Helmerich & Payne, Inc.
Form 4
March 02, 2017

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

(Print or Type Responses)

1. Name and Address of Reporting Person *
RUST EDWARD B JR

(Last) (First) (Middle)

1437 S. BOULDER AVE., SUITE 1400

(Street)

TULSA, OK 74119-3623

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Helmerich & Payne, Inc. [HP]

3. Date of Earliest Transaction (Month/Day/Year)
03/01/2017

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security	2. Conversion or Exercise	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any	4. Transaction Code	5. Number of Derivative Securities	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)

(Instr. 3)	Price of Derivative Security	(Month/Day/Year)	(Instr. 8)		Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)					
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Phantom Stock (1)	(2)	03/01/2017	A		167.3346		(3)	(3)	Common Stock	167.3346

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
RUST EDWARD B JR 1437 S. BOULDER AVE. SUITE 1400 TULSA, OK 74119-3623	X			

Signatures

Jonathan M. Cinocca, by Power of Attorney for Edward B. Rust	03/02/2017
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Phantom shares relate to the Helmerich & Payne, Inc. Director Deferred Compensation Plan.

(2) 1-for-1.

(3) The shares of phantom stock become payable, in cash only, at the election of the reporting person either (1) in a lump sump payable no later than 60 days following the termination of the reporting person's service as a director or (2) in annual installments for a period of 'x' years (not to exceed 10).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. "> $ 153,292 $ 148,489 $ 144,996 $ 141,909

Costs and expenses:

Cost of goods and services								
	46,989	45,908	45,556	46,892	51,190	52,099	50,695	49,069
Selling, general and administrative								
	70,136	66,973	63,065	55,054	82,261	79,706	98,256	74,238
Goodwill impairment								
			7,722					
Depreciation and amortization of operating assets								
	4,759	5,000	4,653	5,768	5,208	5,308	5,249	5,587
Amortization of intangible assets								
	2,934	2,839	2,285	2,315	3,204	3,306	3,201	3,153

Total operating costs and expenses	124,818	120,720	115,559	117,751	141,863	140,419	157,401	132,047
Operating income (loss)	2,719	850	9,426	8,070	11,429	8,070	(12,405)	9,862
Other expense, net	(3,873)	(2,858)	(1,585)	(1,929)	(3,823)	(3,757)	(3,635)	(6,763)
Income (loss) before income taxes	(1,154)	(2,008)	7,841	6,141	7,606	4,313	(16,040)	3,099
Income tax expense (benefit)	(427)	(743)	2,995	7,204	2,890	1,585	(5,898)	1,835
Net income (loss) from continuing operations	$ (727)	$ (1,265)	$ 4,846	$ (1,063)	$ 4,716	$ 2,728	$ (10,142)	$ 1,264
Income (loss) from discontinued operations	$ (8,612)	$ 1,470	$ (46)	$ (1,155)	$ 1,885	$ 1,609	$ 1,571	$ 1,180
Net income (loss)	$ (9,339)	$ 205	$ 4,800	$ (2,218)	$ 6,601	$ 4,337	$ (8,571)	$ 2,444
Basic earnings (loss) per share:								
Income (loss) from continuing operations	$ (0.01)	$ (0.02)	$ 0.08	$ (0.02)	$ 0.08	$ 0.05	$ (0.18)	$ 0.02
Income (loss) from discontinued operations	$ (0.15)	$ 0.02	$ 0.00	$ (0.02)	$ 0.04	$ 0.03	$ 0.03	$ 0.02
Net income (loss)	$ (0.16)	$ 0.00	$ 0.08	$ (0.04)	$ 0.12	$ 0.08	$ (0.15)	$ 0.04
Basic weighted average shares outstanding	57,113	57,326	57,440	57,550	56,563	56,700	56,828	56,944
Diluted earnings (loss) per share:								
Income (loss) from continuing operations	$ (0.01)	$ (0.02)	$ 0.08	$ (0.02)	$ 0.08	$ 0.05	$ (0.18)	$ 0.02
Income (loss) from discontinued operations	$ (0.15)	$ 0.02	$ 0.00	$ (0.02)	$ 0.04	$ 0.03	$ 0.03	$ 0.02
Net income (loss)	$ (0.16)	$ 0.00	$ 0.08	$ (0.04)	$ 0.12	$ 0.08	$ (0.15)	$ 0.04
Diluted weighted average shares outstanding	57,113	57,326	58,002	57,550	56,576	56,700	56,828	56,998

Table of Contents

	2009 Quarter Ended				2008 Quarter Ended			
	March 31	June 30	September 30	December 31	March 31	June 30	September 30	December 31
				(unaudited)				
Statement of Operations Data:								
As a Percentage of Net Sales:								
Net sales	100%	100%	100%	100%	100%	100%	100%	100%
Costs and expenses:								
Cost of goods and services	37	38	36	37	33	34	35	35
Selling, general and administrative	55	55	51	44	55	54	68	52
Goodwill impairment				6				
Depreciation and amortization of operating assets	4	4	4	5	3	3	4	4
Amortization of intangible assets	2	2	2	2	2	2	2	2
Total operating costs and expenses	98	99	93	94	93	93	109	93
Operating income (loss)	2	1	7	6	7	7	(9)	7
Other expense, net	(3)	(2)	(1)	(1)	(2)	(3)	(2)	(5)
Income (loss) before income taxes	(1)	(1)	6	5	5	4	(11)	2
Income tax expense (benefit)	0	1	2	6	2	1	(4)	1
Net income (loss) from continuing operations	(1)%	0%	4%	(1)%	3%	3%	(7)%	1%

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

Item 9A. ***Controls and Procedures***

A. EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

The Company is responsible for maintaining disclosure controls and other procedures that are designed so that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and communicated to management, including the Chief Executive Officer and the

Executive Vice President and Chief Financial Officer, to allow timely decisions regarding required disclosure within the time periods specified in the SEC s rules and forms.

In connection with the preparation of this Annual Report, management performed an evaluation of the Company s disclosure controls and procedures. The evaluation was performed, under the supervision of and with the participation of the Chief Executive Officer and the Executive Vice President and Chief Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures, as defined in Exchange Act Rule 13a-15(e), as of December 31, 2009. Based on that evaluation, the Company s Chief Executive Officer and Chief Financial Officer have concluded that the Company s disclosure controls and procedures were effective as of December 31, 2009.

Other than the remedial measures described under Changes in Internal Control Over Financial Reporting below, there were no other changes in the Company s internal control over financial reporting during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company s internal control over financial reporting.

Table of Contents

B. CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

As previously reported, management identified the following material weakness in the Company s internal control over financial reporting as of December 31, 2008:

The Company did not maintain a sufficient complement of personnel with the appropriate level of accounting knowledge, experience, and training in the application of U.S. generally accepted accounting principles (U.S. GAAP) to analyze, review, and monitor accounting for transactions that are non-routine. In addition, the Company did not prepare adequate contemporaneous documentation that would provide a sufficient basis for an effective evaluation and review of the accounting for non-routine transactions. This deficiency resulted in errors in the preliminary December 31, 2008 Consolidated Financial Statements and a reasonable possibility that a material misstatement of the Company s annual or interim financial statements would not be prevented or detected.

Because of the material weakness in internal control over financial reporting described above, management, with the participation of our Chief Executive Officer and Executive Vice President and Chief Financial Officer, had concluded that, as of December 31, 2008, the Company did not maintain effective internal control over financial reporting and disclosure controls and procedures were not effective as of December 31, 2008.

Remediation Steps to Address Material Weakness in Internal Control over Financial Reporting as of December 31, 2008

The Company has dedicated significant resources to support the Company s efforts to strengthen the control environment and to remedy the December 31, 2008 reported material weakness.

The following remedial actions have been implemented through December 31, 2009, fully remediating the material weakness indentified as of December 31, 2008:

On December 5, 2008, the Company appointed a new Executive Vice President and Chief Financial Officer.

On December 12, 2008, the Company hired a new Director of GAAP Analysis to assist with accounting for non-routine transactions.

On April 6, 2009, the Company hired a new Manager of Income Tax Accounting.

On June 8, 2009, the Company hired a Vice President of Financial Reporting who reports directly to the Chief Financial Officer.

On June 8, 2009, the Company appointed a Senior Vice President and a Vice President of Financial Planning and Analysis.

On June 8, 2009, the Company announced that the Company s Group Controllers for our three operating segments report directly to the Corporate Controller.

On June 29, 2009, the Company hired a new Assistant Corporate Controller reporting directly to the Corporate Controller.

Conclusion

Based on our assessment, management believes that, as of December 31, 2009, the Company s internal control over financial reporting is effective and the Company s Chief Executive Officer and Executive Vice President and Chief Financial Officer have concluded that the Company s disclosure controls and procedures were effective as of December 31, 2009.

C. MANAGEMENT S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by rules of the SEC, internal control over financial reporting is a process designed by, or under the supervision of, the Company s principal executive and principal financial officers and effected by the Company s Board of Directors, management

Table of Contents

and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Consolidated Financial Statements in accordance with U.S. generally accepted accounting principles.

Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, should accurately and fairly reflect the Company s transactions and dispositions of the Company s assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company s management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the Consolidated Financial Statements.

A material weakness is a deficiency, or a combination of control deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of annual or interim financial statements would not be prevented or detected on a timely basis.

In connection with the preparation of the Company s annual Consolidated Financial Statements, management undertook an evaluation of the effectiveness of the Company s internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO Framework). Management s evaluation included the design of the Company s internal control over financial reporting and testing of the operational effectiveness of those controls. Based on our assessment, management concluded that, as of December 31, 2009, the Company s internal control over financial reporting was effective. See the attestation report on the effectiveness of the Company s internal control over financial reporting provided by our independent registered public accounting firm in the following section.

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
*info*GROUP Inc.:

We have audited *info*GROUP Inc. and subsidiaries (the Company) internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Report on Internal Control over Financial Reporting (Item 9A(A)). Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2009, based on criteria established in *Internal Control Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders equity and comprehensive income (loss), cash flows, and consolidated financial statement schedule for each of the years in the three-year period ended December 31, 2009, and our report dated February 26, 2010, expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG LLP

Omaha, Nebraska
February 26, 2010

47

Table of Contents

Item 9B. ***Other Information***

None.

PART III

Item 10. ***Directors, Executive Officers and Corporate Governance***

The required information regarding our Directors is incorporated by reference to the information under the caption Nominees for Election at the Annual Meeting and Incumbent Directors whose Terms of Office Continue After the Annual Meeting in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

The required information regarding our executive officers is incorporated by reference to the information under the caption Executive Officers in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

The required information regarding corporate governance is incorporated by reference to the information under the caption Board Meetings and Committees in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

The required information regarding compliance with Section 16(a) of the Exchange Act is incorporated by reference to the information under the caption Section 16(a) Beneficial Ownership Reporting Compliance in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

Code of Ethics

We have adopted a Code of Business Conduct and Ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. The Code of Business Conduct and Ethics is posted on our website at www.*info*GROUP.com under the caption Corporate Governance. If we (i) amend this Code with other than technical, administrative, or other non-substantive amendments, or (ii) grant any waivers of this Code, including implicit waivers, from a provision of this Code to any executive officers of *info*GROUP, we will disclose the nature of the amendment or waiver, its effective date, and to whom it applies on our website at www.*info*GROUP.com under the caption Corporate Governance.

Item 11. ***Executive Compensation***

Incorporated by reference to the information under the captions Board Compensation, Executive Compensation, and Certain Transactions in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

Incorporated by reference to the information under the caption Security Ownership and Equity Compensation Plan Table in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

Item 13. ***Certain Relationships and Related Transactions, and Director Independence***

Incorporated by reference to the information under the captions Certain Transactions in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

The required information regarding corporate governance is incorporated by reference to the information under the caption Board Meetings and Committees in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

Item 14. ***Principal Accounting Fees and Services***

Incorporated by reference to the information under the caption Auditors Fees in our definitive proxy statement for the 2010 Annual Meeting of Stockholders.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as a part of this report:

1. *Financial Statements.* The following Consolidated Financial Statements of *info*GROUP Inc. and subsidiaries and Report of Independent Registered Public Accounting Firm are included elsewhere in this Form 10-K:

Description	Page No.
*info*GROUP Inc. and Subsidiaries:	
Report of Independent Registered Public Accounting Firm	55
Consolidated Balance Sheets as of December 31, 2009 and 2008	56
Consolidated Statements of Operations for the Years Ended December 31, 2009, 2008 and 2007	57
Consolidated Statements of Stockholders Equity and Comprehensive Income (Loss) for the Years Ended December 31, 2009, 2008 and 2007	58
Consolidated Statements of Cash Flows for the Years Ended December 31, 2009, 2008 and 2007	59
Notes to Consolidated Financial Statements	60

2. *Financial Statement Schedule.* The following consolidated financial statement schedule of *info*GROUP Inc. and subsidiaries for the years ended December 31, 2009, 2008 and 2007 is filed as part of this report and should be read in conjunction with the Consolidated Financial Statements.

Description	Page No.
Schedule II Valuation and Qualifying Accounts	93

Schedules not listed above have been omitted because they are not applicable or are not required or the information required to be set forth therein is included in the Consolidated Financial Statements or notes thereto.

3. *Exhibits.* The following Exhibits are filed as part of, or incorporated by reference into, this report:

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Incorporation, as amended through October 22, 1999, incorporated herein by reference to exhibits filed with our Registration Statement on Form 8-A, as amended, filed March 20, 2000
3.2	Amended and Restated Certificate of Designation of Participating Preferred Stock, filed in Delaware on May 5, 2009, incorporated herein by reference to exhibits filed with our Registration Statement on Form 8-A, as amended, filed May 6, 2009
3.3	Certificate of Ownership and Merger effecting the name change to *info*GROUP Inc., incorporated herein by reference to Exhibit 3.1 filed with our Current Report on Form 8-K, filed June 4, 2008
3.4	Amended and Restated Bylaws incorporated by reference to Exhibit 3.4 filed with our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed August 8, 2008
4.1	Preferred Share Rights Agreement, incorporated herein by reference to our Registration Statement on Form 8-A, as amended, filed May 6, 2009
4.2	Specimen of Common stock Certificate, incorporated herein by reference to the exhibits filed with our Registration Statement on Form 8-A, as amended, filed March 20, 2000
10.1	Second Amended and Restated Credit Agreement among *info*USA Inc., various Lenders named therein, LaSalle Bank National Association and Citibank F.S.B., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as administrative agent for the Lenders, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.2	Amended and Restated Security Agreement by and among *info*USA, Inc. and Affiliates and Wells Fargo Bank, National Association, as Collateral Agent, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.3	Amended and Restated Pledge Agreement by and among *info*USA, Inc. and Affiliates and Wells Fargo Bank, National Association, as Administrative Agent, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.4	Amended and Restated Subsidiaries Guaranty by subsidiaries of *info*USA, Inc. named therein, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.5	Form of Indemnification Agreement with Officers and Directors is incorporated herein by reference to exhibits filed with our Registration Statement on Form S-1(File No. 33-51352), filed August 28, 1992
10.6	1992 Stock Option Plan as amended is incorporated herein by reference to exhibits filed with our Registration Statement on Form S-8 (File No. 333-37865), filed October 14, 1997
10.7	1997 Stock Option Plan as amended is incorporated herein by reference to exhibits filed with our Registration Statement on Form S-8 (File No. 333-82933), filed July 15,1999
10.8	Severance Agreement dated February 13, 2006, between *info*USA Inc. and Edward Mallin, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed February 17, 2006
10.9	Severance Agreement dated February 13, 2006, between *info*USA Inc. and Fred Vakili, incorporated herein by reference to Exhibit 10.3 filed with our Current Report on Form 8-K, filed February 17, 2006
10.10	Severance Agreement dated February 13, 2006, between *info*USA Inc. and Stormy L. Dean, incorporated herein by reference to Exhibit 10.4 filed with our Current Report on Form 8-K, filed February 17, 2006

