FORM S-1 · REGISTRATION STATEMENT

Greenfield Online Inc

IPO priced 2004-07-15 · $13.00 a share · SRVY



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AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON NOVEMBER 4, 2004

REGISTRATION NO. 333-

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Greenfield Online, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**8742**	**06-1440369**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification Number)*

21 RIVER ROAD

WILTON, CT 06897

(203) 834-8585

(Address, including zip code and telephone number, including area code, of Registrant's principal executive offices)

DEAN A. WILTSE

PRESIDENT AND CHIEF EXECUTIVE OFFICER

Greenfield Online, Inc.

21 RIVER ROAD

WILTON, CT 06897

(203) 834-8585

(Name, address, including zip code and telephone number, including area code, of agent for service) ***Copies to:***

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925 FOURTH AVENUE	**Greenfield Online, Inc.**	**Garrison LLP**
SEATTLE, WA 98104	**21 River Road**	**1285 Avenue of the Americas**
(206) 623-7580	**Wilton, CT 06897**	**New York, NY 10019**
	(203) 834-8585	**(212) 373-3000**

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: o If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box: o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	**Number of Shares to be Registered(1)**	**Proposed Maximum Offering Price Per Share(2)**	**Proposed Maximum Aggregate Offering Price(2)**	**Amount of Registration Fee**
Common Stock, par value $0.0001	6,900,000	$19.99	$137,931,000	$17,475.86

(1) Includes 900,000 shares of common stock that are being registered in connection with an over-allotment option granted to the underwriters.

(2)	Estimated solely for the purpose of computing the amount of the registration fee, in accordance with Rule 457(c) promulgated under the Securities Act of 1933, based on the average of the high and the low prices for the common stock reported on the Nasdaq National Market on November 1, 2004.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PAGEBREAK **The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.** Subject to Completion, dated November 4, 2004 PROSPECTUS 6,000,000 Shares Common Stock This is an offering of shares of common stock of Greenfield Online, Inc. Of the 6,000,000 shares being offered, we are selling 4,500,000 shares and the selling stockholders identified in this prospectus are selling 1,500,000 shares. We will not receive any of the proceeds from the sale of the shares by the selling stockholders. Our common stock is traded on the Nasdaq National Market under the symbol “SRVY.” On November 2, 2004, the last reported sale price of our common stock as reported on the Nasdaq National Market was $20.15 per share.

Investing in our common stock involves risks. Please read “Risk Factors” beginning on page 9.

	Per Share	Total
Public Offering Price		$ $
Underwriting Discount		$ $
Proceeds to Greenfield Online, Inc. (before expenses)		$ $
Proceeds to the selling stockholders (before expenses)		$ $

The selling stockholders have granted the underwriters a 30-day option to purchase up to an aggregate of 900,000 additional shares of common stock to cover over-allotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Lehman Brothers, on behalf of the underwriters, expects to deliver the shares on or about , 2004.

LEHMAN BROTHERS

PIPER JAFFRAY FRIEDMAN BILLINGS RAMSEY ADAMS HARKNESS PACIFIC GROWTH EQUITIES, LLC

, 2004

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are not making an offer to sell these securities in any jurisdiction where an offer or sale is not permitted. Although we may be required under certain circumstances to update this prospectus to the extent that it becomes materially deficient or misleading, you should assume that the information appearing herein is accurate as of the date appearing on the front cover of this prospectus only.

Prospectus Summary

link1 "PROSPECTUS SUMMARY"

Prospectus Summary

This summary highlights key aspects of the information contained elsewhere in this prospectus. This summary does not contain all the information you should consider before investing in our common stock. You should read this entire prospectus carefully, especially the risks of investing in our common stock discussed under "Risk Factors" beginning on page 9 and our consolidated financial statements and the notes to those consolidated financial statements beginning on page F-1, before making an investment decision.

Greenfield Online, Inc.

Overview

We are a leading independent provider of Internet survey solutions to the global marketing research industry and we derive 100% of our revenues from Internet data collection products and services. We actively manage the Greenfield Online panel, a 100% Internet-based panel of approximately 3.4 million survey takers who participate in our surveys. Our panelists represent households consisting of an estimated 8.8 million people, allowing us to compile diverse, demographically representative survey data. The Greenfield Online panel includes the OpinionSurveys.com panel that we acquired from The Dohring Company on October 21, 2004. The OpinionSurveys.com panel added approximately 1.1 million individual survey takers to the Greenfield Online panel representing households consisting of an estimated 3.0 million people. We believe the size and diversity of the Greenfield Online panel along with the amount of revenues we derive solely from Internet survey solutions position us as a leader in our market.

We target our Internet survey solutions to approximately 2,500 full service marketing research and consulting firms in the United States and the world's top 25 marketing research companies. Our clients use the Internet survey data that we provide to enable companies throughout the world to make critical business decisions. Based on our internal estimates, we believe that spending associated with the gathering of survey data, known as fieldwork, accounts for approximately 40% of the annual spending on survey marketing research. Using this estimate, fieldwork represented approximately $3.0 billion of the $7.5 billion global survey market in 2002 as reported by the *World Association of Opinion and Marketing Research Professionals*.

Until January 2002, we sold both custom Internet-based marketing research and the Internet survey solutions we sell today. A majority of our revenues for the first seven years of our existence was derived from the sale of custom research. In September 2001, we embarked on a strategy to convert the focus of our business from providing custom research to end-users to providing Internet survey solutions to the marketing research firms we target today. This strategy culminated in the sale of our custom research business in January 2002. This sale represented a turning point in our development as we shifted from a labor-intensive, professional services model to a scalable, Internet-based services model.

We partner with our clients to leverage their global sales forces, which incorporate our Internet survey solutions into their product offerings. We do not compete with our clients for custom marketing research business. This cooperative marketing strategy provides us with access to broad distribution channels without the need to expand our own sales and marketing resources. For the year ended December 31, 2003, we completed 2,482 Internet-based projects, a 99% increase over 2002. For the nine months ended September 30, 2004, we completed 3,157 Internet-based projects, a 79% increase over the same period in 2003. Additionally, 45 companies each purchased over $100,000 of our products and services in 2003, a 114% increase over 2002, and during the nine months ended September 30, 2004, 66 companies each purchased over $100,000 of our products and services, an 89% increase over the same period in 2003.

Internet survey solutions are faster, more efficient and more cost-effective for collecting high quality marketing research data than traditional, labor-intensive methods such as telephone, direct-mail and mall-based surveying. The Internet allows our panelists to participate 24 hours-a-day in a more convenient and less intrusive environment than traditional data collection methods. Our Internet-based technology interactively engages respondents through the use of images, sound and video, enabling us to collect richer data for our clients. We believe Internet-based survey solutions speed survey completion, allow for significantly larger survey sample sizes over a given time period and provide marketing researchers with a cost-effective means of reaching niche segments.

We believe we are well-positioned to capitalize on evolving dynamics within the global survey research market. Decreasing cooperation rates experienced by the telephone survey industry and the increasing use of mobile phones as a primary means of telephone communication have led to a decline in the effectiveness of traditional telephone-based data collection methods. This decline has been exacerbated by the recently established Do Not Call registry, covering over 64 million telephone numbers. At the same time, Internet penetration rates and increased broadband usage have accelerated growth in the use of Internet-based marketing research. We believe these dynamics will drive demand for our Internet survey solutions. Through our North American operations, sales offices in the United Kingdom and Continental Europe and our production facilities in India, we believe we are well-positioned to meet this demand.

Our Competitive Position

We believe the following strengths differentiate us from our competitors:

- *The Greenfield Online Panel.* The Greenfield Online panel is one of the largest Internet-based panels available, consisting of an estimated 3.4 million double opt-in members who have provided demographic information that allows us to quickly reach appropriate target audiences. In October 2004, we expanded the size and diversity of the Greenfield Online panel by acquiring the OpinionSurveys.com panel, which increased the number of individuals whom we can invite to participate in our surveys. This acquisition added approximately 1.1 million double opt-in survey takers to the Greenfield Online panel. The Greenfield Online panel now represents households consisting of an estimated 8.8 million people.
- *Experienced Panel Management.* We have developed proprietary panel management techniques that allow us to maximize the efficiency and productivity of the Greenfield Online panel and to maintain a fresh and active panel by continually adding new members.
- *Complete Internet Survey Solutions.* We offer a wide range of Internet survey solutions that facilitate the migration from traditional survey methods to Internet-based methods and eliminate the need for our clients to develop their own Internet research capabilities.
- *Focused Sales Strategy.* We employ a cooperative sales strategy that fosters the integration of our Internet survey solutions into our customers' products and services and affords us access to broader distribution channels.
- *Significant Operating Leverage.* By leveraging the established Greenfield Online panel, conducting an increasing number of surveys using our existing technology infrastructure and benefiting from our operations center in India, we believe that we will continue to improve our operating leverage.
- *Well-Established Brand and Commitment to Customer Service.* Since the time we conducted our first Internet-based marketing research project in 1995, we have built and refined the Greenfield Online panel and maintained a commitment to industry-leading customer service.

However, as further described in *"Risk Factors"* beginning on page 9 of this prospectus, our business operates in a highly competitive market and some of our competitors have longer operating histories, greater brand recognition and significantly greater financial and other resources than we do. As a result, these competitors may be able to undertake more extensive sales and marketing campaigns than our own; adopt more aggressive pricing policies than our own; make more attractive offers to potential employees, strategic partners, panelists and customers than we can; develop technologies that are superior to our own; and achieve broader market acceptance than we can.

Our Internet Survey Solutions

We offer customized Internet survey solutions that address our clients' needs, including full-service data collection and sample solutions.

- *Full-Service.* We program and host our clients' surveys, invite our panelists to take the surveys and deliver the compiled data to our clients for their analysis and presentation. Clients can utilize our complete range of survey technology solutions, such as embedding images, sound and video into surveys, store-shelf simulation testing and other 3D image demonstrations. Our full-service solutions also include our review of survey responses for internal consistency, tabulation and verbatim response interpretation and coding.
- *Sample Solutions.* We provide access to the Greenfield Online panel for one-time use to clients that have programming capabilities, but require survey respondents. We can offer this access within four hours of project initiation. In many instances, we serve as a supplemental sample provider when a client's existing resources cannot supply enough survey participants. Supplying survey respondents is often the last step of a research project and our clients rely on our ability to perform on a fast turnaround basis to meet their data collection needs and project deadlines.

Our Strategy

Our goal is to maintain and build upon our leadership position within the global survey data collection market. In order to achieve this goal, our strategy includes the following:

- *Drive migration of traditional fieldwork to Internet-based marketing research.* We will continue to facilitate the transition from traditional data collection methods to the Internet by:
  - increasing the size and diversity of the Greenfield Online panel through our own recruiting efforts and through acquisitions such as the recent OpinionSurveys.com transaction;
  - expanding the range of our specialty panels, which currently include healthcare, automotive, Hispanic, business-to-business, information technology and international segments;
  - developing new and innovative Internet survey solutions, such as our media testing capabilities that integrate images, sound and video directly into surveys; and
  - seeking to provide faster and better service than traditional survey data collection methods.
- *Expand internationally.* During the remainder of 2004 and in 2005, we intend to expand our international capabilities in order to satisfy client demand for non-U.S. survey data by further developing the size and diversity of the Greenfield Online panel through the addition of more panelists from the United Kingdom, Germany, France and Canada. The migration of traditional data collection to the Internet in the international market is in its early stages and represents a significant growth opportunity.
- *Pursue strategic acquisitions.* We intend to seek strategic acquisitions both in the United States and internationally to increase the size, diversity and geographic scope of the Greenfield Online panel, increase our client base, acquire new technology, broaden our expertise and expand our portfolio of Internet survey solutions. We believe that we derive additional benefits through expansion of our panel by acquisition of pre-existing panels compared to expansion through our web-based recruiting efforts because, in our opinion, acquired panels:
  - contain detailed demographic and survey history about their members gained over time;
  - are comprised of members who have demonstrated a willingness to participate in surveys; and
  - decrease the time to scale our overall survey capacity.

Corporate Information

We were founded in 1994 by Andrew S. Greenfield and Hugh O. Davis, our chief technology officer, and operated as a business unit of Greenfield Consulting Group, Inc. In 1995, we incorporated in Connecticut under the name Greenfield Online Research Center, Inc. We changed our name to Greenfield Online, Inc. in 1997 and changed our state of incorporation to Delaware in February 2000. References in this prospectus to "Greenfield Online," "we," "our company" and "us" refer to Greenfield Online, Inc.

Our principal executive offices are located at 21 River Road, Wilton, Connecticut 06897. Our telephone number is (203) 834-8585, our principal website address is www.greenfield.com and our panel member website address is www.greenfieldonline.com. The information contained on our websites does not constitute part of, nor is it incorporated into, this prospectus.

The Offering

link1 "The Offering"

Common stock offered by Greenfield Online	4,500,000 shares
Common stock offered by selling stockholders, including members of our management	1,500,000 shares
Common stock to be outstanding after this offering	20,985,378 shares

Use of Proceeds	We intend to use the net proceeds of this offering to fund strategic acquisitions of businesses and for working capital and general corporate purposes. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders. See "Use of Proceeds."
Nasdaq National Market symbol	"SRVY"
Risk Factors	See "Risk Factors" beginning on page 9 for a discussion of factors that you should consider carefully before deciding to purchase our common stock.

The number of shares of common stock that will be outstanding after this offering is based on the number of shares outstanding on November 2, 2004 and excludes the following shares:

- 1,627,919 shares issuable upon exercise of outstanding options, with a weighted average exercise price of $9.39 per share;
- 52,337 shares issuable upon exercise of outstanding warrants, with a weighted average exercise price of $24.78 per share;
- an aggregate of 82,464 shares available for future awards under our Amended and Restated 1999 Stock Option Plan (the "1999 Option Plan") and our 2004 Equity Incentive Plan (the "2004 Equity Plan"); and
- 250,000 shares available for future issuance under our 2004 Employee Stock Purchase Plan (the "Stock Purchase Plan").

Unless specifically stated otherwise, the information in this prospectus:

- assumes no exercise of the underwriters' over-allotment option; and
- assumes no exercise of outstanding options and warrants.

Summary Consolidated Financial Data

The following table provides summary historical consolidated financial data for the periods indicated. You should read this information in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus.

The summary consolidated statements of operations data for each of the fiscal years ended December 31, 2001, 2002 and 2003 and the summary consolidated balance sheet data as of December 31, 2002 and 2003 are derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. The summary consolidated balance sheet data as of December 31, 2001 is derived from audited consolidated financial statements not included in this prospectus. The summary consolidated statements of operations data for each of the nine month periods ended as of September 30, 2003 and 2004 and the summary consolidated balance sheet data as of September 30, 2004 are derived from our unaudited financial statements included elsewhere in this prospectus.

				Nine Months Ended September 30, (unaudited)	
	Year Ended December 31,				
	2001	2002	2003	2003	2004
	($ in thousands, except per share data)				
Consolidated Statements of Operations Data:					
Net revenues:					
Internet survey solutions(1)	$4,072	$14,416	$25,868	$17,587	$30,867
Custom research(2)	9,715	470	—	—	—
Total net revenues	13,787	14,886	25,868	17,587	30,867
Cost of revenues	8,097	5,409	8,884	6,061	7,508
Gross profit	5,690	9,477	16,984	11,526	23,359
Operating income (loss)	(14,213)	(3,908)	1,697	1,079	4,701
Total other income (expense)	(3,074)	945	101	235	(1,213)
Income (loss) before income taxes	(17,287)	(2,963)	1,798	1,314	3,488
Provision (benefit) for income taxes	—	(569)	150	80	193
Net income (loss)	(17,287)	(2,394)	1,648	1,234	3,295
Less: Accretion of Series C-2 redeemable preferred stock dividends	—	—	(63)	(63)	—
Charge to common stockholders for Series B convertible preferred stock	—	(3,873)	—	—	(28,054)

Cumulative dividends on Series B convertible preferred stock	—	(28)	(673)	(504)	(382)
Income allocable to participating preferred securities	—	—	(761)	(556)	(1,564)
Net income (loss) available to common stockholders	$(17,287)	$(6,295)	$151	$111	$(26,705)
Net income (loss) per share available to common stockholders:					
Basic	$(18.08)	$(6.42)	$0.07	$0.05	$(4.39)
Diluted	$(18.08)	$(6.42)	$0.06	$0.05	$(4.39)
Weighted average shares (in thousands)					
Basic	956	981	2,054	2,054	6,084
Diluted	956	981	2,347	2,263	6,799

	December 31,			September 30,
	2001	2002	2003	2004
	($ in thousands)			
Consolidated Balance Sheet Data:				
Cash and cash equivalents	$1,056	$1,864	$3,721	$38,431
Total assets	9,102	8,724	11,929	53,342
Capital lease obligations	2,537	1,997	1,579	2,034
Total debt	21,855	1,216	—	—
Series C-2 redeemable preferred stock	—	821	943	—
Series B convertible preferred stock	—	8,441	9,114	—
Total stockholders' equity (deficit)	(21,603)	(8,526)	(6,327)	43,959

				Nine Months Ended	
	Year Ended December 31,			September 30,	
	2001	2002	2003	2003	2004
	($ in thousands)				
Other Consolidated Financial and Operating Data:					
EBITDA(3)	$(9,339)	$80	$3,692	$2,695	$5,801
EBITDA margin(4)	n.m.	1%	14%	15%	19%
Number of projects completed during period	838	1,249	2,482	1,766	3,157

(1) Internet survey solutions includes services revenues from the collection of survey data for sale to marketing research companies.

(2) Custom research includes revenues from the line of business that we sold to Taylor Nelson Sofres Operations, Inc. in January 2002.

(3) We define EBITDA as earnings before interest expense, income taxes, depreciation and amortization, which definition may not be comparable to similarly titled measures reported by other companies. We are presenting EBITDA because it provides an additional way to view our operations, when considered with both our GAAP results and the reconciliation to net income, which we believe provides a more complete understanding of our business than could be obtained absent this disclosure. EBITDA is presented solely as a supplemental disclosure because: (i) we believe it is a useful tool for investors to assess the operating performance of our business without the effect of non-cash depreciation and amortization expenses; (ii) we believe that investors will find it useful in assessing our ability to service or incur indebtedness; and (iii) we use EBITDA internally to evaluate the performance of our personnel and also as a benchmark to evaluate our operating performance or compare our performance to that of our competitors. The use of EBITDA has limitations and you should not consider EBITDA in isolation from or as an alternative to GAAP measures, such as net income, cash flows from operating activities and consolidated income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability

or liquidity. The following table sets forth the reconciliation of EBITDA, a non-GAAP financial measure, to net income (loss), our most directly comparable financial measure presented in accordance with GAAP.

	Nine Months

				Ended	
	Year Ended December 31,			September 30,	
	2001	2002	2003	2003	2004
	($ in thousands)				
Net income (loss)	$(17,287)	$(2,394)	$1,648	$1,234	$3,295
Interest expense	3,306	553	496	365	1,187
Provision (benefit) for income taxes	—	(569)	150	80	193
Depreciation and amortization	4,642	2,490	1,398	1,016	1,126
EBITDA	$(9,339)	$80	$3,692	$2,695	$5,801
EBITDA margin	n.m.	1%	14%	15%	19%

(4) We define EBITDA margin as our EBITDA as a percentage of our net revenues. EBITDA margin is not presented for 2001 because it is not meaningful.

Risk Factors

link1 "RISK FACTORS"

Risk Factors

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with the financial and other information contained in this prospectus, before making a decision to buy our common stock. If any of the following risks actually occur, our business, financial condition and results of operations could suffer. In these circumstances, the market price of our common stock could decline, and you may lose all or part of your investment in our common stock.

Risks Related to Our Business

We have incurred losses in recent years and may incur them again.

We incurred net losses of $52.6 million, $17.3 million and $2.4 million in 2000, 2001 and 2002, respectively. While we were profitable in 2003 and each of the first three quarters of 2004, we may not be profitable in the future. Furthermore, we may not be able to maintain or increase profitability in the future on a quarterly or annual basis.

If we are unable to maintain the size or demographic composition of the Greenfield Online panel, our clients may stop using our products and services.

The commercial viability of our marketing research data and our overall business is dependent on our ability to attract and maintain active panelists and ensure optimal panel composition to accommodate a broad variety of marketing research requests. There is currently no historical benchmark by which to predict the optimal size of research panels to ensure high response rates and maximum revenue generation per panelist. If we are unable to accurately determine or build optimal-sized panels, our current panelists may become overused and unresponsive to our requests to participate in surveys. If we fail to regenerate our panel with new and active panelists on a regular basis, the size and demographic diversity of the Greenfield Online panel may decrease and our clients may reduce or stop using our products and services, which may lead to a decline in our revenues.

If the number of panelists participating in the Greenfield Online panel decreases, the cost of acquiring new panelists becomes excessive or the demographic composition of our panel narrows, our ability to provide our clients with accurate and statistically relevant information could suffer. This risk is likely to increase as our clients' needs expand, and as more demographically diverse surveys are requested by our clients.

If the rate at which our panelists respond to our surveys decreases, we may not be able to meet our clients' needs.

Our panelists participate in our surveys on a voluntary basis only, and there can be no assurance that they will continue to do so. Our ability to maintain adequate response rates may be harmed if:

- our email-based survey invitations are not received by our panelists due to the use of spam-filtering and blocking software by individuals, corporations and Internet service providers;
- our panelists become dissatisfied with the forms of participation incentives we offer; or

- our panelists respond less frequently to our surveys, or stop responding altogether due to excessive requests for participation from us or other researchers.

If we fail to maintain adequate response rates, we may be unable to meet current or future demand for our products and services and our revenues may decline.

If the rate at which our panelists respond to our surveys decreases, we may be required to expend additional funds to retain our panelists or provide additional incentives to encourage panelist participation.

In the past, the responsiveness of our panelists has been variable and a function of the length of the surveys to be completed and the incentives offered to our panelists in exchange for their participation. The incentives we offer panelists to participate in surveys generally consist of the opportunity to enter into sweepstakes and win prizes or direct cash incentives. If we are required to increase incentives or undertake more costly campaigns to retain our current panelists, our operating expenses may increase and our operating income may decline.

We derived approximately 25% of our total net revenues from two clients in fiscal 2003. For the nine months ended September 30, 2004 we derived approximately 20% of our total net revenues from our top two clients. If we were to lose, or if there were a material reduction in business from, these clients or our other significant clients, our net revenues might decline substantially.

In fiscal 2003, we derived approximately 25% of our total net revenues from two clients that accounted for approximately 13% and 12%, respectively. Either client may terminate or reduce its use of our products and services at any time in the future. Our top client in 2003 was Taylor Nelson Sofres Intersearch, with which we had an alliance agreement requiring it to make purchases of at least $5.6 million of our products and services from January 31, 2002 to January 31, 2004. Taylor Nelson Sofres Intersearch satisfied this obligation and is no longer contractually required to purchase our products and services. In 2003, Taylor Nelson Sofres Intersearch's parent company acquired NFO Worldgroup, Inc., which maintains and operates a large Internet respondent panel similar to our own. As a result of the acquisition of NFO Worldgroup, Inc., the revenues we received from Taylor Nelson Sofres Intersearch thus far in 2004 have been less than in 2003. In addition, in March 2004 GfK AG, the parent of our second largest client, GfK-Custom Research Inc., acquired another of our clients, ARBOR, Inc. Together in 2003, GfK-Custom Research Inc. and ARBOR, Inc. accounted for approximately 17% of our total net revenues. Our ten largest clients accounted for $13.4 million, or approximately 53%, of our total net revenues for 2003. In the nine months ended September 30, 2004, we derived approximately 15% of our total net revenues from GfK-Custom Research Inc. and GfK-ARBOR, LLC, which was formerly known as ARBOR, Inc., on a combined basis and 5% from Taylor Nelson Sofres Intersearch. Our ten largest clients accounted for $11.9 million, or approximately 39%, of our total net revenues for the nine months ended September 30, 2004. If we lose business from any of our top ten clients, our net revenues may decline substantially.

We may not be able to successfully compete with marketing research firms and other potential competitors.

The market for our products and services is highly competitive. We compete for clients with other Internet-based marketing research data collection firms, such as SPSS Service Bureau and Harris Interactive Service Bureau; firms offering respondent-only services, such as Survey Sampling, Inc., Zing Wireless, Inc., Ciao AG and e-Rewards, Inc.; and large marketing research companies, such as The Kantar Group and Harris Interactive, Inc. We expect to face intense competition in the future from other marketing research data collection firms that develop Internet-based products and services.

We also expect to face competition from other companies with access to large databases of individuals with whom they can communicate through the Internet, such as email service providers and Internet-based direct marketers, as well as companies that develop and maintain a large volume of Internet traffic on their websites, such as large Internet portals, networks and search engines. These companies may, either alone or in alliance with other firms, enter the Internet-based marketing research data collection market.

Many of our current and potential competitors have longer operating histories, greater brand recognition and significantly greater financial and other resources than we do. These competitors may be able to undertake more extensive sales and marketing campaigns offering their services, adopt more aggressive pricing policies, and make more attractive offers to potential employees, strategic partners, panelists and customers than we can. In addition, these competitors and potential competitors may develop technologies that are superior to ours, or that achieve greater market acceptance than our own. If we do not successfully compete with these companies, we might experience a loss of market share and reduced revenues and profitability.

Consolidation in the marketing research industry may result in fewer potential clients for us and a smaller market in general if companies with existing Internet-based panels combine with companies without such panels.

Consolidations within the marketing research industry in general and among our clients in particular, such as the acquisition of NFO Worldgroup, Inc. by Taylor Nelson Sofres, Plc. and the acquisition of ARBOR, Inc. by GfK-AG, could cause us to lose business from clients that acquire companies with Internet-based panels of their own. Similarly, our smaller clients could be acquired by larger marketing research companies that have their own Internet-based panel such as the recent acquisition of Wirthlin Worldwide by Harris Interactive, Inc., and their need for our products and services could be reduced or eliminated as a result. In either case, our net revenues would be reduced.

If our clients develop their own Internet-based panels, we may lose some or all of their business.

Some of our large clients have the financial resources and sufficient need for Internet survey solutions that they may decide to build their own Internet-based panels. Should some or all of these clients decide to build their own Internet-based panels and succeed in doing so, their need for our products and services could be reduced or eliminated. Additionally, should our smaller clients consolidate and achieve sufficient scale, it may become economically feasible for them to build their own Internet-based panels. If they do so, their need for our products and services could be reduced or eliminated. In either case, our revenues would decline.

If the marketplace significantly slows its migration from traditional data collection methods to Internet-based marketing research data collection, our growth may slow or cease altogether.

The marketplace must continue to accept the Internet as a medium for collecting marketing research survey data and convert to Internet data collection methodologies in order for our business to grow at the rate that we anticipate. In addition, the success of our business depends on our ability to develop and market Internet survey solutions that achieve broad market acceptance and facilitate the transition from traditional data collection methods. If the marketplace slows its migration to Internet-based data collection products and services, we may have difficulty obtaining new clients and our revenues could decline.

If we do not keep pace with technological change, we may be unable to implement our business strategy successfully.

The marketing research data collection industry, particularly the Internet-based marketing research data collection industry, is characterized by intense competition, rapid new product and service developments and evolving methodologies. To succeed, we will need to effectively develop and integrate various software programs, technologies and methodologies required to enhance and improve our Internet survey solutions. Any enhancements of new products or services must meet the needs of our current and potential clients and achieve significant market acceptance. Our success will also depend on our ability to adapt to changing technologies by continually improving the performance features and reliability of our products and services. We may experience difficulties that could delay or prevent the successful development, introduction or marketing of new products and services. We could also incur substantial costs if we need to modify our products and services or infrastructure to adapt to these changes.

If we are unable to manage and support our growth effectively, we may not be able to execute our business strategy successfully.

We are rapidly expanding our international operations, but have limited experience expanding sales and operations facilities in foreign countries. If we fail to successfully expand our sales and marketing efforts in Europe we will be unable to address a sizeable portion of the worldwide market for Internet-based survey data collection and may not be able to grow our business at the rate we anticipate. We are integrating new personnel to support our growth, which makes it difficult to maintain our standards, controls and procedures. Members of our senior management team will be required to devote considerable amounts of their time and attention to this expansion, which may reduce the time and attention they will have available to manage our operations and pursue strategic opportunities.

Our employee base has grown from 54 in February 2002 to approximately 271 as of September 30, 2004, including employees of our subsidiaries in India, the United Kingdom and Canada. If our business continues to grow, we could be required to hire a significant number of additional employees in the United States and abroad. The recruiting, hiring, training and integration of a large number of employees throughout the world will place a significant strain on our management and operational resources. If we are unable to successfully develop, implement, maintain and enhance our financial and accounting systems and controls, integrate new personnel and manage expanded operations, we may not be able to effectively manage our growth.

We are concentrating a significant portion of our operational capacity in our facility located in India and may open additional facilities elsewhere in the world. If we fail to successfully build or maintain our operations in India or elsewhere, we may suffer interruptions in the delivery of our products and services to our clients. In addition, if we fail in this regard, we may be required to relocate these international operations to the United States or elsewhere and thereby incur higher labor costs and additional transitional costs.

If we are unable to achieve international growth of the Greenfield Online panel or to overcome other risks of international operations, we may be unable to conduct business on a global level.

Expanding our business and the Greenfield Online panel to operate on a global level could pose the following risks to us:

- more restrictive privacy laws;
- difficulty in recruiting and managing employees in foreign countries;
- aversion to U.S. companies or non-domestic companies in the regions where we plan to expand;
- unexpected changes in regulatory requirements;
- export controls relating to encryption technology;
- currency exchange rate fluctuations;
- problems collecting accounts receivable and longer collection periods;
- potentially adverse tax consequences;
- political instability; and
- Internet access restrictions.

Additionally, in the process of expanding our global operations, we may encounter more restrictive regulations and laws in Europe or elsewhere, especially laws related to privacy rights, that could inhibit our ability to expand the Greenfield Online panel. In particular, we self-certify to the U.S. Department of Commerce Safe Harbor framework, which is designed to meet the data privacy rules under the European Commission's Directive on Data Protection and prohibits the transfer of personal data to non-European Union nations that do not meet the European "adequacy" standard for privacy protection. We have little or no control over the risks listed above and may experience some or all of these risks.

We have significant operations in India that could be limited or prohibited by changes in the political or economic stability of India or government policies in India or the United States.

We have a substantial team of professionals in India who provide us with data processing and other services. The development of our operations center in India has been facilitated partly by the liberalization policies pursued by the Indian government over the past decade. Recent elections in India have brought a new government into power. The economic liberalization policies that have been pursued by previous governments may not continue in the future, the rate of economic liberalization could change or new laws and policies affecting our business could be introduced. A significant change in India's economic liberalization and deregulation policies could increase our labor costs or create new regulatory expenses for us. Also, according to the National Foundation for American Policy, at least 37 states have introduced legislation aimed at restricting overseas outsourcing and encouraging U.S. businesses to keep their operations within the United States. The U.S. Senate has recently approved an amendment that would prohibit companies from using money from federal contracts to outsource jobs overseas, and would prohibit state contract work from being performed overseas with money received from federal grants. If these or similar laws or regulations are enacted, our ability to continue overseas operations could be harmed and our competitive position would be damaged.

Potential acquisitions or investments in other companies may have a negative impact on our business and our stock price.

As part of our strategy to expand the Greenfield Online panel, our technology infrastructure and products and services, we may consider acquiring or making investments in complementary businesses, services, products or technologies as appropriate opportunities arise, such as our acquisition of OpinionSurveys.com. The risks we may face should we acquire or invest in complementary businesses include:

- difficulties with the integration and assimilation of the acquired business, including maintaining the frequency of survey participation of panelists who join our panel through acquisitions;
- diversion of our management team's attention from other business concerns;
- availability of favorable acquisition or investment financing;
- potential undisclosed liabilities associated with acquisitions; and
- loss of key employees of any acquired business.

Negotiations of potential acquisitions and the integration of acquired business operations could disrupt our business by diverting management away from day-to-day operations. The proceeds we receive from this offering may not be sufficient to fund the full cost of acquisitions that we may determine to pursue. The difficulties of integration may be increased by the necessity of coordinating geographically dispersed organizations, integrating personnel with disparate business backgrounds and combining different corporate cultures. At times, acquisition candidates may have liabilities or adverse operating issues that we fail to discover through due diligence prior to the acquisition.

Acquisitions or investments may require us to expend significant amounts of cash. This would result in our inability to use these funds for other business purposes. Additionally, if we fund acquisitions through further issuances of our common stock, our stockholders will be diluted, which may cause the market price of our common stock to decline. The potential impairment or complete write-off of

goodwill and other intangible assets related to any such acquisition may reduce our overall earnings, which in turn could negatively affect the price of our common stock.

Our success depends on our ability to retain the current members of our senior management team and other key personnel.

Our success depends to a significant extent on the continued services of our core senior management team of Dean A. Wiltse, our CEO; Robert E. Bies, our Executive Vice President and CFO; and Jonathan A. Flatow, our Vice President and General Counsel. If one or more of these individuals were unable or unwilling to continue in his present position, our business would be disrupted and we might not be able to find replacements on a timely basis or with the same level of skill and experience. Finding and hiring any such replacements could be costly and might require us to grant significant equity awards or other incentive compensation, which could adversely impact our financial results. We do not maintain key-person life insurance for any of our management personnel or other key employees.

If we fail to continue to attract and retain project management professionals and other highly-skilled personnel, we may be unable to successfully execute our business strategy.

Our business model is based and our success depends upon our ability to attract, retain and motivate highly-skilled project management professionals and other technical, managerial, marketing, sales and client support personnel throughout the world. Because competition to attract trained technical and project management personnel is intense in the marketing research data collection industry, we may experience difficulty attracting, integrating or retaining the number of qualified personnel needed to successfully implement our business strategy. If we are delayed in recruiting key employees, we may be forced to incur significant additional recruitment, compensation and relocation expenses. If we are unable to hire and retain such personnel in the future, we may not be able to operate our business as we do today or meet the needs of our clients.

Any failure in the performance of our Internet-based technology infrastructure or of those Internet service providers used by our panelists, could harm our business and our reputation.

Our systems and operations are vulnerable to damage or interruption from fire, earthquake, power loss, telecommunications failure, break-ins, viruses or other harmful attacks on computer information systems and similar events. We depend on our primary technology systems hosted at our Wilton, Connecticut data center to keep our infrastructure operational. We have replicated the functionality of the Wilton data center by contracting with MCI WorldCom Communications, Inc., in Elmsford, New York, to host and provide an off-site, fully-redundant facility under the terms of a co-location service agreement. Our system may not be capable of seamlessly or adequately replicating our products and services in the event of technical difficulties, if at all, and our facilities may not be capable of sufficiently protecting our systems.

We have experienced technical difficulties and downtime in the past, primarily as a result of testing and implementing new software. Technical difficulties and downtime may continue to occur in the future. The impact of technical difficulties on our systems or operations may be more severe and cause greater amounts of downtime in the future than our systems have experienced to date. Although we currently have business interruption insurance, it may not adequately compensate us for losses that could occur due to failures in our systems or the systems of third-parties and any resulting interruptions in our communications with the Greenfield Online panel or in our data collection efforts. Also, our servers and software must be able to accommodate a high volume of traffic. Any significant increase in demand on our servers beyond the amount we currently anticipate will require us to expand and adapt our network infrastructure. If we are unable to add additional software and hardware to accommodate increased demand, unanticipated system disruptions and slower data collection may result.

Additionally, our panelists communicate with us using various Internet service providers. Many of these providers have experienced significant outages or impairments of service in the past, and could experience future outages, delays and other difficulties due to system failures or impairments unrelated to our technology systems. Any future system delays or connectivity-related failures of Internet service providers could prevent us from gaining access to our panelists. Future disruptions and outages as a result of the foregoing factors could cause the Internet to be viewed as an unreliable source of data collection, which could prevent us from maintaining the Greenfield Online panel and selling our products and services.

We are susceptible to breaches of database security and denial of service attacks. If a breach occurs and the personal information of our panelists is exposed or misused, we may be liable and it could make it difficult for us to recruit for and maintain the Greenfield Online panel.

Despite measures taken by us to increase security, our infrastructure is potentially vulnerable to physical or electronic break-ins. Intruders may be able to gain access to this information. A party who is able to circumvent our security measures and gain access to the identity and other confidential information regarding our panelists could misappropriate this information or interrupt our operations.

As a result, we may be required to expend financial and other resources to protect against the threat of security breaches or to alleviate problems caused by these breaches. These increased expenditures could harm our business.

Security breaches could also damage our reputation and expose us to liability. Any claims resulting from the unauthorized use of information concerning our panelists could expose us to loss or result in costly litigation. Such breaches could also cause us to lose the confidence and trust of our panelists, which could significantly harm our business. In addition, the FTC and state agencies recently have been investigating various Internet companies regarding their use of personal information. We could incur additional costs and expenses if new regulations regarding the use of personal information are introduced or if our privacy practices are investigated and found to be inadequate.

Our computer systems are susceptible to planned overloads, commonly referred to as denial of service attacks. By designing software applications that trigger the simultaneous overload of traffic into one website, intruders have recently been able to temporarily impair the websites of companies with more mature infrastructure systems than our own. If we become the target of similar attacks in the future, our websites could be temporarily disabled and we may be unable to administer our surveys or deliver our products and services. If such events occur on more than an infrequent basis, our reputation could be damaged and the marketplace could determine that the Internet is not a reliable medium for data collection activities.

If our licensed survey programming software becomes unavailable, is no longer accepted by our clients or becomes obsolete, we would be required to acquire or develop new software and systems to program our Internet survey solutions.

We utilize a survey development software program created by a third-party to program our surveys so that they can be displayed through the Internet and taken by our panelists. We believe that this software represents the current standard in the Internet-based marketing research data collection industry. The company that authored this software is a small and developing company. If this company ceases operations or fails to continue to develop its software, the software could become unavailable or obsolete. If this software becomes obsolete or competing survey software is developed that is perceived to be of superior functionality or value, our clients may not accept our Internet survey solutions. In any of these events, we would be required to expend resources acquiring or developing new software and the sale or delivery of our products and services could be interrupted.

Loss of technical support from third-parties could disrupt our business.

We rely on technology support from a limited number of third-parties for our infrastructure systems. For example, Microsoft Corporation, Cisco Systems and Future Information Resources Management, Inc. each currently provides support for our Internet-based survey software and systems. While in recent years our internal technicians designed the majority of our technological infrastructure, we often engage third-party vendors to build the architecture we design. In addition, technical support from third-parties may not continue to be available to us in the future on commercially reasonable terms, if at all. If this support were no longer available, our business would be disrupted. The inability to engage third-parties to support the building and maintenance of the technology important to our business would require us to obtain substitute technology that might be of lower quality or performance standards or technology of a comparable quality obtainable only at a greater cost. Also, our inability to outsource select technical projects on a commercially reasonable basis could impede us from providing our products and services to our clients on a timely basis.

Our inability to protect our intellectual property could prevent us from implementing our business strategy.

Our ability to compete and successfully implement our business strategy depends on our use of internally-developed technologies and trademarks that are protected through a combination of copyright, trade secret and trademark laws. We currently have trademark registrations in the United States for the trademarks Research Revolution®, NetReach®, FieldSource® and OpinionSurveys.com® among others, and have a perpetual contractual right granted to us by Millward Brown, Inc. (as successor to Greenfield Consulting Group, Inc.) to use the trademarks Greenfield Online® and Greenfield® in the United States. If we are prevented from using these trademarks, our brand recognition and business could suffer. As a result, we would need to make substantial expenditures to promote and rebuild our brand identity and loyalty with our clients and members of the Greenfield Online panel.

We currently have pending trademark applications in the United States for products and systems connected with our business. We also expect to apply for additional trademarks in the future. Our trademark applications may not be approved, or if approved, could be successfully challenged or invalidated by others. Our trademark applications also may not be approved in the event third-parties already own these trademarks. Our use of these trademarks may also be restricted unless we enter into arrangements with the third-party owners. We may not be able to enter into these arrangements on commercially reasonable terms, if at all.

We generally enter into confidentiality agreements with parties with whom we do business, and control access to and distribution of our technologies, documentation and other proprietary information. In the future, we may also enter into license agreements with these parties. Parties may disclose, obtain or use our technologies without our permission. The protective measures we have taken may

not prevent misappropriation of our technologies, particularly in foreign countries where laws or law enforcement practices might not protect our proprietary rights as fully as in the United States.

We may be at a competitive disadvantage if we are unable to protect our proprietary rights or if we infringe on the proprietary rights of others, and related litigation could be time consuming and costly.

Because we operate our business through websites and rely heavily on computer hardware and software, proprietary rights, particularly trade secrets and copyrights, are critical to our success and competitive position. The actions we take to protect our proprietary rights may be inadequate. In addition, effective copyright, trademark and trade secret protection may be unenforceable or limited in certain countries and, due to the global nature of the Internet, we may be unable to control the dissemination of our content and products and the use of our products and services. In addition, third-parties may claim that we have violated their intellectual property rights. For example, companies have recently brought claims against other Internet companies regarding alleged infringement of patent rights relating to methods of doing business over the Internet. To the extent that we violate a patent or other intellectual property right of another party, we may be prevented from operating our business as planned or may be required to pay damages, obtain a license, if available, for the use of the patent or other right to use a non-infringing method to accomplish our objectives. In August 2000, we received a notice from a party, claiming to have received a patent with rights relating to, among other things, a method or process for conducting surveys over the Internet. We understand that this party has also approached many of our competitors in the Internet data collection industry. We have not had any additional contact with this party since December 15, 2000. To the extent that this party seeks to enforce its patent, and a court finds that such an infringement claim has merit, we may be required to expend large sums of money defending such action and seeking to have the patent declared invalid. If this party is successful, we could be forced to pay royalties in order to continue conducting surveys over the Internet or even be restrained from conducting surveys over the Internet. In the future, we may also license content from third-parties, and we could become subject to infringement actions based on this licensed content.

Our ability to execute our business strategy will suffer if a successful claim of infringement is brought against us and we are unable to introduce new trademarks, develop non-infringing technology or license the infringed or similar technology on a timely basis. Moreover, our general liability insurance may not be adequate to cover all or any of the costs incurred defending patent or trademark infringement claims, or to indemnify us for liability that may be imposed.

If we fail to develop our brand cost-effectively, we may not be able to achieve widespread market acceptance or continue to be able to sell our products and services.

We believe that developing and maintaining awareness of the Greenfield Online brand in a cost-effective manner is critical to achieving widespread acceptance of our existing and future products and services and is an important element in attracting new clients. Furthermore, we believe that the importance of brand recognition will increase as competition in our market develops. Successful promotion of our brand depends largely on the effectiveness of our marketing efforts and our ability to provide reliable and useful products and services at competitive prices. In the past, our efforts to build our brand have involved significant expense. Brand promotion activities may not yield increased revenues, and even if they do, any increased revenues may not offset the expenses incurred in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses in an unsuccessful attempt to promote and maintain our brand, we may fail to attract enough new clients or retain enough existing clients to realize a sufficient return on our brand-building efforts.

Fluctuations in our quarterly operating results may cause our stock price to decline and limit our stockholders' ability to sell our common stock in the public market.

