infoGROUP Inc.
Form PRER14A
May 18, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
Proxy Statement Pursuant To Section 14(A) of the
Securities Exchange Act of 1934

Filed by the Registrant þ
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Check the appropriate box:

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o Definitive Proxy Statement

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***info*GROUP Inc.**
(Name of Registrant as Specified In Its Charter)

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1) Amount Previously Paid:

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_info_GROUP Inc.
5711 South 86th Circle
Omaha, Nebraska

, 2010

Dear Stockholder:

The board of directors of *info*GROUP Inc., a Delaware corporation (*info*GROUP), acting upon the unanimous recommendation of the Mergers & Acquisitions Committee (M&A Committee) of *info*GROUP s board of directors, has unanimously approved a merger agreement providing for the acquisition of *info*GROUP by Omaha Holdco Inc., an entity controlled by CCMP Capital Investors II, L.P. and CCMP Capital Investors (Cayman) II, L.P. If the merger contemplated by the merger agreement is completed, you will be entitled to receive $8.00 in cash, without interest and less any applicable withholding taxes, for each share of the Company s common stock (the Common Stock) owned by you (unless you have exercised your appraisal rights with respect to the merger).

At a special meeting of our stockholders, you will be asked to vote on a proposal to adopt the merger agreement. The special meeting will be held on at [location TBD]. Notice of the special meeting and the related proxy statement are enclosed.

The accompanying proxy statement provides you with detailed information about the special meeting, the merger agreement and the merger. A copy of the merger agreement is attached as Annex A to the proxy statement. We encourage you to read the entire proxy statement and the merger agreement carefully. You may also obtain more information about *info*GROUP from documents we have filed with the Securities and Exchange Commission.

Our board of directors has unanimously determined that the merger is fair to and in the best interests of _info_GROUP and its stockholders, and unanimously recommends that you vote FOR the adoption of the merger agreement. This recommendation is based, in large part, upon the unanimous recommendation of the M&A Committee of the board of directors consisting of four independent and disinterested directors.

Your vote is very important, regardless of the number of shares of Common Stock you own. We cannot complete the merger unless a majority of the votes entitled to be cast by the holders of the outstanding shares of our Common Stock are cast in favor of the adoption of the merger agreement. The failure of any stockholder to vote on the proposal to adopt the merger agreement or an abstention will have the same effect as a vote against the adoption of the merger agreement.

Whether or not you plan to attend the special meeting, please complete, date, sign and return, as promptly as possible, the enclosed proxy in the accompanying reply envelope, or submit your proxy by telephone or the Internet. If you have Internet access, we encourage you to record your vote via the Internet. If you attend the special meeting and vote in person, your vote by ballot will revoke any proxy previously submitted.

Thank you in advance for your cooperation and continued support.

Sincerely,

/s/ Roger Siboni
Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the merger, passed upon the merits or fairness of the merger or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

The proxy statement is dated , 2010, and is first being mailed to stockholders on or about , 2010.

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_info_GROUP Inc.
5711 South 86th Circle
Omaha, Nebraska

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS
TO BE HELD ON , 2010

Dear Stockholder:

A special meeting of stockholders of *info*GROUP Inc., a Delaware corporation (the Company), will be held on , 2010, at .m. local time, at [location TBD], for the following purposes:

1. To consider and vote on a proposal to adopt the Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement), dated as of March 8, 2010, by and among the Company, Omaha Holdco Inc., a Delaware corporation (Parent), and Omaha Acquisition Inc., a Delaware corporation and a wholly-owned subsidiary of Parent (Acquisition Sub). A copy of the Merger Agreement is attached as Annex A to the accompanying proxy statement. Pursuant to the terms of the Merger Agreement, Acquisition Sub will merge with and into the Company (the Merger) and each outstanding share of the Company s Common Stock, par value $0.0025 per share (the Common Stock), (other than (i) shares of Common Stock owned by Parent, Acquisition Sub or the Company, in each case immediately prior to the effective time of the Merger, and (ii) shares held by stockholders, if any, who have properly demanded statutory appraisal rights, if any) will be converted into the right to receive $8.00 in cash, without interest and less any applicable withholding taxes.

2. To consider and vote on a proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the meeting to approve the proposal to adopt the Merger Agreement.

Only stockholders of record at the close of business on , 2010 are entitled to notice of and to vote at the special meeting or at any adjournment or postponement of the special meeting. All stockholders of record are cordially invited to attend the special meeting in person.

Your vote is very important, regardless of the number of shares of Common Stock you own. The adoption of the Merger Agreement requires the affirmative vote of a majority of the votes entitled to be cast by the holders of the outstanding shares of Common Stock. Even if you plan to attend the special meeting in person, we request that you complete, sign, date and return the enclosed proxy or submit your proxy by telephone or the Internet prior to the special meeting to ensure that your shares will be represented at the special meeting if you are unable to attend. If you have Internet access, **we encourage you to record your vote via the Internet**. If you fail to return your proxy card or fail to submit your proxy by phone or the Internet, your shares will not be counted for purposes of determining whether a quorum is present at the meeting and will have the same effect as a vote against the adoption of the Merger Agreement, but will not affect the outcome of the vote regarding the adjournment proposal, if necessary. If you are a stockholder of record, voting in person at the meeting will revoke any proxy previously submitted. If you hold your shares through a bank, broker or other custodian, you must obtain a legal proxy from such custodian in order to vote in person at the meeting.

Please note that space limitations make it necessary to limit attendance at the special meeting to stockholders as of the record date (or their authorized representatives) holding admission tickets or other evidence of ownership. The admission ticket is detachable from your proxy card. If your shares are held by a bank or broker, please bring to

the special meeting your statement evidencing your beneficial ownership of Common Stock and photo identification.

The board of directors, acting upon the unanimous recommendation of the Mergers & Acquisitions Committee, which is comprised entirely of independent members of the board of directors, unanimously (i) determined that the Merger is in the best interests of the Company and its stockholders, and declared it advisable to enter into the Merger Agreement, (ii) approved the execution and delivery of the Merger Agreement, the performance by the Company of its covenants and agreements contained in the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger upon the terms and subject to the conditions contained in the Merger Agreement, and (iii) resolved to recommend that the stockholders approve the adoption of the Merger Agreement and directed that such matter be submitted for consideration of the stockholders of the Company at the special meeting. **The board of directors unanimously recommends that you vote FOR the adoption of the Merger Agreement, and FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies**.

Stockholders of the Company who do not vote in favor of the adoption of the Merger Agreement will have the right to seek appraisal of the fair value of their shares of Common Stock if they deliver a demand for appraisal before the vote is taken on the Merger Agreement and comply with all requirements of Delaware law, which are summarized in the accompanying proxy statement.

WHETHER OR NOT YOU PLAN TO ATTEND THE SPECIAL MEETING, PLEASE COMPLETE, DATE, SIGN AND RETURN, AS PROMPTLY AS POSSIBLE, THE ENCLOSED PROXY IN THE ACCOMPANYING REPLY ENVELOPE, OR SUBMIT YOUR PROXY BY TELEPHONE OR THE INTERNET. IF YOU HAVE INTERNET ACCESS, WE ENCOURAGE YOU TO RECORD YOUR VOTE VIA THE INTERNET. STOCKHOLDERS WHO ATTEND THE MEETING MAY REVOKE THEIR PROXIES AND VOTE IN PERSON.

By Order of the Board of Directors,

/s/ Thomas J. McCusker
Thomas J. McCusker
Executive Vice President
for Business Conduct, General Counsel and Secretary

Omaha, Nebraska
, 2010

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References to *info*GROUP, the Company, we, our or us in this proxy statement refer to *info*GROUP Inc. and its subsidiaries unless otherwise indicated by context.

SUMMARY

The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. Each item in this summary includes a page reference directing you to a more complete description of that topic. *See also Where You Can Find More Information on page 82.*

Proposals (Page 59)

You are being asked to vote on a proposal to adopt the Agreement and Plan of Merger (as it may be amended from time to time, the Merger Agreement) by and among *info*GROUP, Omaha Holdco Inc. (Parent), and Omaha Acquisition Inc., a wholly-owned subsidiary of Parent (Acquisition Sub). The Merger Agreement provides that Acquisition Sub will merge with and into *info*GROUP (the Merger). *info*GROUP will be the surviving corporation in the Merger (the Surviving Corporation). In the event that there are not sufficient votes at the time of the special meeting to approve the proposal to adopt the Merger Agreement, the stockholders may be asked to vote on a proposal to adjourn the special meeting to permit solicitation of additional proxies.

The Parties to the Merger (Page 13)

*info*GROUP, a Delaware corporation founded in 1972 with its headquarters in Omaha, Nebraska, is a leading provider of sales leads, mailing lists, direct marketing, database marketing, e-mail marketing and market research solutions that help *info*GROUP clients grow their sales and increase their profits. *info*GROUP operates three principal business groups. The Data Group maintains several proprietary databases of information relating to U.S. and international businesses and consumers and offers access to those databases over the Internet through its various websites. The Services Group consists of subsidiaries providing list brokerage and list management, direct mail, database marketing and e-mail marketing services to large customers. The Marketing Research Group provides customer satisfaction surveys, employee surveys, opinion polling, and other market research services for businesses and for government.

Parent and Acquisition Sub are newly-organized Delaware corporations. Parent was organized solely for the purpose of effecting the Merger and the transactions related to the Merger. Acquisition Sub was organized solely for the purpose of completing the Merger. Neither Parent or Acquisition Sub engaged in any business except activities incidental to their organization and in connection with the transactions contemplated by the Merger Agreement. Parent is owned and controlled by CCMP Capital Investors II, L.P. and CCMP Capital Investors (Cayman) II, L.P. (collectively CCMP).

The Merger (Page 17)

In the Merger, each outstanding share of *info*GROUP capital stock (consisting of Common Stock, par value $0.0025 per share (the Common Stock)) (other than (i) shares of Common Stock owned by Parent, Acquisition Sub or the Company, in each case immediately prior to the effective time of the Merger, and (ii) shares held by stockholders, if any, who have properly demanded statutory appraisal rights) will be converted into the right to receive $8.00 in cash, without interest and less any applicable withholding taxes, which we refer to in this proxy statement as the merger consideration.

Effects of the Merger (Page 59)

If the Merger is completed, you will be entitled to receive $8.00 in cash, without interest and less any applicable withholding taxes, for each share of Common Stock owned by you, unless you have properly exercised your statutory appraisal rights with respect to the Merger. As a result of the Merger, *info*GROUP will cease to be an independent, publicly traded company. You will not own any shares of the Surviving Corporation.

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The Special Meeting (Page 14)

Time, Place and Date (Page 14)

The special meeting will be held on , starting at , at [location TBD].

Purpose (Page 14)

You will be asked to consider and vote upon the proposal to adopt the Merger Agreement pursuant to which Acquisition Sub will merge with and into *info*GROUP and to consider and vote upon the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies.

Record Date and Quorum (Page 14)

You are entitled to vote at the special meeting if you owned shares of Common Stock at the close of business on , the record date for the special meeting. You will have one vote for each share of Common Stock that you owned on the record date. As of the record date there were shares of Common Stock outstanding and entitled to vote. A majority of the total voting power of Common Stock issued, outstanding and represented at the special meeting in person or by a duly-authorized and properly completed proxy constitutes a quorum for the purpose of considering the proposals.

Vote Required (Page 14)

Completion of the Merger requires the adoption of the Merger Agreement by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock. **Failure to vote your shares of Common Stock by proxy or in person or an abstention will have the same effect as voting against adoption of the Merger Agreement.** Approval of the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies requires the affirmative vote of a majority of the Common Stock present in person or represented by proxy at the special meeting and entitled to vote on the matter, whether or not a quorum is present. Failure to vote your shares of Common Stock or an abstention will have no effect on the approval of the proposal to adjourn the special meeting.

Voting Agreements (Page 50)

Stockholders (including the executive officers and directors of the Company) beneficially owning between approximately 33% to 34% of our outstanding Common Stock have executed voting agreements pursuant to which they have agreed to vote their shares of Common Stock in favor of the adoption of the Merger Agreement. The full text of the form of the voting agreement is attached to this proxy statement as Annex D. Mr. Vinod Gupta s voting agreement contains additional provisions to those set forth in the form of the voting agreement which exempt certain of his shares of Common Stock from the restriction on transfer.

Common Stock Ownership of Directors and Executive Officers (Page 77)

As of the record date, the directors and executive officers of *info*GROUP held in the aggregate approximately [ ]% of the shares of Common Stock entitled to vote at the special meeting. In the aggregate, these shares represent approximately [ ]% of the votes necessary to approve the proposal to adopt the Merger Agreement at the special meeting. Each of our directors and executive officers has entered into a voting agreement requiring them to vote all of their beneficially owned shares of Common Stock of the Company in favor of the adoption of the Merger Agreement. In addition, Mr. Vinod Gupta, a former director of the Company who, as of May 14, 2010, beneficially owned approximately 33.4% of the shares of Common Stock entitled to vote at the special meeting, has entered into a voting

agreement, requiring him to vote all of his beneficially owned shares of Common Stock of the company in favor of the adoption of the Merger Agreement. While all of Mr. Gupta s shares of Common Stock are subject to Mr. Gupta s voting agreement, the agreement contains provisions which exempt certain of his shares of Common Stock from the restriction on transfer contained in his voting agreement. Mr. Gupta is permitted to sell up to 1.5 million shares of Common Stock in the aggregate (inclusive of any sales under existing 10b5-1 trading plans) so long as any such sale is in compliance with applicable securities laws. As of May 14, 2010, Mr. Gupta had sold approximately 1.1 million of the 1.5 million shares he is allowed to sell under this exemption. Those shares already sold by Mr. Gupta are no longer subject to Mr. Gupta s voting agreement.

Voting and Proxies (Page 15)

Any stockholder of record entitled to vote at the special meeting may vote by submitting a proxy by telephone, the Internet, by returning the enclosed proxy card by mail, or by voting in person by appearing at the special meeting. If your shares of Common Stock are held in street name by your broker, you should instruct your broker on how to vote your shares of Common Stock using the instructions provided by your broker. If you do not provide your broker with instructions, your shares of Common Stock will not be voted and that will have the same effect as a vote AGAINST the adoption of the Merger Agreement. The persons named in the accompanying proxy will also have discretionary authority to vote on any adjournments of the special meeting.

Revocability of Proxy (Page 15)

Any stockholder of record who executes and returns a proxy card (or submits a proxy via telephone or the Internet) may revoke the proxy at any time before it is voted at the special meeting in any one of the following ways:

- if you hold your shares in your name as a stockholder of record, by notifying our Secretary, Thomas J. McCusker, at 5711 South 86th Circle, Omaha, Nebraska 68127;
- by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);
- by submitting a later-dated proxy card;
- if you voted by telephone or the Internet, by voting a second time by telephone or Internet; or
- if you have instructed a broker, bank or other nominee to vote your shares of Common Stock, by following the directions received from your broker, bank or other nominee to change those instructions.

Treatment of Options and Other Awards (Page 59)

Stock Options. Upon the consummation of the Merger (i) all outstanding options to acquire Common Stock will become fully vested and (ii) all such options not exercised prior to the Merger will be cancelled and converted into the right to receive a cash payment equal to the number of shares of Common Stock underlying the options multiplied by the amount (if any) by which $8.00 exceeds the exercise price, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

Company Stock-Based Awards. Upon the consummation of the Merger, rights granted under the Company s stock plans or employee plans to receive shares of Common Stock or benefits measured by the value of the Common Stock will (i) become fully vested, and (ii) each such right outstanding immediately prior to the Merger will be cancelled and converted into the right to receive a cash payment equal to the aggregate number of shares or fractional shares of Common Stock represented by such right multiplied by $8.00, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

Recommendation of the Mergers & Acquisitions Committee and Our Board of Directors (Page 35)

M&A Committee. The Mergers & Acquisitions Committee (M&A Committee) is a committee of independent members of our board of directors that was formed on January 30, 2009 for the purpose of evaluating various strategic alternatives of the Company. The M&A Committee unanimously determined that the Merger is in the best interests of

*info*GROUP and its stockholders, declared it advisable to enter into the Merger Agreement and unanimously recommended that the board of directors (i) approve the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contained therein and (ii) resolve to recommend that the stockholders of *info*GROUP approve the adoption of the Merger Agreement.

Board of Directors. The board of directors, acting upon the unanimous recommendation of the M&A Committee, unanimously (i) determined that the Merger is in the best interests of the Company and its stockholders, and declared it advisable to enter into the Merger Agreement, (ii) approved the execution and delivery of the Merger Agreement, the performance by the Company of its covenants and agreements contained in the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger upon the terms and subject to

the conditions contained in the Merger Agreement, and (iii) resolved to recommend that the stockholders approve the adoption of the Merger Agreement and directed that such matter be submitted for consideration of the stockholders of the Company at the special meeting. **The board of directors unanimously recommends that our stockholders vote FOR the adoption of the Merger Agreement, and FOR the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies.**

For a discussion of the material factors considered by the M&A Committee and the board of directors in reaching their conclusions, see The Merger Reasons for the Merger; Recommendation of the M&A Committee and Our Board of Directors beginning on page 35.

Interests of the Company s Directors and Executive Officers in the Merger (Page 51)

In considering the recommendation of the board of directors, you should be aware that our directors and executive officers may have interests in the Merger that are different from, or in addition to, your interests as a stockholder, and that may present actual or potential conflicts of interest.

If the Merger is completed, Mr. Gupta will receive immediate liquidity for his significant shareholdings at a fixed price, a result which he might otherwise not be able to achieve. On March 8, 2010, the date on which the Company entered into the Merger Agreement, Mr. Gupta entered into a Voting Agreement pursuant to which, among other things, Mr. Gupta agreed to vote all of his shares of Common Stock in favor of adoption of the Merger Agreement. Later that afternoon, Mr. Gupta resigned from the Board of Directors. On March 17, 2010, Mr. Gupta s settlement of the SEC complaint against him was approved by order of the United States District Court for the District of Nebraska (the Final Judgment). The Final Judgment, among other things, contained sanctions and fines against Mr. Gupta, pursuant to which he is:

- prohibited from future violations of multiple provisions of federal securities laws;
- barred for life from serving as an officer of director of a public company;
- (A) allowed to enter into the Voting Agreement pursuant to which, among other things, he may agree to vote all his shares (x) in favor of adoption of the Merger Agreement and (y) against any competing proposal, and (B) allowed if the Merger Agreement is not adopted, to vote against any other acquisition transaction if Mr. Gupta would receive an amount or form of consideration per share of Company Common Stock in any such transaction less than or different from any other Company shareholders, and (C) required on all other matters submitted to a vote of the Company shareholders, to vote his shares of Company Common Stock in the same proportion as other shareholders vote;
- required to pay a civil penalty to the United States treasury in the amount of $2,240,700 (plus post judgment interest); and
- required to pay the Company $4,045,000 plus, prejudgment interest of $1,145,400, for a total of $5,190,400 (plus post-judgment interest).

As a practical matter, the voting restrictions contained in the Final Judgement:

- permit Mr. Gupta to fulfill his obligations under the Voting Agreement and, in effect, irrevocably cast all of the votes associated with his shares of Common Stock in favor of adoption of the Merger Agreement; but

effectively took away Mr. Gupta s discretion with respect to any shareholder vote on any other matter submitted to a vote of the Company shareholders; however

did not restrict Mr. Gupta from selling his shares of Common Stock, either pursuant to regular market transactions or in private or block sales.

Opinion of infoGROUP s Financial Advisor (Page 39)

The *info*GROUP board of directors received an opinion, dated March 8, 2010, from Evercore Group L.L.C. (Evercore) to the effect that, as of that date and based on and subject to assumptions made, matters considered and limitations of or on the scope of review undertaken by Evercore as set forth therein, the cash consideration (as

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defined in the opinion) was fair, from a financial point of view, to the holders of the shares of *info*GROUP common stock entitled to receive such consideration. The full text of Evercore s written opinion, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations of or on the scope of review undertaken by Evercore in rendering its opinion is attached as Annex B to this proxy statement. The opinion was directed to the *info*GROUP board of directors and addresses only the fairness, from a financial point of view, of the cash consideration to the holders of shares of *info*GROUP common stock entitled to receive such cash consideration. The opinion does not address any other aspect of the proposed merger and does not constitute a recommendation to the *info*GROUP board of directors, to any holder of shares of *info*GROUP common stock or to any other persons in respect of the proposed merger, including as to how any holder of shares of *info*GROUP common stock should vote or act in respect of the proposed merger.

Financing (Page 48)

Parent and Acquisition Sub estimate that the total amount of funds necessary to consummate the Merger and related transactions will be approximately $ million, which will be funded by debt and equity financing commitments. Funding of the equity and debt financing is subject to the satisfaction of the conditions set forth in the financing letters under which the financing will be provided. See The Merger Financing of the Merger beginning on page 48. The following arrangements are in place for the financing for the Merger, including the payment of related transaction costs, charges, fees and expenses:

Equity Financing. Parent has received an equity commitment letter, dated as of March 8, 2010 by and among Acquisition Sub and CCMP, pursuant to which, subject to terms and the conditions contained therein, CCMP has agreed to purchase $343.7 million of the equity securities of Parent and to cause Parent to use all of such proceeds to purchase equity securities of Acquisition Sub in connection with the transactions contemplated by the Merger Agreement.

Debt Financing. Parent has received a debt commitment letter, dated as of March 8, 2010, from Bank of America, N.A. (BANA) and Banc of America Securities LLC (BAS and collectively, BofA) pursuant to which, subject to the terms and conditions contained therein, BANA has agreed to provide (a) a $365.0 million senior secured credit facility (the Senior Credit Facility), comprised of (i) a term loan facility of $315.0 million and (ii) a revolving credit facility of up to $50.0 million.

Regulatory Approvals (Page 57)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and the rules promulgated thereunder by the Federal Trade Commission (FTC), the Merger may not be completed until notification and report forms have been filed with the FTC and the Antitrust Division of the Department of Justice (DOJ), and the applicable waiting period has expired or been terminated. *info*GROUP filed this notification on March 22, 2010 and Parent filed this notification on March 24, 2010; however, the applicable waiting period has not yet expired or been terminated.

The Merger may also be subject to review by the governmental authorities of various other jurisdictions under the antitrust laws of those jurisdictions.

Material U.S. Federal Income Tax Consequences (Page 56)

The exchange of shares of Common Stock for cash pursuant to the Merger Agreement generally will be a taxable transaction for U.S. federal income tax purposes. A U.S. stockholder that exchanges shares of Common Stock in the Merger generally will recognize gain or loss in an amount equal to the difference between the cash received in the

Merger and such shareholder s adjusted tax basis in the shares of Common Stock. You should consult your tax advisor for a complete analysis of the effect of the Merger on your U.S. federal, state and local and/or non-U.S. taxes. See The Merger Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders beginning on page 56 for a more detailed explanation of the material U.S. federal income tax consequences of the Merger.

Conditions to the Merger (Page 67)

As more fully described in this proxy statement, the consummation of the Merger depends upon the satisfaction or where legally permissible, waiver of certain conditions. Each party s obligation to consummate the Merger is subject to the satisfaction of certain conditions, including the adoption of the Merger Agreement by the Company s stockholders, compliance with federal antitrust laws, and the absence of any legal or other prohibition of the Merger. Parent and Acquisition Sub s obligation to consummate the Merger is conditioned upon the satisfaction of certain conditions, including, but not limited to:

the accuracy of our representations and warranties,

the performance in all material respects of our obligations prior to the consummation of the Merger,

the absence of a continuing Company Material Adverse Effect (as defined in the Merger Agreement),

our consolidated debt to EBITDA ratio, as calculated pursuant to the Merger Agreement, not exceeding 3.75:1 for a specific period prior to the Merger, and

the delivery of certificates attesting to the foregoing conditions.

The Company s obligation to consummate the Merger is subject to certain conditions, including the accuracy of Parent and Acquisition Sub s representations and warranties, the performance in all material respects of Parent and Acquisition Sub s obligations prior to the consummation of the Merger, and the delivery of a certificate attesting to the foregoing conditions.

Restrictions on Solicitations of Other Offers (Page 69)

Until 11:59 p.m. (Eastern) on March 29, 2010, we are permitted to initiate, solicit or encourage any acquisition proposal (including by way of providing non-public information upon execution of a confidentiality agreement with the appropriate party), and participate in discussions or negotiations regarding, or take any other action to facilitate, any acquisition proposal.

We have agreed that, from and after March 30, 2010, neither we, nor any of our directors, officers or employees, affiliates or representatives will solicit, initiate, or induce the making of, or knowingly encourage, facilitate or assist in the submission or announcement of any alternative acquisition proposal or furnish any non-public information to any third party with the intent to induce the making of an alternative acquisition proposal or participate in any discussions or negotiations regarding any alternative acquisition proposal.

Notwithstanding these restrictions, prior to the adoption of the Merger Agreement by the Company stockholders, we may engage in discussions with another party, and furnish non-public information to such party, if such party has made an unsolicited written acquisition proposal that the board of directors has concluded constitutes a superior proposal or is reasonably likely to lead to a superior proposal. We have agreed to provide Parent with notice of certain events, with regard to alternative acquisition proposals, including the name of any party submitting an acquisition proposal and the material terms of such proposal.

Termination of the Merger Agreement (Page 70)

Either Parent or the Company may terminate the Merger Agreement under certain circumstances. In particular, the Merger Agreement may be terminated at any time by the mutual written consent of the parties. In addition, the Merger Agreement may be terminated by us in order to enter into a definitive agreement for an alternative acquisition transaction that constitutes a superior proposal not solicited in breach of the Merger Agreement. Parent may terminate the Merger Agreement if our board of directors withdraws or changes its recommendation that our stockholders approve and adopt the Merger Agreement or the Company shall have provided to Parent notice of a superior proposal and shall have failed, upon the request of Parent, to issue a public announcement that reaffirms our board of director s recommendation that our stockholders approve and adopt the Merger Agreement. The Company or Parent may terminate the Merger Agreement for material breach by the other party of a representation or warranty or failure to perform a covenant, which material breach or failure would result in the failure of a condition to closing being satisfied, that remains uncured for 30 days after notice of such breach. The Merger Agreement may

be terminated by the Company or Parent in the event that stockholder approval of the Merger Agreement is not obtained at the special meeting or the Merger is not consummated by 11:59 p.m. (New York City time) on July 21, 2010.

Termination Fees (Page 72)

If the Merger Agreement is terminated under certain circumstances, described in further detail in The Merger Agreement Termination Fees and Expenses, the Company may be required to pay a cash termination fee equal to $15,847,000 and/or may be required to reimburse Parent for any reasonable and documented out-of-pocket fees and expenses (including reasonable legal fees and expenses) in connection with the Merger Agreement up to a maximum amount not to exceed $2,000,000.

If the Merger Agreement is terminated by either Parent or the Company because Parent was unable to obtain the proceeds of the financing described in the debt commitment letter prior to the Termination Date, where it would have otherwise been obligated to close due to satisfaction or waiver of all other requisite conditions to closing, or in the case of termination by the Company as the result of Parent s material breach of its covenants, agreements or other obligations, Parent will be required to pay to Company a cash termination fee equal to $25,356,000 and reimburse the Company for any reasonable and documented out-of-pocket fees and expenses (including the reasonable legal fees and expenses) in connection with the Merger Agreement up to a maximum amount not to exceed $2,000,000.

Limited Guarantee (Page 50)

In connection with the Merger Agreement, CCMP and the Company entered into a limited guarantee under which, among other things, CCMP guarantees payment of the termination fee payable by Parent, if applicable, as well as, if payable pursuant to the terms of the Merger Agreement, the reasonable documented out-of-pocket fees and expenses incurred by the Company.

Specific Performance (Page 75)

The Company is entitled to an injunction to prevent or restrain breaches or threatened breaches of the Merger Agreement, the equity commitment letter or the limited guarantee, and to enforce specifically the terms and provisions of the Merger Agreement, the equity commitment letter and the limited guarantee.

Appraisal Rights (Page 79)

Under Delaware law, holders of Common Stock who do not vote in favor of adopting the Merger Agreement will have the right to seek appraisal of the fair value of their shares of Common Stock as determined by the Delaware Court of Chancery if the Merger is completed, but only if they comply with all requirements of Delaware law, which are summarized in this proxy statement. This appraisal amount could be more than, the same as or less than the merger consideration. Any holder of Common Stock intending to exercise such holder s appraisal rights, among other things, must submit a written demand for an appraisal to us prior to the vote on the adoption of the Merger Agreement, must not vote or otherwise submit a proxy in favor of adoption of the Merger Agreement, and must continuously hold their shares of Common Stock from the date they make the demand through the closing of the Merger. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights. A copy of the relevant section of Delaware law is attached hereto as Annex C.