10.11	Standstill Agreement dated July 21, 2006 between Vinod Gupta and *info*USA Inc, incorporated herein by reference to Exhibit 10.1 filed with the Company s Current Report on Form 8-K, filed July 25, 2006
10.12	First Amendment to Second Amended and Restated Credit Agreement, dated as of March 16, 2007, by and among *info*USA Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A. (f/k/a Citibank, F.S.B.), as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 4.1 filed with our Current Report on Form 8-K, filed March 21, 2007

50

Table of Contents

Exhibit No.	Description
10.13	Second Amendment to Second Amended and Restated Credit Agreement, dated as of May 16, 2007, by and among *info*USA Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A. (f/k/a Citibank, F.S.B.), as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed May 30, 2007
10.14	Deed of Trust and Security Agreement, dated as of May 23, 2007, by Ralston Building LLC to Commonwealth Land Title Insurance Company, as trustee, for the benefit of Suburban Capital Markets, Inc., incorporated herein by reference to Exhibit 10.2 filed with our Current Report on Form 8-K, filed May 30, 2007
10.15	Deed of Trust and Security Agreement, dated as of May 23, 2007, by Papillion Building LLC to Commonwealth Land Title Insurance Company, as trustee, for the benefit of Suburban Capital Markets, Inc., incorporated herein by reference to Exhibit 10.3 filed with our Current Report on Form 8-K, filed May 30, 2007
10.16	Fixed Rate Note of Ralston Building LLC to the order of Suburban Capital Markets, Inc., dated May 23, 2007, incorporated herein by reference to Exhibit 10.4 filed with our Current Report on Form 8-K, filed May 30, 2007
10.17	Fixed Rate Note of Papillion Building LLC to the order of Suburban Capital Markets, Inc., dated May 23, 2007, incorporated herein by reference to Exhibit 10.5 filed with our Current Report on Form 8-K, filed May 30, 2007
10.18	Guaranty, dated May 23, 2007, by *info*USA Inc. for the benefit of Suburban Capital Markets, Inc., with respect to Ralston Building LLC, incorporated herein by reference to Exhibit 10.6 filed with our Current Report on Form 8-K, filed May 30, 2007
10.19	Guaranty, dated May 23, 2007, by *info*USA Inc. for the benefit of Suburban Capital Markets, Inc., with respect to Papillion Building LLC, incorporated herein by reference to Exhibit 10.7 filed with our Current Report on Form 8-K, filed May 30, 2007
10.20	Net Lease, dated May 23, 2007, by and between Ralston Building LLC, as lessor, and *info*USA Inc., as lessee, incorporated herein by reference to Exhibit 10.8 filed with our Current Report on Form 8-K, filed May 30, 2007
10.21	Net Lease, dated May 23, 2007, by and between Papillion Building LLC, as lessor, and *info*USA Inc., as lessee, incorporated herein by reference to Exhibit 10.9 filed with our Current Report on Form 8-K, filed May 30, 2007
10.22	Agreement, dated July 20, 2007, between Vinod Gupta and *info*USA Inc., incorporated herein by reference to Exhibit 10.2 filed with our Current Report on Form 8-K, filed July 26, 2007
10.23	Separation and Consulting Agreement, dated October 12, 2007, between *info*USA Inc. and Monica Messer, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed October 17, 2007
10.24	Third Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated March 26, 2008, among *info*USA Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed March 28, 2008
10.25	Fourth Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated June 27, 2008, among *info*GROUP Inc., the financial institutions a party thereto in the capacity

	of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed July 3, 2008
10.26	Agreement, dated July 18, 2008, between Vinod Gupta and *info*GROUP Inc., incorporated herein by reference to Exhibit 10.3 filed with our Current Report on Form 8-K, filed July 23, 2008

51

Table of Contents

Exhibit No.	Description
10.27	Employment Agreement between *info*GROUP Inc. and Thomas J. McCusker, dated December 23, 2008 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed December 31, 2008
10.28	Employment Agreement between *info*GROUP Inc. and Thomas Oberdorf, dated December 23, 2008 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K/A, filed December 31, 2008
10.29	Employment Agreement between *info*GROUP Inc. and Bill L. Fairfield, dated December 23, 2008 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed December 31, 2008
10.30	Form of Restricted Stock Unit Agreement incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed December 23, 2008
10.31	*info*GROUP Inc. Amended and Restated 2007 Omnibus Incentive Plan, incorporated herein by reference to Exhibit 10.5 filed with our Quarterly Report on Form 10-Q filed November 10, 2008
10.32	Voting Agreement, dated August 20, 2008, by and among the Company, the Special Litigation Committee and Vinod Gupta, incorporated herein by reference to Exhibit 10.2 filed with our Current Report on Form 8-K/A, filed August 22, 2008
10.33	Separation Agreement and General Release dated August 20, 2008, between Vinod Gupta and the Company, incorporated herein by reference to Exhibit 10.6 filed with our Current Report on Form 8-K/A, filed August 22, 2008
10.34	Stipulation of Settlement, dated as of August 20, 2008 by and among the Company, the Special Litigation Committee, the plaintiffs to the Derivative Litigation and the defendants to the Derivative Litigation, incorporated herein by reference to Exhibit 10.1 filed with the Company s Current Report on Form 8-K/A, filed August 22, 2008
10.35	Amendment to Employment Agreement between infoGROUP Inc. and Bill L. Fairfield, dated December 24, 2009 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K filed December 30, 2009
10.36	Fifth Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated March 23, 2009, among infoGROUP Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed April 1, 2009
*10.37	Sixth Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated December 23, 2009, among infoGROUP Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed herewith
*10.38	Executive Agreement dated January 23, 2002, between Opinion Research Corporation and Gerard Miodus, filed herewith
*21.1	Subsidiaries and Jurisdiction of Establishment, filed herewith
*23.1	Consent of Independent Registered Public Accounting Firm, filed herewith
*31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	

	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith

Management contracts and compensatory plans are set forth as exhibits 10.5 through 10.10, 10.23, 10.27 through 10.31, 10.35 and 10.38.

Table of Contents

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

*info*GROUP Inc.
(registrant)

By: /s/ THOMAS OBERDORF
Thomas Oberdorf
Executive Vice President and Chief Financial Officer

Dated: February 26, 2010

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ ROGER SIBONI Roger Siboni	Chairman of the Board	February 26, 2010
/s/ BILL L. FAIRFIELD Bill L. Fairfield	Chief Executive Officer (principal executive officer)	February 26, 2010
/s/ THOMAS OBERDORF Thomas Oberdorf	Executive Vice President and Chief Financial Officer (principal financial and accounting officer)	February 26, 2010
Vinod Gupta	Director	February 26, 2010
/s/ GEORGE KRAUSS George Krauss	Director	February 26, 2010
/s/ GARY MORIN Gary Morin	Director	February 26, 2010
/s/ BERNARD W. REZNICEK	Director	February 26, 2010

Bernard W. Reznicek		
/s/ LEE D. ROBERTS	Director	February 26, 2010
Lee D. Roberts		
/s/ JOHN N. STAPLES III	Director	February 26, 2010
John N. Staples III		
/s/ THOMAS L. THOMAS	Director	February 26, 2010
Thomas L. Thomas		
/s/ CLIFTON T. WEATHERFORD	Director	February 26, 2010
Clifton T. Weatherford		

53

*info*GROUP INC. AND SUBSIDIARIES

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	Page
*info*GROUP Inc. and Subsidiaries:	
Report of Independent Registered Public Accounting Firm	55
Consolidated Balance Sheets as of December 31, 2009 and 2008	56
Consolidated Statements of Operations for the Years Ended December 31, 2009, 2008 and 2007	57
Consolidated Statements of Stockholders Equity and Comprehensive Income (Loss) for the Years Ended December 31, 2009, 2008 and 2007	58
Consolidated Statements of Cash Flows for the Years Ended December 31, 2009, 2008 and 2007	59
Notes to Consolidated Financial Statements	60
Schedule II Valuation and Qualifying Accounts	93

Table of Contents

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
*info*GROUP Inc.:

We have audited the accompanying consolidated balance sheets of *info*GROUP Inc. and subsidiaries (the Company) as of December 31, 2009 and 2008, and the related consolidated statements of operations, stockholders equity and comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2009. In connection with our audits of the consolidated financial statements, we also have audited the related consolidated financial statement schedule for each of the years in the three-year period ended December 31, 2009, listed in Item 15(a)(2) of this annual report on Form 10-K. These consolidated financial statements and financial statement schedule are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of *info*GROUP Inc. and subsidiaries as of December 31, 2009 and 2008, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the effectiveness of *info*GROUP Inc. and subsidiaries internal control over financial reporting as of December 31, 2009, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 26, 2010 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

/s/ KPMG LLP

Omaha, Nebraska
February 26, 2010

Table of Contents

infoGROUP INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2009	December 31, 2008
	(In thousands, except share and per share amounts)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,784	$ 4,691
Marketable securities	1,773	992
Trade accounts receivable, net of allowances of $1,404 and $2,177, respectively	61,947	56,030
List brokerage trade accounts receivable, net of allowances of $653 and $494, respectively	81,033	86,841
Unbilled services	8,487	11,120
Deferred income taxes	1,184	6,889
Income taxes receivable		3,782
Prepaid expenses	8,702	9,382
Deferred marketing costs	742	1,004
Assets held for sale	1,457	3,960
Current assets of discontinued operations		36,845
Total current assets	171,109	221,536
Property and equipment, net	50,285	59,235
Goodwill	346,265	377,708
Intangible assets, net	61,828	69,950
Other assets	3,736	2,505
Escrow, noncurrent	10,029	
Noncurrent assets of discontinued operations		84,844
	$ 643,252	$ 815,778
LIABILITIES AND STOCKHOLDERS EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 2,692	$ 2,899
Accounts payable	18,500	29,569
List brokerage trade accounts payable	65,936	79,827
Accrued payroll expenses	31,767	32,128
Accrued expenses	11,370	16,068
Income taxes payable	3,751	
Deferred revenue	62,582	60,479
Current liabilities of discontinued operations		16,659
Total current liabilities	196,598	237,629

Long-term debt, net of current portion	179,010	297,745
Deferred income taxes	5,774	10,552
Other liabilities	11,034	5,417
Noncurrent liabilities of discontinued operations		16,406
Stockholders equity:		
Common stock, $.0025 par value. Authorized 295,000,000 shares; 57,714,865 shares issued and outstanding at December 31, 2009 and 57,019,030 shares issued and outstanding at December 31, 2008	144	142
Paid-in capital	151,529	147,029
Retained earnings	107,530	114,082
Note receivable shareholder	(6,800)	(9,000)
Accumulated other comprehensive loss	(1,567)	(4,224)
Total stockholders equity	250,836	248,029
	$ 643,252	$ 815,778

The accompanying notes are an integral part of the consolidated financial statements.

56

Table of Contents

_info_GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Years Ended		
	December 31, 2009	December 31, 2008	December 31, 2007
	(In thousands, except per share amounts)		
Net sales	$ 499,913	$ 588,686	$ 544,703
Costs and expenses:			
Cost of goods and services	185,345	203,053	169,011
Selling, general and administrative	255,228	334,461	266,416
Goodwill impairment	7,722		
Depreciation and amortization of operating assets	20,180	21,352	18,900
Amortization of intangible assets	10,373	12,864	12,771
Total operating costs and expenses	478,848	571,730	467,098
Operating income	21,065	16,956	77,605
Other expense, net:			
Investment income	229	1,660	617
Other income (expense)	(1,021)	(1,497)	537
Interest expense	(9,453)	(18,141)	(20,976)
Other expense, net	(10,245)	(17,978)	(19,822)
Income (loss) before income taxes	10,820	(1,022)	57,783
Income tax expense	9,029	412	22,294
Net income (loss) from continuing operations	1,791	(1,434)	35,489
Income (loss) from discontinued operations, net of tax	(8,343)	6,245	5,453
Net income (loss)	$ (6,552)	$ 4,811	$ 40,942
Basic earnings (loss) per share:			
Income (loss) from continuing operations	$ 0.03	$ (0.03)	$ 0.63
Income (loss) from discontinued operations	$ (0.14)	$ 0.11	$ 0.10
Net income (loss)	$ (0.11)	$ 0.08	$ 0.73
Basic weighted average shares outstanding	57,359	56,760	55,809
Diluted earnings (loss) per share:			
Income (loss) from continuing operations	$ 0.03	$ (0.03)	$ 0.63
Income (loss) from discontinued operations	$ (0.14)	$ 0.11	$ 0.10
Net income (loss)	$ (0.11)	$ 0.08	$ 0.73

Diluted weighted average shares outstanding	57,923	56,760	55,976

The accompanying notes are an integral part of the consolidated financial statements.

Table of Contents

*info*GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY AND COMPREHENSIVE INCOME (LOSS)
For the years ended December 31, 2009, 2008, and 2007

	Common Stock	Paid-In Capital	Retained Earnings	Notes Receivable from Shareholder / Officers	Accumulated Other Comprehensive Income (Loss)	Total Stock-holders Equity
	(In thousands, except share and per share amounts)					
Balances, December 31, 2006	$ 138	$ 126,943	$ 107,547	$	$ (1,314)	$ 233,314
Comprehensive income:						
Net income			40,942			40,942
Foreign currency translation adjustment, net of tax					1,058	1,058
Pension plan adjustment, net of tax					190	190
Change in unrealized gain (loss) on marketable securities, net of tax					1,031	1,031
Derivative financial instruments, net of tax					406	406
Total comprehensive income						43,627
Issuance of 774,893 shares of common stock in connection with stock option exercises	3	6,232				6,235
Tax benefit from employee stock options exercised		384				384
Issuance of 270,461 shares of common stock for Company s match of 401(k) plan contribution		2,763				2,763
Dividends on common stock ($0.35 per share)			(19,425)			(19,425)
Non-cash stock compensation expense		784				784
Balances, December 31, 2007	$ 141	$ 137,106	$ 129,064	$	$ 1,371	$ 267,682
Comprehensive income (loss):						
Net income			4,811			4,811
Foreign currency translation adjustment, net of tax					(3,850)	(3,850)
Pension plan adjustment, net of tax					(513)	(513)

Change in unrealized gain (loss) on marketable securities, net of tax					(1,199)	(1,199)
Derivative financial instruments, net of tax					(33)	(33)
Total comprehensive loss						(784)
Issuance of 31,564 shares of common stock in connection with stock option exercises	1	169				170
Tax benefit from employee stock options exercised		10				10
Issuance of 481,798 shares of common stock for Company s match of 401(k) plan contribution		2,705				2,705
Receivable from shareholder		6,540		(9,000)		(2,460)
Dividends on common stock ($0.35 per share)			(19,793)			(19,793)
Non-cash stock compensation expense		499				499
Balances, December 31, 2008	$ 142	$ 147,029	$ 114,082	$ (9,000)	$ (4,224)	$ 248,029
Comprehensive income (loss):						
Net loss			(6,552)			(6,552)
Foreign currency translation adjustment, net of tax					1,807	1,807
Pension plan adjustment, net of tax					(7)	(7)
Change in unrealized gain (loss) on marketable securities, net of tax					895	895
Derivative financial instruments, net of tax					(38)	(38)
Total comprehensive loss						(3,895)
Issuance of 543,344 shares of common stock for Company s match of 401(k) plan contribution		2,598				2,598
Receivable from shareholder				2,200		2,200
Non-cash stock compensation expense, including issuance of 182,491 shares of common stock in connection with vested restricted stock units	2	1,632				1,634
Tax benefit from issuance of common stock		270				270
Balances, December 31, 2009	$ 144	$ 151,529	$ 107,530	$ (6,800)	$ (1,567)	$ 250,836

The accompanying notes are an integral part of the consolidated financial statements.