In the past, our operating results have fluctuated significantly from quarter to quarter and we expect them to continue to do so in the future due to a variety of factors, many of which are outside of our control. Our operating results may in some future quarter fall below the expectations of securities analysts and investors. In this event, the trading price of our common stock could decline significantly. In addition to the risks disclosed elsewhere in this prospectus, factors outside of our control that have caused our quarterly operating results to fluctuate in the past and that may affect us in the future, include:

- fluctuations in general economic conditions;
- demand for marketing research products and services generally;
- fluctuations in the marketing research budgets of the end-users serviced by our marketing research clients;
- the failure of our large clients to win Internet-based marketing research projects; and
- the development of products and services by our competitors.

In addition, factors within our control, such as our capacity to deliver projects to our clients in a timely fashion, have caused our operating results to fluctuate in the past and may affect us similarly in the future.

The factors listed above may affect both our quarter-to-quarter operating results as well as our long-term success. Given the fluctuations in our operating results, you should not rely on quarter-to-quarter comparisons of our results of operations as an indication of our future performance or to determine any trend in our performance. Fluctuations in our quarterly operating results could cause the market price of and demand for our common stock to fluctuate substantially, which may limit your ability to sell our common stock on the public market.

Our directors, executive officers, key personnel, members of their families, significant stockholders and entities affiliated with them have significant influence over our management and affairs.

Our directors, executive officers, members of their families, significant stockholders and entities affiliated with them will, in the aggregate, beneficially own approximately 51.2% of our outstanding common stock following the completion of this offering, or approximately 47.0% of our outstanding common stock in the event that the underwriters' over-allotment option is exercised in full. Specifically, entities affiliated with Insight Venture Associates III, L.L.C. will beneficially own approximately 20.6% of our outstanding common stock following this offering, or approximately 18.6% of our outstanding common stock in the event that the underwriters' over-allotment option is exercised in full, and UBS Capital II LLC and its affiliates will beneficially own approximately 9.7% of our outstanding common stock following this offering, or approximately 8.8% of our outstanding common stock in the event that the underwriters' over-allotment option is exercised in full. As a result, these stockholders will have significant influence over all matters requiring approval by our stockholders, including the election of directors and approval of mergers, consolidations, sales of assets, recapitalizations and amendments to our certificate of incorporation. These stockholders may take actions with which you do not agree, including actions that delay, defer or prevent a change of control, and could cause the price that investors are willing to pay for our common stock to decline.

We might have difficulty obtaining additional capital, which could prevent us from achieving our business objectives. If we are successful in raising additional capital, it may have a dilutive effect on our stockholders.

We may need to raise additional capital in the future to fund the expansion of the Greenfield Online panel and the marketing of our products and services, or to acquire or invest in complementary businesses, technologies or services. If additional financing is not available, or available only on terms that are not acceptable to us, we may be unable to fund the development and expansion of our business, attract qualified personnel, promote our brand name, take advantage of business opportunities or respond to competitive pressures. Any of these events may harm our business. Also, if we raise funds by issuing additional shares of our common stock or debt securities convertible into common stock, our stockholders will experience dilution, which may be significant, to their ownership interest in us. If we raise funds by issuing shares of a different class of stock other than our common stock or by issuing debt, the holders of such different classes of stock or debt securities may have rights senior to the rights of the holders of our common stock.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States, known as GAAP, are subject to interpretation by the Financial Accounting Standards Board, or FASB, the American Institute of Certified Public Accountants, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change in these principles.

For example, we account for stock-based compensation using the intrinsic-value method in accordance with Accounting Principles Board Opinion No. 25 "Accounting for Stock Issued to Employees." Under this standard, compensation expense is determined to the extent that the fair value of the underlying stock on the date of grant exceeds the exercise price of the employee stock option or stock award. Compensation so determined is deferred in the caption unearned stock-based compensation within the stockholders' equity (deficit) section of our financial statements, and then recognized over the service period for the stock option or award. However, several companies have recently elected to change their accounting policies and begun to record the fair value of stock options as an expense. Although the standards have not been finalized and the timing of a final statement has not been established, FASB has announced its support for recording the fair value of stock options granted as an expense. If we are required to change our accounting policy and to retroactively restate prior periods as if we had adopted these standards for prior periods, our cost of revenues and operating expenses as reflected in our historical financial statements may increase and such changes could impact our results of operations for future periods.

Risks Related to Our Industry

If use of the Internet does not continue to grow, we might not be able to continue to grow our business.

We rely on the Internet for critical aspects of our business, including the recruitment of our panelists. If Internet usage declines or grows at a significantly slower rate than currently projected, we may be unable to attract additional panelists or clients for our Internet survey solutions.

If the various Internet access providers do not continue to develop their infrastructure adequately, we may have difficulties accessing our panelists and administering our surveys.

Our panelists depend on a variety of Internet access providers and other website operators for access to our website. If use of the Internet continues to grow as currently projected, the infrastructure that maintains the Internet may be unable to support the demands placed on it. Various other factors could also inhibit the ability of the Internet's infrastructure to support increased use, including inadequate networks and security concerns. If the Internet infrastructure is not able to support the demands placed on it by excessive growth, its performance and reliability may decline and we may not be able to access our panelists or administer our surveys.

Government regulations could limit our Internet activities or result in additional costs of doing business and conducting marketing research on the Internet.

The federal Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act"), which took effect on January 1, 2004, imposes a series of new requirements on the use of commercial email messages and directs the FTC to issue new regulations that define relevant criteria and to enforce the Act. Among other things, one proposal being examined by the FTC is a federal "Do Not Email" registry. The CAN-SPAM Act and the regulations enforcing the Act may significantly impact the manner in which we recruit and communicate with our panelists. It may also expose us to potential liability or require us to change or abandon our webmaster affiliate program and other recruitment techniques. We may also need to develop technology or systems to comply with the Act's requirements for honoring "opt-out" requests. Additionally, there are at least 36 state statutes that purport to regulate the distribution of commercial email. If we cannot comply with the requirements of the CAN-SPAM Act or these state statutes, we may need to cease operating portions of our business, which could reduce our revenues.

The Internet Tax Freedom Act (the "ITFA") that was originally passed in 1995 prohibited states or political subdivisions from (i) imposing taxes on Internet access and (ii) imposing multiple and discriminatory taxes on e-commerce. The ITFA expired on November 1, 2003 and has not been renewed. As a result of the expiration of the ITFA, states are no longer prohibited under federal law from imposing taxes that were covered by the ITFA. In the absence of a renewal of the ITFA, states may begin to impose taxes on Internet access, related charges and other e-commerce products and services. If one or more states impose such taxes in a manner that results in the taxation of Internet access providers, ourselves, our customers or other parties upon whom these parties or our panelists rely for access to the Internet or other products or services, our expenses may increase and it may become difficult to recruit and maintain our panelists or sell our products and services. Proposed legislation has been introduced in Congress to reinstate and broaden the ITFA. It is unclear whether or not this legislation will be enacted and, if so, the substance of its provisions.

A number of states within the United States are participants in the Streamlined Sales Tax Project (the "SSTP"), which seeks to establish a uniform, nationwide state-based taxation system that requires remote sellers to administer and collect their respective sales taxes even though they do not maintain a presence within that state. If the SSTP is successful in implementing such a system, and if our products or services are subject to this system, our resulting tax, administrative and compliance burden will increase.

Separately, countries belonging to the European Union (the "EU") impose a value added tax ("VAT") on the sale of goods and services, including digital goods and services. An EU Directive that took effect on July 1, 2003 requires businesses that sell digital goods and services from outside the EU to certain customers within the EU to collect, administer and remit the VAT. To the extent that our products or services are subject to the EU Directive, our resulting administrative and compliance burden will increase.

In February 1999, the FCC issued a declaratory ruling interpreting the Telecommunications Act of 1996 to allow local exchange carriers to receive reciprocal compensation for traffic delivered to information service providers, particularly Internet service providers, on the basis that traffic bound for Internet service providers is largely interstate. As a result of this ruling, the costs of transmitting data over the Internet may increase. If this occurs, our tax liability and operating expenses may increase.

In addition to those described above, we expect more stringent laws and regulations to be enacted both domestically and globally in the near future due to the increasing popularity and use of the Internet. Any new legislation or regulations or the application of existing laws and regulations to the Internet could limit our effectiveness in conducting Internet-based marketing research and increase our operating expenses. In addition, the application of existing laws to the Internet could expose us to substantial liability for which we might not be indemnified by content providers or other third-parties. Existing laws and regulations currently address, and new laws and regulations and industry self-regulatory initiatives are likely to address, a variety of issues that could have a direct impact on our business, including:

- user privacy and expression;
- the rights and safety of children;
- intellectual property;
- information security;
- anti-competitive practices;
- the convergence of offline channels with Internet commerce; and
- taxation and pricing.

Current laws that explicitly apply to the Internet have not yet been interpreted by the U.S. courts and their applicability and scope are not yet defined. Any new laws or regulations relating to the Internet could have an impact on the growth of the Internet and, as a result, might limit our ability to administer our surveys and provide our products and services.

The marketing research industry is vulnerable to general economic conditions, which may affect our revenues.

Many of the companies served by our clients treat all or a portion of their marketing research expenditures as discretionary. As general economic conditions worsen and these companies seek to control variable costs, research projects for which we have been engaged to collect data may be delayed or cancelled, and new project bookings may slow. As a result, our growth rate and revenues may decline.

Terrorist attacks or mischievous actions could disrupt our business.

If our operations facilities or data centers are disrupted or destroyed by terrorist attacks or hackers, we may be unable to operate and derive results from the Greenfield Online panel or otherwise provide our products and services on a timely basis to our customers, which could harm our business. Moreover, if our computer information, data processing or communication systems, or those of our vendors or customers, are affected by terrorist or hacker attacks or other disruptions, our ability to conduct our business and timely provide our products and services may be disrupted. We have not established a formal disaster recovery plan. Our back-up operations may be inadequate and our business interruption insurance may not be sufficient to compensate us for any losses that may occur. A significant business interruption may result in substantial losses and damages.

Risks Related to this Offering

The price of our common stock is likely to be volatile and subject to wide fluctuations.

The trading prices of many Internet-related companies have been highly volatile. Accordingly, the market price of our common stock may also be subject to wide fluctuations in the future. If our revenues do not grow, or grow more slowly than we anticipate, or if our operating or capital expenditures exceed our expectations and cannot be adjusted sufficiently, the market price of our common stock may decline.

In addition, if the market for Internet-related stocks or the stock market in general experiences a loss in investor confidence or otherwise falls, the market price of our common stock may fall for reasons unrelated to our business, results of operations or financial condition. As a result, investors might be unable to resell their shares of our common stock at or above the offering price. In the past, many companies that have experienced volatility in the market price of their stock have been the subject of securities class action litigation. If we were to become the subject of a class action litigation, we could incur substantial costs and our management team's attention and resources could be diverted from our business.

The trading market for our common stock is and will continue to be informed, in part, by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts. If one or more of the analysts who cover us downgrade our stock, our stock price could decline rapidly. If one or more of these analysts ceases coverage of us, we could lose visibility in the market, which in turn could cause our stock price to decline or experience significant volatility.

Completion of this offering or future acquisitions may limit our ability to use our net operating loss carryforwards.

At December 31, 2003, we had federal and state net operating loss carryforwards of approximately $44 million. Under the provisions of the Internal Revenue Code of 1986, as amended, substantial changes in our ownership may limit the amount of net operating loss carryforwards that we can utilize annually in the future to offset taxable income. We believe that, as a result of this offering and potential future acquisitions that we may complete, there is a risk that a change in our ownership will occur, which could limit our ability to utilize our federal operating loss carryforwards. If our ability to use our net operating loss carryforwards is limited, our federal tax burden could increase and net income could decrease.

Our common stock price may decline if a large number of shares are sold after the offering or a perception is created that these sales may occur.

Following this offering, we will have a large number of shares of our common stock outstanding and available for resale beginning at various points in time. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the open market following this offering, or the perception that these sales could occur. On January 12, 2005, the lock-up from our initial public offering expires and approximately 187,035 shares will be available for resale. After 90 days from the date of this prospectus the lock-up from this offering will expire and approximately 8,824,345 shares will be available for resale.

The holders of these shares, in most cases, have registration rights that will allow them to require us to register their shares either independently or in connection with subsequent registration statements that we may file in the future. The sale of these shares, or the perception that these shares may be sold in the relatively near future, might make it difficult for us to sell equity securities in the future.

You will incur immediate and substantial dilution in the net tangible book value of the shares you purchase.

The net tangible book value of our common stock is the difference between our total tangible assets and our total liabilities, divided by the number of shares of common stock outstanding at that date. The public offering price of our common stock in this offering is substantially higher than the net tangible book value that our outstanding common stock will have immediately after this offering. Accordingly, if you purchase shares of our common stock in this offering, you will incur immediate and substantial dilution. In addition, the issuance or exercise of additional options or warrants to purchase our common stock could be dilutive to purchasers of shares in this offering.

We have outstanding options that have the potential to dilute stockholder value and cause the price of our common stock to decline.

We grant stock options to our employees and other individuals. At November 2, 2004, we had options outstanding to purchase 1,627,919 shares of our common stock, at exercise prices ranging from $0.14 to $168.84 per share. If some or all of such shares are sold into the public market over a short time period, the market price of our common stock may decline, as the market may not be able to absorb those shares at the prevailing market prices. Such sales may also make it more difficult for us to sell equity securities in the future on terms that we deem acceptable.

Anti-takeover provisions in our charter documents and under Delaware law may make an acquisition of us more difficult.

Provisions of our certificate of incorporation and bylaws, as well as provisions of Delaware law, could make it more difficult for a third-party to acquire us, even if doing so would benefit our stockholders. These provisions:

- establish a classified board of directors so that not all members of our board may be elected at one time;
- authorize the issuance of "blank check" preferred stock that could be issued by our board of directors (without stockholder approval) to increase the number of outstanding shares (including shares with special voting rights), each of which could hinder a takeover attempt;
- limit who may call a special meeting of stockholders;
- prohibit stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of our stockholders; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon at stockholder meetings.

In addition, Section 203 of the Delaware General Corporation Law, which prohibits business combinations between us and one or more significant stockholders unless specified conditions are met, may discourage, delay or prevent a third-party from acquiring us.

We have discretion as to the use of the net proceeds from this offering and may not use these funds in a manner stockholders would prefer.

We intend to use the net proceeds from this offering to pursue possible acquisitions and for working capital and other general corporate purposes. We may not use the proceeds from this offering for each of these purposes. Future events, including changes in competitive conditions, our ability to identify appropriate acquisition candidates, the availability of other financing and funds generated from operations and the status of our business from time to time, may lead us to change the allocation of the net proceeds of this offering among these possible uses. We will have broad discretion with respect to the use of these funds and the determination of the timing of expenditures.

Cautionary Note Regarding Forward-Looking Statements

link1 "CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS"

Cautionary Note Regarding Forward-looking Statements

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including statements of our expectations regarding Internet survey solutions revenues, selling, general and administrative expenses, profitability, financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions, as they relate to us, are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions described in "Risk Factors" and elsewhere in this prospectus, including, among other things:

- the acceptance of our Internet-based marketing research data collection products and services by existing and potential clients;
- our ability to maintain and expand the Greenfield Online panel both domestically and internationally;
- our ability to successfully integrate assets and personnel that we acquire and our ability to realize the expected benefits of any such acquisition;
- our ability to market our Internet survey solutions;
- our ability to continue to develop and improve our technology infrastructure;
- significant increases in competitive pressures in the marketing research data collection industry;
- our ability to attract and retain experienced project management professionals;
- the effect that the Do Not Call registry and other regulations may have on the adoption of Internet-based marketing research data collection;
- the growth of Internet penetration outside the United States; and
- our ability to expand internationally.

These risks are not exhaustive. Other sections of this prospectus include additional factors which could adversely impact our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We assume no obligation to update any forward-looking statements after the date of this prospectus as a result of new information, future events or developments, except as required by federal securities laws.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur and actual results could differ materially from those projected in the forward-looking statements.

Use of Proceeds

link1 "USE OF PROCEEDS"

Use of Proceeds

We estimate that the net proceeds from this offering with respect to the shares to be sold by us will be $84.6 million based on an assumed offering price of $20.15 per share (the last reported sale price of our common stock on November 2, 2004), and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of the shares by the selling stockholders.

We intend to use the net proceeds from this offering (together with cash on hand and additional borrowings under our credit facility) to fund all or a portion of the costs of any strategic acquisitions we determine to pursue in the future, although there are no assurances that we will be able to successfully identify or consummate any such acquisitions. To the extent that we do not pursue or consummate any acquisitions, any remaining net proceeds to us will be used for working capital and general corporate purposes. We will not receive any proceeds from the sale of the shares to be sold by the selling stockholders in this offering.

We will retain broad discretion over the use of the net proceeds of this offering. The amount and timing of our actual expenditures may vary significantly depending on numerous factors, such as our ability to identify potential acquisition candidates and the progress of our international expansion efforts. Pending application, we intend to invest the net proceeds of this offering in short-term, interest-bearing, investment-grade securities.

The principal purposes of this offering are (i) to pursue strategic acquisitions as they become available, (ii) to broaden the public market for our common stock by increasing the number of shares that trade in the public market, and (iii) to provide additional funds for working capital and general corporate purposes. The consideration for any potential acquisition could consist of cash, stock or a combination of both. As of the date of this prospectus, we have no binding agreements or commitments with respect to any acquisition.

Dividend Policy

link1 "DIVIDEND POLICY"

Dividend Policy

We do not anticipate paying any dividends in the foreseeable future. We anticipate that we will retain all of our future earnings for use in the expansion and operation of our business. Any future determination as to the payment of dividends will be at our board of directors' discretion and will depend on our financial condition, operating results, current and anticipated cash needs, plans for expansion and other factors that our board of directors considers to be relevant.

Capitalization

link1 "CAPITALIZATION"

Capitalization

The following table sets forth our cash, cash equivalents and capitalization as of September 30, 2004, as follows:

- on an actual basis;
- on an as adjusted basis to give effect to our sale of 4,500,000 shares of common stock in this offering at an assumed public offering price of $20.15 per share (the last reported sale price of our common stock on November 2, 2004) and the application of the estimated net proceeds. See "Use of Proceeds."

You should read this information together with the sections of this prospectus entitled "Selected Consolidated Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes appearing elsewhere in this prospectus.

	As of September 30, 2004	
	Actual	As Adjusted
	($ in thousands,	
	except per share data)	
Cash and cash equivalents	$38,431	$123,019
Long-term debt	—	—
Capital lease obligations	2,034	2,034
Stockholders' equity (deficit):		
Preferred stock; par value $.0001 per share; 5,000,000 shares authorized, none issued and outstanding actual and as adjusted		
Common stock; par value $.0001 per share; 100,000,000 shares authorized and 16,471,378 shares issued and outstanding actual and 20,985,509 shares issued and outstanding as adjusted	2	2
Additional paid-in capital	128,186	212,774
Accumulated deficit	(81,094)	(81,094)
Unearned stock-based compensation	(3,004)	(3,004)
Treasury stock, at cost	(131)	(131)
Total stockholders' equity	43,959	128,547
Total capitalization	$45,993	$130,581

The outstanding share information in the table above excludes:

- 1,627,919 shares of common stock issuable upon exercise of outstanding stock options, with a weighted average exercise price of $9.39 per share;
- 52,337 shares of common stock issuable upon exercise of outstanding warrants, with a weighted average exercise price of $24.78 per share;
- an aggregate of 82,464 shares of common stock available for future awards under our 1999 Option Plan and our 2004 Equity Plan; and
- 250,000 shares of common stock available for future issuance under our Stock Purchase Plan.

Market Price of Common Stock

link1 "MARKET PRICE OF COMMON STOCK"

Market Price of Common Stock

Our common stock has been traded on the Nasdaq National Market under the symbol “SRVY” since July 16, 2004. The following table sets forth for the periods indicated the range of high and low closing sales prices per share of our common stock as reported by the Nasdaq National Market:

	High	Low
2004		
Third Quarter (commencing July 16, 2004)	$21.74	$14.71
Fourth Quarter (through November 2, 2004)	$24.10	$19.81

On November 2, 2004, the last reported sale price of our common stock, as reported on the Nasdaq National Market, was $20.15 per share. As of November 2, 2004, we had approximately 44 stockholders of record, including record holders on behalf of an indeterminate number of beneficial holders. We believe that the aggregate number of beneficial owners of our common stock is in excess of 400.

Selected Consolidated Financial Data

link1 "SELECTED CONSOLIDATED FINANCIAL DATA"

Selected Consolidated Financial Data

The following selected consolidated financial data should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes, which are included elsewhere in this prospectus. The selected consolidated statement of operations data for each of the fiscal years ended December 31, 2001, 2002 and 2003 and the selected consolidated balance sheet data as of December 31, 2002 and 2003 are derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. The selected consolidated statements of operations data for the fiscal year ended December 31, 2000 and the selected consolidated balance sheet data as of December 31, 2000 and 2001 are derived from audited consolidated financial statements not included in this prospectus. The selected consolidated statements of operations data for each of the nine month periods ended as of September 30, 2003 and 2004 and the selected consolidated balance sheet data as of September 30, 2004 are derived from our unaudited financial statements included elsewhere in this prospectus. Selected consolidated financial data for the period from January 1, 1999 through May 16, 1999 is referred to as the “Predecessor Company.” On May 17, 1999, members of our then-existing management and a group of new investors executed a management buyout of 97% of our common stock. The selected statement of operations data for the periods from January 1, 1999 through May 16, 1999 and from May 17, 1999 through December 31, 1999, and the selected balance sheet data as of December 31, 1999 are derived from our audited financial statements not included in this prospectus.

	Predecessor Company			
				Nine Months
	January 1, Through May 16,	May 17, Through December 31,	Year Ended December 31,	Ended September 30,

	1999	1999	2000	2001	2002	2003	2003	2004
	(In thousands, except per share data)							
Consolidated Statements of Operations Data:								
Net revenues:								
Internet survey solutions(1)	$357	$545	$2,051	$4,072	$14,416	$25,868	$17,587	$30,867
Custom research(2)	1,377	5,013	13,067	9,715	470	—	—	—
Total net revenues	1,734	5,558	15,118	13,787	14,886	25,868	17,587	30,867
Cost of revenues	702	2,538	6,699	8,097	5,409	8,884	6,061	7,508
Gross profit	1,032	3,020	8,419	5,690	9,477	16,984	11,526	23,359
Operating expenses:								
Selling, general and administrative	5,244	11,326	42,901	15,148	10,123	12,127	8,126	15,247
Panel acquisition	27	112	1,619	351	713	1,421	1,058	1,771
Depreciation and amortization	156	3,844	9,375	2,654	1,802	1,113	812	851
Research and development	186	1,441	2,928	1,750	747	626	451	789
Total operating expenses	5,613	16,723	56,823	19,903	13,385	15,287	10,447	18,658
Operating income (loss)	(4,581)	(13,703)	(48,404)	(14,213)	(3,908)	1,697	1,079	4,701
Total other income (expense)	(50)	(1,016)	(4,164)	(3,074)	945	101	235	(1,213)
Income (loss) before income taxes	(4,631)	(14,719)	(52,568)	(17,287)	(2,963)	1,798	1,314	3,488
Provision (benefit) for income taxes	—	(940)	—	—	(569)	150	80	193
Net income (loss)	(4,631)	(13,779)	(52,568)	(17,287)	(2,394)	1,648	1,234	3,295
Less: Accretion of Series C-2 redeemable preferred stock dividends	—	—	—	—	—	(63)	(63)	—
Charge to common stockholders for Series B convertible preferred stock	—	—	—	—	(3,873)	—	—	(28,054)

Cumulative dividends on Series B convertible preferred stock	–	–	–	–	(28)	(673)	(504)	(382)
Income allocable to participating preferred securities	–	–	–	–	–	(761)	(556)	(1,564)
Net income (loss) available to common stockholders	$(4,631)	$(13,779)	$(52,568)	$(17,287)	$(6,295)	$151	$111	$(26,705)

	Predecessor							
	Company							
							Nine Months	
	January 1,	May 17,					Ended	
	Through	Through	Year Ended December 31,				September 30,	
	May 16,	December 31,						
	1999	1999	2000	2001	2002	2003	2003	2004
	(In thousands, except per share data)							
Net income (loss) per share available to common stockholders								
Basic	–	$(18.61)	$(57.43)	$(18.08)	$(6.42)	$0.07	$0.05	$(4.39)
Diluted	–	(18.61)	(57.43)	(18.08)	(6.42)	0.06	0.05	(4.39)
Weighted average shares outstanding Basic	–	740	915	956	981	2,054	2,054	6,084
Diluted	–	740	915	956	981	2,347	2,263	6,799

	December 31,					
						September 30,
	1999	2000	2001	2002	2003	2004
	($ in thousands)					
Consolidated Balance Sheet Data:						
Cash, restricted cash and cash equivalents	$1,709	$1,318	$1,056	$1,864	$3,721	$38,431
Total assets	23,353	13,580	9,102	8,724	11,929	53,342
Current lease obligations:						
Current portion	336	819	569	895	874	1,120
Long-term portion	361	595	1,968	1,102	705	914
Debt:						–
Current portion	–	3,832	5,115	1,216	–	–
Long-term portion	16,999	15,004	16,171	–	–	–
Series C-2 redeemable preferred stock	–	–	–	821	943	–
Series B convertible preferred stock	–	–	–	8,441	9,114	–
Total stockholders’ equity (deficit)	323	(18,351)	(21,603)	(8,526)	(6,327)	43,959

	Predecessor							
	Company							
							Nine Months	

	Jan. 1, Through May 16, 1999	May 17 Through Dec. 31, 1999	Year Ended December 31, 2000	2001	2002	2003	Nine Months Ended September 30, 2003	2004
	($ in thousands)							
Other Consolidated Financial and Operating Data:								
EBITDA(3)	$(4,425)	$(9,826)	$(38,843)	$(9,339)	$80	$3,692	$2,695	$5,801
EBITDA margin(4)	n.m	n.m.	n.m.	n.m.	1%	14%	15%	19%
Number of projects completed during period			847	838	1,249	2,482	1,766	3,157

(1) Internet survey solutions includes services revenues from the collection of survey data for sale to marketing research companies.

(2) Custom research includes revenues from the line of business that we sold to Taylor Nelson Sofres Operations, Inc. in January 2002.

(3) We define EBITDA as earnings before interest expense, income taxes, depreciation and amortization, which definition may not be comparable to similarly titled measures reported by other companies. We are presenting EBITDA because it provides an additional way to view our operations, when considered with both our GAAP results and the reconciliation to net income, which we believe provides a more complete understanding of our business than could be obtained absent this disclosure. EBITDA is presented solely as a supplemental disclosure because: (i) we believe it is a useful tool for investors to assess the operating performance of the business without the effect of non-cash depreciation and amortization expenses; (ii) we believe that investors will find it useful in assessing our ability to service or incur indebtedness; (iii) we use EBITDA internally to evaluate the performance of our personnel and also as a benchmark to evaluate our operating performance or compare our performance to that of our competitors. The use of EBITDA has limitations and you should not consider EBITDA in isolation from or as an alternative to GAAP measures such as net income, cash flows from operating activities and consolidated income or cash flow statement data prepared in accordance with GAAP, or as a measure of profitability or liquidity. The following table sets forth the reconciliation of EBITDA, a non-GAAP financial measure, to net income (loss), our most directly comparable financial measure presented in accordance with GAAP.

	Predecessor Company							
	Jan. 1, Through May 16, 1999	May 17 Through Dec. 31, 1999	Year Ended December 31, 2000	2001	2002	2003	Nine Months Ended September 30, 2003	2004
	($ in thousands)							
Net income (loss)	$(4,631)	$(13,788)	$(52,569)	$(17,287)	$(2,394)	$1,648	$1,234	$3,295
Interest expense	50	1,058	4,351	3,306	553	496	365	1,187
Provision (benefit) for income taxes	—	(940)	—	—	(569)	150	80	193
Depreciation and amortization	156	3,844	9,375	4,642	2,490	1,398	1,016	1,126
EBITDA	$(4,425)	$(9,826)	$(38,843)	$(9,339)	$80	$3,692	$2,695	$5,801
EBITDA margin	n.m	n.m.	n.m.	n.m.	1%	14%	15%	19%

(4) We define EBITDA margin as our EBITDA as a percentage of our net revenues. EBITDA margin is not presented for 1999, 2000 and 2001 because it is not meaningful.

Management's Discussion and Analysis of Financial Condition and Results of Operations

link1 "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS"

Management's Discussion and Analysis of

Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes starting on page F-1 of this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those discussed in "Risk Factors" above. See "Cautionary Note Regarding Forward-Looking Statements."

Overview

We are a leading independent provider of Internet survey solutions to the global marketing research industry and we derive 100% of our revenues from Internet data collection products and services. We actively manage the Greenfield Online panel, a 100% Internet-based panel of approximately 3.4 million survey takers who participate in our surveys. Our panelists represent households consisting of an estimated 8.8 million people, allowing us to compile diverse, demographically representative survey data. The Greenfield Online panel includes approximately 1.1 million survey takers who joined through our acquisition of the OpinionSurveys.com panel from The Dohring Company on October 21, 2004. We believe the size and diversity of the Greenfield Online panel along with the amount of revenues we derive solely from Internet survey solutions position us as a leader in our market.

We target our Internet survey solutions to approximately 2,500 full service marketing research and consulting firms in the United States and the world's top 25 marketing research companies. Our clients use the Internet survey data that we provide to enable companies throughout the world to make critical marketing and business decisions. Based on our internal estimates, we believe that spending associated with the gathering of survey data, known as fieldwork, accounts for approximately 40% of the annual spending on survey marketing research. Using this estimate, fieldwork represented approximately $3.0 billion of the approximately $7.5 billion global survey market in 2002 as reported by the *World Association of Opinion and Marketing Research Professionals*.

Over the past 10 years, we have developed proprietary panel management techniques that allow us to manage the Greenfield Online panel. We use these techniques to efficiently conduct Internet surveys and continually seek to refresh and enhance our panel profiles, enabling the delivery of higher-value survey data to our clients. Our automated technology platform allows us to perform a large volume of surveys simultaneously, and our global production capabilities enable us to provide continuous survey programming, data collection and processing services.

Key Historical Events that Impact Our Business

We were incorporated in the State of Connecticut on September 28, 1995. Until May 17, 1999, Andrew S. Greenfield and certain members of his family owned all of our capital stock. On May 17, 1999, our then-existing management and a group of new investors completed a management buyout (the "Management Buyout"), in which approximately 97% of our outstanding common stock was acquired by Greenfield Holdings, LLC ("Greenfield Holdings"), an entity formed for the sole purpose of the Management Buyout. The remaining 3% was retained by the prior owner. From 1999 until 2002, we invested significant amounts to build the Greenfield Online panel and our Internet-based technology infrastructure. In December 2002, our controlling stockholders completed a recapitalization of our business and Greenfield Holdings was dissolved.

Until January 2002, we sold both custom Internet-based marketing research and the Internet survey solutions we sell today. A majority of our revenues for the first seven years of our existence was derived from the sale of custom marketing research. In September 2001, we embarked on a strategy to convert the focus of our business from providing custom marketing research to end-users to providing Internet survey solutions to the marketing research firms we target today. This strategy culminated in the sale of our custom marketing research business (the "Custom Research Business") to Taylor Nelson Sofres Operations, Inc. ("TNSO") in January 2002. The sale of our Custom Research Business represented a turning point in our development as we shifted from a labor-intensive, professional services business model to a scalable Internet-based services business model.

Under our asset sale agreement with TNSO, we received $2.0 million in cash consideration at closing in January 2002 and an additional $600,000 in January 2003. Contemporaneously with the execution of the asset sale agreement, we entered into an alliance agreement with Taylor Nelson Sofres Intersearch ("TNSI") that terminates on December 31, 2006. We treated $1.4 million of the proceeds received at closing as consideration for the value of the assets conveyed and $600,000 as a prepayment of the first three months' payments due under the alliance agreement. The alliance agreement obligated TNSI to use our services to meet substantially all of its Internet sample survey requirements for U.S.-based marketing research until certain minimum revenue guarantees were met. In 2002, the alliance agreement required TNSI to provide us with a minimum of $200,000 per month after the first three months of

qualifying revenue for purchases of sample and other services, and in 2003 this minimum monthly amount increased to $300,000. In December 2003, Taylor Nelson satisfied its total minimum purchase requirement, but we continue to perform work for Taylor Nelson under the terms of the alliance agreement.

In July 2003, we formed Greenfield Online Private Limited ("GFOL India") in Gurgaon, India in order to reduce labor costs and to allow us to offer around-the-clock data processing and survey programming services. In August 2003, we acquired Greenfield Online Europe, Ltd. ("GFOL Europe"), a newly-formed U.K. corporation, to allow us to market our Internet survey solutions in Europe. In March 2004, we formed Greenfield Online Canada, Ltd. in order to expand our North American operations to cover the Canadian market.

In July 2004, we completed the initial public offering of our common stock, including the sale of 4.0 million shares by us and 1.75 million shares by certain of our stockholders. Net proceeds to us from the initial public offering totaled approximately $34.8 million, after payment of underwriters' commissions, mandatory conversion and redemption payments, and other related expenses. In connection with our initial public offering, all shares of our Series C-2 Redeemable Non-Voting Preferred Stock were redeemed and all outstanding shares of our Series A Convertible Participating Preferred Stock, Series B Convertible Participating Preferred Stock, and Series C-1 Convertible Participating Preferred Stock were converted into shares of our common stock on a one-for-14 basis.

On October 21, 2004, we completed the acquisition of OpinionSurveys.com's Internet-based panel from The Dohring Company for $3.0 million in cash. The acquisition added to the Greenfield Online panel approximately 1.1 million survey takers representing households consisting of approximately 3.0 million people. Under the terms of the acquisition, we acquired specific assets from The Dohring Company, including the complete OpinionSurveys.com panel; certain profile information contained in its database; title to the domain names "OpinionSurveys.com" and "OpinionSurvey.com;" as well as certain intellectual property associated with the OpinionSurveys.com panel, including the registered trademark in the logo of OpinionSurveys.com. Under the terms of the acquisition, we did not assume any liabilities from The Dohring Company. This acquisition was recorded under the purchase method with $2.7 million the total consideration allocated to the fair value of the assets acquired (including the OpinionSurveys.com panel database) and approximately $300,000 allocated to other intangibles (including domain names and a service mark).

Our Operating Leverage

We believe our Internet-based model provides significant operating leverage and should lead to expansion of our operating income margin if we are successful in growing our revenues. As compared to offline-based data collection models, which have high variable costs, such as telephone data collection models or mail-based data collection models, our Internet-based model is low variable cost in nature. As such, once the investment in infrastructure has been made, we realize the benefit of low incremental variable costs associated with revenue growth. By leveraging the established Greenfield Online panel and panelists added through acquisitions (such as the OpinionSurveys.com panel), conducting an increasing number of surveys using our existing technology infrastructure and benefiting from our operations center in India, we believe that we will continue to improve our operating leverage.

We utilize a combination of sales professionals, account executives and automated bid technology to maximize our personal interaction with current and prospective clients while minimizing selling costs. We also utilize our clients' sales organizations as channel partners for distribution of our Internet survey solutions. By selling through marketing research channels, we experience significant sales leverage and return on invested sales dollars.

Quarterly Internet Survey Solutions Revenue Growth

We have experienced significant growth in our revenues related to Internet survey solutions since 2000. Starting with a base annual revenue of $2.1 million in 2000, our Internet survey solutions revenues grew to $25.9 million for the year ended December 31, 2003. The following chart depicts growth of our quarterly services revenues derived from Internet survey solutions from the first quarter in 2001 through the third quarter in 2004.

Explanation of Key Financial Statement Captions

Net Revenues

We report our revenues net of customer volume rebates and cash discounts. Discounts for larger customers typically range from 5% to 20% off of our standard rates and we typically limit volume rebates to a few customers. These rebates have not been material in amount historically, nor do we expect them to be material in the near future. Our net revenues are derived primarily from the following offerings:

- *Full Service* — we program our clients' surveys, host them on our website infrastructure, invite our panelists to take the surveys and deliver the compiled data to our clients for their analysis and presentation.

- *Sample Solutions* — clients that have their own programming capabilities, but have limited or no access to survey respondents, can purchase controlled access to the Greenfield Online panel.

In 2003, our net revenues were evenly derived from full-service and sample solutions. We do not expect our relative mix of revenues to change significantly through the end of 2004 and in 2005.

We typically experience a one month lag between submitting a bid for a project and the project award. We monitor forward delivery demand using the bid data maintained on our customer relationship management software and the "win-rate" derived from this data in order to plan operational needs, such as the need to hire or reassign delivery personnel, and panel growth needs and composition.

Once awarded, our typical project is usually completed in less than 30 days. We track the costs incurred on each project and defer cost recognition until such time as the project is delivered to the client. Upon delivery, the costs associated with the project are expensed and revenue is recognized.

Cost of Revenues

Our direct costs associated with generating revenues primarily consist of the following items:

- *Project Personnel* — Project personnel have three distinct roles: project management, survey programming and data processing. We maintain project personnel in the United States, Europe, Canada and India. Labor costs are specifically allocated to each project. We utilize an automated timekeeping system in which project personnel maintain estimates of time incurred for each specific project. Project personnel are paid quarterly bonuses based upon quality of service delivery and achievement of revenue goals associated with clients.
- *Panelist Incentives* — Our panelists receive cash and non-cash incentives for participating in our surveys. Each member of our panel has their own Greenfield Online incentive account that we maintain. Our panelists accrue incentives based upon a member qualifying for and completing a survey within a predetermined timeframe. The panel member may request and receive payment of his or her incentives at any point in time prior to expiration. Incentives generally expire one year after award as outlined in the terms and conditions available on our panelist website.
- *Data Processing* — We perform the majority of the processing of survey data with our own professionals. Occasionally, we outsource certain data processing functions to third-party suppliers.
- *Outside Sample* — Occasionally, clients will request that we supplement our sample with survey responses from individuals who are not members of the Greenfield Online panel. These requests may occur in situations where the customer requests augmentation of data collected from the Greenfield Online panel, as well as in markets in which we do not have panelists, typically certain international geographic sectors.
- *Other Direct Costs* — Other direct costs may include the following: (i) fees paid to a third party for healthcare-related sample data retrieved from a panel of healthcare professionals developed by this third-party and (ii) fees paid to Microsoft Corporation for surveys completed and sold using data from panelists we have obtained through the Microsoft Network ("MSN"). We intend to phase out our use of arrangements with third parties that require us to pay fees in connection with completed surveys. Also included in other direct costs are unearned stock-based compensation charges, which are amortized over the service period of options granted to project personnel.
- *Amortization of Internal Use Software* — We include in cost of revenues amortization of capitalized software costs related to survey production. Over the last two years, we have migrated from developing the majority of our internal use software ourselves to using third-party best-of-breed survey solutions. This migration has tended to reduce the cost of such software and thus, has also reduced amortization expense.

Selling, General and Administrative Expenses

As of September 30, 2004, we employed 30 individuals that support the sales and marketing of our Internet survey solutions. These sales professionals are compensated based upon project delivery and revenue recognition. Commissions are accrued when we deliver completed projects to our clients. In addition, we maintain the Greenfield Online panel with a staff of six panel management personnel. These individuals design programs geared toward panelist recruitment, retention and incentives and are also responsible for panel database design and development. Furthermore, we support our sales effort with a staff of four marketing professionals who design product pricing, promotional and distribution strategies. As of September 30, 2004, we employed 33 individuals who provide a foundation for these functions in the areas of executive, finance, human resources and information technology operations. This group is responsible for maintaining the infrastructure and support for the entire sales, delivery and panel teams. Also included in selling, general and administrative expenses are unearned stock-based compensation charges, which are amortized over the service period of options granted to selling, general and administrative personnel.

Panel Acquisition Expenses

We continually add new members to the Greenfield Online panel in order to support growing demand for our products and services as well as to compensate for members who leave the panel in the ordinary course of our business. We incur costs to acquire members for our panel, including fees paid to procure new panelists from our webmaster affiliate program and through panel acquisition agreements with large Internet portals, special interest, age and ethnicity-related websites. We also incur costs related to incentives paid to Microsoft for recruiting panelists to the panel, costs to test potential panel sources before full recruitment roll-outs begin on specific websites and other costs associated with the panel recruitment process. These costs are expensed as incurred. We may also add members to the Greenfield Online panel by acquiring existing panels, as we did with the OpinionSurveys.com acquisition. In these cases, we are able to capitalize the purchase price of the panel and amortize the purchase price over the life of the acquired asset.

Research and Development Expenses

We employ a staff of professional technology personnel who develop proprietary solutions for panel database development and integrating client and third-party software solutions into our technology infrastructure. All costs associated with research and product development efforts are expensed as incurred and recorded under research and development expenses.

As discussed in Note 2 to our consolidated financial statements included elsewhere in this prospectus, costs relating to survey software development that meet the criteria for capitalization under GAAP are capitalized and amortized over the estimated period of benefit, usually two years.

Related Party Interest Income (Expense), Net

Related party interest income (expense), net is comprised of: (i) paid-in-kind interest, calculated using the level-yield method on the note we issued to Greenfield Holdings, LLC in the principal amount of approximately $14 million in May 1999 (the "Holdings Note"); (ii) amortization of debt discount on the Holdings Note; (iii) interest expense on the notes issued to us by Hugh O. Davis, one of our executive officers, and Rudy Nadilo, our former chief executive officer; and (iv) the accretion on the Series C-2 Redeemable Non-Voting Preferred Stock beginning in July 2003 (all of the outstanding shares of the Series C-2 Redeemable Non-Voting Preferred Stock were redeemed in connection with our initial public offering in July 2004). See "Certain Relationships and Related Party Transactions."

Provision for Income Taxes

We recognize deferred tax assets and liabilities on differences between the book and tax basis of assets and liabilities using currently effective rates. Further, deferred tax assets are recognized for the expected realization of available net operating loss carryforwards. A valuation allowance is recorded to reduce a deferred tax asset to an amount that we expect to realize in the future. We continually review the adequacy of the valuation allowance and recognize these benefits if a reassessment indicates that it is more likely than not that these benefits will be realized. In addition, we continuously evaluate our tax contingencies and recognize a liability when we believe that it is probable that a liability exists.

Treatment of Sale of Custom Research Business

We do not believe that the sale of the Custom Research Business qualified for discontinued operations treatment under Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"), because (i) the business was not run separately from the Internet Survey Solutions business, (ii) a single income statement and cash flow statement was prepared on a combined basis for internal reporting purposes, (iii) we never attempted to capture and track cash flows of the Custom Research Business separately, and it would be impracticable for us to retrospectively develop meaningful information regarding these cash flows; and (iv) we had continuing involvement in the business under our alliance agreement, as both TNSI and its end customers relied on us to fulfill our obligations under contracts in process and as principal supplier of internet research to TNSI during the term of the agreement.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in conformity with GAAP in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. On an on-going basis, we evaluate our estimates and judgments. We base our estimates on historical experience, independent instructions, known trends and events and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition. We recognize revenues when survey data is delivered to the client in accordance with the terms of our agreements. Research products are delivered within a short period, generally ranging from a few days to eight weeks. An appropriate deferral is made for direct costs related to contracts in process, and no revenue is recognized until delivery of the data has taken place. Billings rendered in advance of services being performed, as well as customer deposits received in advance, are recorded as a current liability included in deferred revenue. We are required to estimate contract losses, if any, and provide for such losses in the period they are determined and estimable. We do not believe that there are realistic alternatives to our revenue recognition policy given the short

period of service delivery and the requirement to deliver completed surveys to our customers. We do not believe there is significant risk of recognizing revenue prematurely since our contracts are standardized, the earnings process is short and no single project accounts for a significant portion of our revenue.

