

# OPINION RESEARCH

Ticker Symbol: **ORCI**

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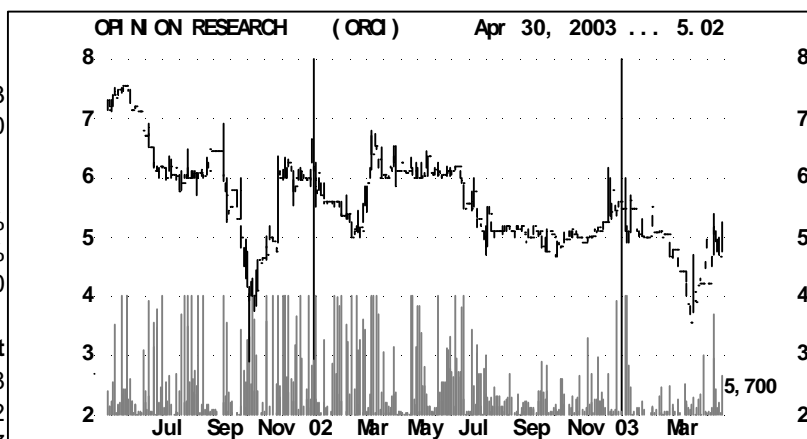
May 1, 2003

## Current Data

Current Price	\$ 5.02
52-Week Range	7-3
Shares Out (Mill)	6.0
Ave Volume LTM	3,836
Market Capitalization	\$ 30.3
LTD/Tot Cap	61.0%
Institutional Holdings	41.1%
Insider Buys-Sells	0.0
Book Value	\$ 5.48

## Valuation

P/E (Last FY)	2.8
P/B	0.92
Price/Sales	0.17



## Operating Data

Sales Growth	2.0%
EBITDA Margin	8.5%
EPS Growth (FAS142 adj)	23%
<b>EPS</b>	
2002	\$ 0.55
2003e	\$ 0.62
2004e	\$ 0.78

## This Qtr Operating Results

(\$Million)	1999	2000	2001	2002	3/02	3/03
<b>Sales</b>	\$118.6	\$160.9	\$176.9	\$175.3	\$42.45	\$43.16
<b>Gr Margin</b>	35.9%	35.9%	35.9%	35.9%	31.3%	30.9%
<b>Op CF</b>	6.9	11	9.4	10.5	-0.07	0.00
<b>EPS</b>	\$0.58	\$0.66	\$0.27	\$0.55	\$ 0.08	\$ 0.12
<b>LTD/Cap.</b>	69.2%	59.0%	65.0%	61.2%	57.5%	52.1%
<b>Times Int</b>	2.1	2.1	1.6	0.9	3.1	2.9

**Description:** ORCI 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. ORCI'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. The Company's client base is comprised of Fortune 50 multinational.

## 1Q03 Results

Diluted EPS was better than expected at \$0.12 versus our forecast of \$0.10 and relatively even with last year's pro forma result of \$0.13. (The 1Q02 results included a \$0.05 per diluted share impairment charge to write off the value of its Mexican subsidiary.) Reported GAAP EPS for 1Q02 was \$0.08. Here is a summary of key points:

- Continued strength in Social Research (+15.8%) offset weakness in Market Research (-15.2%) and Teleservices (-17.3%). Despite the challenging economic environment, ORCI's operating cash flows remained strong and the Company repaid \$1.8 million in debt.
  - Operating margins declined to 5.6% from 5.9% as declining sales squeezed the gross margin and as SG&A expenses rose a modest 1.3%.
  - Net income increased 47.5% due to an easy comparison with last year's results that included the impairment charge. Pre-tax (and pre-charge) income declined 3.8%.
- (continued...)

Please read the important disclosures on last page.

**Financial Condition**

Leverage improved as operating cash flow allowed ORCI to reduce debt by \$1.8 million. Trailing 12-month DSO improved to 41 days versus 49 days at the end of 1Q02.

**Outlook**

We are maintaining our current forecast and target price (\$7.00). We will provide more information after we have reviewed the 10Q.