58

Table of Contents

*info*GROUP INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended		
	December 31, 2009	December 31, 2008	December 31, 2007
		(In thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ (6,552)	$ 4,811	$ 40,942
Net income (loss) from discontinued operations	(8,343)	6,245	5,453
Net income (loss) from continuing operations	1,791	(1,434)	35,489
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization of operating assets	20,180	21,352	18,900
Amortization of intangible assets	10,373	12,864	12,771
Amortization of deferred financing fees	1,479	963	628
Deferred income taxes	743	(5,150)	(6,823)
Non-cash stock option compensation expense	1,634	499	784
Non-cash 401(k) contribution in common stock	2,598	2,705	2,763
(Gain) loss on sale of assets and marketable securities	546	(1,769)	(334)
Non-cash other expense (income)	(44)	(67)	344
Asset impairment charges	16,446	11,610	
Changes in assets and liabilities, net of effect of acquisitions:			
Trade accounts receivable and unbilled services	(1,479)	1,058	6,069
List brokerage trade accounts receivable	5,808	17,683	(341)
Prepaid expenses and other assets	(529)	(1,201)	(1,256)
Deferred marketing costs	262	1,230	1,250
Accounts payable	(13,029)	8,599	(8,514)
List brokerage trade accounts payable	(13,891)	(16,505)	1,257
Income taxes receivable and payable, net	7,409	(8,298)	(1,707)
Accrued expenses and other liabilities	(67)	(2,619)	12,597
Deferred revenue	1,071	(7,323)	(12,696)
Net cash provided by operating activities continuing operations	41,301	34,197	61,181
Net cash provided by (used in) operating activities discontinued operations	(34,240)	10,543	12,538
Net cash provided by operating activities	7,061	44,740	73,719
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of marketable securities	9	2,364	3,613
Purchases of marketable securities		(3,261)	(254)
Proceeds from sale of property and equipment	1,983	5,991	
Purchases of property and equipment	(7,724)	(20,064)	(14,070)

Acquisitions of businesses, net of cash acquired				(19,065)		(57,066)
Software and database development costs and purchases of other intangibles		(11,148)		(7,945)		(4,408)
Net cash used in investing activities continuing operations		(16,880)		(41,980)		(72,185)
Net cash provided by (used in) investing activities discontinued operations		128,118		(2,267)		(2,860)
Net cash provided by (used in) investing activities		111,238		(44,247)		(75,045)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Repayments of long-term debt		(175,240)		(70,702)		(161,331)
Proceeds from long-term debt		56,000		87,300		181,675
Deferred financing costs paid		(1,085)		(1,283)		(1,171)
Dividends paid				(19,793)		(19,425)
Proceeds from shareholder pursuant to stipulation of settlement		2,200				
Proceeds from derivative financial instruments						704
Tax benefit related to issuance of common stock		270		10		384
Proceeds from exercise of stock options				170		6,235
Net cash provided by (used in) financing activities continuing operations		(117,855)		(4,298)		7,071
Effect of exchange rate fluctuations on cash and cash equivalents		649		(1,199)		(222)
Net increase (decrease) in cash and cash equivalents		1,093		(5,004)		5,523
Cash and cash equivalents, beginning of year		4,691		9,695		4,172
Cash and cash equivalents, end of year	$	5,784	$	4,691	$	9,695
Supplemental cash flow information:						
Capital lease financings	$	298	$	1,058	$	6,039
Capital investments accrued but not yet paid	$	1,821	$		$	
Interest paid	$	8,467	$	17,083	$	19,454
Income taxes paid	$	49,582	$	18,072	$	28,071

The accompanying notes are an integral part of the consolidated financial statements.

*info*GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For purposes of this report, unless the context otherwise requires, all references herein to the Company, Corporation, we, us, and our mean *info*GROUP Inc. and its subsidiaries.

1. Description of the Business

We are a provider of business and consumer databases for sales leads, mailing lists, direct marketing, database marketing, e-mail marketing and market research solutions. The Company s database powers the directory services of some of the top Internet traffic-generating sites. Customers use the Company s products and services to find new customers, grow their sales, and for other direct marketing, telemarketing, customer analysis and credit reference purposes. We operate three principal business groups, which are also our operating segments, the Data Group, the Services Group, and the Marketing Research Group.

2. Summary of Significant Accounting Policies

Principles of Consolidation. The Consolidated Financial Statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Macro International Inc. (Macro), an applied social research company and a former subsidiary within the Marketing Research Group, was divested during the first quarter of 2009. See Note 4 to the Consolidated Financial Statements. The Company reflects the results of this business as discontinued operations for all periods presented.

Use of Estimates. The preparation of Consolidated Financial Statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates as estimates involve judgments and uncertainties. The Company evaluates its estimates on an ongoing basis, including those related to revenue recognition, intangible assets, goodwill, valuation of long-lived assets, income taxes, restructuring, litigation and contingencies. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

Cash Equivalents. Cash equivalents, consisting of highly liquid debt instruments that are readily convertible to known amounts of cash and when purchased have an original maturity of three months or less, are carried at cost which approximates fair value.

Marketable and Non-Marketable Investments. Marketable securities have been classified as available-for-sale and are therefore carried at fair value, which are estimated based on quoted market prices. Unrealized gains and losses, net of related tax effects, are reported as other comprehensive income (loss) within the Consolidated Statements of Stockholders Equity and Comprehensive Income (Loss) until realized. Realized gains and losses are determined by the specific identification method. For non-marketable investment securities in common stock where the Company has a 20 percent or less ownership interest and does not have the ability to exercise significant influence over the investee s operating and financial policies, the cost method is used to account for the investment. Non-Marketable investment securities are included in other assets within the Consolidated Balance Sheets.

Management monitors and evaluates the financial performance of the businesses in which it invests and compares the carrying value of the investment to quoted market prices (if available), or the fair values of similar investments. When circumstances indicate that a decline in the fair value of the investment has occurred and the decline is other-than-temporary, the Company records the decline in value as a realized impairment loss and a reduction in the cost of the investment. The Company recorded impairment losses from other-than-temporary declines in the fair value of the Company s investments of $0.7 million, $2.4 million, and $0.4 million in 2009, 2008, and 2007, respectively, included in other income (expense) on the accompanying Consolidated Statements of Operations.

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Trade Accounts Receivable. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. The allowance for doubtful accounts is the Company s best estimate of the amount of probable credit losses in the Company s existing accounts receivable. The Company determines the allowance based on historical write-off experience by industry and national economic data. The Company reviews its allowance for doubtful accounts monthly. Past due balances over 90 days and over a specified amount are reviewed individually for collectability. All other balances are reviewed on a pooled basis. Account balances are written off after all means of collection have been exhausted and the potential for recovery is considered remote. The Company does not have any material off-balance-sheet credit exposure related to its customers.

List Brokerage Trade Accounts Receivable and Trade Accounts Payable. For all list brokerage services, the Company serves as a broker between unrelated parties who wish to purchase a certain list and unrelated parties who have the desired list for sale. Accordingly, the Company recognizes trade accounts receivable and trade accounts payable, reflecting a gross-up of the two concurrent transactions. List brokerage sales revenues are recognized net of costs on the accompanying Consolidated Statements of Operations. The allowance for doubtful accounts is the Company s best estimate of the amount of probable credit losses in the Company s existing list brokerage trade accounts receivable. The Company determines the allowance based on a monthly review of all past due balances over 90 days and over a specified amount individually for collectability.

Advertising Costs. Direct marketing costs associated with the mailing and printing of brochures and catalogs are capitalized and amortized over six months, the period corresponding to the estimated revenue stream of the individual advertising activities. All other advertising costs are expensed as the advertising takes place. Total unamortized marketing costs at December 31, 2009 and 2008 were $0.7 million and $1.0 million, respectively. Total advertising expense for the years ended December 31, 2009, 2008, and 2007, was $19.6 million, $42.6 million, and $46.1 million, respectively.

Property and Equipment. Property and equipment are stated at cost and are depreciated or amortized primarily using straight-line methods over the estimated useful lives of the assets, as follows. Assets subject to capital lease are also amortized based upon the estimated useful lives of the assets as defined below if the lease transfers ownership of the assets at the end of the term or contains a bargain purchase option. If not, the assets subject to capital lease are amortized on a straight-line basis over the life of the lease.

Building and improvements	30 years
Leasehold improvements	Lesser of useful life or term of the agreement
Office furniture and equipment	7 years
Computer equipment	3 years
Equipment subject to capitalized leases	3 to 5 years

Long-lived assets are tested within their asset group for impairment as triggering events occur. If a triggering event has occurred, the Company compares the carrying value of the asset group to its related undiscounted cash flows. If the carrying value of the asset group is greater than the undiscounted cash flows, then an impairment indicator exists. We then estimate the fair value of the asset group based on market participant information and compare the fair value to the discounted cash flows of the asset group to determine the impairment charge. The impairment charge is allocated among the long-lived assets. See Note 7 to the Consolidated Financial Statements for a discussion on the impairments recorded as a result of those tests.

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Goodwill and Intangible Assets. Intangible assets with estimable useful lives are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, as follows:

Noncompete agreements	Term of agreements
Database development costs	1 to 4 years
Customer base	1 to 9 years
Trade name	3 to 15 years
Software development costs	1 to 7 years
Deferred Financing Costs	1 to 8 years

Amortizable intangible assets are tested within their asset group for impairment as triggering events occur. If a triggering event has occurred, the Company compares the carrying value of the asset group to its related undiscounted cash flows. If the carrying value of the asset group is greater than the undiscounted cash flows, then an impairment indicator exists. We then estimate the fair value of the asset group based on market participant information and compare the fair value to the discounted cash flows of the asset group to determine the impairment charge. See Note 9 to the Consolidated Financial Statements for a discussion on the impairments recorded as a result of those tests.

Goodwill represents the excess of costs over fair value of net assets of businesses acquired. Goodwill resulting from acquisitions of businesses and determined to have an indefinite useful life is not subject to amortization, but instead tested for impairment annually, or more often if an event or circumstance indicates that an impairment loss has been incurred.

The goodwill impairment test is a two-step process. The first step compares the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered to not be impaired, and the second step of the impairment test is not necessary. However, if the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss. The second step is essentially a purchase price allocation exercise, which allocates the newly determined fair value of the reporting unit to the assets. For purposes of the allocation, the fair values of all assets, including both recognized and unrecognized intangible assets, are determined. The residual goodwill value is then compared to the carrying value of goodwill to determine the impairment charge.

We recorded a non-cash impairment charge of $7.7 million during 2009 as a result of performing the annual impairment test. See Note 9 to the Consolidated Financial Statements for further discussion.

Software Capitalization. The Company incurs cost in developing software for its internal use. Software development costs are expensed as incurred during the preliminary project stage and until it is deemed probable that the software project will be completed and used for its intended function. Direct costs are capitalized and amortized using the straight-line method, generally ranging from one to three years for software developed for internal use. Unamortized software costs included in intangible assets at December 31, 2009 and 2008, were $16.7 million and $13.3 million, respectively. Amortization of capitalized costs during the years ended December 31, 2009, 2008 and 2007 totaled approximately $4.3 million, $4.0 million and $4.0 million, respectively. We assess the impairment of capitalized software costs as triggering events occur. The Company recorded impairments for the year ended December 31, 2009 for capitalized software costs of $4.1 million and $1.1 million for the year ended December 31, 2008.

Database Development Costs. Costs to maintain and enhance the Company s existing business and consumer databases are expensed as incurred. Costs to develop new databases, which primarily represent direct external costs, are capitalized with amortization beginning upon successful completion of the project. Database development costs are amortized using the straight-line method over the expected lives of the databases, generally ranging from one to four years. Unamortized database development costs were $1.3 million and $2.2 million at

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Table of Contents

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

December 31, 2009 and 2008, respectively. Amortization of capitalized costs during the years ended December 31, 2009, 2008 and 2007, totaled approximately $0.9 million, $0.9 million and $0.8 million, respectively. We assessed the impairment of database development costs as of December 31, 2009, and no impairments were identified for database development costs. Impairments of $3.3 million were recorded for the year ended December 31, 2008.

Revenue Recognition. Revenue is recognized when all of the following criteria are met: (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) the fee is fixed or determinable, and (4) collectability is reasonably assured. The Company must make assumptions in determining whether all of the criteria noted above have been met for proper revenue recognition. Revenue recognition for the Company is often complex due to the varied arrangements that are entered into with customers. Such arrangements may include multiple-elements or deliverables which have to be evaluated for accounting treatment applicable to separate units of accounting or as a single revenue arrangement and how consideration for such elements is allocated. The Company must make judgments in evaluating the terms of each customer revenue arrangement. A description of how elements of these criteria are met for our different products summarized by operating segment is below.

Data Group and Services Group:

Revenue from the sale of prospect lists (paper form or electronic), mailing labels, published directories, other sales lead products, and DVD information products are recognized upon delivery. These product sales are typically evidenced by a written purchase order or by credit card authorization.

Data processing and e-mail customer retention solution revenues are billed on a time and materials basis, with the recognition of revenue occurring as the services are rendered to the customer.

Revenue from the licensing of the Company s data to third parties and the sale of the Company s subscription-based products are recognized on a straight-line basis over the longer of the life of the agreement or delivery, when the Company commits to provide the customer either continuous data access (i.e., 24/7 access via the Internet) or updates of data files over a period of time. Licenses and subscriptions are evidenced by written contracts. The Company also licenses data to customers with no such commitments. In those cases, the Company recognizes revenue when the data is delivered to the customer, provided all other revenue recognition criteria have been met. All billed amounts relating to future periods are recorded as deferred revenue on the Company s Consolidated Balance Sheets. Subscription based products include SalesGenie.com, SalesGenie.com/Lite, MarketZone Gold, MarketZone Platinum, Credit.net and OneSource Business Browser.

Services Group:

List management revenue is recognized net of costs upon shipment of the list to the third party. List brokerage revenue is recognized, upon verification from third party of the actual list used and shipped, net of costs, as the Company acts as an agent or broker (including performing services, in substance, as an agent or broker) with compensation on a commission or fee basis.

Marketing Research Group:

Revenues under fixed-price contracts are recognized on a proportional performance basis. Performance is based on the ratio of costs incurred to total estimated costs where the costs incurred represent a reasonable surrogate for output measures of contract performance, including survey design, data collection, survey analysis and presentation of deliverables to the client. Progress on a contract is matched against project costs and costs to complete on a periodic basis. Provision for estimated contract losses, if any, is made in the period such losses are determined. Customers are obligated to pay as services are performed, and in the event that a client cancels the contract, the client is responsible for payment for services performed through the date of cancellation.

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Revenue for our retainer contracts are charged to customers on a fixed monthly subscription fee basis to access On-Demand Business Research services, and revenues are recognized ratably over the term of each subscription. Retainer fees are required to be paid in advance by customers on either a monthly, quarterly or annual basis, and all billed amounts relating to future periods are recorded as deferred revenue on the Company s Consolidated Balance Sheets.

Revenue for our deposit contracts are charged to customers on a fixed annual fee basis, which entitles them to access any of the Company s service offerings throughout the contract period, up to the total amount of the annual deposit fee. Since deposit account customers can spend their contract fee at any time within the annual contract period, deposit account revenues are only recognized within the contract period as services are actually provided to customers, with any unused deposit amounts recognized as revenue in the final month of the contract. Deposit contract fees are required to be paid in advance, primarily annually, and any billed amounts relating to future periods are recorded as deferred revenue on the Company s Consolidated Balance Sheets.

Unbilled receivables, classified as a current asset, are invoiced based upon the achievement of specific events as defined by each contract including deliverables, timetables and incurrence of certain costs. Reimbursements of out-of-pocket expenses are included in revenues with corresponding costs incurred by the Company included in cost of revenues.

If the Company determines that collection of revenues is not reasonably assured at or prior to the delivery of the Company s products, the Company recognizes revenue upon the receipt of cash. Cash-basis revenue recognition periodically occurs in those cases where the Company sells or licenses its information products to a poorly capitalized company. However, sales recognized on this basis are not a significant portion of the Company s total revenues.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and therefore are excluded from revenues in the Consolidated Statements of Operations.