Accounts Receivable Allowances. Accounts receivable allowances are comprised of an allowance for doubtful accounts and allowances for customer credits, including volume rebates to certain of our larger customers. Volume rebate allowances are accrued based upon actual volume rebates earned in connection with client contracts. The allowances for doubtful accounts are arrived at using a two-step methodology which takes into consideration specifically identified bad debts and an overall reserve for the entire receivable asset. During 2002, we sold the Custom Research Business, which historically had a high incidence of bad debt. The allowance for bad debts as reflected at December 31, 2002 represented our best estimate of identified bad debts in our Internet survey solutions business. Over time we have experienced significantly lower levels of bad debt in our Internet survey solutions business than in the Custom Research Business. We believe that this is due to the shorter project lengths, size of individual projects billed for collection and prompt identification of problem accounts when bills are not paid in accordance with our normal commercial terms, which average net 30 days. We continue to refine our estimates for bad debts in our new Internet survey solutions business over time and have lowered the required allowance for doubtful accounts as a result of our experience. While credit loss rates have historically been within our expectations and the provisions established, fluctuations in our future credit rate losses may negatively impact our financial results.

Panelist Incentives. Our panelists receive incentives for participating in our surveys, which are earned by the panelist when we receive a timely survey response. A panelist has the right to claim his or her incentive payment at any time prior to its expiration, which is generally one year. We accrue incentives as incurred, and reverse expirations to the statement of operations as the expirations occur.

Stock-Based Compensation. We have elected to follow Accounting Principle Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations in accounting for our stock-based compensation plans, rather than the alternative fair value method provided for under Financial Accounting Standard No. 123 "Accounting for Stock-Based Compensation" ("FAS 123"). In 2002 and 2003, we granted certain options to purchase our common stock at exercise prices that we have now determined to be less than the fair value of our common stock and, as a result, we have recorded deferred stock compensation expense which is amortized to earnings over the service period of the employee. In the notes to our consolidated financial statements, we provide pro forma disclosures in accordance with FAS 123.

Accounting for equity instruments granted or sold by us under APB 25, FAS 123 and EITF 96-18 requires fair value estimates of the equity instrument granted or sold. If our estimates of the fair value of these equity instruments are too high or too low, our expenses may be over- or under-stated. Equity instruments granted or sold in exchange for the receipt of goods or services and the value of those goods or services cannot be readily estimated, as is true in connection with most stock options and warrants granted to employees and non-employees, and we estimated the fair value of the equity instruments based upon consideration of factors that we deemed to be relevant at the time.

The fair value of our common stock is determined by our board of directors contemporaneously with the grant of a stock option. Prior to the existence of a public trading market for our common stock, our board of directors considered numerous objective and subjective factors in determining the fair value of our common stock. At the time of option grants and other stock issuances, our board of directors considered the liquidation preferences, dividend rights, voting control and anti-dilution protection attributable to our then-outstanding redeemable convertible preferred stock, the status of private and public financial markets, valuations of comparable private and public companies, the likelihood of achieving a liquidity event, our existing financial resources, our anticipated capital needs, dilution to common stockholders from anticipated future financings and a general assessment of future business risks, as such conditions existed at the time of the grant. Subsequent events or conditions that differ from these factors could have a material impact on stock compensation expense in our consolidated financial statements.

Income Taxes. Deferred taxes are determined under the asset and liability approach. Deferred tax assets and liabilities are recognized on differences between the book and tax basis of assets and liabilities using presently enacted tax rates. Further, deferred tax assets are recognized for the expected benefits of available net operating loss carryforwards, capital loss carryforwards and foreign tax credit carryforwards. A valuation allowance is recorded to reduce a deferred tax asset to an amount, which we expect to realize in the future. We continually review the adequacy of the valuation allowance and recognize these benefits only as reassessment indicates that it is more likely than not that these benefits will be realized. The reassessment requires us to review the positive and negative evidence available regarding the recoverability of the deferred tax assets. We have a history of net losses within the last three years. While we are currently profitable we have concluded that there is uncertainty regarding the recoverability of our deferred tax assets. In addition, we continuously evaluate our tax contingencies and recognize a liability when we believe that it is probable that a liability exists and can be reasonably estimated.

Earnings Per Share. We report net income (loss) per share in accordance with Statement of Financial Accounting Standards No. 128 "Earnings per Share" ("SFAS 128"). Earnings per share ("EPS") is sensitive to fair value estimation techniques, as this effects accretion estimates that are charged against income available to common stockholders. For our participating preferred securities, it is our policy to determine both basic and diluted EPS using the "two class" method as defined under SFAS 128. We determined this to be the appropriate method as it was more dilutive than the "if – converted" method.

Results of Operations

Quarter Ended September 30, 2004 Versus Quarter Ended September 30, 2003

Nine Months Ended September 30, 2004 Versus Nine Months Ended September 30, 2003

The following table sets forth our results of operations based on the amounts and percentage relationship of the items listed to net revenues for the periods presented.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2004	%	2003	%	2004	%	2003	%
	($ in thousands)				($ in thousands)			
Net revenues	$12,015	100.0%	$7,048	100.0%	$30,867	100.0%	$17,587	100.0%
Cost of revenues	2,515	20.9	2,574	36.5	7,508	24.3	6,061	34.5
Gross profit	9,500	79.1	4,474	63.5	23,359	75.7	11,526	65.5
Operating expenses:								
Selling, general and administrative	5,884	49.0	3,237	45.9	15,247	49.4	8,126	46.2
Panel acquisition expenses	599	5.0	311	4.4	1,771	5.7	1,058	6.0
Depreciation and amortization	388	3.2	279	4.0	851	2.8	812	4.6
Research and development	308	2.6	167	2.4	789	2.6	451	2.6
Total operating expenses	7,179	59.8	3,994	56.7	18,658	60.5	10,447	59.4
Operating income (loss)	2,321	19.3	480	6.8	4,701	15.2	1,079	6.1
Interest income (expense), net	36	0.3	(99)	(1.4)	(94)	(0.3)	(338)	(1.9)
Related party interest income (expense), net	(1,053)	(8.8)	(29)	(0.4)	(1,093)	(3.5)	(27)	(0.1)
Other income, net	(10)	(0.1)	–	–	(26)	(0.1)	600	3.4
Total other income	(1,027)	(8.6)	(128)	(1.8)	(1,213)	(3.9)	235	1.4
Income before income taxes	1,294	10.7	352	5.0	3,488	11.3	1,314	7.5
Provision for income taxes	51	0.4	17	0.2	193	0.6	80	0.5
Net income	$1,243	10.3%	$335	4.8%	$3,295	10.7%	$1,234	7.0%

Net Revenues. Net revenues for the three months ended September 30, 2004 were $12.0 million, compared to $7.0 million for the three months ended September 30, 2003, an increase of $5.0 million, or 70.5%. Net revenues for the nine months ended September 30, 2004 were $30.9 million, compared to $17.6 million for the nine months ended September 30, 2003, an increase of $13.3 million, or 75.5%. Net revenues increased due to an increase in the number of survey projects completed. This increase was seen primarily in the full-service and sample-only solutions and, to a lesser extent, in tracking studies. In addition, increased demand for our services was driven by market factors, including the need for customers to improve their profitability by using less costly Internet-based marketing research data and the impact of the Do Not Call registry on marketing research firms, which had previously relied heavily on telephone-based data collection methods. We believe that the revenue growth from our Internet survey solutions will continue to be strong in the remainder of 2004, although sequential quarterly year over year growth rates may decline.

Gross Profit. Gross profit for the three months ended September 30, 2004 was $9.5 million, compared to $4.5 million for the three months ended September 30, 2003, an increase of $5.0 million, or 112.3%. Gross profit for the three months ended September 30, 2004 was 79.1% of net revenues, compared to 63.5% for the three months ended September 30, 2003. Gross profit for the nine months ended September 30, 2004 was $23.4 million, compared to $11.5 million for the nine months ended September 30, 2003, an increase of $11.8 million, or 102.7%. Gross profit for the nine months ended September 30, 2004 was 75.7% of net revenues, compared to 65.5% for the nine months ended September 30, 2003. Due to the more productive use of panelist incentives as a result of a shift from cash incentive payments to a prize-based program, the gross margin was positively impacted by approximately 11.5 percentage points for the three months ended September 30, 2004 and by approximately 5.5 percentage points for the nine months ended September 30, 2004. Additionally, gross margin increased due primarily to a decline in costs related to direct project personnel as a result of our India expansion, whereby we moved a significant portion of survey production and data processing to our India facility during 2003. The shift to our India facility positively impacted our gross margin by approximately 4.4 percentage points for the three months ended September 30, 2004 and by approximately 5.2 percentage points for the nine months ended September 30, 2004.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the three months ended September 30, 2004 were $5.9 million, compared to $3.2 million for the three months ended September 30, 2003, an increase of $2.7 million, or 81.8%. Selling, general and administrative expenses for the nine months ended September 30, 2004 were $15.2 million, compared to $8.1 million for the nine months ended September 30, 2003, an increase of $7.1 million, or 87.6%. Selling expenses, primarily personnel costs and related commissions, increased approximately $350,000 and $1.9 million, respectively, for the three and nine months ended September 30, 2004 as a result of hiring new sales and sales-support personnel in order to better promote our products and services. Personnel costs associated with selling, general and administrative expenses increased approximately $787,000 and $1.8 million, respectively, for the three and nine months ended September 30, 2004 as a result of hiring senior executives in panel and marketing management, staffing required in finance and administration to operate as a public company and the addition of personnel in panel and administration in our operations in India. Advertising and promotion increased approximately $240,000 and $630,000, respectively, in the three and nine months ended September 30, 2004 as we increased our spending in direct mail, print and web advertising and redesigned our website, logo and collateral marketing materials. General and administrative expenses, excluding personnel costs, increased approximately $1.3 million and $2.8 million, respectively, in the three and nine months ended September 30, 2004 primarily as a result of public company expenses, recruitment fees for personnel additions, office expansion in India, Europe and Canada, and other professional fees incurred to support our revenue growth and international expansion. Selling, general and administrative expenses as a percentage of net revenues increased to 49.0% for the three months ended September 30, 2004 from 45.9% of the net revenue for the three months ended September 30, 2003, and increased to 49.4% for the nine months ended September 30, 2004 from 46.2% of the net revenues for the nine months ended September 30, 2003. We expect selling, general and administrative expenses to remain relatively consistent as a percentage of revenues during the remainder of 2004 and expect it to decline as a percentage of revenues through 2005, as we realize the benefit of low incremental variable costs associated with future revenue growth.

Panel Acquisition Expenses. Panel acquisition expenses were $599,000 for the three months ended September 30, 2004, compared to $311,000 for the three months ended September 30, 2003, an increase of $288,000, or 92.6%. Panel acquisition expenses were $1.8 million for the nine months ended September 30, 2004, compared to $1.1 million for the nine months ended September 30, 2003, an increase of $713,000, or 67.4%. Panel acquisition expenses increased as a result of our continuing efforts to expand and diversify our panel, primarily in Europe and Canada, where we incurred approximately $277,000 and $722,000 of additional panel acquisition costs for the three and nine months ended September 30, 2004, respectively. Our panel recruiting through MSN has declined significantly in the three and nine months ended September 30, 2004 compared to the three and nine months ended September 30, 2003, primarily as a result of our continuing efforts to expand the number of our panelist recruiting sources and to find lower cost alternatives to recruiting through MSN.

Depreciation and Amortization Expenses. Depreciation and amortization expenses for the three months ended September 30, 2004 were $388,000, compared to $279,000 for the three months ended September 30, 2003, an increase of $109,000, or 39.1%. Depreciation and amortization expenses for the nine months ended September 30, 2004 were $851,000, compared to $812,000 for the nine months ended September 30, 2003, an increase of $39,000, or 4.8%. This increase in depreciation and amortization expense occurred as a result of the 2004 capital expenditure plan associated with retooling our infrastructure, as well as the build out of our India facility.

Interest Income (Expense), Net. Net interest income for the three months ended September 30, 2004 was $36,000, compared to net interest expense of $99,000 for the three months ended September 30, 2003. Net interest expense for the nine months ended September 30, 2004 was $94,000, compared to $338,000 for the nine months ended September 30, 2003, a decrease of $244,000, or

72.2%. The decreases in interest expense were due primarily to lower debt levels outstanding during the 2004 period, as well as interest earned on invested proceeds from our initial public offering.

Related Party Interest Income (Expense), Net. Related party interest expense for the three months ended September 30, 2004 was $1.1 million, compared to related party interest expense of $29,000 for the three months ended September 30, 2003. Related party interest expense for the nine months ended September 30, 2004 was $1.1 million, compared to related party interest expense of $27,000 for the nine months ended September 30, 2003. The increase in the related party interest expense was due to the acceleration of unamortized debt discount associated with our Series C-2 Redeemable Non-Voting Preferred Stock, par value $0.0001 ("Series C-2"), which was redeemed on July 25, 2004 using proceeds from our initial public offering.

Other Income (Expense), Net. Other expense for the three months ended September 30, 2004 was $10,000, compared to zero for the three months ended September 30, 2003. Other expense for the nine months ended September 30, 2004 was $26,000, compared to other income of $600,000 for the nine months ended September 30, 2003. Other expense for the three and nine months ended September 30, 2004 related primarily to the effects of currency translation associated with our operations in India, Europe and Canada. Other income for the nine months ended September 30, 2003 related to the contingent gain on the sale of our Custom Research Business, which was completed in January 2002. The contingent gain could not be recognized until January 2003, when certain conditions were met and the cash was collected. For a further discussion of the sale of our Custom Research Business, see Note 3 to our consolidated financial statements, included elsewhere in this prospectus.

Provision for Income Taxes. We recorded an income tax provision for the three and nine months ended September 30, 2004 of $51,000 and $193,000, respectively, compared to $17,000 and $80,000, respectively, for the three and nine months ended September 30, 2003. Our effective tax rate was 3.9% and 5.5%, respectively, for the three and nine months ended September 30, 2004, compared to 4.8% and 6.1%, respectively, for the three and nine months ended September 30, 2003. The tax provision was primarily related to federal and state taxes that could not be offset by net operating loss carry-forwards. We establish valuation allowances in accordance with the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("FAS 109"). At September 30, 2004 and December 31, 2003, the valuation allowance fully offset the gross deferred tax asset. Because we were in a cumulative loss position for the three year period ending September 30, 2004, we do not believe there is sufficient evidence to release any of our valuation allowance as of September 30, 2004, however, we will continue to reassess our need for a valuation allowance in the fourth quarter and in 2005. As a result of this reassessment, we may reduce our valuation allowance when we believe we are more likely than not to realize such deferred tax assets.

Net Income. Our net income for the three and nine months ended September 30, 2004 was $1.2 million and $3.3 million, respectively, compared to $335,000 and $1.2 million, respectively, for the three and nine months ended September 30, 2003. The increase in net income was primarily the result of increased revenues partially offset by increased selling, general and administrative expenses and panel acquisition expenses, and acceleration of the unamortized debt discount on our Series C-2 as more fully described above. Net income per common share includes the effects of using the two-class method, which allocates earnings among common stock and participating preferred securities. Net loss available to common stockholders for the three and nine months ended September 30, 2004 includes a $28.1 million charge to common stockholders related to our Series B Convertible Participating Preferred Stock (the "Series B Preferred Stock") liquidation preference, which arose as a result of our initial public offering. Net loss available to common stockholders for the three and nine months ended September 30, 2004 was $1.91 and $4.39, respectively, for basic and diluted, as compared to net income per share of $0.01 and $0.05, respectively, for basic and diluted for the three and nine months ended September 30, 2003. Excluding the $28.1 million charge for our Series B Preferred Stock liquidation preference, net income available to common stockholders would have been $1.1 million and $1.4 million, respectively, for the three and nine months ended September 30, 2004 and net income per common share would have been $0.08 and $0.22, respectively, for basic and $0.07 and $0.20, respectively, for diluted for the three and nine months ended September 30, 2004.

Year Ended December 31, 2003 Versus Year Ended December 31, 2002

The following table sets forth our results of operations based on the amounts and percentage relationship of the items listed to net revenues for the periods presented.

	2002	%	2003	%
	($ in thousands)			
Net revenues:				
Internet survey solutions	$14,416	96.8%	$25,868	100.0%
Custom research	470	3.2	—	—
Total net revenues	14,886	100.0	25,868	100.0

Cost of revenues	5,409	36.3	8,884	34.3
Gross profit	9,477	63.7	16,984	65.7
Operating expenses:				
Selling, general and administrative	10,123	68.0	12,127	46.9
Panel acquisition expenses	713	4.8	1,421	5.5
Depreciation and amortization	1,802	12.1	1,113	4.3
Research and development	747	5.0	626	2.4
Total operating expenses	13,385	89.9	15,287	59.1
Operating income (loss)	(3,908)	(26.3)	1,697	6.6
Other income (expense):				
Interest expense, net	(621)	(4.2)	(440)	(1.7)
Related party interest income (expense), net	69	0.5	(55)	(0.2)
Other income, net	1,497	10.1	596	2.3
Total other income	945	6.3	101	0.4
Income (loss) before income taxes	(2,963)	(19.9)	1,798	7.0
Provision (benefit) for income taxes	(569)	(3.8)	150	0.6
Net income (loss)	$(2,394)	(16.1)%	$1,648	6.4%

Net Revenues. Net revenues from Internet survey solutions for the year ended December 31, 2003 were $25.9 million, compared to $14.4 million for the year ended December 31, 2002, an increase of $11.5 million, or 79.4%. Net revenues increased primarily due to an increase in the number of survey projects completed as well as an increase in the number of clients we serviced in 2003 over 2002. New revenue sources introduced early in 2003 contributed significantly to the increase in revenues from 2002 to 2003, including revenues from sample-only solutions of approximately $7.7 million and revenues from the healthcare segment of the Greenfield Online panel of approximately $3.4 million. Furthermore, demand for our services was driven by market factors, including the need for customers to improve profitability by using Internet-based marketing research data and the impact of the Do Not Call registry on marketing research firms whose franchises were previously predominantly telephone-based research solutions. We believe that the revenue growth from Internet survey solutions will continue to be strong in 2004, but the growth rate may decline slightly as compared with the year over year revenue growth experienced in 2003 as compared to 2002. Net revenues from custom research for the year ended December 31, 2003 decreased to zero from $470,000 in the year ended December 31, 2002. The decrease in custom research revenues was due to the sale of our Custom Research Business in January 2002 and our shift in strategy to providing Internet survey solutions.

Gross Profit. Gross profit for the year ended December 31, 2003 was $17.0 million, compared to $9.5 million for the year ended December 31, 2002, an increase of $7.5 million, or 79.2%. Gross profit increased primarily due to the additional revenues described above. Gross profit as a percentage of net revenues increased due primarily to a decline in costs related to the amortization of capitalized survey software cost. As we migrated from development of our own survey software technology to using third-party technology, the associated costs for internal use software declined significantly. As a result of lower spending, the amounts capitalized and the related amortization have declined. Gross profit for the year ended December 31, 2003 was 65.7% of net revenues, compared to 63.7% for the year ended December 31, 2002.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the year ended December 31, 2003 were $12.1 million, compared to $10.1 million for the prior year, an increase of $2.0 million or 19.8%. Selling expenses, primarily personnel costs and related commissions, increased by approximately $1.6 million as a result of additional resources aimed at promoting our services. General and administrative expenses increased primarily as a result of increased compensation expense of approximately $600,000 associated with executive compensation, as well as costs associated with our India and U.K. expansion, which began in 2003. In addition, amortization of unearned stock-based compensation in 2003 contributed to this increase. As a percentage of net revenues, selling, general and administrative costs decreased 21.1% primarily due to the overall increase in revenues generated by the additional sales efforts. Selling, general and administrative expenses were 46.9% of net revenues for the year ended December 31,

2003, compared to 68.0% for the year ended December 31, 2002. We expect selling, general and administrative expenses to remain relatively consistent as a percentage of revenues during 2004 and expect it to decline as a percentage of revenues through 2005, as we realize the benefit of low incremental variable costs associated with future revenue growth.

Panel Acquisition Expenses. Panel acquisition expenses were $1.4 million for the year ended December 31, 2003, compared to $713,000 for the year ended December 31, 2002, an increase of $708,000, or 99.3%. Panel acquisition expenses increased primarily as a result of our continuing efforts to expand and diversify our panel, including approximately $210,000 of investment in our European panels. Panel acquisition expenses were 5.5% of net revenues for the year ended December 31, 2003, compared to 4.8% for the year ended December 31, 2002.

Depreciation and Amortization Expenses. Depreciation and amortization expenses for the year ended December 31, 2003 were $1.1 million, compared to $1.8 million for the year ended December 31, 2002, a decrease of $689,000, or 38.2%. The decrease was primarily due to a decrease in amortization expense of intangible assets and a decrease in depreciation expense of property and equipment. This decline in depreciation and amortization expense occurred as a portion of these assets became fully depreciated early in 2003.

Interest Expense, Net. Interest expense for the year ended December 31, 2003 was $440,000, compared to $621,000 for the year ended December 31, 2002, a decrease of $181,000, or 29.1%. The decrease was due primarily to lower debt levels outstanding during the 2003 period, resulting from repayment of the outstanding balance debt under our revolving credit facility in October 2003 with cash generated from operations.

Related Party Interest Income (Expense), Net. Related party interest expense for the year ended December 31, 2003 was $55,000, compared to related party interest income of $69,000 for the year ended December 31, 2002. This change was due to our recapitalization in 2002, which involved, among other things, the exchange of our related party convertible notes for preferred stock in 2002. In addition, the increase in related party interest expense was due to accretion of debt discount on certain shares of preferred stock issued in connection with our the recapitalization in December 2002.

Other Income, Net. Other income for the year ended December 31, 2003 was $596,000, compared to $1.5 million for the year ended December 31, 2002. Other income for the year ended December 31, 2003 related primarily to the contingent gain on the sale of our Custom Research Business, which was completed in January 2002. The contingent gain could not be recognized until January 2003, when certain conditions were met and the cash was collected. Other income for the year ended December 31, 2002 related primarily to the gain on the disposal of the Custom Research Business. For a further discussion of the sale of our Custom Research Business, see Note 3 to our consolidated financial statements.

Provision (Benefit) for Income Taxes. We recorded an income tax provision for the year ended December 31, 2003 of $150,000, compared to a benefit of $569,000 for the year ended December 31, 2002. The 2003 tax provision was primarily related to federal and state taxes that could not be offset by net operating loss carryforwards. In 2002, the tax benefit reflected a state research and development credit for which we received refunds.

Net Income (Loss). Our net income for the year ended December 31, 2003 was $1.6 million, compared to a net loss of $2.4 million for the year ended December 31, 2002. The increase in net income is primarily the result of the increase in revenues partially offset by increased selling, general and administrative expenses and panel acquisition expenses, as more fully described above. We believe that the trend towards increasing net income will continue in 2004 and in the near term. Net income per common share for the year ended December 31, 2003 was $0.07 basic and $0.06 diluted, as compared to a net loss of $(6.42) basic and diluted for the year ended December 31, 2002.

Year Ended December 31, 2002 Versus Year Ended December 31, 2001

The following table sets forth our results of operations based on the amounts and percentage relationship of the items listed to net revenues for the periods presented.

	2001	%	**2002**	%
	($ in thousands)			
Net revenues				
Internet survey solutions	$4,072	29.5%	$14,416	96.8%
Custom research	9,715	70.5	470	3.2
Total net revenues	13,787	100.0	14,886	100.0
Cost of revenues	8,097	58.7	5,409	36.3

Gross profit	5,690	41.3	9,477	63.7
Operating expenses:				
Selling, general and administrative	15,148	109.9	10,123	68.0
Panel acquisition expenses	351	2.5	713	4.8
Depreciation and amortization	2,654	19.3	1,802	12.1
Research and development	1,750	12.7	747	5.0
Total operating expenses	19,903	144.4	13,385	89.9
Operating income	(14,213)	(103.1)	(3,908)	(26.3)
Other income (expense):				
Interest expense, net	(971)	(7.0)	(621)	(4.2)
Related party interest income (expense), net	(2,303)	(16.7)	69	0.5
Other income, net	200	1.5	1,497	10.1
Total other income (expense)	(3,074)	(22.3)	945	6.3
Loss before income taxes	(17,287)	(125.4)	(2,963)	(19.9)
Benefit from income taxes	—	—	(569)	(3.8)
Net loss	$(17,287)	(125.4)%	$(2,394)	(16.1)%

Net Revenues. Net revenues from Internet survey solutions for the year ended December 31, 2002 were $14.4 million, compared to $4.1 million for the year ended December 31, 2001, an increase of $10.3 million, or 254.0%. The overall increase in net revenues was primarily due to an increase in the number of survey projects completed as well as an increase in the number of clients we serviced in 2002 over 2001. This increase in revenues was due primarily to the impact of our shift in strategy to being an Internet survey solutions provider after the sale of our Custom Research Business. Net revenues from custom research for the year ended December 31, 2002 decreased by $9.2 million, or 95.2%, to $470,000 from $9.7 million for the year ended December 31, 2001 due to the sale of our Custom Research Business in January 2002.

Gross Profit. Gross profit for the year ended December 31, 2002 was $9.5 million, compared to $5.7 million for the year ended December 31, 2001, an increase of $3.8 million, or 66.6%. Gross profit increased primarily due to our increased revenues as well as a significant decline in amortization of capitalized survey software costs. As we migrated from internal development of survey software technology to use of third-party technology, the associated application development costs for overall survey software declined significantly. As a result of lower spending, amounts capitalized and the related amortization have declined. Gross profit as a percentage of net revenues for the year ended December 31, 2002 was 63.7%, compared to 41.3% for the year ended December 31, 2001. This increase was due primarily to lower direct project costs of approximately $600,000 associated with full service and sample solutions as well as the decline in amortization expense of approximately $1.4 million associated with internally developed software.

Selling, General and Administrative Expenses. Selling, general and administrative expenses for the year ended December 31, 2002 were $10.1 million, compared to $15.1 million for the prior year, a decrease of $5.0 million, or 33.1%. Selling, general and administrative expenses for the year ended December 31, 2002 were 68.0% of net revenues, compared to 109.9% of net revenues for the year ended December 31, 2001. Selling, general and administrative expenses decreased primarily as a result of the disposition of our Custom Research Business and cost savings measures we instituted during 2001. Of the $5.0 million decline in selling, general and administrative expenses, $4.8 million was due to reduction in headcount following the sale of our Custom Research Business and additional workforce reductions that we effected in early 2002. Additionally, the reduction was due in part to lower overhead expenses resulting from these personnel reductions.

Panel Acquisition Expenses. Panel acquisition expenses for the year ended December 31, 2002 were $713,000, compared to $351,000 for the year ended December 31, 2001, an increase of $362,000, or 103.1%. Panel acquisition expenses increased primarily as a result of our efforts to grow the size of the Greenfield Online panel during 2002 to support a higher level of survey volume expected in 2003 and the future. Panel acquisition expenses for the year ended December 31, 2002 were 4.8% of net revenues, compared to 2.5% of net revenues for the year ended December 31, 2001.

Depreciation and Amortization Expenses. Depreciation and amortization expenses for the year ended December 31, 2002 were $1.8 million, compared to $2.7 million for the year ended December 31, 2001, a decrease of $852,000, or 32.1%. Depreciation and amortization expenses decreased by approximately $450,000 due to reduced amortization expense related to intangible assets, which were written down in 2001 due to a lack of recoverability, and the balance of the decrease related to reduced depreciation associated with property and equipment.

Research and Development Expenses. Research and development expenses for the year ended December 31, 2002 were $747,000, compared to $1.8 million for the year ended December 31, 2001, a decrease of $1.0 million. The decline was due primarily to cost reduction efforts, including staff reductions and reduction of third-party software development consultant fees.

Interest Expense, Net. Interest expense, net for the year ended December 31, 2002 was $621,000, compared to $971,000 for the year ended December 31, 2001, a decrease of $350,000, or 36.0%. The decrease was due primarily to lower debt levels outstanding during 2002. During 2002, we repaid our term loan with Bank of America, and we used part of the proceeds from the sale of our Custom Research Business to further reduce outstanding debt.

Related Party Interest Income (Expense), Net. Related party interest income was $69,000 as compared to an expense of $2.3 million for the years ended December 31, 2002 and December 31, 2001, respectively. During 1999 to 2001, we accrued related party interest expense using the level-yield method over the term of the Holdings Note, which resulted in a higher paid-in-kind interest accrual in the earlier years as opposed to the timing of actual interest and principal payments under the terms of the Holdings Note. As a result, by December 31, 2001, the underlying interest obligation to be paid at the recapitalization was fully accrued. The decline in related party interest expense from 2001 to 2002 was due primarily to the effects of this accounting treatment.

Other Income, Net. Other income for the year ended December 31, 2002 was $1.5 million, compared to $200,000 for the year ended December 31, 2001. Other income for the year ended December 31, 2002 related primarily to the gain on disposal of our Custom Research Business, which was completed in January 2002. For a further discussion of the sale of our Custom Research Business, see Note 3 to our consolidated financial statements. Other income for the year ended December 31, 2001 related primarily to the sale of a patent on software that we had developed but no longer needed.

Benefit from Income Taxes. We recorded an income tax benefit for the year ended December 31, 2002 of $569,000, which reflected a state research and development credit. For the year ended December 31, 2001, we did not record any income tax benefit as cumulative losses placed in doubt the ultimate realization of the related deferred tax assets.

Net Loss. Our net loss for the year ended December 31, 2002 was $2.4 million, compared to a net loss of $17.3 million for the year ended December 31, 2001. The improvement on our net loss is the result of increased revenues as a result of the migration in business strategy and the workforce reduction as more fully described above. Net loss per share amounted to $(6.42) basic and diluted for the year ended December 31, 2002, as compared to $(18.08) basic and diluted for the year ended December 31, 2001.

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily through sales of equity and debt securities, from borrowings under our credit facilities, from the proceeds from the sale of our Custom Research Business and, more recently, through cash flows from operations. We have received a total of $43.0 million from private offerings of our equity and debt securities. In July 2004, we completed the initial public offering of shares of our common stock at a public offering price of $13.00 per share, and raised approximately $34.8 million in net proceeds after payment of underwriters' commissions of $3.6 million, a mandatory conversion and dividend payment of approximately $9.4 million to the holders of our Series B Preferred Stock, a mandatory redemption of all outstanding shares of our Series C-2 Preferred Stock for approximately $2.1 million and costs associated with our initial public offering amounting to approximately $2.1 million. At September 30, 2004, we had approximately $38.4 million in cash and cash equivalents on hand, compared to approximately $3.7 million as of December 31, 2003, an increase of $34.7 million. This increase is primarily due to our initial public offering in July 2004.

Cash provided by operations for the nine months ended September 30, 2004 was $2.1 million, compared to $2.6 million for the nine months ended September 30, 2003. The decrease in cash flow from operations in the 2004 period was primarily attributable to an increase in our accounts receivable days sales outstanding, which was primarily due to our largest client in 2003, Taylor Nelson Sofres Intersearch ("TNSI"), moving from terms which required prepayment for services in 2003 to standard commercial terms in 2004. For the three months ended September 30, 2003, TNSI represented 14% of total revenues with effectively zero days sales outstanding. Days sales outstanding was further affected by the growth of our revenues associated with tracking studies, in which we collect data monthly over the course of a year. We generally recognize revenue from our tracking studies on a monthly basis as the data is collected, but invoice our customers on a quarterly basis. This effectively increases our days sales outstanding for our tracking studies as

compared to our other survey solutions. Cash provided by operations was further decreased due to the net reduction in accounts payable, accrued expenses and other current liabilities. These decreases were significantly, but not completely, offset by our increased profitability. Cash provided by operations for the year ended December 31, 2003 was $4.1 million, compared to $697,000 for the year ended December 31, 2002. The increase in cash flow from operations in 2003 was primarily attributed to our profitability and to improved working capital management.

Cash used by investing activities was $1.2 million for the nine months ended September 30, 2004, compared to cash provided by investing activities of $341,000 for the nine months ended September 30, 2003. This decrease of $1.6 million was due to our capital expenditure program initiated in 2004, which accounted for approximately $1.0 million, as well as a one-time $600,000 contingent gain on sale of our Custom Research Business in 2003. Cash provided by investing activities was $295,000 for the year ended December 31, 2003, compared to $539,000 for the year ended December 31, 2002. These amounts primarily represented net cash received from the sale of our Custom Research Business of $600,000 in 2003 and $1.4 million in 2002, offset by $305,000 and $558,000 of cash capital expenditures made in the ordinary course of business in 2003 and 2002, respectively.

Cash provided by financing activities was $33.9 million for the nine months ended September 30, 2004, compared to cash used by financing activities of $2.1 million for the nine months ended September 30, 2003. The difference was primarily the result of the net proceeds from our initial public offering, which was completed in July 2004. Cash used in financing activities was $2.5 million for the year ended December 31, 2003 as compared to $428,000 for the year ended December 31, 2002. The difference was primarily the result of higher repayments of our short-term debt in 2003.

Our working capital at September 30, 2004 was $39.9 million, compared to $1.0 million at December 31, 2003, an increase of $38.9 million. The increase in working capital was primarily due to the net proceeds from our July 2004 initial public offering. Excluding the effect of the increase in cash, working capital increases resulted from increased accounts receivable and prepaid expenses and other current assets. The increase in accounts receivable resulted from our additional revenues and the increase in our days sales outstanding as described above. Although our receivables and corresponding days sales outstanding increased, a significant portion of this increase occurred from business generated in September, 2004, which resulted in large accounts receivable balances remaining current as of September 30, 2004. We believe that based on our history of insignificant bad debts and its improved accounts receivable aging, the allowances as recorded are adequate to cover our estimated potential future bad debts. The increase in prepaid expenses and other current assets was due primarily to increased insurance coverage, which we obtained to manage the additional risk of operating as a public company, to a deposit that was paid to a specific vendor and to increased deferred project costs. These increases in working capital were partially offset by an increase in accounts payable, which resulted from additional expenses incurred attributable to our increased personnel and costs related thereto; and to expanded international operations, including overhead costs. Our working capital at December 31, 2003 was $1.0 million, compared to a deficit of $1.9 million at December 31, 2002, an increase of $2.9 million. The increase in working capital was primarily due to our improved profitability resulting in increases in cash and accounts receivable and decreases in outstanding debt, partially offset by increases in accounts payable and accrued expenses as a result of growth in the number of our employees and in the size of our panelist base.

We have maintained a banking relationship with Silicon Valley Bank (“SVB”) since September 2001. In August 2003, we amended our credit facility with SVB to extend the maturity date until August 2005 and reduce the applicable interest rate. This credit facility allows for borrowings of up to $1.9 million, based upon an 80% advance rate on eligible accounts receivable (the “Borrowing Base”), and bears interest at a rate equal to the prime rate plus 1%, plus a collateral handling fee of 0.375% of the monthly average daily financed receivable balance. The credit facility is collateralized by a pledge of our general assets and contains a covenant that requires us to achieve EBITDA (as defined in the credit facility) of $1.00 or more during each quarter that the facility is outstanding. In October 2003, we repaid the entire outstanding balance under the facility, and at December 31, 2003 the entire amount was available for borrowing, subject to the sufficiency of the Borrowing Base. On September 30, 2004, the Borrowing Base was sufficient to allow us to borrow the entire amount available under the credit facility, although we had no outstanding borrowings under the credit facility. Interest on the facility is payable monthly, and the entire balance of the facility, including principal, interest and unpaid charges, if any, is payable on August 22, 2005. In April 2004, we amended the credit facility to allow us to incur purchase money obligations, including capital leases, of up to $2,250,000 in the aggregate. In July 2004, we amended the credit facility again to allow us to maintain our primary deposit account outside of SVB through October 15, 2004. Upon the completion of our initial public offering, we deposited the net proceeds in a cash management account maintained outside of SVB. On October 15, 2004, we further amended the credit facility to convert our previously monthly-based performance covenants to quarterly-based covenants, and to allow us to maintain our primary depository account outside of SVB until December 31, 2004, when a portion of our excess funds will be deposited with SVB, the amount of which will be determined at a later date by us and SVB.

We also maintain an ongoing relationship with Somerset Capital Group Ltd. ("Somerset Capital"), a leasing company, to finance the acquisition of equipment, software and office furniture pursuant to leases, which we have recorded as capital leases. While we do not have a firm commitment from Somerset Capital to provide additional financing, Somerset Capital has indicated that it intends to finance our budgeted capital expenditures for 2004 within the United States if we request it to do so. In the event that Somerset Capital declined to continue to finance our capital expenditure requirements, we believe that alternative sources of such funding would be available to us to satisfy such needs.

At September 30, 2004 and December 31, 2003, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, we are not exposed to any financing, liquidity, market or credit risk that could arise if we had engaged in such relationships.

We have an agreement with MSN under which we pay fees for panelists recruited via the MSN website, plus fees associated with surveys taken by these panelists. Our agreement with MSN, as amended, required us to make guaranteed quarterly payments, which would be credited against recruiting and survey fees. Our obligation to make these guaranteed payments has lapsed but we continue to be obligated to make current payments to MSN for panelists they recruit and for surveys taken by MSN recruited panelists. In 2004 there has been a continued decline in panel recruitment through MSN and a decline in our use of MSN recruited panelists, resulting in lower payments to MSN in 2004 as compared to 2003, and we anticipate this decline to continue over the next twelve months. We anticipate that any increased liquidity associated with this decreasing reliance on MSN and MSN panelists will be offset by additional expenditures that we make to gain access to other panel recruiting sources.

In the nine months ended September 30, 2004, we incurred capital expenditures of $761,000 and $1.8 million related to India and North America, respectively. For fiscal 2004, we expect capital expenditures to total approximately $2.8 million, including approximately $1.0 million for the construction of our operations facility in India and $1.8 million for our operations in North America. In the United States, capital expenditures were applied primarily to upgrade computer servers and networking equipment to manage increased Internet-based survey production and data collection, to upgrade personal computers for employees and to purchase new Internet telephony equipment to facilitate international communications. These capital expenditures were and will continue to be funded by a combination of capital leases from Somerset Capital and cash flow from operations. In India, our 2004 capital expenditures consisted primarily of leasehold improvements, office furniture, computer equipment, Internet telephony equipment and other costs associated with building our Indian facility. These expenditures were funded from our cash flow from operations and other available financing sources, including our credit facility. In addition, costs we have incurred and may incur in the development, enhancement and integration of software programs, technologies and methodologies, in order to keep pace with technological changes and enhance our Internet survey solutions, have and will also be funded from our cash flow from operations and other available financing sources, including our credit facility.

There were no material changes outside the ordinary course of business in our contractual obligations during the nine months ending September 30, 2004, except for the Series C-2 redemption payment and the Series B Preferred Stock conversion and dividend payment made in connection with our initial public offering. The following table summarizes our contractual obligations at September 30, 2004 and the effect such obligations are expected to have on our liquidity and cash flow in future periods:

		Years Ended December 31,					
	Total at September 30, 2004	2004(1)	2005	2006	2007	2008	2009 and thereafter
	($ in thousands)						
Contractual obligations:							
Loans payable	$23	$1	$5	$6	$6	$5	$—
Capital lease obligations	2,034	357	948	500	229	—	—
Non-cancelable operating lease obligations	7,365	414	1,593	1,450	1,378	1,370	1,160
Total contractual cash obligations	$9,422	$772	$2,546	$1,956	$1,613	$1,375	$1,160

(1) Includes only the remaining three months of the year ending December 31, 2004.

Based on our current level of operations and anticipated growth, we believe that our cash generated from operations, amounts available under our credit facility and future capital leasing arrangements with Somerset Capital, together with the net proceeds that we received from our initial public offering and that we will receive from this offering, will be adequate to finance our working capital and other capital expenditure requirements through the foreseeable future, although no assurance can be given in this regard. We may have the ability to realize our deferred tax assets in the future, which would result in significant tax benefits and cash savings, although no assurance can be given in this regard. Poor financial results, unanticipated expenses, acquisitions of technologies, businesses or assets or strategic investments could give rise to additional financing requirements sooner than we expect. There can be no assurance that equity or debt financing will be available to us when we need it or, if available, that the terms will be satisfactory to us and not dilutive to our then-current stockholders.

Impact of Inflation

Our results are affected by the impact of inflation primarily on production, operating costs and interest rates. The effects of inflation in changing prices on our net revenues and operations have not been material in the last three fiscal years. However, there has been deflationary pressure on selling prices, which require us to monitor our operating costs and efficiencies. Due to the competitive nature of the marketing research industry, there can be no assurance that this negative pressure will not continue. Historically, we have used selling price adjustments, cost containment programs and improved operating efficiencies to offset the otherwise negative impact of inflation on our operations.

Quantitative and Qualitative Disclosures About Market Risk

We operate primarily in the United States. However, we have recently expanded internationally and are exposed to certain market risks arising from transactions that in the normal course of business include fluctuations in interest rates and currency exchange rates. These risks are not expected to be material. However, no assurance can be given that such risks will not become material. While we have not used derivative financial instruments in the past, we may, on occasion, use them in the future in order to manage or reduce these risks. We do not expect to enter into derivative or other financial instruments for trading or speculative purposes.

Recently Issued Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board, or FASB, issued Interpretation No. 46, “Consolidation of Variable Interest Entities” (“FIN 46”), which is an interpretation of Accounting Research Bulletin No. 51, “Consolidated Financial Statements.” FIN 46 requires that if an entity has a controlling interest in a variable interest entity, the assets, liabilities and results of activities of the variable interest entity should be included in the consolidated financial statements of the controlling entity. In December 2003, the FASB issued FIN 46R to provide additional clarifications to FIN 46 and deferred the latest date by which FIN 46 must be applied by a company for variable interest entities acquired after January 31, 2003, to the first annual reporting period beginning after December 15, 2004. FIN 46 is currently effective for all variable interest entities created or acquired after January 31, 2003 and is not expected to have a material impact on our financial condition or results of operations.

In May 2003, the FASB issued SFAS No. 150, “Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity.” This statement establishes how a company classifies and measures certain financial instruments with characteristics of both liabilities and equity, including redeemable convertible preferred stock. This statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise effective at the beginning of the interim period commencing July 1, 2003, except for mandatory redeemable financial instruments of nonpublic companies. As a result of the adoption of SFAS 150, our Series C-2 Preferred Stock (all of the outstanding shares of which were redeemed in connection with our initial public offering in July 2004) has been classified between liabilities and equity at December 31, 2002 and was reclassified to a liability at December 31, 2003 because we were required to redeem all of the Series C-2 Preferred Stock upon the completion of our initial public offering.

