)

15. Please file Ernst & Young's consent to your use of its name and its certifications as you do in this section.

RESPONSE TO COMMENT 15:

As described in the Registration Statement, the Company undergoes an audit of its privacy and data security practices every year. Accordingly, these audits are conducted in the ordinary course of business of the Company and are not prepared for use in the Registration Statement by the Company. In addition, these privacy and data security audits do not involve the

review or passing upon of any information contained in the Registration Statement. Instead, the audits involve a review of the Company's compliance with a set of principles for protecting personally identifiable information. These principles may be reviewed at the following URL: <https://cert.webtrust.org/ViewSeal?id=590>. As a result, the Company respectfully submits that Ernst & Young's consent is not required to be filed with the Registration Statement. Nonetheless, the Company acknowledges the Staff's comment and has removed the name of Ernst & Young from this section of the Registration Statement.

Intellectual Property, page 69

16. *Revise to state the scope and duration of your U.S. patent.*

RESPONSE TO COMMENT 16:

The Company has revised the disclosure on page 72 of Amendment No. 1 in accordance with the Staff's comment.

Management, page 72

Director Compensation, page 74

17. *Please provide us your analysis of why the awards you cite do not generate disclosure that must be included in a "Director Compensation" table per Regulation S-K Item 402(k)(2)(iii) and (iv) as amended by Release 33-8765 (December 22, 2006).*

RESPONSE TO COMMENT 17:

We note that Regulation S-K Item 402(k)(1) requires disclosure concerning compensation of directors for a registrant's last completed fiscal year. The equity grants referenced on page 81 to Mr. Korn and Mr. Henderson, both of whom are non-employee directors, were made by the Company in years prior to the last completed fiscal year. The Company did not provide compensation during the fiscal year ended December 31, 2006 to any of its non-employee directors.

Pursuant to Regulation S-K Item 402(k)(2)(i), the Director Compensation table may exclude directors that are also named executive officers, provided their compensation is fully reflected in the Summary Compensation Table. Dr. Abraham and Mr. Fulgoni are directors of the Company and are also named executive officers. Dr. Abraham and Mr. Fulgoni both received compensation for their services as executives to the Company, as further disclosed in the section entitled "Executive Compensation" of Amendment No. 1.

Given that the non-employee directors of the Company did not receive compensation for their services in the last fiscal year, and the compensation of the employee directors is otherwise reflected in the Summary Compensation Table, the Director Compensation table required under Regulation S-K Item 402(k) is blank for the Company. Pursuant to Regulation S-K Item 402(a)(5), a "table or column may be omitted if there has been no compensation awarded to, earned by, or paid to any of the named executive officers or directors required to be reported in that table or column in any fiscal year covered by that table." As such, the Company elected to omit the Director Compensation table.

Compensation Discussion and Analysis, page 77

18. Please expand your disclosure to clarify how you define "competitive marketplace."

RESPONSE TO COMMENT 18:

The Company has revised the disclosure on pages 81 and 84 of Amendment No. 1 in accordance with the Staff's comment.

19. Please disclose the objectives established for your named executives, whether those objectives were met, and how those results affected your compensation decisions.

RESPONSE TO COMMENT 19:

The Company has revised the disclosure on page 83 of Amendment No. 1 in accordance with the Staff's comment.

Components of our Executive Compensation Program, page 78

20. Expand your disclosure to describe how each compensation element discussed and your decisions regarding that element fit into your overall compensation objectives and affect decisions regarding other elements.

RESPONSE TO COMMENT 20:

The Company has revised the disclosure on page 85 of Amendment No. 1 in accordance with the Staff's comment.

Short-term Compensation, page 78

21. *Please disclose the percentage of the target bonus that you paid named executives and how you established that percentage.*

RESPONSE TO COMMENT 21:

The Company has revised the disclosure on page 83 of Amendment No. 1 in accordance with the Staff's comment.