Revenue Recognition Items. During the year ended December 31, 2009, the Company reduced net sales by approximately $1.5 million, $0.9 million corrected in the second quarter and $0.6 million corrected in the fourth quarter, due to various revenue recognition items that were related primarily to previous years. The accounting for our revenue is often complex due to the customized arrangements that are entered into with customers. Such arrangements may include multiple-elements or deliverables which have to be evaluated for accounting treatment applicable to separate units of accounting or as a single revenue arrangement and how consideration for such elements is allocated. In addition, as we are consolidating the processes and accounting performed separately at our previously acquired businesses, we have identified circumstances where management s estimates and judgments about revenue recognition now vary from those previously applied.

As previously disclosed in our Form 10-Q as of and for the period ended June 30, 2009, we reduced beginning retained earnings by an immaterial adjustment of $0.8 million after-tax to reflect the correction of the cumulative overstatement of revenue for periods through December 31, 2005. We corrected remaining overstatements of $1.5 million pre-tax, ($0.9 million after-tax) for the periods subsequent to December 31, 2005 within our Consolidated Statement of Operations for the year ended December 31, 2009, $0.9 million corrected in the second quarter and

$0.6 million corrected in the fourth quarter. As a result of recording the correcting adjustment for the cumulative overstatement of revenue for periods through December 31, 2005, our Consolidated Balance Sheet presented as of December 31, 2008 was adjusted. We increased deferred revenues by $1.3 million and we increased income taxes receivable by $0.5 million. Retained earnings were reduced by $0.8 million. As a result of recording the correcting adjustment for the cumulative overstatement of revenue for periods subsequent to December 31, 2005, our Consolidated Statement of Operations presented for the year ended December 31, 2009 was adjusted. Revenues for the year ended December 31, 2009 were reduced by $1.5 million for the adjustment. Net income from continuing operations for the year ended December 31, 2009 was reduced by $0.9 million.

Table of Contents

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company has concluded that the impact of these revenue recognition items are not material to any one period within our previously issued Consolidated Financial Statements. We determined that reflecting the cumulative correction within the Consolidated Financial Statements as an immaterial revision to beginning retained earnings and as an adjustment to the Consolidated Statements of Operations for the year ended December 31, 2009 is also not material.

Stock-Based Compensation. The Company accounts for stock-based compensation in accordance with the requirements of the guidance within *Share-Based Payments.* Stock-based compensation is recognized based on the grant date fair value as estimated. The Company applies the Black-Scholes valuation model in determining the fair value of stock options granted to employees, which is then recognized as expense over the requisite service period. Compensation cost is recognized as expense over the periods in which the benefit is received. Compensation cost for restricted stock units (RSU) is based on the fair value of our common stock on the date of grant and is amortized over the vesting period that restrictions lapse. See Note 12 of the Notes to Consolidated Financial Statements for further discussion of share-based compensation.

Income Taxes. Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax carrying amounts and net operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Accounts Payable. The Company classifies negative cash balances as a result of outstanding checks within accounts payable in the Consolidated Balance Sheets, and within accounts payable in operating activities in the Consolidated Statements of Cash Flows. Such amounts are overdrafts according to the general ledger and are appropriately reflected in operating cash flows. The amount of the negative cash balance included in accounts payable as of December 31, 2009 and 2008 was $5.5 million and $12.7 million, respectively.

Foreign Currency. For international operations, the local currency is designated as the functional currency. Accordingly, assets and liabilities are translated into U.S. Dollars at year-end exchange rates, and revenues and expenses are translated at average exchange rates prevailing during the year. Currency translation adjustments from local functional currency countries resulting from fluctuations in exchange rates are recorded in other comprehensive income. The Company generally deems its foreign investments in Control Foreign Corporations to be essentially permanent in nature and it does not provide for taxes on currency translation adjustments arising from converting these investments in a foreign currency to U.S. dollars. When the Company determines that a foreign investment is no longer permanent in nature, estimated taxes are provided for the related deferred taxes, if any, resulting from currency translation adjustments.

Restructuring Expenses. The Company recognizes costs associated with exit or disposal activities as they are incurred in the absence of a formal commitment to an exit or disposal plan. Costs are primarily incurred in relation to severance, including other employee benefits, and facility vacates, including partial facility vacates. The Company ensures that partial facility vacates are no longer providing an economic benefit to the Company. Sub-lease income rentals are estimated when reasonable and probable and are netted against the future obligations. Obligations are discounted if they are determined to be paid according to a fixed payment schedule.

Contingencies. The Company is involved in various legal proceedings. Management assesses the probability of loss for such contingencies and recognizes a liability when a loss is probable and estimable. See Note 17 of the Notes to Consolidated Financial Statements for further discussion of contingencies.

Earnings Per Share. Basic earnings (loss) per share are based on the weighted average number of common shares outstanding, including contingently issuable shares. Diluted earnings (loss) per share are based on the *info*GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

weighted number of common shares outstanding, including contingently issuable shares, plus potentially dilutive common shares outstanding (representing outstanding stock options and restricted stock units).

The following table show the amounts used in computing earnings (loss) per share and the effect on the weighted average number of shares of dilutive common stock. Certain options on shares of common stock were not included in computing diluted earnings because their effects were antidilutive.

	For the Years Ended December 31, 2009	December 31, 2008 (In thousands)	December 31, 2007
Weighted average number of shares outstanding used in basic earnings (loss) per share	57,359	56,760	55,809
Dilutive effect of stock options and restricted stock units	564		167
Weighted average number of shares outstanding used in diluted earnings (loss) per share	57,923	56,760	55,976

Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board, (the FASB), issued guidance that establishes the FASB Codification as the source of authoritative generally accepted accounting principles. In addition, the rules and interpretive releases of the Securities and Exchange Commission continue to be sources of authoritative guidance. We adopted this guidance as of September 30, 2009, which did not have a material impact on our Consolidated Financial Statements other than revising certain disclosures within our financial statements to remove references to legacy accounting pronouncements.

The Company adopted *Subsequent Events* as of June 30, 2009. See Note 22 of the Notes to the Consolidated Financial Statements for required disclosures. This guidance establishes the general standards of accounting for and disclosing events that occur after the balance sheet date but before the financial statements are issued.

The Company adopted *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability has Significantly Decreased and Identifying Transactions That Are Not Orderly* as of June 30, 2009. See Note 16 of the Notes to the Consolidated Financial Statements for disclosures required on the inputs and valuation techniques used to measure fair value.

On January 1, 2008, the Company adopted *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements, for its financial assets and liabilities. On January 1, 2009, the Company adopted *Fair Value Measurements* for its nonfinancial assets and nonfinancial liabilities. The adoption of this guidance did not have a material impact on the Company s Consolidated Financial Statements. See Note 16 of the Notes to the Consolidated Financial Statements for disclosures required.

In August 2009, the FASB issued guidance that provides clarification on measuring the fair value of liabilities using quoted prices of identical liabilities. This was effective for the Company beginning October 1, 2009. The adoption of this guidance did not have a material impact on the Company s Consolidated Financial Statements.

3. Acquisitions

Effective January 1, 2008, the Company acquired Direct Media, Inc., a list brokerage and list management company. The total purchase price was $17.9 million, excluding cash acquired of $4.7 million, and including acquisition-related costs of $0.6 million. The purchase price for the acquisition has been allocated to current assets of $37.0 million, property and equipment of $1.4 million, other assets of $2.5 million, current liabilities of $35.4 million, other liabilities of $1.1 million, and goodwill and other identified intangibles of $12.9 million.

66

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Goodwill and other identified intangibles include: customer relationships of $2.8 million (life of 11 years), non-compete agreements of $2.4 million (life between 1 to 7 years), trade names of $1.1 million (life of 8 years), and goodwill of $6.6 million, which includes $0.6 million of acquisition costs, none of which will be deductible for income tax purposes.

Effective October 1, 2007, the Company acquired SECO Financial, a business that specializes in financial services industry marketing. The total purchase price was $1.1 million. The purchase price for the acquisition has been allocated to current assets of $0.3 million, current liabilities of $0.2 million, and goodwill and other identified intangibles of $1.0 million. Goodwill and other identified intangibles include: customer relationships of $0.2 million (life of 5 years), non-compete agreements of $0.1 million (life of 7 years), and goodwill of $0.7 million, which will all be deductible for income tax purposes.

Effective October 1, 2007, the Company acquired Northwest Research Group, a marketing research company. The total purchase price was $1.6 million. The purchase price for the acquisition has been allocated to current assets of $0.4 million, property and equipment of $0.1 million, current liabilities of $0.4 million, and goodwill and other identified intangibles of $1.5 million. Goodwill and other identified intangibles include: customer relationships of $0.5 million (life of 10 years), non-compete agreements of $0.2 million (life of 5 to 7 years), and goodwill of $0.8 million, which will all be deductible for income tax purposes.

On August 20, 2007, the Company acquired Guideline, Inc., a provider of custom business and market research and analysis. The total purchase price was $39.1 million, excluding cash acquired of $0.8 million, and including acquisition-related costs of $1.6 million. The purchase price for the acquisition has been allocated to current assets of $12.4 million, property and equipment of $1.4 million, other assets of $0.9 million, current liabilities of $14.4 million, other liabilities of $3.4 million, and goodwill and other identified intangibles of $40.6 million. Goodwill and other identified intangibles include: customer relationships of $12.0 million (life of 10 years), trade names of $4.3 million (life of 12 years), non-compete agreements of $0.4 million (life of 1.5 to 7 years), and goodwill of $23.9 million, none of which will be deductible for income tax purposes.

On July 27, 2007, the Company acquired NWC Research, an Asia Pacific research company based in Australia. The total purchase price was $8.0 million, excluding cash acquired of $0.1 million, and including acquisition-related costs of $0.2 million. The purchase price for the acquisition has been allocated to current assets of $2.5 million, property and equipment of $0.6 million, current liabilities of $1.5 million, and goodwill and other identified intangibles of $6.2 million. Goodwill and other identified intangibles include: customer relationships of $2.7 million (life of 11 years), non-compete agreements of $0.2 million (life of 7 years), and goodwill of $3.3 million, none of which will be deductible for income tax purposes.

On June 22, 2007, the Company acquired expresscopy.com, a provider of printing and mailing services that specializes in short-run customized direct mail pieces. The total purchase price was $8.0 million, excluding cash acquired of $0.1 million, and including acquisition-related costs of $0.2 million. The purchase price for the acquisition has been allocated to current assets of $0.6 million, property and equipment of $3.8 million, developed technology of $0.9 million, current liabilities of $1.9 million, other liabilities of $2.9 million, and goodwill and other identified intangibles of $7.3 million. Goodwill and other identified intangibles include: customer relationships of $1.5 million (life of 5 years), trade name of $0.6 million (life of 12 years), a non-compete agreement of $0.3 million (life of 12 years), and goodwill of $4.9 million, which will all be deductible for income tax purposes.

The Company accounted for these acquisitions under the purchase method of accounting and the operating results for each of these acquisitions are included in the accompanying Consolidated Financial Statements from the respective acquisition dates. All of these acquisitions were asset purchases, excluding Direct Media, Inc. and Guideline, Inc., which were stock purchases. These acquisitions were completed to grow the Company s market share. The Company believes that increasing its market share will enable it to compete over the long term in the databases, direct marketing, e-mail marketing and market research industries.

Table of Contents

*info*GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Assuming the acquisitions described above made during 2008 and 2007 had been acquired on January 1, 2007 and included in the accompanying Consolidated Statements of Operations, unaudited pro forma consolidated net sales, net income and earnings per share would have been as follows (In thousands, except per share amounts):

	For the Year Ended December 31, 2007 (Unaudited)
Net sales	$ 626,748
Net income	$ 38,606
Basic earnings per share	$ 0.69
Diluted earnings per share	$ 0.69

The pro forma information provided above does not purport to be indicative of the results of operations that would actually have resulted if the acquisitions were made as of those dates or of results that may occur in the future.

4. Discontinued Operations

Macro Divestiture

During the first quarter of 2009, the Company completed its divestiture of Macro International, Inc. (Macro) to ICF International Inc. (ICF) for proceeds of approximately $155.0 million, resulting in a pre-tax gain of $28.1 million ($9.3 million loss after tax). Accordingly, the Company reflects the results of this business as discontinued operations for all periods presented. The assets and liabilities divested are classified as assets and liabilities of discontinued operations within the Company s Consolidated Balance Sheet as of December 31, 2008. Macro was part of the Marketing Research Group segment.

During the third quarter of 2009, the Company finalized the working capital adjustment per the Macro sale agreement. The gain of $2.6 million, $1.6 million after-tax, was recorded within discontinued operations of the Condensed Consolidated Statement of Operations for the three months ended June 30, 2009. The Company received the $2.6 million from ICF on July 31, 2009, and $3.0 million, an escrow amount held in relation to the working capital adjustment, was released to the Company on August 3, 2009. The proceeds received were used to pay down our debt during the third quarter of 2009.

An indemnity escrow for $10.0 million of the proceeds was created to cover certain stipulated scenarios that could potentially cause financial damages to the purchaser for which the Company would be liable. The escrow period is two years from the date of sale. The Company is not aware of any items that could cause it to not receive the $10.0 million from escrow at the end of the two year period.

The summary comparative financial results of discontinued operations were as follows:

	Years Ended December 31, 2009	2008	2007
	(In thousands)		
Net sales	$ 35,440	$ 149,584	$ 144,070
Operating income from discontinued operations before income taxes	1,630	11,289	8,965
Gain from disposal of business	28,061		
Income before income taxes	29,691	11,289	8,965
Income tax expense	(38,034)	(5,044)	(3,512)
Income (loss) from discontinued operations, net of tax	$ (8,343)	$ 6,245	$ 5,453

68

Table of Contents

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The income taxes for discontinued operations are significantly higher than the anticipated statutory tax rate due to $61.8 million of nondeductible goodwill related to the Macro sale. The effective tax rate for Macro s tax gain was 41.2%. Income taxes of $46.5 million related to the sale of Macro were paid as of December 31, 2009. Income taxes payable of $5.7 million remains on the Consolidated Balance Sheet as of December 31, 2009. Deferred tax assets of $1.0 million and deferred tax liabilities of $16.1 million were reclassified to current income taxes payable as part of the sale. The deferred tax liabilities primarily consisted of temporary differences related to intangible assets.

Assets and Liabilities of Discontinued Operations

The assets and liabilities of discontinued operations in the Consolidated Balance Sheet as of December 31, 2008 are as follows:

		December 31, 2008 (In thousands)
Cash and cash equivalents	$	127
Trade accounts receivable and unbilled services		34,891
Prepaid expenses		647
Deferred income taxes		1,005
Other assets		175
Currents assets of discontinued operations	$	36,845
Property and equipment, net		5,873
Goodwill and other intangibles		78,971
Noncurrent assets of discontinued operations	$	84,844
Accounts payable		3,857
Accrued payroll expenses		7,920
Accrued expenses		1,672
Deferred revenue		3,210
Current liabilities of discontinued operations	$	16,659
Deferred income taxes		15,217
Other liabilities		1,189
Noncurrent liabilities of discontinued operations	$	16,406

5. Marketable and Non-Marketable Investments

At December 31, 2009 and 2008, marketable securities available for-sale consists of common stock and mutual funds, which the Company records at fair market value. Any unrealized holding gains or losses are excluded from net income and reported as a component of accumulated other comprehensive income (loss) until realized. At December 31, 2009 and 2008, non-marketable securities were immaterial.

During 2009, the Company recorded an impairment of $0.7 million due primarily to the other than temporary decline in value of marketable and non-marketable securities due a continued decrease in an investment s publicly traded stock price, which is included in other income (expense) within the Consolidated Statements of Operations.

