



# Thomson Intermedia plc

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult a person authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares or other securities.

This document, which comprises a prospectus, has been drawn up in accordance with the Public Offers of Securities Regulations 1995 (the "POS Regulations"), and issued in connection with the application for admission to trading of the Ordinary Shares on the Alternative Investment Market of the London Stock Exchange ("AIM") and a copy has been delivered for registration to the Registrar of Companies in England and Wales in accordance with Regulation 4(2) of the POS Regulations.

Application will be made for all of the Ordinary Shares of Thomson Intermedia plc issued and to be issued in the Placing to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies, to which a higher investment risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own financial adviser. The rules of AIM are less demanding than those of the Official List of the London Stock Exchange (the "Official List"). It is emphasised that no application is being made for admission of the Ordinary Shares to the Official List. Further, the London Stock Exchange has not itself approved the contents of this document. The Ordinary Shares are not dealt on any other recognised investment exchange and no other such applications have been made.

Prospective investors should carefully consider the section entitled "Risk factors" in Part II of this document.

## THOMSON INTERMEDIA PLC

(incorporated and registered in England and Wales under the Companies Act 1985  
with registered number 3967525)

Placing of 12,380,952 Ordinary Shares at 105p per share  
and

Admission to trading on the  
Alternative Investment Market

Nominated Adviser and Nominated Broker  
Williams de Broë Plc

Williams de Broë Plc, which is regulated by The Securities and Futures Authority Limited, is acting exclusively for Thomson Intermedia plc in connection with the admission of the Company's Ordinary Shares to trading on AIM. Williams de Broë Plc is not acting for, and will not be responsible to, any person other than Thomson Intermedia plc for providing to that person the protections afforded to customers of Williams de Broë Plc or for advising any other person on the contents of this document or on the Placing or on any other transaction or arrangement referred to herein. The responsibility of Williams de Broë Plc, as Nominated Adviser and Broker, is owed solely to the London Stock Exchange.

### SHARE CAPITAL IMMEDIATELY FOLLOWING THE PLACING

Authorised			Issued and fully paid	
Number	Amount		Number	Amount
40,000,000	£10,000,000	Ordinary Shares of 25p each	28,619,247	£7,154,811

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# DEFINITIONS

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

"Act"	the Companies Act 1985, as amended
"Admission"	admission of the Ordinary Shares, issued and to be issued pursuant to the Placing, to trading on AIM becoming effective in accordance with paragraph 16.6 of Chapter 16 of the rules of the London Stock Exchange
"AIM"	the Alternative Investment Market of the London Stock Exchange
"ART"	advertising research tool
"Board" or "Directors"	the directors of the Company, as set out in the section entitled "Directors, Secretary and Advisers"
"Combined Code"	the principles of good governance and code of best practice prepared by the Committee on Corporate Governance, chaired by Sir Ronald Hampel and published in June 1998
"Company"	Thomson Intermedia plc
"CREST"	the system for paperless settlement of trades and the holding of uncertificated shares, administered by CRESTCo Limited
"DART"	direct mail analysis research tool
"Executive Directors"	Sarah Jane Thomson, Stephen Thomson, Paul Gladman and Richard Dawson
"GfK"	GfK Marketing Services Limited
"Group"	the Company and Thomson Intermedia
"London Stock Exchange"	London Stock Exchange Limited
"Official List"	the Official List of the London Stock Exchange
"Ordinary Shares"	ordinary shares of 25p each in the capital of the Company
"Placees"	subscribers or purchasers of Placing Shares
"Placing"	the placing by Williams de Broë of the Placing Shares at the Placing Price as described in this document
"Placing Agreement"	the conditional agreement dated 20 April 2000 between the Company (1), the Directors (2), the Selling Shareholders (3) and Williams de Broë (4) relating to the Placing as described in paragraph 10(c) of Part V
"Placing Price"	105p per Ordinary Share
"Placing Shares"	the 12,380,952 Ordinary Shares to be subscribed for or purchased by Placees
"POS Regulations"	The Public Offers of Securities Regulations 1995
"Regulations"	The Uncertificated Securities Regulations 1995
"Selling Shareholders"	Stephen Thomson and Sarah Jane Thomson
"Share Option Scheme"	the share option scheme of the Company as described in paragraph 9 of Part V
"Shareholders"	holders of Ordinary Shares
"Taxes Act"	The Income and Corporation Taxes Act 1988
"Thomson Intermedia"	Thomson Intermedia Associates Limited (formerly Thomson Intermedia Limited) being the trading subsidiary of the Company
"Williams de Broë"	Williams de Broë Plc

# DIRECTORS, SECRETARY AND ADVISERS

Directors:	John Alexander Napier Sarah Jane Thomson Stephen Mark Thomson Richard David Neil Dawson ACA Paul John Gladman Fiona Driscoll	<i>(Non-Executive Chairman)</i> <i>(Joint Chief Executive)</i> <i>(Joint Chief Executive)</i> <i>(Finance Director)</i> <i>(IT Director)</i> <i>(Non-Executive Director)</i>
Company Secretary:	Richard Dawson ACA	
Registered Office:	Kingfisher House 21-23 Elmfield Road Bromley Kent BR1 1LT	
Nominated Adviser and Nominated Broker:	Williams de Broë Plc 6 Broadgate London EC2M 2RP	
Solicitors to the Company:	Gouldens 10 Old Bailey London EC4M 7NG	
Solicitors to the Placing:	CMS Cameron McKenna Mitre House 160 Aldersgate Street London EC1A 4DD	
Reporting Accountants and Auditors:	BDO Stoy Hayward 8 Baker Street London W1M 1DA	
Registrars:	Exchange Registrars Limited 18 Park Place Cardiff CF10 3PD	

# KEY INFORMATION

Thomson Intermedia is a media and technology company which specialises in the provision of media monitoring services which are accessed by or delivered to subscribers via the internet. Its products succeed traditional paper based media monitoring services. They enable subscribers to speedily access, analyse and manipulate advertising data and to provide an analysis of the scope, cost and effectiveness of their own advertising and marketing campaigns relative to those of their competitors. Thomson Intermedia's subscribers principally comprise advertisers, advertising agencies and media companies.

The Group currently has three principal products being ART, DART and Newsmetrics. ART monitors, on a daily basis, advertisements, loose inserts and other media insertions from some 225 newspapers and periodicals. DART monitors the direct mail receipts and purchasing habits of a nationally representative panel of some 6,000 individuals. Newsmetrics provides an online newsfeed summarising each day's articles in national newspapers and trade publications relating to the financial services industry and, by the use of a statistical formula, enables subscribers to chart the media performance of their own company and their competitors.

In the case of each product, the data assembled is distributed to or accessed by subscribers via the internet. Thomson Intermedia's proprietary software enables subscribers to search, analyse and manipulate the information in ART, DART and Newsmetrics to provide an up to date record of their industry's advertising, marketing activities, news stories and trends.

Thomson Intermedia currently has a database of some 21,000 advertisers across some 750 product categories. The Directors intend to exploit this database further, and extend the Company's range of business to business products, by launching free2look, a website which will provide consumers with access, free of charge, to the product information contained in the database. Visitors to the website will be able to search by product and obtain objective product and price comparisons. The Directors expect large numbers of regular visitors to be attracted to the site by the unique opportunity to access this database of advertisements which is significantly more extensive than any other of which the Directors are aware. At the same time, Thomson Intermedia will collate data gathered from visitors to the website in order to build up a profile of their pre-purchasing and purchasing preferences. Thomson Intermedia plans to use this data, together with socio-economic and lifestyle information provided voluntarily by website visitors, to develop new products and enhance its existing products for business subscribers.

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## TRADING RECORD

A summary of the trading record of the Group for the 11 months ended 31 January 1998, the 12 months ended 31 January 1999 and the 12 months ended 31 January 2000, which has been extracted from the accountants' report set out in Part IV, is set out below:

	11 months ended 31 January 1998	12 months ended 31 January 1999	12 months ended 31 January 2000
	£000	£000	£000
Turnover	116	784	1,864
Gross profit	108	643	1,527
Operating (loss)/profit	(30)	77	577
(Loss)/profit before taxation	(31)	72	582

## STRATEGY AND PROSPECTS FOR THE GROUP

Since Thomson Intermedia was founded in 1997, the demand for its ART and DART products has resulted in strong sales growth and this has been supported by Newsmetrics which was launched in 1999. The Directors believe that the market penetration of non-paper based, internet delivered media monitoring solutions is low. The Group intends to exploit this through the continued development of ART and DART, the launch of Newsmetrics to new business sectors, and the development and launch of television and internet monitoring systems. The Directors expect that this strategy will result in continued growth in turnover.

The launch of free2look will require significant investment in technology, staff and advertising. It is expected, therefore, that the costs forecast to be incurred on the launch of free2look will result in the Group recording a loss in the year ending 31 January 2001. The Directors do, however, believe that the new business to business products proposed to be launched with the data derived from free2look address substantial markets and have good potential. Accordingly, they believe the prospects for the Group to be encouraging.

## REASONS FOR THE PLACING

Under the Placing it is proposed that 7,619,047 new Ordinary Shares will be issued by the Company at the Placing Price to raise approximately £7.2 million, net of expenses. Together with the cash flow which the Directors estimate will be generated from the Group's existing activities the proceeds of the Placing will be used as to approximately £1.2 million to develop further Thomson Intermedia's existing products and expand the number of business sectors monitored and approximately £0.5 million to develop and launch TV and internet monitoring products. Approximately £7 million will be used to meet the technical, advertising, marketing and staff costs of developing free2look and the development and launch of three new business to business products. The balance will be used to provide working capital for the Group. 4,761,905 Ordinary Shares are also being placed on behalf of the Selling Shareholders.

## PLACING STATISTICS

Placing Price per Ordinary Share	105p
Number of Ordinary Shares being issued under the Placing	12,380,952
Number of Ordinary Shares in issue following the Placing	28,619,247
Market capitalisation following the Placing at the Placing Price	£30 million
Number of Ordinary Shares being placed	
- to be issued by the Company	7,619,047
- to be sold by the Selling Shareholders	4,761,905
- total	12,380,952
Percentage of enlarged issued share capital subject to the Placing	43.3 per cent.
Gross proceeds of the Placing for the Company	£8.0 million
Net proceeds of the Placing to be received by the Company	£7.2 million

# PART I INFORMATION ON THE GROUP

## INTRODUCTION

Thomson Intermedia is a media and technology company which specialises in the provision of media monitoring services which are accessed by or delivered to subscribers via the internet. Its products succeed traditional paper based media monitoring services. They enable subscribers to speedily access, analyse and manipulate advertising data and provide an analysis of the scope, cost and effectiveness of their own advertising and marketing campaigns relative to those of their competitors. Thomson Intermedia's subscribers principally comprise advertisers, advertising agencies and media companies.

The Group, through Thomson Intermedia, currently offers three principal products being ART, DART and Newsmetrics. ART monitors, on a daily basis, advertisements, loose inserts and other media insertions from some 225 newspapers and periodicals. DART monitors the direct mail receipts and purchasing habits of a nationally representative panel of approximately 6,000 individuals. Thomson Intermedia's latest product, Newsmetrics, provides an online news feed summarising each day's articles in national newspapers and trade publications relating to the financial services industry and, by the use of a statistical formula, enables subscribers to chart the media performance of both their own company and their competitors. In the case of each product, the data assembled is distributed to or accessed by subscribers via the internet. Subscribers may, by the application of Thomson Intermedia's proprietary software, search, analyse and manipulate the information in ART, DART and Newsmetrics to provide an up to date record of their industry's advertising, marketing activities, news stories and trends.

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Thomson Intermedia currently has a database of some 21,000 advertisers across some 750 product categories. The Directors intend to exploit this database further, and extend the Company's range of business to business products, by launching free2look, a website which will provide consumers with access, free of charge, to the product information contained in the database. Visitors to the website will be able to search by product and obtain objective product and price comparisons. The Directors expect large numbers of regular visitors to be attracted to the site by the unique opportunity to access this database of advertisement information which is significantly more extensive than any other of which the Directors are aware. At the same time, Thomson Intermedia will collate data gathered from visitors to the website in order to build up a profile of their pre-purchasing and purchasing preferences. Thomson Intermedia plans to use this data, together with socio-economic and lifestyle information provided voluntarily by website visitors, to develop new products and enhance its existing products for business subscribers.