22. *We note that you have not provided a quantitative discussion of the "annual company goals and objectives, functional area goals, and/or individual performance objectives" to be achieved in order for your executive officers to earn their discretionary annual bonuses. Please provide such disclosure or, alternatively, tell us why you believe that the disclosure of such information would result in competitive harm such that the information could be excluded under instruction 4 to Item 402(b). Further, qualitative goals generally need to be presented to conform to the requirements of Item 402(b)(2)(v). To the extent that it is appropriate to omit specific targets, discuss how difficult it would be for the executive, or how likely it will be for the registrant, to achieve the target levels or other factors. Please see instruction 4 to Item 402(b).*

RESPONSE TO COMMENT 22:

The Company has revised the disclosure on page 83 of Amendment No. 1 in accordance with the Staff's comment.

23. *Please disclose the percentage of the target bonus that you paid named executives and how you established that percentage.*

RESPONSE TO COMMENT 23:

The Company has revised the disclosure on page 83 of Amendment No. 1 in accordance with the Staff's comment.

Long-term Compensation, page 79

24. *Expand your disclosure to explain the factors you consider in determining whether to grant stock options that vest evenly based on time, or options that vest according to defined performance milestones.*

RESPONSE TO COMMENT 24:

The Company has revised the disclosure on pages 83 through 84 and 88 through 89 of Amendment No. 1 in accordance with the Staff's comment.

Total Compensation, page 80

25. *Please clarify what you mean by "competitive levels." For example, do you seek to provide compensation that is average for your industry? How you determine industry standards, particularly for private companies in your industry?*

RESPONSE TO COMMENT 25:

The Company has revised the disclosure on pages 81 and 84 of Amendment No. 1 in accordance with the Staff's comment.

Executive Compensation, page 81

Summary Compensation Table, page 81

26. *Please provide disclosure regarding valuation of the option award compensation. See the instruction to Regulation S-K Item 402(c)(2)(v) and (vi) as amended by Release 33-8765.*

RESPONSE TO COMMENT 26:

The Company has revised the disclosure on page 86 of Amendment No. 1 in accordance with the Staff's comment.

27. *Please quantify the amounts paid for the items in footnote (4) as required by the instructions to Regulation S-K Item 402(c)(2)(ix).*

RESPONSE TO COMMENT 27:

The Company has revised the disclosure on page 86 of Amendment No. 1 in accordance with the Staff's comment.

28. *Include in your narrative disclosure a discussion of the differences in compensation among your executive officers. For example, your revised disclosure should make clear why some officers received higher bonuses than others and why only one named executive officer received an option grant.*

RESPONSE TO COMMENT 28:

The Company has revised the disclosure on page 79 of Amendment No. 1 in accordance with the Staff's comment.

Grant of Plan-Based Awards, page 81

29. *Please provide the disclosure required in the last column of the table "Grant Date Fair Value of Stock and Option Awards."*

RESPONSE TO COMMENT 29:

The Company has revised the disclosure on page 87 of Amendment No. 1 in accordance with the Staff's comment.

Outstanding Equity Awards, page 82

30. *The last sentence of footnote 3 indicates that Mr. Fulgoni exercised more options than he owns according to the data in the table. Please reconcile.*

RESPONSE TO COMMENT 30:

The Company has revised the disclosure on pages 88 and 89 of Amendment No. 1 in accordance with the Staff's comment.

Employment Agreements, page 84

31. Please provide the quantitative disclosure required by instruction 1 to Regulation S-K Item 402(j).

RESPONSE TO COMMENT 31:

The Company has revised the disclosure on page 90 and 91 of Amendment No. 1 in accordance with the Staff's comment.

Certain Relationships and Related Party Transactions, page 89

32. Please clarify the extent to which the license agreement mentioned in the first paragraph permits the related party to compete with you. Also disclose the duration of the license. File the agreement as an exhibit to the registration statement.

RESPONSE TO COMMENT 32:

The Licensing and Services Agreement with Citadel Investment Group, L.L.C. allows Citadel to use and access the digital marketing intelligence that the Company provides to its customers in the ordinary course of business. As with its agreements with its other customers, the Company retains all proprietary and intellectual property rights to the materials supplied to Citadel. During the term of the agreement and for the eighteen month period following its termination, Citadel is prevented from developing a competing system of collecting Internet transaction data from panels of Internet users. However, these non-competition provisions are incidental to the subject matter of the Licensing and Services Agreement.

