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TNS extends digital capability through acquisition of Compete

Taylor Nelson Sofres plc (TNS), a world leader in market information and insight, announces that it has agreed to acquire Compete, Inc., a leading digital intelligence company, for an initial cash consideration of US\$75 million.

Compete's revenue for the year ended 31 December 2007 was \$14.9 million, over 50 per cent higher than in the previous year. Gross assets at that date were \$11.2 million. The company made a loss of \$4.5 million in 2007, as it invested in building its panel and industry expertise. Dependent on the achievement of demanding revenue performance targets, deferred cash payments will be payable in 2008-2010, up to a maximum of \$75 million.

This acquisition brings together the global market information strength of TNS with Compete's digital intelligence products and capabilities. Digital intelligence combines data on user behaviour and interactions on the internet with demographic and competitive information, to help businesses and marketers make critical, strategic and tactical business decisions.

Through this acquisition, TNS will provide clients with new and valuable insights into how online consumer behaviour affects purchasing decisions, enabling clients to improve their marketing effectiveness, both online and offline. Together, TNS and Compete will provide consumer, brand and media research and measurement services that will help businesses succeed in the digital marketing environment.

Compete conducts continuous analysis of internet clickstream data from close to 2 million people, weighted to match the US online population. This information is used to measure how consumers consider, engage with and buy a client's products or services online, relative to those of its competition. This ability to analyse online behaviour before a purchase is made enables Compete to advise clients on how to target online communications to individual consumers, to influence both their online and offline purchasing behaviour.

As internet usage and e-retailing increases, clickstream data is expected to become a significant information source around which market research and analysis is based. Recent estimates suggest that the US market in which Compete operates will grow from \$325 million in 2007 to \$500 million in 2009¹.

TNS will apply Compete's ability to profile, measure and segment the online behaviour of consumers to its own 6th dimension access panels. This will start in the US, where TNS has a

¹ Morgan Stanley research and Jupiter Research estimates of on-demand US web analytics market

fully managed access panel of more than one million people and will then be extended across its network. This will give TNS an unmatched ability to provide insight based on online and offline behaviour and on consumer attitudes.

David Lowden, Chief Executive of TNS, said: “This acquisition is an important move for TNS that builds on our ability to help clients understand consumer behaviour in the new and highly complex digital world. Compete has built a world-class digital intelligence capability that delivers multiple perspectives on how consumers engage with brands online. Its strength lies in its ability to provide competitive analysis of individuals’ online behaviour, a rapidly growing section of the market that has enormous potential.

“TNS will enhance this offering by putting it together with the understanding of consumer attitudes and behaviour that we gain from our access panels. We will use our network to offer this powerful combination to clients across the globe. In the longer term, we will look at the opportunities to add further value by using our Worldpanel, Retail & Shopper and audience measurement capabilities to integrate data on purchasing and viewing behaviour with internet search and shopping behaviour. We believe this will allow TNS to develop new syndicated and custom products, unique in our industry.”

Donald McLagan, Chairman and CEO of Compete, said: “We welcome this exciting opportunity to join one of the world’s most respected market information and insight groups. Whether consumers buy online, or simply research online as they reach a purchasing decision, the marketing platforms they encounter bring major opportunities for brands. Companies need to understand how the internet affects consumer preferences, attitudes, knowledge, understanding and motivation. They also need help in maximising the new online sales and marketing opportunities to target their prospective customers more effectively. For the first time, we have given clients the opportunity to measure their effectiveness across all their marketing programmes. This ability will be greatly enhanced when we are part of TNS.”

Compete was founded in 2000 and is based in Boston, Massachusetts. It analyses internet clickstream information received from its own panel and from internet service providers. Compete uses proprietary data methodologies to normalise this data, making it representative of the entire US online market place. It specialises in the telecoms, media, automotive, financial services and travel industries, with a sector-based organisation mirroring that of TNS. It also has expertise in the field of online search evaluation. Current management will remain with the company. Clients, which include some of the world’s best-known brands, are engaged on a subscription basis, with analysis provided weekly or monthly. The company has won a range of awards, including the Deloitte Technology Fast 50 two years in a row, the US Advertising Research Foundation David Ogilvy Award and the AdAge Power 150.

TNS is acquiring Compete primarily from a consortium of private venture capital companies.

For more information about Compete, visit www.competeinc.com

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About TNS

TNS is a global market information and insight group.

Its strategic goal is to be recognised as the global leader in delivering value-added information and insights that help its clients make more effective business decisions.

TNS delivers innovative thinking and excellent service across a network of 80 countries. Working in partnership with clients, TNS provides high-quality information, analysis and insight that improves understanding of consumer behaviour.

TNS is the world's leading provider of customised services, combining sector knowledge with expertise in the areas of Product Development & Innovation, Brand & Communications, Stakeholder Management, Retail & Shopper and Customer Intelligence. TNS is a major supplier of consumer panel, media intelligence and audience measurement services.

TNS is the sixth sense of business™.

www.tnsglobal.com