

Opinion Research Corporation

AMEX-OPI- \$6.10

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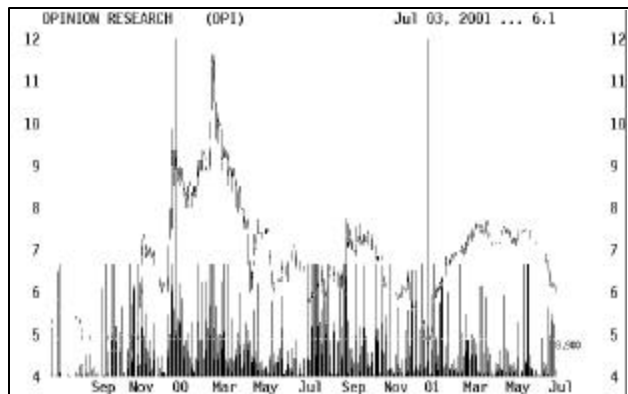
(www.opinionresearch.com)

Revised Outlook

Slowing US Economy Reduces Our EPS Forecast

Current Data		EPS		P/E
Fiscal Year End	Dec	2000	\$ 0.65	9.3
Current Price	\$ 6.10	2001E	\$ 0.57	10.7
52-Week Range	8-4	2002E	\$ 0.83	7.3
Shares Out (Mill)	6.10	Valuation		LTM
Ave Volume LTM	9,470	P/E (Next FY)	10.72	12-7
Market Cap. (Mill)	\$ 37.21	P/B	1.05	1.3-0.7
LTD/Total Capital	60.0%	Price/Sales	0.22	0.26-0.16
Institutional Holdings	36%	Operating Data		LTM
Insider Holdings	20%	Sales Growth	17.8%	19.7%
Book Value	\$ 5.82	EBITDA Margin	11.8%	11.8%
10Yr Bond	5.38%	Net Inc. Growth	36.4%	31.4%

Source: Baseline except for EPS estimates, researchstock.com



Source: Baseline

Key Investment Points

- Weak US economy and timing issues caused management to reduce revenue guidance by \$4 million.
- Implementing cost reduction program that is expected to save \$1.0 million annually.
- No guidance beyond 2Q, but more information expected in late July when 2Q01 results are announced.
- Our 12-18 month target price remains \$15.00.

Company Description

Princeton, New Jersey-based Opinion Research Corporation (OPI) is one of the leading global market research firms in the US, providing business-to-business (B2B) and public (government) markets with sophisticated market research and teleservices. OPI's services help firms improve customer loyalty, branding, corporate reputation, and evaluate market demand for new or existing products. The Company focuses on projects that require continuous updating, thus resulting in a stable client base and recurring revenue streams (we estimate approximately 60% of revenues are from recurring projects). The Company's client base is comprised of Fortune 50 multinational firms such as Bell Atlantic, Chase Manhattan, and General Motors and government agencies. Founded in 1938 by market research pioneer and ex-partner of George Gallup, Claude Robinson, the Company had its IPO in 1993. During the last three years, the Company entered the telemarketing and government services sectors via strategic acquisitions and has been successful in realizing cross-selling opportunities.

Revised Forecast

On June 26th, management lowered their guidance for 2Q01 by \$4 million, largely as the result of weakness in the US economy and temporary delays in other segments. While the backlog remains at all-time highs, these events are causing the 2Q01 shortfall. Management did not discuss its outlook beyond 2Q01, but did indicate that they will have more information when they report 2Q results in late July. The impact on the 2Q01 and our forecast are summarized in Table 1.

	Company		Our Forecast	
	Prior	Revised	Prior	Revised
Sales	\$48-50	\$44-45	\$47	\$44
Net Income	.10-1.20	.35-.50	1.09	0.36
EPS	.18-.20	.06-.08	0.18	0.06

OPI is not alone in feeling the pain of the US slowdown, on June 25th, AXICOM (AXCM-\$11.34) pre-announced disappointing 1Q02 results and that they were cutting its workforce by 7%. However, despite weakness in the Advertising and Marketing sector, OPI shares are still outperforming its peers and major indexes on a trailing 12-month and year-to-date basis (see Table 2).

