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**2 August 2005**

**Incisive Media PLC  
("Incisive Media" or the "Company")**

**\$43.0 million (approximately £24.3 million) acquisition of Search Engine Strategies ("SES") (the "Acquisition") and placing of 8,200,000 new ordinary shares (the "Vendor Placing") at 150 pence per new ordinary share**

**Trading update for the six months ended 30 June 2005**

Incisive Media is a fast growing specialist business information provider operating in seven markets: retail investment, insurance, financial risk management, mortgage, capital markets/financial IT, private equity and photographic. The Company delivers key information to defined target audiences across a variety of platforms in print, through magazines; in person via conferences and exhibitions; and online through its various websites. Incisive Media's market leading brands include Investment Week, Post Magazine, Risk, UNQUOTE and Your Mortgage.

- Incisive Media is acquiring the business and assets of SES for \$43.0 million (approximately £24.3 million). SES is the premier international conference series on search engine marketing and optimisation and includes its related websites for marketing professionals, clickz.com and searchenginewatch.com. SES is being sold by Jupitermedia Corporation, a NASDAQ listed media company.
- Incisive Media will issue 8,200,000 new ordinary shares by way of a vendor placing which will be placed with institutional investors at a price of 150 pence per share, raising £12.3 million (US\$21.8 million). The balance of the consideration (\$21.2 million) will be financed through increased debt facilities from Royal Bank of Scotland
- The acquisition represents an opportunity to buy a leading conference and exhibition series in the rapidly growing global

search engine marketing industry and should provide a strongly growing new global vertical market for Incisive Media

- The Acquisition will allow Incisive Media to strengthen its footprint in the US and to roll-out the SES model across the territories in which the Company currently operates
- The Board of Incisive Media believes that the Acquisition will be earnings enhancing in the first full year of ownership\*
- In addition Incisive Media is in exclusive discussions with Global Professional Media Limited ("GPM") to acquire the approximately 80% interest in GPM not already owned by Incisive Media for a cash consideration of approximately £5.7 million. A further announcement will be made in due course
- Trading for the current year remains in line with market expectations and the Directors are confident about the future growth prospects of the business

Tim Weller, Chief Executive of Incisive Media, commented: 'We are very excited about this deal which takes Incisive Media into what is possibly one of the most exciting marketing services niches that there is, "Search". I believe Search has rapidly become the 'killer application' of the Internet, and is the main driver behind the growth in online advertising throughout the world. We consider that the SES conference series, supported by their websites, are the primary source of information on search engine marketing and optimisation issues.

'SES has all the hallmarks we look for in our acquisitions: this is a high margin business with robust core earnings, and it is a market leader in a strong and rapidly growing global market niche.'

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\* This statement should not be taken to mean that the future EPS of Incisive Media will necessarily match or exceed the historical reported EPS of Incisive Media and no forecast is intended or implied.

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**Trading update for the six months ended 30 June 2005**

### **Introduction**

Incisive Media today announces the acquisition of the business and assets of SES for \$43.0 million (approximately £24.3 million). SES is the premier international conference series, on search engine marketing and optimisation and includes its related websites for marketing professionals including Clickz.com and searchenginewatch.com. SES is being sold by Jupitermedia Corporation ("Jupitermedia"), a NASDAQ listed media company,

Incisive Media will issue 8,200,000 new ordinary shares by way of a vendor placing which will be placed with institutional investors at a price of 150 pence per share, raising £12.3 million (US\$21.8 million). The balance of the consideration (\$21.2 million) will be financed through increased debt facilities from Royal Bank of Scotland. The Vendor Placing has been fully underwritten by Investec.

### **Background to and reasons for the Acquisition**

SES which is owned by Jupitermedia, is a market leading operator of a series of international informational and learning events on search engine marketing and optimisation. To date in 2005 their annual conferences in New York, London, Toronto, Tokyo and Munich have been held, and conferences in San Jose, Stockholm and Chicago are planned before the end of the current year. Repeat sponsors of these events include online and search marketing companies such as Google, Yahoo, MSN Search; web analytics companies such as Clicklab,

Omniture, WebSideStory and Web Trends (a subsidiary of NetIQ); and Digital Marketing Technologies companies.