In August 2001, the FASB issued SFAS No. 144. SFAS 144 which provides new guidance on the recognition of impairment losses on long-lived assets, excluding goodwill, to be held and used or to be disposed of and also broadens the definition of what constitutes a discontinued operation and how the results of a discontinued operation are to be measured and presented. SFAS 144 also requires long-lived assets that are to be abandoned, be treated as held for use and depreciated over their remaining expected lives and broadens the presentation of discontinued operations in the statement of operations to a component of an entity rather than a segment of a business. SFAS 144 was effective for us beginning January 1, 2002 and had no material impact on our financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities” (“SFAS 146”). SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized and measured, initially at fair value, only when the liability is incurred; therefore, nullifying Emerging Issues Task Force Issue No. 94-3, “Liability Recognition for Certain

Employee Termination benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)" ("EITF 94-3") that required a liability for an exit cost to be recognized at the date of an entity's commitment to an exit plan. The adoption of SFAS 146 is expected to result in delayed recognition for certain types of costs as compared to the provisions of EITF 94-3, especially for facility closure costs. The provisions of SFAS 146 are effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of SFAS 146 could affect the types and timing of costs included in future business consolidation and restructuring programs. SFAS 146 did not have a material impact on our financial position or results of operations.

In November 2002, the FASB issued Interpretation No. 45 "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, (an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB interpretation No. 34)" ("FIN 45"). FIN 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. FIN 45 also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of FIN 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 were effective for interim and annual financial statements for periods ending after December 15, 2002. The initial recognition and initial measurement provisions did not have a material impact on our financial position or results of operations.

In December 2002, the Emerging Issues Task Force ("EITF") issued EITF Issue 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables ("EITF 00-21"). EITF 00-21 provides guidance on determining whether a revenue arrangement contains multiple deliverable items and if so, requires that revenue be allocated among the different items based on fair value. EITF 00-21 also requires that revenue on any item in a revenue arrangement with multiple deliverables not delivered completely must be deferred until delivery of the item is completed. The guidance in EITF 00-21 is effective for revenue arrangements entered into in fiscal years beginning after June 15, 2003. EITF 00-21 is not expected to have a material impact on our financial position or results of operations.

Business

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Business

Overview

We are a leading independent provider of Internet survey solutions to the global marketing research industry and we derive 100% of our revenues from Internet data collection products and services. We actively manage the Greenfield Online panel, a 100% Internet-based panel of approximately 3.4 million survey takers who participate in our surveys. Our panelists represent households consisting of an estimated 8.8 million people, allowing us to compile diverse, demographically representative survey data. The Greenfield Online panel includes the OpinionSurveys.com panel that we acquired from The Dohring Company on October 21, 2004. The OpinionSurveys.com panel added approximately 1.1 million individual survey takers to the Greenfield Online panel representing households consisting of an estimated 3.0 million people. We believe the size and diversity of the Greenfield Online panel along with the amount of revenues we derive solely from Internet survey solutions position us as a leader in our market.

We target our Internet survey solutions to approximately 2,500 full service marketing research and consulting firms in the United States and the world's top 25 marketing research companies. Our clients use the Internet survey data that we provide to enable companies throughout the world to make critical business decisions. Based on our internal estimates, we believe that spending associated with the gathering of survey data, known as fieldwork, accounts for approximately 40% of the annual spending on survey marketing research. Using this estimate, fieldwork represented approximately $3.0 billion of the $7.5 billion global survey market in 2002 as reported by the *World Association of Opinion and Marketing Research Professionals.*

Until January 2002, we sold both custom Internet-based marketing research and the Internet survey solutions we sell today. A majority of our revenues for the first seven years of our existence was derived from the sale of custom research. In September 2001, we embarked on a strategy to convert the focus of our business from providing custom research to end-users to providing Internet survey solutions to the marketing research firms we target today. This strategy culminated in the sale of our custom research business to Taylor Nelson Sofres Operations, Inc. in January 2002. The sale of our custom research business represented a turning point in our development as we shifted from a labor-intensive, professional services model to a scalable, Internet-based services model.

We partner with our clients to leverage their global sales forces, which incorporate our Internet survey solutions into their product offerings. We do not compete with our clients for custom marketing research business. This cooperative marketing strategy provides us with access to broad distribution channels without the need to expand our own sales and marketing resources. For the year ended December 31, 2003, we completed 2,482 Internet-based projects, a 99% increase over 2002. For the nine months ended September 30, 2004, we completed 3,157 Internet-based projects, a 79% increase over the same period in 2003. Additionally, 45 companies each purchased over $100,000 of our products and services in 2003, a 114% increase over 2002, and during the nine months ended September 30, 2004, 66 companies each purchased over $100,000 of our products and services, an 89% increase over the same period in 2003.

Internet survey solutions are faster, more efficient and more cost-effective for collecting high quality marketing research data than traditional, labor-intensive methods such as telephone, direct-mail and mall-based surveying. The Internet allows our panelists to participate 24 hours-a-day in a more convenient and less intrusive environment than traditional data collection methods. Our Internet-based technology interactively engages respondents through the use of images, sound and video, enabling us to collect richer data for our clients. We believe Internet-based survey solutions speed survey completion, allow for significantly larger survey sample sizes over a given time period and provide marketing researchers with a cost-effective means of reaching niche segments.

We believe we are well-positioned to capitalize on evolving dynamics within the global survey research market. Decreasing cooperation rates experienced by the telephone survey industry and the increasing use of mobile phones as a primary means of telephone communication have led to a decline in the effectiveness of traditional telephone-based data collection methods. This decline has been exacerbated by the recently established Do Not Call registry, covering over 64 million telephone numbers. At the same time, Internet penetration and increased broadband usage have accelerated growth in the use of Internet-based marketing research. We believe these dynamics will drive demand for our Internet survey solutions. Through our North American operations, our sales offices in the United Kingdom and Continental Europe and our operations center in India, we believe we are well-positioned to meet this demand.

Our Market Opportunity

Businesses rely on feedback from consumers to make decisions about their products and services. Heightened competition, consolidation, globalization of product markets, acceleration of product launch schedules, shortened product life and rapidly changing consumer preferences define today's business environment. Marketing research is a critical tool to gather the information that businesses need to make decisions regarding product portfolios, brand management and advertising.

The worldwide survey research industry was estimated to be $7.5 billion in 2002 according to the *World Association of Opinion and Marketing Research Professionals* ("ESOMAR"), a leading professional organization based in Amsterdam, The Netherlands. According to ESOMAR, 38% and 41% of worldwide marketing research spending occurs in the United States and Europe, respectively. Using these figures, we estimate that survey research spending in 2002 was approximately $2.9 billion and $3.1 billion in the United States and Europe, respectively. Of this $6.0 billion U.S. and European survey research market, we believe that approximately 40%, or $2.4 billion, is spent by marketing research companies on fieldwork, which consists of data collection through the administration of surveys and data tabulation. Fieldwork is often conducted by interviews over the telephone, in malls or through surveys distributed through the Internet. This segment is our addressable target market.

The following table describes the estimated amount of total survey research spending by geographical region and the estimated portion of that amount spent specifically on fieldwork.

Region	Estimated Amount of Total Survey Research Spending in 2002 (In billions)	Estimated Portion of Survey Research Spending Allotted to Fieldwork in 2002 (In billions)
United States	$2.9	$1.2
Europe	3.1	1.2
Other	1.5	0.6
Total	$7.5	$3.0

Factors Affecting the Growth of Internet-Based Marketing Research

Benefits of Internet-Based Marketing Research. We believe the Internet is fundamentally changing the marketing research industry, allowing researchers to be more responsive to the challenges posed by today's business environment.

- *Benefits to the Marketing Research Industry.*

Speed. Using the Internet, marketing researchers can rapidly access, collect and process large amounts of data from diverse groups. Our proprietary panel management techniques allow us to quickly identify and target groups of panelists to receive and participate in surveys over the Internet. Survey response time on the Internet is measured in hours and days rather than weeks and months. Our technology and expertise allow us to administer thousands of Internet surveys simultaneously.

Cost Effectiveness. We believe that Internet-based survey solutions lower the cost of marketing research by decreasing data collection costs. Once qualified panelists have been identified and surveys have been developed, the actual cost of data collection through the Internet is significantly less than through traditional methods. Our average charge for a completed survey ranges from $10.00 to $14.00, compared to our estimate of approximately $20.00 to $25.00 per mall survey and $18.00 to $22.00 per telephone survey.

Improved Results. Members of the Greenfield Online panel are able to complete surveys in the privacy of their own homes, without interacting with interviewers. As a result, we believe interviewer bias is eliminated. Because the Internet provides respondents with a degree of anonymity and privacy not found in telephone or mall-based surveys, we believe Internet survey solutions generate more honest responses, even to sensitive subject matter questions, such as income, personal health, political affiliations and sexual orientation. Internet-based surveys can accommodate a variety of new media as well, including images, sound and video, which cannot be integrated into telephone or mail surveys. We believe that integrating these media allows researchers to capture feedback needed by marketers to assess new product offerings and test new advertising messages more accurately.

New Opportunities. We believe that Internet-based marketing research offers new options not previously available to research professionals. Internet survey solutions allow research professionals more design flexibility because they are not limited to what can be communicated by an interviewer over the telephone, or detailed on paper. Our Internet survey solutions increase the research options available to our clients by allowing them to embed images, sound and video within their surveys.

- *Benefits to Survey Respondents.*

Less Intrusive and More Convenient. Our Internet survey solutions are less intrusive than telephone surveys. The Internet expands the amount of data collection time available because respondents can complete surveys at their convenience at any time. In contrast, telephone surveys can only be conducted during limited hours and are often attempted at times of the day, such as dinner time, which many respondents find intrusive and inconvenient.

More Engaging. Our Internet survey solutions are more engaging than telephone and direct mail surveys because they integrate images, sound and video, and often include advance previews of potential new products, movie trailers and commercials. We believe this advance preview feature makes our Internet survey solutions more compelling and enjoyable for our panelists than surveys administered through traditional methods.

Decline in Effectiveness of Telephone Data Collection.

- *Telephone Refusal Rates.* The telephone is the dominant method for conducting marketing research surveys. However, the number of people refusing to participate in telephone research is increasing rapidly. According to a survey conducted by the Council for Marketing & Opinion Research ("CMOR"), an independent trade organization, the percentage of Americans refusing to participate in telephone surveys was 60% in 1999, 63% in 2001 and 79% in 2003. CMOR reported that telephone interviewers often have little chance of getting past the introduction before respondents refuse to participate. Also adding to the refusal rate is the fact that many potential respondents are among the millions of people who have listed their telephone numbers on the national Do Not Call registry and do not understand that survey research is exempt from that legislation.
- *Advanced Telephone Technology.* An increasing number of homes are adopting advanced telephone technologies such as caller ID, answering machines and special ring tones to screen telephone calls and use call blocking to prevent unwanted calls completely. This decreases the opportunity to perform telephone surveys and makes conducting telephone surveys more expensive and time consuming.
- *Adoption of Mobile Telephones as Primary Telecommunication Device.* There is a trend among consumers to abandon landline telephones and adopt mobile telephones as their primary means of telecommunication. The Telephone Consumer Protection Act, enacted in 1991, provides that calls cannot be placed by automatic telephone dialing systems to mobile telephone numbers unless the phone owner has given prior consent and is not charged for the call. This legislation impacts the telephone research industry and may become an even larger issue as telephone survey researchers lose

access to a significant portion of the population switching to mobile telephones as a result of recent number portability regulations.

- *Proliferation of Non-usable Telephone Numbers.* An increasing proportion of telephone numbers are being used by devices such as fax machines and computer modems. As a result of this trend, telephone survey data collectors are required to dial an ever-increasing volume of telephone numbers in order to reach the same number of respondents, thereby increasing their expenses. According to a CMOR study published in June 2003, telephone data survey collectors were required to dial twice as many numbers in 2003 to complete a survey as they were required to dial in 1999.

Growth in Internet Penetration. In 2003, the percentage of the U.S. population using the Internet was approximately 65%, up from 48% in 2000. In the United Kingdom, Internet use reached 57% in 2003, up from 28% in 2000. Viewed across the United Kingdom, Germany and France, on a blended basis, Internet penetration reached 43% in 2003, more than doubling from 2002. As Internet penetration increases, and in particular as broadband penetration climbs, we believe the migration from traditional data collection methods to Internet-based data collection will accelerate. As the population of Internet users increases, a larger and more diverse group of people become accessible to us as potential panelists and the quality of the Greenfield Online panel will likely improve.

Our Competitive Position

We believe we are well-positioned for continued growth in our target market and the following strengths differentiate us from our competitors.

- *The Greenfield Online Panel.* The Greenfield Online panel is one of the largest Internet-based panels available. Our approximately 3.4 million panelists have double opted-in to participate in our surveys. We continue to actively expand the breadth and demographics of the Greenfield Online panel to address the needs of our clients. As part of this strategy, on October 21, 2004 we completed the acquisition of the OpinionSurveys.com panel from The Dohring Company. This acquisition provided us with access to approximately an additional 1.1 million double opted-in survey takers, which increased the size of the Greenfield Online panel to approximately 3.4 million survey takers. We perform extensive screening and analysis of our panelists, which allows us to offer our clients premium specialty panels comprised of people with similar characteristics. We have the ability to quickly reach appropriate target audiences within our panel for a wide range of client requests, including respondents in the healthcare, automotive, Hispanic, business-to-business, information technology and international segments. The Greenfield Online panel completed 2,482 Internet-based marketing research projects in 2003, and 3,157 Internet-based marketing research projects in the nine months ended September 30, 2004.
- *Experienced Panel Management.* Over the past 10 years, we have developed proprietary panel management techniques designed to maximize the efficiency and productivity of the Greenfield Online panel. We maintain a fresh and active panel by continually adding new members and seeking additional information from our panelists. These panel management techniques allow us to efficiently target our survey invitations and create relevant cash and non-cash incentive programs for our panelists. Additionally, we maintain policies to protect the confidentiality of our panelists' personal information and prohibit marketing to our panelists using information obtained through their survey participation. We believe that these policies have enabled us to develop a relationship of trust with our panelists and foster a climate that encourages their continued participation in our surveys.
- *Complete Internet Survey Solutions.* We offer a wide range of Internet survey solutions that enable the global marketing research industry to conduct Internet-based research. Our complete range of survey solutions facilitates the migration from traditional survey methods to Internet-based methods and eliminates the need for our clients to develop their own Internet research capabilities.
- *Focused Sales Strategy.* Our focused sales strategy seeks to incorporate our Internet survey solutions into our clients' research proposals that they present to the end-users of the data we collect. Our client relationships are strengthened by this cooperative sales strategy which allows us to leverage their global sales forces as a distribution channel for our products and services. We do not compete with our clients for custom marketing research business from end-users.
- *Significant Operating Leverage.* We believe our Internet-based business model provides significant operating leverage and should lead to expansion of our operating income margin if we succeed in growing our revenues. As compared to offline-based data collection models, which have high variable costs, such as telephone data collection models or mail-based data collection models, our Internet-based model is low variable cost in nature. As such, once the investment in infrastructure has been made, we realize the benefit of low incremental variable costs associated with revenue growth. By leveraging the established Greenfield Online panel, conducting an increasing number of surveys using our existing technology infrastructure and benefiting from our operations center in India, we believe we will continue to improve our operating leverage.
- *Well-Established Brand and Commitment to Customer Service.* We were founded in 1994 and conducted our first Internet-based marketing research project in 1995. Since our inception, we have built and refined the Greenfield Online panel and maintained a commitment to industry-leading customer service. For example, in 2003 we established an operations center near New Delhi, in Gurgaon, India, which is integrated with our U.S., Canadian and U.K. facilities and allows us to provide our clients with continuous survey programming, data collection and processing services. Our early entry into the Internet-based survey marketing research industry, the quality of the Greenfield Online panel and our commitment to customer service have enabled us to develop a strong brand within the marketing research industry.

However, as further described in *"Risk Factors"* beginning on page 9 of this prospectus, our business operates in a highly competitive market and some of our competitors have longer operating histories, greater brand recognition and significantly greater financial and other resources than we do. As a result, these competitors may be able to undertake more extensive sales and marketing campaigns than our own; adopt more aggressive pricing policies than our own; make more attractive offers to potential employees, strategic partners, panelists and customers than we can; develop technologies that are superior to our own; and achieve broader market acceptance than we can.

Our Strategy

Our goal is to maintain and build upon our leadership position within the global Internet survey solutions market. In order to achieve this goal, our strategy is to:

- *Drive Migration to Internet-Based Marketing Research.* We believe the Internet is the best method to reach a representative population sample as compared to the telephone and other traditional survey methods. As a result there is an ongoing transition within the marketing research industry to Internet- based survey solutions. We will continue to facilitate this transition and capitalize on this migration by:

- *Increasing the Size and Diversity of the Greenfield Online Panel.* As the Greenfield Online panel becomes larger and more diverse, we will be able to reach smaller segments of the population allowing us to specifically target our clients' research needs and offer higher value data.

- *Expanding the Range of Our Specialty Panels.* Our current specialty panels include healthcare, automotive, Hispanic, business-to-business, information technology and international panel segments. Our ability to capture and access specific demographic information about our panelists allows us to provide our clients with access to research audiences that were difficult or impossible to find through other methods.

- *Developing New and Innovative Internet-Based Survey Solutions.* New solutions, such as our media testing capabilities, integrate images, sound, video and other media directly into our surveys and provide a more interactive and engaging process than current methods.

- *Providing Faster and Better Service than Traditional Data Collection Methods.* Our clients seek suppliers that can provide high-quality panels and fast and accurate bid-turnaround and survey programming, allowing them more time to analyze survey data and provide timely, quality research for their customers. To achieve this strategy, we leverage our automated bid technology, skilled project management staff and our continuous survey programming capability.

- *Expand Internationally.* During the remainder of 2004 and in 2005, we intend to further develop our capabilities outside the United States, expanding the size and diversity of the Greenfield Online panel by adding more panelists from the United Kingdom, Germany, France and Canada. To facilitate this panel growth we have engaged qualified panel managers in Canada and the United Kingdom who are focused on combining our proprietary panel management techniques with local knowledge to develop more responsive and representative panels in their regions. We also intend to expand our sales and revenue generating presence internationally by deploying sales personnel in Germany, France and Canada. As of September 30, 2004 we had four sales representatives in Canada, three in the United Kingdom and one in Germany. We believe the migration of data collection to the Internet in the international market is in its early stages and represents a significant growth opportunity.

- *Pursue Strategic Acquisitions.* We intend to seek strategic acquisitions both in the United States, such as the acquisition of the OpinionSurveys.com panel, and internationally in order to:

- *Increase the Size and Diversity of the Greenfield Online Panel.* Acquired businesses may have panel assets that extend the Greenfield Online panel into new demographic areas such as information technology decision makers or expand the size of the general panel allowing us to find and reach more highly targeted samples.

- *Accelerate Time to Scale.* Acquiring panel assets, sales channels and customer relationships will allow us to accelerate our growth and allow us to fulfill all of our clients' Internet survey solution needs. Acquired panel assets will allow us to rapidly meet industry demand through the incorporation of proven survey participants into the Greenfield Online panel.

- *Acquire New Technology.* We will seek to acquire technologies or applications which allow us to offer new and innovative Internet survey solutions.

We believe that we derive additional benefits through expansion of our panel by acquisition of pre-existing panels compared to expansion through our web-based recruiting efforts because, in our opinion, acquired panels: contain detailed demographic and survey history about their members gained over time; are comprised of members who have demonstrated a willingness to participate in surveys; and decrease the time to scale our overall survey capacity.

The Greenfield Online Panel

The Greenfield Online panel is comprised of approximately 3.4 million survey takers who voluntarily participate in our surveys. Our panelists represent households consisting of an estimated 8.8 million people. The Greenfield Online panel includes the OpinionSurveys.com panel that we acquired from The Dohring Company on October 21, 2004, which added approximately 1.1 million individual survey takers to the Greenfield Online panel representing households consisting of an estimated 3.0 million people.

- *Panel Acquisition.* We continuously recruit from a diverse pool of sources, including Internet portals, special interest, age and ethnicity focused and other websites. We administer our internally developed webmaster affiliate program to enable broad based panelist recruitment from lower-traffic niche websites. As of September 30, 2004, the number of participating affiliates in our webmaster program grew to 564 websites, consisting primarily of lower-traffic niche websites. To become an affiliate in our webmaster program (a "webmaster affiliate"), approved website operators download images and graphics enabling them to recruit members for the Greenfield Online panel on their website. Each webmaster affiliate receives a specific identification code and is compensated based on the number of panelists recruited through its website. In addition, as of September 30, 2004, we were actively recruiting panelists with 34 additional large websites, data suppliers and advertising networks. Through

these programs and arrangements, we acquire new panelists from Internet portals and special interest websites by conducting email campaigns with sweepstakes and other incentives and by posting new banner advertisements on webpages. Individuals viewing or receiving these solicitations are directed to a Greenfield Online recruiting webpage where they are asked for demographic and other personal information. After completing this demographic survey, potential panelists are asked to confirm their desire to be panel members by email or web interface. Upon this confirmation, the panelists are registered as active members of the Greenfield Online panel. Prior to the commencement of the fourth quarter of 2004, our webmaster affiliate program and our panelist recruiting arrangements were our primary sources for diversifying the Greenfield Online panel. We believe that the combination of acquisitions and this diversified recruitment strategy helps us fulfill our goal of maintaining one of the largest and most representative panels,

while also helping to ensure a continuous, cost-effective supply of survey takers. In 2003, we recruited over 730,000 panelists from MSN through an agreement with Microsoft Corporation. Under the terms of this agreement, we recruit panelists for the Greenfield Online panel through MSN in exchange for our payment to Microsoft of fees based on the number of panelists recruited and the number of surveys delivered to our clients that are completed by such panelists. In the fourth quarter of 2003, we recruited 85,000 panelists through MSN, representing approximately 81% of all new panelists recruited during that quarter. In November 2003, we substantially increased the diversification of our panelist recruiting program. As a result, panelists supplied through MSN have steadily declined. In the third quarter of 2004, we recruited 15,247 panelists via MSN representing 7.4% of the total domestic panel recruiting we undertook in the quarter. Throughout the remainder of 2004 and in 2005, we anticipate the continued decline in our use of MSN recruited panelists.

- *Panel Management.* To extract maximum value from an Internet survey panel, proper panel management techniques must be employed. We utilize senior copywriters to design our communication materials, a well-maintained website, including a customized panelist web page, and responsive help desk support personnel to ensure that each contact we make with a panelist is a positive experience. We have developed performance metrics relating to panelist workload, responsiveness and participation and constantly test alternative communication strategies and incentive programs to ensure optimal panel productivity. We utilize an automated process to regularly probe our panel for additional profile data so that we can more accurately target our surveys and maximize the productivity of our panelists' time. We employ several methods to help ensure that the demographic data provided by panel members is accurate. We believe that for the most part these methods allow us to have a high level of confidence in the accuracy of the data we provide. We also believe after many years of conducting online surveys that the vast majority of survey takers answer honestly and participate in surveys in order to have their opinions heard. Some of the methods we use are:

  - The registration process takes place before a panel member is invited to participate in a survey, so there is no incentive to submit anything but accurate information;
  - Survey invitations are delivered to respondents according to the demographic requirements of a survey and the panel member does not know the demographic information used to select them as potentially qualifying for the survey;
  - We do not indicate the desired demographic in the survey invitation so panel members are not tempted to fabricate profile information in order to qualify for the survey;
  - Survey takers are only allowed one opportunity to take a survey and are not able to change their answers during multiple attempts to qualify for the survey; and
  - Only one email address is allowed per physical household address, which prevents establishing multiple accounts for the purpose of taking surveys multiple times.

- *Panel Incentives.* Members of the Greenfield Online panel are offered incentives for participating in our surveys. We use a combination of sweepstakes and cash incentives, administered through our own incentive program, to encourage our panelists' participation. The incentive level for a particular survey project is based upon the length and complexity of the survey and the difficulty in finding or motivating the survey's target audience. We typically initiate a survey with a modest incentive and then adjust the incentive level up or down as we invite more panelists to take the survey, and depending on the initial response of our panelists. With this strategy, we efficiently balance the invitation quantity and incentive level to achieve the desired number of completed surveys within the specified client timeframe.

Our Internet-Based Survey Solutions

We offer survey solutions exclusively using Internet-based methods supported by the Greenfield Online panel. These survey solutions are customized to our clients' needs, including our full-service data collection and sample solutions.

The chart below describes the flow of an Internet-based marketing research project and the role played by our Internet survey solutions:

Internet-Based Marketing Research Project Flow

Full-Service

We program our clients' surveys, host them on our website infrastructure, invite our panelists to take the surveys and deliver the compiled data to our clients for their analysis and presentation to the end-user. Our clients can utilize our complete range of Internet survey solutions, including embedded images, sound and video, store-shelf simulation testing and other 3D image demonstrations. Our full-service solutions also include our review of survey responses for internal consistency, data tabulation and verbatim response interpretation and coding services. Our full-service solutions takes a research questionnaire designed by our clients from programming through data delivery. The following table describes the products and services that comprise our full-service capabilities and a representative application for each product or service.

Product	Description	Representative Application
Tracking Studies	Studies that are fielded over time to determine advertising awareness and brand usage	Automobile manufacturers track consumer awareness of their brand to evaluate the effectiveness of their media spending
Conjoint Studies	Studies that conduct a "trade-off" analysis of features/functionality	Mobile phone carriers use these studies to design service plans with features that will attract the most consumers
Concept Testing	Studies that present product concepts to potential consumers	Consumer packaged goods companies test a range of new product offering to identify those with the most appeal to consumers

Media/ Audio Testing	Studies to evaluate the persuasiveness and key message recall associated with advertising	Health and beauty care manufacturers use these studies to test different versions of a new advertising campaign to see which is most likely to result in the purchase of their product

Product	Description	Representative Application
In-Home Usage Testing	Studies that ask respondents to try new products in their home	Over-the-counter remedy manufacturers ask consumers to test their products and provide feedback on the Internet
Omnibus Studies	Shared-cost studies that enable several clients to pool small sets of questions and receive feedback within 3 days	All industries take advantage of this product to get fast answers to urgent marketing questions

Sample Solutions

Clients that have survey programming capabilities, but have limited or no access to survey respondents, can purchase controlled access to the Greenfield Online panel. We believe that this offering is regarded in the marketplace as a high-value service, which we maintain by collecting demographic information upon panelist enrollment and by providing respondents to our clients who accurately match our clients' demographic requirements.

Our Customers

Our primary target market is full-service custom marketing research and consulting firms. We provide Internet survey solutions to firms of all sizes in this marketplace. In 2003, our top five clients by net revenue were: Taylor Nelson Sofres Intersearch, GfK-Custom Research, Inc., Hall and Partners, Synovate, Inc. and ARBOR, Inc. Our top two clients in 2003, Taylor Nelson Sofres Intersearch and GfK Custom Research, Inc., represented 14.5% and 12.7% of our total revenue in 2003, respectively. In March 2004, GFK AG, the parent of our second largest client, GFK-Custom Research, Inc., acquired Arbor, Inc. Together, in 2003, GFK-Custom Research, Inc. and Arbor, Inc. accounted for approximately 17% of our total net revenues. Our top client in 2003 was Taylor Nelson Sofres Intersearch, with which we had an alliance agreement requiring it to make purchases of at least $5.6 million of our products and services from January 31, 2002 to January 31, 2004. Taylor Nelson Sofres Intersearch satisfied this obligation and is no longer contractually required to purchase our products and services. In 2003, Taylor Nelson Sofres Intersearch's parent company acquired NFO Worldgroup, Inc., which maintains and operates a large Internet respondent panel similar to our own. As a result of this acquisition, the revenues we received from Taylor Nelson Sofres Intersearch in 2004 thus far have been less than in 2003.

We have seen a strong trend across marketing research firms of shifting their data collection methodology to Internet survey solutions. Our client base has grown to a diversified group of over 369 clients, of which 45 each purchased over $100,000 in survey data collection services from us in 2003, up from 21 such clients in 2002. During the nine months ended September 30, 2004, 66 clients each purchased over $100,000 in survey data collection services, up from 35 such clients during the same period in 2003. Our top ten clients represented 53% of our net revenue in 2003, and for the nine months ended September 30, 2004, our top ten clients represented 39% of our net revenue. In 2002 and 2003, we successfully grew our client base by adding over 100 new clients each year. For the nine months ended September 30, 2004, we grew our client base by adding 76 new clients.

We have a partner program with 26 active clients. Our partner program provides preferred pricing, dedicated sales and service account teams and integrated marketing support and tools, as well as customized marketing materials to support the Internet research sales efforts of these client partners. We also have integrated systems for pricing, project-scoping and the project-delivery process with these clients. Because we are exclusively an Internet survey data provider and not a custom marketing research business, our clients often seek our participation in their sales and marketing efforts and integrate the Greenfield Online panel into their research proposals as a critical selling component.

Sales and Marketing

We use a combination of sales professionals, account executives and our automated bid technology to maximize the personal interaction between sales professionals and current and prospective clients, while minimizing our sales and marketing costs. In 2002 and 2003, we made substantial investments in our sales infrastructure to better serve our clients and enter new markets. We have established regional offices in San Francisco, California, Toronto, Ontario and Minneapolis, Minnesota, and have sales representatives located in Colorado, Maryland, New Jersey, the United Kingdom and Germany. Accordingly, our sales and marketing professionals are assigned to geographic, client-based and industry-specific territories and, in certain instances, to specialized research markets. As of September 30, 2004, we employed 30 sales and marketing professionals. As discussed elsewhere in this prospectus, we completed our transition to a cooperative sales strategy in January 2002 with the sale of our Custom Research Business to Taylor Nelson Sofres Operations, Inc. By selling through the marketing research channel, we experience significant sales leverage and return on invested sales and marketing dollars.

Competition

We currently compete with Internet-based survey data collection providers, Internet sample providers that provide access to survey respondents but do not offer survey technologies, technology companies that have developed tools for conducting Internet marketing research and traditional marketing research companies. In a broader sense, we also compete with suppliers of survey data collection services that use traditional methodologies, such as telephone interviewers, mall interviewers and direct mail operators. The primary competitive factors in the survey data collection industry include the quality and timeliness of data collection, the price of products and services and overall reputation in the marketplace. We believe we distinguish ourselves from our competitors through a combination of high-quality service provided by experienced professionals, client responsiveness, the size and diverse demographics of the Greenfield Online panel, process efficiencies and a dedicated focus on servicing the marketing research industry.

We compete for clients with other Internet-based marketing research data collection firms, such as SPSS Service Bureau and Harris Interactive Service Bureau; firms offering respondent-only services, such as Survey Sampling, Inc., Zing Wireless, Inc., Ciao AG and e-Rewards, Inc.; and large marketing research companies, such as The Kantar Group and Harris Interactive, Inc. who maintain their own panels of online respondents. We estimate that there are approximately four Internet-based marketing research data collection firms with which we compete in the United States and Canada, and three such firms in Europe. We estimate that we have two U.S. based competitors offering respondent-only services, and no such competitors in Europe. However, we continually learn of new firms entering into this market. Finally, we estimate that in the United States, Canada and Europe, there are approximately [nine] full-service marketing research companies that have developed their own Internet-based respondent panels that may offer data collection services, four of which claim to have respondent panels that are larger than the Greenfield Online panel.

We also expect to face competition in the future from other marketing research data collection firms that develop Internet-based products and services or other companies with access to large databases of individuals with whom they can communicate through the Internet. These companies may, either alone or in alliance with other firms, penetrate the Internet-based marketing research data collection market.

Technology and Intellectual Property

Our systems are based on internally-developed and third-party software, and have been designed to reduce downtime in the event of outages or catastrophic occurrences. Our technology infrastructure provides continuous availability. We host our primary technology systems at our Wilton, Connecticut data center. To maintain reliability and to assure even distribution of work load, survey development and analysis of panel and survey data, we have replicated the functionality of the Wilton data center at a UUNET co-location facility under a co-location service agreement, which provides for redundant power supply and communications systems. Our Wilton facility is equipped with our own uninterruptible power supply, heating, ventilation and fire suppression systems. Data is backed up on a daily basis at both the UUNET and Wilton locations, and we routinely remove backed-up data from our primary storage facilities.

We utilize the *Confirmit* survey development software program created and licensed by Future Information Research Management, Inc. to program our surveys so that they can be displayed through the Internet and taken by our panelists. We believe that this software represents the current standard in the Internet-based marketing research data collection industry.

We have integrated several software technologies into our Internet survey solutions and have developed software programs to assist in this integration and otherwise improve our products and services. During the course of adopting the *Confirmit* survey development software, we developed our own software applications we call “bridges” that allow us to archive, access and manage panel data collected during *Confirmit* surveys and transfer this data to our panel database. We have also integrated streaming video and three dimensional imaging software into our Internet survey solutions.

Our computer systems are susceptible to planned overloads initiated by third-parties, commonly referred to as denial of service attacks. While it is impossible to prevent a denial of service attack without disconnecting our computer systems from the Internet, we have taken measures to reduce the potential harm such an attack could cause by:

- employing a geographically distributed multi-site architecture of web sites and applications creating separately located and redundant back-up systems, which minimizes the risk of a total shutdown due to a denial of service attack targeted at a specific location; and
- subscribing to multiple Internet Service Providers and having been assigned multiple network blocks or groups of Internet addresses within these ISPs, which provides us with flexibility in switching between Internet addresses and service providers during an attack targeting specific Internet addresses.

We own multiple domain names and manage and administer the computers that associate these domain names with Internet addresses. This in-house management provides a measure of defense during a denial of service attack because we can rapidly redirect a domain name to a different Internet address if the addresses are the subjects of the attack, and we can rapidly switch to another

domain name in order to conduct business on the Internet if the domain name is the subject of the attack.

We regard our copyrights, service marks, trademarks, trade dress, trade secrets, proprietary technology and similar intellectual property as critical to our success and rely on trademark and copyright law, trade secret protection, confidentiality and assignment of invention agreements and/or license agreements with employees, customers, independent contractors, partners and others to protect our proprietary rights. We strategically pursue the registration of our trademarks and service marks in the United States and have applied for and obtained registrations in the United States for some of our trademarks and service marks. Millward Brown, Inc. owns the rights in the United States to the names *Greenfield* and *Greenfield Online,* holds a U.S. registration for the *Greenfield* mark and has a pending registration in the United States of the *Greenfield Online* mark. We maintain an exclusive, perpetual, royalty-free license from Millward Brown, Inc. (as successor to Greenfield Consulting Group, Inc.) to the *Greenfield Online* trademark for Internet qualitative and quantitative marketing research data collection services and to use the *Greenfield* name as part of our Internet domain names. *Power your Research*SM, *Power Your Research With Our Experience, Our People, Our Technology*SM, *SAM*SM, *Survey Alerts Manager*SM, *Research Revolution®*, *NetReach®*, *FieldSource®* and *OpinionSurveys.com®* are our trademarks, trade names and service marks. Neither we nor Millward Brown, Inc. have sought trademark registration of the name outside the United States. Additionally, through our acquisition of the OpinionSurveys.com panel, we acquired title to the domain names *OpinionSurveys.com* and *OpinionSurvey.com,* as well as certain intellectual property associated with the OpinionSurveys.com panel, including a pending application to register *OpinionSurvey*. Effective trademark, service mark, copyright and trade secret protection for this name may not be available in every country in which our products and services are made available through the Internet.

Governmental Regulation

Do Not Call Registry

In January 2002, the FTC adopted a rule that created a national Do Not Call registry that allows people to register their telephone numbers on a list from which telemarketers are prohibited from calling. In January 2003, two telemarketing groups filed complaints to block enforcement of the Do Not Call registry. In response to a decision from the Oklahoma U.S. District Court, the U.S. Congress passed the Do Not Call Implementation Act to specifically grant the FTC authority to create and maintain the Do Not Call registry. In September 2003, the U.S. District Court for the District of Colorado issued a decision holding that the Do Not Call registry was unconstitutional because it violated First Amendment free speech protections. The FTC immediately filed a motion to the 10th Circuit Court of Appeals to allow it to operate and enforce the Do Not Call registry pending its appeal to that Court. On February 17, 2004, the 10th Circuit Court of Appeals reversed the lower court and held that the Do Not Call registry was constitutional. On October 4, 2004, the U.S. Supreme Court let stand the lower-court ruling affirming the constitutionality of the Do Not Call registry. Without comment, the Court rejected an appeal by telemarketers who argued that the Do Not Call registry imposed improper limits on their rights to free speech.

We believe the Do Not Call registry has had a beneficial effect upon our business because we believe it has prompted more marketing research companies to adopt Internet-based survey data collection methods as opposed to telephone-based data collection methods. We also believe that the Do Not Call registry is an outgrowth of a pervasive dissatisfaction within the U.S. population with the amount and intrusiveness of unwanted telephone solicitations. According to a study conducted in 2004 by Pioneer Marketing Research, DialTek L.P. and BayaSoft LLC from among 720 respondents, marketing research buyers and suppliers are recognizing that this dissatisfaction is also directed at marketing surveys conducted by telephone and, as a result, data gatherers are migrating to Internet survey solutions such as the services that we provide.

Telephone Consumer Protection Act

In 1991, Congress passed the Telephone Consumer Protection Act (the "TCPA"), granting the FCC the authority to promulgate rules protecting the privacy rights of people with telephones who wanted to avoid unwanted telemarketing calls. The FCC adopted rules to enforce this authority and under these rules telemarketers are prohibited from making telephone calls before 8 a.m. and after 9 p.m. The TCPA, which is the authorizing legislation for the FCC's Do Not Call registry, also prohibits calls made to mobile telephones if the call is made using an automatic telephone dialing system (defined as equipment which has the capacity to store or produce telephone numbers to be called using a random or sequential number generator and to dial such numbers) or an artificial or pre-recorded voice, and if the call recipient is charged for the call.

Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003

The federal Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act"), which took effect on January 1, 2004, imposes a series of new requirements on the use of commercial email messages. The CAN-SPAM Act gives federal civil and criminal enforcement authorities new tools to combat unsolicited commercial email, and allows state attorneys general and Internet access services to enforce its civil provisions. The Act also directs the FTC to issue new regulations that define

relevant criteria, which have not yet been promulgated, and to enforce the Act. Among other things, one proposal being examined by the FTC is a federal "Do Not Email" registry. The CAN-SPAM Act and the regulations enforcing the Act may significantly impact the manner in which we recruit and communicate with our panelists. It may also expose us to potential liability or require us to change or abandon our webmaster affiliate program and other recruitment techniques. The CAN-SPAM Act may require us to develop technology or systems to comply with its requirements for honoring "opt-out" requests. The CAN-SPAM Act provides a variety of remedies, including statutory damages, for each improper email sent. Additionally, there are at least 36 state statutes that purport to regulate the distribution of commercial email. Some of those statutes, or portions thereof, are preempted by the CAN-SPAM Act, but others may still be enforceable and provide for civil and criminal enforcement, and the imposition of penalties and damages for their violation. If we cannot comply with the requirements of the CAN-SPAM Act or these state statutes, we may need to cease operating portions of our business and our business could suffer.

The Internet Tax Freedom Act

The Internet Tax Freedom Act (the "ITFA"), that was originally passed in 1995, prohibited states or political subdivisions from (i) imposing taxes on Internet access and (ii) imposing multiple and discriminatory taxes on e-commerce. The ITFA expired on November 1, 2003 and has not been renewed. As a result of the expiration of the ITFA, states are no longer prohibited under federal law from imposing taxes that were covered by the ITFA. In the absence of a renewal of the ITFA, states may begin to impose taxes on Internet access, related charges and other e-commerce products and services. If one or more states impose such taxes in a manner that results in the taxation of Internet access providers, ourselves, our customers or other parties upon whom these parties' or our panelists' rely for access to the Internet or other products or services, it may harm our business.

Telecommunications Act of 1996

In February 1999, the FCC issued a declaratory ruling interpreting the Telecommunications Act of 1996 to allow local exchange carriers to receive reciprocal compensation for traffic delivered to information service providers, particularly Internet service providers, on the basis that traffic bound for Internet service providers is largely interstate. As a result of this ruling, the costs of transmitting data over the Internet may increase. If this occurs, our tax liability and operating expenses may increase, and our business could suffer.

European Commission's Directive on Data Protection

The European Commission's Directive on Data Protection (the "EC Directive") went into effect in October 1998, and prohibited the transfer of personal data to non-European Union nations that do not meet the European "adequacy" standard for privacy protection. The United States takes a different approach to privacy from that taken by the European Union. The United States uses a sectoral approach that relies on a mix of legislation, regulation and self-regulation. The European Union, however, relies on comprehensive legislation that, for example, requires creation of government data protection agencies, registration of databases with those agencies, and in some instances prior approval before personal data processing may begin. As a result of these different approaches, the Directive could have significantly hampered the ability of U.S. companies to engage in many trans-Atlantic transactions.

In order to bridge these different privacy approaches and provide a streamlined means for U.S. organizations to comply with the EC Directive, the U.S. Department of Commerce in consultation with the European Commission developed a "safe harbor" framework. To be assured of safe harbor benefits, an organization needs to self certify annually to the U.S. Department of Commerce in writing that it agrees to adhere to the safe harbor's requirements, which includes elements such as notice, choice, access, and enforcement. It must also state in its published privacy policy statement that it adheres to the safe harbor guidelines. We self-certify to the U.S. Department of Commerce to this effect and state in our published privacy policy statement that we adhere to the safe harbor guidelines. The Department of Commerce maintains a list of all organizations that file self-certification letters and make both the list and the self-certification letters publicly available.

To qualify for the safe harbor, an organization can (1) join a self-regulatory privacy program that adheres to the safe harbor's requirements; or (2) develop its own self regulatory privacy policy that conforms to the safe harbor. We have self-certified to the U.S. Department of Commerce and have joined *TRUSTe*, a United States-based self-regulatory privacy program. As a result, we have been certified as compliant with the "safe harbor" guidelines.

Proposed Anti-Outsourcing Legislation

In additional to the foregoing laws and regulations, according to the National Foundation for American Policy, at least 37 states have introduced legislation aimed at restricting overseas outsourcing and encouraging U.S. businesses to keep their operations within the United States. The U.S. Senate has recently approved an amendment that would prohibit companies from using money received under federal contracts in connection with jobs that are outsourced overseas, and would prohibit state contract work from being performed overseas with money received from federal grants. If these or similar laws or regulations are enacted, our ability to continue overseas operations could be harmed and our competitive position would be damaged.

Facilities

Our headquarters and principal U.S. operations facility occupies approximately 30,000 square feet and is located at 21 River Road, Wilton, Connecticut, under a lease that expires in November 2009. Our other U.S. operations facility is located in San Francisco, California, where we lease approximately 8,179 square feet under a lease that expires in September 2009. We also lease approximately 5,000 square feet of space in San Francisco, California, that we no longer occupy under a lease that expires in December 2004, and which will not be renewed. We also lease a data center to support our operations that occupies approximately 3,100 square feet in Wilton, Connecticut, along with office space in East Brunswick, New Jersey, Bethesda, Maryland, Centennial, Colorado and Bloomington, Minnesota to support our sales and marketing team.

Our international offices are based in Gurgaon, India, Buckinghamshire, United Kingdom, and Toronto, Ontario. Our operations facility in Gurgaon, near New Delhi, occupies approximately 19,300 square feet under a lease that expires in March 2007, unless renewed at our option for up to two additional three year terms. Our facility in Buckinghamshire, which is used primarily for sales and marketing, occupies approximately 455 square feet under a lease that expires in September 2005. Our facility in Toronto consists of approximately 2,500 square feet, which we occupy under a lease that expires on October 1, 2005, but which we or the landlord may terminate on 60 days written notice. In addition to these facilities, we sublease approximately 5,600 square feet of office space in Gurgaon, India that we formerly occupied prior to our move to the new Gurgaon space. We believe that our current facilities are adequate to meet our needs for the foreseeable future and that additional or alternative facilities may be leased on commercially reasonable terms to meet our future needs, if necessary.