During 2008, the Company recorded proceeds of $2.4 million and a net realized gain of $1.7 million for the sale of marketable securities, which is included in investment income within the Consolidated Statements of Operations. During 2008, the Company also recorded an impairment of $2.4 million due to the other than temporary

69

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

decline in value of marketable and non-marketable investments, which is included in other income (expense) within the Consolidated Statements of Operations.

During 2007, the Company recorded proceeds of $3.6 million, which included $1.7 million from the sale of a certain non-marketable investment that the Company had recorded within other assets, and a net realized gain of $1.4 million, which is included in other income (expense) within the Consolidated Statements of Operations.

6. Comprehensive Income (Loss)

The components of accumulated other comprehensive income (loss) were as follows:

	December 31, 2009	December 31, 2008
	(In thousands)	
Other comprehensive income (loss):		
Unrealized gain from investments:		
Unrealized gains	$ 1,398	$
Related tax expense	(503)	
Net	$ 895	$
Unrealized loss from pension plan:		
Unrealized losses	(1,912)	(1,963)
Related tax benefit	688	746
Net	$ (1,224)	$ (1,217)
Foreign currency translation adjustments:		
Unrealized gains (losses)	(3,508)	(5,452)
Related tax benefit (expense)	1,935	2,072
Net	$ (1,573)	$ (3,380)
Unrealized gain from derivative financial instrument:		
Unrealized gains	523	602
Related tax expense	(188)	(229)
Net	$ 335	$ 373
Accumulated other comprehensive income (loss)	$ (1,567)	$ (4,224)

70

Table of Contents

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Unrealized Gain (Loss) From Investments	Unrealized Gain (Loss) From Pension Plan	Foreign Currency Translation Adjustments	Unrealized Gain (Loss) From Derivative Financial Instruments
Balance, December 31, 2006	$ 168	$ (894)	$ (588)	$
Fiscal 2007 activity	1,292	190	1,058	406
Reclassification adjustment for (gain) included in net income	(261)			
Balance, December 31, 2007	$ 1,199	$ (704)	$ 470	$ 406
Fiscal 2008 activity	137	(513)	(3,850)	(33)
Reclassification adjustment for (gain) included in net income	(1,336)			
Balance, December 31, 2008	$	$ (1,217)	$ (3,380)	$ 373
Fiscal 2009 activity	895	(7)	1,807	(38)
Balance, December 31, 2009	$ 895	$ (1,224)	$ (1,573)	$ 335

7. Property and Equipment

	December 31, 2009	December 31, 2008
	(In thousands)	
Land and improvements	$ 2,605	$ 2,832
Buildings and improvements	45,439	47,495
Furniture and equipment	130,357	127,106
Capitalized equipment leases	20,954	20,323
	199,355	197,756
Less accumulated depreciation and amortization:		
Owned property	130,196	120,422
Capitalized equipment leases	18,874	18,099
Property and equipment, net	$ 50,285	$ 59,235

We assess the valuation of property and equipment. The Company recorded impairments of $2.3 million and $1.2 million for the year ended December 31, 2009 and 2008, respectively, for assets no longer providing an economic benefit to the Company.

8. Assets Held for Sale

Assets held for sale are measured at the lower of their carrying values or fair market values less costs to sell the assets.

During 2009, the Company sold its fractional interests in its aircraft for total proceeds of $2.0 million, resulting in an immaterial pre-tax loss. Impairments of $0.4 million were previously recorded within selling, general and administrative expenses within the Consolidated Statement of Operations during 2009 to reflect the fair market value of our fractional interests in these aircraft based on quoted market prices. Additionally, during 2009, the Company recorded an impairment of $0.2 million within selling, general and administrative expenses within the Consolidated Statement of Operations to reflect the fair market value of its time-share based on quoted market prices. Subsequent to December 31, 2009 the time-share was sold for approximately $0.3 million in proceeds

Table of Contents

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

resulting in an immaterial pre-tax loss. Also, subsequent to December 31, 2009, the Company was in negotiations to sell the land currently classified as held for sale.

Assets held for sale consist of the following:

	December 31, 2009	December 31, 2008
	(In thousands)	
Property and equipment (land)	$ 1,132	$ 1,132
Other assets (time-share and fractional interests in aircraft)	325	2,828
	$ 1,457	$ 3,960

9. Goodwill and Intangible Assets

Goodwill and intangible assets consist of the following:

	12/31/2009 Cost	12/31/2009 Accumulated Amortization	12/31/2009 Net	12/31/2008 Cost	12/31/2008 Accumulated Amortization	12/31/2008 Net
			(In thousands)			
Goodwill	$ 346,265	$	$ 346,265	$ 377,708	$	$ 377,708
Other intangible assets:						
Non-compete agreements	16,734	15,023	1,711	16,911	14,265	2,646
Core technology	15,152	15,152		15,323	13,665	1,658
Customer base	59,092	34,037	25,055	58,638	27,874	30,764
Trade names	30,640	16,497	14,143	30,741	14,664	16,077
Purchased data processing software	73,478	73,478		73,478	73,478	
Acquired database costs	87,971	87,971		87,971	87,971	
Perpetual software license agreements	8,000	8,000		8,000	8,000	
Software and database development costs	37,984	19,986	17,998	30,299	14,807	15,492
Deferred financing costs	15,574	12,653	2,921	14,488	11,175	3,313
Total other intangible assets	344,625	282,797	61,828	335,849	265,899	69,950
Total goodwill and other intangible assets	$ 690,890	$ 282,797	$ 408,093	$ 713,557	$ 265,899	$ 447,658

Goodwill

The following table summarizes activity related to goodwill recorded by the Company (in thousands):

Fiscal Year	Beginning Balance(1)	Acquisition	Macro Divestiture(1)	Acquisition and Foreign Currency Adjustments	Impairment	Ending Balance
2009	$ 377,708	$	$ (23,626)	$ (95)	$ (7,722)	$ 346,265
2008	$ 374,307	$ 7,163	$	$ (3,762)	$	$ 377,708

(1) The goodwill balances reflected within these financial statements prior to December 31, 2009 exclude goodwill assigned to Macro of approximately $40.8 million. In conjunction with the sale of Macro, the Company performed a valuation and determined that an additional $23.6 million of goodwill should be assigned to Macro. Thus, the total amount of goodwill assigned to Macro upon divestiture is approximately $64.4 million.

Table of Contents

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During 2008, the Company finalized the purchase price allocation for acquisitions including expresscopy.com, Guideline Inc., NWC Research, Northwest Research Group, and SECO Financial. The Company also recorded initial and subsequent adjustments for Direct Media Inc. The acquisition adjustments in 2008 are primarily related to cumulative translation adjustments totaling $1.5 million and multiple other adjustments including a $0.6 million tax adjustment for the expiration of items related to uncertain tax positions and adjustments of other identified intangibles due to the receipt of the final valuation report from the Company s third party valuation company for certain acquisitions.

The Company performed its annual impairment test as of October 31, 2009. As a result of this annual test, a non-cash impairment charge was recorded during 2009 of $7.7 million in the Research Group as discussed further below.

During 2009, we had three reporting units that had been assigned goodwill and therefore required valuation testing. The three reporting units also represent the Company s operating segments, the Data Group, the Services Group, and the Marketing Research Group. Our annual impairment test is performed with a measurement date of October 31. Other than the Macro divestiture, there were no events that occurred prior to or subsequent to the annual measurement date that required an interim impairment analysis.

We utilized the assistance of a third party in determining the fair value of each of our three reporting units. In determining the fair value of each reporting unit, management is required to make significant assumptions and judgments.

Step 1 of the analysis, which was based on both an income and market approach methodology, indicated that the fair values determined for both the Data Group and the Services Group substantially exceeded their carrying value. However, step 1 of the analysis indicated that the carrying value of the Marketing Research Group exceeded its estimated fair value. The Company performed a market capitalization reconciliation to ensure that the total Company fair value was reasonable. Step 2 of the analysis was performed for the Marketing Research Group, which resulted in the Company recording a non-cash impairment charge of $7.7 million during 2009. After the non-cash impairment charge, $20.8 million of goodwill was assigned to the Marketing Research Group.

Other amortizable intangibles

The weighted average remaining amortization period for the other intangible assets as of December 31, 2009 are: non-compete agreements (2.2 years), customer base (3.8 years), trade names (2.6 years), software and database development costs (2.4 years) and deferred financing costs (1.9 years). The weighted average remaining amortization period as of December 31, 2009 for all other intangible assets in total is 2.8 years. The weighted average amortization period as of December 31, 2008 was 2.2 years. We will continue to assess the useful lives of our intangible assets as we merge business units and continue our implementation of the rebranding activities of the Company.

We assess the valuation of intangible assets. The Company recorded impairments for the year ended December 31, 2009 for intangible assets of $5.2 million. Of these impairments, $4.8 were recorded in the Data Group, $0.1 were recorded in the Services Group, and $0.3 were recorded in Corporate Activities, and were included within selling, general and administrative expenses within the Consolidated Statement of Operations for the year ended December 31, 2009. The impairment charges were primarily attributable to internal software and database development costs where the items were deemed to no longer provide an economic benefit to the Company and to have no fair market value. We considered whether the goodwill impairment analysis step 2 performed for the Marketing Research Group indicated further impairment of our long-lived and other intangible assets and noted no additional impairment.

We recorded impairments for the year ended December 31, 2008 of $5.8 million. Of these impairments, all were recorded within the Data Group, and were recorded within selling, general and administrative expenses within the Consolidated Statement of Operations. The impairment charges were primarily attributable to infoUK of

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

$2.7 million and expresscopy.com of $1.4 million. In addition, we recorded an impairment of $0.6 million for a OneSource database and $0.9 million for development costs for a SalesGenie product no longer being utilized.

Amortization expense recorded for intangible assets during the years ended 2009, 2008, and 2007 totaled approximately $15.6 million, $17.8 million, and $17.5 million, respectively.

Future amounts by calendar year for amortization of intangibles, including amortization of software and database development costs, as of December 31, 2009 are as follows (in thousands):

2010	$ 17,219
2011	10,022
2012	7,433
2013	5,550
2014 and thereafter	15,805
Total	$ 56,029

Future amortization amounts do not include future amortization for intangible assets included on the Consolidated Balance Sheets related to software and database development projects not yet completed of $5.8 million.

10. Financing Arrangements

Long-term debt consists of the following:

	December 31, 2009	December 31, 2008
	(In thousands)	
Amended 2006 Credit Facility term loan	70,500	170,520
Amended 2006 Credit Facility revolving line of credit	68,500	86,500
Mortgage notes collateralized by deeds of trust. Notes bear a fixed interest rate of 6.082% due June 2017. Interest is payable monthly	41,125	41,126
Economic development loan State of Iowa, collateralized by deed of trust. Note is interest-free. Principal due December 2009		29
Capital lease obligations (See Note 17)	1,577	2,469
	181,702	300,644
Less current portion	2,692	2,899
Long-term debt	$ 179,010	$ 297,745

Future maturities by calendar year of debt obligations as of December 31, 2009 are as follows (in thousands):

2010	$ 2,692
2011	70,732
2012	67,391
2013	499
2014	509
Thereafter	39,879
Total	$ 181,702

On March 16, 2007, the Company amended its Senior Secured Credit Facility that was entered into on February 14, 2006. The amendment increased the Company s outstanding Term Loan by $75 million, which is due

74

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

February 2012. Proceeds from this transaction were used to reduce amounts outstanding under the Company s revolving credit facility. The pricing, principal amortization and maturity date of February 2011 of the expanded Term Loan remain unchanged from the existing terms. On May 16, 2007, the Company further amended its Senior Secured Credit Facility (as amended on March 16, 2007 and May 16, 2007, the 2006 Credit Facility) in order to (1) allow the mortgage loan transactions between the Company and Suburban Capital Markets, Inc. (Suburban Capital), described in further detail immediately below, and (2) waive any default of the 2006 Credit Facility which might otherwise occur by reason of such transactions.

At December 31, 2009, the term loan had a balance of $70.5 million, bearing an average interest rate of 2.01%. The revolving line of credit had a balance of $68.5 million, bearing an interest rate of 2.5%, and $106.5 million was available under the revolving line of credit. Substantially all of the assets of the Company are pledged as security under the terms of the 2006 Credit Facility.

On May 23, 2007, the Company entered into mortgage loan transactions with Suburban Capital. As part of the transactions, the Company transferred the titles to the Company s headquarters in Ralston, Nebraska, and its data compilation facility in Papillion, Nebraska, to newly formed limited liability companies, and these properties will serve as collateral for the transactions. The Company entered into long-term lease agreements with these subsidiaries for the continued and sole use of the properties. The Company also entered into guaranty agreements wherein it guarantees the payment and performance of various obligations as defined in the agreements including, under certain circumstances, the mortgage debt. The loans have an effective term of ten years and were priced with a fixed coupon rate of 6.082%. Payments will be interest only for the first five years; for years six through ten, payments will be comprised of principal and interest based upon a thirty year amortization.

The 2006 Credit Facility provides for grid-based interest pricing based upon the Company s consolidated total leverage ratio. Interest rates for use of the revolving line of credit range from base rate plus 0.25% to 1.00% for base rate loans and LIBOR plus 1.25% to 2.00% for Eurodollar rate loans. Interest rates for the term loan range from base rate plus 0.75% to 1.00% for base rate loans and LIBOR plus 1.75% to 2.00% for Eurodollar rate loans. Subject to certain limitations set forth in the credit agreement, the Company may designate borrowings under the 2006 Credit Facility as base rate loans or Eurodollar loans.

In light of the ongoing investigation as described in Note 17 in the Notes to Consolidated Financial Statements, the Company was unable to file its Annual Report on Form 10-K for the year ended December 31, 2007 (the 2007 Form 10-K) by the SEC filing deadline. Failure to timely file the 2007 Form 10-K and provide annual financial statements to the lenders under the 2006 Credit Facility would constitute a default under the 2006 Credit Facility. Therefore, on March 26, 2008, the Company and the lenders under the 2006 Credit Facility Agreement entered into a Third Amendment (the Third Amendment) to the 2006 Credit Facility which, among other things: (1) extended the deadlines by which the Company must file the 2007 Form 10-K and Form 10-Q for the quarter ended March 31, 2008 and provide certain annual and quarterly financial statements to the lenders; (2) waived any other defaults arising from these filing delays; and (3) modified the covenant related to operating leases. On June 27, 2008, the Company and the lenders under the 2006 Credit Facility entered into a Fourth Amendment (the Fourth Amendment) to the 2006 Credit Facility (as amended by the Third Amendment and the Fourth Amendment, the Amended 2006 Credit Facility) which extended the deadlines by which the Company must file the 2007 Form 10-K and the Form 10-Q for the period ended March 31, 2008 to August 15, 2008, and the Form 10-Q for the period ended June 30, 2008 to August 29, 2008.

On March 27, 2009, as a result of the purchase agreement between the Company and ICF regarding the sale of Macro as described in Note 4 of the Notes to the Consolidated Financial Statements, the Company and the lenders to the 2006 Credit Facility entered into a Fifth Amendment (the Fifth Amendment) to the 2006 Credit Facility, which, among other things: (1) consented to the sale of Macro to ICF; and (2) governed the application of proceeds from the sale of Macro. The Fifth Amendment did not change the terms of the Credit Agreement. The Fifth Amendment became effective contemporaneously with the closing of the Macro transaction on March 31, 2009.

Table of Contents

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On December 31, 2009, the Company and the lenders to the 2006 Credit Facility entered into a Sixth Amendment, which modified the determination of the Company s consolidated net worth covenant calculation by excluding, in certain circumstances, non-cash impairment charges related to goodwill, intangible assets and / or long-lived assets.

We are subject to and are in compliance with the non-financial and financial covenants in the 2006 Credit Facility, which includes a minimum consolidated fixed charge coverage ratio, maximum consolidated total leverage ratio and minimum consolidated net worth. The fixed charge coverage ratio and leverage ratio financial covenants are based on earnings before interest expense, income taxes, depreciation and amortization (EBITDA), with adjustments to EBITDA for certain agreed upon items. The specified adjustments to EBITDA (Adjusted EBITDA) exclude the following from the calculation of EBITDA as defined above: non-cash charges comprising of impairment of assets, cumulative effects of changes in accounting principles, or any non-cash stock compensation and other extraordinary and non-recurring items (such as SEC investigation charges, shareholder and other litigation expenses, and restructuring charges).

