

Opinion Research Corporation

NASDAQ-ORCI- \$5.00

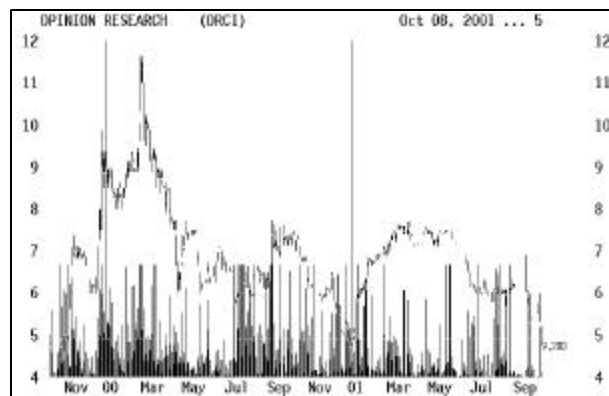
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Reducing 3Q01 EPS Forecast Due to US Recession and Impact of Sept. 11th Attack

Current Data		EPS		P/E
Fiscal Year End	Dec	2000	\$ 0.65	7.6
Current Price	\$ 5.00	2001E	\$ 0.32	15.7
52-Week Range	8-4	2002E	\$ 0.81	6.2
Shares Out (Mill)	6.10	Valuation		LTM
Ave Volume LTM	7,646	P/E (Next FY)	15.67	13-7
Market Cap. (Mill)	\$ 30.50	P/B	0.86	1.3-0.7
LTD/Total Capital	59.0%	Price/Sales	0.17	0.26-0.16
Institutional Holdings	36%	Operating Data		This Qtr
Insider Holdings	20%	Sales Growth	11.1%	13.4%
Book Value	\$ 5.82	EBITDA Margin	9.2%	11.3%
10Yr Bond	4.50%	Net Inc. Growth	-57.6%	4.2%

Source: Baseline except for EPS estimates, researchstock.com



Source: Baseline

Key Investment Points

- The September 11th attack exacerbated an already weak market and caused management to reduce its guidance for 3Q01.
- US Market Research and Telemarketing were the most adversely impacted.
- However, Social Research and UK business remains strong (A good sign because these areas represent 60% of total revenues).
- Management implemented additional \$1.2 million in expense reductions.

Company Description

Princeton, New Jersey-based Opinion Research Corporation (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 (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 Claude Robinson, the Company had its IPO in 1993. During the last four years, the Company entered the telemarketing and government research services sectors via strategic acquisitions and has been successful in realizing cross-selling opportunities.

Management Lowers Guidance

An already weak market was adversely impacted by the attack on September 11th. We expected that sales would continue to be slow in 3Q as recession fears caused clients to suspend/reduce projects. But the Attack made a bad situation worse and forced US Research and Teleservices to suspend operations for several days and reduced operating earnings by about \$300,000. Post Attack, additional project delays and scope reductions occurred as clients waited to see what would happen next.

On the bright side, Social Research and US Market Research appear to be untouched by the Attack and the US recession. This is good news because these segments represent 60% of total revenues. Other comments by management indicated that Social Research growth over the near-term may be better than we previously expected.

Management also announced that they were implemented a new cost cutting program that would shave another \$1.2 million off annual expenses. This is in addition to the \$1.0 million in cost reductions that was announced when ORCI released 2Q01 results. We expect to see the impact of the \$1.0 million plan in the 3Q, but do not expect to see any benefit from the new \$1.2 million program until 1Q02.

Peer Group Comparison

ORCI is not alone in feeling the pain of a weak economy and the Attacks, but the stock has held up better than most of its peers. As shown in Table 1, ORCI stock has outperformed the peer group and Interpublic (IPG) during the last 12 months, and still remains undervalued on a price/sales and price/cash flow basis.

Table 1: Comparative Valuation Analysis		LTM	Market	P/E		Price to				
		Price	Price Change	Cap (MM)	FY01	FY02	Sales	CF	Book	EBITDA
OPINION RESEARCH	ORCI	\$ 5.00	-32%	29	15.7	7.3	0.2	2.6	0.8	1.3
Peer Group Average			-57%	55	5.3	4.6	0.6	3.5	0.8	0.8
OMNICOM GROUP	OMC	\$ 66.52	-9%	12321	24.4	21.7	1.9	17.4	7.1	10.8
INTERPUBLIC GROUP	IPG	\$ 20.03	-39%	7513	20.0	17.0	1.3	9.7	2.9	7.0
P/E ratios for ORCI based upon our estimates.										
Peer Group										
TOTAL RESEARCH	TOTL	\$ 2.52	-27%	34	na	na	0.6	8.8	2.4	6.6
NET PERCEPTIONS	NETP	\$ 1.10	-75%	30	-1.1	-1.3	1.5	-	0.2	-0.8
HARRIS INTERACTIVE	HPOL	\$ 2.05	-51%	71	-4.4	na	1.2	-	1	-3.3
MARKETING SVCS GROUP	MKTG	\$ 0.48	-78%	16	na	na	0.1	-	0.4	1.9
JUPITER MEDIA METRIX	JMXI	\$ 0.54	-96%	19	-0.4	-0.6	0.2	0.8	0	-0.6
INFORMATION RESOURCE	IRIC	\$ 5.45	-17%	158	27.3	15.6	0.3	1	0.7	1.0

Source: Baseline

On an operating basis, ORCI is also outperforming many of its peers during the last 12 months. Through 2Q01, ORCI remained profitable and experienced less of a drop in EPS growth than its peers (see Table 2, next page).