Because the Licensing and Services Agreement is of the type made in the ordinary course of the Company's business, the Company respectfully submits that the agreement is not a material contract of the type specified under Item 601(b)(10) of Regulation S-K. Furthermore, it does not fall within any of the categories specified under Item 601(b)(10)(ii). In November 2006, Citadel Equity Fund Ltd. (an entity affiliated with Citadel Investment Group, L.L.C.) sold all of its capital stock of the Company to several of the Company's existing stockholders. As a result, Citadel is not a security holder named in the Registration Statement and the Licensing and Services Agreement does not fall within Item 601(b)(10)(ii)(A) of Regulation S-K. The

Company has revised the disclosure on page 95 of Amendment No. 1 to clarify that Citadel is no longer a security holder and to disclose the term of the agreement.

33. Please provide the disclosure required by Regulation S-K Item 404(b).

RESPONSE TO COMMENT 33:

The Company has revised the disclosure on page 95 of Amendment No. 1 in accordance with the Staff's comment.

Principal and Selling Stockholders, page 90

34. Please revise the selling stockholder table to identify the individuals who beneficially own the shares held by the entities named in the table.

RESPONSE TO COMMENT 34:

The Company intends to revise the disclosure in accordance with the Staff's comment in a subsequent amendment to the Registration Statement. The Company is presently communicating with the entities referenced to obtain a final determination as to beneficial ownership held by those entities.

35. *Please tell us whether any of the selling shareholders are broker-dealers or affiliates of a broker-dealer. Any selling shareholder who is a broker-dealer must be identified in the prospectus as an underwriter. In addition, each selling stockholder who is an affiliate of a broker-dealer must be identified in the prospectus as an underwriter unless that selling stockholder is able to make the following representations in the prospectus:*

- (a) The selling shareholder purchased the shares being registered for resale in the ordinary course of business, and*
- (b) At the time of the purchase, the selling shareholder had no agreements or understandings, directly or indirectly, with any person to distribute the securities.*

Please revise as appropriate.

RESPONSE TO COMMENT 35:

The Company intends to revise the disclosure in accordance with the Staff's comment in a subsequent amendment to the Registration Statement. The Company is presently communicating with the entities referenced to obtain the requested information about such selling stockholders.

36. *Please include in the table shares that the security holders beneficially own as determined in accordance with Rule 13d-3, even if beneficial ownership is disclaimed. For example, we note footnote 15.*

RESPONSE TO COMMENT 36:

The Company has revised the disclosure on pages 96 through 98 of Amendment No. 1 in accordance with the Staff's comment.

37. With a view toward disclosure, please tell us when each selling shareholder acquired the offered shares and the consideration paid for the shares. If the shareholders will acquire the offered shares by conversion of outstanding securities, please tell us the consideration per common share equivalent.

RESPONSE TO COMMENT 37:

The Company supplementally advises the Staff that, unless otherwise disclosed in Amendment No. 1, all shares held by the selling stockholders were originally issued either pursuant to a Company benefit plan or no later than August 1, 2003, which was the date of the Company's final preferred stock finance round. Certain of the selling stockholders obtained additional shares on November 27, 2006, when a former stockholder sold its shares to certain of the existing stockholders as described on page 95 of Amendment No. 1. The Company supplementally advises the Staff that all transactions that may have involved these selling stockholders in the last 12 months are further described in our Response to Comment 50 included herewith.

38. Please update the table to include changes such as the restricted stock grants mentioned on page II-2.

RESPONSE TO COMMENT 38:

The Company has revised the disclosure on pages 96 through 98 of Amendment No. 1 in accordance with the Staff's comment.

Description of Capital Stock, page 93

39. Please disclose the number of holders of your equity.

RESPONSE TO COMMENT 39:

The Company has revised the disclosure on page 99 of Amendment No. 1 in accordance with the Staff's comment.

Registration Rights, page 96

40. Please tell us which provision of your Fourth Amended and Restated Investor Rights Agreement governs the termination of sections four and six of the same agreement.

RESPONSE TO COMMENT 40:

The Company supplementally advises the Staff that sections four and six of the Fourth Amended and Restated Investor Rights Agreement do not automatically terminate upon the completion of its offering. However, the Company is obtaining waivers to such sections of the Fourth Amended and Restated Investor Rights Agreement from the parties thereto. The Company intends to file the form of waiver as an exhibit in a subsequent amendment to the Registration Statement.