In the year ended 31 January 2000, the Company recorded profit before tax of £582,000 on turnover of £1,864,000 which compares with profit before tax of £72,000 on turnover of £784,000 in the year ended 31 January 1999. During the year ended 31 January 2000, subscribers to ART and DART grew from 84 to 158 and from 18 to 97 respectively. Newsmetrics, which was launched to the financial services sector in August 1999, has secured 22 subscribers.

Under the Placing it is proposed that 7,619,047 new Ordinary Shares will be issued by the Company at the Placing Price to raise approximately £7.2 million, net of expenses. Together with the cash flow which the Directors estimate will be generated from the Group's existing activities the proceeds of the Placing will be used as to approximately £1.2 million to develop further Thomson Intermedia's existing products and expand the number of business sectors monitored and approximately £0.5 million to develop and launch TV and internet monitoring products. Approximately £7 million will be used to meet the technical, advertising, marketing and staff costs of developing free2look and the development and launch of three new business to



business products. The balance will be used to provide working capital for the Group. 4,761,905 Ordinary Shares are also being placed on behalf of the Selling Shareholders.

## MARKET BACKGROUND

It is estimated that advertising expenditure in the United Kingdom in 1998 amounted to some £14.2 billion. Of this amount some £7.5 billion was spent on press advertising, some £4.0 billion was spent on television advertising and some £1.6 billion was spent on direct mail campaigns. The balance of approximately £1.1 billion was spent on outdoor, radio and cinema advertising (Source: The Advertising Association).

The significant sums spent each year on advertising have prompted a demand by advertisers, advertising agencies and media companies for a means of measuring the activities and frequency of campaigns to assess the impact of their products and brands relative to those of their competitors. Traditionally, information has been derived from two sources. Firstly, companies provided information on advertising expenditure, generally on a monthly basis, to determine the amount being spent on specified products and brands. Secondly, cuttings agencies provided creative agencies and advertisers with copies of selected advertisements. The Directors believe that these services were inflexible, infrequent and did not allow a specific advertisement to be linked to its associated advertising spend. Furthermore, regular bespoke analysis reports required by advertisers took many man hours to produce.

The Directors estimate that in 1999 some 647 businesses each spent in excess of £1 million on press advertising and 79 of these are subscribers to ART. 2,471 companies spent between £100,000 and £1 million, 11 of which subscribe to ART and 11,717 spent less than £100,000, 10 of which subscribe to ART.

The Directors estimate that in 1999 some 216 businesses each spent in excess of £1 million on direct mail advertising and 27 of these are subscribers to DART. 865 companies spent between £100,000 and £1 million on direct mail advertising, 15 of which subscribe to DART and 4,697 spent less than £100,000, 20 of which subscribe to DART. The Directors believe that, other than DART, there are no non-paper based analytical systems which are linked to an accredited independent, nationally representative panel of individuals. Any analysis of direct mail campaigns has traditionally been conducted in-house by businesses themselves and has been confined to the analysis of the effectiveness of their own campaigns. Analysis of the activity of competitors has generally been small scale, labour intensive and, consequently, the Directors believe, unreliable.

The Directors, therefore, believe that there is scope for the Group to increase the market penetration of its existing products significantly.

## BUSINESS

The Directors believe that Thomson Intermedia has pioneered new concepts in media monitoring services and that Thomson Intermedia was the first company in the advertising monitoring sector to provide products capable of being accessed or delivered over the internet. The ART and Newsmetrics products offer subscribers

an opportunity to receive and manipulate valuable data relating to advertisements or articles. In the case of DART, subscribers are able to monitor activity in the direct mail sector where, previously, reliable information has been difficult to secure.

#### ART

Thomson Intermedia, through ART, monitors all display press advertising (ie all press advertising, other than certain classified advertisements) on a daily basis and compiles a database of advertisements, advertorials and loose inserts from 23 national newspapers and their associated supplements, 18 major trade magazines, 69 consumer magazines and 14 regional newspapers. A further 101 regional newspapers are monitored on a daily basis for advertisements for selected products. Detailed information across 29 fields as to each advertisement's specifications is entered into the database and this information is then capable of being accessed by subscribers via the internet. Thomson Intermedia's proprietary software enables subscribers to search the ART database and to analyse and manipulate the information to produce reports or generate data on product targeting strategies and competitors' advertising activities. ART provides the following key features:-

- Details in respect of national newspaper advertisements are available to subscribers by 9.30 a.m. on the day of their publication. These details include information regarding the location, section, data, size, position and ratecard cost of each new advertisement
- Images and text of "first appeared" national newspaper advertisements are available to subscribers by 10.30 a.m. on the day of their publication. In addition, details are available of incentives (such as "buy one, get one free"), response mechanisms (web address, telephone number and/or coupons), description of images used, advertiser, product and slogan
- Daily e-mails which notify subscribers of specific information that has been requested
- Analysis tools for graphing and spreadsheets

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There are currently 822 registered users from 165 corporate clients that subscribe to ART. This number of corporate clients has increased from 84 as at 31 January 1999. The average number of daily logins to ART during weekdays in March 2000 was 169. Renewal rates for the year ended 31 January 2000 were 82.0 per cent.

#### DART

Thomson Intermedia's DART product is provided in association with GfK, an established market research company, and monitors the direct mail receipts and purchasing habits of a panel of approximately 6,000 individuals. The panel has been certified as being nationally representative by The Audit Bureau of Circulations Limited. Under the arrangement with each of these panel members, they are obliged to return every piece of direct mail they receive to GfK, together with details of any responses that they have made. Comprehensive information relating to the direct mail pack is then entered into Thomson Intermedia's database and made available to subscribers via Thomson Intermedia's website. DART provides the following key features:-

- The ability to search direct mail received by the panel across 30 fields including details of the advertiser, product, incentives offered, slogan, pack contents, type of envelope, postage and response mechanisms (such as coupons or pre-paid envelope)

- Analysis across up to a further 37 fields which provide details in respect of the panel members. These details include a panel member's socio-economic and demographic data as well as lifestyle information such as credit cards held, utility suppliers, insurance brokers used and whether they have access to the internet
- High and low resolution images of the direct mail envelope, letter and other insertions
- Analysis tools for graphing and spreadsheets
- Panel information can be grossed up to calculate the estimated volume of direct mail received by the entire United Kingdom population
- An insight into campaign effectiveness by capturing panel response data
- Daily e-mails which notify subscribers of specific information that has been requested

There are currently 645 registered users from 115 corporate clients that subscribe to DART. This number of corporate clients has increased from 18 as at 31 January 1999. The average number of daily logins to ART during weekdays in March 2000 was 57. Renewal rates for the year ended 31 January 2000 were 75.6 per cent. One of the most active users of DART, The Royal Mail, allows visitors to its website to sample DART on a limited basis and the Directors believe this to be a strong endorsement of the DART product.

Details of the agreement between Thomson Intermedia and GfK are set out in paragraph 10(a) of Part V.

#### Newsmetrics

Newsmetrics was launched in August 1999 and provides a daily online newsfeed summarising articles relating to the financial services sector appearing in 12 national newspapers and their associated supplements, 6 major trade magazines and 3 regional newspapers. The service also enables subscribers to scientifically measure the media performance of companies. Precises are written on relevant news stories and distributed to subscribers. Thomson Intermedia's proprietary software enables subscribers to search, tailor and classify the information by, *inter alia*, company, product, journalist or issue depending on a subscriber's specific requirements. The newsfeed for Newsmetrics may also be linked directly to a subscriber's intranet and may be integrated with a subscriber's existing in-house applications (as is the case with Cornhill Insurance).

Newsmetrics incorporates an objective measure which calculates the public relations ("PR") impact of any articles referring to a given company, product or issue. In early 1999, a National News Index ("NNI") was developed and tested by Thomson Intermedia in association with Paul Harris, who was chief statistician of NOP Market Research Limited for twenty-six years. The index is calculated daily using a statistical formula and is designed to be objective. The index is derived from a minimum of 31 fields such as each article's headline, size and position in the publication, readership of the publication, and whether each reference to the company, product or issue in question was positive, negative or neutral. The index thus gives an indication of the quantity and quality of media coverage achieved on a daily basis. Subscribers may use the NNI to chart their PR performance in both absolute terms and relative to their competitors'.

In January 2000, Thomson Intermedia was granted a licence by The Newspaper Licensing Agency Limited which authorises Thomson Intermedia to scan an image of an entire article directly into its database and to make it available to subscribers. The Directors believe that this licence together with Newsmetrics' existing product features

will create opportunities for the development of Thomson Intermedia's media monitoring solutions in complementary areas, such as news clipping services, and increase the number of potential subscribers to Newsmetrics and the revenue generated from existing subscribers. While Newsmetrics is currently focused on the financial services sector it is proposed to extend its coverage to 11 other business sectors by June 2000.

### **Subscribers**

As at 10 April 2000, Thomson Intermedia had secured some 210 separate corporate clients as subscribers. Some of Thomson Intermedia's subscribers are set out below:-

Abbey National, Boot Lockett Makin ("BLM"), British Airways, Citigate Albert Frank, DP & A, Fidelity Investments, First Direct, First Financial, GE Capital, Hyundai, Invesco, J Walter Thompson, Liverpool Victoria, Masius, Mediavest Manchester, Norwich Union, Ogilvy & Mather, Publicis, RAC Motoring Services, Rover Group, Royal Mail, Save & Prosper, Scottish Equitable, Standard Life, Tesco Stores, Threadneedle, Virgin One Accounts, Virgin One, WestLb Panmure, London Stock Exchange, L'Oreal, Europay International, Channel Four Television, Interfocus, Somerfield, Eurotunnel, HSBC Bank Plc.

### **Sales, marketing and customer service**

Thomson Intermedia's customers for the ART, DART and Newsmetrics products include large corporates, design and marketing agencies and media companies. The majority of Thomson Intermedia's subscribers either incur significant advertising costs or develop campaigns on their own account or on behalf of their clients and require detailed information to determine the effectiveness of these and their competitors' campaigns. Typically, the cost of subscribing to Thomson Intermedia's products is low relative to a subscriber's overall advertising spend.

Thomson Intermedia's sales and marketing teams are based in London and are organised by product and industry sector. The teams are set targets monthly and annually for attracting both new and renewal business and are incentivised by commissions which are related to revenues generated.

The sales teams are supported by a customer services department which provides subscribers with initial training to ensure that they are fully briefed about the product to which they have subscribed. A helpdesk is manned every weekday to respond to subscribers' queries and to provide routine training and user advice over the telephone. A monitoring system measures the number of visits made to Thomson Intermedia's website by each subscriber and their activity online.

### **Free2look**

#### **Introduction**

Thomson Intermedia currently has a database of some 21,000 advertisers across some 750 product categories. The Directors intend to exploit this database further by launching free2look, a consumer website, later this year. Data captured from visitors to free2look will be used to extend Thomson Intermedia's business to business products.

The Directors consider that in determining their purchasing decisions, consumers would benefit from the availability of easily accessible, objective and up to date product information. Free2look will release to consumers, at no cost to them, content derived from Thomson Intermedia's extensive database of product

information and enable them to search and obtain objective product and price comparisons. At the same time Thomson Intermedia will collate data from visitors to the website, obtain information as to visitors' pre-purchasing and purchasing preferences and derive lifestyle and socio-economic data primarily in order to provide additional products to its business subscribers.