The Amended 2006 Credit Facility has certain restrictions on our ability to declare dividends and provides that the Company may pay cash dividends on its common stock or repurchase shares of its common stock provided that (1) before and after giving effect to such dividend or repurchase, no event of default exists or would exist under the credit agreement, (2) before and after giving effect to such dividend or repurchase, the Company s consolidated total leverage ratio is not more than 2.75 to 1.0, and (3) the aggregate amount of all cash dividends and stock repurchases during any loan year does not exceed $20 million, except that there is no cap on the amount of cash dividends or stock repurchases so long as, after giving effect to the dividend or repurchase, our consolidated total leverage ratio is not more than 2.00 to 1.0. On January 30, 2009, the Board of Directors voted to eliminate the dividend that is historically paid at the beginning of our fiscal year.

During 2009, 2008, and 2007, the Company incurred costs of $1.1 million, $1.3 million, and $1.2 million, respectively, related to its financing transactions.

11. Derivative Instruments and Hedging Activities

The Company has not entered into any derivative or hedging activities during 2009 or 2008.

In February 2007, the Company entered into a treasury lock agreement with a total notional amount of $43.5 million related to the above mentioned ten-year fixed rate debt issuance that was closed May 23, 2007. The treasury lock agreement has been designated as a cash flow hedge as it hedges the fluctuations in Treasury rates between the execution date of the treasury lock and the issuance of the fixed rate debt.

Coincident with closing the mortgage transactions described above, the Company unwound the treasury lock agreement that it entered into previously to hedge fluctuations in treasury rates between the execution date of the treasury lock and the issuance of the mortgage debt described above. As a result of treasury rate movement, the Company received cash proceeds of $0.7 million in settlement of the treasury lock. Substantially all of this amount is being deferred and amortized over the ten-year term of the mortgages as a reduction to interest expense. An ineffective portion of $38,415 was recorded to reduce interest expense on the settlement date since the actual principal balance of the mortgage loans was $41.1 million versus the notional amount of $43.5 million under the treasury lock.

The Company accounts for derivatives and hedging activities as either assets or liabilities in the balance sheet at their respective fair values. For derivatives designated as hedges, changes in the fair value are either offset against the change in fair value of the assets and liabilities through earnings, or recognized in accumulated other comprehensive income until the hedged item is recognized in earnings. As of December 31, 2009 and 2008, $0.3 million and $0.4 million, respectively, of deferred gains (net of income taxes) on derivative instruments were included in accumulated other comprehensive income.

***info*GROUP INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company only enters into derivative contracts that it intends to designate as a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability (cash-flow hedge). For all hedging relationships, the Company formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument s effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness. The Company also formally assesses, both at the hedge s inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in accumulated other comprehensive income to the extent that the derivative is effective as a hedge, until earnings are affected by the variability in cash flows of the designated hedged item. The ineffective portion of the change in fair value of a derivative instrument that qualifies as a cash-flow hedge is reported in earnings.

12. Share-Based Payment Arrangements

Share-based payment programs include both the issuance of stock options, and the issuance of restricted stock units (RSU). Stock options and RSUs have been granted to employees under the 1997 Stock Option Plan, which was replaced with the 2007 Omnibus Incentive Plan that shareholders of the Company approved in June 2007 and later amended and restated in October 2008 to clarify the number of shares of the Company s common stock available to be granted pursuant to the 2007 Omnibus Incentive Plan.

The Company has granted 50,000 options and 1,034,998 RSUs specifically under the 2007 Omnibus Incentive Plan as of December 31, 2009. The options, which were issued in June 2008, have an exercise price of $6.00 (which was 118% of the fair market price), vest over a four-year period at 25% per year, and expire in June 2018, ten years from the grant date. Historically, the Company has issued stock option grants that either: 1) vest over an eight-year period, expire ten years from date of grant and are granted at 125% of the stock s fair market value on the date of grant, or 2) that expire five years from the date of grant, vest over a four-year period at 25% per year and are granted at 100% of the stock s fair market value on the date of grant. RSUs granted to members of the Board of Directors vest on a pro-rata basis, 100% vested one year from the date of issuance, and RSUs granted to employees primarily vest in four equal annual installments beginning one year from the date of issuance.

The Company applies the Black-Scholes valuation model in determining the fair value of stock option grants to employees and directors, which is then recognized as expense over the requisite service period. RSU expense is based on the fair value of stock on the date of grant and is amortized over the vesting period. Compensation expense is recognized only for those options and restricted stock units expected to vest, with forfeitures estimated based on the Company s historical experience and future expectations. Stock-based employee compensation expense was $1.6 million in 2009, $0.5 million in 2008 and $0.8 million in 2007 on income before income taxes, and is included in selling, general and administrative expenses within the Consolidated Statement of Operations. Related income tax benefits recognized in earnings were $0.6 million in 2009, $0.2 million in 2008 and $0.3 million in 2007.

The fair value of stock options granted was estimated using a Black-Scholes valuation model with the following assumptions:

	Years Ended December 31,		
	2009	**2008**	**2007**
Risk-free interest rate	*	3.22%	*
Expected dividend yield	*	6.86%	*
Expected volatility	*	40.69%	*
Expected term (in years)	*	4.0	*

* Not applicable as there were no grants in 2009 or 2007.

77

*info*GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The risk-free interest rate assumptions were based on an average of the 3-year and 5-year U.S Treasury note yields at the date of grant. The expected dividend yield was based on the dividend rate of $0.35 and the Company s common stock price of $5.10 on the date of grant. The expected volatility was based on historical daily price changes of the Company s common stock since June 2004. The expected term was based on the historical exercise behavior and the weighted average of the vesting period and the contractual term.

The following table summarizes stock option plan activity for the years ended December 31, 2009, 2008 and 2007:

	Number of Options Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value at December 31, 2009 (In thousands)
Outstanding at December 31, 2006	2,313,711	$ 9.67		
Granted				
Exercised	(774,893)	8.04		
Forfeited or expired	(855,000)	9.80		
Outstanding at December 31, 2007	683,818	11.37		
Granted	50,000	6.00		
Exercised	(31,564)	5.37		
Forfeited or expired	(132,254)	7.65		
Outstanding at December 31, 2008	570,000	12.09		
Granted				
Exercised				
Forfeited or expired	(5,000)	14.58		
Outstanding at December 31, 2009	565,000	12.07	5.46	$ 101
Options exercisable at December 31, 2009	246,499	12.34	5.33	$ 25

The total intrinsic value of share options exercised was $29 thousand for the year ended December 31, 2008 and $1.1 million for the year ended December 31, 2007. As of December 31, 2009, the total unrecognized compensation cost related to nonvested stock option awards was approximately $0.4 million, which is expected to be recognized over a remaining weighted average period of 1.20 years.

***info*GROUP INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes RSU activity for the years ended December 31, 2009 and 2008:

	Number of RSUs	Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value at December 31, 2009 (In thousands)
Outstanding at December 31, 2007				
Granted	857,080	$ 4.23		
Vested/Issued				
Forfeited or expired				
Outstanding at December 31, 2008	857,080	4.23		
Granted	177,918	4.78		
Vested/Issued	(182,491)	4.16		
Forfeited or expired	(168,481)	4.67		
Outstanding at December 31, 2009	684,026	4.28	2.51	$ 5,486

As of December 31, 2009, the total unrecognized compensation cost related to nonvested RSU grants was approximately $2.4 million, which is expected to be recognized over a remaining weighted average period of 1.52 years.

As of December 31, 2009, 3.6 million shares were available for additional option grants and RSU grants. Through February 26, 2010, 37,500 options and 42,250 RSUs were forfeited.

13. Savings Plan

Employees who meet certain eligibility requirements can participate in the Company s 401(k) savings and investment plans. Under the plans, the Company may, at its discretion, match a percentage of the employee contributions. The Company recorded expenses for matching contributions totaling $3.0 million, $3.2 million, and $3.3 million in the years ended December 31, 2009, 2008 and 2007, respectively.

Under all plans, excluding the Marketing Research plans, the Company can make matching contributions to a plan by using Company common stock. Contribution expense is measured as the fair value of the Company s common stock on the date of the grant. During 2009, the Company contributed 543,344 shares with a value of $2.6 million. During 2008, the Company contributed 481,798 shares with a value of $2.7 million. During 2007, the Company contributed 270,461 shares with a value of $2.8 million.

The Opinion Research plan is a defined contribution pension plan. $0.3 million, $0.4 million, and $0.4 million was contributed to the Opinion Research plan in 2009, 2008 and 2007, respectively. The Guideline plan is a defined contribution pension plan. $0.1 million, $0.1 million, and $0.1 million was contributed to the Guideline plan in 2009, 2008 and 2007, respectively.

14. Related Party Transactions

The Company paid $24 thousand for rent and $6 thousand for association dues during 2008 for a condominium owned by Jess Gupta, and used by the Company. The Company paid $48 thousand for rent, and $11 thousand for association dues, during 2007 for this condominium. Jess Gupta is the son of Vinod Gupta, the Company s former Chief Executive Officer. The Company s use of this condominium was discontinued in August 2008.

During 2009, 2008 and 2007, Everest Inc. (f/k/a Vinod Gupta & Company, f/k/a Annapurna Corporation) and Everest Investment Management LLC rented office space in a building owned by the Company. Everest Inc. and Everest Investment Management LLC are owned by Mr. Gupta and his three sons. The reimbursements received by

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

the Company from Everest Inc. and Everest Investment Management LLC totaled $6 thousand, $19 thousand and $21 thousand during 2009, 2008, and 2007, respectively. This office space arrangement was terminated in early 2009. Additionally, the Company received reimbursements for use of office space from PK Ware, Inc., an entity of which George Haddix, who was a director of the Company at that time, is a majority shareholder. Reimbursements received from Dr. Haddix were $6 thousand and $9 thousand during 2008 and 2007, respectively. The Company received $3 thousand for reimbursements for use of office space from John Staples, III, who is a director of the Company, during 2008. The use of Company office space between the Company and each of Dr. Haddix and Mr. Staples was terminated in September 2008.

The Company received reimbursements from Everest Inc. for shared personnel services of $19 thousand during 2008. These shared services were terminated in August 2008. Additionally, the Company received other miscellaneous expense reimbursements from Everest Inc. of $2 thousand and $14 thousand during 2009 and 2008, respectively.

The Company paid $8 thousand to Vinod Gupta Charitable Foundation during 2007 for reimbursement of expenses of an individual s travel to a Company event. Vinod Gupta Charitable Foundation is 100% owned by Mr. Gupta.

The Company paid $2.2 million, $3.0 million, and $2.1 million to Quest Ventures during 2009, 2008, and 2007. Our former CEO was a Board Member of Quest Ventures until March 2008.

15. Supplemental Cash Flow Information

The Company made certain acquisitions during 2008 and 2007 (See Note 3) and assumed liabilities as follows:

	2009	2008	2007
		(In thousands)	
Fair value of assets acquired	$	$ 51,567	$ 83,128
Cash paid		(19,065)	(57,066)
Liabilities assumed	$	$ 32,502	$ 26,062

16. Fair Value of Financial Instruments

The Company adopted *Fair Value Measurements* as of January 1, 2008. This guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

As of December 31, 2009, the Company held available-for-sale securities which are required to be measured at fair value on a recurring basis. These assets, presented as marketable securities on the Company s Consolidated Balance Sheet are measured using quoted prices in active markets (Level 1 inputs). The carrying amount of cash and cash equivalents approximates fair value because of the short maturity of these investments. There were impairment charges related to marketable securities of $0.6 million for the year ended December 31, 2009.

The Company also measures the fair value of certain assets on a non-recurring basis, generally quarterly, annually, or when events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. These assets include certain noncurrent investments, fixed assets, goodwill, and other intangible assets. The noncurrent investments are included in other assets on the Company s Consolidated Balance Sheets and are comprised of equity investments in non-marketable securities.

Assets measured at fair value on a non-recurring basis on which impairment or other charges to earnings were recorded for the year ended December 31, 2009 were as follows (this is not including assets which were written-off

80

***info*GROUP INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

due to providing no future economic benefit to the Company as disclosed in Notes 7 and 9 of the Notes to the Consolidated Financial Statements):

	Fair Value Measurements at December 31, 2009 Using				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3) (In thousands)	Total	Loss Recognized During Year Ended December 31, 2009
Assets held for sale	$	$ 1,457	$	$ 1,457	$ (547)
Property and equipment			212	212	(739)
Intangible assets					(1,192)
Total	$	$ 1,457	$ 212	$ 1,669	$ (2,478)

The following methods and assumptions were used to estimate the fair value of each class of nonfinancial assets in the table above, none of which are deemed to be difficult to value:

Assets held for sale. The Company valued these assets under the market approach of fair value measurement where the Company obtains information on comparable market transactions for similar assets during the relevant time period.

Property and equipment and intangible assets. The Company valued these assets within the Data Group under the market approach of fair value measurement which was based in part on a proposed purchase transaction of expresscopy.com negotiated with a market participant as of June 30, 2009 and an estimated fair value of certain long-lived tangible assets. The unobservable inputs include estimations made by the Company on future revenue and royalty payments, considered as contingent consideration in relation to the proposed transaction, based on historical and projected financial information.

See Note 8 of the Notes to the Consolidated Financial Statements for details related to the assets held for sale impairment. The impairment recorded during the year ended December 31, 2009 within assets held for sale were $0.4 million for the fractional interests in aircraft and $0.2 million for the time-share. The impairments within the property and equipment and intangible assets lines in the table above relate to an expresscopy.com impairment of $1.9 taken during the year ended December 31, 2009. See Notes 7 and 9 of the Notes to the Consolidated Financial Statements for further details related to other impaired assets which were written-off during the year ended December 31, 2009 as they are no longer providing any future economic benefit to the Company.

The following table presents the carrying amounts and estimated fair values of the Company s financial instruments at December 31, 2009 and 2008. The fair value of a financial instrument is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties.

The carrying amounts shown in the following table are included in the Consolidated Balance Sheets under the indicated captions.

	December 31, 2009		December 31, 2008	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(Amounts in thousands)			
Financial assets:				
Cash and cash equivalents	$ 5,784	$ 5,784	$ 4,691	$ 4,691
Marketable securities	1,773	1,773	992	992
Other assets non-marketable investment securities	60	60	174	174
Financial liabilities:				
Long-term debt, including current portion	$ 181,702	$ 185,941	$ 300,644	$ 309,248

81

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following methods and assumptions were used to estimate the fair value of each class of financial instruments, none of which are deemed to be difficult to value:

Cash and cash equivalents. The carrying amounts approximate fair value, which were determined to be Level 1 inputs, due to the short maturity of those instruments.

Marketable securities. The fair values of equity investments are Level 1 inputs as the values are based on quoted market prices at the reporting date for those or similar investments. Our marketable securities consist of two equity securities that are publicly traded securities.

Other assets, including non-marketable investment securities. Investments in companies not traded on organized exchanges are valued on the basis of comparisons with similar companies whose shares are publicly traded. Values for companies not publicly traded on organized exchanges may also be based on analysis and review of valuations performed by others independent of the Company. These assets are Level 2 inputs.

Long-term debt. All debt obligations are valued at the discounted amount of future cash flows. The fair value of our long-term debt is based on quoted market prices at the reporting date or is estimated by discounting the future cash flows of each instrument at market Treasury rates for similar debt instruments of comparable maturities.