-- Rick Wayman, CFA  
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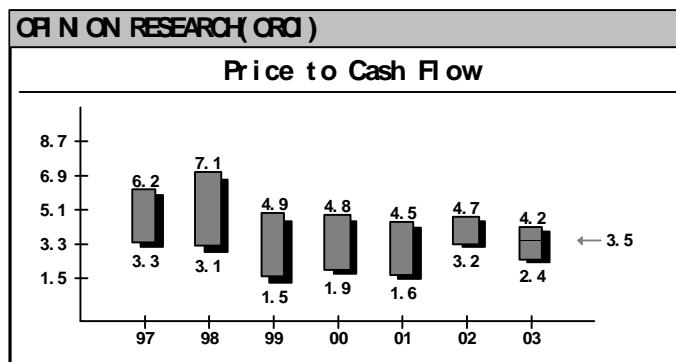
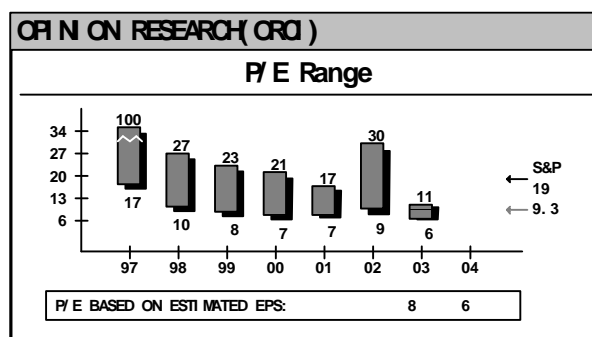
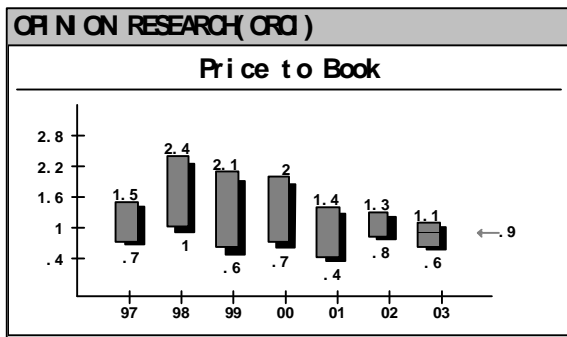
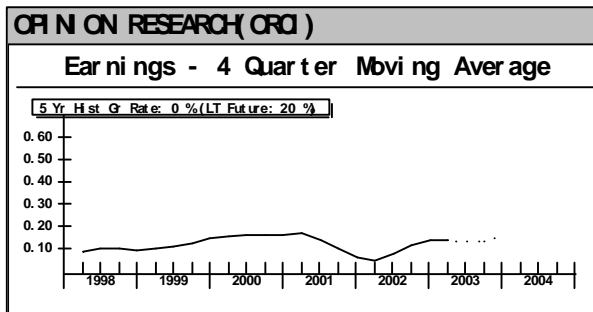
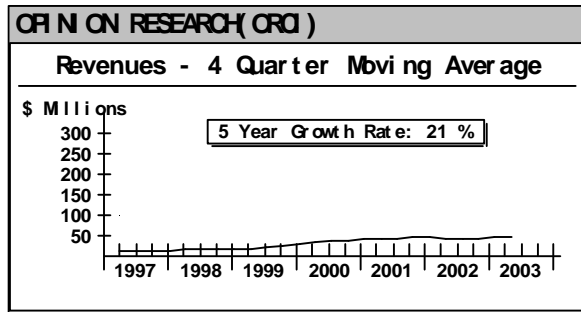
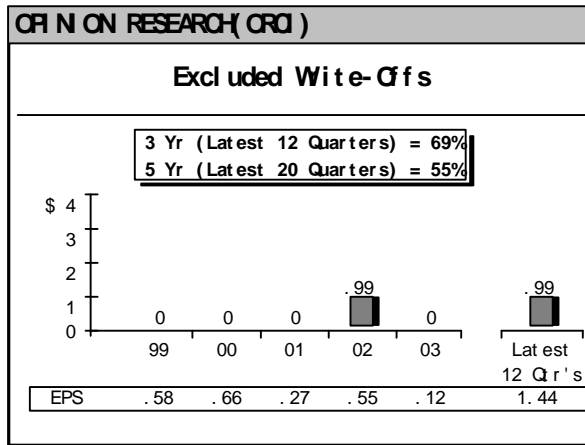
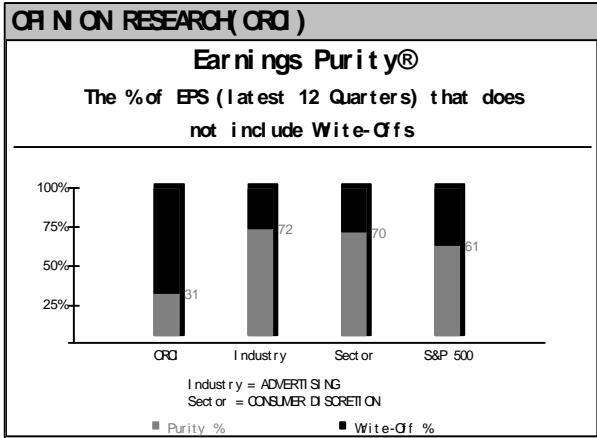
Operating Data-LTM			Sales	Gross	EBITDA	\$ Flow	LT Debt/	
Company	Symbol	Sales	Growth	Margin	Margin	/Share	Total Cap	ROE
<b>OPINION RESEARCH</b>	<b>ORCI</b>	<b>\$ 175.9</b>	<b>1%</b>	<b>31.6%</b>	<b>6.1</b>	<b>\$ 1.43</b>	<b>61.0</b>	12.2
Peer Group Avg*		\$ 1,694.4	-70%	50.8%	18.0	\$ (0.11)	11.5	11.2
Industry Average		\$ 714.4	-7%	56.1%	19.1	\$ 2.78	18.6	15.5
<b>Selected Peers</b>								
INTERPUBLIC GROUP	IPG	\$ 6,203.9	-8%	47.4%	15	\$ 1.32	46.0	10.2
OMNICOM GROUP	OMC	\$ 7,741.1	10%	37.0%	16.5	\$ 4.54	43.0	27.3
Valuation Data			CY P/E			Price/		
		Price	2002	2003	2004	\$ Flow	Sales	Book
<b>OPINION RESEARCH</b>	<b>ORCI</b>	<b>\$ 5.02</b>	<b>9.1</b>	<b>8.1</b>	<b>6.4</b>	<b>3.5</b>	<b>0.2</b>	<b>0.9</b>
Peer Group Avg*		\$ 15.86	37.5	8.1	18.3	14.2	2.5	2.4
Industry Average		\$ 24.28	23.6	22.5	22.4	15.7	1.7	2.6
<b>Selected Peers</b>								
INTERPUBLIC GROUP	IPG	\$ 11.40	21.1	17.8	14.8	8.6	0.7	2.1
OMNICOM GROUP	OMC	\$ 61.90	18.0	17.1	15.2	13.6	1.5	4.4