Employees

As of September 30, 2004, we employed a total of 271 people. Of our U.S.-based employees, 30 are in sales and marketing, 38 are in client service, 13 are in technology development and 20 are in finance and administration. GFOL India employed 143 people, all located in Gurgaon, India. GFOL Europe employs six people, located in Buckinghamshire, United Kingdom, and two people located in Munich, Germany. Greenfield Online Canada Ltd. employs 19 people, all located in Toronto, Ontario. None of our employees are represented by a collective bargaining agreement. We have not experienced any work stoppages and consider our relationship with our employees to be good.

Legal Proceedings

From time to time, we may become involved in litigation relating to claims arising from our ordinary course of business. We are not currently party to any material legal proceedings.

Management

link1 "MANAGEMENT"

Management

Our Directors and Executive Officers

The following table sets forth certain information about our directors and executive officers as of the date of this prospectus.

Name	Age	Position
Dean A. Wiltse(4)	52	President, Chief Executive Officer and Director
Robert E. Bies	46	Executive Vice President, Chief Financial Officer and Treasurer
Jonathan A. Flatow	43	Vice President Corporate Development, Secretary and General Counsel
Hugh O. Davis	32	Chief Technology Officer
Keith Price	32	Senior Vice President of Sales
Frank Kelly	45	Senior Vice President of Global Panel Operations
Elizabeth A. Rounds	52	Senior Vice President of Marketing and New Products
Andrew C. Ellis	32	Senior Vice President of Worldwide Operations
Peter Sobiloff(4)	48	Chairman of the Board of Directors

Joel R. Mesznik(1)(2)(3)	59	Director
Burton J. Manning(2)(3)	72	Director
Lawrence R. Handen(4)	38	Director
Lise J. Buyer(1)(2)(3)(4)	44	Director
Vikas Kapoor(1)(2)(3)	42	Director

(1)	Member of the audit committee.
(2)	Member of the compensation committee.
(3)	Member of the governance and nominating committee.
(4)	Member of the mergers and acquisitions committee.

Dean A. Wiltse has served as our President and Chief Executive Officer and a member of our Board of Directors since April 2001. From February 1999 until April 2001, Mr. Wiltse was employed by Engage, Inc., where he served as General Manager of the Software Division from February 1999 to June of 2000, as Executive Vice President from June 2000 to September 2000, and as President of the Software Division, Engage Software, Inc., from September 2000 to April 2001. Mr. Wiltse has also held senior management positions with Avid Technology, Inc., Vivo Software Inc. (acquired by RealNetworks, Inc.), Vst Technology, Inc. and Radius Inc. Mr. Wiltse holds a B.A. from American University, Kogod School of Business.

Robert E. Bies has served as our Chief Financial Officer since October 1999, Treasurer since December 1999 and Executive Vice President since August 2002. Prior to joining us, Mr. Bies was with The Janis Group, Inc., serving as Chief Financial Officer, Secretary and Treasurer between 1997 and 1999. Mr. Bies holds a B.S. summa cum laude from Long Island University and an M.B.A. with distinction from Hofstra University. Mr. Bies is a certified public accountant licensed in New York.

Jonathan A. Flatow has served as our Secretary since July 1999, as General Counsel since March 2000 and as Vice President Corporate Development since May 2001. Prior to joining us, Mr. Flatow was a partner in the law firm of Wake, See, Dimes & Bryniczka, which he joined in 1986 as an associate. Mr. Flatow holds a B.A. from Franklin & Marshall College and a J.D. from Pace University School of Law.

Hugh O. Davis was a founder of Greenfield Online in 1994. He joined Greenfield Consulting Group in September 1992 and in January 2001, he was promoted to Chief Technology Officer, which is his current position. Mr. Davis holds a B.S. from Fairfield University.

Keith Price has served as our Senior Vice President of Sales since September 2001. From June 2000 to August 2001 he served as Vice President of our FieldSource division, the predecessor to our current Internet survey solutions business. From October 1999 to May 2000 he served as Director, Client Development and launched our FieldSource division. From 1994 to 1999 he was with Survey Sampling, Inc., and most recently served as its Manager of Business Development. Mr. Price holds a B.A. from Providence College.

Frank Kelly has served as our Senior Vice President of Global Panel Operations since August 2004. From January 2004 to August 2004, Mr. Kelly served as our Senior Vice President of Marketing and Strategy. Mr. Kelly was with the ACNielsen Company as Global Vice President of Marketing for Consumer Research Services from February 1998 until December 2003. Mr. Kelly holds a B.S. from Babson College and an M.B.A. from Northeastern University.

Elizabeth A. Rounds has served as our Senior Vice President of Marketing and New Products since August 2004. From March 2004 to August 2004, Ms. Rounds served as our Senior Vice President of Global Partner Strategy. Prior to joining Greenfield Online she served as Senior Vice President with GfK-Custom Research Inc., a custom marketing research company, between November 1978 and February 2004. Ms. Rounds holds a B.S. from Trinity University.

Andrew C. Ellis has served as our Senior Vice President of Worldwide Operations since July 1, 2004. From February 2003 to December 2003, Mr. Ellis served as our Vice President of Client Development, and from January 2004 to July 2004, he served as our Vice President and General Manager of our East Division. From July 1996 to February 2003, Mr. Ellis was employed by Quick Test, Inc., most recently as its Vice President of Sales and Technology from January 2000 to February 2003. Mr. Ellis holds a B.A. from Creighton University.

Peter Sobiloff has served as a member of our board of directors since May 1999 and as our chairman since May 2001. Mr. Sobiloff has been a General Partner of Insight Venture Partners, a venture capital firm, since 1998. Mr. Sobiloff served as Senior Executive at i2 Technologies, a software company, from 1997 to 1998. Mr. Sobiloff is a director of several non-publicly traded companies. He holds a B.A. from Baruch College.

Lawrence R. Handen has served as a member of our board of directors since May 2001. Since November 2000, Mr. Handen has been a Partner of UBS Capital Americas LLC. From 1997 to November 2000 he was a partner with PricewaterhouseCoopers. Mr. Handen currently serves as a director of several non-publicly traded companies. Mr. Handen holds a B.A. from Bucknell University and an M.B.A. from New York University.

The following directors have been determined to be independent under the Nasdaq National Market rules by our current board of directors. The independent directors will hold regularly scheduled meetings at which only the independent directors will be present.

Joel R. Mesznik has served as a member of our board of directors since May 1999. He has been President of Mesco Ltd., a consulting company, since 1990. He is also a director of RAIT Investment Trust (listed on the New York Stock Exchange), Pharma/ wHealth Management Company (listed on the Luxembourg Stock Exchange) and a number of non-publicly traded companies. Mr. Mesznik holds a B.S. from City University of New York and an M.B.A. from Columbia University, Graduate School of Business.

Burton J. Manning has served as a member of our board of directors since May 1999. From 1987 to March 1997, Mr. Manning was Chairman and Chief Executive Officer of J. Walter Thompson Co. From March 1997 to January 1998, Mr. Manning was chairman of J. Walter Thompson Co. From January 1998 to present, he has served as president of Brookbound, Inc. In addition to his service on our board of directors, he serves on the board of directors of Friendly Ice Cream Corp. and a number of non-publicly traded companies.

Lise J. Buyer has served as a member of our board of directors since April 2004. Since April 2003, Ms. Buyer has served as the Director of Business Optimization at Google Inc., a publicly traded technology company focused on search services. From September 2002 to March 2003, she served as a consultant and the Director of Research for Vista Research LLC, an independent equity research firm in New York, New York. From May 2000 to July 2002 she was a General Partner at Technology Partners, a Palo Alto, California venture capital firm. Ms. Buyer was the Director of Internet/ New Media Research at Credit Suisse First Boston from July 1998 to May 2000. Prior to that she spent 15 years as an institutional equity investor and analyst of both the technology and media industries. Ms. Buyer holds a B.A. from Wellesley College and an M.B.A. from the Owen Graduate School of Management at Vanderbilt University.

Vikas Kapoor has served as a member of our board of directors since April 2004. Since September 2003, Mr. Kapoor has led IntelliRisk Management Corporation, as a member of the executive committee of the board of directors from September 2003 to December 2003, and as Chief Executive Officer since January 2004. From August 2002 to August 2003, Mr. Kapoor served as Chief Executive Officer of Opera Solutions, LLC. From October 2001 to July 2002, Mr. Kapoor served as the Chief Executive Officer of Delano Technology Corporation. From December 2000 to September 2001, Mr. Kapoor served as Chief Executive Officer of Opera Ventures, LLC. From March 2000 to November 2000, Mr. Kapoor served as President of Walker Digital, LLC. From September 1999 to March 2000, Mr. Kapoor served as a member of the senior management team of USweb/CKS Corporation. Mr. Kapoor founded Mitchell Madison Group, LLC in 1994. Mitchell Madison Group was acquired by USWeb/CKS in September 1999. Mr. Kapoor holds a B.A. from Princeton University, an M.A. from Harvard University, Graduate School of Arts & Sciences and an M.B.A. from the Harvard Business School.

Board Structure and Composition

Our board of directors consists of seven members who are divided into three classes as provided in our certificate of incorporation and bylaws and as set forth below.

Class	Expiration of Initial Term	Directors
	2005	Lise Buyer and Vikas Kapoor
	2006	Burton S. Manning and Lawrence R. Handen
	2007	Peter Sobiloff, Joel R. Mesznik and Dean A. Wiltse

Commencing with the annual meeting of stockholders to be held in 2005, directors for each class will be elected at the annual meeting of stockholders held in the year in which the term for that class expires and thereafter will serve for a term of three years.

Executive officers are appointed by the board of directors on an annual basis and serve until their successors have been duly elected and qualified. There are no family relationships among any of our directors or executive officers.

Board Committees

Our board of directors has established an audit committee, a governance and nominating committee, a compensation committee and a mergers and acquisitions committee.

Audit Committee. Our audit committee oversees our corporate accounting and financial reporting process. Among other matters, the audit committee evaluates the independent auditors' qualifications, independence and performance; determines the engagement of the independent auditors; pre-approves the retention of the independent auditors to perform any proposed permissible non-audit services; monitors the rotation of partners of the independent auditors as required by law; reviews our consolidated financial statements; reviews our critical accounting policies and estimates; oversees our internal audit function; annually reviews the audit committee charter and the committee's performance; reviews and approves the scope of the annual audit and the audit fee; and discusses with management and the independent auditors the results of the annual audit and the review of our quarterly consolidated financial statements. The current members of our audit committee are Messrs. Mesznik (its committee chair) and Kapoor and Ms. Buyer. Our board has made a determination that all members of our audit committee meet the applicable tests for independence and the requirements for financial literacy under applicable rules and regulations of the SEC and the Nasdaq National Market. Our board has also determined that Mr. Mesznik is an audit committee financial expert, as defined under the SEC rules implementing Section 407 of the Sarbanes-Oxley Act of 2002, and has the requisite "accounting or related financial expertise," as defined by applicable rules and regulations of the Nasdaq National Market.

Governance and Nominating Committee. Our governance and nominating committee establishes and oversees the process for identifying and evaluating nominees for directorships, including identification, interviewing and recruiting of board candidates. The governance and nominating committee also reviews and makes recommendations regarding our corporate governance guidelines. The governance and nominating committee currently consists of Ms. Buyer and Messrs. Mesznik (its committee chair), Manning and Kapoor. Our board has made a determination that all members of our governance and nominating committee meet the applicable tests for independence under the applicable rules and regulations of the SEC and the Nasdaq National Market.

Compensation Committee. Our compensation committee reviews and recommends policies relating to compensation and benefits of our officers and employees, including: reviewing and approving corporate goals and objectives relevant to compensation of the chief executive officer and other senior officers; evaluating the performance of these officers in light of those goals and objectives; and setting compensation of these officers based on such evaluations. The compensation committee also will administer the issuance of stock options and other awards under our stock and benefit plans. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance of the compensation committee with its charter. The compensation committee currently consists of Ms. Buyer and Messrs. Mesznik (its committee chair), Manning and Kapoor. Our board has made a determination that all members of our compensation committee meet the applicable tests for independence under the applicable rules and regulations of the SEC, the Nasdaq National Market and the Internal Revenue Service.

Mergers and Acquisitions Committee. In August 2004, we established the mergers and acquisitions committee, which oversees our evaluation of potential merger or acquisition candidates. The mergers and acquisitions committee assists management in evaluating the suitability of those candidates and preparing offers to acquire or merge with those candidates. The mergers and acquisitions committee currently consists of Ms. Buyer and Messrs. Handen (its committee chair), Sobiloff and Wiltse.

Compensation Committee Interlocks and Insider Participation

Our compensation committee consists of Ms. Buyer and Messrs. Mesznik (its committee chair), Manning and Kapoor. No member of the compensation committee serves as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

Code of Business Conduct and Ethics

Our board of directors has adopted a code of business conduct and ethics applicable to our directors, executive officers, including our chief financial officer and other of our senior financial officers performing similar functions, and employees, in accordance with applicable rules and regulations of the SEC and the Nasdaq National Market.

Board Compensation

In February 2004, we adopted a Board of Directors' Compensation Plan that provides for the compensation of our non-employee directors. Under this plan, non-employee directors are entitled to an annual stipend of $16,000, and receive meeting fees for attending each board and committee meeting. The chairman of the board and the chairman of each committee receive $2,500 per board and committee meeting and the members of the board and each committee receive $1,250 per meeting. There is an annual $10,000 cap on the amount of fees that may be received by each committee member for attending meetings of the mergers and acquisitions committee. In addition, our directors may participate in the 1999 Option Plan and the 2004 Equity Plan. Each non-employee director is entitled to be reimbursed the reasonable costs and expenses incurred in attending board meetings.

The non-employee members of our board of directors received the following stock option grants as compensation for their attendance at our board and committee meetings. These options vest over four years, with 25% vesting after one year and the balance vesting 12.5% semi-annually over the remaining period, with the exception of the options granted to Mr. Manning on October 15, 2003, which immediately vested.

Non-Employee Director	Number of Shares Subject to Options	Dates of Grant	Weighted Average Exercise Price
Peter Sobiloff	404	7/1999 - 7/2001	$34.62
Jeffrey Horing(1)	404	7/1999 - 7/2001	34.62
Joel R. Mesznik(2)	404	7/1999 - 7/2001	34.62
Burton J. Manning(3)	19,264	9/2000 - 10/2003	2.90
Lawrence R. Handen	—	—	—

(1) Mr. Horing resigned from our board of directors on July 15, 2004.

(2) Mr. Mesznik exercised additional options for 36,978 shares of common stock in 1999.

(3) Mr. Manning exercised additional options for 3,074 shares of common stock in 1999.

On July 15, 2004, our non-employee directors each received a one-time grant of options under the 2004 Equity Plan to purchase 40,000 shares of our common stock with an exercise price of $13.00 per share, the public offering price of the shares sold in our initial public offering. These options vested immediately upon grant for those directors who had been serving on the board for at least two years as of January 1, 2004. Option grants made to directors who joined the board after January 1, 2002 will vest over a period of 4 years; 25% on the first anniversary of the grant and 12.5% each six month period thereafter. Unvested options are forfeited if and when a director ceases to be a member of the board of directors.

Executive Compensation

The following table sets forth the total compensation awarded or paid to, or earned for, services rendered to us in all capacities during 2003, by our chief executive officer and our four other most highly compensated executive officers. These executives are referred to as the “named executive officers” elsewhere in this prospectus.

Summary Compensation Table

				Long-Term Compensation	
	Annual Compensation			Securities	
Name and Principal Position	Salary	Bonus	Other Annual Compensation	Underlying Options	All Other Compensation(1)
Dean A. Wiltse	$250,000	$416,667	$107,843 (2)	—	—
President and Chief Executive Officer					
Robert E. Bies	185,000	283,333	—	17,857	$2,400 (3)
Executive Vice President, Chief Financial Officer and Treasurer					
Jonathan A. Flatow	175,000	150,000	3,895 (4)	17,857	2,400 (3)
Vice President of Corporate Development, Secretary and General Counsel					
Hugh O. Davis	165,000	150,000	—	17,857	1,650 (3)
Chief Technology Officer					
Keith Price	150,000	205,000	132,323 (5)	114,285	2,400 (3)
Senior Vice President					

(1) In addition to the compensation reflected in this table, Messrs. Wiltse, Bies, Flatow and Davis were each granted shares of restricted stock in December 2002. One-half of these restricted shares vested upon grant and the remaining one-half vested in January 2004. See “Certain Relationships and Related Transactions — Restricted Stock Agreements.”

(2) Represents other compensation consisting of an $18,000 car allowance, $5,210 car usage allowance and $84,633 in moving expense reimbursement.

(3) Represents a 20% matching contribution to the executives' 401(k) plan.

(4) Represents reimbursement of disability insurance premiums paid by executive.

(5) Represents sales commissions.

Stock Option Grants in 2003

The following table sets forth information with respect to stock options granted to each of our named executive officers during 2003 and includes the potential realizable value, which is the exercise price before taxes associated with exercise, over the entire term of the options. This determination assumes options are exercised at the end of their terms, based on assumed annually compounded rates of stock appreciation of 5% and 10% and based on the exercise price per share. These assumed rates of appreciation comply with the rules of the SEC and do not represent our estimate of future common stock prices. Actual gains, if any, on stock option exercises will depend on the future performance of our common stock. We granted options to purchase a total of 600,472 shares of common stock during 2003.

Options granted in 2003 to the named executive officers were granted under the 1999 Option Plan, the material terms of which are further described below. All options granted to the named executive officers are options to purchase our common stock. One-quarter of the shares subject to each option grant vest on the first anniversary of the date of grant, and an additional one-eighth of the shares subject to the option vest each six months after the first anniversary. All options were granted at or above fair market value as determined in good faith by our board of directors on the date of grant.

Option Grants in 2003

	Individual Grants				Potential Realizable Value at Assumed Annual Stock Price Appreciation Rate for Option Term	
	Number of Securities Underlying Options	Percentage of Total Options Granted in 2003	Exercise Price Per Share	Expiration Date	5%	10%
Dean A. Wiltse	—	—	—	—	—	—
Robert E. Bies	17,857	3.0%	$2.66	10/15/2013	$29,872	$75,702
Jonathan A. Flatow	17,857	3.0	2.66	10/15/2013	29,872	75,702
Hugh O. Davis	17,857	3.0	2.66	10/15/2013	29,872	75,702
Keith Price	114,285	19.0	0.14	03/31/2013	10,062	25,500

Aggregate Option Exercises in Fiscal Year 2003 and Fiscal Year-End Option Values

The following table sets forth option exercises during 2003, the value realized upon the exercise of those options and the number of shares of common stock subject to exercisable stock options held as of December 31, 2003, by the named executive officers.

			Number of Securities Underlying Unexercised Options at December 31, 2003		Value of Unexercised In-the-Money Options at December 31, 2003(1)	
Name	Shares Acquired on Exercise	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
Dean A. Wiltse	—	—	44,227	26,536	$556,376	$333,826
Robert E. Bies	—	—	17,949	24,860	145,254	271,796
Jonathan A. Flatow	—	—	12,746	23,105	94,321	241,236
Hugh O. Davis	—	—	7,497	22,355	94,321	241,236
Keith Price	—	—	2,403	115,541	26,173	1,485,420

(1) The value of unexercised in-the-money options at December 31, 2003 is calculated based on the difference between $13.00 per share, the initial public offering price of our common stock sold in our initial public offering in July 2004, and the exercise price for the shares underlying the option, multiplied by the number of shares issuable upon exercise of the option.

Employment Agreements and Change of Control Provisions

We have entered into employment agreements with each of our named executive officers. Each of these agreements contain no specific term of employment and may be terminated by either us or the executive officer at any time with or without cause.

In April 2004, we entered into an employment agreement with Dean A. Wiltse, our chief executive officer. The agreement provides for an annual base salary of $400,000 and payment of 12 months' base salary if we terminate Mr. Wiltse without cause. The agreement also provides that if, prior to a change in control, we terminate Mr. Wiltse without cause or if he resigns for good reason, he will receive his base salary for two years following such termination, paid in monthly installments. If Mr. Wiltse is terminated without cause upon a change of control or within one year of a change of control, or if he resigns for good reason within one year of a change of control, we will pay his base salary for two years following such termination or resignation in monthly installments and a fixed bonus of six months' salary in one lump sum.

The employment agreements with our other executive officers provide for the payment of base salaries as follows: Robert E. Bies – $250,000; Jonathan A. Flatow – $200,000; Hugh O. Davis – $200,000; Keith Price – $200,000; Andrew C. Ellis – $200,000; Frank Kelly – $160,000; and Elizabeth Rounds – $150,000. In addition, the agreement with Ms. Rounds provides for the payment of an annual bonus of $75,000 upon the achievement of certain performance objectives.

In addition, each of the agreements with Ms. Rounds and Messrs. Wiltse, Bies, Flatow, Davis, Kelly, Price and Ellis:

- with the exception of our agreement with Ms. Rounds, provides for participation in any performance-based bonus programs that we make available to other members of our senior management;
- prohibits the executive officer, during his or her employment with us and for a period of five years thereafter (three years in the case of Mr. Ellis), from disclosing confidential information;
- requires the executive officer to transfer to us any inventions he or she develops during his or her employment with us; and
- prohibits the executive officer from competing with us, disparaging us or hiring our employees for a period of one year after their termination.

In addition, each of the agreements with Messrs. Bies, Flatow, Davis and Price:

- provides for payment to them of 12 months' base salary plus a pro rata portion of the annual bonus to which the named executive officer would have been entitled under our performance-based bonus program in the year in which a termination occurs if we terminate the named executive officer without cause or if the named executive officer resigns from employment with us for good reason; and
- provides that, if we terminate the named executive officer upon a change of control or within one year after a change of control without cause, or if he resigns for good reason within one year after a change of control, we will pay his base salary for 18 months in monthly installments and pay him a fixed bonus of three months' salary in one lump sum plus any unvested stock options or other equity-based incentive awards will become immediately vested and remain exercisable for 12 months from such termination date.

Stock Options Awarded in Connection with our Initial Public Offering

Effective upon the consummation of our initial public offering in July 2004, we granted options to our employees, some of our executive officers and our non-management directors to purchase an aggregate of up to 623,679 shares of common stock at an exercise price per share equal to the initial public offering price of $13.00 per share. Of this amount, options to purchase 280,000 shares were granted to our non-management directors pursuant to the terms of our Board of Directors' Compensation Plan, and options to purchase 14,286 shares of common stock were granted to Mr. Ellis, options to purchase 7,143 shares of common stock were granted to Mr. Kelly and options to purchase 3,571 shares of common stock were granted to Ms. Rounds.

Stock Based Plans

1999 Stock Option Plan

The 1999 Option Plan was adopted by our board of directors and stockholders on May 12, 1999, and amended by our board of directors on March 3, 2000 and subsequently approved by our stockholders on March 6, 2000. The 1999 Option Plan will terminate on May 12, 2009, the tenth anniversary of the date the 1999 Option Plan was adopted by our board of directors. The 1999 Option Plan provides for the grant of incentive stock options and nonqualified stock options, which may be granted to our employees, officers, directors, and consultants.

Share Reserve. The aggregate number of shares of common stock that may be issued pursuant to awards granted under the 1999 Option Plan is 987,040 shares. As of September 30, 2004, 62,375 shares of common stock have been issued as a result of grants made under the 1999 Option Plan, options to purchase 901,739 shares are currently outstanding and options to purchase 22,930 shares are available for future grant under the 1999 Option Plan.

Administration. The board of directors administers the 1999 Option Plan and may delegate this authority to administer the plan to a committee. Subject to the terms of the 1999 Option Plan, the plan administrator (our board of directors or its authorized committee) determines recipients, grant dates, the numbers and types of stock awards to be granted, and the terms and conditions of the stock

awards, including the period of their exercisability and vesting. Subject to the limitations set forth below, the plan administrator will also determine the exercise price of options granted.

Stock Options. Nonstatutory stock options and incentive stock options are granted pursuant to nonstatutory stock option agreements and incentive stock option agreements, respectively. The 1999 Option Plan administrator determines the exercise price for stock options. For persons owning more than ten percent of our stock or of any of our affiliates (ten percent stockholders), the exercise price for incentive options will be at least 110% of the fair market value of the shares of common stock underlying the incentive option on the date such incentive option is granted and such incentive options will not be exercisable after the expiration of five years from the date of grant. The plan administrator determines the vesting period and term of stock options granted under the 1999 Option Plan.

Unless the terms of an optionee's stock option agreement provide otherwise, if an optionee's service relationship with us, or any of our affiliates, ceases due to disability or death or the optionee dies within a specified period after termination of service, the optionee, or his or her beneficiary, may exercise any vested options for a period of 12 months in the event of disability or death, after the date such service relationship ends or after death, as applicable. Unless the option agreement provides for earlier or later termination, if an optionee's relationship with us, or any of our affiliates, ceases for any reason other than disability or death, the optionee may exercise any vested options for a period of ninety days from cessation of service, unless discharged for misconduct that was willful or wantonly harmful to us, in which case the options expire immediately upon discharge. In no event, however, may an option be exercised after the expiration of its term, as set forth in the stock option agreement.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will either be cash, a cashless exercise or other legal consideration approved by the plan administrator. The plan administrator may grant stock options with provisions entitling the optionee to a further option in the event the optionee exercises the option evidenced by the option agreement, in whole or in part, by surrendering other shares of our common stock.

Generally, an optionee may not transfer a nonstatutory option other than by will or the laws of descent and distribution, unless the nonstatutory option agreement provides otherwise. Optionees may not transfer incentive options except by will or by the laws of descent and distribution.

Changes to Capital Structure. The number of shares that may be issued under the 1999 Option Plan and the number and price of the shares covered by each outstanding stock award will be adjusted proportionately in the event of an increase or decrease in the number of outstanding shares of our common stock resulting from a stock split or reverse split of shares or any other capital adjustment or the payment of a stock dividend or other increase or decrease in such shares effected without receipt of consideration by us excluding any decrease resulting from a redemption of our shares.

Changes in Control. In the event of a change in control of us, all outstanding options and other awards under the 1999 Option Plan may be assumed, continued or substituted for by any surviving or acquiring entity. If the surviving or acquiring entity elects not to assume, continue or substitute for such awards, the vesting of such awards held by awardholders whose service with us or any of our affiliates has not terminated will be accelerated and such awards will be fully vested and exercisable immediately prior to the consummation of such transaction, conditioned upon the effectiveness of the change in control. The stock awards shall automatically terminate upon consummation of such transaction if not exercised prior to such event. Options granted under the 1999 Option Plan to our senior managers provide for accelerated vesting in the event of a change in control if, within one year of a corporate transaction, either (i) the senior manager's employment is terminated by the successor corporation without cause, or (ii) the senior manager resigns from the successor corporation for good reason.

2004 Equity Incentive Plan

Our board of directors adopted the 2004 Equity Plan on April 1, 2004 and our stockholders approved it on April 1, 2004. The 2004 Equity Plan became effective upon the completion of our initial public offering in July 2004. Unless sooner terminated by the board of directors, the 2004 Equity Plan will terminate on March 31, 2014, the day before the tenth anniversary of the date that the plan was adopted by our board of directors. The 2004 Equity Plan provides for the grant of incentive stock options, nonstatutory stock options, stock bonuses, restricted stock awards, and stock appreciation rights, which may be granted to our employees (including officers), directors and consultants.

Share Reserve. The aggregate number of shares of common stock that may be issued pursuant to awards granted under the 2004 Equity Plan shall not exceed 785,714 plus the number of shares that are subject to awards under the 1999 Plan that are forfeited or expire prior to the termination of the 1999 Option Plan that become available for re-grant in accordance with the provisions of the 1999 Option Plan (and such shares shall no longer be available for issuance under the 1999 Option Plan); *provided, that*, the aggregate number of shares issuable under the 2004 Equity Plan shall not exceed 1,741,764 shares, which equals 10% of the outstanding common stock at the time of the completion of our initial public offering calculated on a fully-diluted basis (assuming the exercise or

conversion of all outstanding options, warrants and other securities convertible into or exchangeable for shares of our common stock). As of September 30, 2004, options to purchase 726,180 shares of common stock were outstanding under the 2004 Equity Plan and options to purchase 59,534 shares of common stock were available for future grants under the 2004 Equity Plan. As of the date of this prospectus, no shares of common stock have been issued under the 2004 Equity Plan.

The following types of shares issued under the 2004 Equity Plan may again become available for the grant of new awards under the 2004 Equity Plan: restricted stock issued under the 2004 Equity Plan or the 1999 Plan that is forfeited or repurchased prior to it becoming fully vested; shares withheld for taxes; shares tendered to us to pay the exercise price of an option; and shares subject to awards issued under the 2004 Equity Plan or the 1999 Option Plan that have expired or otherwise terminated without having been exercised in full. Shares issued under the 2004 Equity Plan may be previously unissued shares or reacquired shares bought on the market or otherwise.

Administration. The board of directors will administer the 2004 Equity Plan and may delegate this authority to administer the plan to a committee. Subject to the terms of the 2004 Equity Plan, the plan administrator (our board of directors or its authorized committee) determines recipients, grant dates, the numbers and types of stock awards to be granted and the terms and conditions of the stock awards, including the period of their exercisability and vesting. Subject to the limitations set forth below, the plan administrator will also determine the exercise price of options granted, the purchase price for restricted stock and, if applicable, the strike price for stock appreciation rights.

Stock Options. Nonstatutory stock options, or nonstatutory options, and incentive stock options, or incentive options, are granted pursuant to nonstatutory stock option agreements and incentive stock option agreements, respectively. The plan administrator determines the exercise price for stock options. Subject to the limitations set forth below regarding persons owning more than ten percent of our stock or of any of our affiliates (ten percent stockholders), the exercise price for incentive options will be at least 100% of the fair market value of the shares of common stock underlying the incentive option on the date such incentive option is granted and such incentive options will not be exercisable after the expiration of ten years from the date of grant. For ten percent stockholders, the exercise price for incentive options will be at least 110% of the fair market value of the shares of common stock underlying the incentive option on the date such incentive option is granted and such incentive options will not be exercisable after the expiration of five years from the date of grant. The plan administrator determines the vesting period and term of stock options granted under the 2004 Equity Plan.

Unless the terms of an optionee's stock option agreement provide otherwise, if an optionee's service relationship with us, or any of our affiliates, ceases due to disability or death or the optionee dies within a specified period after termination of service, the optionee, or his or her beneficiary, may exercise any vested options for a period of 12 months in the event of disability or 18 months in the event of death, after the date such service relationship ends or after death, as applicable. If an optionee's relationship with us, or any of our affiliates, ceases for any reason other than disability or death, the optionee may exercise any vested options for a period of three months from cessation of service, unless the terms of the stock option agreement provide for earlier or later termination. In no event, however, may an option be exercised after the expiration of its term, as set forth in the stock option agreement.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will either be cash, common stock owned by the optionee which has been held by the optionee for at least six months, a deferred payment arrangement, a cashless exercise or other legal consideration approved by the plan administrator. The plan administrator may grant stock options with provisions entitling the optionee to a further option in the event the optionee exercises the option evidenced by the option agreement, in whole or in part, by surrendering other shares of our common stock.

Generally, an optionee may not transfer a nonstatutory option other than by will or the laws of descent and distribution unless the nonstatutory option agreement provides otherwise. Optionees may not transfer incentive options except by will or by the laws of descent and distribution and incentive options are exercisable during the lifetime of the optionee only by the optionee. Optionees may designate a beneficiary who may exercise the option following the optionee's death.

Stock Bonus Awards. Stock bonus awards are granted pursuant to stock bonus agreements. The purchase price for stock bonus awards may be payable by the recipient's performance of services for us. Stock bonus awards may be subject to a repurchase right in accordance with a vesting schedule determined by the board of directors. Upon termination of a recipient's service with us, stock bonus awards which are unvested as of the date of such termination may be reacquired by us after such time as it would not result in negative accounting consequences. Stock bonus awards may be transferable only to the extent provided in a stock bonus agreement.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements. The plan administrator determines the purchase price for restricted stock awards. The purchase price for a restricted stock award may be payable in cash, by the recipient's services performed or to be performed for us, according to a deferred payment arrangement at the discretion of the

plan administrator or any other form of legal consideration approved by the plan administrator. Upon termination of a recipient's service with us, shares of restricted stock that are unvested as of the date of such termination may be reacquired by us subject to the terms of the restricted stock award agreement. Restricted stock awards may be subject to a repurchase right in accordance with a vesting schedule determined by the board of directors. Restricted stock awards may be transferable only to the extent provided in a restricted stock award agreement.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to a stock appreciation rights agreements. The plan administrator may grant stock appreciation rights in connection with stock options or in a stand-alone grant. The plan administrator determines the strike price for a stock appreciation right. A stock appreciation right granted under the 2004 Equity Plan vests at the rate specified in the stock appreciation right agreement.

The plan administrator determines the term of stock appreciation rights granted under the 2004 Equity Plan. With respect to stock appreciation rights that are granted in connection with stock options, such stock appreciation rights shall be exercisable only to the extent that the related stock option is exercisable and such stock appreciation rights shall expire no later than the date on which the related stock options expire. If an awardholder's relationship with us, or any of our affiliates, ceases for any reason, any unvested stock appreciation rights will be forfeited and any vested stock appreciation rights will be automatically redeemed.

Changes to Capital Structure. In the event of a dividend or other distribution (whether in the form of cash, shares of common stock, other securities, or other property), recapitalization, stock split, reorganization, merger, consolidation, exchange of our common stock or our other securities, or other change in our corporate structure, the plan administrator may adjust the number of shares that may be delivered under the incentive plan and the number and price of the shares covered by each outstanding stock award.

Changes in Control. In the event of a change in control of us, all outstanding options and other awards under the 2004 Equity Plan may be assumed, continued or substituted for by any surviving or acquiring entity. If the surviving or acquiring entity elects not to assume, continue or substitute for such awards, the vesting of such awards held by awardholders whose service with us or any of our affiliates has not terminated will be accelerated and such awards will be fully vested and exercisable immediately prior to the consummation of such transaction, and the stock awards shall automatically terminate upon consummation of such transaction if not exercised prior to such event.

The board of directors may amend (subject to stockholder approval as required by applicable law), suspend or terminate the 2004 Equity Plan at any time.

2004 Employee Stock Purchase Plan

Our board of directors adopted our Stock Purchase Plan on April 1, 2004 and our stockholders adopted it on April 1, 2004. The Stock Purchase Plan became effective upon the completion of our initial public offering in July 2004.

Share Reserve. The Stock Purchase Plan authorizes the issuance of 250,000 shares of common stock pursuant to purchase rights granted to certain of our employees or to employees of any of our subsidiaries that we designate as being eligible to participate. As of the date hereof, no shares of common stock have been purchased under the Stock Purchase Plan.

Administration of the Stock Purchase Plan. The compensation committee of the board of directors will administer the Stock Purchase Plan, and may delegate the administration to one of our officers. The Stock Purchase Plan provides a means by which employees may purchase our common stock. We will implement the Stock Purchase Plan by offering to our eligible employees the right to purchase shares of common stock.

Under the Stock Purchase Plan, we will conduct twelve consecutive offerings, each with a maximum duration of six months. The first offering commenced on October 15, 2004 and will end on December 31, 2004. Further offerings will be conducted on each subsequent January 1 and July 1. The final offering under the Stock Purchase Plan will commence on January 1, 2010 and terminate on June 30, 2010.

Unless otherwise determined by the plan administrator (our board of directors or its authorized committee), common stock may be purchased by the employees participating in the Stock Purchase Plan at a price per share equal to the lesser of (i) 85% of the fair market value of a share of our common stock on the date of commencement of the offering or (ii) 85% of the fair market value of a share of our common stock on the last business day of the offering. Generally, all regular employees, including officers, who are customarily employed by us or by any of our designated affiliates for more than 20 hours per week and more than five months per calendar year may participate in the Stock Purchase Plan and may contribute (normally through payroll deductions) up to 10% of their earnings for the purchase of common stock under the Stock Purchase Plan, as determined by the plan administrator. If an employee's

employment with us, or any of our affiliates, ceases for any reason, the balance in the account of such participating employee will be paid to the employee or his or her estate. Employees may not transfer or encumber either the payroll deductions credited to their account or any rights to purchase shares other than by will or the laws of descent and distribution.

Limitations. Eligible employees may be granted rights to participate under the Stock Purchase Plan only if, together with any other rights granted under other employee stock purchase plans, they do not permit such employee to purchase our common stock at an accrued rate exceeding $25,000 of the fair market value of such stock for each calendar year in which such rights are outstanding. No employee shall be eligible for the grant of any rights under the Purchase Plan if immediately after such rights are granted, such employee owns five percent or more of our outstanding capital stock measured by vote or value.

Changes to Capital Structure. In the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, offerings of rights, or any other change in the structure of our common stock, the plan administrator may make such adjustment, if any, as it may deem appropriate in the number, kind, and the price of shares available for purchase under the Purchase Plan, and in the number of shares which an employee is entitled to purchase.

The board of directors may amend (subject to stockholder approval as required by applicable law), suspend or terminate the 2004 Stock Purchase Plan at any time.

Limitation on Liability and Indemnification

Our certificate of incorporation contains provisions that limit the liability of our directors for monetary damages. Our certificate of incorporation provides that a director will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as a director to the fullest extent permitted by Section 102(b)(7) of Delaware General Corporation Law, which prohibits our certificate of incorporation from limiting the liability of our directors for the following:

- any breach of their duty of loyalty to us or our stockholders;
- acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director, then the liability of our directors will be eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our certificate of incorporation does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies such as injunctive or other forms of non-monetary relief remain available under Delaware law. Our certificate of incorporation does not affect a director's responsibilities under any other laws, such as the federal securities laws or state or federal environmental laws.

Our bylaws provide that:

- we are required to indemnify our directors and officers to the fullest extent permitted by the Delaware General Corporation Law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with a legal proceeding to the fullest extent permitted by the Delaware General Corporation Law; and
- the rights conferred in the bylaws are not exclusive.

Our bylaws provide that we may also indemnify our other employees and agents to the fullest extent permitted by Delaware General Corporation Law. Our bylaws also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity, regardless of whether our bylaws would otherwise permit indemnification. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by the board of directors. These agreements provide for indemnification for related expenses including attorneys' fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance.

The limitation of liability and indemnification provisions in our certificate of incorporation and bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against directors and officers, even though an action, if successful, might benefit us and our stockholders. A stockholder's investment may be adversely affected to the extent we pay the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

At present, there is no pending litigation or proceeding involving any of our directors, officers, employees or agents where indemnification will be required or permitted. We are not aware of any threatened litigation or proceeding that might result in a claim for indemnification.

Certain Relationships and Related Transactions

link1 "CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS"

Certain Relationships and Related Transactions

Equity Sales and Related Transactions

Series A Preferred Stock Offering

In March and April of 2001, we issued and sold an aggregate of 40,874,511 shares of our Series A Convertible Participating Preferred Stock ("Series A Preferred Stock") for an aggregate offering price of $11,906,745. Two of our directors, Joel R. Mesznik and Burton J. Manning, participated in this offering. Mr. Mesznik and his affiliated entities purchased 2,848,903 shares and Mr. Manning purchased 258,626 shares. Hugh Davis, our chief technology officer, purchased 193,221 shares of Series A Preferred Stock in connection with his ownership of membership units in Greenfield Holdings, LLC. Upon completion of our initial public offering in July 2004, all outstanding shares of our Series A Preferred Stock were mandatorily converted into shares of our common stock at a conversion rate of 14 shares of Series A Preferred Stock per one share of common stock (after adjustment of the conversion rate to take into account a one-for-14 reverse stock split effected on July 7, 2004) in accordance with the terms of the Series A Preferred Stock.

December 2002 Recapitalization

In December 2002, we underwent a change in our capital structure as a condition established by our principal stockholders for their agreeing to provide us with additional working capital (the "Recapitalization"). The Recapitalization resulted in the issuance and sale of three newly created classes of preferred stock. These new classes of preferred stock were designated the Series B Convertible Participating Preferred Stock ("Series B Preferred Stock"), the Series C-1 Convertible Participating Preferred Stock ("Series C-1 Preferred Stock"), and the Series C-2 Non-Voting Redeemable Preferred Stock ("Series C-2 Preferred Stock"). As part of the Recapitalization, we amended the rights and preferences of our Series A Preferred Stock and converted our outstanding Class A and Class B common stock into a new single class of common stock and then effected a reverse stock split on the resulting new single class of common stock. Additionally, we issued shares of our common stock to certain members of our management and an independent member of our board of directors.

Series C-1 Preferred Stock. We offered the Series C-1 Preferred Stock to all holders of our Series A Preferred Stock. The aggregate number of shares of our Series C-1 Preferred Stock issued and sold in the Recapitalization was 74,627,182, for an aggregate offering price of $4,564,778, which was payable in cash or through the conversion of existing principal and accrued interest due under promissory notes issued by us and held by holders of our Series A Preferred Stock. Upon completion of our initial public offering in July 2004, all outstanding shares of our Series C-1 Preferred Stock were mandatorily converted into shares of our common stock at a conversion rate of 14 shares of Series C-1 Preferred Stock per one share of common stock (after adjustment of the conversion rate to take into account a one-for-14 reverse stock split effected on July 7, 2004) in accordance with the terms of the Series C-1 Preferred Stock.

Series C-2 Preferred Stock. We issued and sold 10,000 shares of our Series C-2 Preferred Stock to Imprimis SB, L.P. ("Imprimis") in exchange for the cancellation of a promissory note held by Imprimis in an aggregate principal amount of $2,052,267. By its terms, the Series C-2 Preferred Stock was not convertible into shares of our common stock, but was mandatorily redeemable for cash upon the consummation of a qualifying transaction. Following the completion of our initial public offering in July 2004, all of the shares of our Series C-2 Preferred Stock were mandatorily redeemed by us for $2,052,267 in cash in the aggregate.

Series B Preferred Stock. We issued and sold 30,211,595 shares of our Series B Preferred Stock in exchange for the cancellation of certain promissory notes in an aggregate principal amount of $16,827,835. In connection with the Recapitalization, one of our stockholders, Greenfield Holdings, LLC ("Greenfield Holdings"), dissolved and distributed to its members their pro rata percentage interest of the promissory notes that we had issued to Greenfield Holdings (the "Greenfield Holdings Notes"). In the Recapitalization,

each of the members of Greenfield Holdings, other than Imprimis, exchanged their portion of the Greenfield Holdings notes for shares of our Series B Preferred Stock. Imprimis exchanged its portion of the Greenfield Holdings Notes for shares of Series C-2 Preferred Stock as described above. Upon completion of our initial public offering in July 2004, all outstanding shares of our Series B Preferred Stock were mandatorily converted into shares of our common stock at a conversion rate of 14 shares of Series B Preferred Stock per one share of common stock (after adjustment of the conversion rate to take into account a one-for-14 reverse stock split effected on July 7, 2004) in accordance with the terms of the Series B Preferred Stock.