17. Commitments and Contingencies

Under the terms of our capital lease agreements, the Company is required to pay ownership costs, including taxes, licenses and maintenance. The Company also leases office space under operating leases expiring at various dates through 2018. Certain of these leases contain renewal options. Rent expense on operating lease agreements was $10.4 million, $13.6 million, and $9.0 million in the years ended December 31, 2009, 2008 and 2007, respectively. The decrease in rent expense since 2008 is due to the closing of office locations for cost savings measures. The balance of deferred rent liabilities as of December 31, 2009 and December 31, 2008 was $1.7 million and $2.5 million, respectively.

Following is a schedule of the future minimum lease payments as of December 31, 2009:

	Capital	Operating
	(In thousands)	
2010	$ 1,029	$ 9,857
2011	512	8,623
2012	116	7,406
2013	21	5,113
2014		1,552
Thereafter		2,388
Total future minimum lease payments	$ 1,678	$ 34,939

Less amounts representing interest	(101)
Present value of net minimum lease payments	$ 1,577

Future minimum lease payments under operating leases above include accruals for vacated office space as of December 31, 2009 of $3.7 million.

In February 2006, Cardinal Value Equity Partners, L.P. (Cardinal) filed a derivative lawsuit in the Court of Chancery for the State of Delaware in and for New Castle County (the Court), against certain current and former directors of the Company, and the Company, asserting claims for breach of fiduciary duty. In October 2006, Dolphin Limited Partnership I, L.P., Dolphin Financial Partners, L.L.C. and Robert Bartow (collectively with Cardinal, the Plaintiffs) filed a derivative lawsuit in the Court against certain current and former directors of the Company, and

82

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

the Company as a nominal defendant, claiming breach of fiduciary duty and misuse of corporate assets. In January 2007, the Court granted the defendants motion to consolidate the actions (as consolidated, the Derivative Litigation).

In November 2007, the Company received a request from the Denver Regional Office of the Securities and Exchange Commission (SEC) asking the Company to produce voluntarily certain documents as part of an SEC investigation. The requested documents relate to the allegations made in the Derivative Litigation, as well as related party transactions, expense reimbursement, other corporate expenditures, and certain trading in the Company s securities. The SEC subsequently issued subpoenas to the Company and a number of its current and former directors and officers. The Company cooperated fully with the SEC s requests and the Special Litigation Committee, the formation and activities of which are described in more detail below, reported the results of its investigation to the SEC.

On October 20, 2009, the Company announced it had reached an agreement in principle to resolve the SEC s investigation. The SEC Commissioners must still approve the agreement, which was reached with the Denver Regional Office of the SEC, and thus the terms are not final. Under the proposed agreement, the Company would not admit or deny liability. The Company would agree to entry of a cease and desist order that it not violate Sections 13(a), 13(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. The proposed agreement does not require the payment of any financial penalty by the Company.

In December 2007, the Company s Board of Directors formed a Special Litigation Committee (the SLC) in response to the Derivative Litigation and the SEC s investigation. The SLC, which consisted of five independent Board members, conducted an investigation of the issues in the Derivative Litigation and the SEC s informal investigation, as well as other related matters. Based on its review, the SLC determined, on July 16, 2008, that various related party transactions, expense reimbursements and corporate expenditures were excessive and, in response, approved a series of remedial actions. The remedial actions are set forth in Item 9A, Controls and Procedures in the Company s Annual Report on Form 10-K/A for the year ended December 31, 2007, which was filed on March 16, 2009.

The SLC conducted settlement discussions on behalf of the Company with all relevant parties, including the current and former directors of the Company named in the suit, Vinod Gupta and the Plaintiffs. On August 20, 2008, all relevant parties entered into a Stipulation of Settlement, the material terms of which are set forth in the Company s Current Report on Form 8-K/A filed on August 22, 2008. On November 7, 2008, the Court entered an Order and Final Judgment approving all the terms of the Stipulation of Settlement and dismissing the Derivative Litigation with prejudice. The Court s order also awarded Plaintiffs counsel fees of $7 million and expenses in the amount of $210,710, all paid by the Company in December 2008.

A number of remedial measures were adopted and implemented in conjunction with the Stipulation of Settlement. Also, pursuant to the terms of the Stipulation of Settlement, Vinod Gupta resigned as Chief Executive Officer of the Company on August 20, 2008. Mr. Gupta and the Company entered into a Separation Agreement and General Release dated August 20, 2008 (the Separation Agreement), under which Mr. Gupta granted a release of certain claims against the Company related to the Derivative Litigation and the SLC s investigation and received the right to severance payments totaling $10.0 million (contingent on Mr. Gupta adhering to certain requirements in the Separation Agreement and Stipulation of Settlement). The Company also granted a release of certain claims against Mr. Gupta related to the Derivative Litigation and the SLC s investigation. The first severance payment in the amount of

$5.0 million, which was due within sixty days of execution of the Separation Agreement, was paid by the Company to Mr. Gupta on October 17, 2008. The remaining severance payment of $5.0 million was paid by the Company when due on October 30, 2009, the day after the Company s 2009 Annual Meeting of Stockholders.

Table of Contents

*info*GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Pursuant to the Stipulation of Settlement, Mr. Gupta has agreed to pay the Company $9.0 million incrementally over four years. This receivable was recorded within equity as a note receivable from shareholder on the Consolidated Balance Sheet. The corresponding contribution was reduced by $2.5 million for federal and state income taxes and was recorded within paid-in capital on the Consolidated Balance Sheet. Mr. Gupta paid the Company $2.2 million on January 6, 2009 and $2.2 million on January 8, 2010. Payments are due from Mr. Gupta as follows; $2.2 million in January 2011, $1.2 million in January 2012 and $1.2 million in January 2013.

The Company has paid legal expenses associated with the SEC investigation for current director Vinod Gupta, former director Elliot Kaplan and other former executive officers and directors. During the year ended December 31, 2009, the Company paid approximately $4.5 million of these expenses for Vinod Gupta and approximately $0.1 million for Elliot Kaplan. These payments were made as advances to the directors for legal expenses and were in accordance with the Company s Bylaws and Delaware law. The payments on behalf of Elliot Kaplan were made to his law firm, Robins, Kaplan, Miller & Ciresi L.L.P. As announced in our Form 8-K filed on July 1, 2009, Elliot Kaplan resigned as a director of the Company effective June 30, 2009, in accordance with the terms of the Stipulation of Settlement, the material terms of which are set forth in the Company s Current Report on Form 8-K/A filed on August 22, 2008. The Company incurred approximately $6.8 million in 2009 for advancement of legal fees for current and former employees, officers and directors, including Mr. Gupta and Elliot Kaplan as noted above.

The Company is subject to legal claims and assertions in the ordinary course of business. Although the outcomes of any other lawsuits and claims are uncertain, the Company does not believe that, individually or in the aggregate, any such lawsuits or claims will have a material effect on its business, financial condition and results of operations or liquidity.

18. Restructuring Charges

The Company recorded restructuring charges during 2009, 2008, and 2007 of $14.1 million, $18.5 million, and $10.0 million, respectively, which are included within selling, general and administrative expenses on the Consolidated Statements of Operations. 2009 restructuring charges included workforce reduction charges for involuntary employee separation costs for approximately 336 employees for $8.2 million. Included within the 2009 severance amount is approximately $4.5 million for severance related to executives. Additionally, during 2009 the Company recorded $5.9 million in facility closure costs which is due to costs incurred with completely vacating 18 offices and partially vacating other offices during 2009 as a result of our strategic consolidation initiatives. The workforce reduction charges included involuntary employee separation costs during 2008 for 250 employees and during 2007 for 325 employees. Severance recorded in 2008 of $10.0 million for the former CEO per the Separation Agreement as discussed in Note 17 to the Consolidated Financial Statements is not included in the table below.

Table of Contents

***info*GROUP INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes activity related to the restructuring charges recorded by the Company for the years ended December 31, 2007, 2008 and 2009, including both the restructuring accrual balances and those costs expensed and paid within the same period:

	December 31, 2006 Beginning Accrual	Amounts Expensed	Amounts From Acquisitions (In thousands)	Amounts Paid	December 31, 2007 Ending Accrual
Data Group:					
Other associated costs	$	$ 3,073	$	$ (3,047)	$ 26
Employee separation costs	$ 831	$ 4,592	$ 5	$ (3,234)	$ 2,194
Contract termination costs	$	$ 685	$	$ (685)	$
Services Group:					
Employee separation costs	$ 432	$ 1,378	$	$ (1,305)	$ 505
Research Group:					
Employee separation costs	$	$	$ 1,797	$ (1,231)	$ 566
Contract termination costs	$	$	$ 3,370	$ (782)	$ 2,588
Corporate Activities:					
Employee separation costs	$ 30	$ 321	$	$ (173)	$ 178
Total:					
Other associated costs	$	$ 3,073	$	$ (3,047)	$ 26
Employee separation costs	$ 1,293	$ 6,291	$ 1,802	$ (5.943)	$ 3,443
Contract termination costs	$	$ 685	$ 3,370	$ (1,467)	$ 2,588

Table of Contents

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31, 2007 Beginning Accrual	Amounts Expensed	Amounts From Acquisitions (In thousands)	Amounts Paid	December 31, 2008 Ending Accrual
Data Group:					
Other associated costs	$ 26	$	$	$ (26)	$
Employee separation costs	$ 2,194	$ 1,217	$	$ (2,936)	$ 475
Contract termination costs	$	$ 301	$	$ (158)	$ 143
Services Group:					
Employee separation costs	$ 505	$ 2,330	$	$ (1,004)	$ 1,831
Contract termination costs	$	$ 1,335	$	$ (1,335)	$
Research Group:					
Employee separation costs	$ 566	$ 1,777	$	$ (1,538)	$ 805
Contract termination costs	$ 2,588	$	$ (1,524)	$ (1,064)	$
Corporate Activities:					
Employee separation costs	$ 178	$ 1,010	$	$ (485)	$ 703
Contract termination costs	$	$ 355	$	$ (59)	$ 296
Total:					
Other associated costs	$ 26	$	$	$ (26)	$
Employee separation costs	$ 3,443	$ 6,334	$	$ (5,963)	$ 3,814
Contract termination costs	$ 2,588	$ 1,991	$ (1,524)	$ (2.616)	$ 439

Table of Contents

***info*GROUP INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	December 31, 2008 Beginning Accrual	Amounts Expensed	Amounts From Acquisitions (In thousands)	Amounts Paid	December 31, 2009 Ending Accrual
Data Group:					
Employee separation costs	$ 475	$ 4,592	$	$ (3,569)	$ 1,498
Contract termination costs	$ 143	$ 1,721	$	$ (1,219)	$ 645
Services Group:					
Employee separation costs	$ 1,831	$ 1,126	$	$ (2,137)	$ 820
Contract termination costs	$	$ 1,524	$	$ (429)	$ 1,095
Research Group:					
Employee separation costs	$ 805	$ 1,007	$	$ (1,350)	$ 462
Contract termination costs	$	$ 2,657	$	$ (714)	$ 1,943
Corporate Activities:					
Employee separation costs	$ 703	$ 1,468	$	$ (1,436)	$ 735
Contract termination costs	$ 296	$ 9	$	$ (305)	$
Total:					
Employee separation costs	$ 3,814	$ 8,193	$	$ (8,492)	$ 3,515
Contract termination costs	$ 439	$ 5,911	$	$ (2,667)	$ 3,683

19. Income Taxes

For financial reporting purposes, income (loss) from continuing operations before income taxes includes the following components:

	For the Years Ended		
	December 31, 2009	December 31, 2008 (In thousands)	December 31, 2007

Domestic	$ 11,488	$ (296)	$ 51,312
Foreign	(668)	(726)	6,471
Total	$ 10,820	$ (1,022)	$ 57,783

Table of Contents

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The components of the provision for income taxes were as follows:

	For the Years Ended December 31, 2009	December 31, 2008	December 31, 2007
		(In thousands)	
Current:			
Federal	$ 4,400	$ 292	$ 15,828
Foreign	935	2,027	2,379
State	664	(23)	3,813
	5,999	2,296	22,020
Deferred:			
Federal	2,454	(1,490)	484
Foreign	(229)	(354)	323
State	805	(40)	(533)
	3,030	(1,884)	274
	$ 9,029	$ 412	$ 22,294

The items accounting for the difference between income taxes from continuing operations computed at the statutory rate and the provision for income taxes were as follows:

	For the Years Ended December 31, 2009	December 31, 2008	December 31, 2007
		(In thousands)	
Computed U.S. Federal income taxes at 35%	$ 3,787	$ (358)	$ 20,224
State taxes, net of Federal benefit	955	(41)	2,132
Foreign income	69	1,201	1,518
Foreign tax credit	(106)	(1,138)	(1,404)
Acquisition adjustment		353	
Goodwill impairment	2,994		
Non-deductible compensation	562	499	
Other	768	(104)	(176)
	$ 9,029	$ 412	$ 22,294

*info*GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The components of the deferred tax assets (liabilities) were as follows:

	December 31, 2009	December 31, 2008
	(In thousands)	
Deferred tax assets:		
Unrealized losses	$ 3,067	$ 2,569
Pension plan obligation	585	572
Accounts receivable	1,020	1,201
Accrued compensation	4,536	7,674
Professional fees	827	1,678
Depreciation	6,209	3,198
Net operating losses and credit carryforwards	8,118	8,761
	24,362	25,653
Less: valuation allowance	(3,606)	(3,000)
	20,756	22,653
Deferred tax liabilities:		
Unrealized gains	(691)	(378)
Intangible assets	(21,551)	(23,355)
Deferred marketing costs	(288)	(356)
Prepaid expense and other	(2,816)	(2,227)
	(25,346)	(26,316)
Deferred tax liabilities, net	$ (4,590)	$ (3,663)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, carryback opportunities, and tax planning strategies in making this assessment.

The Company has U.S. Federal net operating loss carryforwards (NOLs) for income tax purposes totaling $2.1 million at December 31, 2009, that expire between 2018 and 2028. The utilization of some of these NOLs is limited pursuant to Section 382 of the Internal Revenue Code as a result of prior ownership changes.

The Company has U.S. foreign tax credit carry forwards totaling $1.3 million at December 31, 2009, that expire between 2016 and 2019.

The Company has state NOLs, net of federal benefit, of $3.9 million as of December 31, 2009 that expire between 2010 and 2023. A valuation allowance has been provided as of December 31, 2009 for $3.6 million as management believes these carryforwards are more likely than not to expire unused due to some subsidiaries with historical or projected losses. The valuation allowance increased by $0.6 million in 2009, primarily due to changes in state apportionment and state tax rates.

The Company has not provided U.S. deferred income taxes on cumulative earnings of foreign subsidiaries that have been reinvested indefinitely. Deferred income taxes are provided for earnings of foreign subsidiaries when the Company determines that such earnings are no longer indefinitely reinvested.

_info_GROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A reconciliation of the beginning and ending amount of unrecognized tax benefit liability is as follows:

	For the Years		
	2009	2008	2007
	(In thousands)		
Liability as of January 1	$ 1,827	$ 2,688	$ 7,452
Changes for current year tax positions	4,073	1,515	(73)
Reductions for tax positions of prior years	(81)	(1,578)	(4,519)
Reductions for settlements with tax authorities	(1,028)	(187)	
Reductions for lapse of statute of limitations		(611)	(172)
Liability as of December 31	$ 4,791	$ 1,827	$ 2,688

The Company s policy is to recognize potential interest and penalties related to unrecognized tax benefits in income tax expense. During the years ended December 31, 2009, 2008, and 2007, the Company recognized approximately $0.6 million, $0.4 million, and $0.3 million, respectively, in interest and penalties. The Company had approximately $0.8 million and $0.3 million accrued as of December 31, 2009 and 2008, respectively, for the payment of interest and penalties.

Substantially all of the unrecognized tax benefits at December 31, 2009 and 2008 would impact the Company s effective tax rate. Recognition of these tax benefits would have a favorable impact on the Company s effective tax rate.