\*Peer Group includes OMC, IPC, IRIC, EXBD, MKTG, HPOL, NETP, TTEL, WSTC, and NCI.

Source: Baseline

Stock Price Performance						
Company Name	TKR	Price	LTM vs. SPX	6 Mos	Vs. SPX	
<b>OPINION RESEARCH</b>	<b>ORCI</b>	<b>\$ 5.02</b>	<b>-17.0</b>	<b>-2.2</b>	<b>0.2</b>	<b>-3.3</b>
S&P 500	SPX	\$ 916.92	-14.9		3.5	
Ave, Marketing Services		\$ 17.77	-30.4	-15.6	14.3	10.8
Ave. Business Services		\$ 11.39	-23.4	-8.5	17.4	13.9
<b>Marketing Services</b>						
OMNICOM GROUP	OMC	\$ 61.90	-29.0	-14.2	7.4	3.9
INTERPUBLIC GROUP	IPG	\$ 11.40	-63.1	-48.2	-4.8	-8.3
INFORMATION RESOURCES	IRIC	\$ 2.35	-77.1	-62.2	-21.7	-25.2
CORPORATE EXECUTIVE SERVICES	EXBD	\$ 40.99	7.9	22.7	23.5	20.0
MKTG SERVICES	MKTG	\$ 1.43	-91.5	-76.6	5.1	1.6
HARRIS INTERACTIVE	HPOL	\$ 4.79	25.4	40.2	59.7	56.1
NET PERCEPTIONS	NETP	\$ 1.52	14.3	29.1	31.0	27.5
TELETECH HLDG	TTEC	\$ 4.08	-66.7	-51.8	-31.5	-35.1
WEST	WSTC	\$ 22.58	-19.4	-4.5	40.8	37.3
NAVIGANT CONSULTING	NCCI	\$ 7.51	15.9	30.8	43.0	39.5

Source: Baseline



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- We do not make a market in the shares of the subject company.
- We have not done any investment banking business with the subject company.

(Legalese)

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