#### **Benefits to Consumers**

The Directors believe that the content of existing product comparison websites is limited and that the information provided is less extensive than that contained in Thomson Intermedia's database and that they are, therefore, a less reliable guide for consumers as to the latest product and service offerings. Free2look will display the latest advertised offers derived on a daily basis from Thomson Intermedia's database and will provide visitors with the following features:-

- up to date information on price and specification of competing products and services
- information covering both the high street and the internet
- a "where to buy" function enabling consumers to undertake a free-text search for vendors of chosen products and services
- if requested, e-mail notification of further offers following a product search by a consumer
- the ability to search by product category and link directly to the relevant website
- a directory of advertisers' websites with the ability to link directly to those sites

As a second stage of free2look's development, the Directors intend to enhance free2look with information derived from the following sources:-

- a "web spider", searching for competitive prices of goods and services available on the internet
- a network of shoppers searching retail outlets for point of sale promotions and specific product price checks
- retailers providing information directly regarding their current product range and price list

Free2look is WAP enabled. The Directors expect that shoppers will be able to access free2look using their WAP enabled mobile phones in order to determine, prior to purchase, if free2look can identify whether the product or service that they are about to buy is available at a lower price elsewhere.

#### **Business to Business Products**

Thomson Intermedia's software will enable the online activities of visitors to free2look to be monitored and data to be collected. Although visitor registration to free2look will not be mandatory, visitors will be encouraged to register with the site in order to enable them to receive personalised e-mails on any product in which they have expressed interest. The registration process itself has been designed to secure data such as the visitor's age, sex, postcode, socio-economic standing as well as lifestyle information. Thomson Intermedia will then be able to track the on-site movements of these visitors and match the registration data collected to the visitor's browsing activity. This will enable Thomson Intermedia's database of consumers to be regularly

updated with valuable demographic and pre-purchasing data. This data will form the basis of additional business to business products which will be marketed alongside the Group's existing products.

The Directors propose to use the data collected from visitors to free2look to develop and market the following products:-

- **Research Reports** – The data gathered will be used to produce up to date research reports on lifestyle and pre-purchasing habits using quantitative analysis. The purpose of the reports will be to give businesses an insight into behavioural trends, wants and purchasing habits broken down by demographic groups. Gathering this data together with details of users' online activities will help businesses to form a clearer understanding of issues such as their target market and any bias shown towards their competitors' products.

By using free2look's registered users as a panel, Thomson Intermedia will be able to add to this data information about customers' attitudes by encouraging certain registered users to participate in short surveys in return for, for example, instant vouchers or entry into competitions. The reports' findings will be published to subscribing corporate clients and are expected to generate regular PR for the site.

- **Mailing Lists** – The Directors believe that the growth of direct mail as a marketing channel has led to an increasing demand for up to date and tailored information to enable the development of targeted mailing lists. The Directors believe that the lifestyle, socio-economic and other information anticipated to be supplied by free2look's registered users will be a valuable source of such mailing data.
- **Consumer Surveys** – It is anticipated that free2look's registered users will form an access panel for Thomson Intermedia. This panel will be available to businesses who wish to conduct market research. For example a company wanting to conduct market research into the viability of a new advertising campaign for a health club would be able to identify its target market, such as, social class "ABs", aged between 19 and 44 resident in London who have shown an interest in sports and sports equipment. Thomson Intermedia would then invite registered users in the target market to participate in an online questionnaire. Results would be made available to Thomson Intermedia's corporate clients via the internet in tabular format which they could then analyse and manipulate. Thomson Intermedia's information technology department has already entered into contracts to write and design internet questionnaire software and analysis packages for clients of GfK who engage in direct mail campaigns.

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#### **Additional Revenue Streams**

The Directors believe that free2look will not only provide the basis for the development of new business to business products but also generate a number of other revenue streams:-

- **Banner Advertising** – It is estimated that free2look will attract consumers searching for product information, and the Directors believe that this will make the website an attractive outlet for highly targeted banner advertising. The Directors believe that existing relationships with advertisers and advertising agencies will allow Thomson Intermedia to secure agreements of this nature.
- **Retailer Agreements** – Thomson Intermedia proposes to enter into agreements with its existing advertiser and advertising agency subscribers to enable them to provide product range details, detailed product specifications and to promote special offers exclusively to free2look registered users.

- E-commerce – the Directors intend to exploit the e-commerce potential of free2look by taking commissions from online transactions carried out via the free2look website.

## STRATEGY

The Group intends to expand its corporate product range to monitor additional media. This will allow corporate customers to more easily examine advertising strategies and differentiate across media usage.

The Group's strategy for growth is to: -

- increase the market penetration of ART, DART and Newsmetrics in the United Kingdom media monitoring industry
- launch Newsmetrics into other industry sectors
- develop and launch a high-tech television advertising monitoring product
- develop and launch an internet advertising monitoring product
- extend the range of corporate products to monitor overseas markets

Thomson Intermedia intends to launch free2look and embark upon a marketing and advertising campaign to generate awareness of, and use by, the general public of this website. The Directors believe that data collected from the visitors to this website will provide the basis for the development and marketing of syndicated research reports, direct mail lists and consumer survey information.

## COMPETITION

Prior to Thomson Intermedia's incorporation in 1997, the Directors believe that no company offered a media monitoring service over the internet. Since Thomson Intermedia's entry into the market, there has been consolidation within the media monitoring industry and developments from paper based systems have been made. The Directors believe there to be one main competitor to ART which now provides press advertising analysis online. Research companies do exist which provide direct mail analysis using their own panel of individuals, but unlike DART, the panels used by these companies have not been certified as nationally representative by a recognised accreditation agency.

The Directors believe that Newsmetrics does not have any direct competition. Numerous companies monitor press articles and provide the separate services of press cuttings, summarising of articles and evaluation of company media exposure, but the Directors believe that Newsmetrics is the only product available that provides a combination of these services.

There are a number of existing product comparison websites but the Directors believe that the extent of Thomson Intermedia's database means that free2look will give consumers access to a wide range of product information which is updated on a daily basis.

## INFORMATION TECHNOLOGY

Information technology is a key strength of Thomson Intermedia and has been central to the success of its existing products. Two of Thomson Intermedia's Executive Directors have information technology backgrounds and the Directors believe that this experience coupled with the creativity of Thomson Intermedia's information technology department, has provided the foundation for the development of innovative and sophisticated information technology systems.

The internet delivery systems used for ART, DART and Newsmetrics allow complex data analysis, personal e-mail notifiers, automatic report generation, e-mail distribution, the "export" of documents and images, and a graphing tool all via a standard web browser. The core data entry system, which uses custom written Visual Basic and Active Server Pages applications, was also developed in-house.

In addition to keeping up with the latest internet and application development technology, the information technology department is currently investigating the use of artificial intelligence to add new insights into the research databases maintained by Thomson Intermedia.

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The Directors believe that the systems that have been developed by Thomson Intermedia and its existing products have the potential to be used in a number of other business applications and Thomson Intermedia has provided information technology services (including writing tailored application software) to certain of its customers.

The Group has fully documented disaster recovery procedures and offsite back-up.

## DIRECTORS

*John Napier, age 63, is Non-Executive Chairman.* From 1966 to 1989 he was a partner of Touche Ross & Co, latterly as senior partner. He left Touche Ross & Co in 1989 to become Group Finance Director of WH Smith Plc where he served until 1997. He is a Non-Executive Director of Wickes Plc, Devro Plc and Gearhouse Group Plc.

*Stephen Thomson, BSC (Hons), age 29 is Joint Chief Executive.* A graduate in Information and Business Systems Technology he joined TM2C Limited in 1993 to develop their multi-media applications. In 1994 he joined market research agency Mintel International Limited, being promoted to information technology director, where he was responsible for writing the software enabling their paper based products to be provided online. In 1997 he became a founder director and shareholder of Thomson Intermedia with his wife, Sarah Jane Thomson.



**Sarah Jane Thomson, age 33, is Joint Chief Executive.** In 1988 she joined Lintas Worldwide Limited as information manager before joining Valin Pollin, a financial PR advertising company as a business development manager. In 1990 she joined Mintel International Group Limited and later became sales and marketing director with responsibility for direct sales, telesales, marketing communications and PR. In 1997 she became a founder director and shareholder of Thomson Intermedia with her husband, Stephen Thomson.

**Richard Dawson, BSC (Hons), ACA, age 30, is Finance Director.** A graduate in Accountancy, Finance and Economics, he qualified as a Chartered Accountant with KPMG in 1995. In 1996 he joined The British Linen Bank Limited, the merchant banking subsidiary of Bank of Scotland Plc, and specialised in advising smaller public and private companies on corporate finance transactions. He joined Thomson Intermedia as finance director in August 1999.

**Paul Gladman, BSC (Hons), age 28, is Information Technology Director.** A graduate in Computation from the University of Manchester Institute of Technology, he joined the Wellcome Foundation in 1989 as a systems analyst and programmer. Between 1995 and 1997 he provided systems development services to Mintel International Group Limited in the capacity of chief systems developer. From 1997 until he joined Thomson Intermedia as IT Director in 1999, he ran his own information technology consultancy and software business which during that period, provided information technology services to Thomson Intermedia.

**Fiona Driscoll, age 41, is a Non-Executive Director.** From 1987 to 1993 she served as a senior consultant with Lowe Bell Consultants before becoming Managing Director of the Rowland Company in 1993. In 1995 she became Chief Executive of Ogilvy Adams and Rhineport, a division of WPP plc. In 1997 she established her own consultancy practice, Driscoll Communications. She is also a Non-Executive Director of the Institute of Leadership, the Horserace Totalisator Board ("The Tote") and Fleming Managed Growth plc.

## CORPORATE GOVERNANCE

The Directors intend that the Company will, in such respects as are appropriate for a company of its size and nature, comply with the Combined Code, except that, initially following Admission, there will be only two non-executive directors.

The Board has established an Audit Committee and a Remuneration Committee. The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on and for reviewing reports from the Group's auditors relating to the Group's accounting and internal controls. The Remuneration Committee determines the terms and conditions of service for the Group's executive Directors and senior management, including the remuneration and grant of options to executive Directors under the Share Option Scheme. The Audit Committee comprises John Napier, Fiona Driscoll and Paul Gladman and the Remuneration Committee comprises John Napier and Fiona Driscoll. Both committees are chaired by John Napier.

## TRADING RECORD

A summary of the trading record of the Group for the 11 months ended 31 January 1998, the 12 months ended 31 January 1999 and the 12 months ended 31 January 2000, which has been extracted from the accountants' report set out in Part IV, is set out below:

	11 months ended 31 January 1998	12 months ended 31 January 1999	12 months ended 31 January 2000
	£000	£000	£000
Turnover	116	784	1,864
Gross profit	108	643	1,527
Operating (loss)/profit	(30)	77	577
(Loss)/profit before taxation	(31)	72	582

## DIVIDEND POLICY

The Group is seeking primarily to achieve capital growth for its shareholders. Subject to the availability of distributable reserves, the Directors intend to pursue a dividend policy reflecting the Company's growth in earnings and cash flow generated from operations, while maintaining an appropriate level of dividend cover and having regard to further development of the Group's activities.

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## SHARE OPTION SCHEME

In order to motivate employees, the Company has adopted the Share Option Scheme. This is divided into two sections, the first of which is an approved scheme (the "Approved Scheme") for which Inland Revenue approval has been obtained. All employees will be eligible to participate. The Board, upon the recommendation of the Remuneration Committee, has granted options under the Approved Scheme over 263,105 Ordinary Shares which are exercisable, subject to Admission and certain performance criteria, between three and ten years from the date of grant at the Placing Price. No individual may be granted more than £30,000 worth of shares under the Approved Scheme. Further details of the performance criteria and the Approved Scheme are set out in paragraph 9 of Part V.

A second part of the Share Option Scheme consists of an unapproved scheme (the "Unapproved Scheme"), for which Inland Revenue approval is not required. Under the Unapproved Scheme, options over 668,570 Ordinary Shares have been granted, which options are exercisable, subject to Admission and certain performance criteria, at the Placing Price, between three and ten years from the date of grant. Further details of the performance criteria and the Unapproved Scheme are set out in paragraph 9 of Part V.

## CURRENT TRADING AND PROSPECTS FOR THE GROUP

Since Thomson Intermedia was founded in 1997, the demand for its ART and DART products has resulted in strong sales growth and this has been supported by Newsmetrics which was launched in 1999. The Directors believe that the market penetration of non-paper based, internet delivered media monitoring solutions is low. The Group intends to exploit this through the continued development of ART and DART, the launch of Newsmetrics to new business sectors, and the development and launch of television and internet monitoring systems. The Directors expect that this strategy will result in continued growth in turnover. The Directors expect the Group's core products of ART, DART and Newsmetrics to sustain their current gross margin.