Underwriting, page 104

41. Refer to the fourth full paragraph on page 105. Please provide more specific information regarding your relationships with the underwriters.

RESPONSE TO COMMENT 41:

The Company has removed the reference on page 111 of Amendment No. 1 to prior and future relationships with the underwriters and their affiliates. No such relationship outside of this offering has previously existed between the Company and those parties, nor does the Company currently contemplate any such future relationship beyond this offering.

Financial Statements, page F-1

42. Please update the financial statements as required by Rule 3-12 of Regulation S-X.

RESPONSE TO COMMENT 42:

The Company supplementally advises the Staff that it intends to include updated financial statements pursuant to Rule 3-12 of Regulation S-K in accordance with the Staff's comment in future amendments to the Registration Statement filed on or after May 15, 2007.

43. *Include updated accountants' consents with all amendments to the filing.*

RESPONSE TO COMMENT 43:

The Company has provided an updated consent of Ernst & Young LLP, the Company's independent registered public accounting firm, as Exhibit 23.1 to Amendment No. 1.

[Selected Financial Data, page 5](#)

[Consolidated Statements of Operations, page F-5](#)

44. *Please revise to remove the "total stock-based compensation" caption from the table included as a footnote on the face of your statements of operations. Otherwise, as indicated in SAB Topic 14-F, please revise the statement to present the related stock-based compensation charges in a parenthetical note to the appropriate income statement line items. That guidance also indicates that you may present the information in the notes to the financial statements or within MD&A.*

RESPONSE TO COMMENT 44:

The Company has revised the disclosure on pages 5, 36, F-5 and F-31 of Amendment No. 1 in accordance with the Staff's comment.

[Note 2, Revenue Recognition, page F-9](#)

45. *Please revise to disclose the specific elements of your revenue arrangements and the basis for recognizing the total value of these elements over the longest contract term. Please clarify whether any of these amounts are refundable. In addition, tell us the nature and components of the significant amount of deferred revenues and include the related accounting policy in Note 2.*

RESPONSE TO COMMENT 45:

The Company has revised the disclosure of its revenue recognition policies included in the footnotes to the consolidated financial statements on page F-11 of Amendment No. 1 and in its critical accounting policies on page 42 of Amendment No. 1 to include additional disclosures regarding its multiple element arrangements. In addition, the Company has revised its disclosures on page 42 of Amendment No. 1 to address the Staff's comments regarding refund provisions on the Company's contracts and the nature and components of deferred revenues.

The Company supplementally advises the Staff that its multiple element arrangements typically consist of a subscription to one of the Company's syndicated products (e.g. Media Metrix) combined with the delivery of periodic reports of data customized to the customers' specific needs (e.g. a Marketing Solutions product). Access to data under the subscription element is generally provided shortly after the execution of the contract. However, the initial delivery of periodic reports of customized data generally occurs after the data has been accumulated for a specified period, generally one calendar quarter. For example, if a multiple element arrangement is entered into on February 15, 2007, access to the Company's syndicated product would occur shortly thereafter, while the first report of customized data for the quarter ended March 31, 2007 would be delivered in May 2007.

As noted in the Company's revenue recognition policy included in the notes to the consolidated financial statements, the Company recognizes revenue for its multiple element arrangements in accordance with the provisions of EITF No. 00-21, *Multiple Element Arrangements* (EITF 00-21). The Company has determined that there is not objective, reliable evidence of fair value of these individual elements. Consistent with Paragraph 10 of EITF 00-21, as the delivered element (the syndicated product subscription) does not qualify as a separate unit of accounting, it is combined with the undelivered element (customized data reports) and revenue is recognized for the combined unit of accounting. EITF 00-21 does not specify the appropriate revenue recognition policy for combined units of accounting. However, the Company believes that the proper revenue recognition policy for its multiple element arrangements is to recognize the entire arrangement fee over the performance period of the last deliverable. In general, the performance period for the customized data reports extends beyond the expiration of the subscription for the syndicated product. As a result, the Company recognizes the total arrangement fee on a straight-line basis commencing upon the delivery of the first report of customized data over the period such reports are delivered.