Restricted Stock Agreements. In connection with the Recapitalization, we entered into Restricted Stock Agreements with each of the following executive officers: Dean A. Wiltse, Robert E. Bies, Jonathan A. Flatow and Hugh O. Davis, and one of our directors, Joel R. Mesznik, on December 16, 2002, which were subsequently amended on January 14, 2004. These agreements permitted these individuals to purchase an aggregate amount of 1,105,753 shares of our common stock at $0.0014 per share in exchange for services rendered and services to be rendered. As a result, in December 2002 Dean A. Wiltse purchased 766,995 shares for $1,073.79, Robert E. Bies purchased 191,749 shares for $268.45, Jonathan A. Flatow purchased 63,917 shares for $89.48, Hugh O. Davis purchased 63,917 shares for $89.48, and Joel R. Mesznik purchased 19,175 shares for $26.84. While 50% of the shares of common stock sold pursuant to these agreements were initially subject to certain vesting and forfeiture provisions, as of the date of amendment, 100% of the shares had vested.

Since January 1, 2001, the following executive officers, directors and holders of more than five percent of our voting securities purchased securities in the amounts and as of the dates set forth below. Upon completion of our initial public offering, all shares of our Series C-2 Preferred Stock were redeemed and all outstanding shares of the remaining series of preferred stock were converted into shares of our common stock on a one-for-14 basis.

	Number of Common Shares Issued December 2002 for $0.0014	Number of Series A Shares Issued March 2001 for $0.2913	Number of Series B Shares Issued December 2002 for $0.5570	Number of Series C-1 Shares Issued December 2002 for $0.0612	Number of Series C-2 Shares Issued December 2002 for $205.2267
Name	**Per Share**	**Per Share**	**Per Share**	**Per Share**	**Per Share**
Dean A. Wiltse	766,995	–	–	–	–
Joel R. Mesznik	19,175	2,848,903 (1)	1,473,802 (2)	5,484,922 (3)	–
Burton J. Manning	–	258,626	147,448	497,935	–
Peter Sobiloff	–	–	–	–	–
Lawrence R. Handen	–	–	–	–	–
Robert E. Bies	191,749	–	–	–	–
Jonathan A. Flatow	63,917	–	–	–	–
Hugh O. Davis	63,917	193,221	221,003	–	–
Keith Price	–	–	–	–	–
Insight Capital Partners III, L.P.	–	14,342,674	12,176,158	27,613,650	–
Insight Capital Partners (Cayman) III, LLC	–	3,552,937	3,703,488	6,840,391	–
Insight Capital Partners III Co-investors, L.P.	–	2,514,080	2,026,309	4,840,310	–
MSD Ventures, L.P.	–	4,563,501	4,421,068	5,242,784	–
UBS Capital II LLC	–	11,203,097	3,684,506	21,550,118	–
Imprimis SB	–	–	–	–	10,000

(1) Includes 1,288,535 shares held by GOL, L.L.C., of which Mr. Mesznik is the managing member and 212,420 shares given by Mr. Mesznik to the Joel R. Mesznik 1999 Descendents' Trust for the benefit of his family members.

(2) Shares held by GOL, L.L.C.

(3) Includes 2,480,780 shares held by GOL, L.L.C.

Loans to Executive Officer

In May 1999, Hugh O. Davis, one of our executive officers, borrowed $75,013 from us in order to purchase shares of our common stock. In connection with the loan, Mr. Davis executed and delivered to us (i) a promissory note maturing on May 17, 2004 in the principal amount of $75,013, with a compounding annual interest rate of 5.3% and (ii) a pledge agreement under which he pledged as collateral for the loan all of his shares of our stock and any cash or securities received in respect of such securities. In connection with our sale of stock to Greenfield Holdings and other existing stockholders in March 2001, Mr. Davis borrowed an additional $56,285 from us in order to purchase securities from Greenfield Holdings (which securities were later exchanged for shares of our stock in connection with our recapitalization in December 2002). In connection with the second loan, (i) Mr. Davis executed and delivered to us a promissory note maturing on May 17, 2004 in the principal amount of $56,285 with a compounding annual interest rate of 8% and (ii) the pledge agreement was amended to include the additional securities acquired by Mr. Davis as collateral for the loans. Mr. Davis failed to repay the notes on May 17, 2004. We provided Mr. Davis with a notice of default and, on May 23, 2004, we repossessed a portion of the shares pledged as collateral pursuant to the pledge agreement with a value equal to the amounts due under the notes. Since March 2001, we have not modified the terms of these arrangements with Mr. Davis.

I-GAIN contract

We had an arrangement with I-GAIN, an incentive and loyalty reward company, which provided that I-GAIN would pay cash awards to panelists on our behalf in exchange for our payment of a fee of $0.50 per transaction. Hugh O. Davis, our Chief Technology Officer, formerly held a 10% ownership interest in I-GAIN. The contract with I-GAIN became null and void in May 2001 and the total costs that we incurred for this arrangement with I-GAIN for the year ended December 31, 2001 were $653,000, which included amounts that I-GAIN paid to panelists. We have had no further transactions with I-GAIN since May 2001.

Director and Officer Indemnification

Our certificate of incorporation and bylaws contain provisions limiting the liability of our directors. In addition, we have entered into agreements to indemnify our directors and executive officers to the fullest extent permitted under Delaware law. See “Management — Limitation on Liability and Indemnification.”

Registration Rights

Our stockholders are entitled to and have exercised registration rights. Certain stockholders have exercised their registration rights in connection with our initial public offering in July 2004 and in this offering. We paid and are obligated to pay certain expenses of such stockholders in connection with the exercise of such rights. See “Description of Capital Stock — Registration Rights.”

Stock Option Grants

We have granted stock options to purchase shares of our common stock to our executive officers and directors. See “Management.”

Principal and Selling Stockholders

link1 "PRINCIPAL AND SELLING STOCKHOLDERS"

Principal and Selling Stockholders

The following table sets forth information with respect to the beneficial ownership of our common stock held as of November 2, 2004, and as adjusted to reflect the sale of common stock in this offering for:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group;
- each person who we know beneficially owns 5% or more of our common stock; and
- each selling stockholder.

Except as otherwise indicated by footnote, and subject to applicable community property laws, we believe that the beneficial owners of the common stock listed below have sole voting power and investment power with respect to their shares. Beneficial ownership is determined in accordance with the rules of the SEC.

The number of shares of common stock outstanding used in calculating the percentage for each listed person or entity includes common stock underlying options or a warrant held by the person or entity that are exercisable within 60 days of November 2, 2004 or upon completion of this offering, but excludes common stock underlying options or warrants held by any other person or entity. Percentage of beneficial ownership is based on 16,471,435 shares of common stock outstanding as of November 2, 2004 and 20,985,378 shares of common stock outstanding after this offering. The shares outstanding prior to this offering consist of 16,471,435 shares of common stock. The address for those individuals for which an address is not otherwise indicated is c/o Greenfield Online, Inc., 21 River Road, Wilton, Connecticut 06897.

	Shares Beneficially Owned Prior to this Offering			Shares Beneficially Owned After this Offering	
	Number	Percentage	Shares Being Offered(1)	Number	Percentage
Executive Officers and Directors:					
Dean A. Wiltse(2)	698,433	4.2%	99,034	599,399	2.9%
Lise J. Buyer	—	—	—	—	*
Lawrence R. Handen(3)(†)	2,369,433	14.4	326,106	2,043,327	9.7
Vikas Kapoor	—	—	—	—	*
Burton J. Manning(4)	115,969	*	16,236	99,733	*
Joel R. Mesznik(5)(†)	705,109	4.3	98,708	606,401	2.9
Peter Sobiloff(6)	40,380	*	—	40,380	*
Robert E. Bies(7)	182,324	1.1	27,728	154,596	*
Hugh O. Davis(8)	89,717	*	14,644	75,073	*
Jonathan A. Flatow(9)	69,347	*	11,796	57,551	*
Keith Price(10)	27,730	*	13,943	13,787	*
All Executive Officers and Directors as a Group (14 persons)	4,298,442	26.1	608,194	3,690,248	17.6
5% Stockholders:					
Entities affiliated with Insight Venture Associates III, LLC(11)	5,034,867	30.6	704,673	4,330,194	20.6
UBS Capital II LLC(3)(†)	2,369,433	14.4	326,106	2,043,327	9.7
MSD Ventures, L.P.(12)	1,122,460	6.8	157,091	965,369	4.6
Gilder, Gagnon, Howe & Co. LLC(13)	1,766,228	10.7	—	1,766,228	8.4

	Shares Beneficially Owned Prior to this Offering			Shares Beneficially Owned After this Offering	
	Number	Percentage	Shares Being Offered(1)	Number	Percentage
Other Selling Stockholders:					
Forrester Research, Inc.	114,814	*	16,050	98,764	*
Irrevocable Trust for the Descendants of Andrew S. Greenfield(14)	15,298	*	2,142	13,156	*
Andrew S. Greenfield	15,766	*	2,208	13,558	*
Joan Barten-Kline	1,697	*	140	1,557	*

* Represents beneficial ownership of less than 1%.

(†) Each of these selling stockholders is an affiliate of a broker/ dealer and each has indicated to us that it purchased its shares in the ordinary course of business, and at the time of such purchase, had no agreements or understandings, directly or indirectly, with any person to distribute its shares.

(1)	Assumes that the underwriters' over-allotment option is not exercised.
(2)	Includes 61,918 shares issuable upon exercise of outstanding options exercisable within 60 days of November 2, 2004.
(3)	Represents (a) 2,328,968 shares held by UBS Capital II LLC, (b) 465 shares subject to currently exercisable warrants held by UBS Capital II LLC, and (c) 40,000 shares issuable upon exercise of outstanding options held by Mr. Handen. UBS Capital II LLC is an indirect wholly-owned subsidiary of UBS AG, which is an affiliate of one or more NASD members, including UBS Securities LLC. Mr. Handen is a partner of UBS Capital Americas LLC, which is an affiliate of UBS AG and an advisor for UBS AG's private equity investments. Mr. Handen disclaims beneficial ownership of the shares held or controlled by UBS Capital II LLC except to the extent of his pecuniary interest therein.
(4)	Includes 59,260 shares issuable upon exercise of outstanding options held by Mr. Manning exercisable within 60 days of November 2, 2004, and 19 shares subject to currently exerciseable warrants.
(5)	Includes (a) 40,380 shares issuable upon exercise of outstanding options held by Mr. Mesznik exercisable within 60 days of November 2, 2004, (b) 21,828 shares held by the Joel R. Mesznik 1999 Descendants Trust for the benefit of Mr. Mesznik's family, (c) 341,933 shares held by GOL LLC, of which Mr. Mesznik is the managing member, and (d) 186 shares issuable upon exercise of outstanding warrants held by GOL LLC. Peter L. Bermont is a trustee of the Mesznik trust and is employed by Smith Barney, which is an NASD member and a registered broker-dealer. G. Chris Andersen is a member of GOL LLC and is an owner of Andersen Weinroth Capital Corporation, which is an NASD member. Peter L. Bermont and Richard B. Bermont are both members of GOL and are each employed by Smith Barney, which is an NASD member and a registered broker-dealer.
(6)	Includes 40,380 shares issuable upon exercise of outstanding options held by Mr. Sobiloff exercisable within 60 days of November 2, 2004. Mr. Sobiloff is a member of Insight Venture Associates III, LLC. See footnote 11 below.
(7)	Includes 27,108 shares issuable upon exercise of outstanding options held by Mr. Bies exercisable within 60 days of November 2, 2004.
(8)	Includes 14,961 shares issuable upon exercise of outstanding options held by Mr. Davis exercisable within 60 days of November 2, 2004, and 28 shares subject to currently exercisable warrants.
(9)	Includes 20,961 shares issuable upon exercise of outstanding options held by Mr. Flatow exercisable within 60 days of November 2, 2004.
(10)	Represents 27,730 shares issuable upon exercise of outstanding options held by Mr. Price exercisable within 60 days of November 2, 2004.
(11)	Includes (a) 3,507,846 shares held by Insight Capital Partners III, L.P. and 1,534 shares subject to currently exercisable warrants held by Insight Capital Partners III, L.P.; (b) 920,531 shares held by Insight Capital Partners III (Cayman), L.P. and 467 shares subject to currently exercisable warrants held by Insight Capital Partners III (Cayman), L.P.; and (c) 604,233 shares held by Insight Capital Partners-Co-Investors III L.P. and 256 Shares subject to currently exercisable warrants held by Insight Capital Partners-Co-Investors III L.P. (together, the "Insight Funds") Insight Venture Associates III, LLC is the general partner of the Insight Funds and may be deemed to beneficially own the shares held by the Insight Funds and the shares subject to currently exercisable warrants held by the Insight Funds. Jeffrey Horing, one of our former directors, and Jerry Murdock, as Designated Managing Members of Insight Venture Associates III, LLC, may be deemed to beneficially own the shares held by the Insight Funds because each of them has voting and dispositive power over such shares. Mr. Horing also owns options representing 40,380 shares that are exercisable within 60 days of November 2, 2004. Mr. Murdock and Mr. Horing may be deemed to beneficially own the 40,380 shares issuable upon the exercise of the options held by Mr. Sobiloff described in Footnote 6 above because upon issuance, each of Mr. Murdock and Mr. Horing would share voting and dispositive power over such shares. Mr. Murdock may be deemed to beneficially own the 40,380 shares issuable upon the exercise of the options held by Mr. Horing described above, because upon issuance, Mr. Murdock would share voting and dispositive power over such shares with Mr. Horing. The foregoing is not an admission by Insight Venture Associates III, LLC, Mr. Horing or Mr. Murdock that such persons are the beneficial owners of the shares beneficially owned by the Insight Funds or Mr. Sobiloff. The foregoing is also not an admission by Insight Venture Associates III, LLC, the Insight Funds or Mr. Murdock that such persons are the beneficial owners of the shares beneficially owned by Mr. Horing. The address for Insight Venture Associates III, LLC, the Insight Funds, Mr. Horing and Mr. Murdock is Insight Venture Partners, 680 Fifth Avenue, 8th Floor, New York, NY 10028.
(12)	Includes 1,121,903 shares held by MSD Ventures, L.P., and 557 shares subject to currently exerciseable warrants held by MSD Ventures, L.P. Glenn R. Fuhrman and John C. Phelan maintain investment control over these shares on behalf of MSD Ventures, L.P., and Mr. Fuhrman and Mr. Phelan disclaim beneficial ownership of the shares held or controlled by MSD Ventures, L.P. except to the extent of their pecuniary interests therein.
(13)	Based on information contained in a Schedule 13G filed with the SEC on August 10, 2004. The address for this stockholders is 1775 Broadway, 26th Floor, New York, NY 10019.
(14)	Ann M. Zeller and Peter Hausperg, as co-trustees, maintain investment control over these shares on behalf of the beneficiaries of the trust.

Description of Capital Stock

link1 "DESCRIPTION OF CAPITAL STOCK"

Description of Capital Stock

General

We are authorized to issue 100,000,000 shares of common stock, $0.0001 par value per share, and 5,000,000 shares of undesignated preferred stock, $0.0001 par value per share. Immediately after this offering, there will be 20,985,378 shares of common stock outstanding, 1,627,919 shares of common stock will be issuable upon exercise of outstanding options and no shares of preferred stock will be issued and outstanding based on shares and options outstanding as of November 2, 2004.

Common Stock

The holders of our common stock are entitled to one vote per share on all matters submitted to a vote at meeting of stockholders. The holders of our common stock are entitled to vote on amendments to our certificate of incorporation, except for the designation of a series of preferred stock out of our authorized preferred stock. There are no cumulative voting rights. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of our common stock are entitled to receive dividends, if any, as may be declared by our board of directors out of funds legally available for dividends. In the event of liquidation, dissolution or winding up of us, the holders of our common stock are entitled to share ratably in all assets remaining after payment of liabilities, subject to prior rights of preferred stock, if any, then outstanding. The common stock has no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the common stock. All outstanding shares of our common stock are fully paid and nonassessable.

Preferred Stock

Pursuant to our certificate of incorporation, our board of directors has the authority, without further action by our stockholders, to issue up to 5,000,000 shares of preferred stock. The board of directors may issue this stock in one or more series and may fix the rights, preferences, privileges and restrictions of this preferred stock. Some of the rights and preferences that our board of directors may designate include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and sinking fund terms. The board of directors may determine the number of shares constituting any series or the designation of such series. Any or all of the rights and preferences selected by our board of directors may be greater than the rights of the common stock. The issuance of preferred stock could adversely affect the voting power of holders of common stock and the likelihood that stockholders will receive dividend payments and payments upon liquidation. The issuance of preferred stock could also have the effect of delaying, deferring or preventing a change in control of us if, for example, our board of directors designated and issued a series of preferred stock in an amount that sufficiently increased the number of outstanding shares to overcome a vote by the holders of our common stock or with rights and preferences that included special voting rights to veto a change in control.

Warrants and Other Rights

We have the following warrants outstanding as of November 2, 2004:

- Warrants for an aggregate of 4,268 shares of common stock, each with an exercise price of $117.18 per share, issued to Insight Capital Partners III, L.P., Insight Capital Partners III (Cayman), L.P., Insight Capital Partners III (Co-Investors), L.P., UBS Capital II LLC, MSD Ventures, L.P., Imprimis SB, L.P., Forrester Research, Inc., GOL, L.L.C., Charles Davis, The Friedman Family Foundation, Burton J. Manning, Robin Neustein, and Hugh O. Davis, in connection with the Recapitalization. These warrants are currently exercisable and expire in March 2005 and are governed by the terms of the Note and Warrant Purchase Agreement by and between us and Greenfield Holdings dated as of March 3, 2000.
- A warrant for 26,857 shares of common stock, with an exercise price of $7.42 per share, issued to Silicon Valley Bank on August 9, 2001 in connection with an Accounts Receivable Financing

  Agreement, which has been subsequently amended. This warrant is currently exercisable and will expire in August 2006.
- A warrant for 21,212 shares of common stock, with an exercise price of $28.28 per share, issued to Greyrock Capital on December 3, 1999 in connection with a $6 million credit facility, which has been paid in full and terminated. This warrant is currently exercisable and will expire in December 2004.

Registration Rights

Amended and Restated Registration Rights Agreement

As of November 2, 2004, the holders of 9,095,674 shares of our common stock, 954,076 shares of our common stock issuable upon the exercise of outstanding stock options and warrants to purchase our common stock, or their respective permitted transferees, are entitled to rights with respect to registration of these shares under the Securities Act. These rights are provided under an Amended and Restated Registration Rights Agreement dated as of December 16, 2002 with certain of our existing stockholders. Under this agreement, we granted these stockholders certain rights to register the shares of common stock owned by them under the Securities Act. We also granted the holders of a majority of the outstanding shares of our common stock issued pursuant to the conversion of our Series C-1 Convertible Participating Preferred Stock (all of which was converted in connection with our initial public offering in July 2004) the right to demand that we effect a registration of the common stock, or a designated portion of the common stock, held by them, provided that such demand relates to an aggregate gross offering of at least $5 million before underwriter discounts and commissions. We are required to effect only three registrations pursuant to these demand rights under the agreement. This agreement is the basis on which certain of our stockholders are selling shares of our common stock in this offering.

In addition, all stockholders who have become parties to the Amended and Restated Registration Rights Agreement have unlimited “piggyback” registration rights to have their shares registered under the Securities Act. The agreement provides that whenever we propose to register shares of our common stock under the Securities Act, then the stockholders, with certain exceptions, will have the

right to request that we register their shares of common stock with such registration. If we are eligible to file a registration statement on Form S-3, stockholders that are a party to the agreement have the right to have their shares registered by us on a Form S-3 registration statement, provided that such requested registration has an anticipated aggregate gross offering price of at least $5 million. The selling stockholders in our initial public offering exercised their piggyback rights under the Amended and Restated Registration Rights Agreement, and we paid all costs and expenses, other than underwriting discounts and commissions, incurred in connection with the registration of the selling stockholders' common stock in the initial public offering in July 2004. The selling stockholders in this offering have exercised their piggyback rights under the Amended and Restated Registration Rights Agreement, and we are obligated to pay all costs and expenses, other than underwriting discounts and commissions, incurred in connection with the registration of the selling stockholders' common stock in this offering.

The registration rights under this agreement are subject to the rights of the managing underwriters, if any, to reduce or exclude certain shares from the registration (underwriting cutbacks), if their inclusion would interfere with the marketing or sale of the contemplated offering. The agreement requires us to pay for all costs and expenses, other than underwriting discounts and commissions, incurred in connection with the registration of securities under the agreement. The agreement will terminate when there are no longer any registrable shares outstanding under the agreement.

Silicon Valley Bank Registration Rights Agreement

We granted registration rights to Silicon Valley Bank ("SVB") under a Registration Rights Agreement dated as of August 9, 2001 that was entered into in connection with a warrant for 26,857 shares of common stock issued in connection with an accounts receivable financing agreement. Under this agreement, if we register any of our securities under the Securities Act prior to August 9, 2008, SVB has the right to include its shares in such registration (subject to underwriting cutbacks). If we are eligible to file a registration statement on Form S-3, SVB has the right to have its shares registered by us on a Form S-3 registration statement, provided the aggregate price to the public of such offering would reasonably be expected to exceed $750,000. The agreement requires us to pay for all costs and expenses, other than underwriting discounts, commissions, transfer taxes, and the fees and expenses of SVB's counsel and accountants, incurred in connection with the registration of securities under the agreement.

Greyrock Capital Registration Rights Agreement

We granted registration rights to Greyrock Capital ("GC") under a Registration Rights Agreement dated as of December 3, 1999 that was entered into in connection with a warrant for 21,212 shares of common stock issued in connection with an accounts receivable financing agreement. Under this agreement, if we register any of our securities under the Securities Act, GC has the right to include its shares in such registration (subject to underwriting cutbacks). The agreement requires us to pay for all costs and expenses, other than underwriting discounts and commissions, incurred in connection with the registration of securities under the agreement. GC's registration rights under this agreement will terminate on the third anniversary of our initial public offering.

Delaware Anti-takeover Law and Certain Charter and Bylaw Provisions

Section 203 of Delaware General Corporate Law

We are subject to the provisions of Section 203 of the General Corporation Law of Delaware. In general, the statute prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved by our board of directors and/or our stockholders in a prescribed manner. A "business combination" includes a merger, asset sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years did own, 15% or more of the corporation's voting stock.

Anti-Takeover Effects of Provisions of Our Charter Documents

Our certificate of incorporation and bylaws provide for the division of our board of directors into three classes as nearly equal in size as possible with staggered three-year terms. Directors may only be removed for cause by the affirmative vote of the holders of at least a majority of the then outstanding shares of our capital stock entitled to vote at an election of directors. Any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may only be filled by vote of a majority of our directors then in office. The classification of our board of directors and the limitation on filling vacancies could make it more difficult for a third-party to acquire, or discourage a third-party from attempting to acquire, control of us. In addition, our classified board of directors could delay attempts by stockholders who do not approve of our policies or procedures to elect a majority of our board of directors.

Our bylaws set forth an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to the board of directors. At an annual meeting, stockholders may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the board of directors. Stockholders may also consider a proposal or nomination by a person who was a stockholder of record on the record date for the meeting and who has given to our secretary timely notice, in proper form, of his or her intention to bring that business before the meeting. Our bylaws may have the effect of precluding the conduct of business at a meeting if the proper procedures are not followed. These provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Under Delaware law, a special meeting of stockholders may be called by the board of directors or by any other person authorized to do so in the certificate of incorporation or the bylaws. Our bylaws authorize a majority of our board of directors, the chairman of the board or the chief executive officer to call a special meeting of stockholders. Because our stockholders do not have the right to call a special meeting, a stockholder could not force stockholder consideration of a proposal over the opposition of the board of directors by calling a special meeting of stockholders prior to such time as a majority of the board of directors believed, the chairman believed, or the chief executive officer believed the matter should be considered or until the next annual meeting provided that the requestor met the notice requirements. The restriction on the ability of our stockholders to call a special meeting means that a proposal to replace the board also could be delayed until the next annual meeting.

Delaware law provides that stockholders may execute an action by written consent in lieu of a stockholder meeting. However, Delaware law also allows us to eliminate stockholder actions by written consent. Elimination of written consents of stockholders may lengthen the amount of time required to take stockholder actions since actions by written consent are not subject to the minimum notice requirement of a stockholder's meeting. Without the availability of stockholder's actions by written consent, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a stockholders' meeting. The holder would have to obtain the consent of a majority of the board of directors, the chairman of the board or the chief executive officer to call a stockholders' meeting and satisfy the notice periods determined by the board of directors. Under our certificate of incorporation, our stockholders may not take action by written consent in lieu of a meeting but must take any actions at a duly called annual or special meeting.

Our certificate of incorporation provides that the affirmative vote of the holders of at least eighty percent (80%) of the voting power of our issued and outstanding capital stock entitled to vote in the election of directors, is required to amend the following provisions of our certificate of incorporation:

- Article VI, which relates to our classified board of directors;
- Article VII, which relates to the number and election of directors, the management of our business, and bylaw provisions relating to stockholder action by written consent and meetings of stockholders;
- Article X, which relates to the appointment of directors upon an increase in the number of directors or vacancy;
- Article XI, which relates to advance notice requirements for new business and stockholder nominations for the election of directors; and
- Article XII, which relates to the restrictions on stockholder actions by written consent.

Transfer Agent and Registrar

The Transfer Agent and Registrar for our common stock is Registrar and Transfer Company.

Nasdaq National Market Quotation

Our common stock is traded on the Nasdaq Stock Market's National Market under the trading symbol "SRVY."

Certain U.S. Federal Tax Considerations for Non-U.S. Holders

link1 "CERTAIN U.S. FEDERAL TAX CONSIDERATIONS FOR NON-U.S. HOLDERS"

Certain U.s. Federal Tax Considerations for Non-u.s. Holders

The following discussion summarizes certain U.S. federal income tax and estate tax consequences of the ownership and disposition of shares of our common stock purchased pursuant to this offering by a holder that is a non-U.S. holder as we define that term below. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions, existing and proposed Treasury Regulations, and interpretations of the foregoing, all as of the date hereof. All of the

foregoing authorities are subject to change (possibly with retroactive effect) and any such change may result in U.S. federal income tax consequences to a holder that are materially different from those described below. We have not sought, and will not seek, any ruling from the U.S. Internal Revenue Service ("IRS") or opinion of counsel with respect to the tax consequences discussed in this prospectus. Consequently, the IRS may disagree with or challenge any of the tax consequences discussed in this prospectus.

The following discussion does not purport to be a full description of all U.S. federal income tax considerations that may be relevant to a non-U.S. holder in light of such holder's particular circumstances and only addresses non-U.S. holders who hold common stock as capital assets within the meaning of Section 1221 of the Code. Furthermore, this discussion does not address the U.S. federal income tax considerations applicable to holders subject to special rules, such as certain financial institutions, tax-exempt entities, real estate investment trusts, regulated investment companies, insurance companies, partnerships or other pass-through entities, persons who have ceased to be U.S. citizens or to be taxed as resident aliens, dealers in securities or currencies, persons holding common stock in connection with a hedging transaction, "straddle," conversion transaction or a synthetic security or other integrated transaction, holders subject to special U.S. federal income tax rules (such as "passive foreign investment companies," "foreign personal holding companies" and "controlled foreign corporations") or holders whose "functional currency" is not the U.S. dollar. In addition, this discussion does not include any description of any alternative minimum tax consequences, gift tax consequences, or the tax laws of any state, local or foreign government that may be applicable to non-U.S. holders of our common stock.

We urge you to consult your own tax advisor concerning the U.S. federal, state or local income tax and federal, state or local estate tax consequences of your ownership and disposition of our common stock in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction or under any applicable tax treaty.

As used in this discussion, a "non-U.S. holder" means a beneficial owner of shares of our common stock who is not, for U.S. tax purposes:

- a citizen or individual resident of the United States;
- a corporation or other entity taxable as a corporation created or organized in the United States or under the laws of the United States or of any state thereof (including the District of Columbia);
- an estate, income of which is subject to U.S. federal income taxation regardless of its source;
- a trust that (A) the administration of which is subject to the primary supervision of a U.S. court and that has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (B) that has validly elected to be treated as a U.S. person for U.S. federal income tax purposes under applicable Treasury Regulations.

If a partnership or other pass-through entity holds our common stock, the tax treatment of a partner in or owner of the partnership or pass-through entity will generally depend upon the status of the partner or owner and the activities of the entity. If you are a partner in or owner of a partnership or other pass-through entity that is considering holding our common stock, you should consult your tax advisor.

Payment of Dividends

We do not presently anticipate paying cash dividends on shares of our common stock. For more information, please see "Dividend Policy." If dividends are paid on shares of our common stock, however, these dividends will generally be subject to withholding of U.S. federal income tax at a rate of 30% of the gross amount, or any lower rate that may be specified by an applicable income tax treaty if we have received proper certification of the application of that income tax treaty. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under an applicable income tax treaty and the manner of claiming the benefits of such treaty. A non-U.S. holder that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing an appropriate claim for a refund with the IRS.

Dividends that are effectively connected with a non-U.S. holder's conduct of a trade or business in the United States or, if provided in an applicable income tax treaty, dividends that are attributable to a permanent establishment (or, in the case of an individual, a fixed base) in the United States, are not subject to U.S. withholding tax, but are instead taxed in the manner applicable to U.S. persons. In that case, we will not have to withhold U.S. federal withholding tax, provided that the non-U.S. holder complies with applicable certification and disclosure requirements. In addition, dividends received by a foreign corporation that are effectively connected with the conduct of a trade or business in the United States may be subject to a branch profits tax at a 30% rate, or any lower rate as may be specified in an applicable income tax treaty.

Sale or Exchange

A non-U.S. holder will generally not be subject to U.S. federal income tax, including by way of withholding, on gain recognized on a sale, exchange or other disposition of shares of our common stock unless any one of the following is true:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and, if an applicable tax treaty applies, is attributable to a permanent establishment (or, in the case of an individual, a fixed base) maintained by the non-U.S. holder in the United States, in which case, the branch profits tax discussed above may also apply if the non-U.S. holder is a corporation;
- the non-U.S. holder, who is an individual, is present in the United States for 183 days or more in the taxable year of sale, exchange or other disposition and some additional conditions are met; or
- the Foreign Investment in Real Property Tax Act, or "FIRPTA," rules apply because: (i) our common stock constitutes a U.S. real property interest by reason of our status as a "U.S. real property holding corporation" for U.S. federal income tax purposes at any time during the shorter of the period during which you hold our common stock or the five-year period ending on the date on which you dispose of shares of our common stock; and (ii) assuming that our common stock constitutes a U.S. real property interest and is regularly traded on an established securities market for tax purposes, you held, directly or indirectly, at any time within the five-year period preceding the disposition, more than 5% of our common stock.

We believe that we are not currently and do not anticipate becoming a U.S. real property holding corporation. However, since the determination of U.S. real property holding corporation status in the future will be based upon the composition of our assets from time to time and there are uncertainties in the application of certain relevant rules, we may become a U.S. real property holding corporation in the future.

Individual non-U.S. holders who are subject to U.S. tax because the holder was present in the United States for 183 days or more during the year of disposition are taxed on their gains, including gains from the sale of shares of our common stock and net of applicable U.S. losses from sale or exchanges of other capital assets incurred during the year, at a flat rate of 30%. Other non-U.S. holders who may be subject to U.S. federal income tax on the disposition of our common stock will be taxed on such disposition in the manner applicable to U.S. persons. In addition, if any of this gain is taxable because the FIRPTA rules apply, the buyer of our common stock will be required to withhold a tax equal to 10% of the amount realized on the sale.

Federal Estate Tax

Shares of common stock owned or treated as owned by an individual non-U.S. holder will be included in that non-U.S. holder's estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

Backup Withholding and Information Reporting

Under U.S. Treasury Regulations, we must report annually to the IRS and to each non-U.S. holder the amount of dividends paid to that holder and the tax withheld with respect to those dividends. These information reporting requirements apply even if withholding was not required because the dividends were effectively connected dividends or withholding was reduced or eliminated by an applicable tax treaty. Under an applicable tax treaty, that information may also be made available to the tax authorities in the country in which the non-U.S. holder resides or is established.

The gross amount of dividends paid to a non-U.S. holder that fails to certify its non-U.S. holder status in accordance with applicable U.S. Treasury Regulations generally will be reduced by backup withholding tax at a rate of 28%.

The payment of the proceeds of the disposition of common stock by a non-U.S. holder to or through the U.S. office of a broker generally will be reported to the IRS and reduced by backup withholding unless the non-U.S. holder either certifies its status as a non-U.S. holder in accordance with applicable U.S. Treasury Regulations or otherwise establishes an exemption and the broker has no actual knowledge, or reason to know, to the contrary. The payment of the proceeds on the disposition of our common stock by a non-U.S. holder to or through a non-U.S. office of a broker generally will not be reduced by backup withholding or reported to the IRS. If, however, the broker is a U.S. person or has specified connections with the United States, unless some conditions are met, the proceeds from that disposition generally will be reported to the IRS, but not reduced by backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be refunded or credited against the non-U.S. holder's U.S. federal income tax liability, if any, provided that certain required information is furnished to the IRS. Non-U.S. holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them and the availability and procedure for obtaining an exemption from backup withholding under current U.S. Treasury Regulations.

The above discussion is included for general information only. Each prospective investor in shares of our common stock is urged to consult its tax advisor with respect to the U.S. federal income tax and federal estate tax consequences of the ownership and disposition of our common stock, as well as the application and effect of the laws of any state, local, foreign or other taxing jurisdiction.

Underwriting

link1 "UNDERWRITING"

Underwriting

Under the underwriting agreement, which is filed as an exhibit to the registration statement relating to this prospectus, each of the underwriters named below, for whom Lehman Brothers Inc., Piper Jaffray & Co., Friedman, Billings, Ramsey & Co., Inc., Adams Harkness, Inc. and Pacific Growth Equities, LLC are acting as representatives, has agreed to purchase from us and the selling stockholders the number of shares of common stock shown opposite its name below:

Underwriters	Number of Shares
Lehman Brothers Inc.	
Piper Jaffray & Co.	
Friedman, Billings, Ramsey & Co., Inc.	
Adams Harkness, Inc.	
Pacific Growth Equities, LLC	
Total	6,000,000

The underwriting agreement provides that the underwriters' obligations to purchase shares of common stock depends on the satisfaction of the conditions contained in the underwriting agreement, including:

- the obligation to purchase all of the shares of common stock offered hereby if any of the shares are purchased other than those covered by the over-allotment option described below;
- the representations and warranties made by us and the selling stockholders to the underwriters are true;
- there is no material disruption in the financial markets; and
- we and the selling stockholders deliver customary closing documents to the underwriters.

Over-Allotment Option

The selling stockholders have granted to the underwriters an option to purchase up to an aggregate of 900,000 additional shares of common stock, exercisable to cover over-allotments, if any, at the public offering price less the underwriting discount shown on the cover page of this prospectus. The underwriters may exercise this option at any time, and from time to time, until 30 days after the date of the underwriting agreement. To the extent the underwriters exercise this option, each underwriter will be committed, so long as the conditions of the underwriting agreement are satisfied, to purchase a number of additional shares of common stock proportionate to that underwriter's initial commitment as indicated in the preceding table.

Commissions and Expenses

The following table summarizes the underwriting discounts that we and the selling stockholders will pay. The underwriting fee is the difference between the public offering price and the amount the underwriters pay to purchase the shares from the selling stockholders and us.

	Per Share		Total	
	Without Over-Allotment	With Over-Allotment	Without Over-Allotment	With Over-Allotment
Paid by us				
Paid by selling stockholders				

The underwriters have advised us that they propose to offer the shares of common stock directly to the public at the public offering price presented on the cover page of this prospectus, and to selected dealers, who may include the underwriters, at the public offering price less a selling concession not in excess of $ per share. The underwriters may allow, and the selected dealers may reallow, a concession not in excess of $ per share to brokers and dealers. After the offering, the underwriters may change the offering price and other selling terms.

Certain of the underwriters and their respective affiliates have performed investment banking and advisory services for us from time to time, including in connection with our initial public offering in July 2004, for which they have received customary fees and expenses. The underwriters may, from time to time, in the future, engage in transactions with or perform investment banking and advisory services for us in the ordinary course of their business for which they may receive customary fees and expenses.

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding underwriting discounts, will be approximately $1.1 million. We will pay all costs and expenses of this offering excluding underwriting discounts.

Lock-up Agreements

We, and each of our directors, executive officers and the selling stockholders have agreed not to offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exchangeable or exercisable for any shares of our common stock, or enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the shares of common stock, or exercise any right to request or demand registration pursuant to the Securities Act, or publicly disclose the intention to make any offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without the prior written consent of Lehman Brothers, for a period of 90 days after the public offering date set forth on the cover of this prospectus (the "Lock-Up Agreement"). However, in the event that either (1) during the last 17 days of a lock-up period, we issue earnings results or material news or a material event relating to us occurs or (2) prior to the expiration of a lock-up period, we announce that we will release earnings results during the 17 day period beginning on the last day of a lock-up period, then the expiration of such lock-up will be extended until the expiration of the 17 day period beginning on the date of the issuance of the earnings release or the occurrence of the material news or event, as applicable.

Notwithstanding the Lock-Up Agreement, we may issue common stock in connection with certain acquisitions pursuant to binding agreements or commitments that are entered into no less than 45 days after the public offering date, up to an aggregate amount equal to 3% (or up to an aggregate amount of 5%, after 60 days) of our common stock outstanding at the completion of this offering. All common stock issued pursuant to this lock-up exemption must be subject to a separate lock-up agreement covering the remainder of the 90 day lock-up period, subject to the potential additional period of up to 17 days.

Additionally, we, and each of our directors, executive officers and certain of our stockholders holding 11,146,181 shares of our common stock entered into "lock-up" arrangements in connection with our initial public offering for a period of 180 days, subject to the potential additional period of up to 17 days, from July 15, 2004 (the "IPO Lock-Up Agreement"). Lehman Brothers has agreed to release us and the selling stockholders in the offering contemplated by this prospectus from the IPO Lock-Up Agreement only to the extent necessary for us and such selling stockholders to sell shares in this offering as described in this prospectus.

Because the lock-up agreements will cover a significant portion of our common stock not already traded in the public market, the sale of these shares, or the perception that sales may occur, could adversely affect the prevailing market prices of our common stock.

Indemnification

We and the selling stockholders have agreed to indemnify the underwriters against certain liabilities relating to the offering, including certain liabilities under the Securities Act and, in the event such indemnification is unavailable or insufficient, to contribute to payments that the underwriters may be required to make for these liabilities.

Stabilization, Short Positions and Penalty Bids

The underwriters may engage in over-allotment, stabilizing transactions, syndicate covering transactions, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of our common stock, in accordance with Regulation M under the Securities Exchange Act:

- Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any short position by either exercising their over-allotment option and/or purchasing shares in the open market.
- Stabilizing transactions permit bids to purchase common stock so long as the stabilizing bids do not exceed a specified maximum.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, creating a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.
- Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may raise or maintain the market price of our common stock or prevent or slow a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Nasdaq National Market or otherwise and, if commenced, may be discontinued at any time.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor the underwriters make any representation that the underwriters will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Passive Market Making

In connection with this offering, the underwriters and selling group members may engage in passive market making transactions in our common stock on the Nasdaq National Market in accordance with Rule 103 of Regulation M under the Exchange Act during the period before commencement of offerings or sales of our common stock and extending through the completion of the distribution. A passive market maker must display its bids at a price not in excess of the highest independent bid of a security. However, if all independent bids are lowered below the passive maker's bid, that bid must be lowered when specified purchase limits are exceeded.

Stamp Taxes

Purchasers of the shares of our common stock offered by this prospectus may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover of this prospectus. Accordingly, we urge you to consult a tax advisor with respect to whether you may be required to pay those taxes or charges, as well as any other tax consequences that may arise under the laws of the country of purchase.

Electronic Distribution

A prospectus in electronic format may be made available on Internet sites or through other online services maintained by one or more of the underwriters and/or selling group members participating in this offering, or by their affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular underwriter or selling group member, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of shares for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations.

Other than the prospectus in electronic format, information contained in any other web site maintained by an underwriter or selling group member is not part of this prospectus or the registration statement of which this prospectus forms a part, has not been approved and/or endorsed by us and should not be relied on by investors in deciding whether to purchase any shares of common stock. The underwriters and selling group members are not responsible for information contained in web sites that they do not maintain.

Legal Matters

link1 "LEGAL MATTERS"

Legal Matters

Preston Gates & Ellis LLP, Seattle, Washington, will pass upon the validity of the common stock offered hereby. Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York, New York, will pass upon certain legal matters in connection with this offering for the underwriters. Partners and other attorneys of Preston Gates & Ellis LLP, individually and through investment partnerships, hold an aggregate of 10,206 shares of our common stock.

Experts

link1 "EXPERTS"

Experts

The Greenfield Online, Inc. consolidated financial statements as of December 31, 2002 and 2003, and for each of the three years in the period ended December 31, 2003 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The OpinionSurveys.com financial statements as of December 31, 2003, and for the period ended December 31, 2003 included in this prospectus have been so included in reliance on PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Where You Can Find More Information

link1 "WHERE YOU CAN FIND MORE INFORMATION"

Where You Can Find More Information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common stock offered in this offering. This prospectus does not contain all of the information set forth in the registration statement. For further information with respect to Greenfield Online and the common stock offered in this offering, we refer you to the registration statement and to the attached exhibits and schedules. Statements made in this prospectus concerning the contents of any document referred to in this prospectus are not necessarily complete. With respect to each such document filed as an exhibit to the registration statement, we refer you to the exhibit for a more complete description of the matter involved.

We are also subject to the reporting and information requirements of the Exchange Act and, as a result, file periodic reports, proxy statements and other information with the SEC. You may read and copy this information at the public reference room of the SEC at 450 Fifth Street, N.W., Room 1024, Washington, DC 20549. You may also obtain copies of this information by mail from the public reference section of the SEC, 450 Fifth St., N.W., Room 1024, Washington, DC 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330.

Our SEC filings, including the registration statement and the exhibits filed with the registration statement, are also available from the SEC's website at www.sec.gov, which contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

You can obtain a copy of any of our filings, at no cost, by writing to or telephoning us at:

Greenfield Online, Inc.