Company	Ticker	Price	30d Vol	% Price Change		
				1 Week	1 yr	YTD
OPINION RESEARCH	OPI	\$ 6.10	6,117	-2.4	-7.9	26.8
Peer Group Average			226,891	3.9	-37.2	-11.3
OMNICOM GROUP	OMC	\$ 87.31	1,195,755	5.1	-3.5	5.4
INTERPUBLIC GROUP	IPG	\$ 29.69	2,437,007	6.3	-31.1	-30.2
Adv & Market Index	SRVAM	289.99	-		-13.9	-9.9
S&P 500	SPX	1,234.45	-		-16.0	-6.5
Peer Group						
TOTAL RESEARCH	TOTL	\$ 2.05	9,997	-1.0	-23.7	-35.7
ACXIOM	ACXM	\$ 12.03	1,012,990	10.5	-58.2	-69.1
NET PERCEPTIONS	NETP	\$ 1.85	56,076	2.2	-88.6	-11.6
HARRIS INTERACTIVE	HPOL	\$ 2.53	16,803	2.4	-47.4	-31.4
MARKETING SVCS GROUP	MSGI	\$ 0.82	47,228	3.8	-83.0	-30.9
JUPITER MEDIA METRIX	JMXI	\$ 1.49	267,614	8.0	-94.5	-84.0
INFORMATION RESOURCE	IRIC	\$ 9.40	177,531	1.4	135.0	183.8

(Source: Baseline)

The four events that caused the 2Q01 shortfall were:

US Market Research revenues were adversely impacted as the weak economy caused many clients to delay implementation of planned programs. According to management, this reduced US Market Research 2Q01 sales by approximately \$700,000. Business outside the US appears to remain strong as Management noted that UK sales are up 11% (in local currency) and growing faster than the local economy.

In response to these events, OPI is instituting an expense reduction program that is targeted to achieve \$1million in annual savings and realigning sales and finance functions to achieve greater accountability. Some of the cost reductions are expected to be seen in 3Q01 results.

Asian sales were temporarily disrupted as a new manager was installed in Korea. While the new manager is an experienced veteran, the transition caused a delay in the pipeline.

Social Research's (specifically Macro's) growth rate started to slow to a longer-term rate of 10% versus the 20% rate it experienced last year. We expect 2001 to be a transition year as a difficult comparison to 2000 and timing issues could result in flat revenues for Macro, the largest unit in Social Research. The fundamental strength of the business remains intact as bookings are up 70% over this time last year and OPI continues to land new business. But, project implementation is unique to each project and hard to forecast.

ProTel (telemarketing) revenues were below expectations because a program was suspended for four weeks as a major client evaluated the project. While the client decided to continue the program, the four weeks of revenue will not be regained.

Management noted that its business segments normally experience these types of delays, but strength in one segment will offset the temporary weakness in another. However, this time, the events occurred simultaneously.

Outlook

We lowered our EPS to reflect the revised guidance and assumptions about near-term growth rates. Our diluted EPS forecast for 2001 is now \$0.53 (versus \$0.75) and for 2002 is \$0.83 (versus \$0.94). These changes impacted both 2001 and 2002 because our 2002 assumptions are based on 2001 sales levels. The main changes to our forecast are as follows:

- 2Q01-Reduced sales by \$4 million, lowered our gross margin assumption to 31.1% from 33.9%, and reduced SG&A to 21.8% of sales from 22.4% (it was 20.9% in 1Q01).
- Balance of 2001-Reduced sales by \$4 million, left the gross margin assumption unchanged at 33.9%, and reduced SG&A to 22.0 from 22.4% of sales.
- Our 2002 forecast assumes 10% annual growth in all segments (lowered Social Revenue assumption) and SG&A is reduced to 21.0% of sales from 22.8% as the result of the expense reduction program management is implementing.

Table 3 and 4 summarize our revised annual and quarterly EPS forecasts, respectively.