Litigation (Page 58)

In connection with the Merger, three putative stockholder class action lawsuits have been filed, one in the Delaware Court of Chancery, and three in the District Court of Douglas County. The Company believes the complaints are without merit, and intends to defend the actions vigorously.

Market Price of Common Stock (Page 76)

The closing sale price of the Common Stock on the NASDAQ Stock Market (symbol: IUSA) on March 5, 2010, the last trading day prior to public announcement of the proposed acquisition was $8.16 per share. The closing sale price of the Common Stock on the NASDAQ Stock Market on October 30, 2009, the last trading day prior to press reports of rumors regarding a potential acquisition of infoGROUP, was $6.56.

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND THE MERGER

The following questions and answers are intended to address briefly some commonly asked questions regarding the Merger, the Merger Agreement and the special meeting. These questions and answers may not address all questions that may be important to you as an infoGROUP stockholder. Please refer to the Summary and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to or incorporated by reference in this proxy statement, which you should read carefully. See Where You Can Find More Information on page 82.

Q. What is the proposed transaction?

A. The proposed transaction is the acquisition of *info*GROUP by Parent, pursuant to the Merger Agreement. Once the Merger Agreement has been adopted by our stockholders and other closing conditions under the Merger Agreement have been satisfied or waived, Acquisition Sub will merge with and into *info*GROUP. *info*GROUP will be the Surviving Corporation and a wholly-owned subsidiary of Parent.

Q. What will I receive in the Merger?

A. Upon completion of the Merger, you will be entitled to receive $8.00 in cash, without interest and less any applicable withholding taxes, for each share of Common Stock that you own, unless you have properly exercised your appraisal rights with respect to the Merger. For example, if you own 100 shares of Common Stock, you will receive $800.00 in cash in exchange for your shares of Common Stock, less any applicable withholding taxes. You will not own any shares in the Surviving Corporation.

Q. When and where is the special meeting?

A. The special meeting of stockholders of *info*GROUP will be held on , 2010, at .m. local time, at [location TBD].

Q. What vote is required for *info*GROUP s stockholders to adopt the Merger Agreement?

A. An affirmative vote of the holders of a majority of the outstanding shares of Common Stock is required to adopt the Merger Agreement. All of our directors, executive officers, and our largest stockholder, Vinod Gupta, who collectively own between approximately 33% and 34% of the outstanding common stock, have agreed to vote all of their shares of Common Stock FOR the adoption of the Merger Agreement. Failure to vote your shares of Common Stock by proxy or in person or an abstention will have the same effect as voting against adoption of the Merger Agreement.

Q. What vote of our stockholders is required to approve the proposal to adjourn the special meeting, if necessary, to solicit additional proxies?

A. The proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies, requires the affirmative vote of the holders of a majority of our Common Stock present or represented by proxy at the special meeting and entitled to vote on the matter.

Q. How does *info*GROUP s board of directors recommend that I vote?

A.

The board of directors, acting upon the unanimous recommendation of the M&A Committee, unanimously recommends that you vote FOR the proposal to adopt the Merger Agreement and FOR the proposal to adjourn the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the Merger Agreement. You should read The Merger Reasons for the Merger; Recommendation of the M&A Committee and our Board of Directors for a discussion of the factors that the M&A Committee and the board of directors considered in deciding to recommend the adoption of the Merger Agreement.

Q. What effects will the proposed Merger have on *info*GROUP?

A. As a result of the proposed Merger, *info*GROUP will cease to be a publicly-traded company and will be wholly-owned by Parent. You will no longer have any interest in our future earnings or growth. Following consummation of the Merger, the registration of our Common Stock and our reporting obligations with respect to our

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common stock under the Securities Exchange Act of 1934, as amended (the Exchange Act), will be terminated upon application to the Securities and Exchange Commission (the SEC). In addition, upon completion of the proposed Merger, shares of our Common Stock will no longer be listed on any stock exchange or quotation system, including NASDAQ.

Q. What happens if the Merger is not consummated?

A. If the Merger Agreement is not adopted by stockholders or if the Merger is not completed for any other reason, stockholders will not receive any payment for their shares in connection with the Merger. Instead, *info*GROUP will remain an independent public company and the Common Stock will continue to be listed and traded on NASDAQ. Under specified circumstances, *info*GROUP may be required to pay Parent a termination fee or reimburse Parent for its out-of-pocket expenses as described under the caption The Merger Agreement Termination Fees and Expenses.

Q. What do I need to do now?

A. Even if you plan to attend the special meeting, after carefully reading and considering the information contained in this proxy statement, if you hold your shares in your own name as the stockholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy card; using the telephone number printed on your proxy card; or using the Internet voting instructions printed on your proxy card. If you have Internet access, **we encourage you to record your vote via the Internet.** You can also attend the special meeting and vote. **Do NOT return your stock certificate(s) with your proxy**.

Q. How do I vote?

A: You may vote by:

signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope,

using the telephone number printed on your proxy card;

using the Internet voting instructions printed on your proxy card, or

if you hold your shares in street name, follow the procedures provided by your broker, bank or other nominee.

If you return your signed proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted FOR the proposal to adopt the Merger Agreement and FOR the adjournment proposal.

Q. How can I change or revoke my vote?

A. You have the right to change or revoke your proxy at any time before the vote is taken at the special meeting:

if you hold your shares in your name as a stockholder of record, by notifying our Secretary, Thomas J. McCusker, at 5711 South 86th Circle, Omaha, Nebraska 68127;

by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);

by submitting a later-dated proxy card;

if you voted by telephone or the Internet, by voting a second time by telephone or the Internet; or

if you have instructed a broker, bank or other nominee to vote your shares, by following the directions received from your broker, bank or other nominee to change those instructions.

Q. If my shares are held in street name by my broker, bank or other nominee, will my broker, bank or other nominee vote my shares for me?

A. Your broker, bank or other nominee will only be permitted to vote your shares if you instruct your broker, bank or other nominee how to vote. You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares. If you do not instruct your broker, bank or other nominee to vote

your shares, your shares will not be voted and the effect will be the same as a vote AGAINST the adoption of the Merger Agreement, but will not have an effect on the proposal to adjourn the special meeting.

Q. What do I do if I receive more than one proxy or set of voting instructions?

A. If you hold shares in street name, directly as a record holder or otherwise through the Company s stock purchase plans, you may receive more than one proxy and/or set of voting instructions relating to the special meeting. **These should each be voted and/or returned separately as described elsewhere in this proxy statement in order to ensure that all of your shares are voted**.

Q. What happens if I sell my shares before the special meeting?

A. The record date of the special meeting is earlier than the special meeting and the date that the Merger is expected to be completed. If you transfer your shares of Common Stock after the record date but before the special meeting, you will retain your right to vote at the special meeting, but will have transferred the right to receive the $8.00 per share in cash to be received by our stockholders in the Merger. In order to receive the $8.00 per share, you must hold your shares through completion of the Merger.

Q. Am I entitled to exercise appraisal rights instead of receiving $8.00 per share for my shares?

A. Yes. As a holder of Common Stock, you are entitled to appraisal rights under Delaware law in connection with the Merger if you meet certain conditions. See Dissenters Rights of Appraisal beginning on page 79.

Q. When is the Merger expected to be completed?

A. We are working toward completing the Merger as quickly as possible, and we anticipate that it will be completed on June [ ], 2010. However, the exact timing of the completion of the Merger cannot be predicted. In order to complete the Merger, we must obtain stockholder approval and the other closing conditions under the Merger Agreement must be satisfied or waived (as permitted by law). See The Merger Agreement Conditions to the Merger beginning on page 67.

Q. Will a proxy solicitor be used?

A. Yes. The Company has engaged Innisfree M&A Incorporated to assist in the solicitation of proxies for the special meeting and the Company estimates it will pay Innisfree M&A Incorporated a fee of approximately $50,000, plus $5.00 per each call made to or received from stockholders of the Company. In addition, in the event that the merger agreement is adopted by the stockholders of the Company, we will pay Innisfree M&A Incorporated an additional fee of $25,000. The Company has also agreed to reimburse Innisfree M&A Incorporated for reasonable administrative and out-of-pocket expenses incurred in connection with the proxy solicitation and indemnify Innisfree M&A Incorporated against certain losses, costs and expenses.

Q. Should I send in my stock certificates now?

A. No. After the Merger is completed, you will be sent a letter of transmittal with detailed written instructions for exchanging your Common Stock certificates for the merger consideration. If your shares are held in street name by your broker, bank or other nominee you will receive instructions from your broker, bank or other nominee as to how to effect the surrender of your street name shares in exchange for the merger consideration. **Please do not send your certificates in now**.

Q. Who can help answer my other questions?

A. If you have additional questions about the Merger, need assistance in submitting your proxy or voting your shares of Common Stock, or need additional copies of the proxy statement or the enclosed proxy card, please contact our proxy solicitor, Innisfree M&A Incorporated toll-free at (877) 456-3510 (banks and brokers call collect at (212) 750-5833).

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING INFORMATION

This proxy statement, and the documents to which we refer you in this proxy statement, include forward-looking statements based on estimates and assumptions. There are forward-looking statements throughout this proxy statement, including, without limitation, under the headings Summary, Questions and Answers about the Special Meeting and the Merger, The Merger, Opinion of Financial Advisor, Financing of the Merger, Limited Guarantee, Regulatory Approvals, and Litigation Related to the Merger, and in statements containing words such as believes, estimates, anticipates, continues, contemplates, expects, may, will, could, should or would or oth phrases. These statements, which are based on information currently available to us, are not guarantees of future performance and may involve risks and uncertainties that could cause our actual growth, results of operations, performance and business prospects, and opportunities to materially differ from those expressed in, or implied by, these statements. These forward-looking statements speak only as of the date on which the statements were made and we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statement included in this proxy statement or elsewhere. In addition to other factors and matters contained or incorporated in this document, these statements are subject to risks, uncertainties, and other factors, including, among others:

- the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement;
- the inability to complete the Merger due to the failure to obtain stockholder approval or the failure to satisfy other conditions to consummation of the Merger;
- the failure to obtain the necessary debt or equity financing;
- the failure of the Merger to close for any other reason;
- that the proposed transaction disrupts current plans and operations and the potential difficulties in employee retention as a result of the Merger;
- the effect of the announcement of the Merger on our customer relationships, operating results and business generally;
- the ability to recognize the benefits of the Merger;
- the amount of the costs, fees, expenses and charges related to the Merger;

and other risks detailed in our current filings with the SEC, including our most recent filings on Forms 10-Q and 10-K. See Where You Can Find More Information beginning on page 82. Many of the factors that will determine our future results are beyond our ability to control or predict. In light of the significant uncertainties inherent in the forward-looking statements contained herein, readers should not place undue reliance on forward-looking statements, which reflect management s views only as of the date hereof. We cannot guarantee any future results, levels of activity, performance or achievements. The statements made in this proxy statement represent our views as of the date of this proxy statement, and it should not be assumed that the statements made herein remain accurate as of any future date. Moreover, we assume no obligation to update forward-looking statements or update the reasons that actual results could differ materially from those anticipated in forward-looking statements, except as required by law.

THE PARTIES TO THE MERGER

*info*GROUP

*info*GROUP Inc.
5711 South 86th Circle
Omaha, Nebraska 68127
Phone: (402) 593-4500

*info*GROUP, a Delaware corporation incorporated in 1972 with its headquarters in Omaha, Nebraska, is a leading provider of sales leads, mailing lists, direct marketing, database marketing, e-mail marketing and market research solutions that help our clients grow their sales and increase their profits. *info*GROUP operates three principal business groups. The Data Group maintains several proprietary databases of information relating to U.S. and international businesses and consumers and offers access to those databases over the Internet through its various websites. The Services Group consists of subsidiaries providing list brokerage and list management, direct mail, database marketing and e-mail marketing services to large customers. The Marketing Research Group provides customer satisfaction surveys, employee surveys, opinion polling, and other market research services for businesses and for government.

For more information about *info*GROUP, please visit our website at www.infogroup.com. Our website address is provided as an inactive textual reference only. The information provided on our website is not part of this proxy statement, and therefore is not incorporated by reference. See also Where You Can Find More Information on page 82. Our Common Stock is publicly traded on the NASDAQ Global Select Stock Market under the symbol IUSA .

Parent

Omaha Holdco Inc.
c/o CCMP Capital Advisors LLC
245 Park Avenue, 16th Floor
New York, New York 10167
Phone: 212-600-9657

Omaha Holdco Inc., which we refer to as Parent, is a Delaware corporation that was organized solely for the purpose of acquiring *info*GROUP and has not engaged in any business except for activities incidental to its organization and as contemplated by the Merger Agreement.

Acquisition Sub

Omaha Acquisition Inc.
c/o CCMP Capital Advisors LLC
245 Park Avenue, 16th Floor
New York, New York 10167
Phone: 212-600-9657

Omaha Acquisition Inc., which we refer to as Acquisition Sub, is a Delaware corporation that was organized solely for the purpose of completing the proposed Merger. Acquisition Sub is a wholly-owned subsidiary of Parent and has not engaged in any business except for activities incidental to its organization and as contemplated by the Merger Agreement. Upon the consummation of the proposed Merger, Acquisition Sub will cease to exist and *info*GROUP will

continue as the Surviving Corporation.

THE SPECIAL MEETING

Time, Place and Purpose of the Special Meeting

This proxy statement is being furnished to our stockholders as part of the solicitation of proxies by our board of directors for use at the special meeting to be held on , starting at , at [location TBD], or at any postponement or adjournment thereof. The purpose of the special meeting is for our stockholders to consider and vote upon adoption of the Merger Agreement (and to approve the adjournment of the special meeting, if necessary or appropriate to solicit additional proxies). Our stockholders must adopt the Merger Agreement in order for the Merger to occur. If the stockholders fail to adopt the Merger Agreement, the Merger will not occur. A copy of the Merger Agreement is attached to this proxy statement as Annex A. This proxy statement and the enclosed form of proxy are first being mailed to our stockholders on .

Record Date and Quorum

We have fixed the close of business on , 2010 as the record date for the special meeting, and only holders of record of Common Stock on the record date are entitled to vote at the special meeting. On the record date, there were shares of Common Stock outstanding and entitled to vote. Each share of Common Stock entitles its holder to one vote on all matters properly coming before the special meeting.

A majority of the total voting power of Common Stock issued, outstanding and entitled to vote at the special meeting constitutes a quorum for the purpose of considering the proposals. Shares of Common Stock represented at the special meeting but not voted, including shares of Common Stock for which proxies have been received but for which stockholders have abstained, will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. In the event that a quorum is not present at the special meeting, it is expected that the meeting will be adjourned or postponed to solicit additional proxies.

Attendance

Attendance at the special meeting is limited to stockholders as of the record date (or their authorized representatives) holding admission tickets or other evidence of ownership. The admission ticket is detachable from your proxy card. If your shares are held by a bank or broker, please bring to the special meeting your statement evidencing your beneficial ownership of Common Stock and photo identification. Please note that cell phones, PDAs, pagers, recording and photographic equipment, camera phones and/or computers will not be permitted at the special meeting.

Vote Required for Approval

Adoption of the Merger Agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the special meeting. For the proposal to adopt the Merger Agreement, you may vote FOR , AGAINST or ABSTAIN . Abstentions will not be counted as votes cast or shares voting on the proposal to adopt the Merger Agreement, but will count for the purpose of determining whether a quorum is present. **If you abstain, it will have the same effect as a vote AGAINST the adoption of the Merger Agreement**.

If you are a stockholder of record you may vote by:

signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope,

using the telephone number printed on your proxy card;

using the Internet voting instructions printed on your proxy card, or

if you hold your shares in street name, follow the procedures provided by your broker, bank or other nominee.

If you return your signed proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted FOR the proposal to adopt the Merger Agreement and FOR the adjournment proposal.

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As of the close of business on , 2010, the record date, the directors and executive officers of *info*GROUP held and are entitled to vote, in the aggregate, shares of Common Stock representing approximately [ ]% of the outstanding Common Stock. Each of the directors and executive officers of *info*GROUP have entered into a voting agreement requiring that they vote all of their shares of Common Stock FOR the adoption of the Merger Agreement. In addition, Mr. Vinod Gupta, a former director of the Company, has entered into a voting agreement, requiring him to vote all of his beneficially owned shares of Common Stock of the company in favor of the adoption of the Merger Agreement. As of the close of business on [ ], 2010, the record date, the directors, executive officers and Mr. Gupta held and are entitled to vote, in the aggregate, [ ] shares of Common Stock representing approximately [ ]% of the outstanding Common Stock.

Proxies and Revocation

If you submit a proxy by telephone or the Internet or by returning a signed proxy card by mail, your shares will be voted at the special meeting as you indicate on your proxy card or by such other method. If you sign your proxy card without indicating your vote, your shares will be voted FOR the adoption of the Merger Agreement and FOR the adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies, and in accordance with the recommendations of our board of directors on any other matters properly brought before the special meeting for a vote.

If your shares of Common Stock are held in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to have your shares voted. If you do not instruct your broker to vote your shares, it has the same effect as a vote AGAINST adoption of the Merger Agreement.

Proxies received at any time before the special meeting, and not revoked or superseded before being voted, will be voted at the special meeting. You have the right to change or revoke your proxy at any time before the vote taken at the special meeting:

- if you hold your shares in your name as a stockholder of record, by notifying our Secretary, Thomas J. McCusker, at 5711 South 86th Circle, Omaha, Nebraska 68127;
- by attending the special meeting and voting in person (your attendance at the meeting will not, by itself, revoke your proxy; you must vote in person at the meeting);
- by submitting a later-dated proxy card;
- if you voted by telephone or the Internet, by voting a second time by telephone or Internet; or
- if you have instructed a broker, bank or other nominee to vote your shares, by following the directions received from your broker, bank or other nominee to change those instructions.

Please do not send in your stock certificates with your proxy card. When the Merger is completed, a separate letter of transmittal will be mailed to you that will enable you to receive the merger consideration in exchange for your stock certificates.

Adjournments and Postponements

Although it is not currently expected, the special meeting may be adjourned or postponed for the purpose of soliciting additional proxies. Any adjournment may be made without notice (if the adjournment is not for more than 30 days and a new record date is not set for the adjourned meeting), other than by an announcement made at the special meeting of

the time, date and place of the adjourned meeting. Whether or not a quorum exists, holders of a majority of the combined voting power of Common Stock present in person or represented by proxy at the special meeting and entitled to vote thereat may adjourn the special meeting. Any signed proxies received by *info*GROUP in which no voting instructions are provided on such matter will be voted FOR an adjournment or postponement of the special meeting, if necessary or appropriate, to solicit additional proxies. Any adjournment or postponement of the special meeting for the purpose of soliciting additional proxies will allow *info*GROUP s stockholders who have already sent in their proxies to revoke them at any time prior to their use at the special meeting as adjourned or postponed.

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Rights of Stockholders Who Object to the Merger

Stockholders are entitled to statutory appraisal rights under Delaware law in connection with the Merger. This means that you are entitled to have the value of your shares determined by the Delaware Court of Chancery and to receive payment based on that valuation. The ultimate amount you receive as a dissenting stockholder in an appraisal proceeding may be more than, the same as or less than the amount you would have received under the Merger Agreement.

To properly exercise your appraisal rights, you must submit a written demand for appraisal to the Company before the vote is taken on the Merger Agreement and you must not vote in favor of the adoption of the Merger Agreement. Your failure to follow exactly the procedures specified under Delaware law will result in the loss of your appraisal rights. See Dissenters Rights of Appraisal beginning on page 79 and the text of the Delaware appraisal rights statute reproduced in its entirety as Annex C.

Solicitation of Proxies

This proxy solicitation is being made and paid for by *info*GROUP on behalf of its board of directors. In addition, we have retained Innisfree M&A Incorporated to assist in the solicitation. We will pay Innisfree M&A Incorporated approximately $50,000, plus $5.00 per each call made to or received from stockholders of the Company, plus out-of-pocket expenses for their assistance. In addition, in the event that the merger agreement is adopted by the stockholders of the Company, we will pay Innisfree M&A Incorporated an additional fee of $25,000. Our directors, officers and employees may solicit proxies by personal interview, mail, e-mail, telephone, facsimile or other means of communication. These persons will not be paid additional remuneration for their efforts. We will also request brokers and other fiduciaries to forward proxy solicitation material to the beneficial owners of shares of Common Stock that the brokers and fiduciaries hold of record. Upon request, we will reimburse them for their reasonable out-of-pocket expenses. In addition, we will indemnify Innisfree M&A Incorporated against any losses arising out of that firm s proxy soliciting services on our behalf.

Questions and Additional Information

If you have more questions about the Merger or how to submit your proxy, or if you need additional copies of this proxy statement or the enclosed proxy card or voting instructions, please call our proxy solicitor Innisfree M&A Incorporated toll-free at (877) 456-3510 (banks and brokers call collect at (212) 750-5833).

Availability of Documents

The reports, opinions or appraisals referenced in this proxy statement will be made available for inspection and copying at the principal executive offices of the Company during its regular business hours by any interested stockholder of Common Stock.

THE MERGER

This discussion of the Merger is qualified in its entirety by reference to the Merger Agreement, which is attached to this proxy statement as Annex A. You should read the entire Merger Agreement carefully as it is the legal document that governs the Merger.

Background of the Merger

The Company was established in Nebraska in 1972 and was subsequently incorporated in Delaware in 1991. While the Company has had numerous names in its history (including *info*USA Inc.), the Company s name was changed to *info*GROUP Inc. on May 30, 2008.

The Board of Directors and management team have been regularly evaluating the Company s business and operations, the Company s long-term strategic goals, and the Company s prospects as an independent company since the Company s initial public offering in 1992. As part of this ongoing process, the Board of Directors has also periodically reviewed strategic alternatives, including several times throughout 2007 and 2008.

On December 22, 2008, Mr. Gupta, of his own volition and without approval of the Board, issued a public statement recommending that the Company explore its strategic alternatives, including a possible sale of the Company. Mr. Gupta indicated that he might either be a buyer of the Company or a seller of his equity interests, depending on the circumstances. At the time, Mr. Gupta was a non-independent director of the Company and beneficially owned 22,716,992 shares of the Company s common stock, or approximately 39.9% of the issued and outstanding shares of the Company s Common Stock. Mr. Gupta did not at this time or at any other time make a formal proposal to buy the Company.

On December 22, 2008, in response to Mr. Gupta s statement, the Company issued its own statement indicating that the Company would retain Evercore as financial advisor to the Company s independent directors (the Independent Directors) to assist the Independent Directors in analyzing the Company s strategic alternatives and evaluate the Company s stand-alone strategic and financial plan. On December 31, 2008, the Company signed an engagement letter with Evercore. The Company selected Evercore based on its experience in advising companies on such matters as well as Evercore s familiarity with the Company derived from financial advisory services provided to the Company during the prior two years.

On December 30, 2008, at a special meeting of the Board of Directors, Mr. Gupta reiterated to the Board of Directors his belief that the Company should be sold. At that meeting, the Board was provided with a brief update on the status of discussions regarding Evercore s engagement to serve as financial advisor to the Independent Directors.

On January 22, 2009, a financial sponsor (Party A) sent the Company a letter expressing Party A s preliminary interest in acquiring the Company for $7.00 per share of Common Stock. Party A also conveyed its desire to commence a due diligence review of the Company to verify Party A s preliminary valuation of the Company.

On January 23, 2009, a representative of Party A contacted Mr. Fairfield to further express Party A s interest in exploring an acquisition of the Company.

On January 25, 2009, the Board of Directors convened a special meeting to discuss the Party A letter and the Company s various strategic alternatives. At the meeting, the Board of Directors determined that additional information should be collected to determine the legitimacy of the Party A letter.

On January 29, 2009, at a regularly scheduled meeting, the Board of Directors further discussed the Party A letter and the Company s strategic alternatives. At the meeting, Evercore made a presentation regarding the Company s valuation and various strategic alternatives that were available to the Company. A representative of Hogan & Hartson, outside counsel to the Company at the time, also attended this meeting and reviewed with the Board of Directors their fiduciary duties in the context of considering the Company s strategic alternatives.

On January 29, 2009, the Independent Directors convened a separate meeting to discuss potential responses to Party A. At that meeting and in part as a result of the actions of Mr. Gupta, the Independent Directors recommended that the Board of Directors form a special mergers and acquisitions committee comprised solely of independent, disinterested directors, which did not include Mr. Gupta, to address the Party A letter and any similar proposals that

the Company may receive and to determine after careful evaluation and analysis the best strategic alternative for the Company to maximize value for all shareholders.

On January 30, 2009, at a regularly scheduled meeting, the Board of Directors approved the formation of a special mergers and acquisitions committee comprised of independent directors Gary Morin, Roger Siboni and Tom Thomas (the M&A Committee). Gary Morin was appointed the chair of the M&A Committee. The M&A Committee was given authority to conduct a strategic alternatives review and to determine whether or not to conduct and participate in any negotiations regarding any proposed transaction, and the Board of Directors retained the final authority to make any decision to accept or enter into any transaction. The decision of the Board of Directors to establish the M&A Committee was one of several steps designed to eliminate the disruptive impact that Mr. Gupta s actions might have on the process for evaluating strategic alternatives. The Board recognized that as a member of the Board of Directors, Mr. Gupta had rights to and would participate in Board discussions and receive the same updates from the M&A Committee as other members of the Board of Directors. However, the Board of Directors decided that Mr. Gupta would not be allowed participate in M&A Committee meetings and that the information he received regarding the process of evaluating strategic alternatives would be carefully reviewed and considered by the M&A Committee and its legal counsel.

On February 6, 2009, at a special meeting of the Board of Directors, Mr. Morin provided the Board of Directors with an update on the activities of the M&A Committee since its formation. The Board also determined at the meeting that the Independent Directors should have the full and exclusive authority to consider and determine what action should be taken on behalf of the Company with respect to the pending SEC investigation involving the Company and certain of its then current and former officers and directors.

On February 9, 2009, Mr. Fairfield sent a letter to Party A indicating that the Board of Directors had established a special committee to evaluate the Company s strategic alternatives and that the Company was considering the Party A letter.

On February 17, 2009, the M&A Committee convened a meeting to further consider the Party A letter and begin the process of evaluating the various strategic alternatives available to the Company. At the meeting, representatives of Wilson Sonsini Goodrich & Rosati (WSGR) reviewed with the members of the M&A Committee their fiduciary duties in the context of considering the Company s strategic alternatives. The M&A Committee then agreed to engage WSGR to assist the M&A Committee in evaluating the various strategic alternatives available to the Company. The M&A Committee then instructed management to communicate to Party A that advisors had been retained by the M&A Committee and that additional feedback, if any, would be provided at some later date.

On February 24, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, management provided the M&A Committee with an update on recent conversations between the Company and its advisors, and Party A and its advisors. The M&A Committee then requested that management develop a long term strategic plan for the Company and provide such plan to Evercore who would develop strategic alternatives for the Company.

On March 6, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, management provided the M&A Committee with an update on the status of the Company s long term strategic plan. The M&A Committee then discussed various ways to maximize value for all shareholders. The alternatives discussed included continuing to execute on the Company s present business plan, a possible sale of the Company, a possible restructuring of the Company s businesses to enhance its focus on digital technologies and the possible sale of certain of the Company s non-core and underperforming assets. Discussions of the Company s current business plan included a careful review of the risks associated with managing and consolidating the Company s disparate businesses, the challenges of managing costs in the Company s existing businesses and in turn investing in

new product initiatives, such as an increased focus on digital technologies, to facilitate revenue growth. In discussing the required investment in new product initiatives, the M&A Committee focused on the extensive personnel and organizational changes that would be required to execute on this business strategy. The M&A Committee also noted that the Company s management had, to date, been unable to achieve the levels of revenue growth and cost management the M&A Committee had sought and, for this reason, although reaching no definitive conclusions, the M&A Committee considered the viability of pursuing a stand-alone business strategy and the

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uncertainty of achieving the desired shareholder value by doing so. The M&A Committee further noted that a sale of the Company would not present the same level of execution risk and uncertainty inherent in other alternatives.