The launch of free2look will require significant investment in technology, staff and advertising. It is expected therefore that the costs forecast to be incurred on the launch of free2look will result in the Group recording a loss in the year ending 31 January 2001. The Directors do, however, believe that the new business to business products proposed to be launched with the data derived from free2look address substantial markets and have good potential. Accordingly, they believe the prospects for the Group to be encouraging.

## REASONS FOR AND DETAILS OF THE PLACING

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Under the Placing it is proposed that 7,619,047 new Ordinary Shares will be issued by the Company at the Placing Price to raise approximately £7.2 million, net of expenses (representing 43.3 per cent. of the issued share capital of the Company at Admission). Up to 409,524 of the Placing Shares are being subscribed by employees of the Group. Together with the cashflow which the Directors estimate will be generated from the Group's existing activities, the proceeds of the Placing will be used as to approximately £1.2 million to develop further Thomson Intermedia's existing products and expand the number of business sectors monitored and approximately £0.5 million to develop and launch TV and internet monitoring products. Approximately £7 million will be used to meet the technical, advertising, marketing and staff costs of developing free2look and the development and launch of three new business to business products. The balance will be used to provide working capital for the Group. 4,761,905 Ordinary Shares are being sold by the Selling Shareholders. Following the Placing, the shareholdings of the Directors will amount to approximately 56.7 per cent. of the Ordinary Shares of the Company.

The Directors believe that a listing on AIM will provide greater flexibility for financing the future growth of the Group and will facilitate its expansion plans. In addition, the Directors believe that Admission will significantly raise the Group's profile and status, enhance its reputation with its clients, and assist in retaining, motivating and continuing to recruit high quality staff.

Of the Ordinary Shares which are the subject of the Placing, up to 409,524 are being subscribed by employees of the Group with the balance being placed by Williams de Broë with institutional and other investors. The Placing has been fully underwritten by Williams de Broë at the Placing Price. Under the terms of the Placing Agreement, the Directors have agreed, save in limited prescribed circumstances, not to dispose of any Ordinary Shares in the period up until the second anniversary of Admission.

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

## ADMISSION TO TRADING ON AIM

The Directors have applied for the Ordinary Shares in issue following the Placing to be admitted to trading on AIM. Dealings are expected to commence on 5 May 2000.

## CREST

Crest is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Board has resolved that the Company's share capital may be held and transferred in uncertificated form in accordance with the Regulations and the Articles contain provisions implementing this. Application has been made for the Ordinary Shares to be admitted to CREST.

## PART 2 RISK FACTORS

An investment in the Company may not be suitable for all recipients of this document. Investors are accordingly advised to consult an investment adviser authorised under the Financial Services Act 1986 who specialises in advising on the acquisition of shares and other securities before making their decision.

In addition to the usual risks associated with an investment in a business at an early stage of its development, the Directors consider that the factors and risks described below are the most significant for potential investors and should be carefully considered, together with all other information contained in this document, prior to investing in the Ordinary Shares. It should be noted that this list is not necessarily exhaustive and that other risk factors may apply.

1. The Ordinary Shares will be quoted on AIM rather than the Official List. An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List. AIM has only been in existence since June 1995 and its future success and liquidity in the market for the Company's securities cannot be guaranteed.
2. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment, especially as the market in the Ordinary Shares on AIM may have limited liquidity.
3. The market price of the Ordinary Shares may not reflect the underlying value of the Company's net assets.
4. The market perception of securities related to the internet may change in the future and, accordingly, the value of the Ordinary Shares may decline.
5. The price at which investors may dispose of their shares in the Company may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realise less than the original amount invested.
6. The website free2look is still under development and accordingly its technical and commercial viability has yet to be fully ascertained. There is no certainty that the revenues anticipated by the Directors in respect of free2look will materialise and there is no expectation that profits will be generated in the near term.
7. Ancillary revenues, such as banner advertising, are potentially lucrative but the Directors cannot be certain that these will materialise in the long term.
8. The Group is dependent upon its current executive management team. Whilst it has entered into contractual arrangements with the aim of securing the services of the existing executive management team, the retention of their services cannot be guaranteed. Accordingly, the loss of any key management of the Group may have an adverse effect on the future of the Group's business.
9. Certain of the laws and regulations governing internet related companies remain underdeveloped and there is very little international regulation of the internet. It is possible that the adoption of new legislation and regulations could adversely affect the performance of the Group.

10. In common with industry practice, the Group has not sought licences from owners of intellectual property rights in those advertisements on which it reports in connection with its ART and DART services. Whilst the Directors have never received, nor are they aware of any current, pending or threatened claims alleging that the Company is infringing another's past, current or future intellectual property rights, there is a risk that infringement claims against the Group may be made in the future. If infringement claims were to be received, the resolution of the same may result in costly litigation and/or require the Group to alter its procedures and/or enter into royalty or licensing agreements with third parties. These agreements might not be available on acceptable terms.
11. It is possible that the rate of penetration of the internet, through different media may not reach current market predictions. This could impact upon the revenues anticipated by the Directors in respect of free2look.
12. Rapid and often unexpected changes in technology and alterations to business models have been a recent feature of the internet sector. It is anticipated that further changes will occur. The internet sector is, therefore, subject to considerable volatility. In addition, the internet is a new business arena where there are few established companies. The combined effect of this volatility, the Thomson Intermedia's short trading history, and immaturity in certain sections of the market within which the Group will be operating, will increase the risks associated with the Group's business.
13. The technologies associated with many internet applications are immature and under constant development. It may be that over time and with increasing volume growth, some components of these technologies may prove unable to scale beyond currently unexplored limits.
14. The market for internet related products and services is highly competitive, with few barriers to entry, and is characterised by evolving industry standards and customer demands, as well as frequent new product innovations and enhancements, all of which mean that there can be no guarantee that the Company's business will generate the anticipated future revenues and profits.
15. By the very nature of the internet and the pace of change within the technology and telecommunications industries, the Directors will need to ensure that the Company remains at the leading edge of developments to enable them to exploit the opportunities which such changes will present. This could involve significant unplanned expenditure by the Company.

# PART 3 ACCOUNTANTS' REPORT ON THOMSON INTERMEDIA PLC



**BDO Stoy Hayward**  
Chartered Accountants

8 Baker Street  
London W1M 1DA

The Directors  
Thomson Intermedia plc  
Kingfisher House  
21-23 Elmfield Road  
Bromley  
Kent BR1 1LT

20 April 2000

The Directors  
Williams de Broë Plc  
6 Broadgate  
London EC2M 2RP

Dear Ladies and Gentlemen

THOMSON INTERMEDIA PLC (THE "COMPANY")

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## 1 Introduction

We report on the financial information set out in paragraph 7. This financial information has been prepared for inclusion in the prospectus dated 20 April 2000 in connection with the admission to AIM and placing of 12,380,952 ordinary shares in the Company.

The Company was incorporated as Thomson Intermedia Associates Limited (company number 3967525) on 4 April 2000 and re-registered as the public limited company Thomson Intermedia plc on 14 April 2000.

## 2 Basis of preparation

The financial information set out in paragraph 7 is based on the state of affairs of the Company on incorporation on 4 April 2000.

## 3 Responsibility

The directors of the Company are responsible for the financial information relating to the Company and for the contents of the prospectus dated 20 April 2000 in which this report is included.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

## 4 Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information.

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

## 5 Opinion

In our opinion, the financial information set out in paragraph 7 below gives, for the purposes of the prospectus dated 20 April 2000, a true and fair view of the state of affairs of Thomson Intermedia plc as at 4 April 2000.

## 6 Consent

We consent to the inclusion in the prospectus dated 20 April 2000 of this report and accept responsibility for this report for the purposes of paragraph 45(8)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

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## 7 Financial Information

The Company has not completed its first accounting period. No statutory financial statements have been prepared, audited or filed with the Registrar of Companies since incorporation. The Company has not yet commenced trading. No dividends have been declared or paid.

### 7.1 Balance sheet of the Company as at 4 April 2000

	As at 4 April 2000 £
<b>Current assets</b>	
Cash in hand	50
<b>Net assets</b>	<hr/> 50
<b>Share capital and reserves</b>	
Called up share capital	<hr/> 50
<b>Shareholders' funds – equity</b>	<hr/> 50



## 7.2 Notes to the financial information

### *Accounting policies*

This financial information has been prepared under the historical cost accounting rules and in accordance with applicable accounting standards.

### *Share capital*

Authorised share capital	£
40,000,000 Ordinary shares of 25 pence each	<u>10,000,000</u>
Allotted, called up and fully paid	
200 Ordinary shares of 25 pence each	<u>50</u>

On incorporation, 200 ordinary shares of 25 pence each were subscribed for.

### *Post balance sheet event*

On 13 April 2000, the Company acquired the entire issued share capital of Thomson Intermedia Associates Limited (previously Thomson Intermedia Limited) in exchange for the issue of 21,000,000 new ordinary shares of 25 pence.

Yours faithfully

BDO Stoy Hayward  
Chartered Accountants and Registered Auditors



**BDO Stoy Hayward**  
Chartered Accountants

8 Baker Street  
London W1M 1DA

The Directors  
Thomson Intermedia plc  
Kingfisher House  
21-23 Elmfield Road  
Bromley  
Kent BR1 1LT

20 April 2000

The Directors  
Williams de Broë Plc  
6 Broadgate  
London EC2M 2RP

Dear Ladies and Gentlemen

**THOMSON INTERMEDIA ASSOCIATES LIMITED ("THOMSON INTERMEDIA")**

## 1 Introduction

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We report on the financial information set out in paragraphs 7 to 11. This financial information has been prepared for inclusion in the prospectus dated 20 April 2000 in connection with the admission to AIM and placing of 12,380,952 ordinary shares in Thomson Intermedia plc (the "Placing").

The company was incorporated as Thomson Intermedia Limited (company number 3300123) on 9 January 1997, commenced trading on 1 March 1997 and passed a resolution to change its name to Thomson Intermedia Associates Limited on 13 April 2000.

## 2 Basis of preparation

The financial information set out in paragraphs 7 to 11 is based on the audited financial statements of Thomson Intermedia for the 11 month period ended 31 January 1998 and the two financial years ended 31 January 2000 ("the Relevant Period") after making such adjustments as we considered necessary.

Shipleys, Chartered Accountants and Registered Auditors, of Marqueen House, 215 High Street, Beckenham, Kent BR3 1BN, were the registered auditors to Thomson Intermedia for the 11 month period ended 31 January 1998. Crane & Partners, Chartered Accountants and Registered Auditors of Rutland House, 44 Masons Hill, Bromley, Kent BR2 9EQ, were the registered auditors to Thomson Intermedia for the year ended 31 January 1999. BDO Stoy Hayward, Chartered Accountants and Registered Auditors, of 8 Baker Street, London W1M 1DA, were the registered auditors of Thomson Intermedia for the year ended 31 January 2000.

Each of the audit reports throughout the Relevant Period was unqualified.

### 3 Responsibility

Such financial statements are the responsibility of the directors of Thomson Intermedia who approved their issue. The directors of Thomson Intermedia plc are responsible for the contents of the prospectus in which this report is included.

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

### 4 Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. The evidence included that recorded by the auditors who audited the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

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

### 5 Opinion

In our opinion, the financial information set out in paragraphs 7 to 11 below gives, for the purposes of the prospectus dated 20 April 2000, a true and fair view of the state of affairs of Thomson Intermedia as at the dates stated and of its results and cash flows for the Relevant Period.

### 6 Consent

We consent to the inclusion in the prospectus dated 20 April 2000 of this report and accept responsibility for this report for the purposes of paragraph 45(1)(b) and 45(7)(b) of Schedule 1 to the Public Offers of Securities Regulations 1995.

## 7 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Thomson Intermedia's financial information set out below.

### **Basis of accounting**

The financial information has been prepared in accordance with applicable Accounting Standards under the historical cost convention.

