

## Press Release

19 May 2008

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**Independent International Investment Research Plc (“the Group” or “IIR”) (LSE: IIR.L)**

### Memorandum of Understanding with London Stock Exchange

#### London Stock Exchange Selects IIR To Provide Equity Research Within Groundbreaking PSQ Analytics Scheme

IIR Group plc, a leading UK source of impartial research and strategy for global equities and currencies, has signed a Memorandum of Understanding with London Stock Exchange, to provide research on companies traded on the Main Market and AIM under the London Stock Exchange’s new research brand, PSQ Analytics, announced today.

Under an initiative announced today (<http://www.londonstockexchange.com/en-gb/about/Newsroom/pressreleases/>), London Stock Exchange has selected three independent firms -IIR, Pipal Research, based in Chicago, and Argus Research Company, based in New York, to provide research under the PSQ Analytics initiative to companies on AIM and smaller companies on the Main Market. London Stock Exchange estimates the target client audience for the service in excess of 1,000 such smaller companies.

Companies electing to adopt PSQ research coverage will be allocated equally and on a pre-determined blind pool basis between the three research firms working under the PSQ Analytics umbrella.

The three firms have been selected by London Stock Exchange as they have a strong track record of providing objective research across a wide variety of sectors. It was considered of particular importance that each of the three firms should have a sufficiently broad sectoral coverage to be able to research any AIM or Main Market company operating in any field or sector.

The price-point determined to maximize likely adoption, whilst also accommodating delivery of a rigorously researched, high-quality service on attractive commercial terms for the research providers, will be approximately £10,000 per year.

London Stock Exchange is initiating the PSQ Analytics scheme with the three research firms in order to provide smaller quoted companies with a new option for research that incorporates a number of important safeguards and incentives:

- Investors are reassured by the endorsement of the London Stock Exchange
- Equity research provided through PSQ Analytics is expected to cost a company in the region of £10,000 per annum, opening up research to companies for whom current market offerings are not economic.
- Companies will be allocated one of the three research providers on a pre-determined blind pool allocation basis to ensure the impartiality of the research.
- The research will consist of comprehensive factual information and analysis. It will not be investment advice and will not make recommendations.
- The three research providers have agreed to share common methodologies and produce reports that follow a uniform presentation format, in order to facilitate cross-company and cross-sector comparisons by investors.
- The full PSQ Analytics service is scheduled to launch fully in the autumn.
- The service will be entirely optional for smaller quoted companies on both AIM and the Main Market although the LSE expects take up of the service to be good. The LSE estimates that the target audience comprises more than 1,000 companies.
- The LSE is setting up the scheme for the benefit of the market and will not be taking any revenue from this service. The LSE's role will be to provide marketing support and facilitate the widest distribution of the research.
- The LSE shall own the intellectual property rights in the PSQ Analytics brand for the PSQ Analytics service. LSE has granted to each of the three research providers, for the duration of their involvement in the MOU, a non-exclusive, royalty-free, non-transferable licence to use the PSQ Analytics brand solely for the promotion and provision of the services under the MOU.

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- Research is expected to reach a wide audience with distribution provided initially via Bloomberg, Thomson Reuters and a dedicated web portal.

London Stock Exchange will be engaging in marketing and educational initiatives in order to encourage the widest possible take-up of PSQ amongst smaller quoted companies. These companies are expected to benefit as a result of improved liquidity and better access to capital; whilst investors will benefit from better information on a wider range of potential investments.

Shane Smith, Chairman and CEO commented:

“We are delighted to announce this culmination of very significant planning and preparation with the London Stock Exchange and our research partners. PSQ represents the third - and most important - of IIR’s three - pronged strategy to develop new commercial models in order to address previously un-researched spaces: GEO Monitor, our pre-IPO research service launched in November 2007, provides investors with unique coverage of all institutional-grade public offerings from around the world for a modest annual fee; and Research Oracle provides larger-cap international secondary markets coverage free of charge and is expected to allow us to provide continuously expanding coverage with the support of advertising revenues. Our participation in PSQ allows the Group to make a step-change in terms of scale of operation and is expected to enhance the international profile of the Group and its research capabilities substantially”.

In the London Stock Exchange’s press release, Martin Graham, Head of AIM and Director of Equity Markets, said:

“Over recent years, AIM has become established as the world's premier growth market. Across AIM and the Main Market, the Exchange supports a huge diversity of smaller companies that are competing to attract investor interest. Equity research is a key tool to allow them to get their message heard.

“The market feedback we have received demonstrates that there is huge value for companies in this scheme. By paying for research to complement the services already provided by brokers and other research firms, companies can increase visibility and understanding of their stock, leading to a wider investor base and ultimately enhanced liquidity.

“This is why we are delighted to be launching this initiative with 3 highly regarded research suppliers - Argus, IIR and Pipal. We are also pleased to be supported by the two largest data vendors in the world, Bloomberg and Thomson Reuters, who will distribute this data.”

-ENDS

### For further information please contact:

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### Notes to editors:

IIR(LSE:IIR) is a leading UK source for impartial research and strategy for global equities and foreign exchange.

The company was admitted to the Alternative Investment Market (AIM) of the London Stock Exchange in 2000, and operates through two subsidiaries: Pronet Analytics.com Limited (Regulated and Authorised by the Financial Services Authority in the UK, and registered as an Investment Advisor with the Securities Exchange Commission in the USA) which has been ranked consistently in the global top-five independent currency research firms; and Independent Research Pvt Limited, its research centre in Mumbai, India. IIR has become a leading specialist in the United States for the provision of research on non-US companies (primarily those with American Depositary Receipt programs).

IIR's core products are: GEO Monitor™, a research and tracking service providing intelligence on Initial Public Offerings around the world; Research Oracle™, a ground-breaking platform which provides access to the Group's international research free of charge; and Global Research, which provides access to financial models, sector analysts, short term trading strategies, and corporate access services.

For information on the Group's independent performance assessment by Investars™, go to [http://www.investars.com/bvic\\_universe.asp?coveragematch=0&AlgorithmID=4&RegionID=4&period=25&NumOfPositions=4&index=0&Trusted=1&itime=0&SearchID=0&imageField.x=93&imageField.y=22](http://www.investars.com/bvic_universe.asp?coveragematch=0&AlgorithmID=4&RegionID=4&period=25&NumOfPositions=4&index=0&Trusted=1&itime=0&SearchID=0&imageField.x=93&imageField.y=22)

IIR is a member of the British Olympic Association Council, promoting and assisting Team GB athletes in Beijing 2008 and London 2012.