It should be noted that revenues recognized for the Company's multiple element arrangements amounted to \$3.7 million, or 6% of consolidated revenues, for the year ended December 31, 2006.

Note 3. Acquisitions, pages F-17 and F-18

46. *We note that you issued 1,060,000 shares of restricted common stock valued at \$2,412,000 in the Q2 acquisition and 678,172 shares of restricted common stock valued at \$1.6 million in the SurveySite acquisition. Please revise to disclose your basis for determining the value of the stock issued in the acquisitions in accordance with paragraph 51.d of SFAS 141.*

RESPONSE TO COMMENT 46:

The Company has revised the disclosure on pages F-18 and F-19 of Amendment No. 1 in accordance with the Staff's comment.

47. *Please revise Note 3 to clarify how you determined the estimated fair values of the identifiable intangible assets on pages F-17 and F-18. In addition, include a more detailed description of the methodologies and technology acquired.*

RESPONSE TO COMMENT 47:

The Company estimates the fair value of identifiable intangible assets acquired using several different valuation approaches. The valuation approaches used to determine the estimated fair value of the intangible assets include the *replacement cost, income and market approaches*. The *replacement cost approach* is based on determining the discrete cost of replacing or reproducing specific assets. The Company generally uses the replacement cost approach 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 worth 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 trademarks and brand assets. The Company has revised Note 2 at page F-9 of Amendment No. 1 and the discussion of its critical accounting policies at page 43 of Amendment No. 1 to include additional disclosure regarding its process for estimating the value of intangible assets acquired in accordance with the Staff's comment.

48. Please tell us the specific assets that were reduced on a pro rata basis for the SurveySite acquisition since the fair value of the identifiable tangible and intangible assets exceeded the cost of the acquired business. We reference paragraph 44 of SFAS 141.

RESPONSE TO COMMENT 48:

The Company supplementally advises the Staff that, consistent with Paragraph 44 of SFAS No. 141, the excess of the fair value of the identifiable tangible and intangible assets over the cost of the SurveySite acquisition was allocated as a pro rata reduction of the fair value of the intangible assets and the property and equipment acquired.

49. Please provide the pro forma disclosures required by paragraphs 54 and 55 of SFAS 141 or tell us why these disclosures are not required.

RESPONSE TO COMMENT 49:

The Company respectfully submits that Paragraph 54 of SFAS No. 141 requires certain pro forma disclosures for the period in which a material business combination occurs (or for the period in which a series of individually immaterial business combinations occurs that is material in the aggregate). In that regard, the Company notes that the purchase price and total assets of Q2 were approximately 15.1% and 4.5%, respectively, of the Company's total assets at December 31, 2003, the year-end immediately prior to the acquisition. Further, Q2's income from continuing operations was approximately 2.7% of the Company's income from continuing operations for the year ended December 31, 2003.

With respect to SurveySite, the purchase price and total assets of SurveySite were approximately 15.7% and 7.4%, respectively, of the Company's total assets at December 31, 2004, the year-end immediately prior to the acquisition. Further, SurveySite's income from continuing operations was approximately 2.9% of the Company's income from continuing operations for the year ended December 31, 2004. The Company further submits that neither Q2 nor SurveySite meet the definition of a "significant subsidiary" under Regulation S-X Rule 1-02(w). Based on the foregoing, the Company respectfully submits that it does not believe that the acquisitions of Q2 or SurveySite were material such that the pro forma disclosures are required.

Note 11. Stockholder's Deficit, page F-24

1999 Stock Option Plan, page F-24

50. Provide us with an itemized chronological schedule detailing each issuance of your preferred shares, common shares, stock options and warrants, if applicable, for the last 12 months. Include the following information for each issuance or grant date:

- *Number of shares issued or issuable*
- *Purchase price or exercise price per share*
- *Any restriction or vesting terms*
- *Management's fair value per share estimate*
- *How management determined the fair value estimate*
- *Identity of the recipient and relationship to the company*
- *Amount of any recorded compensation element and accounting literature relied upon to support the accounting.*

In the analysis requested above, highlight any transactions with unrelated parties believed by management to be particularly evident of an objective fair value per share determination. Please provide us with a chronological bridge of management's fair value per share determinations to the current estimated IPO price per share. Also, indicate when discussions were initiated with your underwriter(s) about possible offering price ranges. We may have additional questions after the estimated IPO price is included in the filing.