The Company conducts business and files income tax returns in numerous countries, states, and local jurisdictions. The Internal Revenue Service (IRS) commenced an examination of the Company s U.S. income tax returns for 2005 through 2007 in the first quarter of 2009 that is anticipated to be completed in 2011. In early 2010, the IRS indicated that it will also audit the Company s 2008 U.S. income tax return. As of December 31, 2009, the IRS has not proposed any adjustments to the Company s income tax positions. We do not anticipate a substantial change in the balance of unrecognized tax benefits in the next twelve months.

20. Segment Information

The Company reports results in three operating segments: the Data Group, the Services Group and the Marketing Research Group. The Company reports administrative functions in Corporate Activities. These segments have been determined based on the information provided to the Company s chief operating decision-maker for purposes of making decisions about allocating resources and assessing performance. Revenues generated between segments are not material.

The Data Group provides our proprietary databases and database marketing solutions, and principally engages in the selling of sales lead generation products to small- to medium-sized companies, small office and home office businesses and individual consumers. Customers purchase our information as custom lists or on a subscription basis primarily through the Internet. The Data Group includes the compilation and verification costs of our proprietary databases, and corporate technology.

The Services Group consists of subsidiaries providing customer data management, list brokerage and list management services, e-mail marketing services, and catalog marketing services.

The Marketing Research Group provides customer surveys, opinion polling, and other market research services for businesses.

The Data Group, Services Group and Marketing Research Group reflect actual net sales, order production costs, identifiable direct sales and marketing costs, and depreciation and amortization expense. The remaining indirect costs are presented in Corporate Activities.

Corporate Activities includes administrative functions of the Company and other income (expense), including interest expense, investment income and other identified gains (losses) which are not identifiable to the operations of the Company s operating segments.

infoGROUP INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Goodwill for the Marketing Research Group decreased from $52.1 million in 2008 to $20.8 million in 2009 due the divestiture of Macro by $23.6 million and due to a non-cash impairment charge of $7.7 million recorded in 2009, based on the annual goodwill impairment test. The goodwill balances reflected within these financial statements prior to December 31, 2009 exclude goodwill assigned to Macro of approximately $40.8 million. In conjunction with the sale of Macro, the Company performed a valuation and determined that an additional $23.6 million of goodwill should be assigned to Macro. Thus, the total amount of goodwill assigned to Macro upon divestiture is approximately $64.4 million.

The following table summarizes segment information, which excludes total assets as we do not prepare separate balance sheets by segment and, as a result, assets are not separately identifiable by segment:

	For the Year Ended December 31, 2009				
	Data Group	Services Group	Marketing Research Group	Corporate Activities	Consolidated Total
	(In thousands)				
Net sales	$ 255,836	$ 146,191	$ 97,886	$	$ 499,913
Operating income (loss)	52,346	29,028	(8,440)	(51,869)	21,065
Investment income				229	229
Interest expense				(9,453)	(9,453)
Other income (expense)	380			(1,401)	(1,021)
Income (loss) before income taxes	52,726	29,028	(8,440)	(62,494)	10,820
Goodwill	224,536	100,974	20,755		346,265

	For the Year Ended December 31, 2008				
	Data Group	Services Group	Marketing Research Group	Corporate Activities	Consolidated Total
	(In thousands)				
Net sales	$ 309,477	$ 163,308	$ 115,901	$	$ 588,686
Operating income (loss)	65,248	29,594	4,479	(82,365)	16,956
Investment income				1,660	1,660
Interest expense				(18,141)	(18,141)
Other expense				(1,497)	(1,497)
Income (loss) before income taxes	65,248	29,594	4,479	(100,343)	(1,022)
Goodwill	224,750	100,894	52,064		377,708

For the Year Ended December 31, 2007

	Data Group	Services Group	Marketing Research Group (In thousands)	Corporate Activities	Consolidated Total
Net sales	$ 330,488	$ 136,783	$ 77,432	$	$ 544,703
Operating income (loss)	88,395	33,363	1,702	(45,855)	77,605
Investment income				617	617
Interest expense				(20,976)	(20,976)
Other income				537	537
Income (loss) before income taxes	88,395	33,363	1,702	(65,677)	57,783
Goodwill	226,264	93,779	54,264		374,307

Table of Contents

***info*GROUP INC. AND SUBSIDIARIES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes our net sales by geographic region:

	For the Years Ended December 31, 2009	December 31, 2008 (In thousands)	December 31, 2007
Domestic	$ 434,868	$ 512,899	$ 478,223
Foreign	65,045	75,787	66,480
Total	$ 499,913	$ 588,686	$ 544,703
Percentage of foreign net sales to total net sales	13%	13%	12%

21. Preferred Stock Rights Agreement

Each share of common stock carries with it one preferred stock purchase right (Right). The Right becomes exercisable ten days after a person (other than the Company, any subsidiary of the Company, Company employee stock plans, and subject to certain conditions, persons owning 15% or more of the Common Stock on May 4, 2009) acquires (Acquiring Person) or commences a tender offer for 15% or more of the Company s common stock. Each Right entitles the holder to purchase one one-thousandth of a share of a new series of preferred stock at an exercise price of $18.00, subject to adjustment. The Right expires on May 20, 2019 and may be redeemed at the option of the Company at $.001 per Right, subject to adjustment. Under certain circumstances, if (i) any person becomes an Acquiring Person or (ii) the Company is acquired in a merger or other business combination, each holder of a Right (other than the Acquiring Person) will have the right to receive, upon exercise of the Right, shares of common stock (of the Company under (i), and of the acquiring company under (ii)) having a value of twice the exercise price of the Right.

22. Subsequent Events

We have evaluated events that have occurred subsequent to December 31, 2009 and did not identify any subsequent events requiring disclosure, except for those matters disclosed elsewhere in the Notes to Consolidated Financial Statements.

Table of Contents

_info_GROUP INC. AND SUBSIDIARIES

SCHEDULE II
VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Additions: Charged to Costs and Expenses	Additions: Charged to Other Accounts*	Deductions	Balance at End of Period
			(In thousands)		
Allowance for doubtful accounts receivable:				(A)	
December 31, 2007	$ 878	$ 4,275	$ 34	$ 2,873	$ 2,314
December 31, 2008	$ 2,314	$ 2,599	$ 352	$ 2,594	$ 2,671
December 31, 2009	$ 2,671	$ 4,258	$	$ 4,872	$ 2,057
Allowance for sales returns:				(B)	
December 31, 2007	$ 368	$ 289	$	$	$ 657
December 31, 2008	$ 657	$ (109)	$	$	$ 548
December 31, 2009	$ 548	$ (29)	$	$	$ 519

* Recorded as a result of acquisitions

(A) Charge-offs during the period indicated

(B) Returns processed during the period indicated

See accompanying Report of Independent Registered Public Accounting Firm.

Table of Contents

EXHIBIT INDEX

Exhibit No.	Description
3.1	Certificate of Incorporation, as amended through October 22, 1999, incorporated herein by reference to exhibits filed with our Registration Statement on Form 8-A, as amended, filed March 20, 2000
3.2	Amended and Restated Certificate of Designation of Participating Preferred Stock, filed in Delaware on May 5, 2009, incorporated herein by reference to exhibits filed with our Registration Statement on Form 8-A, as amended, filed May 6, 2009
3.3	Certificate of Ownership and Merger effecting the name change to *info*GROUP Inc., incorporated herein by reference to Exhibit 3.1 filed with our Current Report on Form 8-K, filed June 4, 2008
3.4	Amended and Restated Bylaws incorporated by reference to Exhibit 3.4 filed with our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed August 8, 2008
4.1	Preferred Share Rights Agreement, incorporated herein by reference to our Registration Statement on Form 8-A, as amended, filed May 6, 2009
4.2	Specimen of Common stock Certificate, incorporated herein by reference to the exhibits filed with our Registration Statement on Form 8-A, as amended, filed March 20, 2000
10.1	Second Amended and Restated Credit Agreement among *info*USA Inc., various Lenders named therein, LaSalle Bank National Association and Citibank F.S.B., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as administrative agent for the Lenders, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.2	Amended and Restated Security Agreement by and among *info*USA, Inc. and Affiliates and Wells Fargo Bank, National Association, as Collateral Agent, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.3	Amended and Restated Pledge Agreement by and among *info*USA, Inc. and Affiliates and Wells Fargo Bank, National Association, as Administrative Agent, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.4	Amended and Restated Subsidiaries Guaranty by subsidiaries of *info*USA, Inc. named therein, dated as of February 14, 2006, incorporated herein by reference to the exhibits filed with our Current Report on Form 8-K, filed February 21, 2006
10.5	Form of Indemnification Agreement with Officers and Directors is incorporated herein by reference to exhibits filed with our Registration Statement on Form S-1(File No. 33-51352), filed August 28, 1992
10.6	1992 Stock Option Plan as amended is incorporated herein by reference to exhibits filed with our Registration Statement on Form S-8 (File No. 333-37865), filed October 14, 1997
10.7	1997 Stock Option Plan as amended is incorporated herein by reference to exhibits filed with our Registration Statement on Form S-8 (File No. 333-82933), filed July 15,1999
10.8	Severance Agreement dated February 13, 2006, between *info*USA Inc. and Edward Mallin, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed February 17, 2006
10.9	Severance Agreement dated February 13, 2006, between *info*USA Inc. and Fred Vakili, incorporated herein by reference to Exhibit 10.3 filed with our Current Report on Form 8-K, filed February 17, 2006
10.10	Severance Agreement dated February 13, 2006, between *info*USA Inc. and Stormy L. Dean, incorporated herein by reference to Exhibit 10.4 filed with our Current Report on Form 8-K, filed February 17, 2006

10.11	Standstill Agreement dated July 21, 2006 between Vinod Gupta and *info*USA Inc, incorporated herein by reference to Exhibit 10.1 filed with the Company s Current Report on Form 8-K, filed July 25, 2006
10.12	First Amendment to Second Amended and Restated Credit Agreement, dated as of March 16, 2007, by and among *info*USA Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A. (f/k/a Citibank, F.S.B.), as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 4.1 filed with our Current Report on Form 8-K, filed March 21, 2007

Table of Contents

Exhibit No.	Description
10.13	Second Amendment to Second Amended and Restated Credit Agreement, dated as of May 16, 2007, by and among *info*USA Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A. (f/k/a Citibank, F.S.B.), as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed May 30, 2007
10.14	Deed of Trust and Security Agreement, dated as of May 23, 2007, by Ralston Building LLC to Commonwealth Land Title Insurance Company, as trustee, for the benefit of Suburban Capital Markets, Inc., incorporated herein by reference to Exhibit 10.2 filed with our Current Report on Form 8-K, filed May 30, 2007
10.15	Deed of Trust and Security Agreement, dated as of May 23, 2007, by Papillion Building LLC to Commonwealth Land Title Insurance Company, as trustee, for the benefit of Suburban Capital Markets, Inc., incorporated herein by reference to Exhibit 10.3 filed with our Current Report on Form 8-K, filed May 30, 2007
10.16	Fixed Rate Note of Ralston Building LLC to the order of Suburban Capital Markets, Inc., dated May 23, 2007, incorporated herein by reference to Exhibit 10.4 filed with our Current Report on Form 8-K, filed May 30, 2007
10.17	Fixed Rate Note of Papillion Building LLC to the order of Suburban Capital Markets, Inc., dated May 23, 2007, incorporated herein by reference to Exhibit 10.5 filed with our Current Report on Form 8-K, filed May 30, 2007
10.18	Guaranty, dated May 23, 2007, by *info*USA Inc. for the benefit of Suburban Capital Markets, Inc., with respect to Ralston Building LLC, incorporated herein by reference to Exhibit 10.6 filed with our Current Report on Form 8-K, filed May 30, 2007
10.19	Guaranty, dated May 23, 2007, by *info*USA Inc. for the benefit of Suburban Capital Markets, Inc., with respect to Papillion Building LLC, incorporated herein by reference to Exhibit 10.7 filed with our Current Report on Form 8-K, filed May 30, 2007
10.20	Net Lease, dated May 23, 2007, by and between Ralston Building LLC, as lessor, and *info*USA Inc., as lessee, incorporated herein by reference to Exhibit 10.8 filed with our Current Report on Form 8-K, filed May 30, 2007
10.21	Net Lease, dated May 23, 2007, by and between Papillion Building LLC, as lessor, and *info*USA Inc., as lessee, incorporated herein by reference to Exhibit 10.9 filed with our Current Report on Form 8-K, filed May 30, 2007
10.22	Agreement, dated July 20, 2007, between Vinod Gupta and *info*USA Inc., incorporated herein by reference to Exhibit 10.2 filed with our Current Report on Form 8-K, filed July 26, 2007
10.23	Separation and Consulting Agreement, dated October 12, 2007, between *info*USA Inc. and Monica Messer, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed October 17, 2007
10.24	Third Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated March 26, 2008, among *info*USA Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed March 28, 2008
10.25	Fourth Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated June 27, 2008, among *info*GROUP Inc., the financial institutions a party thereto in the capacity

	of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed July 3, 2008
10.26	Agreement, dated July 18, 2008, between Vinod Gupta and *info*GROUP Inc., incorporated herein by reference to Exhibit 10.3 filed with our Current Report on Form 8-K, filed July 23, 2008

Exhibit No.	Description
10.27	Employment Agreement between *info*GROUP Inc. and Thomas J. McCusker, dated December 23, 2008 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed December 31, 2008
10.28	Employment Agreement between *info*GROUP Inc. and Thomas Oberdorf, dated December 23, 2008 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K/A, filed December 31, 2008
10.29	Employment Agreement between *info*GROUP Inc. and Bill L. Fairfield, dated December 23, 2008 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed December 31, 2008
10.30	Form of Restricted Stock Unit Agreement incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed December 23, 2008
10.31	*info*GROUP Inc. Amended and Restated 2007 Omnibus Incentive Plan, incorporated herein by reference to Exhibit 10.5 filed with our Quarterly Report on Form 10-Q filed November 10, 2008
10.32	Voting Agreement, dated August 20, 2008, by and among the Company, the Special Litigation Committee and Vinod Gupta, incorporated herein by reference to Exhibit 10.2 filed with our Current Report on Form 8-K/A, filed August 22, 2008
10.33	Separation Agreement and General Release dated August 20, 2008, between Vinod Gupta and the Company, incorporated herein by reference to Exhibit 10.6 filed with our Current Report on Form 8-K/A, filed August 22, 2008
10.34	Stipulation of Settlement, dated as of August 20, 2008 by and among the Company, the Special Litigation Committee, the plaintiffs to the Derivative Litigation and the defendants to the Derivative Litigation, incorporated herein by reference to Exhibit 10.1 filed with the Company s Current Report on Form 8-K/A, filed August 22, 2008
10.35	Amendment to Employment Agreement between infoGROUP Inc. and Bill L. Fairfield, dated December 24, 2009 incorporated by reference to Exhibit 10.1 filed with our Current Report on Form 8-K filed December 30, 2009
10.36	Fifth Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated March 23, 2009, among infoGROUP Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed with our Current Report on Form 8-K, filed April 1, 2009
*10.37	Sixth Amendment to the Second Amended and Restated Credit Agreement and Waiver of Default, dated December 23, 2009, among infoGROUP Inc., the financial institutions a party thereto in the capacity of a Lender, LaSalle Bank National Association and Citibank, N.A., as syndication agents, Bank of America, N.A., as documentation agent, and Wells Fargo Bank, National Association, as sole lead arranger, sole book runner and administrative agent, incorporated herein by reference to Exhibit 10.1 filed herewith
*10.38	Executive Agreement dated January 23, 2002, between Opinion Research Corporation and Gerard Miodus, filed herewith
*21.1	Subsidiaries and Jurisdiction of Establishment, filed herewith
*23.1	Consent of Independent Registered Public Accounting Firm, filed herewith
*31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
*32.1	

	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Filed herewith

Management contracts and compensatory plans are set forth as exhibits 10.5 through 10.10, 10.23, 10.27 through 10.31, 10.35 and 10.38.