### **Turnover**

Turnover represents income earned during the period on contracts with customers. Income relating to installation and training is taken into account at the start of the contract. Income relating to the subscription service is taken into account over the period of the contract.

### **Depreciation of tangible assets**

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Motor vehicles	25% reducing balance
Furniture and equipment	25% reducing balance
Computer equipment	25% on cost

### **Research and development**

Research and development costs are charged to the profit and loss account in the year of expenditure.

### **Deferred taxation**

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent it is probable that a liability or asset will crystallise.

### **Leased assets**

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding lease commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the

amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

#### Financial instruments

Throughout the period Thomson Intermedia has financed its operations through the use of finance leases and its cash balances thereby minimising its interest rate exposure. It does not hold or issue derivative financial instruments for trading purposes. Thomson Intermedia has taken advantage of the exemption permitting it not to treat short term debtors and creditors as financial instruments.

## 8 Profit and loss accounts

		11 months ended 31 January 1998	Year ended 31 January 1999	Year ended 31 January 2000
	Notes	£000	£000	£000
Turnover	11.1	116	784	1,864
Cost of sales		(8)	(141)	(337)
Gross profit		108	643	1,527
Operating expenses		(138)	(566)	(950)
Operating (loss)/profit	11.2	(30)	77	577
Interest receivable and other income	11.4	-	2	8
Interest payable and similar charges	11.5	(1)	(7)	(3)
(Loss)/profit on ordinary activities before taxation		(31)	72	582
Tax on (loss)/profit on ordinary activities	11.6	-	(6)	(151)
(Loss)/profit on ordinary activities after taxation		(31)	66	431
Dividends	11.7	(17)	(85)	(250)
Retained (loss)/profit for the period		(48)	(19)	181
(Loss)/earnings per share	11.8	(£31)	£66	£430
Adjusted (loss)/earnings per share	11.8	(0.15p)	0.32p	2.05p

All of Thomson Intermedia's activities relate to continuing operations.

There were no recognised gains and losses other than the profit/loss in each of the periods.

## 9 Balance sheets

	Notes	As at 31 January 1998 £000	As at 31 January 1999 £000	As at 31 January 2000 £000
<b>Fixed assets</b>				
Tangible assets	11.9	79	118	132
<b>Current assets</b>				
Debtors	11.10	65	490	714
Cash at bank and in hand		32	227	603
		97	717	1,317
<b>Creditors: amounts falling due within one year</b>	11.11	(191)	(875)	(1,318)
<b>Net current liabilities</b>		(94)	(158)	(1)
<b>Total assets less current liabilities</b>		(15)	(40)	131
<b>Creditors: amounts falling due after more than one year</b>	11.12	(33)	(27)	-
<b>Provisions for liabilities and charges</b>	11.14	-	-	(4)
<b>Net (liabilities) / assets</b>		(48)	(67)	127
<b>Capital and reserves</b>				
Called up share capital	11.15	-	-	-
Share scheme reserve account	11.16	-	-	13
Profit and loss account	11.16	(48)	(67)	114
<b>Total shareholders' funds – equity</b>	11.17	(48)	(67)	127

## 10 Cash flow statements

		11 months ended 31 January 1998	Year ended 31 January 1999	Year ended 31 January 2000
	Notes	£000	£000	£000
Net cash inflow from operating activities	11.18	106	367	625
Returns on investments and servicing of finance	11.19	(1)	(5)	5
Taxation				
Corporation tax paid		(4)	(22)	(3)
Capital expenditure	11.20	(91)	(69)	(55)
Net cash inflow		10	271	572
Equity dividends paid		(17)	(70)	(190)
Net cash (outflow)/inflow before financing		(7)	201	382
Financing	11.21	39	(6)	(6)
Increase in cash	11.22	32	195	376

## 11 Notes to the financial information

### 11.1 Turnover

The turnover and operating result in each of the periods was derived from Thomson Intermedia's principal activity and was carried out wholly in the UK.

## 11.2 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
Auditors' remuneration:			
– audit services	2	2	11
– non-audit services	4	5	4
Depreciation – owned assets	7	22	35
Depreciation – leased assets	4	8	6
Loss on disposal of fixed assets	1	–	–
Operating lease rentals	6	13	25
Research and development expenditure	9	52	92
	<u>          </u>	<u>          </u>	<u>          </u>

## 11.3 Employees and directors

Staff costs including directors amounted to:

	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
Wages and salaries	57	303	556
Social security costs	7	30	57
	<u>          </u>	<u>          </u>	<u>          </u>
	64	333	613
	<u>          </u>	<u>          </u>	<u>          </u>

The average number of full time equivalent employees including directors during the period was:

	1998 Number	1999 Number	2000 Number
Sales and Customer Services	1	3	8
IT Staff	1	1	3
Production Staff	4	18	26
Accounts and Administration	1	1	2
Directors	2	2	3
Non-Executive Director	0	1	1
	<u>          </u>	<u>          </u>	<u>          </u>
	9	26	43
	<u>          </u>	<u>          </u>	<u>          </u>



	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
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Directors emoluments during the period were

Emoluments

- total	8	19	79
- highest paid	7	10	24

#### 11.4 Interest receivable

	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
Interest received	-	2	8

#### 11.5 Interest payable

	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
Hire purchase and finance lease interest	-	5	3
Other interest	1	2	-
	1	7	3

#### 11.6 Tax on (loss)/profit on ordinary activities

	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
Based on the profit for the period:			
UK corporation tax at marginal rate of tax, effective rate 24.8% (1999: 21%)	-	6	146
Deferred taxation	-	-	5
	-	6	151

## 11.7 Dividends

	11 months ended 31 January Date paid 1998 £000		Year ended 31 January Date paid 1999 £000		Year ended 31 January Date paid 2000 £000
Equity – Interim					
8 October 1997	2	26 February 1998	5	25 February 1999	5
28 November 1997	5	26 March 1998	5	25 March 1999	5
24 December 1997	5	14 April 1998	5	7 April 1999	35
30 January 1998	5	28 May 1998	5	29 April 1999	5
		25 June 1998	5	27 May 1999	5
		30 July 1998	5	24 June 1999	5
		27 August 1998	5	29 July 1999	5
		24 September 1998	10	26 August 1999	5
		29 October 1998	5	13 September 1999	50
		16 November 1998	5	30 September 1999	5
		26 November 1998	5	28 October 1999	5
		24 December 1998	5	25 November 1999	5
		28 January 1999	5	8 December 1999	30
				23 December 1999	5
				27 January 1999	5
	<u>17</u>		<u>70</u>		<u>250</u>
Equity – Final					
£74.40 per 10 pence ordinary share					
(1999: £150 per £1 ordinary share)	<u>–</u>		<u>15</u>		<u>75</u>
Total during period	<u>17</u>		<u>85</u>		<u>250</u>

In the year ended 31 January 2000, Richard Dawson and Paul Gladman each waived their entitlements to receive interim dividends amounting to an aggregate of £5,208 (£124.01 per 10 pence ordinary share) and final dividends amounting to an aggregate of £3,125 (£44.64 per 10 pence ordinary share).

## 11.8 (Loss)/earnings per share

	11 months ended 31 January 1998 £	Year ended 31 January 1999 £	Year ended 31 January 2000 £
Basic	<u>(31)</u>	<u>66</u>	<u>430</u>

(Loss)/earnings per share has been calculated using the weighted average number of shares in issue during the relevant periods. The weighted average number of equity shares in issue was 1,002 (1999: 1,000; 1998: 1,000) and the earnings being the profit on ordinary activities after taxation, of £431,000 (1999: £66,000; 1998: loss £31,000). The weighted average number of shares in the Relevant Period reflects the sub-division of ordinary shares on 20 January 2000.

An adjusted (loss)/earnings per share has been calculated using the (loss)/profit on ordinary activities after taxation of Thomson Intermedia and 21,000,200 ordinary shares in Thomson Intermedia plc that were in issue immediately following the share for share exchange disclosed in note 11.25 below.

#### 11.9 Tangible fixed assets

	Motor vehicles £000	Furniture and Equipment £000	Computer equipment £000	Total £000
<b>Cost</b>				
As at 1 March 1997	-	-	-	-
Additions	50	11	43	104
Disposals	(15)	-	-	(15)
As at 31 January 1998	35	11	43	89
Additions	7	14	48	69
As at 31 January 1999	42	25	91	158
Additions	5	15	35	55
As at 31 January 2000	47	40	126	213
<b>Depreciation</b>				
As at 1 March 1997	-	-	-	-
Charge for the period	5	1	5	11
Released on disposal	(1)	-	-	(1)
As at 31 January 1998	4	1	5	10
Charge for the period	9	4	17	30
As at 31 January 1999	13	5	22	40
Charge for the period	8	6	27	41
As at 31 January 2000	21	11	49	81
<b>Net book value</b>				
As at 31 January 1998	31	10	38	79
As at 31 January 1999	29	20	69	118
As at 31 January 2000	26	29	77	132

Assets held under finance leases had a net book value of £17,782 as at 31 January 2000 (1999: £23,709; 1998: £31,612).

#### 11.10 Debtors

	As at 31 January 1998 £000	As at 31 January 1999 £000	As at 31 January 2000 £000
Trade debtors	45	422	601
Corporation tax recoverable	4	21	–
Other debtors	9	3	2
Prepayments and accrued income	7	44	111
	<u>65</u>	<u>490</u>	<u>714</u>

#### 11.11 Creditors: amounts falling due within one year

	As at 31 January 1998 £000	As at 31 January 1999 £000	As at 31 January 2000 £000
Net obligations under hire purchase and finance lease contracts	6	6	27
Trade creditors	25	36	39
Corporation tax	–	1	124
Other taxes and social security	19	116	96
Proposed dividends	–	15	75
Other creditors	40	–	7
Accruals and deferred income	101	701	950
	<u>191</u>	<u>875</u>	<u>1,318</u>

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

#### 11.12 Creditors: amounts falling due after one year

	As at 31 January 1998 £000	As at 31 January 1999 £000	As at 31 January 2000 £000
Net obligations under hire purchase and finance lease contracts	33	27	-

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

#### 11.13 Obligations under hire purchase and finance leases

	As at 31 January 1998 £000	As at 31 January 1999 £000	As at 31 January 2000 £000
Obligations under finance lease and hire purchase contracts are analysed as follows:			
Within one year	6	6	27
Within one to two years	6	27	-
Between two and five years	27	-	-
	<u>39</u>	<u>33</u>	<u>27</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

#### 11.14 Provision for liabilities and charges

	As at 31 January 1998 £000	As at 31 January 1999 £000	As at 31 January 2000 £000
Deferred taxation – accelerated capital allowances			
At 1 February 1999	-	-	-
Transfer from profit and loss account	-	-	4
	<u>-</u>	<u>-</u>	<u>4</u>

### 11.15 Share capital

	As at 31 January 1998 £	As at 31 January 1999 £	As at 31 January 2000 £
<b>Authorised</b>			
2,000 ordinary shares of 10 pence each (1999 and 1998: 100 ordinary shares of £1 each)	100	100	200
<b>Allotted and fully paid</b>			
1,050 ordinary shares of 10 pence each (1999 and 1998: 100 ordinary shares of £1 each)	100	100	105

On 20 January 2000 the authorised share capital of 100 ordinary shares of £1 each was sub divided into 1,000 ordinary shares of 10 pence each and subsequently increased to 2,000 ordinary shares of 10 pence each. Also on that date 50 ordinary shares of 10 pence each were issued at par in ratification of an agreement dated 30 April 1999.

### 11.16 Reserves

	Profit and loss account £000	Share scheme reserve account £000	Total £000
At 1 March 1997	-	-	-
Retained loss for the year	(48)	-	(48)
At 31 January 1998	(48)	-	(48)
Retained loss for the year	(19)	-	(19)
At 31 January 1999	(67)	-	(67)
Retained profit for the year	181	-	181
Issue of share capital	-	13	13
	114	13	127

On 30 April 1999, an agreement was entered into to allot to Richard Dawson and Paul Gladman such number of ordinary shares as would give each of them 2 per cent. of the ordinary share capital of Thomson Intermedia in issue after the issue of ordinary shares to them. The difference between the market value of the shares and the amount paid for them has been expensed to the profit and loss account and taken to the share scheme reserve account.