RESPONSE TO COMMENT 50:

[***]

[***]

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[***]

[***]

[***]

[***]

[***]

Part II

Item 17. Undertakings. page II-4

51. Please include the undertakings required by item 512(a)(5)(ii) and 512(a)(6) of Regulation S-K. Refer to Rule 430C(d) and Rule 424(b)(3).

RESPONSE TO COMMENT 51:

The Company respectfully submits that the undertakings set forth under Items 512(a)(5)(ii) and 512(a)(6) of Regulation S-K are not applicable to the offering because the securities being registered are not to be offered on a delayed or a continuous basis pursuant to Rule 415 under the Securities Act of 1933.

Exhibits

52. Please file the agreements governing the acquisitions you describe in the registration statement. See Regulation S-K Item 601(b)(2).

RESPONSE TO COMMENT 52:

The Company has included the agreements referenced in the Staff's comment as exhibits to Amendment No. 1 in accordance with the Staff's comment.

53. Please file the offer agreements which represent employment terms as described on page 84.

RESPONSE TO COMMENT 53:

The Company has included the agreements referenced in the Staff's comment as exhibits to Amendment No. 1 in accordance with the Staff's comment. The Company supplementally advises the Staff that Magid M. Abraham and Gian M. Fulgoni do not have offer letters or employment agreements with the Company as described on page 90. As such, the Company did not file additional agreements for Dr. Abraham or Mr. Fulgoni with Amendment No. 1. The

Company supplementally advises the Staff that Sherri Huston terminated employment with the Company on February 28, 2006. The Separation Agreement with Ms. Huston, dated February 28, 2006, is filed as exhibit 10.13 to Amendment No. 1. As the Separation Agreement supersedes the terms of Ms. Huston's original offer letter referenced in Amendment No. 1, the Company has not filed Ms. Huston's original offer letter with Amendment No. 1.

54. Please file complete exhibits with all attachments. For example, we note the exhibits missing from exhibit 10.13.

RESPONSE TO COMMENT 54:

The Company has refiled complete exhibits with all attachments and has included the agreements included the attachments to all other exhibits filed with Amendment No. 1 in accordance with the Staff's comment. The Company respectfully submits that Exhibit IV to Exhibit 4.3, Exhibit IV to Exhibit 4.5, Exhibit B to Exhibit 4.9, Exhibit B to Exhibit 4.10 and Exhibit B to Exhibit 4.13 (the "**Charter Attachments**") all reference prior versions of the Company's certificate of incorporation, all of which are superseded by the Company's current form of amended and restated certificate of incorporation (the "**Current Charter**"). The Company intends to file its Current Charter with a future amendment to the Registration Statement as an exhibit pursuant to Item 601(b)(3) of Regulation S-K. The Company respectfully submits that attaching the Charter Attachments to the Company's exhibits is immaterial to an investor's understanding of the related exhibits as the Current Charter will be available as an exhibit to the Registration Statement.

Exhibit 21

55. Please tell us which entity is your United Kingdom subsidiary mentioned on page 47.

RESPONSE TO COMMENT 55:

The Company supplementally advises the Staff that its comScore Europe, Inc. subsidiary is based in the United Kingdom although incorporated under Delaware, U.S.A. law.

* * * *

Please direct your questions or comments regarding this letter or the Amendment to the undersigned at (202) 973-8800 or Robert G. Day at (650) 493-9300. Thank you for your assistance.

Respectfully submitted,

WILSON SONSINI GOODRICH & ROSATI
Professional Corporation

/s/ Mark R. Fitzgerald

Mark R. Fitzgerald

cc: Magid M. Abraham, Ph.D., comScore, Inc.
John M. Green, comScore, Inc.
Christiana L. Lin, comScore, Inc.
Robert G. Day
Andrew J. Pitts, Cravath, Swaine & Moore LLP

Exhibit A

List of alternate third-party data center facility service providers

AT&T
Dupont Fabros
Equinix
IBM
Level 3
Savvis
Verizon

Appendix A

[***]