Table 3: Annual Earnings Model						
(\$MM)	1997	1998*	1999	2000	2001e	2002e
Revenues	56.67	73.17	118.62	160.91	179.61	197.47
Cost of Goods Sold	34.37	44.81	75.85	105.98	120.55	132.30
Gross Margin	22.30	28.36	42.77	54.93	59.05	65.16
SG&A	16.84	19.41	28.50	36.00	38.72	41.47
Depreciation	2.66	4.14	5.81	7.28	8.22	8.22
Operating Income	2.80	4.81	8.46	11.65	12.11	15.48
Interest Expense	0.67	1.87	4.01	5.68	5.77	5.75
Other Income/Expens	0.00	2.47	0.00	0.00	0.00	0.00
PreTax Income	2.13	0.47	4.46	5.97	6.34	9.73
Income Taxes	0.98	0.49	1.94	2.67	2.85	4.38
Extraord	0.00	0.15	0.09	0.00	0.00	0.00
Net Income	1.15	-0.17	2.42	3.30	3.48	5.35
EPS-Basic	\$ 0.28	\$0.0 *	\$0.59 **	\$ 0.78	\$ 0.82	\$ 0.88
Diluted	\$ 0.28	\$0.0 *	\$ 0.58 **	\$ 0.65	\$ 0.57	\$ 0.83
		* Includes charges related to ex-CEO.				
		* *Excludes debt re-structuring charges				
Basic Shares	4.144	4.202	4.244	4.244	4.244	6.1
Diluted Shares	4.146	4.202	4.332	5.053	6.123	6.415
Tax Rate	45.8%	104.3%	43.6%	44.7%	45.0%	45.0%
Boldfaced data are estimates						
Growth Rates						
Revenues	19.9%	29.1%	62.1%	35.6%	11.6%	9.9%
EBIDTA	14.5%	63.9%	59.4%	32.7%	7.4%	16.6%
Net Inc.	42.7%	nm	nm	36.3%	5.5%	53.5%
EPS	45.0%	nm	nm	12.7%	-13.0%	46.5%
Margin Analysis						
Gross	39.4%	38.8%	36.1%	34.1%	32.9%	33.0%
EBIDTA	9.6%	12.2%	12.0%	11.8%	11.3%	12.0%
Net	2.0%	-0.2%	2.0%	2.1%	1.9%	2.7%

	1Q	2Q	3Q	4Q	FY
1999	\$ 0.13	\$ 0.14	\$ 0.16	\$0.15**	\$ 0.58** *
2000	\$ 0.16	\$ 0.18	\$ 0.16	\$ 0.16	\$ 0.65
2001e	\$ 0.18	\$ 0.06	\$ 0.16	\$ 0.18	\$ 0.57

* Includes charges related to ex-CEO.
** Excludes one-time charges.
Boldfaced data are estimates.

1998	167.8%	56.5%	18.3%	-424.0%	114.5%
1999	28.4%	31.6%	76.5%	150.0%**	-1450.0%
2000	24.9%	30.0%	-2.3%	5.5%	12.7%
2001e	12.0%	-66.8%	-1.5%	11.8%	-13.0%

Valuation

Our 12-18 month target price remains \$15.00 because our 2002 forecast is relatively unchanged and we did not alter our valuation multiple assumptions (see Table 5). We think our valuation assumptions are reasonable based upon OPI's operating performance and current valuation relative to its peers (see Tables 6 and 7, next page).

	Multiples		2002e	Est. Range
	LTM Ave.	Est.		
Revenues	0.3	0.3	197.47	\$ 12.71
	0.2	0.2		\$ 8.47
EPS	12.3	18	\$ 0.83	\$ 15.01
	8.1	9		\$ 7.50
EBITDA	2.3	4	20.33	\$ 17.45
	1.5	2		\$ 8.72
Average Est. Price			High	\$ 15.06
			Low	\$ 8.23
			Ave.	\$ 11.65