In general, the Company s financial performance, the disconnected nature of the Company s numerous business units, the Board of Directors concerns with management, the dependence on legacy products, the future investments required to maintain the Company s technology and the strength of emerging competitors and their ability to gather data through innovative cost effective models gave the Board of Directors serious concerns with a stand-alone strategy. The M&A Committee also noted and discussed the following risks inherent in pursuing a stand-alone strategy:

the need to consolidate the Company s 31 independent operating units into a more manageable number of integrated units and the execution risk associated with doing so;

the need for future investment in the Company s information technology to effectively manage the Company and deploy our products to customers;

the fact that many of the Company s newer and emerging competitors have a significant head start with providers and consumers of digital data and that the Company might not be able to compete as effectively in this market;

the need to consolidate the product development function from its historical decentralization among the Company s smaller independent operating units to a more unified approach and the risk that the Company might not be able to effect such a consolidation efficiently or effectively;

the need to make changes to the management team at multiple levels to maximize the possibility of executing effectively on a stand-alone business strategy and the risk that the Company might not be successful in recruiting such qualified employees due to geographic limitations and the continuing risk Mr. Gupta would present as an activist shareholder with limited restrictions in the manner in which he could sell his shares;

the risk of continuous downward pressure on the Company s stock price resulting from Mr. Gupta s significant shareholdings, including his continued ability to sell into the market; and

the risk that additional costs savings may be increasingly difficult to achieve and that without revenue growth, such reductions are the primary avenue available for continued earnings growth.

Following these discussions, the M&A Committee requested that Evercore prepare a presentation for the M&A Committee on ways to maximize value for all shareholders focusing on these and other possible alternatives.

On March 11, 2009, members of Party A presented to management of the Company at the Company s headquarters an overview of Party A, its perspectives regarding the Company and rationale for a potential transaction with Party A.

On March 12, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, Evercore made a presentation to the M&A Committee regarding the Company s strategic alternatives in comparison to the Company s existing business plans and prospects. Evercore s presentation included discussion of some of the factors to be considered by the M&A Committee in connection with several strategic alternatives, including the continued pursuit of the Company s existing independent business plan; select divestitures of non-core assets; alternatives for reducing Mr. Gupta s ownership position (including a secondary offering, a block trade, and a share buyback by the Company); and a sale of the Company. Representatives of WSGR also reviewed with the members of the M&A Committee their fiduciary duties in the context of considering the Company s strategic

alternatives. The M&A Committee was then provided with an update on the Company s recent conversations with several potential financial and strategic partners that surfaced since the December 22, 2008 press release by Mr. Gupta. At the meeting, the M&A Committee was also informed that Mr. Gupta was actively trying to sell his block of shares and was threatening to file a lawsuit if the Board of Directors did not change its course and proceed toward a sale of the Company. The M&A Committee determined that the Company needed to continue to study and evaluate its long-term strategic plan and resulting valuation and strategic alternatives before the Board of Directors could properly consider its options.

On March 12, 2009, at a regularly scheduled meeting of the Board of Directors attended by representatives of WSGR and Evercore, representatives of WSGR reviewed with the members of the Board of Directors their fiduciary duties in the context of considering the Company s strategic alternatives. At the meeting, Mr. Morin provided the Board of Directors with an update on the activities of the M&A Committee, including its decision to put in place a long term strategic plan to analyze the Company s prospects over the next three to five years, and to use such plan to determine what course of action would be in the best interests of all of the Company s stockholders. At the meeting, Mr. Gupta again expressed his opinion that it was time for the Company to publicly announce that it was for sale and that Evercore had been hired to handle the sale. A representative of WSGR then advised the Board of Directors that the M&A Committee had already begun a very thorough process to consider all of the Company s strategic options.

On March 16, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, the M&A Committee discussed at length how the Company should respond to unsolicited indications of interest received from third parties. The M&A Committee determined that the Company should be generally responsive to any such inquiries, but that such inquiries should not be allowed to bypass the orderly review process designed by the Company s independent advisers and Independent Directors to maximize shareholder value.

On March 25, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, the M&A Committee had further discussion of strategic alternatives they had discussed at their March 6, 2009 meeting. Although these alternatives were discussed in more detail, the M&A Committee did not reach any definitive conclusions.

On March 30, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, the M&A Committee discussed the fact that one of the Company s largest shareholders had received a copy of the Party A letter from an anonymous source. The M&A Committee then discussed the problem of leaks of confidential information and expressed concern regarding the nature of the leaked information.

On March 30, 2009, as part of the Company s long term strategic plan, the Company announced the sale of Macro International Inc., a wholly owned subsidiary of the Company, to ICF International.

On April 3, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, management provided the M&A Committee with a progress report on the Company s long term strategic plan. The M&A Committee discussed the importance of the plan in assessing the Company s strategic alternatives and maximizing shareholder value.

On April 23, 2009, Evercore was further engaged by the Board of Directors to act as a financial advisor in connection with the evaluation of the potential adoption of a shareholder rights plan.

On April 24, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, management presented the Company s long term strategic plan to the M&A Committee. The long term strategic plan was a financial forecast created by the Company s finance team that included income statements on a business unit basis, constructed using assumptions regarding revenue and expense growth rates. This financial forecast contained quarterly projections for the 2009 and 2010 periods and annual projections for the 2011 through 2014 periods. The M&A Committee discussed that management s long term strategic plan did not include any investments required to be made in connection with, nor potential future performance of, new business strategies and initiatives not currently in development by the Company.

On April 28, 2009, Party A sent the Company a letter reiterating its strong interest in acquiring the Company.

On April 30, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, management presented the Company s revised long term strategic plan to the M&A Committee. The revisions to the plan focused on downward adjustments to forecasted revenue and EBITDA for 2009 through 2014 to reflect increased costs anticipated in connection with new business initiatives included in the plan, levels of revenue that management believed were more realistic based on the Company s current performance, historical results and trends. The primary methodology applied by management was to forecast future results, generally, in consideration of historical and current results. Recent shortfalls in the Company s actual performance compared to the prior long term strategic plan required downward revisions to the revenue and EBITDA forecasts that were

contained in the original long term strategic plan to reflect management s and the Board of Directors best estimates of future performance. The M&A Committee, management and Evercore engaged in extensive discussions regarding the plan s construction and underlying assumptions. At the M&A Committee s direction, management and Evercore undertook to complete some additional analysis. The M&A Committee then discussed the letter received from Party A on April 28, 2009 and received an update from Evercore regarding some additional indications of general interest that had been received.

On May 1, 2009, the Independent Directors convened a meeting to discuss the possible adoption of a shareholder rights plan. This meeting was attended by representatives of WSGR and Evercore. At that meeting, representatives of WSGR reviewed with the members of the Board of Directors their fiduciary duties in the context of considering and adopting defensive measures. The Independent Directors then discussed the terms of the proposed shareholder rights plan and the fact that the plan would not prevent a sale of the Company but would merely encourage interested parties to negotiate with the Board of Directors and thereby aid the Board of Directors in maximizing value for all shareholders.

Also on May 1, 2009, at a regularly scheduled meeting attended by representatives of WSGR and Evercore, the Board of Directors adopted a shareholder rights plan. At that meeting, representatives of WSGR reviewed with the members of the Board of Directors their fiduciary duties in the context of considering and adopting defensive measures. Mr. Morin also provided the Board of Directors with an update on the M&A Committee s activities and plans going forward, including the efforts to develop a long term strategic plan for the Company.

On May 18, 2009, Mr. Gupta issued a public statement and sent a letter to the Board of Directors criticizing the Board of Directors decision to adopt the shareholder rights plan and encouraging the Board of Directors to pursue strategic alternatives for the Company.

On May 20, 2009, the M&A Committee convened a meeting to discuss Mr. Gupta s public statement. This meeting was attended by representatives of WSGR and Evercore. The M&A Committee and advisors engaged in extensive discussions regarding Mr. Gupta s public statement.

On June 1, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, the M&A Committee discussed the need for the Company to complete its long term strategic plan being prepared by management of the Company for the M&A Committee on a timeline that would allow for the evaluation of strategic alternatives in due course.

On June 1, 2009, the Independent Directors convened a meeting to discuss Mr. Gupta s public statement and the related letter. This meeting was attended by representatives of WSGR and Evercore. At the meeting, the Independent Directors requested that WSGR draft a response to Mr. Gupta explaining that the Board of Directors adoption of the shareholder rights plan was designed to aid the Board of Directors in maximizing long-term value for all shareholders.

On June 16, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, a representative of Evercore provided the M&A Committee with an update on recent discussions with a potential strategic partner. The M&A Committee and its advisors then engaged in discussions regarding what, if any, action should be taken with regard to the potential strategic partner.

On July 30, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, a representative of Evercore provided the M&A Committee with an update regarding some additional general indications of interest that had been received. Evercore then provided the M&A Committee with a status update on its efforts, in coordination with management, to review and evaluate a finalized long term strategic plan for the Company being completed by management of the Company. At that meeting, Evercore also provided the M&A

Committee with a general update on the status of the mergers and acquisitions market and financings thereof.

On July 31, 2009, at a regularly scheduled meeting attended by representatives of WSGR and Evercore, the Board of Directors requested that the M&A Committee arrange for Evercore to finalize its evaluation of the Company s long term strategic plan; present their assessment of the current, and projected future, fair market value of the Company to the Board of Directors; present their assessment of third party interest in acquiring the Company to the Board of Directors; and outline for the Board of Directors a formal process for exploring the Company s strategic alternatives, including a potential sale of the Company, with a view to maximizing shareholder value.

On August 12, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, management presented the Company s updated long term strategic plan to the M&A Committee (which, as stated above, was a financial forecast created by the Company s finance team). The updated long term strategic plan included a detailed analysis of the underlying assumptions and calculations as well as projected balance sheets and cash flow statements and other modifications as suggested to management of the Company by the M&A Committee. The updated long term strategic plan included adjustments to forecasted revenue and EBITDA for 2009 through 2014 to reflect further shortfalls in the Company s performance compared to the forecasted results contained in the previous version of the plan as well as to reflect increased costs anticipated in connection with new business initiatives included in the plan. The M&A Committee then discussed the risks and challenges of the Company s existing business plans and prospects, as well as the opportunities that such plans presented for the Company. This included a discussion of the scheduled expiration of the Chief Executive Officer s employment agreement on December 23, 2009 and the implications of expiration of his contract or allowing it to renew. The M&A Committee did not reach any conclusions with respect to the Chief Executive Officer s employment agreement and did not make any recommendation to the Board of Directors regarding the Chief Executive Officer s employment agreement at this time. Evercore then outlined for the M&A Committee its recommendation regarding a formal process for exploring the Company s strategic alternatives. The M&A Committee and its advisors then further discussed strategic alternatives available to the Company (including a sale of the Company, a strategic merger or other business combination transaction, a recapitalization of the Company and continuing to execute on the Company s existing business plans) and the preliminary financial analyses of such alternatives. The M&A Committee discussed each of these alternatives in detail the attendant risks and challenges of each alternative, the potential disruption to the Company s existing business plans and prospects occasioned by each alternative, and the likelihood of successfully executing each alternative. The M&A Committee also considered the timing of each alternative relative to the current business environment and the anticipated future business cycles of the Company s businesses. The M&A Committee then determined that a meeting of the Board of Directors should be convened as soon as practicable to allow for further discussions and deliberation regarding the strategic alternatives available to the Company.

On August 25, 2009, the Board of Directors met to, among other things, review the Company s recent financial performance and business plan with management, and consider and discuss potential strategic alternatives that might be available to the Company. This meeting was attended by representatives of WSGR and Evercore. First, representatives of WSGR reviewed with the Board of Directors certain legal matters, including the directors fiduciary duties in the context of considering strategic alternatives. The Company s management team then reviewed the Company s preliminary financial and operating results for July and the expected results for the remainder of the third quarter. The Board of Directors then discussed the risks and challenges of the Company s existing business plans and prospects, as well as the opportunities that such plans presented for the Company. Evercore then reviewed with the Board of Directors its findings with respect to the direction provided to Evercore on July 31, 2009, including an evaluation of the Company s long term strategic plan, valuation implications of that plan and potential strategic alternatives. The strategic alternatives reviewed and discussed were (i) maintenance of the status quo by operating the business under the current business plan, (ii) a sale of the Company, and (iii) targeted divestitures of non-core and underperforming assets. The Board discussed benefits and risks attendant to each of these alternatives. Regarding status quo, the Board discussed, among other matters, the potential for long-term shareholder value creation in the event that the management plans were achieved or exceeded. However, in this context the Board also carefully considered the substantial business and operational risks outlined above. Regarding a sale of the Company, the Board discussed, among other matters, the potential to maximize shareholder value while eliminating the aforementioned risks and the ability to benefit from the Company s recent stock price increase in doing so. In this context, the Board considered the potential negative impact that the Company s recent financial performance and the then current financing environment could have on such a transaction. Regarding potential asset sales, the Board discussed, among other matters, the potential to unlock limited value for use in the business while rationalizing the Company s product portfolio. However, the Board also considered the risks attendant to such an approach including the ability to identify

assets that would make this a meaningful and effective alternative, the ability to find buyers that would pay sufficient value, execution risks and the impact of such transactions on the remaining business. Evercore then reviewed with the Board of Directors other parties that might be interested in an acquisition of, or significant investment in, the Company and, whether any such parties had the ability to engage in a transaction with the Company at that time. The Board of Directors then discussed each of the strategic alternatives in detail, including the potential value that each alternative could generate for the Company and its stockholders, the attendant risks and challenges of each alternative, the potential disruption to the Company s existing business plans and prospects

occasioned by each alternative, and the likelihood of successfully executing each alternative. The Board of Directors also considered the timing of each alternative relative to the current business environment and the anticipated future business cycles of the Company s businesses. After extensive discussion, the Board of Directors concluded that, given the substantial risks and uncertainty inherent in continuing to pursue the Company s existing business plan the Company should engage Evercore to commence the preparation of the necessary information and materials in order to conduct a formal process to explore the Company s strategic alternatives, including a potential sale of the Company, with a view to maximizing shareholder value. The Board of Directors selected Evercore based on their skill and experience in running such a process as well as Evercore s familiarity with the Company and its business. The Board of Directors, however, reserved formal approval to commence any transaction process until the end of September, at which point the Board of Directors would reevaluate the historical and expected performance of the Company, the market conditions at that time and other factors that the Board of Directors deemed to be relevant to such a decision.

On September 8, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore updated the M&A Committee on Evercore s progress in drafting the confidential information memorandum to be provided to potential bidders prior to their submission of non-binding preliminary proposals for a transaction. The M&A Committee and its advisors also discussed the proposed process timeline. The M&A Committee decided that when the confidential information memorandum was close to completion, a draft would be provided to each member of the Board of Directors for review and comment.

On September 12, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore presented an overview of the proposed timeline for a potential transaction and gave a summary of progress on the confidential information memorandum. The M&A Committee, representatives of Evercore and representatives of WSGR discussed Mr. Gupta and his participation in the transaction process. It was decided by the M&A Committee that, if bidders requested, Mr. Gupta would be made available to address questions regarding the businesses and operations of the Company, the M&A Committee decided, however, that Mr. Gupta would not answer questions regarding the transaction process, and that all conversations between Mr. Gupta and any bidder would be attended by Evercore. The M&A Committee also discussed the potential impact on the transaction process of the pending SEC investigation involving the Company and certain of its then current and former officers and directors.

On September 14, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore presented a proposed list of approximately 44 potential bidders to be contacted in the transaction process, including approximately 20 strategic candidates and approximately 24 financial sponsors, including CCMP Capital Advisors, LLC. The M&A Committee discussed certain possible additions to the contact list. The M&A Committee also discussed the status of the pending SEC investigation involving the Company and certain of its then current and former officers and directors. Since early 2009 the Independent Directors, including the members of the M&A Committee, had been receiving regular updates from the Company regarding the status of the pending SEC investigation. The M&A Committee asked WSGR to review available information regarding the financial impact of the SEC investigation and provide a report to the M&A Committee at a later meeting. Members of the Company s management reported on the progress of the confidential information memorandum and, based on this report, the M&A Committee decided that the confidential information memorandum should be finalized at the next scheduled M&A Committee meeting on September 29, 2009.

On September 23, 2009, at a special meeting of the Board of Directors attended by representatives of WSGR and Evercore, Mr. Morin reported that the M&A Committee anticipated delivering a draft of the confidential information memorandum to each member of the Board of Directors the next week.

On September 29, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, the Company s Executive Vice President for Business Conduct, General Counsel and Secretary updated the

M&A Committee on the progress of the pending SEC investigation involving the Company and certain of its then current and former officers and directors. The M&A Committee discussed whether to proceed with the transaction process. Following this discussion, the M&A Committee unanimously decided to proceed with the transaction process and instructed Evercore to make contact with each of the potential bidders on the final list approved by the M&A Committee.

After receiving additional input and formal approval from the Board of Directors, during the period of October 1, 2009 through October 5, 2009, Evercore contacted 47 potential strategic and financial buyers, including CCMP Capital Advisors, LLC. As a result of these initial contacts, the Company executed confidentiality agreements with 30 potential bidders, including seven strategic candidates and 23 financial sponsors, including a confidentiality agreement with CCMP Capital Advisors, LLC, dated October 13, 2009. These confidentiality agreements required, among other things, that all communication between each potential bidder and the Company s management and Board of Directors, including Mr. Gupta, would be conducted through the M&A Committee. Each of the executed confidentiality agreements included standstill provisions.

On October 5, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore updated the M&A Committee on the contacts it had made with potential bidders.

From October 5, 2009 to October 30, 2009, Evercore provided each party who had executed a confidentiality agreement with a confidential information memorandum and certain other information regarding the Company s business and engaged in various conference calls with interested parties. The confidential information memorandum included certain projections for 2009, 2010 and 2011 that were derived from an updated version of the Company s long term strategic plan.

On October 12, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore updated the M&A Committee on the transaction process. The M&A Committee, its advisors and members of the Company s management then discussed the transaction process and certain related timing matters.

On October 15, 2009, at a special meeting of the Board of Directors attended by representatives of WSGR and Evercore, Mr. Morin provided an update of the status of the transaction process.

On October 19, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore updated the M&A Committee on the transaction process to date, including a summary of initial due diligence questions posed by potential bidders. The M&A Committee then discussed and confirmed certain milestone transaction process dates, including the date for distribution of process guidelines, the deadline for preliminary proposals and the schedule for management presentations to potential bidders.

From October 19, 2009 to October 30, 2009, Evercore provided the 30 parties who had executed confidentiality agreements prior to October 30, 2009 with process guidelines which invited each party to submit a non-binding preliminary proposal for a transaction by November 3, 2009. The process guidelines further provided that the preliminary proposals must, among other things, specify the potential buyer s per share equity value associated with the transaction, the proposed transaction structure and the sources of the financing required to close the transaction.

On October 20, 2009, the Company issued a press release announcing that the Company had reached an agreement in principle with the SEC Denver regional office, which, if approved by the SEC Commissioners, would resolve the pending SEC investigation. The potential bidders were advised that an agreement in principle had been reached with the SEC.

On October 26, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore updated the M&A Committee on the transaction process, including a review of upcoming milestone dates. The M&A Committee then discussed the status of the pending SEC investigation involving the Company and certain of its then current and former officers and directors.

On October 29, 2009, at a special meeting of the Board of Directors, attended by representatives of Evercore, Mr. Morin updated the Board of Directors on the status of the transaction process. Representatives of Evercore then discussed current merger and acquisition market activity, reviewed the general performance of the Company s industry, and further outlined possible steps in the transaction process.

On October 31, 2009, the Omaha World Herald published a report that the Company had engaged Evercore to solicit bids for a transaction and that at least 33 potential bidders had signed confidentiality agreements to allow them access to the Company s confidential information. The Omaha World Herald also reported the November 3,

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2009 deadline for preliminary proposals. Subsequently, the Company s share price increased nearly 17%, from $6.56 (closing share price on October 30, 2009) to $7.65 (closing share price on October 31, 2009).

On November 3, 2009, the deadline for preliminary proposals established by the Evercore process guidelines, or shortly thereafter, the Company received preliminary written proposals from ten financial sponsors. Each proposal provided for the purchase of all of the Company s outstanding common stock for cash at prices ranging from $7.00 to $9.50 per share, with five of the proposals indicating a single per share value and the remaining five proposals indicating a range of per share values. Based on the high value of the preliminary proposals indicating a range, three of the proposals were above $8.00 per share, four of the proposals were at $8.00 per share and the remaining three proposals were below $8.00 per share. All of the proposals were non-binding and preliminary in nature, were submitted without financing commitments, and were based on limited due diligence including none of the parties having had access to Company management between the commencement of the formal transaction in October 2009 and the submission of preliminary proposals.

On November 5, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, Evercore provided the M&A Committee with a detailed summary of each of the ten preliminary proposals received to date. Representatives of Evercore reported that additional preliminary proposals might be received from one or more additional parties in the near future. Representatives of Evercore highlighted for the M&A Committee that all ten proposals were made by known, experienced and respected financial sponsors. Following discussion of the ten preliminary proposals received to date, the M&A Committee instructed Evercore to invite each of the ten potential bidders who had made proposals into the next stage of the transaction process, in which they would be allowed to complete a more thorough due diligence review of the Company and its business before formulating final binding proposals for a transaction. The M&A Committee also instructed Evercore to provide general feedback to the potential bidders whose proposals were on the lower end of the valuation range that they would have to increase their proposed equity prices to remain competitive. The M&A Committee also discussed certain logistical matters related to the upcoming management presentations.

On November 5, 2009, the Company received a preliminary written proposal from a strategic party to purchase all of the Company s outstanding common stock for cash at a price of $8.50 per share. Following discussion of the additional preliminary proposal received, the M&A Committee instructed Evercore to invite the strategic party who had made the proposal into the next stage of the transaction process in which they would be allowed to complete a more thorough due diligence review of the Company and its business before formulating final binding proposals for a transaction.

From November 3, 2009 to November 11, 2009, Evercore was contacted by five additional potential bidders requesting inclusion in the process. As a result of these contacts, the Company executed confidentiality agreements with four additional parties, including two strategic candidates and two financial sponsors. Following execution of a confidentiality agreement, Evercore provided each of these additional parties with the same confidential information memorandum and other information about the Company s business that had been provided to the other 30 parties who had previously executed confidentiality agreements. None of these additional parties submitted a preliminary written indication of interest.

On November 9, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore updated the M&A Committee on the transaction process, focusing on feedback received from continuing transaction process participants. The M&A Committee discussed the recent increase in the Company s stock price following the October 31, 2009 story in the Omaha World Herald. The M&A Committee also discussed the timing of Evercore s update of its valuation of the Company s business in relation to the completion and approval by the Board of Directors of the Company s 2010 operating budget. Mr. Lee D. Roberts, who was elected to the Board of Directors on October 15, 2009, joined the M&A Committee for his first meeting.

On November 10, 2009, Reuters published a report that the Company had attracted first round bids from strategic candidates and private equity firms. Subsequently, the Company s share price increased nearly 5.5%, from $7.96 (closing share price on November 10, 2009) to $8.40 (closing share price on November 11, 2009).

On November 16, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore and members of the Company s management updated the M&A

Committee on the transaction process, including preparation and planning for the upcoming management presentations to potential bidders. The M&A Committee then discussed feedback from potential bidders reported by representatives of Evercore regarding the October 31, 2009 story in the Omaha World Herald. The M&A Committee decided to limit the number of recipients receiving internal communications with respect to the transaction process in an effort to prevent future unauthorized public reports.

From November 16, 2009 to December 17, 2009, one strategic candidate and nine financial sponsors who had executed confidentiality agreements and submitted preliminary proposals attended management presentations at which members of the Company s management provided certain confidential financial and operational information about the Company s business and answered questions posed by the potential bidders. One financial sponsor who had submitted a preliminary proposal self-selected out of the process prior to attending a management presentation.

Beginning on November 18, 2009, the Company provided the 11 potential bidders from whom the Company had received preliminary proposals with access to an online data room, which included certain confidential legal, financial and operational information. The information in the online data room was continuously updated and supplemented with additional information throughout the process. Except for the one strategic participant, from whom sensitive competitive information was withheld, any additional information that was requested by any of the parties was added to the online data room for review by all parties still actively engaged in the process at that time.

On November 23, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, members of the Company s management and representatives of Evercore updated the M&A Committee on the recent management presentations to potential bidders and recent activity by potential bidders in the online data room. Evercore also reported that it had received requests from additional potential bidders to join the transaction process. After discussion and on Evercore s advice, the M&A Committee decided to invite two additional potential bidders to join the transaction process, one strategic candidate and one financial sponsor.

On November 30, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, members of the Company s management and representatives of Evercore updated the M&A Committee on the transaction process, including the most recently completed management presentations to potential bidders. The M&A Committee discussed requests from certain potential bidders for meetings with Mr. Gupta and the logistics for accommodating these requests. The M&A Committee decided that all such meetings would be attended by one or more representatives of Evercore. The M&A Committee also discussed the scheduled December 23, 2009 expiration of the Chief Executive Officer s employment agreement and the possible terms under which it might be extended. The M&A Committee decided to recommend to the Board of Directors that, in order to maintain maximum flexibility for the Company, subject to the Chief Executive Officer s acceptance, subject to the Chief Executive Officer s employment agreement should be extended on its current terms, except that the term would automatically renew on a quarterly rather than annual basis unless either party provides prior written notice of termination.

On December 7, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, members of the Company s management and representatives of Evercore updated the M&A Committee on the transaction process, including the most recent management presentations to potential bidders and recent activity in the online data room. The M&A Committee requested that Evercore continue to provide updates of online data room activity on a regular basis. Representatives of Evercore reported that two meetings between potential bidders and Mr. Gupta had been scheduled. The M&A Committee discussed the future of the Company s relationship with Mr. Gupta in the event the transaction process did not result in a transaction. The M&A Committee noted that under the likely terms of Mr. Gupta s settlement with the SEC, he would no longer be able to serve as a director of the Company and that his ability to vote his Company shares on matters submitted to a shareholder vote might be significantly restricted. This would mean that Mr. Gupta would no longer have access to the Company s non-public information or a formal voice in the Company s governance beyond his ability to vote his Company shares. The M&A

Committee concluded that, as a result, Mr. Gupta s ability to interfere with or disrupt the governance and management of the Company would be reduced.

On December 14, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, members of the Company s management updated the M&A Committee on the most recent

management presentations to potential bidders, reporting that most of these presentations had gone well but that one financial sponsor had shown less interest than anticipated.

From December 14, 2009 to January 22, 2010, Mr. Gupta, along with representatives from Evercore, met with seven potential bidders, all of whom were financial sponsors, and answered their questions as part of the due diligence review process.

On December 17, 2009, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of Evercore updated the M&A Committee on the transaction process and presented a general overview of recent merger, acquisition and capital market conditions. Representatives of Evercore also presented a detailed review of each of the potential bidders who continued to be engaged in the transaction process, including a summary of questions asked during due diligence, level of data room activity and general degree of interest exhibited by each potential buyer. The M&A Committee, representatives of Evercore and representatives of WSGR discussed the potential impact of the pending SEC investigation involving certain of the Company s former officers and directors on the transaction process and the final proposals the Company might receive. The M&A Committee then discussed the unauthorized public release of information that resulted in the stories in the Omaha World Herald and how the resulting increase in the Company s stock price might be addressed by potential bidders in their final proposals. The M&A Committee also discussed possible courses of action in the event the transaction process did not result in any final proposals or if the final proposals the Company received were determined by the M&A Committee to be inadequate to recommend proceeding with a transaction.

On December 18, 2009, at a regularly scheduled meeting of the Board of Directors, attended by representatives of Evercore and WSGR, Mr. Morin updated the Board of Directors on the transaction process. Representatives of Evercore presented a general overview of recent merger, acquisition and capital market conditions as well as a detailed summary of each of the potential bidders remaining engaged in the transaction process as well as those that had elected to drop out of the process. After excusing Mr. Fairfield, Mr. Gupta and Mr. Staples from the meeting, Mr. Siboni presented the M&A Committee s recommendation that the Chief Executive Officer s employment agreement be extended on its current terms, except that the term would automatically renew on a quarterly rather than annual basis unless either the Chief Executive Officer or the Company provides the other party with prior written notice of termination. After a brief discussion, the Board approved offering to extend the Chief Executive Officer s employment agreement in accordance with the M&A Committee s recommendations.