Search is considered by many to be the main driver behind the growth of online advertising spend throughout the world. Search has spawned several new categories of related services to help organisations market themselves via Search Engines. The growth of search engine optimisation ("SEO") organisations has been strong, and these companies are increasingly taking major exhibition and sponsorship positions at SES events. Vertical search and local search are other niches that are expected to be dynamic growers of the Search industry. Both current traditional Search players, such as Yahoo and Google, and numerous newer companies are entering the Vertical and Local Search markets, in an attempt to establish a position in these niche sectors. The Directors believe that all of these trends combined with the growth from "traditional" Search players should ensure a positive future for SES events and websites.

SES owns and is supported by the websites clickZ.com and searchenginewatch.com. The majority of SES's customers register with the company online through the clickZ Network. The Network includes:

- Searchenginewatch.com ('SEW') sends a daily newsletter to 32,000 subscribers. SEW also provides search engine industry news and information through blogs and forums. The site is used by search engine professionals and drew an average of 95,000 pages viewed daily in 2004. SEW is widely recognised as one of the industry's leading editorial brands.
- clickZ.com publishes news, original information, analysis and opinion for interactive marketing professionals. In 2004, the site had approximately 97,000 pages viewed per day.

The Directors believe SES will provide access to the high growth search engine industry. It is intended that Incisive Media will roll out the SES business model into other geographies in which it operates and will seek to further diversify the SES offering with new events and also online information products.

In the year ended 31 December 2004 SES generated turnover of \$8.3 million and gross profit of \$4.2 million.

The Directors believe that the Acquisition will be earnings enhancing in the first full year of ownership by Incisive Media\*.

\* This statement should not be taken to mean that the future EPS of Incisive Media will necessarily match or exceed the historical reported EPS of Incisive Media and no forecast is intended or implied.

### **Current trading and prospects**

Following the Company's results for the year ended 31 December 2004, Incisive Media continued to see revenue growth across all of its divisions in the first quarter of the current financial year. In April and May of the second quarter the Company experienced a tougher trading environment in its Financial Risk management and Insurance divisions although June saw a recovery across the business as a whole.

Through the first half of the year, the Company has further invested in both new and existing products within its portfolio, with the result that, whilst it expects to report underlying revenue growth of approximately 6%, as expected, the earnings per share will be flat compared to the same period last year. Trading for the current year remains in line with market expectations and the Directors are confident about the future growth prospects of the business.

The interim results for the six month period ending 30 June 2005 are expected to be released on 13 September 2005

In addition Incisive Media is in exclusive discussions with Global Professional Media Limited ("GPM") to acquire the 80% interest in GPM not already owned by Incisive Media for a cash consideration of approximately £5.7 million. A further announcement will be made in due course.

### **Principal terms and conditions of the Acquisition**

The Acquisition is to be made pursuant to an asset purchase agreement (the "Acquisition Agreement") dated 1 August 2005 and made between Jupitermedia and Incisive Media.

The consideration for the Acquisition will consist of (i) the allotment and issue of new ordinary shares to be placed with institutional investors on terms that the US\$ equivalent of the placing price of 150 pence per share \$21.8 million (£12.3 million) for such new ordinary

shares will be paid to Jupitermedia and (ii) the payment to Jupitermedia of the balance of the consideration being a sum equal to \$21.2 million.

The Acquisition is conditional inter alia upon the admission of the new ordinary shares to the official list of the UK Listing Authority and to trading on the London Stock Exchange's markets for listed securities.

In addition Incisive Media has entered into a transitional services agreement (the "TSA") with Jupitermedia under which Jupitermedia has agreed to continue to provide certain services to SES for a period of 12 months.

### **The Vendor Placing**

Pursuant to the Vendor Placing, which has been arranged by Investec as agent for the Company, 8,200,000 new ordinary shares have been placed with institutional investors at 150 pence per share. Application has been made to the UK Listing Authority and to the London Stock Exchange for the new ordinary shares to be admitted to listing and trading respectively ("Admission"). It is expected that Admission will take place on 5 August 2005. Following Admission the Company will have 100,501,084 ordinary shares issued and fully paid. The New Ordinary Shares will rank pari passu in all respects with the existing issued share capital of the Company.

The Vendor Placing has been fully underwritten by Investec. Pursuant to the underwriting agreement, Investec has agreed with Incisive Media to procure places to acquire all the new ordinary shares and, to the extent that it is unable to do so, to acquire itself such shares.