#### 11.17 Reconciliation of the movement in shareholders' funds

	As at 31 January 1998 £000	As at 31 January 1999 £000	As at 31 January 2000 £000
Opening shareholders' funds	-	(48)	(67)
Premium on issue of shares	-	-	13
(Loss) / profit for the period	(31)	66	431
Dividends	(17)	(85)	(250)
Closing shareholders' funds	<u>(48)</u>	<u>(67)</u>	<u>127</u>

#### 11.18 Net cash inflow from operating activities

	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
Operating (loss)/ profit	(30)	77	577
Depreciation charges	11	30	41
Loss on disposal of fixed assets	1	-	-
Share scheme expense	-	-	13
Increase in debtors	(61)	(408)	(244)
Increase in creditors	185	668	238
	<u>106</u>	<u>367</u>	<u>625</u>

#### 11.19 Returns on investments and servicing of finance

	11 months ended 31 January 1998 £000	Year ended 31 January 1999 £000	Year ended 31 January 2000 £000
Interest received	-	2	8
Interest paid	(1)	(2)	-
Interest element of finance lease rental payments	-	(5)	(3)
	<u>(1)</u>	<u>(5)</u>	<u>5</u>

#### 11.20 Capital expenditure

	11 months ended 31 January 1998	Year ended 31 January 1999	Year ended 31 January 2000
	£000	£000	£000
Payments to acquire tangible fixed assets	(104)	(69)	(55)
Receipts from sale of fixed assets	13	-	-
	<u>(91)</u>	<u>(69)</u>	<u>(55)</u>

#### 11.21 Financing

	11 months ended 31 January 1998	Year ended 31 January 1999	Year ended 31 January 2000
	£000	£000	£000
Increase in hire purchase loans	39	-	-
Capital element of hire purchase payments	-	(6)	(6)
	<u>39</u>	<u>(6)</u>	<u>(6)</u>

#### 11.22 Analysis of changes in net funds

	11 months ended 31 January 1998	Year ended 31 January 1999	Year ended 31 January 2000
	£000	£000	£000
Opening cash	-	32	227
Closing cash	32	227	603
	<u>32</u>	<u>195</u>	<u>376</u>



### 11.23 Commitments under operating leases

Thomson Intermedia had annual commitments under operating leases as set out below:

	As at 31 January 1998		As at 31 January 1999		As at 31 January 2000	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:						
Within one year	14	4	27	9	71	17
In two to five years	55	6	90	18	263	24
After five years	-	-	-	-	-	-
	<u>69</u>	<u>10</u>	<u>117</u>	<u>27</u>	<u>334</u>	<u>41</u>

### 11.24 Related Party transactions

Paul Gladman is a director and major shareholder of Visionary Computing Limited which was invoiced £15,500 during the year ended 31 January 2000. In addition, Visionary Computing Limited invoiced Thomson Intermedia £3,715 during the year ended 31 January 2000. These amounts were outstanding at 31 January 2000.

### 11.25 Post balance sheet events

On 13 April 2000 Thomson Intermedia plc acquired the entire share capital of Thomson Intermedia by way of a share for share exchange in which Thomson Intermedia plc issued 21,000,000 new ordinary shares of 25 pence each.

## 12 Other matters

The financial information contained in this report does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985 as amended (the "Act").

Statutory accounts for Thomson Intermedia have been prepared for the eleven months ended 31 January 1998 and each of two years ended 31 January 2000 and have been or will be delivered to the Registrar of Companies, together with the auditors' reports made under section 235 of the Act.

The audit reports on those accounts were unqualified and did not contain a statement under section 237(2) or (3) of the Act.

Yours faithfully

BDO Stoy Hayward  
Chartered Accountants and Registered Auditors

## PART 5    ADDITIONAL INFORMATION

### 1. Directors' Responsibility

The Directors whose names appear on page 4 accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The business address of each of the Directors is Kingfisher House, 21-23 Elmfield Road, Bromley, Kent BR1 1LT. Their respective functions are shown on page 4 of this document.

### 2. The Company

- (a) The Company was incorporated under the Act on 4 April 2000 as a private company limited by shares with the name of Thomson Intermedia Associates Limited and registered in England and Wales with number 3967525.

On 14 April 2000 the Company was re-registered as a public limited company under the Act and its name was changed to Thomson Intermedia plc.

- (b) The Company's registered office, which is also its head office, is at Kingfisher House, 21-23 Elmfield Road, Bromley, Kent BR1 1LT.

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### 3. Subsidiary undertaking

The Company, which is the holding company of the Group, has one subsidiary undertaking, Thomson Intermedia, which is directly wholly-owned and is incorporated in England and Wales as a private limited company.

Thomson Intermedia's main business as stated in its memorandum of association is, in using the latest information technology (including the internet), to provide customers with evaluations, analyses and data relating to press and media advertisements, direct mail advertisements, news stories and media monitoring in general, the provision of internet and intranet solutions, database solutions and imaging and archiving systems.

The issued share capital of Thomson Intermedia comprises ordinary shares and is fully paid.

## 4. Share capital

- (a) The authorised share capital of the Company on incorporation was £10,000,000 divided into 40,000,000 ordinary shares of 25 pence each ("Ordinary Shares") of which 200 shares were issued at par to the subscribers to the Memorandum of Association.
- (b) By an ordinary resolution passed on 13 April 2000 the Directors were generally and unconditionally authorised in accordance with section 80 of the Act to allot relevant securities (as defined in section 80(2) of the Act) up to an aggregate nominal amount of £4,749,000, such authority to expire on the fifth anniversary of the passing of the resolution.
- (c) By a special resolution passed on 13 April 2000 the Directors were empowered to allot equity securities (as defined in section 94(2) of the Act) in respect of the Placing, issues by way of rights to shareholders and otherwise up to an aggregate nominal amount of £4,749,000, as if section 89(1) of the Act did not apply to such allotment, in the period ending on the date falling 15 months after the date of the passing of the resolution or, if earlier, the conclusion of the annual general meeting of the Company to be held in 2001.
- (d) On 13 April 2000 the Company acquired the whole of the issued share capital of Thomson Intermedia under an agreement (described in paragraph 10 below) by which the Company issued 21,000,000 Ordinary Shares as consideration to the shareholders of Thomson Intermedia.
- (e) As at the date of this document, and immediately following Admission, the Company's authorised and issued share capital is and will be as follows:-

### At present

	Nominal Value	No. of Ordinary Shares
Authorised	£10,000,000	40,000,000
Issued and fully paid	£5,250,050	21,000,200

### Immediately following Admission

	Nominal Value	No. of Ordinary Shares	% of share capital under option
Authorised	£10,000,000	40,000,000	0.8
Issued and fully paid	£7,154,811	28,619,247	1.2

- (f) Except to the extent disapplied by the resolution referred to in paragraph 2(c) above, the provisions of section 89(1) of the Act will apply to the allotment for cash of the Company's authorised unissued share capital.

- (g) Save as disclosed in paragraphs 7(b) and 9 of this Part V, no share of the Company or any subsidiary is under option or has been agreed conditionally or unconditionally to be put under option.
- (h) The Company has applied for the Ordinary Shares to enter the CREST system from the date of Admission to enable them to be traded in uncertificated form.

## 5. Memorandum and Articles of Association

### Memorandum of Association

The Company's Memorandum of Association provides that its principal object is to act as a holding company. The objects of the Company are set out in full in clause 4 of the Memorandum of Association, which is available for inspection at the address specified in paragraph 2 of this Part IV.

### Articles of Association

#### (a) *Voting*

Subject to any rights or restrictions as to voting attached to any class of shares at any general meeting:-

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- (i) on a show of hands every member who is present in person and every duly authorised representative of one or more corporations shall have one vote; and
- (ii) on a poll every member who is present in person or by proxy has one vote for every share of which he is the holder. Unless the Board of the Company otherwise determines, a member is not entitled to vote any share if any calls or other monies due in respect of that share remain unpaid. A member may also be disenfranchised during the period where he, or any person appearing to be interested in shares in the Company held by that member, fails to comply with a notice from the Company served under section 212 of the Act requiring him to indicate the capacity in which he holds such shares or any interest in them.

#### (b) *Dividends, distributions and return of capital*

Dividends may be declared by ordinary resolution but shall in no event exceed the amount recommended by the directors. The directors are empowered to pay interim dividends if the profits of the Company justify it.

Subject to the rights of persons (if any) entitled to shares with special dividend rights, all dividends will be paid according to the amounts paid up (other than amounts paid up in advance of calls) on the shares in respect of which the dividend is paid. Subject to the rights attached to any particular share, all dividends will be paid to members on the register at the date the dividend is declared, made or paid, notwithstanding any subsequent transfer or transmission of shares.

Whilst any member or any other person appearing to be interested in shares held by that member (where such shares represent 0.25 per cent. or more of the class of shares concerned) is in default in supplying to the Company any information required by any notice given pursuant to section 212 of the Act, the directors may by notice to such member direct that any dividend (or any part thereof) or other monies payable on such shares shall be retained by the Company and that such member shall lose his right to participate in any distribution of bonus shares declared by the Company.

For so long as the Company has only one class of shares, on a liquidation of the Company the holders of shares are entitled *pari passu* amongst themselves in proportion to their shareholdings and to the amounts paid up or credited as paid up on their shares to share in any surplus assets of the Company.

(c) *Unclaimed dividends*

Any dividends unclaimed may be used for the benefit of the Company until claimed. Any dividend which is still unclaimed twelve years after having been declared shall be forfeited and shall revert to the Company.

(d) *Untraced shareholders*

The Company may sell any shares in the Company of a member who is untraceable if:

- (i) during a period of twelve years, no cheque order or warrant addressed to the member or the person entitled to such shares by transmission has been cashed, no communication has been received from such member or any person entitled to the shares by transmission, and the Company has paid at least three cash dividends (whether interim or final) and no such dividend has been claimed; and
- (ii) at the end of the twelve year period the Company gives notice to the London Stock Exchange and in both a national newspaper and a newspaper circulating in the area where the member's last known address is located of its intention to sell, and no response is received by the Company within three months from the relevant member or person entitled by transmission.

(e) *Variation of rights*

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class of share may (subject to the terms of issue of that class of share) be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of that class or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of that class.

(f) *Alteration of capital*

The Company may by ordinary resolution:

- (i) increase its share capital;

- (ii) consolidate all or any of its share capital;
- (iii) cancel any shares where at the date of passing of the resolution no person has taken, or agreed to take, such shares and may diminish the amount of its share capital by the amount of shares so cancelled; and/or
- (iv) sub-divide its shares or any of them into shares of smaller amounts.

The Company may by special resolution reduce its share capital or any capital redemption reserve or share premium account in any manner authorised and subject to any conditions, authorities and consents required by law.

*(g) Transfer of shares*

All transfers of certificated shares shall be effected by instrument in writing, in any usual or common form or in any other form acceptable to the directors and shall be signed by or on behalf of the transferor and, if the share is partly paid, by the transferee. Transfers of uncertificated shares (in CREST) must be effected in accordance with the rules of CREST. The directors may, in their absolute discretion and without giving any reason, decline to register any transfer of a share which is not fully paid. The Articles contain no restrictions on the free transferability of fully paid shares on which the Company does not have a lien (unless to an infant or a person in respect of whom a receiving order or adjudication order in bankruptcy has been made which remains undischarged or a person who is a patient within Part VII of the Mental Health Act 1983) provided that the instrument of transfer is in favour of not more than four transferees, is duly stamped (if so required), the provisions in the Articles relating to the deposit of instruments of transfer have been complied with and the member is not in default in complying with any notice duly served by the Company under section 212 of the Act in circumstances described in the Articles.