On January 4, 2010, the M&A Committee met at Evercore s New York offices to review matters related to the transaction process. This meeting was attended by representatives of WSGR and Evercore. The M&A Committee first discussed the progress of settlement discussions between Mr. Gupta and the SEC, including the potential impact such discussions could have on the transaction process and the interests that potential bidders would have in these matters. Next, representatives of Evercore made an extensive presentation regarding various matters related to the transaction process, including valuation and an update of the financial sponsors and strategic candidates that remained engaged in the process. Next, representatives of WSGR reviewed in detail a draft form of merger agreement that would be provided to potential bidders for comment and submission with final binding proposal packages. Following departure of the Evercore team, the M&A Committee met in executive session with WSGR, and discussed possible courses of action the M&A Committee and the Board of Directors might take depending on the nature of the final binding bids received, if any.

On January 11, 2010, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, Evercore began the meeting by informing the M&A Committee that the one remaining strategic candidate had decided to withdraw from the process. Evercore confirmed that the financial sponsors discussed at the January 4, 2010 meeting of the M&A Committee remained engaged. Next, the M&A Committee discussed various potential courses of action related to the transaction process.

On January 14, 2010, Evercore distributed to the remaining bidders the process guidelines which invited each party to submit a definitive proposal for a transaction by Thursday, February 11, 2009. The process guidelines invited alternative offers including cash or stock. The process guidelines further provided that the definitive proposal must, among other things, include a review and, to the extent any changes are required by the bidder, mark-up of the draft merger agreement which accompanied the distribution of the process guidelines, as well as proof of financing.

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On January 19, 2010, the M&A Committee held a regularly scheduled meeting attended by representatives of WSGR and Evercore. As the first order of business, the M&A Committee received an update on the status of Mr. Gupta s settlement discussions with the SEC. Next, representatives of Evercore updated the M&A Committee on the status of discussions with the various financial sponsors that remained engaged in the process.

On January 25, 2010, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, Mr. Siboni updated the M&A Committee on the status of Mr. Gupta s settlement negotiations with the SEC. Next, representatives of Evercore updated the M&A Committee on the status of discussions with the financial sponsors that remained engaged in the transaction process.

On February 1, 2010, at a regularly scheduled M&A Committee meeting attended by representatives of WSGR and Evercore, representatives of WSGR opened the meeting by updating the M&A Committee on a recent discussion with Mr. Gupta s SEC counsel. Mr. Gupta was close to reaching a settlement with the SEC, the anticipated terms of which were presented to the M&A Committee. As these matters were of interest to potential bidders, the M&A Committee requested that WSGR prepare a list of talking points to present to potential bidders as part of their due diligence review. Then representatives of Evercore updated the M&A Committee on the status of the potential bidders that remained active in the process.

On February 3, 2010, as part of CCMP s due diligence review, members of the Company s management and representatives of WSGR held a telephonic meeting with representatives of CCMP and CCMP s legal counsel, O Melveny & Myers, to discuss certain litigation and regulatory matters, including Mr. Gupta s anticipated settlement with the SEC. During that meeting, representatives of the Company communicated that they expected the likely terms of Mr. Gupta s settlement with the SEC to include (i) a bar from service as an officer or director of a public company for an unknown period of time and (ii) certain monetary payments.

On February 8, 2010, the M&A Committee held a regularly scheduled meeting attended by representatives of WSGR and Evercore. At the outset of the meeting, representatives of Evercore updated the M&A Committee on the status of the potential bidders that remained active in the process, noting that these parties continued to engage in substantial due diligence efforts. Evercore also noted that final binding proposals were anticipated from these parties by February 11, 2010 (or shortly thereafter, as indicated by certain bidders). Evercore further responded to questions regarding parties that had curtailed their due diligence activities and were not expected to participate further in the process.

On February 11, 2010, a financial sponsor submitted a proposal expressing interest in pursuing a minority private investment in a public entity (PIPE) transaction with the potential bidder s investment unspecified in amount.

On the morning of February 12, 2010, CCMP submitted a proposal to acquire all of the Company s outstanding common stock at a price of $8.40 per share. Included with the CCMP proposal were a draft merger agreement, debt financing commitment letters from BofA, and a draft equity commitment letter. CCMP s proposal also indicated that CCMP had completed its due diligence investigation of the Company and was prepared to move quickly to negotiate and sign definitive documentation for a transaction.

On the evening of February 12, 2010, Party A submitted a proposal to acquire all of the Company s outstanding common stock at a price of $8.00 per share. Included with the Party A proposal were a draft merger agreement, debt financing commitment letters from BofA, and a draft equity commitment letter from certain Party A affiliates. Party A s proposal also indicated that Party A had not completed its due diligence investigation of the Company and would need an additional three weeks to do so, during which period Party A would require exclusivity to perform its additional due diligence investigation.

On February 13, 2010, the M&A Committee convened a meeting attended by representatives of WSGR and Evercore. The M&A Committee and representatives of WSGR and Evercore undertook a preliminary discussion of the terms of the proposals received from CCMP, Party A and the financial sponsor proposing the PIPE transaction. None of these proposals required or discussed the continuing employment of specific senior executives. The M&A Committee noted that the proposal for a PIPE transaction omitted to specify the material terms on which the proposed transaction would be completed, including any specific indication of the valuation on which the financial sponsor s investment would be based. The M&A Committee concluded that the proposal for the PIPE transaction

was merely an expression of interest in pursuing a PIPE transaction in the future rather than a firm proposal that could be evaluated and compared against the proposals from CCMP and Party A. In its preliminary review of the terms of the proposal from Party A, the M&A Committee discussed that in addition to being inferior to the CCMP proposal on price, Party A s proposal included a number of terms that greatly increased the risk that a transaction with Party A might not ultimately be completed. Party A s proposal was conditioned, for example, on Party A s completion of a substantial additional due diligence review of the Company and its business which Party A anticipated would require three additional weeks to complete and during which Party A proposed the Company would be bound to negotiate exclusively with Party A. Party A also proposed merger agreement terms that were much less favorable to the Company than CCMP s proposed merger agreement terms, including significant conditions to Party A s obligation to complete the transaction as well as lesser restrictions on Party A s ability to refuse to close the transaction post signing. The M&A Committee also noted that the debt commitment from BofA submitted by Party A was much more preliminary in nature than the debt commitment from BofA submitted by CCMP and therefore would require considerably more work in order to determine whether such financing was in fact available.

Between February 12, 2010 and February 16, 2010, representatives of both CCMP and Party A called representatives of Evercore to clarify their proposals and reiterate their strong interest in a transaction. No other party submitted proposals during this time. The 9 other parties that submitted preliminary proposals and performed additional due diligence on the Company but did not submit final proposals to acquire the Company (including the financial sponsor proposing the PIPE transaction) provided the following reasons, among others: (a) an inability to submit an offer at or above the market price at the time of such conversations (the closing share price of the Company on February 12, 2010, was $7.62), (b) a less favorable view relative to the Company management s financial plan of the Company s future growth prospects absent a material transformation of, and investment in, the business, with an associated high degree of execution risk, (c) a lack of comfort with the financial and strategic plans put forth by Company management given the perceived insufficient supporting detail for such plans and inadequate historical data regarding the business to benchmark and compare such future projections, (d) an increasingly competitive landscape with significantly reduced barriers to entry, (e) the disparate nature of the Company s portfolio of products and services, (f) a perceived need for senior management changes, and (g) limited financing available for an acquisition of the Company.

On February 16, 2010, the M&A Committee convened an in-person meeting at the San Mateo Marriott Hotel in San Mateo, California attended by representatives of WSGR and Evercore. As the first order of business, the Evercore team undertook an extensive presentation regarding various aspects and considerations related to the proposals received from CCMP, Party A and the financial sponsor proposing the PIPE transaction. Evercore also compared the proposals to the valuation analyses performed by Evercore in connection with the Company s long term strategic plan. Following the Evercore presentation, WSGR presented to the M&A Committee a review of fiduciary duties, as well as a comparison of the legal terms of the CCMP and Party A proposals (including the terms and conditions of the merger agreements and collateral documents included with each of the proposals). The M&A Committee and its advisors discussed potential risks associated with the offers, including the need for completion by each of CCMP and Party A of substantial debt financing and the Company s recourse under the proposed merger agreements if either CCMP or Party A were unable to obtain financing.

On February 17, 2010, the Board of Directors convened an in-person meeting at the San Mateo Marriott Hotel in San Mateo, California attended by representatives of WSGR and Evercore. Representatives of Evercore gave a detailed presentation summarizing the transaction process to date, current mergers and acquisition and capital market conditions, and the terms and conditions of the proposals received from CCMP, Party A and the financial sponsor proposing the PIPE transaction. Evercore also compared the proposals to the valuation analyses performed by Evercore in connection with the Company s long term strategic plan. Following the Evercore presentation, representatives of WSGR gave a presentation on the Board of Directors fiduciary duties and the legal terms of the proposals received from CCMP and Party A. Representatives of WSGR then led a general discussion on the nature of,

and risks attendant to financial sponsor transactions, including the need for debt financing. At the meeting, the M&A Committee also invited Mr. Gupta to express his views to the Board regarding a potential sale of the Company. Mr. Gupta expressed his views that the M&A Committee and the Board of Directors had run a good process, that he was pleased with the CCMP offer, that he supported the transaction with CCMP and that he would

be willing to enter into a voting agreement in connection therewith. Following his remarks, Mr. Gupta left the meeting and the discussions of the subject continued without him. The Board noted that Mr. Gupta had been steadily reducing his ownership interest in the Company through sales of his shares under his Rule 10b5-1 plan and otherwise. Following these presentations, the Board of Directors authorized the M&A Committee to negotiate with CCMP on a non-exclusive basis for transaction terms at least as favorable to the Company and its stockholders as those set forth in CCMP s proposal, and to communicate to Party A that its proposal was significantly inferior to the leading proposal on price and other material terms, and that barring a new proposal, the Board of Directors of the Company would be moving forward with another party.

On February 17, 2010, representatives of WSGR and Evercore met to prepare a list of talking points for CCMP and Party A regarding their proposals and to develop a plan for negotiations with CCMP and communication with Party A.

On February 17, 2010, representatives of Evercore had conversations with CCMP and Party A. Representatives of Evercore asked CCMP to revise a limited number of the terms of its proposal, including price. Representatives of Evercore informed Party A that its proposal was significantly inferior to the leading proposal on price and other material terms, and that barring a new proposal, the Board of Directors would be moving forward with another party. Representatives of Party A indicated that it they would not be able to accommodate a shortened time frame to complete remaining due diligence, and were uncertain of their financing timing and terms. With regard to price, representatives of Party A indicated that they could potentially increase their proposal from $8.00 to a range of $8.25 to $8.35, only if further due diligence supported such a higher proposal. They also indicated a desire to discuss the opportunity with other potential bidders in order to facilitate a higher proposal.

On February 18, 2010, representatives of CCMP responded to Evercore s comments on revised terms and price. CCMP communicated a willingness to revise their offer to $8.50, and then subsequently to $8.60, however, noted that BofA still had due diligence to complete on the debt commitment and that CCMP also needed to discuss the terms of the debt commitment letter with BofA. On February 19, 2010, WSGR provided O Melveny & Myers with revised drafts of the merger agreement, BofA debt commitment letters and the other related transaction documents. WSGR also provided a draft voting agreement to O Melveny & Myers and Mr. Gupta s legal counsel, Latham & Watkins. Each of CCMP and Party A had requested that Mr. Gupta, the other members of the Board of Directors and certain executive officers of the Company enter into voting agreements pursuant to which, among other matters, these individuals would agree to vote Company shares owned by them in favor of adoption of the merger agreement and against any competing transaction. O Melveny & Meyers also provided a draft limited guarantee to WSGR, pursuant to which CCMP would agree, among other matters, to guarantee certain payment obligations under the merger agreement. On February 21, 2010, WSGR provided O Melveny & Myers with comments to the draft limited guarantee.

On February 19, 2010 and February 20, 2010, representatives of CCMP and representatives of BofA had conversations with members of Company s management and representatives of Evercore to review the Company s January 2010 financial results. Revenue for the month fell short of budget by 2% and by 5% relative to prior year results. Earnings before interest, taxes, depreciation, amortization and one-time, non-recurring expenses (Adjusted EBITDA) was 20% lower than budget and 7% higher than prior year results.

On February 22, 2010, the Company was informed that the Omaha World Herald would be publishing an article reporting the proposed terms of the CCMP proposal. The specific timing of publication was not known but was anticipated to be within a few days.

On February 22, 2010, representatives of WSGR had a telephonic meeting with representatives of Latham & Watkins regarding the proposed terms of the voting agreement.

On February 22, 2010 and February 23, 2010, WSGR received revised drafts of the merger agreement, the limited guarantee, the equity commitment letter and the voting agreement from O Melveny & Myers. Representatives of WSGR had a telephonic meeting with members of Company management to review the revised draft merger agreement and other transaction documents.

On February 22, 2010, representatives of BofA, in connection with BofA s debt commitment letter to CCMP, along with representatives of CCMP, met with members of the Company s management and representatives of

Evercore at the Company s offices in Omaha, Nebraska. The purpose of this meeting was to allow BofA to conduct further due diligence of the Company and its business. As part of this meeting, management reviewed the Company s January 2010 results which, as noted above, lagged behind the Company s budget.

On February 24, 2010, representatives of WSGR had a telephonic meeting with representatives of O Melveny & Myers to negotiate the terms and conditions of the merger agreement and the other transaction documents.

On February 24, 2010, the M&A Committee convened a meeting attended by representatives of WSGR and Evercore. The M&A Committee discussed the report of the unauthorized article to be published by the Omaha World Herald reporting the terms of the proposal from CCMP. Representatives of Evercore then updated the M&A Committee on BofA s February 22, 2010 due diligence meeting in Omaha, Nebraska with members of Company management and representatives of Evercore. Representatives of Evercore also updated the M&A Committee on the progress of CCMP s negotiations with BofA for finalization of BofA s debt commitment letter for the proposed transaction. Representatives of WSGR then updated the M&A Committee on the status of merger agreement negotiations with O Melveny & Myers, reporting that there were a limited number of unresolved issues. These unresolved issues included the circumstances under which CCMP would be required to pay the Company a termination fee upon termination of the merger agreement.

On February 25, 2010 and February 26, 2010, representatives of WSGR, O Melveny & Myers and members of the Company s management held telephonic meetings to discuss the disclosure schedules to the merger agreement. Representatives of CCMP continued to contact Evercore to provide updates and discuss remaining legal and financial process items. In addition, on February 25, 2010 representatives of CCMP held an additional conference call with members of the Company s management and representatives of Evercore to further discuss the January 2010 financial results, including a detailed review of the financial results by business unit. In addition, representatives of CCMP had conversations with members of the Company s management and representatives of Evercore to review the Company s updated first quarter 2010 financial forecast, which included January actual financial performance. Revenue for the first quarter 2010 was forecasted to be down relative to budget.

On February 26, 2010, the Omaha World Herald published an article reporting the proposed terms of the CCMP proposal.

On February 27, 2010, the M&A Committee convened a meeting attended by representatives of WSGR and Evercore. Representatives of Evercore updated the M&A Committee on the status of BofA s due diligence investigation, noting that BofA was going to seek internal credit committee approval for its debt commitment to CCMP. Representatives of WSGR reviewed the status of the outstanding issues on the draft merger agreement and the status of negotiations regarding Mr. Gupta s voting agreement.

On February 28th, Evercore received communication from representatives of Party A reiterating their interest in the Company under the terms of their proposal delivered February 12, 2010 should negotiations with CCMP terminate. This communication from Party A was the first received by Evercore since February 17, 2010.

On March 2, 2010, the M&A Committee convened a meeting attended by representatives of WSGR and Evercore. Representatives of Evercore updated the M&A Committee on the status of negotiations with CCMP, noting the limited set of legal issues that remained unresolved and also noting that BofA had not yet finalized its internal credit committee approvals and that CCMP continued to negotiate the terms of the commitment and covenants. WSGR reviewed for the M&A Committee the current status of the merger agreement and ancillary agreement negotiations, outlining the remaining unresolved issues, including the circumstances under which CCMP would be obligated to pay the Company a termination fee upon termination of the merger agreement, the definition of a superior proposal and the circumstances under which the Company would be obligated to pay a termination fee to Parent upon termination

of the merger agreement. Representatives of WSGR also reported that the final terms of Mr. Gupta s voting agreement had not yet been agreed upon and that these provisions continued to be negotiated. Next, it was noted that one of the conditions to funding of BofA s debt commitment letter would be that the Company satisfy a stipulated minimum debt to EBITDA ratio. Mr. Oberdorf reviewed for the M&A Committee the requirements of this condition and the current expectations regarding the Company s ability to satisfy this condition.

On March 2, 2010, the Board of Directors convened a meeting attended by representatives of WSGR and Evercore. Representatives of Evercore updated the Board of Directors on the current status of negotiations with CCMP including the status of the proposed debt financing with BofA. Representatives of WSGR reviewed for the Board of Directors the terms and conditions of the proposed definitive agreements including the merger agreement, the equity and debt commitment letters, the guarantee and the voting agreements, highlighting the remaining unresolved legal and business issues.

On March 3, 2010, management of the Company provided to representatives of CCMP preliminary revenue results for the month of February, which fell short of the revenue budget for February 2010 by approximately 2% and was 3% lower than prior year results. On March 4, 2010, representatives of CCMP held a conference call with members of Company s management and representatives of Evercore to discuss February 2010 preliminary revenue results to evaluate the shortfalls in year-to-date financial results relative to budget and the implications for the financial forecast for the remainder of fiscal year 2010 as well as to discuss the significant underperformance of the Company s Small Business Group and the Company s interactive marketing solutions business units. In particular, with respect to the Company s interactive marketing solutions business, the Company s business unit that was expected to be the primary growth engine of the Company s digital data solutions, revenue growth slowed from 20% in 2008 to 4% in 2009. Management noted that the Company s interactive marketing solutions business year-to-date revenue results were 12% below budget for the first two months of 2010 and 2% below the same period in 2009.

On March 4, 2010, representatives of WSGR had telephone conversations with representatives of O Melveny & Myers in an effort to resolve the remaining unresolved issues on the merger agreement and the other transaction documents. Later that afternoon, representatives of CCMP called Evercore to inform them that they were lowering their proposed price to $7.60 per share. CCMP informed Evercore that the change in price was based on (i) year-to-date financial performance of the Company through February 2010 that was materially below budget, including the significant underperformance of the Company s interactive marketing solutions business unit with year-to-date revenue that was 12% below budget and 2% below the same period in 2009, (ii) limited evidence to support the Company s ability to achieve the 2010 budget, (iii) feedback from BofA that indicated revised terms of the debt commitment would be less favorable to CCMP than provided for at the time of the original offer submitted on February 12, 2010, and (iv) additional liabilities of the Company discovered by CCMP during the course of its due diligence review. As context, the financing proposal provided for the original offer submitted on February 12, 2010 included $350 million of funded debt in the form of a secured term loan, whereas the verbal indication of a revised per share price of $7.60, pending BofA receiving final internal approval, provided on March 4, 2010 included a reduced debt commitment from BofA that included $315 million of funded debt in the form of a secured term loan. In addition, the terms of the debt commitment associated with the revised offer were also less favorable than those associated with the original offer. As a result of the above factors, CCMP stated that it could no longer support the previously proposed offer price of $8.60 per share and was, therefore, lowering its proposed price. That evening, the M&A Committee had a telephonic meeting attended by representatives of WSGR and Evercore. Representatives of Evercore informed the M&A Committee of the proposed price reduction. Representatives of Evercore also reported that BofA s internal credit committee was scheduled to review and approve the BofA debt commitment letter to CCMP the following day. Representatives of Evercore and the M&A Committee discussed CCMP s stated reasons for the proposed price reduction. The M&A Committee discussed the possibility and capability of Party A to improve upon its initial $8.00 per share proposal. Representatives of Evercore reported that in a telephone conversation with representatives of Party A earlier in the day, the representatives of Party A had indicated that Party A would still require an additional 2 to 3 weeks of diligence prior to being in a position to enter into an agreement for a transaction. Party A further indicated that they maintained their proposal at $8.00 and that should negotiations with CCMP subsequently terminate, Party A s proposal would likely be reduced. Party A also indicated no further substantial discussions with financing sources, including BofA. After extensive discussion with WSGR and Evercore, the M&A Committee determined that CCMP s reduced price of $7.60 was inadequate and directed Evercore to inform CCMP that the Company was immediately closing down all discussions with CCMP as a result of the price reduction. Representatives of Evercore informed

CCMP by telephone that the Company had decided to conclude discussions with CCMP regarding a transaction.

On the morning of March 6, 2010, O Melveny & Myers, on behalf of CCMP, provided WSGR with an updated proposal package including a revised merger agreement and ancillary documents reflecting the reduction in price to $7.60. The proposal also included final signed debt commitment letters from BofA. The terms in the signed debt commitment letters from BofA were materially different from the terms of the debt commitment letters submitted on

February 12, 2010 as result of BofA completing its due diligence and receiving final internal approval on March 5, 2010. The commitment letters submitted on February 12, 2010 and March 6, 2010 were different in the following material respects: (i) the amount of term loans committed to fund a part of the Merger consideration was reduced by 10%, or $35 million, from $350 million to $315 million, (ii) the amount of the Company s pro forma capitalization required to be funded as cash equity was increased from 40% to 45% and (iii) the definition of EBITDA and permitted add-backs specified in the March 6, 2010 letter resulted in a calculation of EBITDA that was less than the EBITDA BofA had used for the initial indication of a $350 million term loan, as described more fully below. As a result of the price reduction and at the direction of the M&A Committee, WSGR did not respond to O Melveny & Myers.

CCMP contacted Evercore and informed them that the revision in the terms offered by BofA was in part due to the recent financial and operating performance and revised first quarter 2010 projections provided by the Company following the bid date on February 12, 2010, which were below budget and the projections provided by the Company as recently as January 20, 2010, as well as BofA s overall assessment and outlook for the Company and BofA s review of the Company s quality of earnings which resulted in modifications to the definition of EBITDA, particularly related to a reduction in non-GAAP add-backs, which constituted approximately 45% of the Company s EBITDA even after BofA s modifications to the definition.

Both the February 12, 2010 and March 6, 2010 debt commitments of BofA included a condition that the Company s consolidated debt to EBITDA ratio is no greater than 3.75:1 on the closing date based on EBITDA for the last four quarters ending prior to the closing date. At the time the February 12, 2010 debt commitments were made, BofA had not completed its accounting due diligence of the Company, and the completion of this due diligence was included as a condition to funding in the February 12, 2010 debt commitment letter. As a result, BofA s debt commitment submitted on February 12, 2010 left the calculation of EBITDA to be defined in a manner reasonably acceptable to BofA. By the time that BofA s March 6, 2010 debt commitment was submitted, BofA had completed its accounting due diligence and had made its determination of what it believed were appropriate non-GAAP add-backs to be included in the definition of EBITDA, which resulted in an EBITDA amount that was lower than what had been assumed for purposes of the February 12, 2010 debt commitment. The effect of this lower EBITDA amount was the reduction in the debt committed by BofA described above as BofA was previously willing to commit to a term loan sized to approximately 3.5 times EBITDA.

On March 6, 2010, representatives of CCMP contacted representatives of Evercore in order to increase their proposed price to $7.80 per share, indicating that CCMP was prepared to work toward reaching final agreement prior to the open of NASDAQ trading on March 8, 2010. Evercore, based on standing instructions from the M&A Committee, again informed CCMP that the offered price was insufficient to reengage.

On March 7, 2010, representatives of CCMP indicated to representatives of Evercore that CCMP might be willing to accept provisions in the merger agreement that would allow the Company to solicit alternative offers for a limited period of time after signing the merger agreement. The M&A Committee convened a meeting attended by representatives of Evercore and WSGR. Representatives of Evercore updated the M&A Committee on the recent events, its discussions with CCMP and the increase of the price to $7.80 and the possibility of including go shop provisions in the merger agreement. After considerable discussion, the M&A Committee instructed Evercore to inform CCMP that should they agree to increase the offered price to $8.00 per share and agree to a 21 day go shop period, the M&A Committee would resume negotiations to resolve the other remaining open issues. Subject to CCMP s agreement to these final terms, the M&A Committee resolved unanimously to recommend that the Board of Directors approve the transaction. Later that same day, the Board of Directors convened a meeting to consider the final proposal from CCMP. Evercore summarized the recent events leading up to the meeting including CCMP s proposed reduction in price and the stated causes, and the subsequent discussions. Evercore then informed the Board of Directors that CCMP had agreed to increase its offered price to $8.00 per share and to a 21 day go shop period during which the Company would be allowed to solicit alternative offers. WSGR then summarized for the Board of

Directors the terms and conditions of the definitive agreements for the proposed transaction. Next, Evercore reviewed for the Board of Directors its updated financial analysis of the $8.00 per share of Company Common Stock offered by CCMP. Following questions and discussion, Evercore delivered an oral opinion to the effect that, as of that date and based on and subject to assumptions made, matters considered and limitations of or on the scope of review undertaken by Evercore as set forth in its written opinion, the cash consideration (as defined in the opinion) was fair, from a financial point of view, to the holders of the shares of Company Common Stock entitled to receive such consideration. After

considering (i) a variety of business, financial and market factors, (ii) the updated financial analyses of Evercore, including the opinion of Evercore, (iii) each of the factors considered by the M&A Committee in its unanimous recommendation as described below and (iv) the unanimous recommendation of the M&A Committee, the Board of Directors unanimously adopted the resolutions approving the transaction and the Merger Agreement and authorized the M&A Committee to work with Evercore and WSGR to finalize and prepare for execution the definitive documents. The full text of the written opinion of Evercore, dated March 8, 2010, which sets forth the assumptions made, procedures followed and matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this proxy statement.

Later that evening and again on the morning of March 8, the M&A Committee convened to receive an update from WSGR regarding the final preparations for signing.

On the morning of March 8, 2010, the Company and Parent and Acquisition Sub, entities formed by CCMP to effect the transaction, entered into the Merger Agreement, CCMP delivered its equity commitment letter and limited guarantee, and BofA delivered its debt commitment letters. Shortly thereafter, the Company announced the transaction by a press release dated March 8, 2010.

The Merger Agreement provided that, until 11:59 p.m. (Eastern) on March 29, 2010, the Company was allowed to initiate, solicit and encourage any alternative acquisition proposals from, provide non-public information to, and participate in discussions and negotiate with third parties with respect to acquisition proposals. At the direction of the Board of Directors, Evercore conducted this go-shop process on behalf of the Company. During the process, Evercore contacted 10 parties (other than CCMP) who had submitted preliminary written proposals in early November 2009, including Party A. Of this group, only Party A expressed an interest continuing to evaluate the opportunity. In addition, one unsolicited financial buyer expressed an interest in receiving confidential information in order to evaluate the Company, and entered into a non-disclosure agreement. Neither Party A nor this additional unsolicited party expressed an interest in making an acquisition proposal for the Company.

On the afternoon of March 8, 2010, Mr. Gupta resigned form the Board of Directors. Mr. Gupta did not advise the Company of the reasons for his resignation, but the Company notes such factors as Mr. Gupta s anticipated ban from serving as a director of a public company and Mr. Gupta s need to satisfy his financial obligations to the SEC and others as permitted under his Voting Agreement.

On March 15, 2010, the Company s proposed settlement with the SEC was approved by the SEC. The SEC Order included findings that the Company materially understated the compensation of its former CEO and Chairman, Vinod Gupta, in the company s 2004 through 2007 Forms 10-K, which incorporated its proxy statements by reference and that the Company s filings for fiscal years 2003 through 2005 also understated, mischaracterized, or omitted certain related party transactions involving various entities owned by Mr. Gupta.

The Company did not admit or deny the findings in the Order. The Order prohibits the Company from future violations of Sections 13(a), 13(b)(2)(A), 13B(2)(B) and 14(a) of the Securities Exchange Act of 1934 and related rules requiring that periodic filings be accurate, that accurate books and records and a system of internal accounting controls be maintained and that solicitations of proxies comply with the securities laws.

On March 17, 2010, the Final Judgment was approved by order of the United States District Court for the District of Nebraska.

The Final Judgment, among other things, contained sanctions and fines against Mr. Gupta, pursuant to which he is:

(1) prohibited from future violations of multiple provisions of the securities laws;

(2) barred for life from serving as an officer or director of a public company;

(3) required to vote his shares of Common Stock in the same proportion as other shareholders vote on the same issue, but there is an exception to this requirement for the shareholder vote on the proposed acquisition of the Company by CCMP, which allows Mr. Gupta to vote all his shares in favor of that proposal and another exception which allows him to vote against any other acquisition proposal if Mr. Gupta would receive an amount or form of consideration in any such transaction less than the Company shareholders generally;

(4) required to pay a civil penalty to the United States Treasury in the amount of $2,240,700 (plus post-judgment interest); and

(5) required to pay the Company $4,045,000, prejudgment interest of $1,145,400, for a total of $5,190,400 (plus post-judgment interest).