Company	Ticker	Revenues		EBIDTA		EPS	% Chg	Debt/ Capital	Net Debt/ EBITDA	Interest Cover	ROE
		(MM)	% Chg	Margin							
OPINION RESEARCH	OPI	168	20%	11.8%	\$ 0.68	11%	11%	0.6	3.7	2.1	13%
Peer Group Average			60%	-1.2%	\$ (0.53)	83%		0.1	2.1	-	14%
OMNICOM GROUP	OMC	6,400	19%	17.3%	\$ 2.50	20%		0.6	7.0	11	30%
INTERPUBLIC GROUP	IPG	5,700	10%	25.5%	\$ 1.51	18%		0.4	7.5	5.2	16%
PEER GROUP											
TOTAL RESEARCH	TOTL	54	13%	7.90%	\$ 0.14	-12%		0.1	3.2	-	14%
NET PERCEPTIONS	NETP	30	33%	-13.71%	\$ (1.28)	-110%		0.0	-	-	-
HARRIS INTERACTIVE	HPOL	58	37%	-0.64%	\$ (0.75)	na		-	-	-	-
MARKETING SVCS GROUP	MSGI	200	82%	-0.08%	\$ (0.67)	9%		0.2	-	-	-
JUPITER MEDIA METRIX	JMXI	82	197%	-0.69%	\$ (0.71)	-73%		-	-	-	-
INFORMATION RESOURCE	IRIC	538	-1%	0.05%	\$ 0.07	600%		0.1	1.0	-	-
(Source: Baseline)											
Company Name		Description									
Total Research		Consumer research with special products for customer loyalty, brand equity and e-commerce.									
Net Perceptions		Internet retail marketing research (IPO 4/99).									
Harris Interactive		Broad-based consumer research (IPO 12/99).									
Marketing Serv. Group		Direct and indirect marketing services in US and Canada.									
Jupiter Media Metrix		Internet audience measurement products.									
Information Resource		Consumer product market research via UPC tracking									
The following are the top diversified international advertising/marketing services firms:											
OMNICOM GROUP											
INTERPUBLIC GROUP											

	LTM Price	Change	Market Cap (MM)	P/E		Price to					
				CY00	CY01	Sales	CF	Book	EBITDA		
OPINION RESEARCH	OPI	\$ 6.10	-8%	35	9.2	9.5	0.2	3.0	1.0	1.7	
Peer Group Average			-35%	86	-2.5	45.4	0.8	4.1	0.8	0.8	
OMNICOM GROUP	OMC	\$ 87.31	-4%	16172	31.3	26.9	2.5	23.5	9.9	14.7	
INTERPUBLIC GROUP	IPG	\$ 29.69	-31%	11136	24.3	21.2	2.0	12.9	4.5	15.2	
Peer Group											
TOTAL RESEARCH	TOTL	\$ 2.05	-24%	27	na	na	0.5	8.9	1.9	6.5	
NET PERCEPTIONS	NETP	\$ 1.85	-89%	50	-1.9	92.5	1.7	-	0.3	-1.4	
HARRIS INTERACTIVE	HPOL	\$ 2.53	-47%	87	-4.1	na	1.5	-	1.1	-3.6	
MARKETING SVCS GROUP	MSGI	\$ 0.82	-83%	28	na	na	0.1	-	0.3	3.3	
JUPITER MEDIA METRIX	JMXI	\$ 1.49	-100%	53	-1.3	-1.8	0.7	1.8	0.1	-1.9	
INFORMATION RESOURCE	IRIC	\$ 9.40	135%	273	na	na	0.5	1.7	1.3	1.7	
Source: Baseline											

Risk Consideration

Investors need to consider the following risks before investing:

- The shares are not very liquid and can experience significant price volatility.
- The Company is not widely followed by Wall Street analysts
- By some measures, debt levels are higher than sector averages. While we do not consider leverage to be extreme and interest coverage is more than adequate, the current debt load could prevent OPI from making future acquisitions.

This report contains "forward looking" statements within the meaning of U.S. federal securities laws. Forward-looking statements regarding the Company's performance inherently involve risks and uncertainties that could cause actual results to differ from such forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products/services in the marketplace; acceptance in the marketplace of the Company's new product lines/services; competitive factors; new product/service introductions by others; technological changes; dependence upon third party vendors; and other risks discussed in the Company's periodic report filings, including interim reports, with the Securities and Exchange Commission, By making these forward looking statements, researchstock.com, Inc. undertakes no obligation to update these statements for revisions or changes after the date of this report.

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