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*(h) Directors*

- (i) Each of the directors is entitled to receive by way of ordinary remuneration for his services in each year such sum as the board may determine provided that such fees shall not exceed such sum as the directors may determine or such other figure as the Company in general meeting from time to time agree. The directors are also entitled to be repaid all travelling and hotel expenses incurred by them in or about the performance of their duties as directors. The board may also grant special remuneration to any director who, being called upon, performs any special duties outside his ordinary duties as a director.
- (ii) A director shall not be disqualified by his office from contracting with the Company, nor is any contract or arrangement entered into on behalf of the Company in which any director is in any way interested liable to be avoided, nor is any director so contracting or being so interested liable to account to the Company for the profit realised thereby, provided that the nature of his interest must be declared by the director at a meeting of the board.
- (iii) Save as provided below, a director may not vote in respect of any contract or arrangement or any other proposal in which he has any material interest otherwise than by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company. A director may not vote on his own appointment to the Company or any of its subsidiaries. A director will not be

counted in the quorum for a meeting in relation to any resolution on which he is debarred from voting.

- (iv) A director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in a quorum) in respect of any resolution concerning any of the following matters:-
  - (aa) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
  - (bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
  - (cc) any proposal concerning an offer of shares or debentures or other securities in or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
  - (dd) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or shareholder or otherwise howsoever provided that he is not the holder of a beneficial interest in 1 per cent. or more of any class of share capital of such company or of the voting rights available to the members of the relevant company;
  - (ee) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement, death or disability benefit scheme under which he may benefit and which is approved by or subject to the approval of the Inland Revenue or any proposal relating to any arrangement for the benefit of employees generally under which he may benefit and which does not accord to him as a director any privilege or advantage not generally accorded; or
  - (ff) any proposal concerning the purchase and/or maintenance of an insurance policy under which a director may benefit.
- (v) There is no requirement for directors to hold qualification shares.
- (vi) The Articles do not specify any age limit for directors, who may remain in office when they are over 70.

(i) *Borrowing powers*

The directors may exercise all the powers of the Company to borrow money, and to mortgage or charge the whole or any part of its undertaking, property and uncalled capital, and to issue debentures and other securities. The directors must ensure that the aggregate amount for the time being of all outstanding borrowings of the Company and its subsidiaries (other than owing by the Company and any of its subsidiaries in respect of intra group borrowings) less Current Asset Instalments (as defined in the Articles) shall not at any time, without the previous sanction of an ordinary resolution of the Company,

exceed the greater of £10million and an amount equal to four times the Adjusted Capital and Reserves (as defined in the Articles).

## 6. Premises

The following are the premises leased by members of the Group:-

Premises	Tenure	Start Date	Lease expiry date	Rent per annum
3rd Floor, Kingfisher House Bromley, Kent	5 years	9.09.99	8.09.04	£63,720
15a Hatton Wall London	5 years	11.09.98	10.09.03	£13,500

## 7. Directors' and Other Interests

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- (a) Immediately following Admission the interests of the Directors and (so far as is known to the Directors or could with reasonable diligence be ascertained by them) persons connected with them (within the meaning of section 346 of the Act) in the share capital of the Company which have been notified to the Company pursuant to sections 324 and 328 of the Act or which are shown in the register maintained under section 325 of the Act will be as follows:

Director	Number of Ordinary Shares	Percentage of issued capital
Sarah Jane Thomson	7,699,144	26.9
Stephen Thomson	7,699,143	26.9
Richard Dawson	420,004	1.5
Paul Gladman	420,004	1.5

In addition to their holdings shown above Sarah Jane Thomson and Stephen Thomson are interested in each other's Ordinary Shares as they are husband and wife. Richard Dawson's and Paul Gladman's interests are beneficial.

- (b) Options have been granted to Directors under the Approved Scheme as follows:

Name	Number of Ordinary Shares	Exercise Price	Exercise Period
Paul Gladman	28,571	the Placing Price	04/2003 to 04/2010
Richard Dawson	28,571	the Placing Price	04/2003 to 04/2010



Options have been granted to Directors under the Unapproved Scheme as follows:

Name	Number of Ordinary Shares	Exercise Price	Exercise Period
Paul Gladman	285,714	the Placing Price	04/2003 to 04/2010
Richard Dawson	259,047	the Placing Price	04/2003 to 04/2010

- (c) Save for the Directors' interests described in this paragraph 7, the Directors are not aware of any person who, at the date of this document or immediately following Admission, will be interested directly or indirectly in three per cent. or more of the issued share capital of the Company, or who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- (d) Save as set out below, or as disclosed elsewhere in this document, no directorships of any company, other than the Company and Thomson Intermedia, have been held or occupied over the previous five years by any of the Directors, nor over that period has any of the Directors been a partner in a partnership:

Director	Current Directorships	Former Directorships	Current Partnerships
Paul Gladman	Visionary Computing Limited 26 Mountview Limited		
John Napier	Electrack Holdings Plc Electrack Limited Gearhouse Group Plc Wickes Plc Devro Plc	WH Smith (and all 32 of its subsidiaries at the time) Do It All (Holdings) Limited Holbein Investments Limited	Rocks Farm Stud
Fiona Driscoll	Institute of Leadership Driscoll Communications Limited Fleming Managed Growth Plc	Ogilvy Public Relations Worldwide Limited The 300 Group	

- (e) None of the Directors has any unspent convictions nor has any been a director of a company (wherever incorporated) or a partner in a partnership at any time which has gone into administration, company or partnership voluntary arrangements, or any composition or arrangement with creditors generally or any class of creditors, receiverships, compulsory liquidations or creditors' voluntary liquidations, where he was a partner or director at the time of or in the 12 months preceding such event of insolvency, nor has any of them ever been made personally bankrupt, entered into any individual voluntary arrangement with creditors or been publicly criticised by any statutory or regulatory authority or professional body.
- (f) None of the Directors has been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

## 8. Directors' Service Contracts and Emoluments

- (a) Conditional upon Admission the Company has entered into a service contract with Sarah Jane Thomson. The contract is for an initial period of 2 years and is terminable by the Company or the executive upon 12 months' notice expiring on or after the second anniversary of its commencement. The salary payable under this contract is £85,000 per annum. Upon termination by the Company other than for cause, the executive is entitled to payment in lieu of notice or, if applicable, the balance of the initial term. Sarah Jane Thomson is also entitled to a company car until the lease on her existing company car expires and thereafter is not entitled to a company car. She is also entitled to participate in the Company's medical health insurance scheme for herself and her immediate family. There is also a bonus scheme which may provide up to 50 per cent. of her salary; up to 25 per cent. is by reference to the performance of ART, DART and Newsmetrics and the remaining 25 per cent. is discretionary.
- (b) Conditional upon Admission the Company has entered into a service contract with Stephen Thomson. The contract is for a period of 2 years and is terminable by the Company or the executive upon 12 months' notice expiring on or after the second anniversary of its commencement. The salary payable under this contract is £85,000 per annum. Upon termination by the Company other than for cause, the executive is entitled to payment in lieu of notice or, if applicable, the balance of the initial term. Stephen Thomson is also entitled to a company car until the lease on his existing company car expires and thereafter is not entitled to a company car. He is also entitled to participate in the Company's medical health insurance scheme for himself and his immediate family. He is also entitled to participate in a bonus scheme which may provide up to 50 per cent. of his salary; up to 25 per cent. is by reference to the performance of ART, DART and Newsmetrics and the remaining 25 per cent. is discretionary.
- (c) Conditional upon Admission the Company has entered into a service contract with Richard Dawson. The contract is terminable by the Company or the executive upon 12 months' notice. The salary payable under this contract is £68,000 per annum. Upon termination by the Company other than for cause, the executive is entitled to payment in lieu of notice. Richard Dawson is also entitled to a company car until the leases on the existing cars expire and thereafter no company car, matched pension contributions by the Company on his behalf of up to 5 per cent. of his salary and to participate in the Company's medical health insurance scheme for himself and his immediate family. He is also entitled to participate in a bonus scheme which may provide up to 50 per cent. of his salary; up to 25 per cent. by reference to the performance of ART, DART and Newsmetrics and the remaining 25 per cent. is discretionary.
- (d) Conditional upon Admission the Company has entered into a service contract with Paul Gladman. The contract is terminable by the Company or the executive upon 12 months' notice. The salary payable under this contract is £75,000 per annum. Upon termination by the Company other than for cause, the executive is entitled to payment in lieu of notice. Paul Gladman is also entitled to a company car until the leases on the existing cars expire and thereafter no company car, matched pension contributions by the Company on his behalf up to 5 per cent. of his salary and to participate in the Company's medical health insurance for himself and his immediate family. He is also entitled to participate in a bonus scheme which may provide up to 50 per cent. of his salary; up to 25 per cent. is by reference to the performance of ART, DART and Newsmetrics and the remaining 25 per cent. is discretionary.
- (e) Under the terms of their letters of appointment as non-executive directors of the Company, John Napier and Fiona Driscoll are entitled to an annual fee of £25,000 and £20,000 per annum respectively. Their

engagement will continue until the annual general meeting of the Company to be held in 2001 at which meeting they will be expected to retire from office and to offer themselves for re-election. Subject to being re-elected, their appointment will continue for a further twelve months.

- (f) The aggregate emoluments of the directors of the Company (including benefits in kind) for the year ended 31 January 2000 amounted to £79,303. Stephen and Sarah Jane Thomson did not draw any salary over this period.
- (h) The aggregate emoluments of the Directors for the financial period ending 31 January 2001 will be approximately £640,270 under arrangements in force at the date of the Prospectus including flotation bonuses of £50,000 each for Paul Gladman and Richard Dawson and on the assumption that each of the Executive Directors is entitled to the full amount of the bonus payable under the terms of his or her service agreement as described in paragraphs 8(a) to (d) of this Part 5.
- (i) Following Admission, there will be no other existing or proposed service contracts between any of the Directors and the Company.

## 9. Share Option Scheme

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### **The Thomson Intermedia plc Share Option Scheme ("the Scheme")**

The Scheme was adopted by a resolution of the Board on 6 April 2000 and is divided into two sections. Section A was approved by the Inland Revenue under Schedule 9 to the Taxes Act on 2 April 2000. Section B is not designed for Inland Revenue approval and is intended for executives who have, or are to be granted, options in excess of the individual limits permitted under Inland Revenue approved schemes. The principal terms of the Scheme are as follows.

#### **(a) Eligibility**

Options to acquire ordinary shares in the Company may be granted at the discretion of a remuneration committee of the Board ("the Committee") to all directors of the Company or its subsidiaries who work at least 25 hours per week and to all employees of the Company or its subsidiaries.

#### **(b) Scheme limits**

Over any ten year period ending on a date of grant, the total number of shares issued or issuable pursuant to grants made under the Scheme shall not (when aggregated with the number of ordinary shares issued and issuable under any employee share scheme other than a savings related scheme) exceed five per cent. of the issued ordinary share capital of the Company and, over the same period, shall not (when aggregated with the number of ordinary shares issued and issuable under any employee share scheme) exceed ten per cent. of the issued ordinary share capital of the Company.

(c) *Individual limits*

Under the approved section of the Scheme, grants of options will be limited to £30,000 worth of Ordinary Shares per employee, calculated by reference to the market value of the Company's shares at the time the options are granted, taken together with the aggregate market value of any other shares which the executive may have acquired under this Scheme and any other approved options scheme (other than a savings-related scheme) established by any member of the Group.

Under the unapproved section of the Scheme, no option may be granted if its subscription price, when aggregated with the aggregate subscription prices of shares issued and issuable to an individual pursuant to options (other than an All Employee Scheme) and granted within the previous ten years, exceeds four times his annual salary at that time or, if greater, his actual earnings for the twelve month period ended on the relevant date of grant.

(d) *Timing of grants*

Options may be granted under the approved section of the Scheme within 42 days of the approval of the Scheme by the Inland Revenue and, under the unapproved section of the Scheme, within six weeks of its adoption by the Company. Thereafter, options may be granted within 42 days after publication of the interim or final results of the Company, on the publication of a prospectus or a document containing equivalent information in relation to Ordinary Shares save where the Committee considers the circumstances to be sufficiently exceptional to justify the grant of options outside those periods. Prior to issuing invitations, the Committee must also have regard to any code of dealing adopted by the Company in accordance with the requirements of the London Stock Exchange or, in the absence of adoption such a code, the Model Code set out in the AIM Rules published by the London Stock Exchange.