Reasons for the Merger; Recommendation of the M&A Committee and Our Board of Directors

M&A Committee

The M&A Committee, consisting solely of independent directors and acting with the advice and assistance of independent legal and financial advisors, evaluated and negotiated the Merger proposal, including the terms and conditions of the Merger Agreement, with Parent and Acquisition Sub. The M&A Committee determined that the Merger is in the best interests of the Company and its stockholders, declared it advisable to enter into the Merger Agreement and unanimously recommended that the Board of Directors (i) approve the execution, delivery and performance of the Merger Agreement and the consummation of the transactions contained therein and (ii) resolve to recommend that the stockholders of the Company approve the adoption of the Merger Agreement.

In the course of reaching its determination, the M&A Committee considered the following factors and potential benefits of the Merger, each of which the members of the M&A Committee believed supported its decision:

- the current and historical market prices of the Common Stock and the fact that the price of $8.00 per share represented a premium to those historical prices, and specifically a premium of approximately 22% to the closing share price of the Common Stock on October 30, 2009, the last trading day prior to press reports regarding a potential acquisition of the Company;

- at no time in the past two years, other than following press reports indicating a potential acquisition of the Company, has the market price for the Common Stock equaled or exceeded $8.00 per share;

- the M&A Committee s belief that, in addition to general market conditions, the primary factors negatively affecting the Company s stock price during this period (and likely to continue negatively affecting the Company s stock price into the future) included:

  - the Company s financial performance, including declining revenue, fiscal period-to-fiscal period;

  - coverage by only one industry analyst; and

  - sales of Common Stock by Mr. Gupta.

- the M&A Committee s understanding of the business, operations, financial condition, earnings and prospects of the Company, including the prospects of the Company on a stand-alone basis including:

  - the need to consolidate the Company s 31 independent operating units into a more manageable number of integrated units and the execution risk associated with doing so;

  - the need for future investment in the Company s information technology to effectively manage the Company and deploy our products to customers;

the fact that many of the Company s newer and emerging competitors have a significant head start with providers and consumers of digital data and that the Company might not be able to compete as effectively in this market;

the need to consolidate the product development function from its historical decentralization among the Company s smaller independent operating units to a more unified approach and the risk that the Company might not be able to effect such a consolidation efficiently or effectively;

the need to make changes to the management team at multiple levels to maximize the possibility of executing effectively on a stand-alone business strategy and the risk that the Company might not be successful in recruiting such qualified employees due to geographic limitations and the continuing risk

Mr. Gupta would present as an activist shareholder with limited restrictions in the manner in which he could sell his shares;

the risk of continuous downward pressure on the Company s stock price resulting from Mr. Gupta s significant shareholdings, including his continued ability to sell into the market;

the risk that additional costs savings may be increasingly difficult to achieve and that without revenue growth, such reductions are the only avenue available for continued earnings growth;

the fact that management s long-term strategic plan did not: include the level of investment the M&A Committee believed would be required to be made in connection with, nor the potential future impact of, new business strategies and initiatives not currently in development; or make adequate provisions for creating common technology platforms to be shared by the Company s many separate business units to streamline data delivery to customers;

the slowing growth rates of the Company s interactive marketing solutions business, which management expected to be the primary growth engine of the Company s digital data solutions strategy, the underperformance of the Company s interactive marketing solutions business revenue year-to-date relative to budget and prior year results, and the negative impact such performance could have on the Company s organic growth prospects; and

the fact that product development within the Company was too decentralized, that efforts to enhance systems and customer solutions were being duplicated throughout the Company and the high level of risk and expense the M&A Committee believed would be required to address these inefficiencies;

the M&A Committee engaged in a full, thorough, complete process over a substantial period of time, engaging more than 50 potential counterparties to a transaction, inviting all remaining active participants to a second round, ultimately requesting final bids from all parties still involved in the process, and facilitating a go-shop process subsequent to the transaction announcement;

the transaction process was authorized by the Board of Directors to commence only after (i) a thorough review of the Company s strategic alternatives was conducted over a 9-month period (ii) a significant increase in the Company s share price was realized during this period due in some part to the unauthorized public disclosure of certain details of the Company s sale process, and (iii) signs of stabilization and pending recovery in the business were evident in recent historical financial performance metrics including the favorable effects of Adjusted EBITDA due to cost reductions and the decrease in the rate of revenue declines;

the Company s January and February 2010 financial performance, which fell short of the Company s budgeted revenue by approximately $1.9 million, or 2%, and approximately $2.2 million, or 13%, in Adjusted EBITDA and the potential implications such shortfall may have on 2010 full-year results given that the Company s budget was heavily back-end loaded such that an early year shortfall would extrapolate to a much larger shortfall in the full-year budget, including the fact that, since the formation of the M&A Committee in January 2009, the Company had missed its budgeted financial results during each reported fiscal period;

the increased level of competition from both incumbent competitors and new market entrants, operating in a digital environment with reduced barriers to entry;

the possible alternatives to the sale of the Company, including continuing to operate the Company on a stand-alone basis, and the significant risks and uncertainties associated with such alternatives, including the

risks associated with our ability to meet our projections for future results of operations, compared to the certainty of realizing in cash a fair value for their investment provided to our stockholders by the Merger;

the M&A Committee s belief, based on frequent updates from Evercore, that conditions in financial markets generally and in the credit markets in particular were becoming more supportive of merger and acquisition activity.

the terms of the Merger Agreement and the related agreements, including:

the limited number and nature of the conditions to Parent s obligation to consummate the Merger;

our ability, under certain limited circumstances, to furnish information to and conduct negotiations with third parties regarding other proposals;

our ability to terminate the Merger Agreement in order to accept a superior proposal, subject to paying Parent a termination fee of $15,847,000;

the limited number and nature of the conditions to funding set forth in the debt financing letter, the obligation of Parent and Acquisition Sub to use their reasonable best efforts (as defined in The Merger Agreement Agreement to Take Further Action and to Use Reasonable Best Efforts beginning on page 65) to obtain the debt financing, and the obligation of Parent and Acquisition Sub to pay us a $25,356,000 termination fee if they fail to effect the closing because of a failure to obtain the proceeds of the debt financing; and

our ability to enforce specifically the terms and provisions of the Merger Agreement, equity commitment letter and the limited guarantee;

the fact that the merger consideration is all cash, allowing the Company s stockholders to immediately realize a fair value for their investment, while also providing such stockholders certainty of value for their shares, while avoiding long-term business risk;

the availability of appraisal rights to holders of the Common Stock who comply with all of the required procedures under Delaware law, which allows such holders to seek appraisal of the fair value of their shares as determined by the Delaware Court of Chancery;

the fact that, for one year from the effective date of the Merger, (i) the Surviving Corporation will maintain for the benefit of each continuing employee of the Company the benefit plans programs and policies providing benefit levels and coverage substantially comparable in the aggregate to (i) benefit levels provided immediately prior to the effective time (other than equity based compensation), (ii) benefits provided by Parent to similarly situation employees, or (iii) a combination of (i) and (ii); and

the fact that the negotiations of the Merger were conducted under the oversight of the M&A Committee, which:

is comprised solely of independent directors who are not employees of the Company and who have no material financial interest in the Merger that is different from that of our stockholders;

retained and received advice and assistance from its own independent financial and legal advisors in evaluating, negotiating and recommending the terms of the merger agreement;

had ultimate authority to decide whether or not to proceed with a transaction or any alternative thereto, subject to our board of directors approval of the merger agreement; and

the consideration for the Merger and the other terms of the merger agreement resulted from extensive negotiations between the M&A Committee and its legal and financial advisors, on the one hand, and Parent

and CCMP and their legal and financial advisors, on the other hand, after conducting an extensive public process over more than 12 months.

The M&A Committee also considered a variety of risks and other potentially negative factors concerning the Merger Agreement and the Merger, including the following:

- the risks and costs to the Company if the Merger does not close, including the diversion of management and employee attention, potential employee attrition and the potential effect on the Company s business and its relationships with customers and suppliers;

- the risk of a material decline in the Company s share price if the Merger does not close, particularly in light of the significant increase in the Company s share price that occurred subsequent to the press reports of a transaction process and discussions with potential acquirers;

the fact that the Company s stockholders will not participate in any future earnings or growth of the Company and will not benefit from any appreciation in value of the Company, including any appreciation in value that could be realized as a result of improvements to the Company s operations;

the requirement that we pay Parent a termination fee of $15,847,000 if the Board of Directors accepts a superior proposal;

the restrictions on the conduct of the Company s business prior to the completion of the Merger, requiring the Company to conduct its business only in the ordinary course, subject to specific limitations, which may delay or prevent the Company from undertaking business opportunities that may arise pending completion of the Merger;

the fact that, for U.S. federal income tax purposes, the transaction would be taxable to the Company s stockholders that are U.S. holders (as defined below); and

the fact that the Company is entering into a Merger Agreement with a newly organized corporation with essentially no assets and, accordingly, that its remedy in connection with a breach of the Merger Agreement by Parent or Acquisition Sub, even a breach that is deliberate or willful, other than its ability to enforce specific performance, would be limited to $25,356,000 plus reasonable expenses.

This discussion summarizes the material factors considered by the M&A Committee in its consideration of the Merger. After considering these factors, the M&A Committee concluded that the positive factors relating to the Merger Agreement and the Merger significantly outweighed the potential negative factors. In view of the wide variety of factors considered by the M&A Committee, and the complexity of these matters, the M&A Committee did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the M&A Committee may have assigned different weights to various factors. The M&A Committee unanimously approved and recommended the Merger Agreement and the Merger based upon the totality of the information presented to and considered by it. The M&A Committee believes that the Merger is in the best interests of the Company and its stockholders.

The Board of Directors

The Board of Directors, acting upon the unanimous recommendation of the M&A Committee, unanimously (i) determined that the Merger is in the best interests of the Company and its stockholders, and declared it advisable, to enter into the Merger Agreement; (ii) approved the execution and delivery of the Merger Agreement, the performance by the Company of its covenants and agreements contained in the Merger Agreement and the consummation of the transactions contemplated thereby, including the Merger, upon the terms and subject to the conditions contained in the Merger Agreement; and (iii) resolved to recommend that the stockholders approve the adoption of the Merger Agreement and directed that such matter be submitted for consideration of the stockholders of the Company at the special meeting.

In reaching these determinations, the Board of Directors considered (i) a variety of business, financial and market factors; (ii) the financial presentation of Evercore, including the opinion of Evercore as to the fairness, from a financial point of view, to the stockholders of the consideration to be received as a result of the Merger; (iii) each of the factors considered by the M&A Committee in its unanimous recommendation, as described above; and (iv) the unanimous recommendation of the M&A Committee.

The foregoing discussion summarizes the material factors considered by the Board of Directors in its consideration of the Merger. In view of the wide variety of factors considered by the Board of Directors, and the complexity of these matters, the Board of Directors did not find it practicable to quantify or otherwise assign relative weights to the foregoing factors. In addition, individual members of the Board of Directors may have assigned different weights to various factors. The Board of Directors unanimously approved and recommended the Merger Agreement and the Merger based upon the totality of the information presented to and considered by it.

The Board of Directors believes that the Merger is in the best interests of the Company and its stockholders and recommends that the stockholders approve the adoption of the Merger Agreement.

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The Board of Directors recommends that you vote FOR the adoption of the Merger Agreement.

Opinion of Financial Advisor

Opinion of Evercore

Evercore was engaged to render an opinion to the *info*GROUP board of directors as to whether the cash consideration (as defined in the opinion) to be received by the holders of the shares of *info*GROUP Common Stock entitled to receive such cash consideration pursuant to the Merger Agreement was fair, from a financial point of view, to such holders as of March 8, 2010. On March 7, 2010 at a meeting of the *info*GROUP board of directors, Evercore delivered to the *info*GROUP board of directors an oral opinion, which was subsequently confirmed by delivery of a written opinion dated March 8, 2010, to the effect that, as of that date and based on and subject to assumptions made, matters considered and limitations of or on the scope of review undertaken by Evercore as set forth therein, the cash consideration was fair, from a financial point of view, to the holders of the shares of *info*GROUP Common Stock entitled to receive such cash consideration.

The full text of Evercore s written opinion, dated March 8, 2010, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations of or on the scope of review undertaken in rendering its opinion, is attached as Annex B to this proxy statement and is incorporated by reference in its entirety into this proxy statement. You are urged to read Evercore s opinion carefully and in its entirety. Evercore s opinion was directed to the *info*GROUP board of directors and addresses only the fairness, from a financial point of view, of the cash consideration to the holders of the shares of *info*GROUP Common Stock entitled to receive such cash consideration. For purposes of its opinion, Evercore noted that pursuant to the Merger Agreement each share of *info*GROUP Common Stock, other than shares of *info*GROUP Common Stock owned by *info*GROUP, Parent, Acquisition Sub or any direct or indirect wholly owned subsidiary of *info*GROUP, Parent, Acquisition Sub and any dissenting shares (as defined in the Merger Agreement), is to be converted into the right to receive $8.00 in cash. The opinion does not address any other aspect of the proposed Merger and does not constitute a recommendation to the *info*GROUP board of directors, to any holder of shares of *info*GROUP Common Stock or to any other persons in respect of the proposed Merger, including as to how any holder of shares of *info*GROUP Common Stock should vote or act in respect of the proposed Merger. Evercore s opinion does not address the relative merits of the proposed Merger as compared to other business or financial strategies that might be available to *info*GROUP, nor does it address the underlying business decision of *info*GROUP to engage in the proposed Merger.

In connection with rendering its opinion, Evercore, among other things:

- reviewed certain publicly available business and financial information relating to *info*GROUP that it deemed to be relevant, including publicly available research analysts estimates;

- reviewed certain non-public historical financial statements and other non-public historical financial and operating data, including preliminary year-to-date results through February 28, 2010, relating to *info*GROUP prepared and furnished to Evercore by management of *info*GROUP;

- reviewed certain non-public projected financial data for the 2010 period relating to *info*GROUP (the Management Projections) that were prepared and furnished to Evercore by management of *info*GROUP, as well as certain non-public projected financial data for the 2011 to 2014 periods relating to *info*GROUP (including, but not limited to, certain forecasts with respect to revenue, earnings before interest, taxes, depreciation and amortization and free cash flow) that were reviewed and approved by management of *info*GROUP for use in connection with Evercore s opinion and analyses, and which management of *info*GROUP informed Evercore are reasonable (the Financial Forecast);

discussed the past and current operations, financial projections and current financial condition of *info*GROUP with management of *info*GROUP (including their views on the risks and uncertainties of achieving such projections);

compared certain financial information of *info*GROUP with similar publicly-available information and stock market trading multiples for certain publicly traded companies that Evercore deemed relevant;

compared the financial performance of *info*GROUP and the implied valuation multiples relating to the proposed Merger with those of certain other transactions that Evercore deemed relevant;

reviewed a draft of the Merger Agreement dated March 7, 2010, which Evercore assumed was in substantially final form and from which Evercore assumed the final form would not vary in any respect material to its analysis; and

performed such other analyses and examinations and considered such other factors that Evercore deemed appropriate.

For purposes of its analysis and opinion, Evercore assumed and relied upon, without undertaking any independent verification of, the accuracy and completeness of all of the information publicly available and all of the information supplied or otherwise made available to, discussed with, or reviewed by Evercore, and Evercore assumed no liability therefor. For purposes of rendering Evercore s opinion, members of the management of *info*GROUP provided Evercore the Management Projections, as well as reviewed and approved for use in connection with Evercore s opinion and analyses the Financial Forecast. With respect to the Management Projections, Evercore assumed with *info*GROUP s consent that they were reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of the management of *info*GROUP as to the future competitive, operating and regulatory environments and related financial performance of *info*GROUP under the alternative business assumptions reflected therein. With respect to the Financial Forecast, management of *info*GROUP informed Evercore that this projected financial data collectively reflects a reasonable representation of the future financial performance of *info*GROUP that incorporates the effects of potential risks and opportunities relating to *info*GROUP s business. Evercore expressed no view as to any projected financial data relating to *info*GROUP or the assumptions on which they are based.

For purposes of rendering its opinion, Evercore assumed, in all respects material to its analysis, that the representations and warranties of each party contained in the Merger Agreement were true and correct, that each party will perform all of the covenants and agreements required to be performed by it under the Merger Agreement and that all conditions to the consummation of the proposed Merger will be satisfied without material waiver or modification thereof. Evercore further assumed that all governmental, regulatory or other consents, approvals or releases necessary for the consummation of the proposed Merger will be obtained without any material delay, limitation, restriction or condition that would have an adverse effect on *info*GROUP or the consummation of the proposed Merger or materially reduce the benefits of the proposed Merger to the holders of *info*GROUP Common Stock. Evercore also assumed that the final form of the Merger Agreement will not differ in any material respect from the latest draft of the Merger Agreement reviewed by Evercore. Further, for the purposes of this opinion, with the *info*GROUP board of directors approval, Evercore did not analyze any tax-related costs or benefits arising out of the proposed Merger.

Evercore did not make nor assume any responsibility for making any independent valuation or appraisal of the assets or liabilities (contingent or otherwise) of *info*GROUP, nor was Evercore furnished with any such valuations or appraisals, nor did Evercore evaluate the solvency or fair value of *info*GROUP under any state or federal laws relating to bankruptcy, insolvency or similar matters. Evercore s opinion was necessarily based upon information made available to it as of the date of the opinion and financial, economic, market and other conditions as they existed and as could be evaluated on the date of its opinion. It should be understood that subsequent developments may affect Evercore s opinion and that Evercore has no obligation to update, revise or reaffirm its opinion.

Evercore was not asked to pass upon, and expressed no opinion with respect to, any matter other than the fairness to the holders of shares of *info*GROUP Common Stock entitled to receive such cash consideration, from a financial point of view, of the cash consideration, as of the date of its opinion. Evercore did not express any view on, and its opinion did not address, the fairness of the proposed Merger or any other matter with respect to, or any consideration received in connection therewith by, the holders of any other securities, creditors or other constituencies of *info*GROUP, nor as to the fairness of the amount or nature of any compensation to be paid or payable to

any of the officers, directors or employees of *info*GROUP, or any class of such persons, whether relative to the cash consideration or otherwise. Evercore s opinion did not address the relative merits of the proposed Merger as compared to other business or financial strategies that might be available to *info*GROUP, nor did it address the underlying business decision of *info*GROUP to engage in the proposed Merger. Evercore s opinion did not constitute a recommendation to the *info*GROUP board of directors, any holder of shares of *info*GROUP Common Stock or to any other persons in respect of the proposed Merger, including as to how any holder of shares of *info*GROUP Common Stock or any other person should vote or act in respect of the proposed Merger. Evercore expressed no opinion as to the price at which shares of *info*GROUP would trade at any time. Evercore s opinion noted that it is not a legal, regulatory, accounting or tax expert and that it assumed the accuracy and completeness of assessments by *info*GROUP and its advisors with respect to legal, regulatory, accounting and tax matters.

Except as described above, the *info*GROUP board of directors imposed no other instructions or limitations on Evercore with respect to the investigations made or the procedures followed by Evercore in rendering its opinion. Evercore s opinion was only one of many factors considered by the *info*GROUP board of directors in its evaluation of the proposed Merger and should not be viewed as determinative of the views of the *info*GROUP board of directors or *info*GROUP management with respect to the proposed Merger or the cash consideration payable in the proposed Merger.

Set forth below is a summary of the material financial analyses reviewed by Evercore with the *info*GROUP board of directors on March 7, 2010 in connection with rendering its opinion. The following summary, however, does not purport to be a complete description of the analyses performed by Evercore. The order of the analyses described and the results of these analyses do not represent relative importance or weight given to these analyses by Evercore. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data that existed on or before March 5, 2010 (the last full trading day prior to March 8, 2010, the date on which the *info*GROUP board of directors adopted a resolution to approve the proposed Merger), and is not necessarily indicative of current market conditions.

The following summary of financial analyses includes information presented in tabular format. These tables must be read together with the text of each summary in order to understand fully the financial analyses. The tables alone do not constitute a complete description of the financial analyses. Considering the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Evercore s financial analyses.

Summary of Management Projections and the Financial Forecast. Below is a summary of the Management Projections for the 2010 period that were prepared and furnished to Evercore by management of *info*GROUP, as well as the Financial Forecast for the 2011 to 2014 periods relating to *info*GROUP, including assumptions regarding year-over-year revenue growth rates and Adjusted EBITDA margins, that were reviewed and approved by management of *info*GROUP for use in connection with Evercore s opinion and analyses, and which management of *info*GROUP informed Evercore were reasonable. The Management Projections and Financial Forecast summarized below assume *info*GROUP s continued operation as a stand-alone public entity.

($ in millions)	2010E	2011E	2012E	2013E	2014E
Revenue	$ 515.0	$ 533.0	$ 551.9	$ 571.8	$ 592.7
% Growth	3.0%	3.5%	3.5%	3.6%	3.7%
Adjusted EBITDA	$ 102.7	$ 111.7	$ 115.8	$ 120.0	$ 124.5
% Margin	19.9%	21.0%	21.0%	21.0%	21.0%

Capital Expenditures	$	20.0	$	18.0	$	18.0	$	18.0	$	18.0
Free Cash Flow(1)	$	36.7	$	76.3	$	67.7	$	70.3	$	72.0

(1) 2010E Free Cash Flow represents free cash flow for the Q2 2010E through Q4 2010E period.

Adjusted EBITDA is calculated by adding back to EBITDA (earnings before interest, taxes, depreciation and amortization) those expenses Company management deemed to be one-time and non-recurring in nature including, among others, certain restructuring costs, impairments and write-down of assets, litigation charges, and expenses

related to the SEC investigation. For the 2010 period, $13.1 million of expenses were deemed by management of the Company to be one-time and non-recurring in nature. There were no one-time, non-recurring expenses projected by management of the Company for the 2011 to 2014 periods. In 2009, $39.9 million of expenses were deemed by management of the Company to be one-time and non-recurring in nature. Based on information provided to Evercore by management of the Company, projected trailing latest four quarters (LFQ) EBITDA and Adjusted EBITDA of *info*GROUP as of March 31, 2010 used in Evercore s opinion and analyses were $61.7 million and $96.0 million, respectively.

Free Cash Flow is calculated by deducting from EBITDA estimated taxes (assuming a 38.0% tax rate), capital expenditures, and changes in working capital, and by adding non-cash stock-based compensation expense and certain one-time cash inflows such as escrow releases and repayments of notes receivable from officers. The estimated capital expenditures, non-cash stock-based compensation expense, escrow releases and repayments of notes receivable from officers were provided by management of *info*GROUP. The assumed tax rate and estimated changes in working capital were reviewed and approved by management of *info*GROUP for use in connection with Evercore s opinion and analysis.

Historical Trading Analysis. Evercore reviewed the historical prices of *info*GROUP Common Stock over a two-year period ending March 5, 2010 (the last trading day before *info*GROUP announced the proposed Merger), calculated the average daily closing prices of *info*GROUP Common Stock over various time periods, and noted the closing stock price on selected dates including and prior to March 5, 2010. Evercore selected a two-year period based on its professional judgment and experience, taking into account market conditions and prior practices. Evercore then calculated and compared the premium (or discount, as the case may be) that the $8.00 per share cash consideration represented relative to the daily closing and average daily closing prices of *info*GROUP Common Stock for the selected periods and dates. The following historical *info*GROUP Common Stock price analysis was presented to the *info*GROUP board of directors to provide it with background information and perspective with respect to the historical share price of *info*GROUP Common Stock relative to the implied per share cash consideration:

	Period Average		**Prior Period**	
	Price	**Offer Premium/ (Discount)**	**Price**	**Offer Premium/ (Discount)**
03/05/10			$ 8.16	(2.0)%
10/30/09(1)			6.56	22.0%
11/10/09(2)			8.40	(4.8)%
One Month	7.94	0.7%	7.55	6.0%
Two Month	7.95	0.7%	8.44	(5.2)%
Three Month	8.01	(0.1)%	8.28	(3.4)%
Four Month	8.12	(1.5)%	7.66	4.4%
Five Month	7.89	1.3%	6.62	20.8%
Six Month	7.68	4.2%	6.23	28.4%
One Year	6.43	24.3%	2.35	240.4%
Two Year	5.66	41.4%	6.76	18.3%
52-Week High(3)			8.99	(11.0)%

1. Closing stock price on the last trading day before publication of media reports of a potential sale of *info*GROUP.

2. Closing stock price on the last trading day before publication of additional media reports (subsequent to those published on 10/31/09) of a potential sale of *info*GROUP.

3. Intraday stock price on 11/10/09, on which day there was publication of media reports of a potential sale of *info*GROUP (separate from the publication of media reports of a potential sale of *info*GROUP on 10/31/09).

Evercore reviewed historical prices of *info*GROUP Common Stock over one and two year periods ending March 5, 2010 and noted the percentage of days where *info*GROUP s closing stock price fell between $3.00 and $11.00 in increments of $1.00. Evercore selected a two-year period based on its professional judgment and

experience, taking into account market conditions, including that this period reflected materially different equity and credit market environments, as well as a different industry environment within which the Company operated, relative to prior periods. In addition, a two-year historical trading analysis was a period of time consistent with prior historical trading analyses considered by the M&A Committee. Evercore noted that *info*GROUP s closing stock price exceeded $8.00 on approximately 22.5% of the days traded in the year ended March 5, 2010 and never exceeded $8.00 from the period between March 5, 2009 and October 30, 2009, the last trading day before publication of media reports of a potential sale of *info*GROUP. The following historical percentage days traded analysis was presented to the *info*GROUP board of directors:

	One Year		**Two Years**	
	03/05/09 to 03/05/10 % Days Traded	**03/05/09 to 10/30/09(1) % Days Traded**	**03/05/08 to 03/05/10 % Days Traded**	**03/05/08 to 10/30/09(1) % Days Traded**
<$3.00	3.6%	5.4%	4.2%	5.0%
$3.00-$4.00	3.2%	4.8%	10.9%	13.1%
$4.00-$5.00	11.9%	17.9%	19.0%	22.9%
$5.00-$6.00	20.6%	31.0%	26.1%	31.4%
$6.00-$7.00	22.5%	33.9%	19.0%	22.9%
$7.00-$8.00	15.8%	7.1%	9.5%	4.8%
$8.00-$9.00	22.5%	0.0%	11.3%	0.0%
$9.00-$10.00	0.0%	0.0%	0.0%	0.0%
$10.00-$11.00	0.0%	0.0%	0.0%	0.0%

1. Closing stock price on the last trading day before publication of media reports of a potential sale of *info*GROUP.

Evercore also noted, based on publicly available estimates, that the multiples of *info*GROUP s total enterprise value (TEV), calculated as equity market value based on closing stock prices, plus debt, preferred stock and minority interests, less cash and cash equivalents, to the average estimated one-year forward EBITDA during a one-year, two-year and three-year historical period ending March 5, 2010 were approximately 5.5x, and 5.1x and 5.6x, respectively. In connection with this analysis, Evercore noted that the $8.00 per share cash consideration corresponded to an implied multiple of TEV to 2010 Adjusted EBITDA of 6.2x, which was higher than the historical average multiple during the past three years.

Analysis of Select Publicly Traded Companies. In order to assess how the public market values shares of similar publicly traded companies, Evercore reviewed and compared specific financial and operating data relating to *info*GROUP to that of a group of selected companies that Evercore deemed to have certain characteristics that are similar to those of *info*GROUP. As part of its analysis, Evercore calculated and analyzed the multiple of TEV as of March 5, 2010 to estimated 2009 and 2010 EBITDA for each member of a selected group of public traded companies deemed relevant for the purposes of this analysis. For *info*GROUP, Evercore calculated such multiples based on both EBITDA and Adjusted EBITDA given the magnitude of the one-time, non-recurring expenses deemed as such by management of the Company. Evercore calculated the TEV of each company as equity market value based on closing stock prices, plus debt, preferred stock and minority interests, less cash and cash equivalents.