Company	Ticker	Revenues		EBIDTA			Debt/ Capital	Net Debt/ EBITDA	Int. Cover
		(MM)	% Chg	Margin	EPS	% Chg			
OPINION RESEARCH	ORCI	172	13%	11.8%	\$ 0.56	-14%	0.6	3.6	2
Peer Group Average			27%	-3.6%	\$ (0.77)	-98%	0.1	1.1	-
OMNICOM GROUP	OMC	6,600	18%	17.1%	\$ 2.61	19%	0.6	7.1	12.2
INTERPUBLIC GROUP	IPG	6,000	12%	45.0%	\$ 1.26	-7%	0.4	11.9	2.6
PEER GROUP									
TOTAL RESEARCH	TOTL	54	6%	9.40%	\$ 0.16	7%	-	2.4	-
NET PERCEPTIONS	NETP	20	-37%	-29.24%	\$ (1.31)	-122%	0.0	0.1	-
HARRIS INTERACTIVE	HPOL	60	24%	-0.49%	\$ (0.67)	na	-	-	-
MARKETING SVCS GROUP	MKTG	181	41%	-0.09%	\$ (2.04)	-158%	0.2	-	-
JUPITER MEDIA METRIX	JMXI	81	127%	-1.07%	\$ (0.89)	-117%	-	-	-
INFORMATION RESOURCE	IRIC	545	1%	0.05%	\$ 0.11	na	0.1	0.9	-

(Source: Baseline)

Revised Outlook

As discussed below, we have lowered our EPS forecast based upon what we know at this point. However, we will postpone our normal valuation and target price analysis until after ORCI releases 3Q01 results in late October. At that point, we will have more information on ORCI, the industry, and the economy that will allow us to review our forecasts and better analyze relative valuations.

We are reducing our 3Q01 EPS forecast from \$0.08 to \$0.00-\$0.01 and our 4Q01 forecast from \$0.14 to \$0.08 (lowering our FY01 estimate from \$0.46 to \$0.32). We are also reducing our 2002 EPS forecast by \$0.02-\$0.03. Our key assumption for the revised outlook for 2001 and 2002 is that while Social Research and UK business may remain stable and relatively strong, the weakness in the US Market Research and Telemarketing could remain weak through 1Q02. We also expect that the cost-cutting programs should boost margins during the rest of the year and partially offset some of the initial top line weakness (see Table 3).

Table 7: Annual Earnings Model						
(\$MM)	1997	1998*	1999	2000	2001e	2002e
Revenues	56.67	73.17	118.62	160.91	178.09	196.97
Cost of Goods Sold	34.37	44.81	75.85	105.98	121.00	131.97
Gross Margin	22.30	28.36	42.77	54.93	57.10	65.00
SG&A	16.84	19.41	28.50	36.00	39.54	41.36
Depreciation	2.66	4.14	5.81	7.28	8.35	8.40
Operating Income	2.80	4.81	8.46	11.65	9.21	15.24
Interest Expense	0.67	1.87	4.01	5.68	5.57	5.64
Other Income/Expense	0.00	2.47	0.00	0.00	0.00	0.00
PreTax Income	2.13	0.47	4.46	5.97	3.64	9.60
Income Taxes	0.98	0.49	1.94	2.67	1.69	4.41
Extraord	0.00	0.15	0.09	0.00	0.00	0.00
Net Income	1.15	-0.17	2.42	3.30	1.95	5.18
EPS-Basic	\$ 0.28	\$0.0 *	\$0.59 **	\$ 0.78	\$ 0.46	\$ 0.90
Diluted	\$ 0.28	\$0.0 *	\$ 0.58 **	\$ 0.65	\$ 0.32	\$ 0.81
Cash EPS			\$ 0.90	\$ 1.06	\$ 0.72	\$ 1.21
			* Includes charges related to ex-CEO.			
			**Excludes debt re-structuring charges			
Basic Shares	4.144	4.202	4.244	4.244	4.244	5.742
Diluted Shares	4.146	4.202	4.332	5.053	6.127	6.420
Tax Rate	45.8%	104.3%	43.6%	44.7%	46.3%	46.0%
Boldfaced data are estimates						

Risk Consideration

Investors need to consider the following risks before investing:

- The shares are not very liquid and can experience significant price volatility.
- 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 impair ORCI's financial flexibility.

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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