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(e) *Exercise price*

The exercise price is determined by the Committee at the time that the invitation is issued and must not be less than the market value of a share at that time (or its nominal value, if higher).

The exercise price may be adjusted in the event of a bonus issue, rights issue, sub-division or other alteration of share capital subject to the written confirmation of the auditors that such adjustment is fair and reasonable and provided that it does not result in a share being issued at less than its nominal value. Any such adjustment must first be approved by the Inland Revenue.

(f) *Performance conditions*

The exercise of an option may be made wholly or partly subject to the attainment by one or more of the Company and its subsidiaries or of the option holder of a specified level of profit or performance or such other objective conditions as are considered by the Committee to be appropriate. The Committee may, subject to Inland Revenue approval, subsequently amend any such condition provided that an event or events that occur may cause the Committee to consider that a different condition would be a fairer measure of performance.

The current performance criteria set for the exercise of the share options granted at Admission under the approved part of the Scheme are that the turnover of the Group must increase in each of the three

financial years following Admission by an amount equal to 5 per cent. more than the increase in the retail prices index over that year, compounded over the three year period.

Grantees of options granted at Admission under the Unapproved Scheme (other than Richard Dawson and Paul Gladman) will be able to exercise all their options after 3 years provided that the Group's turnover has increased by 25 per cent. per annum compounded over the three years.

Under the unapproved part of the Scheme, the performance criteria for the exercise of options granted at Admission are that three fifths of the options granted to Richard Dawson and Paul Gladman will be exercisable by them after the end of the third year following Admission provided that the Group's turnover has increased by 25 per cent. per annum compounded over the three years. The remaining two fifths of the options granted to them will be exercisable after the end of the fifth year following Admission provided that, in addition to the increases in turnover required for the first three years following Admission, the Group's turnover increases by 15 per cent. per annum compounded over the next two years.

(g) *When options may be exercised*

In normal circumstances an option may be exercised three years after its grant and it must be exercised before the tenth anniversary of its grant.

However, options will become exercisable immediately (notwithstanding the non-fulfillment of any performance condition) on the death of a participant or on his ceasing to be an eligible employee by reason of ill health or retirement. The Committee also has a discretion to permit exercise where the participant ceases to be an eligible employee for any other reason.

Options will also become exercisable (notwithstanding the non-fulfillment of any performance condition) in the event of a takeover, takeover offer, amalgamation, reconstruction or winding-up of the Company. Alternatively, on a takeover options may, with the agreement of an acquiring company, be exchanged for options over shares in the acquiring company.

(h) *Rights attaching to the shares*

Shares issued pursuant to the Scheme will rank *pari passu* in all respects with the ordinary shares already then in issue save as regards any dividend or other distribution paid or made by reference to a record date falling prior to the date of exercise of the option.

Options are not transferable.

(i) *Administration and amendment*

The Scheme will be administered by the Committee who may amend its rules subject, in the case of the Approved Scheme, to the approval of the Inland Revenue.

No amendment shall operate to affect adversely any rights already acquired by a participant unless the consent is obtained of participants who, if they exercised their options in full, would become entitled in aggregate to not less than three quarters of the shares which would be allotted on full exercise of all outstanding options.

The Committee may not make amendments to the rules of the Scheme to the advantage of participants without the prior approval of the Company in general meeting, save for minor amendments to benefit the administration of the Scheme, to take account of changes in legislation or to obtain or to maintain favourable taxation, exchange control or regulatory treatment for participants or for the Company or its subsidiaries.

(j) *Duration of scheme*

No options may be granted later than 10 years after adoption of the Scheme.

(k) *Options granted*

In addition to the options referred to in paragraph 7(b) above, options over 329,763 Ordinary Shares have been granted to employees as follows:

Scheme	Number of Ordinary Shares	Exercise Price
Approved	205,954	the Placing Price
Unapproved	123,809	the Placing Price

## 10. Material contracts

The following contracts, not being entered into in the ordinary course of business, have been entered into by the Company or Thomson Intermedia in the two years preceding publication of this document and are or may be material:-

- (a) An agreement between (1) Thomson Intermedia and (2) GfK Marketing Services Limited ("GfK") dated 29 March 2000 (the "GfK" Agreement) under which GfK agrees, *inter alia*, to collect and deliver to Thomson Intermedia direct mail packs received by a direct mail panel (the "Panel") of 2,750 households (comprising approximately 6,000 individuals). Under a contract dated 21 December 1998 between Thomson Intermedia and GfK (which was terminated with effect from 29 March 2000) (the "1998 Agreement"), GfK also maintained a database of the information gathered from the direct mail packs collected from the Panel together with information relating to the Panel member's responses to the direct mail received by them. Pursuant to the GfK Agreement, this function is now performed by Thomson Intermedia and GfK has agreed to provide assistance to Thomson Intermedia to assist it in establishing the infrastructure necessary for this. The GfK Agreement will continue from 29 March 2000 until 1 July 2000 and shall continue thereafter subject to the right of either party to terminate the agreement upon 12 months' prior notice, such notice to be given at any time after 1 July 2001.
- (b) An agreement between (1) the Company and (2) the shareholders of Thomson Intermedia dated 13 April 2000 to purchase the entire issued capital of Thomson Intermedia on the basis of 20,000 Ordinary Shares of 25p each in the Company for every ordinary share of 10p each in Thomson Intermedia.

- (c) The Company, the Directors, the Selling Shareholders and Williams de Broë have entered into a placing agreement dated 20 April 2000 under the terms of which Williams de Broë has agreed, subject to the conditions specified therein, to procure placees for the Placing Shares other than those to be subscribed by employees of the Group or failing such procurement to subscribe or purchase such Placing Shares itself. Williams de Broë will receive a corporate finance fee as well as commission equal to 2.0 per cent. of the aggregate value of the Placing Shares at the Placing Price. The Company will pay expenses of or incidental to the Placing, save for the commission and stamp duty on the 4,761,905 Ordinary Shares being placed on behalf of the Selling Shareholders.

The Executive Directors and the Company have given certain warranties to Williams de Broë regarding the accuracy of the information in this document and in respect of the Company and its business and the Company and the Executive Directors have also given certain indemnities to Williams de Broë. Williams de Broë is entitled to terminate the Placing Agreement in certain specified circumstances prior to Admission, principally in the event of a material breach of any of the warranties.

Under this agreement, the Directors have undertaken, subject to certain limited exceptions, not to sell or transfer any interest in any Ordinary Shares at any time prior to the second anniversary of Admission without the prior consent of Williams de Broë.

- (d) An agreement was entered into on 28 March 2000 between (1) the Company and (2) Williams de Broë setting out the terms on which Williams de Broë has agreed to act as the Company's Nominated Adviser and Nominated Broker for the purposes of the AIM Rules for an annual fee of £20,000. The agreement may be terminated by either party on three months' notice or earlier in the event of a material breach.

## 11. Litigation

No member of the Group is engaged in, nor has pending or threatened either by it or against it, any legal or arbitration proceedings which are having or may have a significant effect on the financial position of the Group.

## 12. Working capital

The Company believes, having made due and careful enquiry, that taking into account the net proceeds receivable under the Placing, the working capital available to the Group from the time of Admission will be sufficient for its present requirements, that is for a period of at least 12 months from the date of Admission.

## 13. Taxation

### *Dividends*

- (a) Under current UK legislation, no tax will be withheld from any dividend paid by the Company.
- (b) A shareholder who is an individual resident for tax purposes in the UK and who receives a dividend is entitled to a tax credit equal to one-ninth of the dividend. The individual will be taxable on the total of the dividend and the related tax credit (the "gross dividend"), which will be regarded as the top slice of the individual's income. The tax credit will, however, be treated as discharging the individual's liability to income tax in respect of the gross dividend, unless and except to the extent that the gross dividend falls above the threshold for the higher rate of income tax, in which case the individual will, to that extent, pay tax on the gross dividend calculated at 32.5 per cent. of the gross dividend, less the related tax credit.
- (c) With the exception of investors holding shares through personal equity plans ("PEPs") or individual savings accounts ("ISAs"), shareholders who are not liable to income tax or corporation tax on dividends received by them will not be entitled to claim payment of the tax credit in respect of those dividends. Charities may make limited claims under the transitional relief expiring on 5 April 2004.
- (d) Any shareholder that is a company resident for tax purposes in the United Kingdom will not generally be taxable on any dividend it receives from Thomson.
- (e) The right of a shareholder who is not resident for tax purposes in the United Kingdom to a tax credit in respect of a dividend received from Thomson and to claim repayment of any part of that tax credit will depend on the existence and terms of any double taxation convention between the United Kingdom and the country in which the holder is resident. Holders who are not solely resident in the United Kingdom should consult their own tax advisers concerning their tax liabilities on dividends received, whether they are entitled to claim any part of the tax credit and, if so, the procedure for doing so.

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The above statements are intended only as a general guide to the current tax position under UK taxation law and practice. A shareholder who is in any doubt as to his or her tax position or is subject to tax in any jurisdiction other than the United Kingdom should consult his or her professional adviser without delay.

## 14. General

- (a) BDO Stoy Hayward have given and not withdrawn their written consent to the inclusion in this document of their reports (for which they have accepted responsibility) and references to their name in the form and context in which they appear.
- (b) There has been no significant change in the trading or financial position of Thomson Intermedia since 31 January 2000, the latest date to which audited accounts have been prepared for Thomson Intermedia.



- (c) Save as disclosed in this document, there are no patents or other intellectual property rights, licences or particular contracts that are of fundamental importance to the Group's business.
- (d) The expenses of, and incidental to, the Placing, including commissions, registration and listing fees, printing, advertising and distribution costs, legal and accounting fees and expenses, are estimated to amount to approximately £0.8 million (inclusive of VAT) and are payable by the Company.
- (e) The gross proceeds of the Placing are expected to be £8.0 million and the net proceeds after deduction of expenses is expected to be £7.2 million.
- (f) The Ordinary Shares are in registered form. The Articles permit the holding and transfer of Ordinary Shares under CREST. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument. The Directors have applied for the Ordinary Shares to be admitted to CREST.
- (g) The Placing Price of 105p represents a premium of 80p over the nominal value of an Ordinary Share.
- (h) The flotation on AIM is being conducted by way of a Placing. Williams de Broë is arranging for the Placing Shares to be placed, conditional upon Admission, with institutional and other investors. The arrangements during the period prior to Admission relating to monies from institutional and other investors are set out in the Placing letters sent to such investors.
- (i) Temporary documents of title will not be issued and pending despatch of share certificates transfers will be certified against the share register.  
  
It is expected that share certificates will be despatched at the risk of the persons entitled thereto by 19 May 2000.
- (j) Copies of the Prospectus are available free of charge for 14 days from the date of Admission from Williams de Broë plc, 6 Broadgate, London EC2M 2RP.
- (k) The Placing has been fully underwritten by Williams de Broë which has given and not withdrawn its written consent to the inclusion of references to its name in the form and context in which they are included.

## 15. Documents Available for Inspection

Copies of the following documents will be available for inspection at the registered office of the Company at Kingfisher House, 21-23 Elmfield Road, Bromley, Kent BR1 1LT and at the offices of Gouldens, 10 Old Bailey, London EC4M 7NG during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until not less than 14 days after date of this document:-

- (a) the Memorandum and Articles of Association of the Company;

- (b) the audited accounts of Thomson Intermedia for the periods ended 31 January 1998, 31 January 1999 and 31 January 2000;
- (c) the Accountants' Reports set out in Parts III and IV and the statement of adjustments, relating thereto;
- (d) the directors' service contracts referred to in paragraph 8 above;
- (e) the rules of the share option scheme referred to in paragraph 9 above;
- (f) the material contracts referred to in paragraph 10 above;
- (g) the written consents and letters of engagement referred to in paragraphs 14(a) and 14(k) above; and
- (h) this document.

Dated 20 April 2000

**[www.thomson-intermedia.com](http://www.thomson-intermedia.com)**

**END OF DOCUMENT**