Multiples for the selected publicly-traded companies were based on publicly available filings. *info*GROUP metrics for 2009 and 2010 financial forecasts were provided by the management of *info*GROUP. The companies

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that Evercore deemed to have certain characteristics similar to those of *info*GROUP and the multiples that Evercore calculated for such companies are summarized below:

infoGROUP[(1)]	*Share Price 03/05/10*	*Market Equity Value*	*Total Enterprise Value*	*TEV/EBITDA 2009E*	*TEV/EBITDA 2010E*
At Offer	$ 8.00	$ 470	$ 637	7.1x	6.2x
3/5/10	8.16	479	646	7.2	6.3
10/30/09[(2)]	6.56	385	552	6.1	5.4
Marketing Services					
Acxiom	$ 18.01	$ 1,448	$ 1,772	6.3x	6.5x
Valassis	28.45	1,429	2,310	9.2	8.2
ValueClick	10.09	843	684	6.2	6.6
Harte-Hanks	12.32	797	950	8.0	8.1
Marchex	5.55	201	167	NM	12.0
Mean				7.4x	8.3x
Median				7.2	8.1
Business Information: Database					
McGraw-Hill	$ 35.28	$ 11,280	$ 11,325	7.9x	6.7x
Experian	9.54	9,884	12,114	10.4	9.6
Moody s	28.11	6,701	7,418	9.9	9.0
Equifax	33.34	4,282	5,367	9.2	8.6
Dun & Bradstreet	69.95	3,628	4,380	7.9	8.0
Fair Isaac	24.45	1,137	1,370	8.7	8.4
Mean				9.0x	8.4x
Median				9.0	8.5

1. The EBITDA multiplies for *info*GROUP summarized in this table reflect multiples based on Adjusted EBITDA provided by management of the Company, which exclude expenses deemed to be one-time and non-recurring in nature by management of the Company. Using EBITDA estimates provided by management of the Company which include such one-time and non-recurring expenses, the 2009 EBITDA multiples At Offer, on 3/5/10 and on 10/30/09 were 12.7x, 12.9x and 11.0x, respectively.

2. Closing stock price on the last trading day before publication of additional media reports of a potential sale of *info*GROUP.

Evercore then applied a range of selected multiples derived from the selected publicly-traded companies of 5.5x to 7.0x to the LFQ Adjusted EBITDA of *info*GROUP as of March 31, 2010, as provided by management of the Company. Evercore derived these ranges of selected multiples based on its professional judgment and experience, including its judgment on business characteristics of *info*GROUP relative to the other companies listed above, and other factors, including, but not limited to, historical financial performance, profitability and scale of business. Evercore noted, however, that none of the selected publicly traded companies are identical or directly comparable to the Company. For example, many of the other companies listed above have different business characteristics, higher

EBITDA margins and greater scale relative to *info*GROUP. This analysis indicated the following implied per share equity reference ranges for *info*GROUP, as compared to the per share cash consideration:

Implied Per Share Equity Reference Ranges for infoGROUP	Per Share Cash Consideration
$6.13 - $8.58	$ 8.00

Discounted Cash Flow Analysis. Evercore performed a discounted cash flow analysis of *info*GROUP in order to derive implied per share equity reference ranges for *info*GROUP based on the implied present value of future cash flow to *info*GROUP. In this analysis, Evercore calculated implied per share equity reference ranges for *info*GROUP using the Management Projections and Financial Forecast based on the sum of the (i) implied present values, using discount rates ranging from 11.5% to 12.5% of *info*GROUP projected unlevered free cash flows for calendar years 2010 through 2014 and (ii) implied present values, using discount rates ranging from 11.5% to 12.5%

of the terminal value of *info*GROUP future cash flows beyond calendar year 2014 based on an assumed perpetuity growth rate ranging from 2.0% to 3.0%. These values were discounted to present value as of March 31, 2010. Evercore, using its professional judgment and experience, derived the discount rate range taking into account *info*GROUP s weighted average cost of capital of 11.6% (rounded to 11.5%) calculated using the capital asset pricing model methodology, and taking into account a size premium consistent with statistics from Morningstar s Ibbotson SBBI and the sale of Macro International, which historically produced more stable financial results relative to many of *info*GROUP s other business units. This analysis indicated the following implied per share equity reference ranges for *info*GROUP, as compared to the per share cash consideration:

Implied Per Share Equity Reference Ranges for infoGROUP	Per Share Cash Consideration
$7.66 - $9.66	$ 8.00

Although the discounted cash flow analysis is a widely used valuation methodology, it necessarily relies on numerous assumptions, including earnings growth rates, terminal values and discount rates. As a result, it is not necessarily indicative of *info*GROUP s actual, present or future value or results, which may be significantly more or less favorable than suggested by this analysis.

Present Value of Implied Future Stock Price Analysis. Evercore calculated illustrative future stock prices of *info*GROUP on December 31, 2012 by applying a multiple range of 5.5x to 7.0x, based on a review of current and historical trading multiples of *info*GROUP and companies identified above under the caption Analysis of Select Publicly Traded Companies, to estimated calendar year 2012 EBITDA of *info*GROUP based on the Financial Forecast. These illustrative future stock prices were discounted to present value as of March 31, 2010 using a discount rate range of 14.0% to 15.0%. Evercore, using its professional judgment and experience, derived the discount rate range taking into account *info*GROUP s equity cost of capital of 13.8% (rounded to 14.0%) calculated using the capital asset pricing model methodology, and taking into account a size premium consistent with statistics from Morningstar s Ibbotson SBBI and the sale of Macro International, which historically produced more stable financial results relative to many of *info*GROUP s other business units. This analysis indicated the following implied per share equity reference ranges for *info*GROUP, as compared to the per share cash consideration:

Implied Per Share Equity Reference Ranges for infoGROUP	Per Share Cash Consideration
$7.53 - $9.79	$ 8.00

Selected Precedent M&A Transactions Analysis. Evercore reviewed implied transaction data for 22 transactions involving target companies that Evercore deemed to have certain characteristics that are similar to those of *info*GROUP. Evercore reviewed transaction values for the selected transactions, calculated as the TEV and also reviewed the multiple of TEV to LFQ revenue and EBITDA. Multiples for the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. The transactions considered,

along with the respective TEV and multiples for each transaction, and the month and year each transaction was announced, were as follows:

Target	Acquiror	Announcement Date	TEV ($ in millions)	TEV/LFQ Revenue	TEV/LFQ EBITDA
Web Clients LLC (ValueClick)(1)	Undisclosed	February 2010	$ 45.0	0.4x	2.1x
Direct Marketing Services	Acxiom Corporation	September 2009	N/A	N/A	N/A
ICC Information Limited	Dun & Bradstreet	July 2009	N/A	N/A	N/A
Macro International - infoGROUP	ICF International	March 2009	155	1.0x	8.7x
Mason Zimbler	Harte-Hanks Inc.	January 2008	N/A	N/A	N/A
Acxiom(2)	Silver Lake, ValueAct Capital	May 2007	2,938	2.1x	7.4x
Catalina Marketing	Hellman & Friedman	March 2007	1,626	3.5x	11.0x
ADVO	Valassis	December 2006	1,147	0.8x	11.1x
Factiva	Dow Jones	December 2006	185	1.3x	8.4x
Mergermarket	Financial Times	June 2006	186	N/A	N/A
Fastclick, Inc.	ValueClick	August 2005	133	2.0x	15.2x
Web Marketing Holdings	ValueClick	June 2005	141	2.4x	N/A
Digital Impact	Acxiom	March 2005	116	2.7x	NM
First American (Credit Info.)	First Advantage	March 2005	550	2.2x	10.1x
Capital IQ	Standard & Poors	September 2004	200	N/A	N/A
Seisint	Reed Elsevier	July 2004	745	6.5x	16.6x
OneSource Info. Services	infoUSA	April 2004	83	1.5x	15.8x
Multex.com	Reuters	February 2003	211	2.3x	18.3x
Hoovers	Dun & Bradstreet	December 2002	81	2.6x	NM
Bacon s Information	Observer	November 2001	90	2.4x	9.0x
Dialog (Info. Svcs. Div.)	Thomson	March 2000	275	1.0x	N/A
Donnelley Marketing	infoUSA	June 1999	200	2.2x	N/A

1. The pace of decline of the business was such that some research analysts estimated the purchase price was approximately 4.0x forward EBITDA.

2. Silver Lake and ValueAct Capital were seeking to acquire the remaining 86.8% interest not already owned by ValueAct Capital. TEV represents value for 100% of company at $27.10 per share offer price.

The acquisition was terminated in October 2007.

Evercore then applied a range of selected multiples derived from those transactions described above for the selected companies of 6.5x to 7.5x of LFQ EBITDA as of March 31, 2010 to the LFQ Adjusted EBITDA of *info*GROUP as of March 31, 2010, Evercore derived this range of selected multiples based on its professional judgment and experience, including its judgment based on the business characteristics of the target company, the date of the transaction, and other factors, including, but not limited to, and to the extent public information was available, historical financial performance, profitability, scale of business and strategic fit with the potential acquirer. Evercore noted that none of

the selected transactions or the selected companies that participated in the selected transactions are directly comparable to the proposed Merger or the Company, respectively. For example, Evercore noted that transactions announced prior to 2008 reflected materially different merger and acquisition, equity and credit market environments, as well as a different operating environment relative to the current environment. In addition, many of the transactions noted above involved strategic acquirers that indicated synergies would result from the integration of the target business.

This analysis indicated the following implied per share equity reference ranges for *info*GROUP, as compared to the per share cash consideration:

Implied Per Share Equity Reference Ranges for infoGROUP	Per Share Cash Consideration
$7.77 - $9.40	$ 8.00

Leveraged Buyout Analysis. Evercore performed a leveraged buyout (LBO) analysis of *info*GROUP in order to ascertain the value of *info*GROUP which might be attractive to a potential financial buyer based upon the Management Projections and Financial Forecast. Evercore assumed, among other things, the following in its LBO analysis: (i) capital structure scenarios for *info*GROUP consistent with the anticipated terms of the proposed debt financing package in connection with the proposed Merger; which included $315 million of debt: (ii) a range of selected exit multiples of 5.5x to 7.5x calendar year 2014 EBITDA; and (iii) an equity investment that would achieve an internal rate of return during the investment period beginning March 31, 2010 of between 20.0% and 25.0%. Evercore derived these ranges of assumptions based on its professional judgment and experience, including its judgment regarding (x) the reasonableness of the anticipated terms of the proposed debt financing commitment in connection with the proposed Merger, (y) reasonable internal rates of return likely to be required by a financial sponsor in connection with the proposed Merger, and (z) current and historical trading multiples of *info*GROUP and companies identified above under the caption Analysis of Select Publicly Traded Companies, as well as implied transaction data from those transactions identified above under the caption Selected Precedent M&A Transactions Analysis. This analysis indicated the following implied per share equity reference range for *info*GROUP, as compared to the per share cash consideration:

Implied Per Share Equity Reference Ranges for infoGROUP	Per Share Cash Consideration
$6.10 - $8.03	$ 8.00

General

In connection with the review of the proposed Merger by the *info*GROUP board of directors, Evercore performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary described above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Evercore s opinion. In arriving at its fairness determination, Evercore considered the results of all the analyses and did not draw, in isolation, conclusions from or with regard to any one analysis or factor considered by it for purposes of its opinion. Rather, Evercore made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all the analyses. In addition, Evercore may have considered various assumptions more or less probable than other assumptions, so that the range of valuations resulting from any particular analysis described above should therefore not be taken to be Evercore s view of the value of *info*GROUP. No company used in the above analyses as a comparison is directly comparable to *info*GROUP, and no transaction used is directly comparable to the proposed Merger. Further, Evercore s analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or transactions used, including judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of *info*GROUP.

Evercore prepared these analyses solely for the purpose of providing an opinion to the *info*GROUP board of directors as to the fairness, from a financial point of view, of the cash consideration to be received by the holders of shares of *info*GROUP Common Stock entitled to receive such cash consideration. These analyses do not purport to be appraisals or to necessarily reflect the prices at which the business or securities actually may be sold. Any estimates contained in these analyses are not necessarily indicative of actual future results, which may be significantly more or less favorable than those suggested by such estimates. Accordingly, estimates used in, and the results derived from, Evercore s analyses are inherently subject to substantial uncertainty, and Evercore assumes no responsibility if future results are materially different from those forecasted in such estimates. The cash consideration to be received by the holders of shares of *info*GROUP Common Stock pursuant to the Merger Agreement was determined through arm s-

length negotiations between *info*GROUP and CCMP Capital Advisors, LLC and was approved by the *info*GROUP board of directors. Evercore did not recommend any specific consideration to *info*GROUP or that any given amount of consideration constituted the only appropriate consideration.

Under the terms of the Evercore s engagement, *info*GROUP paid Evercore $1,000,000 upon the delivery of Evercore s opinion and has agreed to pay Evercore an aggregate fee of approximately $7.5 million upon completion of the Merger, against which the opinion fee will be credited. In addition, *info*GROUP agreed to reimburse Evercore s reasonable and customary expenses and to indemnify Evercore for certain liabilities arising out of its engagement. Prior to this engagement, Evercore and its affiliates provided financial advisory services to the Company and had received fees of approximately $2.1 million during the preceding two years (and may in the future receive additional fees) for the rendering of these services including the reimbursement of expenses. During the two year period prior to the date of Evercore s opinion, no material relationship existed between Evercore and its affiliates and Acquisition Sub or Parent pursuant to which compensation was received by Evercore or its affiliates as a result of such relationship. Evercore may provide financial or other services to *info*GROUP, Acquisition Sub or Parent, or any of their respective affiliates, in the future and in connection with any such services Evercore may receive compensation.

In the ordinary course of business, Evercore or its affiliates may actively trade the securities, or related derivative securities, or financial instruments of *info*GROUP and its affiliates, for its own account and for the accounts of its customers and, accordingly, may at any time hold a long or short position in such securities or instruments.

*info*GROUP engaged Evercore to act as a financial advisor based on its qualifications, experience and reputation. Evercore is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses in connection with mergers and acquisitions, leveraged buyouts, competitive biddings, private placements and valuations for corporate and other purposes. Evercore s opinion was authorized by the opinion committee of Evercore.

Financing of the Merger

The total amount of funds necessary to complete the Merger is anticipated to be approximately $668.9 million, consisting of (i) approximately $468.3 million to pay the Company s stockholders, option holders, and holders of Company stock-based awards the amounts due to them under the Merger Agreement, assuming that no Company stockholder validly exercises and perfects its appraisal rights, (ii) approximately $165.6 million to refinance the Company s outstanding indebtedness, and (iii) approximately $35 million to pay related fees and expenses in connection with the Merger, the financing arrangements and the transactions described in this paragraph.

These payments are expected to be funded by Parent and Acquisition Sub in a combination of equity contributions by CCMP in Parent, debt financing and to the extent available, cash of the Company. Parent and Acquisition Sub have obtained equity and debt financing commitments described below in connection with the transactions contemplated by the Merger Agreement.

Equity Financing

Pursuant to an equity commitment letter dated March 8, 2010 to Acquisition Sub, CCMP has agreed to cause up to $353 million of cash to be contributed to Parent, which will constitute the equity portion of the Merger financing. Subject to certain conditions, CCMP may assign a portion of its equity commitment obligation, provided that it remains obligated to perform to the extent not performed by such assignee. The commitment of each of the CCMP affiliated funds are as follows:

CCMP Capital Investors II, L.P.	$ 311,482,611
CCMP Capital Investors (Cayman) II, L.P.	$ 41,517,389

The equity commitment is subject to (i) the terms of the equity commitment letter; (ii) the satisfaction or waiver of all of the conditions to Parent s and Acquisition Sub s obligation to effect the closing of the Merger under the Merger Agreement in accordance with its terms; and (iii) the funding of the debt financing having occurred or being subject solely to the funding of the equity commitment at the closing. The Company is a third party

beneficiary of the equity commitment letter and is entitled to cause the commitment to be funded if all of the conditions precedent to the obligations of CCMP have been met. The equity commitment letter will terminate upon the termination of the Merger Agreement or if the Company or any of its affiliates asserts, in any legal proceeding, any claim under the limited guarantee.

Debt Financing

Parent has received a debt commitment letter, dated as of March 8, 2010, from BofA to provide, subject to the conditions set forth therein, to Acquisition Sub, up to $365.0 million in senior secured credit facilities (the Senior Credit Facilities), comprised of (i) a term loan facility of $315.0 million and (ii) a revolving credit facility of up to $50.0 million. The proceeds of the borrowings under the term loan facility shall be used for the purpose of financing the Merger, repaying or refinancing certain existing indebtedness of the Company and its subsidiaries and paying costs and expenses incurred in connection with the Merger. After closing, the proceeds of the borrowings of the revolving credit facility may be used to provide ongoing working capital and for other general corporate purposes of the Surviving Corporation and its subsidiaries.

The borrower under the Senior Credit Facilities will be Acquisition Sub initially, and the Surviving Corporation, upon initial funding of the Senior Credit Facility. The debt commitments expire on the earliest of (a) July 21, 2010 unless the consummation of the Merger occurs prior thereto, (b) the closing of the transactions contemplated by the Merger Agreement without the use of the Senior Credit Facilities, and (c) the termination of the Merger Agreement.

If any portion of the debt financing becomes unavailable on the terms and conditions contemplated in the debt commitment letter or the debt commitment letter shall be terminated or modified in a manner materially adverse to Parent or Acquisition Sub for any reason, Parent may arrange to obtain alternative financing from alternative sources terms not materially less favorable to Parent or Acquisition Sub as those contained in the debt commitment letter, in an amount sufficient to consummate the Merger.

Conditions Precedent to the Debt Commitments

The availability of the Senior Credit Facilities are subject, among other things, to the negotiation, execution and delivery of definitive documentation with respect to the Senior Credit Facilities, the payment of all costs, fees and expenses payable on the date of the initial funding of the Senior Credit Facility, and the satisfaction of certain conditions precedent to closing, including:

consummation of the Merger in accordance with the Merger Agreement (without giving effect to any amendments, waivers or other modifications to the Merger Agreement that are materially adverse to the lenders in their capacity as lenders without the consent of BofA);

since December 31, 2009 there has not been or occurred, and there does not exist, any changes, facts, events, developments or state of circumstances that has had or would reasonably be expected to have, a Company Material Adverse Effect;

after giving effect to the transactions contemplated by the debt commitment letter, and the Merger Agreement, no outstanding debt other than debt incurred pursuant to the debt commitment letter and other debt to be agreed upon in an amount not to exceed $5.0 million, and no less than $30.0 million of availability under the revolving credit facility as of the date the Senior Credit Facility is initially funded;

delivery of certain customary closing documents (including among others a customary solvency certificate or opinion), specified items of collateral and certain Company financial statements;

consummation of the equity financing under the equity commitment letter such that CCMP Capital Advisors, LLC and its affiliates will own at least seventy-five percent (75%) of the capital stock and other equity or economic interests in Parent;

the payment of all costs, fees and expenses payable to BofA and the lenders;

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the Company s ratio of (i) consolidated debt at the closing date of the Merger to (ii) consolidated EBITDA for the four quarter period ended not less than 45 days prior to the closing date of the Merger (as calculated pursuant to the Merger Agreement), in each case after giving pro forma effect to the Merger, not exceeding 3.75:1.0;

compliance with certain bank and federal reserve regulations; and

Acquisition Sub s commercially reasonable efforts to obtain ratings from Moody s Investor Service and Standard & Poor s of the Senior Credit Facilities.

The Company s consolidated debt to EBITDA ratio, after giving pro forma effect to the Merger, was 3.4:1 as of December 31, 2009 and, 3.2:1 as of March 31, 2010.

Limited Guarantee

In connection with the Merger Agreement, CCMP and the Company entered into a limited guarantee pursuant to which, among other things, CCMP has agreed to guarantee the performance and discharge of certain obligations of Parent and Acquisition Sub under the Merger Agreement; however, the maximum aggregate liability of CCMP shall not exceed $27,356,000 (which is equal to the termination fee payable by Parent to the Company under certain circumstances pursuant to the Merger Agreement plus up to $2,000,000 of the Company s out-of-pocket expenses) (the Merger Agreement Obligations).

The limited guarantee will remain in full force and effect until all of the Merger Agreement Obligations have been indefeasibly paid in full. Notwithstanding the foregoing, the limited guarantee will terminate as of the earlier of (i) the effective time of the Merger; (ii) the first anniversary of the termination of the Merger Agreement in accordance with its terms, except as to a claim for payment of any Merger Agreement Obligations presented by the Company to Parent, Acquisition Sub or CCMP by such first anniversary; and (iii) the termination of the Merger Agreement in accordance with its terms under circumstances set forth in the Merger Agreement in which Parent and Acquisition Sub would not be obligated to pay the Merger Agreement Obligations.

Voting Agreements

Simultaneously with the execution of the Merger Agreement and as a condition and inducement to Parent s entering into the Merger Agreement, Parent and the Company also entered into voting agreements with its then current directors and executive officers of the Company. Pursuant to the voting agreements, the stockholders agreed, among other things, to vote all of the shares of Common Stock beneficially owned by such stockholders in favor of the adoption of the Merger Agreement at any meeting of the Company s stockholders. As of the record date, these stockholders collectively exercised voting control over approximately [ ]% of the outstanding shares of Common Stock. Any additional shares of Common Stock acquired by the stockholders following the stockholders entry into the voting agreements will automatically become subject to the voting agreements.

The voting agreements require the stockholders, among other things, to vote their shares of Common Stock at any meeting of the Company s stockholders:

in favor of the adoption of the Merger Agreement and the Merger;

against any third party acquisition proposal, or any action or agreement that would interfere with the Merger or the Company s performance of its obligations under the Merger Agreement; and

against (other than those actions that relate to the Merger and the transactions contemplated by the Merger Agreement) (a) any merger, consolidation, business combination, sale of assets, reorganization or recapitalization of the Company, (b) any sale, lease, license or transfer of assets of the Company, (c) any reorganization, recapitalization dissolution, liquidation or winding up of the Company, (d) any material change in the capitalization of the Company, or (e) any other action that is intended or could reasonably be expected to adversely affect the Merger.

In addition, the stockholders granted Parent an irrevocable proxy to vote the stockholders shares of Common Stock on their behalf in the event the stockholders fail to act in accordance with the voting agreements. Under the

voting agreements, the stockholders (other than Mr. Vinod Gupta) have also agreed not to sell, transfer, exchange, pledge or otherwise encumber, assign or dispose of their shares of Common Stock without the prior consent of Parent, enter into any other voting arrangement or grant any other proxy with respect to such shares, or take any other action in contravention of the voting agreement. The voting agreements terminate on the earlier of the completion of the Merger or the termination of the Merger Agreement. The full text of the form of voting agreement is attached to this proxy statement as Annex D.

Mr. Gupta s voting agreement contains additional provisions to those set forth in the form of the voting agreement which exempt certain of his shares of Common Stock from the restriction on transfer. Mr. Gupta is permitted to sell up to 1.5 million shares of Common Stock in the aggregate (inclusive of any sales under existing 10b5-1 trading plans) so long as any such sale is in compliance with applicable securities laws. Additionally, the transfer restrictions do not apply to any of his shares delivered into escrow and the subsequent distribution, sale or disposition of the shares, if in compliance with applicable securities laws, to satisfy his obligation under a settlement agreement with the SEC.

Interests of the Company s Directors and Executive Officers in the Merger

In considering the recommendation of the board of directors to vote **FOR** the proposal to adopt the Merger Agreement, you should be aware that certain of *info*GROUP s directors and executive officers have interests in the transaction that are different from, or in addition to, the interests of *info*GROUP s stockholders generally. These interests may present them with actual or potential conflicts of interest, and these interests, to the extent material, are described below. The M&A Committee and the board of directors were aware of these potential conflicts of interest and considered them, among other matters, in reaching their decisions to approve the Merger Agreement and the Merger and the recommendation that stockholders vote **FOR** adopting the Merger Agreement.

Vinod Gupta

The Final Judgment in the SEC s case against Mr. Gupta contained sanctions and fines pursuant to which Mr. Gupta is:

- prohibited from future violations of multiple provisions of federal securities laws;
- barred for life from serving as an officer of director of a public company;
- (A) allowed to enter into the Voting Agreement pursuant to which, among other things, he may agree to vote all his shares (x) in favor of adoption of the Merger Agreement and (y) against any competing proposal, and (B) allowed, if the Merger Agreement is not adopted, to vote against any other acquisition transaction if Mr. Gupta would receive an amount or form of consideration per share of Company Common Stock in any such transaction less than or different from any other Company shareholders, and (C) required on all other matters submitted to a vote of the Company shareholders, to vote his shares of Company Common Stock in the same proportion as other shareholders vote;
- required to pay a civil penalty to the United States treasury in the amount of $2,240,700 (plus post judgment interest); and
- required to pay the Company $4,045,000 plus, prejudgment interest of $1,145,400, for a total of $5,190,400 (plus post-judgment interest).

As a practical matter, the voting restrictions contained in the Final Judgement:

permit Mr. Gupta to fulfill his obligations under the Voting Agreement and, in effect, irrevocably cast all of the votes associated with his shares of Common Stock in favor of adoption of the Merger Agreement; but

effectively took away Mr. Gupta s discretion with respect to any shareholder vote on any other matter submitted to a vote of the Company shareholders; however

did not restrict Mr. Gupta from selling his shares of Common Stock, either pursuant to regular market transactions or in private or block sales.

In connection with the 2008 shareholder derivative action involving the Company, Mr. Gupta resigned as Chairman of the Board of Directors in July 2008 and as the Company s Chief Executive Officer in August 2008. At the time the Board of Directors approved the merger agreement, Mr. Gupta had already been paid all severance

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benefits owing to him under the related Separation Agreement and General Release between him and the Company dated August 20, 2008. Mr. Gupta had also already paid the Company $4.4 million of the $9 million owing to the Company under the Stipulation of Settlement for the derivative action which became final on November 7, 2008.

The Merger provides all of the Company s stockholders with a certain cash value for their shares, while avoiding long-term business risk. Mr. Gupta could be viewed to benefit from the Merger because it provides him with liquidity for his significant shareholdings, which he could in turn use to pay the amounts required by the Final Judgment and the remaining amounts under the Stipulation of Settlement.

Treatment of Stock Options

As of the record date, there were approximately shares of Common Stock granted under our equity incentive plans to our current executive officers and directors. Under the terms of the Merger Agreement, upon the consummation of the Merger (i) all outstanding options to acquire Common Stock will become fully vested and (ii) all such options not exercised prior to the Merger will be cancelled and converted into the right to receive a cash payment equal to the number of shares of Common Stock underlying the options multiplied by the amount (if any) by which $8.00 exceeds the exercise price, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

None of our current directors and executive officers hold options to acquire shares of Common Stock. The following table identifies, for Mr. Gupta, the aggregate number of shares of Common Stock subject to outstanding vested and unvested options as of March 8, 2010, the aggregate number of shares of Common Stock subject to outstanding unvested options that will become fully vested in connection with the Merger, the weighted average exercise price and the value of such unvested options, and the weighted average exercise price and value of such collective vested and unvested options. None of Mr. Gupta s options have an exercise price below $8.00 per share. The information in the table assumes that all options included therein remain outstanding on the closing date of the Merger.

Name	Aggregate Shares Subject to Options	Number of Shares Underlying Unvested Options	Weighted Average Exercise Price of Unvested Options	Value of Unvested Options(1)	Weighted Average Exercise Price of Vested and Unvested Options	Value of Vested and Unvested Options(2)
Vinod Gupta	500,000	275,001	$ 12.60	$ 0	$ 12.60	$ 0

(1) Illustrates the economic value of all unvested options that will become fully vested and cashed out in connection with the Merger. Calculated by multiplying the number of shares underlying unvested options by the difference, if any, between $8.00 (the per share amount of merger consideration) and the weighted average exercise price of the unvested options.

(2) Illustrates the economic value of all options to be cancelled and cashed out in connection with the Merger. Calculated by multiplying the aggregate number of shares subject to options by the difference between $8.00 (the

per share amount of merger consideration) and the weighted average exercise price of all such options.

Treatment of Company Stock-Based Awards

As of the record date, there were approximately Company stock-based awards granted under our stock plans or employee plans to Mr. Gupta and our current executive officers and directors (described more fully below under The Merger Agreement Treatment of Options and Other Awards Company Stock-Based Awards). Under the terms of the Merger Agreement, each Company stock-based award held by an executive officer or director that is outstanding as of the effective time of the Merger will become fully vested and transferable, and will be cancelled and converted into the right to receive a cash payment equal to the aggregate number of shares or fractional shares of Common Stock represented by such Company stock-based award multiplied by $8.00, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

The following table identifies, for Mr. Gupta and each of our directors and executive officers, the aggregate number of shares of Common Stock subject to such outstanding Company stock-based awards as of March 8, 2010

and the value of such Company stock-based awards that will become fully vested in connection with the Merger. The information in the table assumes that all such Company stock-based awards remain outstanding on the closing date of the Merger.