21 River Road

Wilton, CT 06897

Attention: Investor Relations (203) 834-8585

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link1 "REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM"

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Greenfield Online, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in convertible preferred stock and stockholders' deficit and of cash flows present fairly, in all material respects, the financial position of Greenfield Online, Inc. and its subsidiaries at December 31, 2002 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). These 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP Stamford, Connecticut April 6, 2004 except with respect to the reverse stock split described in Note 1, which is as of July 7, 2004 **GREENFIELD ONLINE, INC.**

Consolidated Balance Sheets

($ in thousands, except per share data)

	December 31,		
			September 30,
	2002	2003	2004
			(Unaudited)
ASSETS			
Current assets:			
Cash and cash equivalents	$1,864	$3,721	$38,431
Accounts receivable trade, net (net of allowances of $224, $219 and $238 at December 31, 2002, 2003 and September 30, 2004, respectively)	2,089	4,234	8,403
Prepaid expenses and other current assets	681	498	1,467
Total current assets	4,634	8,453	48,301
Property and equipment, net	2,736	2,420	3,872
Other intangible assets, net	543	311	262
Security deposits	811	745	873
Other long term assets	—	—	34
Total assets	$8,724	$11,929	$53,342
LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)			
Current liabilities:			
Accounts payable	$987	$1,563	$2,538
Accrued expenses and other current liabilities	2,986	4,579	4,417
Term loan	1,216	—	—
Current portion of capital lease obligations	895	874	1,120
Deferred revenues	435	394	371
Series B convertible preferred stock distribution accrual	—	—	—
Total current liabilities	6,519	7,410	8,446
Long-term debt	—	—	—
Capital lease obligations	1,102	705	914
Other long-term liabilities	367	84	23
Series C-2 redeemable preferred stock	—	943	—
Total liabilities	7,988	9,142	9,383
Series C-2 redeemable preferred stock; par value $0.0001 per share; 10,000 shares authorized and outstanding (aggregate liquidation preference of $2,053 as of December 31, 2003)	821	—	—
Series B convertible preferred stock; par value $0.0001 per share; 30,211,595 shares authorized, actual outstanding; none authorized, issued and outstanding September 30, 2004	8,441	9,114	—
Commitments and contingencies			
Stockholders' equity (deficit):			
Series A convertible preferred stock; par value $0.0001 per share; 40,874,511 shares authorized, issued and outstanding (aggregate liquidation preference of $5,953 as of December 31, 2003) actual; none authorized, issued and outstanding September 30, 2004	4	4	—

Series C-1 convertible preferred stock; par value $0.0001 per share; 74,627,182 shares authorized, issued and outstanding (aggregate liquidation preference of $9,127 as of December 31, 2003) actual; none authorized, issued and outstanding September 30, 2004	7	7	—
Common stock; par value $0.0001 per share; 12,948,337, 13,605,479 and 100,000,000 shares authorized at December 31, 2002 and 2003, and September 30, 2004 respectively; 2,050,897, 2,054,485 and 16,471,435 shares issued and outstanding at December 31, 2002, 2003 and September 30, 2004, respectively	—	—	2
Additional paid-in capital	78,889	82,440	128,186
Accumulated deficit	(86,037)	(84,389)	(81,094)
Unearned stock-based compensation	(1,256)	(4,258)	(3,004)
Treasury stock, at cost			
Common stock — none, none and 9,643 shares at December 31, 2002, December 31, 2003 and September 30, 2004, respectively	—	—	(131)
Note receivable from stockholder	(133)	(131)	—
Total stockholders' equity (deficit)	(8,526)	(6,327)	43,959
Total liabilities, temporary equity and stockholders' equity (deficit)	$8,724	$11,929	$53,342

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

link1 "GREENFIELD ONLINE, INC. CONSOLIDATED STATEMENTS OF OPERATIONS"
GREENFIELD ONLINE, INC.

Consolidated Statements of Operations

(In thousands, except per share data)

				Nine Months Ended	
	Years Ended December 31,			**September 30,**	
	2001	**2002**	**2003**	**2003**	**2004**
				(unaudited)	
Net revenues	$13,787	$14,886	$25,868	$17,587	$30,867
Cost of revenues (including stock-based compensation of $143, $33 and $62, respectively for the years ended December 31, 2001, 2002 and 2003, and $13 and $156, respectively for the nine months ended September 30, 2003 and 2004 and excluding depreciation shown below)	8,097	5,409	8,884	6,061	7,508
Gross profit	5,690	9,477	16,984	11,526	23,359
Operating expenses:					
Selling, general and administrative (including stock-based compensation of $2,318, $1,538 and $1,220, respectively for the years ended December 31, 2001, 2002 and 2003, and $817 and $942, respectively for the nine months ended September 30, 2003 and 2004)	15,148	10,123	12,127	8,126	15,247
Panel acquisition expenses	351	713	1,421	1,058	1,771
Depreciation and amortization	2,654	1,802	1,113	812	851
Research and development (including stock-based compensation of $6, $1 and none, respectively for the years ended December 31, 2001, 2002 and 2003 and zero and zero, respectively for the nine months ended September 30, 2003 and 2004)	1,750	747	626	451	789
Total operating expenses	19,903	13,385	15,287	10,447	18,658
Operating income (loss)	(14,213)	(3,908)	1,697	1,079	4,701
Other income (expense):					
Interest expense, net	(971)	(621)	(440)	(338)	(94)

Related party interest income (expense), net	(2,303)	69	(55)	(27)	(1,093)
Other income (expense), net	200	1,497	596	600	(26)
Total other income (expense)	(3,074)	945	101	235	(1,213)
Income (loss) before income taxes	(17,287)	(2,963)	1,798	1,314	3,488
Provision (benefit) for income taxes	—	(569)	150	80	193
Net income (loss)	(17,287)	(2,394)	1,648	1,234	3,295
Less: Accretion of Series C-2 redeemable preferred stock dividends	—	—	(63)	(63)	—
Charge to common stockholders for Series B convertible preferred stock	—	(3,873)	—	—	(28,054)
Cumulative dividends on Series B convertible preferred stock	—	(28)	(673)	(504)	(382)
Income allocable to participating preferred securities	—	—	(761)	(556)	(1,564)
Net income (loss) available to common stockholders	$(17,287)	$(6,295)	$151	$111	$(26,705)
Net income (loss) per share available to common stockholders					
Basic	$(18.08)	$(6.42)	$0.07	$0.05	$(4.39)
Diluted	$(18.08)	$(6.42)	$0.06	$0.05	$(4.39)
Weighted average shares outstanding:					
Basic	956	981	2,054	2,054	6,084
Diluted	956	981	2,347	2,263	6,799

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

GREENFIELD ONLINE, INC.

Consolidated Statements of Changes in Convertible Preferred Stock And Stockholders' Equity (Deficit)

(In thousands)

	Series A Convertible Preferred Stock		Series C-1 Convertible Preferred Stock		Class A Common Stock		Class B Common Stock		Common Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balance at December 31, 2000	—	$—	—	$—	1,350	$450	843	$281	—	$—
Year ended December 31, 2001:										
Net loss for the year										
Issuance of preferred stock	40,875	4								
Surrender of Class A common stock										
Stock option forfeitures										
Settlement of notes receivable from stockholders										

Issuance of warrants										
Amortization of unearned stock based compensation										
Exercise of stock options										
Balance at December 31, 2001	40,875	4	—	—	1,350	450	843	281	—	—
Year ended December 31, 2002:										
Net loss for the year										
Issuance of stock options										
Stock option forfeitures										
Stock issuance and conversion related to the recapitalization (Note 11)			74,627	7	(1,350)	(450)	(843)	(281)	2,051	—
Effect of modification to Series A preferred stock										
Discount on Series C-2 redeemable preferred stock liquidation preference										
Series B convertible preferred stock liquidation preference										
Cumulative dividends on Series B convertible preferred stock										
Amortization of unearned stock based compensation										
Fees paid related to stock issuance and recapitalization										
Balance at December 31, 2002	40,875	4	74,627	7	—	—	—	—	2,051	—
Year ended December 31, 2003:										
Net income for the year										
Issuance of stock options										
Exercise of stock options										3

Accretion of discount on Series C-2 redeemable preferred stock liquidation preference										
Cumulative dividends on Series B convertible preferred stock										
Amortization of unearned stock based compensation										
Balance at December 31, 2003	40,875	4	74,627	7	—	—	—	—	2,054	—
Nine months ended September 30, 2004:										
Net income for the period										
Repossession of shares in payment of note receivable from officer	(58)								(5)	
Conversion of preferred shares into common at the initial public offering	(40,817)	(4)	(74,627)	(7)					10,422	2
Issuance of shares pursuant to the initial public offering									4,000	
Exercise of stock options										
Cumulative dividends on Series B convertible preferred stock										
Stock option forfeitures										
Amortization of unearned stock based compensation										
Balance at September 30, 2004 (unaudited)	—	—	—	—	—	$—	—	$—	16,471	$2

GREENFIELD ONLINE, INC.

Consolidated Statements of Changes in Convertible Preferred Stock

AND STOCKHOLDERS' EQUITY (DEFICIT) — (Continued)

(In thousands)

		Treasury Stock					
	Additional	Class A Common		Series A Preferred		Common Stock	
	Paid-In Capital	Shares	Amount	Shares	Amount	Shares	Amount
Balance at December 31, 2000	$75,601	(1,216)	$(16,445)	—	$—	—	$—
Year ended December 31, 2001:							

Net loss for the year							
Issuance of preferred stock	11,536						
Surrender of Class A common stock		(31)	(425)				
Stock option forfeitures	(4,462)						
Settlement of notes receivable from stockholders	(2,555)						
Issuance of warrants	26						
Amortization of unearned stock based compensation							
Exercise of stock options							
Balance at December 31, 2001	80,146	(1,247)	(16,868)	—	—	—	—
Year ended December 31, 2002:							
Net loss for the year							
Issuance of stock options	1,087						
Stock option forfeitures	(157)						
Stock issuance and conversion related to the recapitalization (Note 11)	13,715	1,247	16,868				
Effect of modification to Series A preferred stock	(8,430)						
Discount on Series C-2 redeemable preferred stock liquidation preference	1,232						
Series B convertible preferred stock liquidation preference	(8,413)						
Cumulative dividends on Series B convertible preferred stock	(28)						
Amortization of unearned stock based compensation							
Fees paid related to stock issuance and recapitalization	(263)						
Balance at December 31, 2002	78,889	—	—	—	—	—	—
Year ended December 31, 2003:							
Net income for the year							
Issuance of stock options	4,284						
Exercise of stock options	3						
Accretion of discount on Series C-2 redeemable preferred stock liquidation preference	(63)						
Cumulative dividends on Series B convertible preferred stock	(673)						
Amortization of unearned stock based compensation							
Balance at December 31, 2003	82,440	—	—				
Nine months ended September 30, 2004:							
Net income for the period							
Repossession of shares in payment of note receivable from officer	(38)			58	(56)	5	(75)
Conversion of preferred shares into common at the initial public offering	9			(58)	56	4	(56)

Issuance of shares pursuant to the initial public offering	46,310						
Exercise of stock options	3						
Cumulative dividends on Series B convertible preferred stock	(382)						
Stock option forfeitures	(156)						
Amortization of unearned stock based compensation							
Balance at September 30, 2004 (unaudited)	$128,186	—	$—	—	$—	9	$(131)

GREENFIELD ONLINE, INC.

Consolidated Statements of Changes in Convertible Preferred Stock

AND STOCKHOLDERS' EQUITY (DEFICIT) — (Continued)

(In thousands)

	Note Receivable From Officer	Unearned Stock Based Compensation	Accumulated Deficit	Total Stockholders' Equity (Deficit)
Balance at December 31, 2000	$(500)	$(11,382)	$(66,356)	$(18,351)
Year ended December 31, 2001:				
Net loss for the year			(17,287)	(17,287)
Issuance of preferred stock				11,540
Surrender of Class A common stock				(425)
Stock option forfeitures		4,462		—
Settlement of notes receivable from stockholders	425	2,555		425
Issuance of warrants				26
Amortization of unearned stock based compensation		2,467		2,467
Exercise of stock options				2
Balance at December 31, 2001	(75)	(1,898)	(83,643)	(21,603)
Year ended December 31, 2002:				
Net loss for the year			(2,394)	(2,394)
Issuance of stock options		(1,087)		—
Stock option forfeitures		157		—
Stock issuance and conversion related to the recapitalization (Note 11)	(58)			29,801
Effect of modification to Series A preferred stock				(8,430)
Discount on Series C-2 redeemable preferred stock liquidation preference				1,232
Series B convertible preferred stock liquidation preference				(8,413)
Cumulative dividends on Series B convertible preferred stock				(28)
Amortization of unearned stock based compensation		1,572		1,572
Fees paid related to stock issuance and recapitalization				(263)
Balance at December 31, 2002	(133)	(1,256)	(86,037)	(8,526)

Year ended December 31, 2003:				
Net income for the year			1,648	1,648
Issuance of stock options		(4,284)		—
Exercise of stock options	2			5
Accretion of discount on Series C-2 redeemable preferred stock liquidation preference				(63)
Cumulative dividends on Series B convertible preferred stock				(673)
Amortization of unearned stock based compensation		1,282		1,282
Balance at December 31, 2003	(131)	(4,258)	(84,389)	(6,327)
Nine months ended September 30, 2004:				
Net income for the period			3,295	3,295
Repossession of shares in payment of note receivable from officer	131			(38)
Conversion of preferred shares into common at the initial public offering				—
Issuance of shares pursuant to the initial public offering				46,310
Exercise of stock options				3
Cumulative dividends on Series B convertible preferred stock				(382)
Stock option forfeitures		156		—
Amortization of unearned stock based compensation		1,098		1,098
Balance at September 30, 2004 (unaudited)	$—	$(3,004)	$(81,094)	$43,959

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

GREENFIELD ONLINE, INC.

Consolidated Statements of Cash Flows

(In thousands)

				Nine Months Ended	
	Years Ended December 31,			**September 30,**	
	2001	**2002**	**2003**	**2003**	**2004**
				(unaudited)	
Cash flows from operating activities:					
Net income (loss)	$(17,287)	$(2,394)	$1,648	$1,234	$3,295
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	4,642	2,490	1,398	1,016	1,126
Amortization of contract asset	—	183	200	150	17
Stock based compensation	2,467	1,572	1,282	830	1,098
Non-cash interest expense (income)	2,755	(69)	55	27	1,093
Impairment of other intangible assets	481	95	—	—	—
Loss on disposal of property and equipment	184	23	—	—	1
Gain on sale of Custom Research Business	—	(1,497)	(600)		—
Provision for doubtful accounts and other sales allowances	271	6	(6)	(600)	60
Amortization of debt discount	195	—	—	(6)	—

Changes in assets and liabilities, net:					
Accounts receivable	582	(437)	(2,139)	(1,087)	(4,229)
Deferred project costs	357	57	(10)	28	(74)
Other current assets	624	(263)	(2)	(602)	(806)
Additions (refunds) of security deposits	(232)	52	66	65	(256)
Other assets	—	—	—	—	(34)
Accounts payable	(3,057)	(104)	576	72	975
Accrued expenses and other current liabilities	(1,821)	1,483	1,623	1,477	(162)
Deferred project revenues	(1,151)	(500)	(40)	5	(23)
Net cash provided by (used in) operating activities	(10,990)	697	4,051	2,609	2,081
Cash flows from investing activities:					
Proceeds from sale of Custom Research Business	—	1,400	600	600	—
Proceeds from sale of property and equipment	—	—	—	—	2
Expenses paid in connection with the sale of the custom research business	—	(303)	—	—	—
Additions to property and equipment and intangibles	(1,024)	(558)	(305)	(259)	(1,180)
Net cash provided by (used in) investing activities	(1,024)	539	295	341	(1,178)
Cash flows from financing activities:					
Proceeds from issuance of capital stock	11,456	—	—	—	—
Proceeds from borrowings under credit facility	1,189	27	—	—	1,000
Repayments under credit facility	—	—	(1,216)	(1,216)	(1,000)
Increase (decrease) in other long-term liabilities	—	367	(282)	(243)	(61)
Increase (decrease) in book overdraft	—	31	(31)	—	
Proceeds from borrowings under bridge notes	3,926	—	—	—	—
Repayments under term loan	(4,000)	—	—	—	—
Legal fees paid in conjunction with recapitalization	—	(263)	—	—	—
Proceeds of options exercised	2	—	2	1	3
Proceeds from subscriptions receivable from management	—	—	2	2	—
Net proceeds from initial public offering	—	—	—	—	46,310
Payment of Series C-2 liquidation preference	—	—	—	—	(2,052)
Payment of Series B dividend liquidation preference	—	—	—	—	(9,496)
Principal payments under capital lease obligations	(821)	(590)	(964)	(616)	(897)
Net cash (used in) provided by financing activities	11,752	(428)	(2,489)	(2,072)	33,807

GREENFIELD ONLINE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS — (Continued)

(In thousands)

				Nine Months Ended	
	Years Ended December 31,			September 30,	
	2001	2002	2003	2003	2004
				(unaudited)	

Effect of exchange rate changes	—	—	—	—	—
Net increase (decrease) in cash and cash equivalents	(262)	808	1,857	878	34,710
Cash restricted cash and cash equivalents at beginning of the period	1,318	1,056	1,864	1,864	3,721
Cash restricted cash and cash equivalents at end of the period	$1,056	$1,864	$3,721	$2,742	$38,431
Supplemental disclosures of cash flow information:					
Cash paid during the period for:					
Interest	$356	$599	$412	$365	$219
Income taxes	—	—	116	28	251
Supplemental Schedule of Non-cash Investing and Financing Activities:					
Purchase of equipment and internal use software financed through capital lease obligations	$1,612	$49	$545	$75	$1,352
Repossession of shares in payment of note receivable from officer	—	—	—	—	169
Issuance of warrants in connection with debt financing	1,140	—	—	—	—
Issuance of Series A convertible preferred stock for note receivable	58	—	—	—	—
Exchange of bridge notes into equity	—	4,007	—	—	—
Exchange of accrued related party interest into equity	115	4,785	—	—	—
Exchange of notes payable for Series B convertible preferred stock	—	8,413	—	—	—
Issuance of Series C-2 redeemable preferred stock	—	2,053	—	—	—
Cumulative dividends on Series B convertible preferred stock	—	28	673	505	382
Accretion of Series C-2 redeemable preferred stock dividends	—	—	63	63	—

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

GREENFIELD ONLINE, INC.

Notes to Consolidated Financial Statements

(interim information as of September 30, 2004

and for the nine months ended September 30, 2003 and 2004 is unaudited)

Note 1 — Organization of Business, Nature of Business and Basis of Presentation:

Organization and Basis of Presentation

Greenfield Online, Inc. (the "Company" or "Greenfield"), was originally incorporated in the State of Connecticut on September 28, 1995. Until May 17, 1999, one person owned all of its capital stock. On May 17, 1999, the Company's then-existing management and a group of new investors executed a management buyout (the "Management Buyout"), in which approximately 97% of the Company's outstanding common stock was acquired by Greenfield Holdings, LLC ("Greenfield Holdings"), an entity formed for the sole purpose of the Management Buyout. This transaction was accounted for as a leveraged recapitalization, in which the basis of Greenfield Holdings' investment in the Company was reflected in the Company's financial statements, giving rise to goodwill and certain other intangible assets, which have been substantially amortized or written off prior to 2002. From 1999 until 2002, the Company expended significant funds to build the Greenfield Online panel and its Internet-based technology infrastructure.

In December 2002, the Company's controlling stockholders completed a recapitalization of its capital structure, which included the issuance of new senior equity securities, the issuance of common stock and a reverse split of the previously issued Class A and Class B Common Stock into common stock at a ratio of 0.41987 to 1 (the "Recapitalization"), during which Greenfield Holdings was dissolved. For all periods presented, all share information reflects the 0.41987 reverse split as part of the Recapitalization.

For information purposes, we refer to the "Predecessor" for the period prior to the Management Buyout (May 17, 1999), the "Successor" for the period subsequent to the Management Buyout.

Nature of Business

The Company is a leading independent provider of Internet survey solutions to the global marketing research industry and derives 100% of its revenues from Internet data collection products and services. The Company actively manages the Greenfield Online panel, a 100% Internet-based panel of survey takers who participate in the Company's surveys.

Over the past 10 years, the Company has developed proprietary management techniques and technologies that allow it to actively manage the Greenfield Online panel. It uses these techniques to conduct Internet surveys and seeks to refresh and enhance its panel profiles, enabling the delivery of higher-value survey data to its clients. The Company's automated technology platform allows the Company to perform a large volume of surveys simultaneously, and its global production capabilities provide survey programming, data collection and processing services.

The Company targets its Internet survey solutions to full service marketing research and consulting firms in the United States and the world's top marketing research companies. The Company employs an "outsourcing" business model that allows it to partner with its clients to leverage their global sales forces.

International Expansion – India and Europe

In July 2003, the Company began operations in Europe and in addition, it incorporated Greenfield Online Private Limited in Gurgaon, India ("GFOL India") for the purpose of providing the Company with data processing and survey programming services. In August 2003, the Company incorporated under the laws of the United Kingdom, through its wholly-owned subsidiary Greenfield Online Europe, Ltd. ("GFOL Europe") to provide the Company with a presence in Europe to meet the expected increase in demand for the

Company's Internet survey solutions in Europe. In March 2004, the Company formed Greenfield Online Canada, Ltd. in order to expand its North American operations to cover the Canadian market.

Liquidity and Capital Resources

The Company has a limited operating history and, until 2003, the Company had historically sustained net losses and negative cash flows from operations. In addition, the Company has an accumulated deficit at December 31, 2002 and 2003. The Company's prospects are subject to the risks and uncertainties frequently encountered by companies in the relatively new and rapidly evolving markets for Internet products and services. These risks include, but are not limited to: the failure to further develop and extend the Company's Internet survey solutions; the rejection of Internet-based marketing research by companies in favor of more traditional methods; the inability of the Company to maintain and increase the Greenfield Online panel; failure to compete effectively for new clients; as well as other risks and uncertainties. In addition, the Company has growth plans, which include hiring new personnel and expanding internationally. The Company currently has limited financial flexibility and available borrowing capacity to execute these plans, and the Company's growth plans will require capital and further financial flexibility. In the event the Company does not successfully implement its business strategy, certain assets may not be recoverable.

In July 2004, the Company completed its initial public offering, including the sale of 4.0 million shares of common stock by the Company and 1.75 million shares of common stock by certain selling stockholders. Net proceeds to the Company from the offering totaled approximately $34.8 million, after paying underwriters' commissions of approximately $3.6 million, a mandatory conversion and dividend payment of approximately $9.4 million to the holders of our Series B Preferred Stock, payment of approximately $2.1 million to fund the mandatory redemption of all outstanding shares of our Series C-2 and costs associated with the initial public offering, amounting to approximately $2.1 million.

Reverse Stock Split and Initial Public Offering

In April 2004, the board of directors of the Company authorized the filing of a registration statement with the Securities and Exchange Commission that permitted the Company to sell shares of its common stock in connection with an initial public offering of its common stock. In July 2004, the Company completed its initial public offering of its common stock, including the sale of 4.0 million shares by the Company and 1.75 million shares by certain of the Company's stockholders. In connection with the initial public offering, the Company effected a reverse one-for-14 split of the Company's outstanding common stock on July 7, 2004. Upon the completion of the initial public offering, all shares of the Company's Series C-2 Redeemable Non-Voting Preferred Stock, par value

$0.0001 (“Series C-2”) were redeemed and all outstanding shares of the Company’s Series A Convertible Participating Preferred Stock, Series B Convertible Participating Preferred Stock, and Series C-1 Convertible Participating Preferred Stock (“Series C-1”) were converted into shares of common stock on a one-for-14 basis.

Interim Financial Data

The interim consolidated financial statements as of and for the nine months ended September 30, 2004 and 2003 is unaudited; however, in the opinion of the Company, the interim financial data includes all adjustments, consisting of only normal recurring adjustments necessary for the fair statement of the results for the interim periods. The results for the nine months ended September 30, 2004 are not necessarily indicative of the results to be expected for the year ending December 31, 2004.

GREENFIELD ONLINE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(interim information as of September 30, 2004

and for the nine months ended September 30, 2003 and 2004 is unaudited)

Note 2 — Summary of Significant Accounting Policies:

The following are the significant accounting policies followed by the Company:

Consolidation. The consolidated financial statements include the accounts of Greenfield, its wholly owned and controlled subsidiaries GFOL Europe, as well as GFOL India. All significant intercompany transactions have been eliminated in consolidation.

Revenue Recognition. The Company recognizes revenues for services when the research or survey data is delivered in accordance with the terms of the agreements. Research products are delivered within a short period generally ranging from a few days to eight weeks, and there are no significant obligations remaining after delivery. An appropriate deferral is made for costs related to projects in process. Billings rendered in advance of services being performed, as well as customer deposits received in advance, are included in deferred revenue. Provision for estimated project losses, if any, is made in the period such losses are determined and estimable. Syndicated (recurring) research services are on a subscription basis for periods of up to one year. Subscription revenues are recognized ratably over the term of the related contract as services were provided.

Except as discussed in Note 3, the Company did not have multiple element transactions during any periods presented.

Cash and Cash Equivalents. The Company considers all highly liquid instruments (cash and short-term securities) with original maturities of three months or less to be cash equivalents.

Translation of Foreign Currencies. The Company began operations outside the United States during the year ended December 31, 2003. In all circumstances, the functional currency is the U.S. Dollar, all assets and liabilities of foreign subsidiaries are remeasured at the year-end (current) exchange rates and components of revenues and expenses are remeasured at average exchange rates for the year. The effects of currency rate changes are included in “other income and expense” in the accompanying statement of operations and are not material.

Concentration of Credit Risk. Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of trade accounts receivable. The Company periodically reviews its accounts receivable for collectibility and provides for an allowance for doubtful accounts to the extent that amounts are not expected to be collected. For the year ended December 31, 2003, two customers each accounted for more than 10% of the Company’s net sales. Taylor Nelson Sofres Intersearch (“TNSI”) accounted for approximately 13% of the Company’s net sales and Custom Research, Inc. (“CRI”) accounted for approximately 12% of the Company’s net sales. The ten largest customers of Greenfield (including TNSI and CRI) accounted for approximately 37%, 65% and 53% of the Company’s net sales for the years ended December 31, 2001, 2002 and 2003, respectively. The ten largest accounts receivable balances of Greenfield (including TNSI and CRI) accounted for approximately 63%, 47% and 38% at December 31, 2001, 2002 and 2003, respectively.

Property and Equipment. The Company depreciates its assets over their estimated useful lives. The estimated useful lives range from: 3 to 5 years for equipment; 7 years for furniture and fixtures; the shorter of the estimated useful life of the related asset or the life of the lease for leasehold improvements; and 4 years for automobiles. Property and equipment are carried at historical cost, include amounts under capital leases and are depreciated using the straight-line method. Repair and maintenance expenditures are expensed as incurred.

Goodwill and Other Intangible Assets. The excess of the cost over the fair value of the net assets acquired in the Management Buyout were recorded as intangible assets and allocated to "customer base," **GREENFIELD ONLINE, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(interim information as of September 30, 2004

and for the nine months ended September 30, 2003 and 2004 is unaudited)

"workforce" and "panel members," which were amortized on a straight-line basis over the estimated useful lives of the related assets, 2.5 years, 3.5 years and 4 years, respectively. Based on the Company's financial condition of recurring operating losses, management performed an evaluation of the recoverability of these assets and concluded during 2001 that an impairment existed. As a result, the Company recorded an impairment charge of $73,000 for the year ended December 31, 2001, which represented the remaining net book value of the "workforce" at December 31, 2001. The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 142 "Goodwill and Other Intangible Assets" ("SFAS 142") in June 2001, which was effective for the Company on January 1, 2002. SFAS 142 requires that goodwill no longer be amortized, and instead, be tested for impairment when changes in circumstances indicate that an impairment may exist, and at least on an annual basis. The Company conducted its initial review as of January 1, 2002 and determined that an impairment existed. The Company therefore recorded an impairment charge of $93,000 for the year ended December 31, 2002, which is included in "Selling, general and administrative" expense in the accompanying statement of operations.

Long-lived Assets. The Company reviews other long-lived assets, including property and equipment and internal use software for impairment whenever events or changes in circumstances indicate that the carrying amount of such an asset may not be recoverable. Management determines whether there has been any impairment on such assets by comparing anticipated undiscounted cash flows from the use and eventual disposition of the asset or asset group to the carrying value of the asset. The amount of any resulting impairment is calculated by comparing the carrying value to the fair value, which is estimated, primarily using the present value of the estimated future cash flows.

Software Costs. The Company follows the provisions of Statement of Position 98-1, *"Accounting for the Costs of Computer Software Developed or Obtained for Internal Use"* ("SOP 98-1") to account for the costs of computer software. Costs associated with development of code and the purchase or license of software from external vendors, including upgrades, which are used to run the Company's Internet survey solutions are capitalized and amortized to cost of services over the estimated useful life, typically two years.

The Company expenses as incurred all costs associated with new product development whether performed by employees or outside consultants, including reengineering, process mapping, feasibility studies, data conversion, and training incurred solely to extend the useful life of the existing software. In addition, the Company expenses as incurred the costs associated with maintenance of current technologies.

Income Taxes. Deferred taxes are determined under the asset and liability approach. Deferred tax assets and liabilities are recognized on differences between the book and tax basis of assets and liabilities using presently enacted tax rates. Further, deferred tax assets are recognized for the expected benefits of available net operating loss carryforwards, capital loss carryforwards and foreign tax credit carryforwards. A valuation allowance is recorded to reduce a deferred tax asset to an amount, which the Company expects to realize in the future. The Company continually reviews the adequacy of the valuation allowance and recognizes these benefits only as reassessment indicates that it is more likely than not that these benefits will be realized. In addition, the Company continuously evaluates its tax contingencies and recognizes a liability when it believes that it is probable that a liability exists and can be reasonably estimated.

Fair Value of Financial Instruments. The Company's financial instruments primarily consist of cash, short-term securities, accounts receivable, capital lease obligations, accounts payable, accrued expenses, and other short and long-term borrowings. The face value of the Company's debt approximates its fair value and is included in the balance sheet at its face amount net of an applicable discount. The fair value of such debt is estimated based on quoted market prices for the same or similar issues offered to the Company for debt with the same or similar remaining maturities and terms. Where applicable, discounts are based upon the estimated relative fair value of common stock purchase warrants issued with the debt.

Panelist Incentives. The Company's panelists receive incentives for participating in the surveys from the Company, which are earned by the panelist when the Company receives a timely survey response. A panelist has the right to claim his or her incentive payment at any time prior to its expiration, which is generally one year. The Company accrues incentives as incurred, and reverses expirations to the statement of operations as the expirations occur. For all full years presented, unclaimed incentives represented less than 10% of total incentives accrued. However, for the nine months ended September 30, 2004, unclaimed incentives represented approximately 12% of total incentives incurred. This increase in the percentage of unclaimed incentives is due primarily to the shift in the Company's incentive program away from cash payments to a program emphasizing prize-based incentives, which the Company instituted in April 2004. As a result of this shift, the amount of unclaimed incentives resulting from the Company's historically cash-based program has increased relative to the diminishing amount of cash incentives the Company awards. The amount of unclaimed incentives is representative of unclaimed incentives experienced in prior periods, but fluctuations in the amount of unclaimed incentives may affect the Company's results of operations in future periods.

Panel Acquisition Expenses. Costs associated with establishing and maintaining panels of potential survey respondents are expensed as incurred. These costs include payments to third parties who source panelists from their databases and websites.

Research and Development. Research and development costs are expensed as incurred. Such costs primarily include direct costs for salaries, employee benefits and sub-contractors engaged in product development activities.

Stock-Based Compensation. The Company accounts for stock-based compensation using the intrinsic-value method in accordance with Accounting Principles Board Opinion No. 25, *"Accounting for Stock Issued to Employees"* ("APB No. 25"), and related interpretations, and has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, *"Accounting for Stock-Based Compensation"* ("SFAS No. 123"), for such awards. Under APB No. 25, compensation is determined to the extent that the fair value of the underlying stock on the date of grant exceeds the exercise price of the employee stock option or stock award. Compensation so determined is deferred in stockholders' deficit and then recognized over the service period for the stock option or award.

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure, an amendment of FASB Statement No. 123" ("SFAS 148"). SFAS 148 amends FASB Statement No. 123 "Accounting for Stock-Based Compensation" ("SFAS 123"), to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation prescribed by SFAS 123. SFAS 148 also amends the disclosure provisions of SFAS 123 to require prominent disclosure in both annual and interim financial statements about the effects on reported net income of an entity's accounting policy decisions with respect to stock-based employee compensation. The Company has adopted the disclosure requirements of SFAS 123 in these financial statements and the information regarding the net income (loss) determined as if the Company had accounted for its stock options under the fair value method.

The following table illustrates the effect on net income (loss) available to common stockholders and income (loss) per share if the Company had applied the fair value recognition provisions of SFAS 123 for the years ended December 31, 2001, 2002 and 2003, and the nine months ended September 30, 2003 and 2004 (in thousands, except per share data).

	Year Ended December 31,			Nine Months Ended September 31,	
	2001	2002	2003	2003	2004
Net income (loss) as reported	$(17,287)	$(2,394)	$1,648	$1,234	$3,295
Add: Stock-based employee compensation expense included in net income (loss) as recorded	2,467	1,572	1,282	830	1,098

Deduct: Total stock-based employee compensation expense determined under the fair value method for all awards, net of related tax effects	(3,847)	(4,106)	(3,860)	(2,729)	(3,099)
Pro forma net income (loss)	(18,667)	(4,928)	(930)	(665)	1,294
Less: Accretion of Series C-2 redeemable preferred stock dividends	—	—	(63)	(63)	—
Charge to common stockholders for Series B convertible preferred stock	—	(3,873)	—	—	(28,054)
Cumulative dividends on Series B convertible preferred stock	—	(28)	(673)	(504)	(382)
Income allocable to participating preferred securities	—	—	—	—	(1,129)
Pro forma net loss available to common stockholders	$(18,667)	$(8,829)	$(1,666)	$(1,232)	$(28,271)
Net income (loss) per share as reported:					
Basic	$(18.08)	$(6.42)	$0.07	$0.05	$(4.39)
Diluted	$(18.08)	$(6.42)	$0.06	$0.05	$(4.39)
Pro forma loss per share:					
Basic	$(19.53)	$(9.00)	$(0.81)	$(0.60)	$(4.65)
Diluted	$(19.53)	$(9.00)	$(0.81)	$(0.60)	$(4.65)

The following table illustrates the weighted average assumptions for the Black-Scholes option-pricing model used in determining the fair value of options granted to employees.

	Years Ended December 31,			Nine Months Ended September 30,	
	2001	2002	2003	2003	2004
Risk-free interest rate	4.70%	1.45%	2.35%	2.35%	3.51%
Weighted average expected life (years)	5	5	5	5	5
Volatility factor	82%	63%	72%	72%	57%
Forfeiture rates	—	—	—	—	—
Expected dividend yield	—	—	—	—	—

Stock compensation arrangements to nonemployees are accounted for in accordance with SFAS 123, as amended by SFAS 148 and FASB Interpretation No. 44 “Accounting for Certain Transactions involving **GREENFIELD ONLINE, INC.**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(interim information as of September 30, 2004

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Stock Compensation, an interpretation of APB 25”, using the fair value approach. The compensation costs of these arrangements are amortized to expense over the service period as earned.

Net income (loss) per share. The Company reports net income (loss) per share in accordance with Statement of Financial Accounting Standards No. 128 “Earnings per Share” (“SFAS 128”). Under SFAS 128, basic earnings per share, which excludes dilution, is computed by dividing net income or loss available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could be exercised or converted into common shares, and is computed by dividing net income or loss available to common stockholders by the weighted average of common shares outstanding plus the dilutive potential common shares. Diluted earnings per share includes in-the-money stock options and warrants using the treasury stock method and also includes the assumed conversion of preferred stock using the if-converted method if dilutive. Due to the participation features of the Company’s Series A, Series B and Series C-1 Preferred Stock, basic and diluted earnings per share has been calculated using the “two-class” method, which is an earnings allocation formula that

determines earnings per share for each class of common stock and participating security according to dividends declared (or accumulated) and participation rights in undistributed earnings. In loss periods, no amounts are allocated to the participating securities. During a loss period, the assumed exercise of in-the-money stock options and warrants and the conversion of convertible preferred stock has an anti-dilutive effect and therefore, these instruments are excluded from the computation of dilutive earnings per share. Weighted average potential common shares of 208,625, 228,384 and none were excluded from the computation of diluted earnings per share for the years ended December 31, 2001, 2002 and 2003, respectively, as they would be anti-dilutive.

The following is a reconciliation of basic number of common shares outstanding to diluted number of common and common stock equivalent shares outstanding (in thousands):

	Years Ended December 31,			Nine Months Ended September 30,	
	2001	2002	2003	2003	2004
Weighted average number of common and potential common shares outstanding:					
Basic number of common shares outstanding	956	981	2,054	2,054	6,084
Dilutive effect of stock option grants	—	—	289	209	686
Dilutive effect of warrants	—	—	4	—	29
Diluted number of common and potential common shares outstanding	956	981	2,347	2,263	6,799

Use of Estimates. The preparation of these consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant assumptions and estimates relate to the determination of accrued expenses, liabilities for panelist incentives and stock-based compensation, certain asset valuations including deferred tax asset valuations and the useful lives of property and equipment and internal use software. Actual results could differ from those estimates.

Recently Issued Accounting Standards. In August 2001, the FASB issued SFAS No. 144, “Accounting for the Impairment or Disposal of Long-Lived Assets” (“SFAS 144”). SFAS 144 provides new guidance on

the recognition of impairment losses on long-lived assets, excluding goodwill, to be held and used or to be disposed of and also broadens the definition of what constitutes a discontinued operation and how the results of a discontinued operation are to be measured and presented. SFAS 144 also requires long-lived assets that are to be abandoned, be treated as held for use and depreciated over their remaining expected lives and broadens the presentation of discontinued operations in the statement of operations to a component of an entity rather than a segment of a business. SFAS 144 was effective for the Company beginning January 1, 2002 and had no material impact on the Company’s financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities” (“SFAS 146”). SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized and measured, initially at fair value, only when the liability is incurred. SFAS 146 nullified Emerging Issues Task Force Issue No. 94-3, “Liability Recognition for Certain Employee Termination benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)” (“EITF 94-3”), which required a liability for an exit cost to be recognized at the date of an entity’s commitment to an exit plan. The adoption of SFAS 146 is expected to result in delayed recognition for certain types of costs as compared to the provisions of EITF 94-3, especially for facility closure costs. The provisions of SFAS 146 are effective for exit or disposal activities that are initiated after December 31, 2002. The adoption of SFAS 146 could affect the types and timing of costs included in future business consolidation and restructuring programs. SFAS 146 did not have a material impact on the Company’s financial position or results of operations.

In November 2002, the FASB issued Interpretation No. 45 “Guarantor’s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others, (an interpretation of FASB Statements No. 5, 57, and 107 and rescission of FASB interpretation No. 34)” (“FIN 45”). FIN 45 elaborates on the disclosures to be made by a guarantor in its interim and annual

financial statements about its obligations under certain guarantees that it has issued. FIN 45 also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The initial recognition and measurement provisions of FIN 45 are applicable on a prospective basis to guarantees issued or modified after December 31, 2002. The disclosure requirements of FIN 45 were effective for interim and annual financial statements for periods ending after December 15, 2002. The initial recognition and initial measurement provisions did not have a material impact on the Company's financial position or results of operations.

In December 2002, the Emerging Issues Task Force ("EITF") issued EITF Issue 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables ("EITF 00-21"). EITF 00-21 provides guidance on determining whether a revenue arrangement contains multiple deliverable items and if so, requires that revenue be allocated among the different items based on fair value. EITF 00-21 also requires that revenue on any item in a revenue arrangement with multiple deliverables not delivered completely must be deferred until delivery of the item is completed. The guidance in EITF 00-21 is effective for revenue arrangements entered into in fiscal years beginning after June 15, 2003. EITF 00-21 is not expected to have a material impact on the Company's financial position or results of operations.

In January 2003, the FASB issued Interpretation No. 46 "Consolidation of Variable Interest Entities" ("FIN 46"). FIN 46 requires that if an entity is the primary beneficiary of a variable interest entity, the assets, liabilities, and results of operations of the variable interest entity should be included in the Consolidated Financial Statements of the entity. In December 2003, the FASB issued FIN 46R to provide additional clarifications to FIN 46 and deferred the latest date by which FIN 46 must be applied by a Company for variable interest entities acquired after January 31, 2003, to the first annual reporting period beginning after December 15, 2004. FIN 46 is currently effective for all variable interest entities created or **GREENFIELD ONLINE, INC.**

acquired after January 31, 2003, and is not expected to have a material impact on the Company's financial position or results of operations.

In May 2003, the FASB issued Statement of Financial Accounting Standards No. 150 ("SFAS 150"), "Accounting for Certain Financial Instruments with Characteristics of both Liability and Equity." SFAS 150 improves the accounting for certain financial instruments that, under previous guidance, issuers could account for as equity and requires that those instruments be classified as liabilities (or assets in certain circumstances) in statements of financial position. SFAS 150 affects the issuer's accounting for certain types of freestanding financial instruments and also requires disclosure about alternative ways of settling the instruments and the capital structure of entities – all of whose shares are mandatorily redeemable. SFAS 150 is generally effective for all financial instruments entered into or modified after May 31, 2003, and otherwise is effective in the interim period beginning July 1, 2003 for the Company. As a result of the adoption of SFAS 150, the Series C-2 Non-Voting Preferred Stock has been classified between liabilities and equity at December 31, 2002 and was reclassified to a liability at December 31, 2003 since the Company must redeem all of the Series C-2 Preferred Stock (see Note 10).

Note 3 – Sale of Custom Research Business:

The Company entered into an asset purchase agreement (the "Asset Purchase Agreement") to sell the assets of its custom research business (the "Custom Research Business") to Taylor Nelson Sofres Operations, Inc. ("TNSO"), which was completed on January 31, 2002. For the sale, the Company received approximately $2,000,000 at closing and an additional $600,000 during 2003, when certain conditions in the Asset Purchase Agreement were met. The sale of the Custom Research Business comprised the conveyance of 19 full-time employees, all contracts of the Custom Research Business and a sublease of certain office space. Further, the Company gave up its right to perform custom research for end-user clients for a period of three years.

Contemporaneously with the execution of the Asset Purchase Agreement, the Company entered into an Alliance, License and Supply Agreement (the "Alliance Agreement") with TNSI, an affiliate of TNSO, originally maturing on January 30, 2007. During the term of the Alliance Agreement, TNSI was required to bring substantially all of its U.S.-based custom marketing research and Internet sample requirements business to the Company, with a contractual minimum of $200,000 per month of qualifying revenue (as defined in the Alliance Agreement) from purchases of sample and other services in the first year, increasing to a minimum of $300,000 per month in the second year, for a total of $5,400,000 in guaranteed payments over the first two years. The Alliance Agreement also specified no payments for the first three months' services in 2002. Since the Company was required to provide the services, we treated $600,000

of the cash received upon sale of the Custom Research Business as an advance deposit on the first three months of services under the Alliance Agreement. Accordingly, we viewed the total contractual payments for the Alliance Agreement to be approximately $6,000,000. In December 2003, the minimum purchases, as required under the Alliance Agreement, were satisfied by TNSI.

The Company determined that the two agreements with TNSO and TNSI constituted a multiple element arrangement in which the stipulated proceeds from the sale, and the stipulated guaranteed payments in the Alliance Agreement, are required to be allocated between the sale transaction and the Alliance Agreement. The Company obtained an independent valuation of the Custom Research Business sold and the Alliance Agreement. The Company also compared the pricing in the Alliance Agreement to that of similarly situated customers using the guidance in EITF 00-21. In determining the most appropriate allocation of fair value, the Company weighted most significantly the value of its research services sold separately to these customers based upon the fact that the Company's prices for services to third parties are more objective and verifiable **GREENFIELD ONLINE, INC.**

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than estimating the value of the business disposed of. Accordingly, at the time, the Company determined that the fair value of the future services amounted to approximately $5,600,000. The $400,000 difference between the contractual amount of $6,000,000 and the fair value of the services of $5,600,000 was recorded as a contract asset upon sale of the Custom Research Business and the simultaneous signing of the Alliance Agreement. This asset was amortized against revenue during 2002 and 2003 on a straight-line basis, which is substantially similar to the pattern in which the services were provided. The Company recorded a pre-tax gain on the sale of the Custom Research Business in the amount of $1,497,000 and $600,000 in year ended December 31, 2002 and 2003, respectively, as a result of this transaction, which is included in "other income (expense)" in the accompanying statement of operations. The $600,000 gain was recorded in 2003, when the associated contingencies lapsed and the cash was received.