Name	Aggregate Shares Subject to Restricted Stock Units	Value of Restricted Stock Units(1)
Vinod Gupta		
Bill L. Fairfield	150,000	$ 1,200,000
Thomas Oberdorf	87,810	$ 702,480
Edward C. Mallin	75,000	$ 600,000
Thomas J. McCusker	40,000	$ 320,000
Gerard Miodus	26,250	$ 210,000
Bernard W. Reznicek	6,215	$ 49,720
John N. Staples III	6,215	$ 49,720
Roger Siboni	9,943	$ 79,544
Thomas L. Thomas	6,215	$ 49,720
Clifton T. Weatherford	6,215	$ 49,720
George Krauss	6,215	$ 49,720
Lee D. Roberts	6,215	$ 49,720
Gary Morin	6,215	$ 49,720

(1) Illustrates the economic value of all restricted stock units that will become fully vested and cashed out in connection with the Merger. Calculated for each individual by multiplying the aggregate number of restricted stock units by $8.00 (the per share amount of merger consideration).

New Employment Arrangements

As of the date of this proxy statement, none of our executive officers has entered into any amendments or modifications to existing employment agreements with us or our subsidiaries in anticipation of the Merger, nor has any executive officer who has plans or is expected to remain with the Surviving Corporation entered into any agreement, arrangement or understanding with CCMP or their affiliates regarding employment with, or the right to purchase or participate in the equity of, the Surviving Corporation. Although no such agreement, arrangement or understanding currently exists, it is generally expected that a number of our executive officers will remain employed after the Merger is completed, which means that such executive officers may, prior to the closing of the Merger, enter into new arrangements with CCMP or their affiliates regarding employment with, or the right to purchase or participate in the equity of, the Surviving Corporation.

Change of Control Severance Agreements / Employee Agreements

The Company has entered into severance or employment agreements with the following executive officers that make certain payments or provide certain benefits to such executive officers in the event of a termination of employment in connection with a change of control, except in the case of Mr. Fairfield who will receive a payment in connection with a change of control regardless of whether he has a termination of employment. In addition to change of control benefits each severance agreement generally provides for continuation of health insurance coverage for one year and vesting of all equity awards. In addition, the severance agreements of Messrs. Fairfield, Oberdorf, and McCusker allow any performance based compensation that is conditioned upon performance-based long term incentives to be

earned based on actual performance at the date of termination. The executive severance agreements provide for change of control payments as follows.

Bill L. Fairfield, CEO. If a change of control occurs, Mr. Fairfield will receive one half of his then annual salary plus one-half of his targeted annual cash incentive (which is 100% of his annual salary). Pursuant to Mr. Fairfield s employment agreement, if Mr. Fairfield s employment is terminated without cause (as defined in the employment agreement) by the Company or for good reason (as defined in the employment agreement) by

Mr. Fairfield in anticipation of or on or after a change of control, he will receive a lump sum cash payment equal to two times his then annual salary plus two times his targeted annual cash incentive (which is 100% of his annual salary) for the year of termination, less any amount paid to Mr. Fairfield as described in the foregoing sentence. Also, pursuant to his severance agreement, he will receive a partial year bonus which is an amount equal to his targeted annual cash incentive compensation for the year of termination (assuming that performance goals for receiving such bonus have been achieved) times the fraction of the days that he was employed in the year of termination over the total number of days in the year of termination. To receive any change of control severance benefits, Mr. Fairfield must execute a general release of all claims against the Company. He must also refrain from competing with the Company and from soliciting the Company s employees for a period of one (1) year following the date of termination.

Thomas Oberdorf, CFO. Pursuant to Mr. Oberdorf s employment agreement, if Mr. Oberdorf s employment is terminated without cause (as defined in the employment agreement) by the Company or for good reason (as defined in the employment agreement) by Mr. Oberdorf in anticipation of or on or within two (2) years after a change of control, the Company will pay to Mr. Oberdorf a lump sum cash payment equal to (x) his then annual salary plus (y) the average of the two highest annual cash incentive payments Mr. Oberdorf has received in the preceding three (3) years or, if greater, the targeted annual cash incentive for the year of termination, together with additional payments to compensate for certain federal excise taxes (the Oberdorf Base Severance Amount), within thirty (30) days of termination. The Company will also pay another lump sum equal to the Oberdorf Base Severance Amount one year after such termination, less any then current annual compensation from Mr. Oberdorf s gainful employment after such termination. Also, pursuant to his severance agreement, he will receive a partial year bonus which is an amount equal to his targeted annual cash incentive compensation for the year of termination (assuming that performance goals for receiving such bonus have been achieved) times the fraction of the days that he was employed in the year of termination over the total number of days in the year of termination. To receive any change of control severance benefits, Mr. Oberdorf must execute a general release of all claims against the Company. He must also refrain from competing with the Company and from soliciting the Company s employees for a period of one (1) year following the date of termination.

Edward C. Mallin, President, infoUSA Services Group. Pursuant to Mr. Mallin s severance agreement, if Mr. Mallin s employment is terminated within twelve (12) months after a change of control, and the reason for termination is either (i) by the Company other than for cause (as defined in the severance agreement), or (ii) by the executive for good reason (as defined in the severance agreement), the Company will pay Mr. Mallin a lump sum from one time up to three times of his total compensation (defined as the executive s base salary in effect at the time of termination, plus the average of the lesser of executive s annual bonus amount for the lesser of three (3) calendar years preceding the year in which Mr. Mallin s employment terminates or all full calendar years of his employment with the Company), depending on the length of service completed by the executive, together with additional payments sufficient to compensate for certain federal excise taxes under Section 4999 of the Internal Revenue Code as a result of the application of the so-called golden parachute rules. To receive any change of control severance benefits, Mr. Mallin must execute a general release of all claims against the Company. He must also refrain from competing with the Company and from soliciting the Company s employees for a period of two (2) years following the date of termination.

Thomas J. McCusker, General Counsel. Pursuant to Mr. McCusker s employment agreement, if Mr. McCusker s employment is terminated without cause (as defined in the employment agreement) by the Company or for good reason (as defined in the employment agreement) by Mr. McCusker in anticipation of or on or within two (2) years after a change of control, the Company will pay to Mr. McCusker a lump sum equal to (x) his then annual salary plus (y) the average of the two highest annual cash incentive payments Mr. McCusker has received in the preceding three (3) years or, if greater, the targeted annual cash incentive for the year of termination, together with additional payments to compensate for certain federal excise taxes (the McCusker Base Severance Amount), within thirty (30) days of termination. The Company will also pay another lump sum equal to the McCusker Base Severance Amount one year after such termination, less any then current annual compensation from Mr. McCusker s gainful employment

after such termination. Also, pursuant to his severance agreement, he will receive a partial year bonus which is an amount equal to his targeted annual cash incentive compensation for the year of termination (assuming that performance goals for receiving such bonus have been achieved) times the

fraction of the days that he was employed in the year of termination over the total number of days in the year of termination. To receive any change of control severance benefits, Mr. McCusker must execute a general release of all claims against the Company. He must also refrain from competing with the Company and from soliciting the Company s employees for a period of one (1) year following the date of termination.

Assuming that the change of control provisions in each of the executive officer s severance agreements are triggered by the Merger, and immediately following the Merger the executive s employment is terminated without cause by the Company or with good reason by the executive, the amount of cash severance benefits based on each executive officer s severance agreement is:

Name	Potential Cash Severance Benefits
Bill L. Fairfield	$ 3,000,000
Thomas Oberdorf	$ 1,487,500
Edward C. Mallin	$ 3,177,812
Thomas J. McCusker	$ 1,400,000

In addition to the cash payments due upon termination after the Merger, the following executives might also be entitled to partial year bonus payments under any termination without cause or departure for good reason. Assuming that the executive s performance goals had been met in the year of termination and that the executive was employed for the first six months in that year, the amount of cash partial year bonus payable to each applicable executive officer under his respective employment agreement is:

Name	Potential Cash Partial Year Bonus
Bill L. Fairfield	$ 375,000
Thomas Oberdorf	$ 159,375
Thomas J. McCusker	$ 150,000

If the total amount of payments or benefits payable in connection with a change of control (the total payments) results in receipt of excess parachute payments, as described in Section 280G of the Internal Revenue Code, to Messrs. Fairfield, Oberdorf, Mallin or McCusker, then the executive is entitled under his severance agreement to an additional amount (a gross-up payment) to offset any excise tax imposed upon him under Section 4999 of the Internal Revenue Code. The severance agreements reduce the total payments by up to 10% if the reduction would avoid the need for a gross-up payment. The gross-up payments for the executives, assuming the change of control provisions in each of their severance agreements are triggered by the Merger, and immediately following the Merger the executive s employment is terminated without cause by the Company or with good reason by the executive, are estimated to be as follows:

Name	Potential Gross-Up Payment
Bill L. Fairfield	$ 1,577,410

Thomas J. McCusker	$ 658,536

No gross-up payments are estimated due to Messrs. Oberdorf and Mallin.

Indemnification and Insurance

The Surviving Corporation has agreed to indemnify (and to comply with all of our obligations to advance funds for expenses), during the period commencing at the effective time of the Merger and ending on the sixth anniversary of the effective time, to the greatest extent permitted by law, each of the Company s and our subsidiaries present and former officers and directors against all costs, fees, and expenses (including reasonable attorneys fees and investigation expenses), judgments, fines, losses, claims, damages, liabilities and amounts paid in settlement in connection with any claim, proceeding, investigation or inquiry that arises out of or pertains to (i) any act or omission in their capacity as an officer, director, employee or agent of the Company, or any of its subsidiaries, or other affiliates that satisfies the provisions of Section 145 of the DGCL, or (ii) any transaction contemplated by the Merger Agreement. If at any time prior to the sixth anniversary of the effective time, any indemnified person

delivers to Parent a written notice asserting a claim for indemnification, the claim asserted in such notice shall survive the sixth anniversary of the effective time until such time that the claim is fully resolved.

During the period commencing at the effective time and ending on the sixth anniversary of the effective time, the Surviving Corporation shall (and Parent shall cause the Surviving Corporation to) maintain in effect the Company s current directors and officers liability insurance in respect of acts or omissions occurring at or prior to the effective time, covering each person covered by the Company s current directors and officers liability insurance. Pursuant to the Merger Agreement, the Company may elect to purchase a prepaid six-year tail coverage directors and officers liability insurance policy. In the event that the Company purchases such a policy, the Surviving Corporation shall (and Parent shall cause the Surviving Corporation to) maintain such tail policy in full force and effect and continue to honor the Company s obligations thereunder.

Continued Benefits

To the extent that any of our executive officers remain employed by the Surviving Corporation, they will be entitled to receive compensation and benefits following the Merger. For a period of one year following the effective time of the Merger, the Surviving Corporation shall:

- maintain for the benefit of each continuing employee of the Company and its subsidiaries employee benefit plans, programs and policies providing benefit levels and coverage substantially comparable in the aggregate to (i) benefit levels provided immediately prior to the effective time (other than equity based compensation), (ii) benefits provided by Parent to similarly situation employees, or (iii) a combination of (i) and (ii); and

- cause such continuing employees to be granted credit for all service with the Company and its subsidiaries prior to the effective time for purposes of eligibility to participate, vesting and entitlement to benefits where length of service is relevant.

All of the Company s executive officers are entitled to participate in the Company s benefit plans, which include tax-qualified 401(k), medical, dental and vision coverage and wellness programs, use of our employee assistance program, short and long-term disability, and paid time off in accordance with Company policies.

Material U.S. Federal Income Tax Consequences of the Merger to Our Stockholders

The following is a summary of the material U.S. federal income tax consequences of the Merger to a U.S. holder (as defined below) whose shares of Common Stock are converted into the right to receive cash in the Merger. This summary does not purport to consider all aspects of U.S. federal income taxation that might be relevant to a U.S. holder.

For purposes of this discussion, we use the term U.S. holder to mean a beneficial owner of shares of Common Stock that is, for U.S. federal income tax purposes (a) an individual who is a citizen or resident of the United States, (b) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia, (c) a trust that (i) is subject to the supervision of a court within the applicable U.S. Treasury regulations to be treated as a U.S. person, or (d) an estate that is subject to U.S. federal income tax on its income regardless of its source.

This discussion is based on current law, which is subject to change, possibly with retroactive effect. It applies only to beneficial owners that hold shares of Common Stock as capital assets, and does not address the U.S. federal income tax consequences of stockholders subject to special rules, such as stockholders who received shares of Common Stock in connection with the exercise of employee stock options or otherwise as compensation, stockholders that validly exercise their appraisal rights under Delaware law, insurance companies, banks, tax-exempt organizations, financial

institutions, broker-dealers, partnerships, or other pass-through entities (and persons that hold shares of Common Stock through a partnership or other pass-through entity), mutual funds, traders in securities that elect the mark-to-market method of accounting, tax deferred or other retirement accounts, stockholders subject to the alternative minimum tax, U.S. holders that have a functional currency other than the U.S. dollar, certain former citizens or residents of the United States, stockholders who hold Common Stock as part of a hedge, straddle, integration, or a constructive sale or conversion transaction or persons that are not U.S. holders.

This discussion also does not address the receipt of cash in connection with the cancellation of Company Stock-Based Awards or options to purchase shares of Common Stock, or any other matters relating to equity compensation or benefit plans. This discussion also does not address any aspect of state, local or foreign tax laws or federal laws other than U.S. federal income tax laws.

If a partnership (including an entity treated as a partnership for U.S. federal income tax purposes) holds Common Stock, the tax treatment of a partner generally will depend on the status of the partners and the activities of the partnership. A partner of a partnership holding Common Stock should consult its tax advisor.

Exchange of Shares of Common Stock for Cash Pursuant to the Merger Agreement. The exchange of shares of Common Stock for cash in the Merger will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. holder of shares of Common Stock will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount of cash received in exchange for such shares and the U.S. holder s adjusted tax basis in such shares. If a U.S. holder acquired different blocks of shares of Common Stock at different times or different prices, gain or loss must be determined separately for each block of shares. Such gain or loss will be long-term capital gain or loss provided that a stockholder s holding period for such shares is more than 12 months. Long-term capital gains of non-corporate U.S. holders are currently eligible for reduced rates of taxation. There are limitations on the deductibility of capital losses.

Backup Withholding and Information Reporting. Backup withholding of tax may apply to cash payments to which a non-corporate U.S. holder is entitled under the Merger Agreement, unless the U.S. holder or other payee provides a taxpayer identification number, certifies that such number is correct, and otherwise complies with the backup withholding rules. Unless an exemption applies and is established in a manner satisfactory to the paying agent, each of our U.S. holders should complete and sign the Substitute Form W-9 included as part of the letter of transmittal and return it to the paying agent, in order to provide the information and certification necessary to avoid backup withholding. Cash payments made pursuant to the Merger generally also will be subject to information reporting unless an exemption applies.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowable as a refund or a credit against a U.S. holder s U.S. federal income tax liability provided the required information is timely furnished to the Internal Revenue Service.

The U.S. federal income tax consequences described above are not intended to constitute a complete description of all tax consequences relating to the Merger. Each stockholder should consult it s tax advisor regarding the particular tax consequences of the Merger in light of such stockholder s particular circumstances, the application of U.S. federal, state, local and non-U.S. tax laws, and, if applicable, the tax consequences of the receipt of cash in connection with options or Company Stock-Based Awards, including the transactions described in this proxy statement relating to our other equity compensation and benefit plans.

Regulatory Approvals

Under the HSR Act and the rules promulgated thereunder by the FTC, the Merger cannot be completed until *info*GROUP and Parent file a notification and report form under the HSR Act and the applicable waiting period has expired or been terminated. *info*GROUP and Parent filed notification and report forms under the HSR Act with the FTC and the Antitrust Division of the DOJ on March 22, 2010 and March 24, 2010, respectively; however, the applicable waiting period has not yet expired or been terminated. At any time before or after consummation of the Merger, notwithstanding the early termination of the waiting period under the HSR Act, the Antitrust Division of the DOJ or the FTC could take such action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the consummation of the Merger or seeking divestiture of substantial assets of

*info*GROUP or Parent. At any time before or after the consummation of the Merger, and notwithstanding the early termination of the waiting period under the HSR Act, any state could take such action under the antitrust laws as it deems necessary or desirable in the public interest. Such action could include seeking to enjoin the consummation of the Merger or seeking divestiture of substantial assets of *info*GROUP or Parent. Private parties may also seek to take legal action under the antitrust laws under certain circumstances.

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While there can be no assurance that the Merger will not be challenged by a governmental authority or private party on antitrust grounds, *info*GROUP, based on a review of information provided by Parent relating to the businesses in which it and its affiliates are engaged, believes that the Merger can be effected in compliance with federal, state and any applicable foreign antitrust laws. The term antitrust laws means the Sherman Act, as amended, the Clayton Act, as amended, the HSR Act, the Federal Trade Commission Act, as amended, and all other Federal, state and foreign statutes, rules, regulations, orders, decrees, administrative and judicial doctrines, and other laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

Litigation Related to the Merger

Beginning on or around March 9, 2010, three putative class action lawsuits were filed in the District Court of Douglas County, State of Nebraska: The Pennsylvania Avenue Funds v. *InfoGROUP* Inc., et al., Doc. 1104 No. 822 (filed on or around March 9, 2010); Gary Sappenfield v. Infogroup Inc., et al., Doc. 1105 No. 146 (filed on or around March 16, 2010); Ronald E. Kistner v. Infogroup Inc. et al., Doc. 1105 No. 189 (filed on or around March 17, 2010). In each of these lawsuits, the plaintiff alleges that it is a shareholder of the Company and purports to bring the lawsuit as a class action on behalf of itself and all other shareholders of the Company. Each lawsuit names as defendants the Company, Vinod Gupta, Bill L. Fairfield, Roger S. Siboni, George H. Krauss, Gary E. Morin, Bernard W. Reznicek, Lee D. Roberts, John N. Staples III, Thomas L. Thomas, Clifton T. Weatherford, and CCMP Capital Advisors, LLC. The complaint in each of the lawsuits alleges, among other things, that the individual defendants breached their fiduciary duties by attempting to complete the sale of the Company to CCMP Capital Advisors, LLC through an unfair process and at an unfair price, and that the Company and CCMP Capital Advisors, LLC aided and abetted the alleged breaches of fiduciary duty. Among other relief, the lawsuits seek to enjoin the proposed sale, and seek recovery of the costs of the action, including reasonable attorneys fees.

On or around March 11, 2010, a lawsuit titled *New Jersey Carpenters Pension Fund v. InfoGROUP, Inc., et al.*, Case No. 5334, was filed in the Court of Chancery of the State of Delaware, naming as defendants the Company, Vinod Gupta, Bill L. Fairfield, Roger S. Siboni, George H. Krauss, Gary E. Morin, Bernard W. Reznicek, Lee D. Roberts, John N. Staples III, Thomas L. Thomas, Clifton T. Weatherford, CCMP Capital Advisors, LLC, Omaha Holdco Inc. and Omaha Acquisition Inc. The plaintiff alleges that it is a shareholder of the Company and purports to bring this lawsuit as a class action on behalf of itself and all other shareholders of the Company. The complaint alleges, among other things, that the individual defendants breached their fiduciary duties by attempting to complete the sale of the Company to CCMP Capital Advisors, LLC through an unfair process and at an unfair price, and that CCMP Capital Advisors, LLC, Omaha Holdco Inc. and Omaha Acquisition Inc. aided and abetted the alleged breaches of fiduciary duty. Among other relief, the lawsuit seeks to enjoin the proposed sale, and seeks compensatory damages of an undetermined amount and recovery of the costs of the action, including reasonable attorneys fees.

The Company believes the complaints are without merit, and intends to defend the actions vigorously.

Delisting and Deregistration of Common Stock

If the Merger is completed, the Common Stock will be delisted from NASDAQ and deregistered under the Exchange Act and we will no longer file periodic reports with the SEC on account of the Common Stock.

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THE MERGER AGREEMENT

This section of the proxy statement describes the material provisions of the Merger Agreement but does not purport to describe all of the terms of the Merger Agreement. The following summary is qualified in its entirety by reference to the complete text of the Merger Agreement, which is attached as Annex A to this proxy statement and incorporated into this proxy statement by reference. We urge you to read the full text of the Merger Agreement because it is the legal document that governs the Merger. It is not intended to provide you with any other factual information about us. Such information can be found elsewhere in this proxy statement and in the public filings we make with the SEC, as described in the section entitled Where You Can Find More Information below.

The Merger

The Merger Agreement provides for the Merger of Acquisition Sub with and into *info*GROUP upon the terms, and subject to the conditions, of the Merger Agreement. As the Surviving Corporation, *info*GROUP will continue to exist following the Merger. Upon consummation of the Merger, the directors of Acquisition Sub will be the initial directors of the Surviving Corporation and the officers of *info*GROUP will be the initial officers of the Surviving Corporation. All Surviving Corporation officers will hold their positions until their successors are duly elected and qualified.

The Company, Parent or Acquisition Sub may terminate the Merger Agreement prior to the consummation of the Merger in some circumstances, whether before or after the adoption by our stockholders of the Merger Agreement. Additional details on termination of the Merger Agreement are described in Termination of the Merger Agreement beginning on page 70.

Effective Time

The Merger will be effective at the time the certificate of merger is filed with the Secretary of State of the State of Delaware (or at a later time, if agreed in writing by the parties and specified in the certificate of merger). The parties are required to close the Merger no later than the third (3rd) business day after the satisfaction or waiver of the last of the conditions described under The Merger Agreement Conditions to the Merger beginning on page 67, or on such other date as the parties may agree in writing.

Merger Consideration

Each share of Common Stock issued and outstanding immediately prior to the effective time of the Merger will be converted into the right to receive $8.00 in cash, without interest and less any applicable withholding taxes, other than the following shares:

- shares of Common Stock owned by Parent, Acquisition Sub, or the Company, in each case immediately prior to the effective time; and
- shares held by stockholders, if any, who have properly demanded statutory appraisal rights.

After the Merger is effective, each holder of a certificate representing any shares of Common Stock (other than shares for which appraisal rights have been properly demanded and perfected) will no longer have any rights with respect to the shares, except for the right to receive the merger consideration. See Dissenters Rights of Appraisal beginning on page 79.

Treatment of Options and Other Awards

Stock Options. Upon the consummation of the Merger (i) all outstanding options to acquire Common Stock will become fully vested and (ii) all such options not exercised prior to the Merger will be cancelled and converted into the right to receive a cash payment equal to the number of shares of Common Stock underlying the options multiplied by the amount (if any) by which $8.00 exceeds the exercise price, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

Company Stock-Based Awards. Upon the consummation of the Merger each right of any kind, contingent or accrued, to receive shares of Common Stock or benefits measured in whole or in part by the value of a number of

shares of Company Common Stock granted under the Company stock plans or employee plans (including performance shares, restricted stock, restricted stock units, phantom units, deferred stock units and dividend equivalents, but not including any 401(k) plan of the Company), other than Company options (each a Company Stock-Based Award), will (i) become fully vested and transferable, and (ii) each such Company Stock-Based Award that remains outstanding immediately prior to the consummation of the Merger will be cancelled and converted into the right to receive a cash payment equal to the aggregate number of shares or fractional shares of Common Stock represented by such Company Stock-Based Award multiplied by $8.00, without interest and less any applicable withholding taxes, with the aggregate amount of such payment rounded to the nearest whole cent.

Employee Stock Purchase Plan. Prior to the effective time of the Merger, the Company will terminate the Company Employee Stock Purchase Plan in accordance with its terms. The Company has also amended the plan to avoid the commencement of any new offering to purchase Common Stock thereunder.

The effect of the Merger on our other employee benefit plans is described under Employee Benefits beginning on page 74.

Payment for the Shares of Common Stock

Parent will designate a paying agent reasonably acceptable to the Company to make payment of the merger consideration described above. Promptly after the effective time of the Merger, Parent will deposit, or Parent will cause to be deposited, in trust with the paying agent the funds appropriate to pay the merger consideration to the stockholders, holders of options, and holders of Company Stock-Based Awards.

Following the effective time of the Merger, the Company will close its stock ledger. After that time, there will be no further transfer of shares of Common Stock.

Promptly after the effective time of the Merger, the Surviving Corporation will cause the paying agent to send you a letter of transmittal and/or instructions advising you how to surrender your certificates in exchange for the merger consideration. The paying agent will pay you your merger consideration after you have (i) surrendered your certificates to the paying agent and (ii) provided to the paying agent your signed letter of transmittal and any other items specified by the letter of transmittal. Interest will not be paid or accrue in respect of the merger consideration. The Surviving Corporation will reduce the amount of any merger consideration paid to you by any applicable withholding taxes. YOU SHOULD NOT FORWARD YOUR STOCK CERTIFICATES TO THE PAYING AGENT WITHOUT A LETTER OF TRANSMITTAL, AND YOU SHOULD NOT RETURN YOUR STOCK CERTIFICATES WITH THE ENCLOSED PROXY.

Any portion of cash deposited with the paying agent by Parent that is not claimed within twelve (12) months following the effective time of the Merger, will be returned to Parent upon demand. Thereafter, any holders of shares of Common Stock who have not surrendered their shares will look solely to the Surviving Corporation for payment of their claim for the merger consideration.

If the paying agent is to pay some or all of your merger consideration to a person other than you, as the registered owner of a stock certificate, you must have your certificates properly endorsed or otherwise in proper form for surrender and transfer, and you must pay any transfer or other taxes payable by reason of the transfer or establish to the paying agent s reasonable satisfaction that the taxes have been paid or are not required to be paid.

The transmittal instructions will tell you what to do if you have lost your certificate, or if it has been stolen or destroyed. You will have to provide an affidavit to that fact and, if required by the paying agent or reasonably requested by the Surviving Corporation, post a bond in an amount that the Surviving Corporation directs as indemnity

against any claim that may be made against the Surviving Corporation in respect of the lost, stolen or destroyed certificate.

Representations and Warranties

The Merger Agreement contains representations and warranties made by the Company to Parent and Acquisition Sub and representations and warranties made by Parent and Acquisition Sub to the Company. The assertions embodied in those representations and warranties were made solely for purposes of the Merger

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Agreement and may be subject to important qualifications and limitations agreed by the parties in connection with negotiating its terms. Moreover, some of those representations and warranties may not be accurate or complete as of any particular date because they are subject to a contractual standard of materiality or Company Material Adverse Effect (described below) different from that generally applicable to public disclosures to stockholders or used for the purpose of allocating risk between the parties to the Merger Agreement rather than establishing matters of fact. For the foregoing reasons, you should not rely on the representations and warranties contained in the Merger Agreement as statements of factual information.

In the Merger Agreement, the Company, Parent and Acquisition Sub each made representations and warranties relating to, among other things:

- corporate organization and existence;
- corporate power and authority to enter into and perform its obligations under, and enforceability of, the Merger Agreement;
- the absence of conflicts with or defaults under organizational documents, other contracts and applicable laws;
- required regulatory filings and consents and approvals of governmental entities; and
- litigation.

In the Merger Agreement, Parent and Acquisition Sub also each made representations and warranties relating to:

- information supplied for incorporation into this proxy statement;
- their ownership of Common Stock;
- brokers;
- the availability of the funds necessary to perform its obligations under the Merger Agreement;
- the operations of Acquisition Sub;
- the absence of any agreements under which any stockholder of the Company would be entitled to receive consideration of a different amount or nature than the merger consideration;
- acknowledgement of no additional Company representations and warranties; and
- acknowledgement of non-reliance on Company estimates, projections, forecasts and forward-looking statements.

The Company also made representations and warranties relating to:

- the requisite stockholder approval of the Merger Agreement and the Company board of directors approval of the Merger and the Merger Agreement;
- capitalization;

subsidiaries;

documents filed with the SEC;

financial statements;

no undisclosed liabilities;

absence of certain changes or events since September 30, 2009;

material contracts;

real property matters;

personal property matters;

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intellectual property matters;

tax matters;

employee plans;

labor and employment matters;

permits;

compliance with applicable laws;

environmental matters;

insurance;

related party transactions;

brokers;

the receipt by the board of directors of a fairness opinion from Evercore;

state anti-takeover statutes; and

information contained in this proxy statement and other Company filings that may be required by the SEC.

Many of the Company s representations and warranties are qualified by a Company Material Adverse Effect standard. For purposes of the Merger Agreement, Company Material Adverse Effect is defined to mean any change, effect, event, circumstance or development (each a Change , and collectively, Changes), individually or in the aggregate, and taken together with all other Changes, that is materially adverse to the business, operations, financial condition or results of operations of the Company and its subsidiaries, taken as a whole, other than any Change (individually or when aggregated or taken together with any and all other Changes) directly or indirectly resulting from, relating to or arising out of any of the following:

general economic conditions in the United States or any other country or region in the world in which the Company conducts business;

conditions in the securities or other financial markets;

conditions (or changes in such conditions) in the industries in which the Company conducts business;

political conditions, acts of war, sabotage or terrorism;

changes in law or changes in generally accepted accounting principles (GAAP);

the announcement of the Merger Agreement or the pendency or consummation of the transactions contemplated thereby, including

the identity of Parent,

the loss or departure of officers or other employees of the Company or any of its subsidiaries directly or indirectly resulting from, arising out of, attributable to, or related to the transactions contemplated by the Merger Agreement,

the termination or potential termination of (or the failure or potential failure to renew or enter into) any contracts with customers, suppliers, distributors or other business partners, whether as a direct or indirect result of the loss or departure of officers or employees of the Company or otherwise, directly or indirectly resulting from, arising out of, attributable to, or related to the transactions contemplated by the Merger Agreement,

any other negative development (or potential negative development) in the Company s relationships with any of its customers, suppliers, distributors or other business partners, whether as a direct or indirect result of the loss or departure of officers or employees of the Company or otherwise, directly or indirectly

resulting from, arising out of, attributable to, or related to the transactions contemplated by the Merger Agreement, and

any decline or other degradation in the Company s customer bookings directly or indirectly resulting from, arising out of, attributable to, or related to the transactions contemplated by the Merger Agreement;

(A) any actions taken or failure to take action, in each case, to which Parent has approved, consented to or requested; or (B) compliance with the terms of, or the taking of any action required or contemplated by, the Merger Agreement; or (C) the failure to take any action explicitly prohibited by the Merger Agreement; and

changes in the Company s stock price or the trading volume of the Company s stock, in and of itself, or any failure by the Company to meet any public estimates of the Company s revenue, earnings or other financial performance or results of operations for any period, in and of itself, or any failure by the Company to meet any internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, in and of itself (but not, in each case, the underlying cause of such changes or failures);

except to the extent such effects directly or indirectly resulting from, arising out of, attributable to or related to the matters described in the first five bullets above disproportionately affect in a material respect the Company and its subsidiaries, taken as a whole, as compared to other companies that conduct business in the countries and regions in the world and in the industries in which the Company and its subsidiaries conduct business.

Conduct of Business Prior to Closing

We have agreed in the Merger Agreement that, until the consummation of the Merger, except as contemplated by the Merger Agreement or approved by Parent (which approval shall not be unreasonably withheld) we will and will cause our subsidiaries to:

carry on our business in the usual, regular, and ordinary course in substantially the same manner as heretofore conducted and in compliance in all material respects with all applicable laws;

use our reasonable best efforts, consistent with past practices and policies, to keep available the services of the current officers, key employees and consultants of the Company and its subsidiaries;

preserve the current relationships of the Company with customers, suppliers and other persons with whom the Company has significant business relationships as is reasonably necessary to preserve substantially intact its business organization.

We have also agreed that, until the consummation of the Merger, except as expressly contemplated by the Merger Agreement or approved by Parent (which approval will not be unreasonably withheld), we and our subsidiaries will not:

adopt any change in our or our subsidiaries organizational or governing documents;

issue, sell, deliver or agree or commit to issue sell or deliver any of our securities, or our subsidiaries securities, except for the issuance and sales of shares of Common Stock pursuant to options and Company Stock-Based Awards;

acquire, repurchase or redeem any of our securities or our subsidiaries securities, except in connection with:

Company Stock-Based Awards in the ordinary course of business;

dissolution or reorganization of a wholly-owned subsidiary of the Company in the ordinary course of business consistent with past practice, so long as such dissolution or reorganization has no adverse effect on the Company; or

the acquisition of shares of Common Stock to satisfy tax obligations upon the exercise of options or the vesting of Company Stock-Based Awards;

split, combine, subdivide or reclassify any shares of capital stock or declare, set aside or pay any dividend or other distribution, except for cash dividends made by any direct or indirect wholly-owned subsidiary to us, or one of its wholly-owned subsidiaries;

adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization of the Company or any of its subsidiaries (except as contemplated in the Merger Agreement and other than the merger or the dissolution or reorganization of a wholly-owned subsidiary in the ordinary course of business consistent with past practice, so long as such dissolution or reorganization has no adverse effect on the Company);

incur or assume any long-term or short-term indebtedness, become liable for the obligations of any other person, or issue any debt securities in excess of $5.0 million in the aggregate, except for loans or advances among the Company and any subsidiaries or between any subsidiaries;

make any loans, advances or capital contributions to or investments in any person, except for reasonable travel advances in the ordinary course of business;

mortgage or pledge any of the Company or its subsidiaries assets;

enter into, adopt, amend, modify or terminate any bonus, profit sharing, incentive compensation, severance, retention, termination, option, appreciation right, performance unit, stock equivalent, share purchase agreement, pension, retirement, deferred compensation, employment, severance or other employee benefit agreement, trust, plan, fund or other arrangement for the compensation, benefit or welfare of any director, officer or employee in any manner, or agree to any of the foregoing, except:

in connection with the hiring of new employees who are not directors or executive officers in the ordinary course of business consistent with past practice, provided such person is not entitled to a base salary and bonus opportunity greater than $300,000 per annum;

in connection with the promotion of employees who are not directors or executive officers (and who will not be directors or executive officers after such promotion) in the ordinary course of business consistent with past practice, provided such person is not entitled to a base salary and bonus opportunity greater than $300,000 per annum; or

in connection with any employee plan as required by law;

increase compensation payable to any director, officer or employee, pay or agree to pay any special bonus or special remuneration to any director, officer or employee, or pay or agree to pay any benefit not required by any plan or arrangement as in effect as of the date hereof, except in the ordinary course of business consistent with past practice with respect to any employee who is not a director or executive officer;

settle any pending or threatened legal proceeding involving payment of more than $5.0 million;

make any material change in our accounting principals except as required by GAAP or applicable law;

with respect to taxes:

make, change or revoke any material tax election;

adopt or change any material tax accounting method;

settle or compromise any material income tax liability;

consent to any extension or waiver of any limitation period with respect to any material tax claim or assessment; or

amend any material tax return;

acquire (by merger, consolidation or acquisition of stock or assets) any other entity or any material equity interest therein in excess of $250,000 individually or $500,000 in the aggregate or dispose of any properties or assets of the Company or its subsidiaries, which are material to the Company and its subsidiaries, taken as a whole, except for dispositions or transfers made by any direct or indirect wholly-owned subsidiary of the Company to the Company or one of its wholly-owned subsidiaries;

transfer or grant (by way of a license, assignment or otherwise) to any third party any rights to the Company intellectual property, other than (a) non-exclusive licenses granted to Company s or its Subsidiaries

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customers in the ordinary course of business or (b) transfers or grants made by any direct or indirect wholly-owned subsidiary of the Company to the Company or one of its wholly-owned subsidiaries; or

enter into a contract to do any of the foregoing.

Agreement to Take Further Action and to Use Reasonable Best Efforts

Subject to the terms and conditions set forth in the Merger Agreement, each of the parties to the Merger Agreement has agreed to use its reasonable best efforts to take, or cause to be taken, all actions, and to do or cause to be done, and to assist and cooperate with the other parties to the Merger Agreement in doing, all things reasonably necessary, proper or advisable under applicable law to consummate the Merger in the most expeditious manner reasonably practicable, including:

causing the conditions to the consummation of the Merger to be satisfied,

obtaining all necessary consents, approvals, orders and authorizations from governmental authorities and making all necessary registrations, declarations and filings with governmental authorities necessary to consummate the Merger, and

obtaining all necessary or appropriate consents, waivers and approvals under any material contracts to which the Company or any of its subsidiaries are a party so as to maintain and preserve the benefits under such material contracts following the Merger.

For purposes of the Merger Agreement reasonable best efforts , or any similar undertakings, shall not require Parent to (x) fund more than the $315.0 million of debt financing at closing, (y) pay (or agree to pay) more for the debt financing (whether in interest rate, fees or otherwise) than the terms set forth in the debt commitment letter and any fee letter entered into by Parent and/or Acquisition Sub in connection with such debt commitment letter (including giving effect to any increase in interest rate, fees or otherwise resulting from any lender flex provisions contained in such fee letter), or (z) seek more equity than is committed in the equity commitment letter.

Financing

Cooperation of infoGROUP

We have agreed to, and have agreed to cause our subsidiaries to (and to use our reasonable best efforts to cause our and their respective representatives to) provide such cooperation as may be reasonably requested by Parent in connection with the arrangement of the debt and equity financing, including:

participation in a reasonable number of meetings, presentations, road shows and due diligence sessions and rating sessions;

assisting with the preparation of materials for rating agency presentations, bank information memorandum, and similar documents required in connection with the debt financing;

furnishing Parent and its financing sources with financial and other pertinent information regarding the Company as may be reasonably requested by Parent to prepare the bank information memoranda contemplated by the debt commitment letter;

using reasonable best efforts to provide real property information and documentation relating to the debt financing;

providing assistance obtaining a solvency opinion;

using reasonable best efforts to provide monthly financial statements within 15 days of the end of each month prior to the closing;

using reasonable best efforts to obtain consents from the Company s accountants;

taking commercially reasonable actions necessary to (i) permit lenders involved in the debt financing to evaluate the Company s current assets, cash management and accounting systems, and policies and

procedures relating thereto to establish collateral arrangements and (ii) assist Parent to establish bank or other accounts, and blocked account agreements and lock box arrangements;

using reasonable best efforts to assist Parent to obtain waivers, consents, estoppels and approvals from third parties to material leases, encumbrances and contracts; and

taking all corporate actions reasonably requested by Parent that are necessary or customary to permit consummation of the debt financing at closing and to permit the proceeds thereof, together with cash at the Company and its subsidiaries, to be made available to the Company on the closing date of the Merger to consummate the Merger.

The Company has further agreed to use its reasonable best efforts to periodically update any financial or other information as may be reasonably requested by Parent so that Parent may most effectively access the financing markets. The Company has also agreed that if Parent reasonably requests that the Company file a report on Form 8-K that contains material non-public information with respect to the Company, which Parent reasonably determines to include in a customary offering memorandum for such debt, then, upon the Company s review of and satisfaction with such filing, the Company shall file such report on Form 8-K; provided, however, that the Company shall not be required to file any information on Form 8-K that the Company reasonably determines are reasonably likely to be competitively harmful to the Company.

The parties have further agreed that none of the Company or any of its subsidiaries, or any of their respective officers, advisors or representatives, will be required to incur any liability with respect to the financing prior to consummation of the Merger.

Debt and Equity Financing

Subject to the terms and conditions of the Merger Agreement, each of Parent and Acquisition Sub have agreed to use their reasonable best efforts to obtain the financing on the terms and conditions set forth in the equity commitment letter and debt commitment letter, and shall not permit any modification to be made to, or waiver of any provision or remedy under, the financing letters, if the modification or waiver:

reduces the aggregate amount of the financing;

imposes new or additional conditions or otherwise expands, amends or modifies any of the conditions to the receipt of the financing in a manner that would be reasonably expected to

delay or prevent the Merger,

make funding of the financing less likely to occur, or

adversely affect the ability of Parent, Acquisition Sub or the Company, as applicable, to enforce its rights against the other parties to the equity commitment letter or debt commitment letter or the related definitive agreements.

Each of Parent and Acquisition Sub have agreed to use its reasonable best efforts to:

maintain in effect the debt and equity commitment letters;

satisfy all conditions to such definitive agreements and consummate the debt and equity financing prior to closing;

comply with its obligations under the debt and equity commitment letters; and

enforce its rights under the debt and equity commitment letters.

Parent and Acquisition Sub may amend the debt commitment letter to add lenders, lead arrangers, bookrunners, syndication agents or similar entities that had not executed the debt commitment letter as of the date of the Merger Agreement, or otherwise replace or amend the debt commitment letter, so long as:

such action would not reasonably be expected to delay or prevent the Merger;

the terms are not less materially beneficial to Parent or Acquisition Sub with respect to conditionality than those in the debt commitment letter; and

such amendment or replacement otherwise meets the conditions of a new debt commitment letter described below.

If any portion of the debt financing becomes unavailable on the terms and conditions set forth in the debt commitment letter, or the debt commitment letter is terminated or modified in a manner adverse to Parent or Acquisition Sub, then Parent has agreed to make reasonable inquiries over the ensuing 20 business days to obtain alternative financing from alternative sources on terms that are not materially less favorable to Parent or Acquisition Sub as those contained in the debt commitment letter and in an amount not less than $365 million. If available, Parent will use its reasonable best efforts to obtain such alternate debt financing and if obtained, Parent will provide the Company with a copy of a new debt commitment letter that:

provides for at least the same amount of financing as the originally issued debt commitment letter;

does not impose new or additional conditions or otherwise expand, amend or modify the original conditions in a manner reasonably expected to delay or prevent the Merger, or make the funding of the debt and equity financing less likely to occur; and

is on terms and conditions not less favorable to Parent and Acquisition Sub than those included in the original debt commitment letter.

In addition, Parent and Acquisition Sub may enter into arrangements and agreements to add other equity providers as long as:

the aggregate amount of equity financing is not reduced;

such arrangements and agreements, in the aggregate, would not be reasonably likely to delay or prevent the closing of the Merger; and

such arrangements and agreements would not diminish or release the obligations of the parties to the equity commitment letter, adversely affect the rights of Parent to enforce its rights against the other parties to the equity commitment letter or otherwise constitute a waiver or reduction of Parent s rights under such letter.

Conditions to the Merger

Conditions to Each Party s Obligations. Each party s obligation to complete the Merger is subject to the satisfaction or waiver of the following conditions:

the Merger Agreement must have been adopted by the affirmative vote of the holders of a majority of the outstanding shares of Common Stock;

no governmental authority of competent jurisdiction shall have enacted any law or issued any order that has the effect of making the Merger illegal or which has the effect of prohibiting or otherwise preventing the Merger; and

any applicable waiting period under the HSR Act and any other law governing antitrust, unfair competition or restraints on trade shall have expired or been terminated, and any and all clearances, approvals and consents required to be obtained in connection with the Merger under all laws governing antitrust, unfair competition or restraints on trade shall have been obtained.

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Conditions to Parent s and Acquisition Sub s Obligations. The obligation of Parent and Acquisition Sub to complete the Merger is subject to the satisfaction or waiver of the following additional conditions:

our representations and warranties with respect to our power and authority to execute and perform our obligations under the Merger Agreement shall be true and correct in all material respects on and as of the closing date and our representations and warranties regarding our capitalization shall be true and correct in all respects on and as of the closing date (disregarding any inaccuracies that do not in the aggregate increase the amount of consideration payable by Parent or Acquisition Sub by more than $100,000);

all other representations and warranties made by us in the Merger Agreement, with the exception of those listed above, must be true and correct as of the date of the Merger Agreement and as of the date of the Merger as if made at and as of such time (without giving effect to any qualification as to materiality or Company Material Adverse Effect set forth in such representations and warranties), except for any failure to be so true and correct on either such date which has not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect (other than those representations made by us as of a specific date, which shall have been true and correct only as of such particular date, except for any failure to be so true and correct which has not had and would not reasonably be expected to have a Company Material Adverse Effect);

we must have performed in all material respects any obligations, and complied in all material respects, with any covenants or other agreements required to be performed or complied with under the Merger Agreement at or prior to consummation of the Merger;

since December 31, 2009, no event, development, change, circumstances or condition shall have occurred that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect;

we must deliver to Parent at closing a certificate with respect to the satisfaction of the foregoing conditions;

there shall not be pending or threatened any action or proceeding by any governmental authority against us, Parent, or Acquisition Sub, seeking to restrain or prohibit the Merger;

we must redeem the rights under the Preferred Stock Rights agreement dated May 4, 2009 between the Company and Wells Fargo Bank, N.A. and terminate the rights agreement; and

our consolidated debt to EBITDA ratio, as calculated pursuant to the Merger Agreement, shall not be greater than 3.75:1 for the four-quarter period ended not less than 45 days prior to the closing date of the Merger after giving pro forma effect to:

the Merger;

the other transactions contemplated by the Merger Agreement; and

the transactions contemplated by the equity commitment letter and the debt commitment letter.

Conditions to the Company s Obligations. Our obligation to complete the Merger is subject to the satisfaction or waiver of the following further conditions:

the representations and warranties made by Parent in the Merger Agreement must be true and correct as of the date of the Merger Agreement and as of the closing date as if made at and as of such time, except for any failure of such representations and warranties to be so true and correct on either such date which would not, individually or in the aggregate, prevent or materially delay the consummation of the transactions contemplated by the Merger Agreement or the ability of Parent or Acquisition Sub to fully perform their respective covenants and obligations under the Merger Agreement; provided that any representations made by Parent as of a specific date need only be so true and correct as of the date made;

Parent and Acquisition Sub must have performed in all material respects any obligations, and complied in all material respects with the agreements and covenants required to be performed by them under the Merger Agreement at or prior to consummation of the Merger;

Parent s delivery to us at closing of a certificate with respect to the satisfaction of the foregoing conditions.

Restrictions on Solicitations of Other Offers

The Merger Agreement provides that, until 11:59 p.m. (Eastern) on March 29, 2010, we are permitted to:

initiate, solicit or encourage any acquisition proposal (including by way of providing non-public information pursuant to an acceptable confidentiality agreement), provided that we shall promptly provide to Parent any non-public information that we provide to any person that was not previously provided to Parent; and

participate in discussions or negotiations regarding, or take other action to facilitate, an acquisition proposal.

From and after March 30, 2010, we have agreed to immediately cease any and all existing activities, discussions or negotiations with any parties existing at that time with respect to any acquisition proposal. The Merger Agreement further provides that we are generally not permitted to:

solicit, initiate or induce the making, submission or announcement of, or knowingly encourage, facilitate or assist, an alternative acquisition proposal;

furnish any non-public information relating to the Company or any of its subsidiaries with the intent to induce the making, submission or announcement of, or to encourage, facilitate or assist in an acquisition proposal or any inquiries or the making of any proposal that would reasonably be expected to lead to an acquisition proposal;

participate or engage in discussions or negotiations regarding an acquisition proposal;

approve, endorse or recommend an acquisition proposal; or

enter into any letter of intent, memorandum of understanding or other contract contemplating or otherwise relating to an acquisition proposal.

An acquisition proposal means any offer or proposal (other than an offer or proposal by Parent or Acquisition Sub) to engage in any transaction or series of related transactions involving:

the purchase or other acquisition from the Company by any person or group, directly or indirectly, of more than twenty percent (20%) of the Common Stock outstanding as of the consummation of such purchase or other acquisition, or any tender offer or exchange offer by any person or group that, if consummated in accordance with its terms, would result in such person or group beneficially owning more than twenty percent (20%) of the Common Stock outstanding as of the consummation of such tender or exchange offer;

a merger, consolidation, business combination or other similar transaction involving the Company pursuant to which the stockholders of the Company immediately preceding such transaction own (in substantially the same proportion as prior to such transaction) less than eighty percent (80%) of the voting equity interests in the surviving or resulting entity of such transaction;

a sale, transfer, acquisition or disposition of more than twenty percent (20%) of the consolidated assets of the Company and its subsidiaries taken as a whole (measured by the fair market value thereof); or

a liquidation, dissolution or other winding up of the Company and its subsidiaries, taken as a whole.

Notwithstanding these restrictions, at any time prior to the consummation of the Merger, we are permitted to engage in discussions or negotiations with, or provide any non-public information to, any party to the extent that we receive an unsolicited acquisition proposal, if our board of directors concludes in good faith, after consultation with its independent financial advisor and outside legal counsel, that the acquisition proposal constitutes or would reasonably be expected to result in a superior proposal.

A superior proposal means any *bona fide* written acquisition proposal (provided, that for purposes of the reference to an acquisition proposal in this definition, all references to more than twenty percent (20%) in the definition of acquisition proposal above shall be deemed to be references to a majority, and the reference to eighty percent (80%) in the definition of acquisition proposal above shall be deemed to be a reference to fifty percent (50%)) for an acquisition transaction on terms that our board of directors shall have determined in good faith (after consultation with its financial advisor and outside legal counsel), taking into account all reasonably available legal, financial and regulatory aspects of such acquisition proposal and the timing and likelihood of

consummation of such acquisition transaction, would be more favorable to the stockholders (in their capacity as such) from a financial point of view than the transactions contemplated by the Merger Agreement, taking into account all of the terms and conditions of such proposal and the Merger Agreement, including any break-up fees, expense reimbursement or similar provisions.

In such case, we must (a) give Parent prompt (and in any event within forty-eight (48) hours following receipt of such acquisition proposal) written notice of the identity of such party, the material terms of such acquisition proposal and our intentions with regard to such proposal, and (b) contemporaneously with furnishing any non-public information to such party, we must furnish such non-public information to Parent to the extent such information has not been previously furnished by us to Parent. In addition, we shall keep Parent reasonably informed on a current basis of the status, terms and substance of any material discussions or negotiations (including the amendments and proposed amendments) of any such acquisition proposal or other inquiry, offer, proposal or request.

Recommendation Withdrawal/Termination in Connection with a Superior Proposal

The Merger Agreement requires us to duly call, give notice of, convene and hold a meeting of our stockholders to adopt the Merger Agreement. In this regard, our board of directors has unanimously resolved to recommend that our stockholders adopt the Merger Agreement. However, our board of directors may, at any time prior to the adoption of the Merger Agreement by our stockholders, withdraw (or amend or modify in a manner adverse to Parent), its recommendation that the stockholders of the Company adopt the Merger Agreement and enter into a definitive agreement with respect to a superior proposal if we receive a bona fide written takeover proposal that our board of directors:

- determines in good faith, after consultation with its financial advisors and outside legal counsel, is a superior proposal (after giving effect to any adjustments to the terms of the Merger Agreement definitively offered by Parent); and

- determines in good faith, after consultation with outside legal counsel, that the failure to take such action would be inconsistent with its fiduciary duties under Delaware law.

To the extent the board proposes to take the foregoing actions with regard to its recommendation or entering into any agreement with respect to a superior proposal, it may only do so after:

- giving written notice to Parent at least five (5) business days in advance of its intention change its recommendation or terminate the Merger Agreement; and

- if requested by Parent, discussing during such five-day period with Parent any proposed modifications to the terms and conditions of the Merger Agreement.

In addition, we are not entitled to enter into any agreement with respect to a superior proposal unless the Merger Agreement has been or is concurrently terminated in accordance with its terms and we have paid to Parent the $15,847,000 termination fee as described in further detail in Termination Fees and Expenses beginning on page 72.

Termination of the Merger Agreement

The Company and Parent may agree to terminate the Merger Agreement without completing the Merger at any time. The Merger Agreement may also be terminated in certain other circumstances, including:

- By either the Company or Parent if:

the Merger is not completed prior to 11:59 p.m. (New York City time) on July 21, 2010, (the Termination Date); provided, however, that

if the marketing period has not been completed by July 21, 2010, then the Termination Date shall be extended to the third business day after the date that the marketing period is completed (the marketing period is the 30-day period after the Company has provided Parent with the requisite information to prepare the bank financing memoranda contemplated by the debt commitment letter);

this right to terminate will not be available to any party whose actions or omissions have been a principal cause of, or resulted in, the failure to satisfy the conditions to closing of the Merger prior to the Termination Date; and

Parent may not terminate the Merger Agreement for this reason during the pendency of a legal proceeding by the Company for specific performance of the Merger Agreement or the equity commitment letter;

any governmental authority of competent jurisdiction has (i) enacted a law that is in effect which makes the consummation of any of the transactions contemplated by the Merger Agreement illegal or which has the effect of prohibiting or otherwise preventing the Merger or any of the transactions contemplated thereby, or (ii) issued or granted any final and non-appealable order enjoining or otherwise prohibiting the transactions contemplated by the Merger Agreement, but only to the extent the party seeking to terminate for this reason shall have used its reasonable best efforts to remove such order and further, that termination for this reason shall not be available to any party whose action or failure to fulfill any obligation under the Merger Agreement was a principal cause of the issuing of such order; or

our stockholders do not adopt the Merger Agreement at the special meeting or any adjournment or postponement thereof.

by the Company, if:

Parent, Acquisition Sub, and/or CCMP has breached or otherwise violated any of their respective material covenants, agreements, or other obligations under the Merger Agreement or the equity commitment letter, or any of the representations or warranties of Parent and Acquisition Sub set forth in the Merger Agreement shall have become inaccurate, in a manner that would give rise to the failure of certain conditions to closing and is not capable of being cured within (i) thirty (30) calendar days following receipt of notice of such breach, violation or inaccuracy or (ii) any shorter time period that remains between the provision of the notice and the Termination Date, provided that the Company is not in material breach of any of its covenants, agreements, and other obligations under the Merger Agreement, which material breach would result in a failure of a closing condition; or

such termination is effected in order to enter into an agreement with respect to a superior proposal, but only to the extent we concurrently with such termination pay to Parent the termination fee as described below.

by Parent, if:

the Company has breached or otherwise violated any material covenants, agreements, or other obligations under the Merger Agreement, or any of the representations or warranties of the Company set forth in the Merger Agreement shall have become inaccurate, in a manner that would give rise to the failure of certain conditions to closing and is not capable of being cured within (i) thirty (30) calendar days following receipt of notice of such breach, violation or inaccuracy or (ii) any shorter time period that remains between the provision of the notice and the Termination Date, provided that Parent and Acquisition Sub are not in material breach of any of their covenants, agreements, and other obligations under the Merger Agreement, which material breach would result in a failure of a closing condition;

the board of directors of the Company, or any committee of the board, withholds, withdraws, amends or modifies in a manner adverse to Parent the board recommendation that the stockholders of the Company vote FOR adoption of the Merger Agreement;

within ten (10) business days after the public announcement of a tender or exchange offer that constitutes an acquisition proposal is commenced by a party unaffiliated with Parent, the Company does not recommend that the Company stockholders reject such acquisition proposal and not tender any shares in connection with such tender or exchange offer; or

the Company provides Parent with notice of a superior proposal; and

Parent notifies the Company in writing that it does not intend to offer to alter the terms of the Merger Agreement in response to the superior proposal notice; and

upon the request of Parent, the Company does not publicly reaffirm the recommendation of the Company s board of directors that the stockholders of the Company vote FOR adoption of the Merger Agreement within two (2) Business Days of such request.

Termination Fees and Expenses

Payable by the Company

We have agreed to reimburse out-of-pocket fees and expenses (including reasonable legal fees) incurred in connection with the Merger Agreement, up to a limit of $2,000,000 for Parent, Acquisition Sub and their affiliates if:

Parent terminates the Merger Agreement due to an uncured material breach of the Company s representations, warranties or covenants that would cause a condition to closing not to be satisfied;

either Parent or the Company terminates the Merger Agreement because the Company s stockholders do not adopt the Merger Agreement at the special meeting or any adjournment or postponement;

the Company terminates the Merger Agreement in the event the Company has determined to enter into a definitive agreement relating to a superior proposal;

Parent terminates the Merger Agreement in the event the Company does not recommend that the stockholders reject a tender or exchange offer commenced by a party unaffiliated with Parent that constitutes an acquisition proposal, within ten (10) days after the public announcement of such acquisition proposal;

Parent terminates the Merger Agreement for failure of the Company, upon Parent s request, to publicly reaffirm the recommendation of the Company s board of directors that the stockholders of the Company vote FOR adoption of the Merger Agreement following the delivery of a superior proposal notice by the Company; or

Parent terminates the Merger Agreement in the event the board of directors of the Company withholds, withdraws, amends or modifies in a manner adverse to Parent their recommendation that stockholders of the Company vote FOR the Merger Agreement.

The Company must pay a termination fee to Parent of $15,847,000 if (i) the Merger Agreement is terminated by:

either Parent or the Company because the stockholders do not adopt the Merger Agreement at the special meeting or any adjournment or postponement;

either Parent or the Company because the Merger has not been consummated on or prior to the Termination Date, other than as a result of Parent s inability to obtain the proceeds of the financing described in the debt commitment letter; or

Parent due to an uncured material breach of the Company s representations, warranties or covenants that would cause a condition to closing not to be satisfied;

and, (ii) in each of the foregoing cases, within 12 months after such termination, the Company