On November 26, 2003, the Company and TNSI amended the Alliance Agreement to provide that: the term would expire on December 31, 2006, with no automatic renewal rights; that the Company would be allowed to sell Internet data collection services to end-users; and that during the term of the Alliance Agreement, TNSI and NFO Worldgroup, Inc ("NFO"), which Taylor Nelson Sofres plc, the parent company of TNSO, had acquired in 2003, would provide the Company with an opportunity to bid on substantially all of TNSI and NFO's third-party U.S.-based Internet consumer sample business.

Note 4 — Prepaid Expenses and Other Current Assets:

Prepaid expenses and other current assets consisted of the following at December 31, 2002, and 2003 and September 30, 2004 (in thousands):

	December 31,		
			September 30,
	2002	2003	2004
Other non-trade receivables	$319	$28	$11
Prepaid expenses	60	350	598
Prepaid insurance	9	5	533
Deferred project costs	58	68	143
Contract asset (Note 3)	217	17	—
Other	18	30	182
	$681	$498	$1,467

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Note 5 — Property and Equipment, net:

Property and equipment, net consisted of the following at December 31, 2002 and 2003 and September 30, 2004 (in thousands):

	Estimated Useful Life-Years		December 31, 2002	2003	September 30, 2004
Computer and data processing equipment	3-5		$5,006	$5,423	$6,740
Leasehold improvements	2-7	*	1,320	1,366	1,426
Furniture and fixtures	7		1,097	1,097	1,485
Telephone system	5		123	281	813
Automobile(s)	4		—	88	88
			7,546	8,255	10,552
Less: Accumulated depreciation			(4,810)	(5,835)	(6,680)
Property and equipment, net			$2,736	$2,420	$3,872

* Lesser of the estimated life of the asset or the life of the underlying lease.

Depreciation expense amounted to $2,099,000, $1,624,000 and $1,025,000 for the years ended December 31, 2001, 2002 and 2003, respectively including amounts recorded under capital leases. In the years ended December 31, 2001 and 2002, the Company disposed of assets with a net book value of $184,000 and $23,000, respectively, primarily leasehold improvements and computer equipment.

Included in property and equipment above are assets acquired under capital leases, which are summarized below at December 31, 2002 and 2003 and September 30, 2004 (in thousands):

	December 31, 2002	2003	September 30, 2004
Computer and data processing equipment	$2,784	$3,030	$3,861
Furniture and fixtures	947	947	947
Telephone system		241	762
Automobile	—	58	58
	3,731	4,276	5,628
Accumulated depreciation	(2,354)	(3,024)	(3,509)
Assets under capital leases, net	$1,377	$1,252	$2,119

Note 6 — Other Intangible Assets, Net:

Other intangible assets consists of the following at December 31, 2002 and 2003 and September 30, 2004 (in thousands):

	Estimated Useful Life-Years	December 31, 2002	2003	September 30, 2004
Internal use software	2	$1,907	$2,047	$2,273
Panel members (fully amortized at December 31, 2003)*	4	712	712	712
		2,619	2,759	2,985
Less: Accumulated amortization		(2,076)	(2,448)	(2,723)

Other intangible assets, net	$543	$311	$262

* Asset recorded in connection with the "Management Buyout" in 1999

Amortization of internal use software amounted to $1,988,000, $688,000 and $285,000 for the years ended December 31, 2001, 2002 and 2003, respectively, which is included in cost of revenues in the accompanying statement of operations. Amortization of other intangible assets (excluding internal use software) amounted to $555,000, $178,000 and $88,000 for the years ended December 31, 2001, 2002 and 2003.

As a result of the recurring losses from operations, as well as certain downsizing efforts, management performed an evaluation of the recoverability of these assets and determined that the estimated fair value was less than the carrying value of certain software costs that had no future use and recorded an impairment charge of $408,000 and $2,000, respectively for the years ended December 31, 2001 and 2002, which is included in "Selling, general and administrative" expenses in the accompanying statement of operations in each respective year.

Note 7 – Accrued Expenses and Other Current Liabilities:

Accrued expenses and other current liabilities consisted of the following at December 31, 2002 and 2003 and September 30, 2004 (in thousands):

	December 31,		September 30,
	2002	**2003**	**2004**
Accrued payroll and commissions	$824	$1,499	$1,376
Panelist incentives	659	1,118	835
Accrued panels costs	–	401	674
Customer deposits	322	235	–
Other	1,181	1,326	1,532
	$2,986	$4,579	$4,417

For the years ended December 31, 2001, 2002 and 2003, the Company reversed panelist incentives accrual of none, $85,000, and $250,000, respectively, for the expirations of the incentives. For the year ended December 31, 2001, the Company had an arrangement with a consultant to provide the payment of the awards to the panelists, which included the cost of unclaimed incentives that benefited the consultant.

The Company has arrangements with Microsoft Corporation through Microsoft Network ("MSN"). Through these arrangements, the Company pays MSN for network traffic routed to the Company's website where participants respond to its surveys. The Company also incurs a fee to MSN for surveys completed and delivered to clients. Fees for first time traffic routed to our website through MSN, which are included in panel acquisition expense, amounted to $621,000 and $1,147,000 for the years ended December 31, 2002 and 2003, respectively. In 2003, MSN began charging the Company fees for surveys completed and delivered through MSN referrals. Such fees for completed surveys, which are included in cost of revenues, amounted to $214,000 for the year ended December 31, 2003.

Note 8 – Related Parties:

During 2003, the Company paid $83,000 in consulting fees to stockholders of GFOL India in connection with its incorporation. This agreement related primarily to recruiting and training employees.

Notes receivable from Stockholders

In conjunction with the Management Buyout, the Company paid $500,000 to the former sole stockholder of the Predecessor on behalf of an officer of the Company, Mr. Davis, and Mr. Nadilo, an officer at the time who has since resigned. In exchange, Mr. Nadilo and Mr. Davis issued the Company two non-recourse promissory notes (the "Promissory Notes") in the amounts of $425,000 and $75,013, respectively. The cash paid to Mr. Nadilo and Mr. Davis was used to purchase 1,048,050 and 184,950 shares, respectively, of the Company's Class A Common Stock ("Class A") from the sole stockholder of the Predecessor in 1999. The Promissory Notes were collateralized with the shares of Class A, bear interest at a rate of 5.3% per annum, and one Note that matures on May 17, 2004 and may be repaid in whole or in part at any time without penalty. The Company's sole recourse against Mr. Nadilo and Mr. Davis is limited to the shares of Class A, which were later combined with the Company's Class B Common Stock ("Class B") into one class of common stock as part of the Recapitalization.

The Class A, purchased by Mr. Nadilo and Mr. Davis with the proceeds of the Promissory Notes is restricted because the Company has the right to repurchase the Class A for its original purchase price from either one of these officers if their employment terminates for any reason. The restrictions on the Class A lapse and the Class A becomes vested 25% one year after the Management Buyout and 12.5% each six-month period thereafter until four years have expired from the date of the Management Buyout. Under Emerging Issues Task Force Abstract 95-16, *"Accounting for Stock Compensation Arrangements with Employer Loan Features"* ("EITF 95-16"), these Promissory Notes were treated as stock option awards with variable plan accounting treatment.

On March 3, 2000, Greenfield's management, Mr. Nadilo and Mr. Davis agreed to amend these Promissory Notes to make them full recourse notes (the "Recourse Note(s)"). In accordance with EITF 95-16, variable plan accounting treatment ceased and the Company recorded unearned stock-based compensation expense in the amount of $8,039,000. This unamortized unearned stock-based compensation is being amortized to expense over the remaining service term.

In April 2001, the Company accepted the resignation of Mr. Nadilo, the Company's then Chief Executive Officer, who surrendered all of his Class A in full payment of his Recourse Note and the Company reversed the remaining $2,555,000 unearned stock-based compensation to additional paid in capital, with respect to Mr. Nadilo. In the aggregate, with respect to these Notes, the Company amortized $1,444,000, $192,000 and $48,000 of stock-based compensation expense in the statement of operations for the years ended December 31, 2001, 2002 and 2003, respectively, leaving a remaining balance of $44,000 to be **GREENFIELD ONLINE, INC.**

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amortized through March 3, 2004. At December 31, 2003, the principal amount of $131,000 is recorded as a "Note receivable from stockholder" in stockholders' deficit.

In connection with the Company's issuance of Series A Convertible Participating Preferred Stock to other investors in March 2001, Mr. Davis borrowed $56,285 from the Company to purchase Class B from Greenfield Holdings. In exchange for the cash, Mr. Davis issued a promissory note in the aggregate amount of $56,285 with an annual compounding interest rate of 8% and maturing on May 17, 2004. The loan is collateralized by the shares of Class B, which were later combined with Class A into one class of common stock as part of the Recapitalization. Mr. Davis failed to repay the notes on May 17, 2004. The Company provided Mr. Davis with a notice of default and, on May 23, 2004, the Company repossessed a portion of the shares pledged as collateral pursuant to the pledge agreement with a value equal to the amounts due under the notes, including interest thereon.

I-GAIN contract

The Company had an arrangement with I-GAIN, an incentive and loyalty reward company, which provided that I-GAIN would pay cash awards to panelists on behalf of the Company in exchange for the Company's payment of a fee of $0.50 per transaction. Hugh O. Davis, the Company's Chief Technology Officer, formerly held a 10% ownership interest in I-GAIN. The contract with I-GAIN became null and void in May 2001 and the total costs incurred by the Company for this arrangement with I-GAIN for the year ended December 31, 2001 was $653,000, which included amounts that I-GAIN paid to panelists and is included in cost of revenues. There have been no further transactions with I-GAIN since May 2001.

Greenfield Consulting Group, Inc.

On May 14, 1999, the Company entered into a three-year agreement with Greenfield Consulting Group, Inc., ("Greenfield Consulting"). Greenfield Consulting is wholly owned by the sole stockholder of the Predecessor. Under the three-year agreement, Digital Idea, Inc., a subsidiary of Greenfield Consulting, would exclusively purchase qualitative and quantitative market research data from the Company at discounted rates. In turn, the Company agreed not to enter into any exclusive provider arrangement with any

other internet-focused strategic consulting services company in the marketing services category. During the year ended December 31, 2001, the Company earned revenues of approximately $330,000 from Digital Idea, Inc. related to these services. There have been no further transactions with Digital Idea, Inc. since 2001.

Note 9 – Revolving Credit Facility:

The Company has a credit facility with Silicon Valley Bank (the "SVB Credit Facility") in the amount of $1,875,000 at December 31, 2002 and 2003 based upon an 80% advance rate on eligible accounts receivable (the "Borrowing Base"). The SVB Credit Facility bears interest at a rate equal to the prime rate plus 1% (prime plus 1.75%, or 5.75%, at December 31, 2002), plus a collateral handling fee of 0.375% of the monthly average daily financed receivable balance. The SVB Credit Facility is collateralized by the general assets of the Company, matures on August 22, 2005 and is subject to a covenant, which requires the Company to achieve certain performance targets each month that the SVB Credit Facility is outstanding. The Company had an outstanding balance of $1,216,000 at December 31, 2002. In addition, the Company paid interest in the amount of $23,000, $158,000 and $122,000, respectively, for each of the years ended December 31, 2001, 2002 and 2003 associated with the SVB Credit Facility. No amounts were outstanding under the SVB Credit Facility at December 31, 2003, or at September 30, 2004.

During the quarter ended March 31, 2004, GFOL India, a subsidiary of the Company, entered into a $1.5 million loan facility agreement with the Company. Borrowing under the facility carries an interest rate **GREENFIELD ONLINE, INC.**

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of LIBOR plus 2% and matures in three years. At September 30, 2004, $650,000 was outstanding under this loan facility.

Note 10 – Redeemable or Convertible Preferred Stock:

Series C-2 Redeemable Non-Voting Preferred Stock

During the Recapitalization described in Note 11, the Company issued an aggregate of 10,000 shares of Series C-2 Redeemable Non-Voting Preferred Stock, par value $0.0001 per share ("Series C-2"), in satisfaction of debt then outstanding of $1,537,000, plus accrued interest of $516,000 ("Series C-2 Aggregate Proceeds") of the existing stockholders. At the date of issuance, the Company recorded a discount of $1,232,000, which is the difference between the stated value and the estimated fair market value of Series C-2 and was recorded as a component of additional paid-in capital. The initial carrying value is being accreted to redemption value over the redemption period.

Commencing on the second anniversary of the Recapitalization, the Series C-2 holders shall be entitled to receive aggregate cumulative dividends at an annual rate of 10.5% on the Series C-2 Aggregate Proceeds. The dividends shall be paid when, as and if declared by the board, upon liquidation or redemption, as defined.

Series C-2 holders have liquidation rights equal to the Series C-2 Aggregate Proceeds, plus all accrued and unpaid dividends. The Series C-2 is pari passu with the Series C-1 with regard to liquidation preference, and senior to all other equity securities of the Company.

The Company could redeem the Series C-2 at any time, in whole or in part, for an amount, prorated according to the number of shares redeemed, equal to the Series C-2 Aggregate Proceeds, plus accrued and unpaid dividends, if any. The Series C-2 was mandatorily redeemable by the Company on May 17, 2009, or earlier upon the occurrence of: (i) an initial public offering of its securities of not less than $30 million in aggregate proceeds and a per share offering price greater than $14.00 ("Qualified IPO") or (ii) the Company enters into any transaction of merger or consolidation where aggregate cash consideration received by the Company is in excess of $20 million. In June 2004, the Company's stockholders amended the Company's certificate of incorporation to define a Qualified IPO as an initial public offering of the Company's securities for not less than $30 million in aggregate proceeds where, if consummated following December 31, 2004, the offering price is at least $14.00 per share.

As discussed in Note 2, the Company adopted the provisions of SFAS 150. As a result of adopting SFAS 150, Series C-2, which had been included within the balance sheet caption "Series C-2 mandatorily redeemable preferred stock" classified between liabilities and equity in the Company's Consolidated Balance Sheet at December 31, 2002, was reclassified to "Series C-2 mandatory redeemable preferred stock," a new liability caption, upon adoption of SFAS 150 as of July 1, 2003. As of December 31, 2003, the mandatorily redeemable preferred stock balance was $943,000. Subsequent to the adoption of SFAS 150, the accretion related to this instrument,

which was previously reported as “accretion of preferred stock dividends” in the Company’s Consolidated Statements of Operations, are now accounted for as a component of interest expense. SFAS 150 does not permit reclassification of prior year amounts to conform to the current year presentation.

In July 2004, upon the completion of the initial public offering, the shares of Series C-2 were redeemed for approximately $2.1 million.

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Series B Convertible Preferred Stock

During the Recapitalization described in Note 11, the Company issued an aggregate of 30,211,595 shares of Series B. The Series B was issued in satisfaction of the then outstanding Greenfield Holdings Promissory Notes of $12,600,000, plus accrued interest of $4,228,000, (the “Series B Aggregate Proceeds”).

The holders of Series B shall be entitled to receive a cumulative dividend at an annual rate of 4% of the Series B Aggregate Proceeds. Dividends shall be payable upon conversion into shares of common stock by the Company. Dividends are being accreted to the carrying value of Series B in the accompanying balance sheet. No dividends shall be paid until the Series C-2 has been redeemed in full. All Series B stockholders have liquidation rights equal to $0.2785 per share, plus declared and unpaid dividends. These liquidation rights are junior to both Series C-1 and Series C-2, and senior to all other equity securities of the Company.

The Series B securities contain settlement provisions, which require the holder to receive cash and common stock upon redemption. Each holder of Series B shall have the option to convert such holder’s shares of Series B into shares of Common Stock of the Company at an initial conversion price of $0.2785, subject to equitable adjustments for stock splits, stock dividends, recapitalizations, and the like. Upon conversion, such holder shall also receive its per share portion of the Series B liquidation rights plus all declared and unpaid dividends.

As the liquidation rights are redeemable by the holders upon conversion, the Company has classified the Series B between liabilities and equity in the accompanying balance sheet. As further discussed in Note 11, the Recapitalization was considered a capital transaction among related parties, and the exchange of debt for Series B stock is included within the line item “Stock issuance and conversion related to the Recapitalization” in the accompanying consolidated statement of changes in convertible preferred stock and stockholders’ deficit. Immediately following the Recapitalization, the Company reclassified $8.4 million from additional paid-in-capital to Series B in order to reflect Series B at its liquidation preference. In addition, upon issuance of Series B, the Company recorded a charge of $3.9 million to income available to common stockholders based upon the difference between the estimated fair value of the Series B at such time and the liquidation preference amount.

In July 2004, upon the completion of the initial public offering, the shares of Series B were redeemed for a combination of cash and common stock. In accordance with EITF Topic D-42, *The Effect of the Calculation of Earnings per Share for the Redemption or Induced Conversion of Preferred Stock*, $28.1 million was recognized as a charge against income available to common stockholders, representing the excess of the fair value of the consideration given to extinguish the Series B preferred shares (cash and common stock) over the carrying value (plus accrued and unpaid dividends) of the preferred shares at the date of redemption.

Note 11 — Stockholders’ Equity:

Recapitalization

On December 27, 2002, our stockholders, who were also the holders of all of our outstanding subordinated indebtedness, completed the Recapitalization. The Recapitalization resulted in the issuance by the Company of three newly created classes of Preferred Stock, an amendment to the rights and preferences of the currently outstanding Series A, the conversion of the currently outstanding Class A and Class B Common Stock (“Class A” and “Class B,” respectively) into a single class of common stock, and a combination (reverse-split) of the resulting class of common stock. The newly created classes of Preferred Stock are designated respectively as the Series B, Series C-1 and Series C-2. Because the Recapitalization was a transaction exclusively among the existing holders of our subordinated debt and equity securities, the

transaction is considered to be merely a change in the legal form and in the rights and preferences of the Company's subordinated debt and equity securities. Accordingly, there was no gain or loss recognized from the exchange of the preferred and common equity securities and no gain or loss on the early subordinated debt extinguishment following the guidance of Footnote 1 of APB No. 26, "Early Extinguishment of Debt." Instead, the Recapitalization is considered to be a capital transaction between related parties.

As a result of the Recapitalization, on an aggregate basis, the holders of Series C-1, Series B, Series A and common stock represent approximately 85% of the voting interest in the Company. These same stockholders also maintained approximately the same voting interest as they held prior to the Recapitalization.

Common Stock

The Company's Certificate of Incorporation, as amended, authorizes the Company to issue up to 13,605,479 shares of $0.001 par value common stock.

Effective with the Management Buyout and up until the Recapitalization, the Company had two classes of common stock, Class A and Class B. In liquidation, Class B had a preference over the Class A, and would receive a 7% cumulative return on its original price per share.

As a result of the Recapitalization, the Company converted all of its then outstanding Class B and Class A into a single class of Common Stock and reverse-split such class. As a result, the Company had 945,147 shares of common stock outstanding immediately following this conversion.

The Company also sold 1,105,753 shares of common stock to certain members of the Company's management and an independent member of the board of directors, (the "Restricted Common Stock"). The Restricted Common Stock was sold for par value and, for the members of management, was restricted stock subject to a vesting schedule. The Restricted Common Stock will vest 50% upon grant, and the balance over a two-year period, which will accelerate upon certain conditions. The holders of the Restricted Common Stock entered into a voting agreement with the Company and its largest stockholders which provides that management has the right to vote only its vested stock, and only then for so long as the individual remains employed by the Company. The major stockholders share a proxy for each individual's unvested stock in all circumstances and his vested stock if he leaves the Company. Further, the Company and all holders of the Restricted Common Stock entered into Sale Bonus Agreements, (the "Sale Bonus Agreements") under which the holders of the Restricted Common Stock will receive a cash bonus in the event of a sale of the Company. In the event of a sale, the sales bonus provides for a cash payout of $0.0865 per dollar of net liquidation proceeds above $14 million as long as net liquidation proceeds are approximately $26.7 million. At the date of the Recapitalization, 543,289 Restricted Common Stock shares were subject to restriction and 562,464 vested immediately. The parties to each of the Sale Bonus Agreements agreed to terminate the agreements upon the completion of the Company's initial public offering.

At the date of Recapitalization, the Company recorded a deferred compensation charge of approximately $534,000 for unvested Restricted Common Stock and charged to compensation expense $553,000 for the Restricted Common Stock that vested immediately as the estimated fair market value of the underlying Restricted Common Stock shares exceeded the amount paid in by management. As the restricted unvested underlying common stock issued to management is subject to a vesting schedule, the compensation charge has been deferred and is amortized on a straight-line basis over the vesting period. Accordingly, the Company amortized $11,000 and $267,000 for the years ended December 31, 2002 and 2003. As of December 31, 2003, unearned stock-based compensation related to Restricted Common Stock was approximately $256,000.

During the quarter ended March 31, 2004, the Company accelerated the vesting of the remaining 25% of the Restricted Common Stock. The acceleration resulted in the Company recognizing the remaining **GREENFIELD ONLINE, INC.**

unamortized stock based compensation cost. The intrinsic value of the unvested Restricted Common Stock at the date of modification was approximately $3.75 million in excess of the intrinsic value measured at the original measurement date. In accordance with Financial Interpretation Number 44 ("FIN 44"), "Accounting for Certain Transactions Involving Common Stock," a charge for this

excess is only recorded in the consolidated financial statements to the extent that management believes the holders of the Restricted Common Stock would terminate employment prior to the original vesting terms. Management does not expect the holders to terminate employment. Accordingly, as of March 31, 2004, no additional charge has been recorded representing any intrinsic value at the modification date in excess of the amount measured at the original measurement date.

Series A Convertible Participating Preferred Stock

During 2001, the Company completed the offering of 40,874,511 shares of preferred stock, designated as Series A Convertible Participating Preferred Stock, par value $0.0001 per share, ("Series A") for $0.2913 per share for aggregate proceeds of $11,456,000, net of cash issuance costs of $279,000 and inclusive of the conversion of unsecured 10% subordinated promissory notes, plus accrued interest and the receipt of a note receivable from a stockholder (see Note 8).

During the Recapitalization the original terms of the Series A were modified. The modifications included (i) a reduction in voting strength from 49.13% to 22.81%, (ii) a 50% reduction in the Series A liquidation rights coupled with a downgrade in seniority, (iii) waiver of all guaranteed dividends and accrued dividends which may have existed prior to the Recapitalization, (iv) adjustment to the Series A conversion price and (v) waiver of all protective provisions originally granted to Series A holders. As a result of these modifications, the Company recorded a charge of $8.4 million to reduce additional paid-in-capital associated with the Series A stock to its then correct market value.

The holders of Series A are entitled to receive dividends when, as, and if, declared by the Board of Directors and with the Common Stock on an "as-converted" basis. No dividends will be paid until the Series C-2 has been redeemed in full (see Note 10).

Series A stockholders have liquidation rights aggregating to $5,953,000 plus declared and unpaid dividends. These amounts are to be received upon a liquidation and after the deduction of the liquidation rights due to the Series C-2, Series C-1 and Series B and all amounts due under the Sale Bonus Agreement.

At the option of the stockholder, each share of Series A can be converted into common stock at an initial conversion price of $0.2913 per share, subject to adjustments. Upon conversion, declared and unpaid dividends, if any, convert into common stock at a price equal to the fair value of the Common Stock at the time of conversion. In July 2004, upon the completion of the initial public offering, the Series A was converted into 2,915,559 shares of common stock.

Series C-1 Convertible Participating Preferred Stock

During the Recapitalization, the Company issued an aggregate of 74,627,182 shares of Series C-1 in satisfaction of the then outstanding bridge notes of $4,007,000, plus accrued interest of $557,000, (the "Series C-1 Aggregate Proceeds") of the existing stockholders.

Each outstanding share of Series C-1 is entitled to receive dividends when, as and if declared by the Board of Directors. No dividends shall be paid until Series C-2 has been redeemed in full (see Note 10).

All Series C-1 stockholders have liquidation rights equal to $0.1223 per share, plus declared and unpaid dividends. Series C-1 ranks pari passu with the Series C-2 with regard to liquidation preference, and senior to **GREENFIELD ONLINE, INC.**

all other equity securities of the Company and will be entitled to liquidation preference equal to two times its original purchase price plus accrued and unpaid dividends.

At the option of the stockholder, each share of Series C-1 can be converted into common stock at an initial conversion price of $0.0612 per share, subject to adjustments. Upon conversion, declared and unpaid dividends, if any, convert into common stock at a price equal to the fair value of the Common Stock at the time of conversion. In July 2004, upon the completion of the initial public offering the Series C-1 was converted into 5,330,526 shares of common stock.

Unearned Stock-Based Compensation

The Company has awarded certain stock option and warrant grants in which the fair value of its underlying stock on the date of grant exceeded the exercise price. As a result, the Company has recorded unearned stock-based compensation, which is being amortized over the service period, generally four years. Accordingly, the Company has amortized $2,467,000 and $1,572,000 and $1,282,000 of stock based compensation expense in the statement of operations for the years ended December 31, 2001, 2002 and 2003, respectively, related to these option grants. Stock-based compensation cost for the year ended December 31, 2003 totaled $1,282,000,

including compensation cost of $48,000 related to the notes receivable from stockholder. Stock-based compensation expense for the year ended December 31, 2002 totaled $1,572,000, including compensation cost of $192,000 related to the notes receivable from stockholders. Stock-based compensation expense for the year ended December 31, 2001 totaled $2,467,000, including compensation expense of $1,444,000 related to the notes receivable from stockholders. In connection with options forfeited during the year ended December 31, 2002, the Company wrote off $156,000 of unearned stock-based compensation as a reduction of additional paid-in capital, respectively.

Warrants

On December 3, 1999, in conjunction with the establishment of a bank facility, the Company issued a warrant to purchase 11,986 shares of Class A at an exercise price of $50.12 per share ("Warrant") to a debt holder. The Warrant is exercisable immediately, expires on December 3, 2004 and contains anti-dilution provisions. In connection with the Company's Recapitalization, the issuance of additional potentially dilutive securities, and the combination of Class A and Class B and their reverse split, the Warrant was adjusted to be exercisable to purchase 21,212 of Common Stock at an exercise price of $28.28 per share. The Warrant with respect to all 21,212 shares was outstanding at December 31, 2002 and 2003.

On March 3, 2000, in connection with a debt financing, the Company issued a warrant to purchase 9,990 shares of Class A at an exercise price of $50.12 to Greenfield Holdings (the "Holdings Warrant"). The Holdings Warrant is exercisable immediately, expires on March 3, 2005 and contains anti-dilution provisions. In connection with the Company's Recapitalization, the issuance of additional potentially dilutive securities, and the combination of Class A and Class B and their reverse split, the Holdings Warrant was adjusted to be exercisable to purchase 4,268 shares of Common Stock at an exercise price of $117.18 per share. In December 2002, Greenfield Holdings was dissolved and the Holdings Warrant was distributed to the members of Greenfield Holdings. As of December 31, 2002 and 2003, the Holdings Warrant with respect to all 4,268 shares was outstanding.

In August 2001, in connection with establishing the SVB Credit Facility, the Company issued a warrant to purchase 49,041 shares of Class A at an exercise price of $4.08 per share to the creditor (the "SVB Warrant"). The SVB Warrant was immediately exercisable, expires on August 9, 2006 and contains anti-dilution provisions. In connection with the Company's Recapitalization, the issuance of additional potentially dilutive securities, and the combination of Class A and Class B and their reverse split, the SVB Warrant was

adjusted to be exercisable to purchase 26,857 shares of Common Stock with an exercise price of $7.42 per share. The SVB Warrant with respect to all 26,857 shares was outstanding at December 31, 2002 and 2003.

Treasury Stock

In May 1999, Hugh O. Davis, one of our executive officers, borrowed $75,000 from the Company in order to purchase shares of the Company's common stock. In connection with the loan, Mr. Davis executed and delivered to the Company a promissory note maturing on May 17, 2004 in the principal amount of $75,000. In March 2001, Mr. Davis borrowed an additional $56,000 from the Company in order to purchase shares of the Company's securities from Greenfield Holdings and executed and delivered to the Company a promissory note maturing on May 17, 2004 in the principal amount of $56,000. Mr. Davis failed to repay the notes on May 17, 2004. The Company provided Mr. Davis with a notice of default and, on May 23, 2004, the Company repossessed a portion of the shares pledged as collateral pursuant to the pledge agreements with a value equal to the amounts due under the notes, including interest thereon. The repossession of the shares was recorded as treasury stock, offsetting the note receivable from stockholder.

Note 12 — Stock Options:

1999 Stock Option Plan

The Company maintains a stock option plan that enables key employees, directors and consultants of the Company to purchase shares of common stock of the Company (the "Plan"). The Company grants options to purchase its common stock based upon valuations determined by management and the Board of Directors. Options generally vest and become exercisable in four equal annual increments commencing on the first anniversary of the date of grant and expire after 10 years from the date of grant.

On September 12, 2003 the Company amended the Plan to increase the number of shares of Common Stock, par value $0.0001 available under the Plan by 657,143 shares, from 329,897 to 987,040. There were 181,985 shares available for future grant at December 31, 2003.

	Number of Shares	Option Price Range			Weighted Average Price Per Share
Outstanding at December 31, 2000	100,631	$10.22	-	$168.84	$43.68
Granted	206,555	$0.42	-	$9.80	$0.70
Canceled	(100,900)	$0.42	-	$168.84	$27.58
Exercised	(164)	$10.36	-	$17.08	$11.34
Outstanding at December 31, 2001	206,122	$0.42	-	$168.84	$8.68
Granted	1,873	$0.42	-	$0.42	$0.42
Canceled	(30,214)	$0.42	-	$168.84	$15.68
Outstanding at December 31, 2002	177,781	$0.42	-	$168.84	$7.42
Granted	600,471	$0.14	-	$2.66	$2.10
Canceled	(13,567)	$0.42	-	$168.84	$11.06
Exercised	(3,588)	$0.42	-	$10.36	$0.70
Outstanding at December 31, 2003	761,097	$0.14	-	$168.84	$3.22
Exercisable at December 31, 2003	133,660	$0.14	-	$168.84	$3.22
Available for future option grants at December 31, 2003	181,985				

The following table summarizes information regarding stock options granted during the years ended December 31, 2001, 2002 and 2003.

	Number of Shares	Option Price Range	Weighted Average Price Per Share	Weighted Average Fair Value at Date of Grant
Year ended December 31, 2001:				
Options granted with an exercise price equal to market	178,196	$0.42-$0.42	$0.42	$0.28
Options granted with an exercise price greater than market	28,359	$0.42-$9.80	$3.08	$2.10
Year ended December 31, 2002:				
Options granted with an exercise price greater than market	1,873	$0.42-$0.42	$0.42	$0.28
Year ended December 31, 2003:				
Options granted with an exercise price less than market	600,471	$0.14-$2.66	$2.10	$7.84

The weighted average fair value per option at grant date was $0.56, $0.28 and $7.84, for options granted in the years ended December 31, 2001, 2002 and 2003, respectively.

The following table summarizes information regarding stock options outstanding and exercisable at December 31, 2003:

	Options Outstanding			Options Exercisable	
		Weighted	Weighted		Weighted
	Number of	Average	Average	Number of	Average
	Outstanding	Remaining	Exercise	Exercisable	Exercise
Range of Exercise Prices	Options	Contractual Life	Price	Options	Price
$0.00 - $0.70	256,772	8.2 years	$0.28	91,057	$2.94
$0.71 - $2.80	479,889	9.8 years	$2.66	19,174	$2.66
$2.81 - $14.00	9,693	6.8 years	$9.94	9,693	$9.94
$14.01 - $28.00	6,687	5.8 years	$17.08	6,687	$17.08
$28.01 - $42.00	3,163	6.1 years	$29.40	2,788	$29.40
$42.01 - $140.00	509	6.2 years	$106.82	404	$106.82
$140.01 - $168.84	4,384	6.1 years	$168.84	3,857	$168.84

Note 13 — Taxes on Income:

Income (loss) before income taxes and the provision (benefit) for income taxes are comprised of (in thousands):

	For the Years Ended December 31,		
	2001	2002	2003
Income (loss) before income taxes:			
Domestic	$(17,287)	$(2,963)	$1,853
Foreign	—	—	(55)
	$(17,287)	$(2,963)	$1,798
Provision (benefit) for income taxes:			
Currently payable:			
Federal	$—	$ —	$74
State	—	(569)	73
Foreign	—	—	3
Total income tax provision (benefit)	$—	$(569)	$150

During the year ended December 31, 2002, the Company received a tax refund from the State of Connecticut in the amount of $569,000 relating to research and development tax credits.

Deferred income taxes are provided on temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities. The principal temporary differences, which give rise to deferred tax assets and liabilities at December 31, 2002 and 2003 are as follows:

	December 31,	December 31,
	2002	2003

	(In thousands)	
Deferred tax assets (liabilities):		
Net operating loss carryforwards	$18,691	$17,884
Unearned stock-based compensation	2,421	3,018
Capitalized panel costs	1,030	892
Federal and state tax credits	421	430
Other deferred tax assets	397	479
Other deferred tax liabilities	(437)	—
Net Deferred Tax Asset	22,523	22,703
Valuation Allowance	(22,523)	(22,703)
Total Net Deferred Tax Assets	$—	$—

At December 31, 2003, net operating loss carryforwards ("NOL(s)") of $64,000 and $44,065,000, respectively are available to reduce future foreign and domestic income taxes. The majority of the NOLs begin to expire in 2020 and 2005, respectively. During the year ended December 31, 2003, the Company began operations in India. The Indian tax authority granted the Company a tax holiday for a six-year period ending in June 2009.

Pursuant to Internal Revenue Code Section 382, certain substantial ownership changes may result in an annual limitation on the amount of net operating loss or tax credit carryforwards that may be utilized to offset future income tax liabilities.

The Company establishes valuation allowances in accordance with the provisions of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109"). At December 31, 2002 and 2003, the valuation allowance fully offset the gross deferred tax asset. Because the Company incurred cumulative losses in recent years, management did not believe there was sufficient evidence to indicate that the Company would more likely than not realize its domestic deferred tax assets. At September 30, 2004, the Company has reassessed its need for a valuation allowance and determined that currently there is insufficient evidence to release any of its valuation allowance. The Company will continue to reassess its need for a valuation allowance on a quarterly basis and reduce its valuation allowance when the Company believes it will more likely than not to realize such deferred tax assets.

The Company is subject to ongoing tax examinations and assessments in various jurisdictions. Accordingly, the Company provides for additional tax expense based upon the probable outcomes of such matters. In addition, when applicable, the Company adjusts the previously recorded tax expense to reflect examination results.

The reconciliation of the computed "expected" (benefit) provision (determined by applying the United States Federal statutory income tax rate of 34% to (loss) income before income taxes) to the actual tax provision is as follows:

	For the Years Ended December 31,		
	2001	2002	2003
Statutory federal income tax rate	34.0%	34.0%	34.0%
State income taxes, net of federal income tax benefit	—	—	2.7
State research and development credit refunds	—	(19.2)	—
Alternative minimum taxes	—	—	4.1
Deferred compensation and other	(2.1)	(2.4)	1.4
Change in deferred tax asset valuation allowance	(31.6)	(31.7)	(33.5)
Goodwill amortization	(1.2)	—	—

Other reconciling items	0.9	0.1	(0.4)
Total	—	(19.2)%	8.3%

Note 14 — Commitments and Contingencies:

Lease Commitments and Obligations

Future minimum annual lease payments under capital leases and noncancelable operating leases are as follows at December 31, 2003 (in thousands):

Fiscal Years Ending December 31,	Capital	Operating
2004	$982	$1,489
2005	575	1,107
2006	134	1,067
2007	29	1,127
2008	—	1,127
2009 and thereafter	—	990
Total minimum lease payments	$1,720	$6,907
Amount representing interest	(141)	
Present value of minimum capital lease payments	$1,579	

At December 31, 2003, $705,000, ($1,102,000 at December 31, 2002) is included in “Other long-term liabilities” representing the long-term portion of the present value of minimum capital lease payments, and $874,000, ($895,000 at December 31, 2002) is included in current liabilities representing the current portion of the present value of minimum lease payments.

Rental expense on operating leases amounted to approximately $1,139,000, $1,589,000 and $1,609,000 for the years ended December 31, 2001, 2002 and 2003, respectively.

GREENFIELD ONLINE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

(interim information as of September 30, 2004

and for the nine months ended September 30, 2003 and 2004 is unaudited)

Legal Contingencies:

From time to time, in the ordinary course of business, the Company is subject to legal proceedings. While it is impossible to determine the ultimate outcome of such matters, it is management’s opinion that the resolution of any pending issues will not have a material adverse effect on the consolidated financial position, cash flows or results of operations of the Company.

Note 15 — Employee Benefit Plan:

The Company sponsors a 401(k) Profit Sharing Plan (the “401(k) Plan”) within the United States. The 401(k) Plan covers employees who are at least 21 years of age and have completed three months of service. To participate in the 401(k) Plan, employees must work for the Company for at least 1,000 hours each year. The 401(k) Plan was amended during 2003 and currently provides for the option for employee contributions up to statutory limits, of which the Company matches 20% of the employee’s contribution (the “Matching Contributions”). An employee will not be considered vested in the Matching Contributions until he or she shall have completed three years of continuous service. Amounts expensed under the 401(k) Plan were none, none and $42,000 in the years ended December 31, 2001, 2002 and 2003, respectively.

Note 16 — Subsequent Event (Unaudited):

Amendment to SVB Credit Facility

In April 2004, the Company amended the SVB Credit Facility to increase the amount of permitted liens, including capital lease obligations, to $2,550,000 from $750,000. In July 2004, the Company amended the SVB Credit facility again to allow the Company to maintain its primary depository account outside of SVB until October 15, 2004. On October 15, 2004, the Company further

amended the SVB Credit Facility to convert its previously monthly-based performance covenants to quarterly-based covenants, and to allow the Company to maintain its primary depository account outside of SVB until December 31, 2004.

OpinionSurveys.com Acquisition

On October 21, 2004, the Company completed the purchase of certain online survey panel assets from The Dohring Company ("Dohring") for a total purchase price of $3.0 million in cash. The assets the Company acquired in this acquisition include the complete OpinionSurveys.com panel, certain profile information contained in its database, title to the domain names "OpinionSurveys.com" and "OpinionSurvey.com," as well as certain intellectual property associated with the OpinionSurveys.com panel. The acquisition was effected pursuant to an Asset Purchase Agreement by and among the Company, Dohring and Doug C. Dohring dated as of August 18, 2004.

Quarterly Financial Data (unaudited):

Summarized quarterly financial data for the years ended December 31, 2002 and 2003 are as follows (in thousands, except per share data):

	Quarter			
Fiscal Year Ended December 31, 2002(1)	**First**	**Second**	**Third**	**Fourth**
Net revenues	$2,819	$3,495	$4,130	$4,442
Cost of revenues	1,252	1,216	1,389	1,552
Gross profit	1,567	2,279	2,741	2,890
Operating expenses	3,822	2,853	3,054	3,656
Operating loss	(2,255)	(574)	(313)	(766)
Interest expense, net	(163)	(156)	(156)	(77)
Other income, net	1,497	—	—	—
Loss before income taxes	(921)	(730)	(469)	(843)
Benefit for income taxes	(569)	—	—	—
Net loss	(352)	(730)	(469)	(843)
Less: Charge to common stockholders for Series B convertible preferred stock	—	—	—	(3,873)
Cumulative dividends on Series B convertible preferred stock	—	—	—	(28)
Net loss available to common stockholders	$(352)	$(730)	$(469)	$(4,744)
Net loss per share — basic and diluted:				
Basic	$(0.38)	$(0.78)	$(0.50)	$(4.25)
Diluted	$(0.38)	$(0.78)	$(0.50)	$(4.25)
Weighted average shares outstanding:				
Basic	936	936	936	1,116
Diluted	936	936	936	1,116

(1) The sum of quarterly income (loss) per share may differ from the full-year amounts due to rounding and the effect of weighting shares outstanding in the quarters rather than the full year.

	Quarter			
Fiscal Year Ended December 31, 2003(1)	**First**	**Second**	**Third**	**Fourth**
Net revenues	$4,591	$5,948	$7,048	$8,281

Cost of revenues	1,531	1,956	2,574	2,823
Gross profit	3,060	3,992	4,474	5,458
Operating expenses	3,162	3,291	3,994	4,840
Operating income (loss)	(102)	701	480	618
Interest expense, net	(125)	(112)	(128)	(130)
Other income (expense), net	600	—	—	(4)
Income before income taxes	373	589	352	484
Provision for income taxes	23	40	17	70
Net income	350	549	335	414
Less: Accretion of preferred stock dividends	(32)	(31)	—	—
Cumulative dividends on Series B convertible preferred stock	(168)	(168)	(168)	(169)
Income allocable to participating preferred securities	(125)	(292)	(139)	(205)
Net income available to common stockholders	$25	$58	$28	$40
Net income per share — basic and diluted:				
Basic	$0.01	$0.03	$0.01	$0.02
Diluted	$0.01	$0.02	$0.01	$0.01
Weighted average shares outstanding:				
Basic	2,054	2,054	2,054	2,054
Diluted	2,184	2,339	2,439	2,836

(1) The sum of quarterly income (loss) per share may differ from the full-year amounts due to rounding, or in the case of diluted earnings per share, because securities that are anti-dilutive in certain quarters may not be anti- dilutive on a full-year basis.

Report of Independent Auditors

To the Board of Directors and Shareholders of The Dohring Company, Inc.

In our opinion, the accompanying statements of net assets and the related statements of operations and of cash flows present fairly, in all material respects, the financial position of OpinionSurveys.com, a business of The Dohring Company, at December 31, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission as described in Note 1.

The statements may not be indicative of the financial condition, results of operations or cash flows of OpinionSurveys.com's business, due to significant related party transactions with The Dohring Company.

/s/ PricewaterhouseCoopers LLP
Los Angeles, California October 18, 2004

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Statements of Net Assets

As of December 31, 2003 and September 30, 2004

	December 31, 2003	September 30, 2004 (Unaudited)
ASSETS		
Current assets		
Accounts receivable, net	$82,929	$102,401
Prepaid expenses and other current assets	—	56,350
Total current assets	82,929	158,751
Property and equipment, net	6,292	4,018
Total assets	$89,221	$162,769
LIABILITIES		
Current liabilities		
Accounts payable	$1,871	$74,902
Accrued expenses	1,445	16,086
Deferred revenue	61,500	261,500
Total current liabilities	64,816	352,488
Commitments and contingencies (Note 8)		
NET ASSETS		
Retained earnings	161,138	321,043
Distributions to The Dohring Company, Inc.	(296,638)	(712,942)
Current period net income	159,905	202,180
Total net assets	24,405	(189,719)
Total liabilities and net assets	$89,221	$162,769

The accompanying notes are an integral part of these financial statements.

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Statements of Operations

For the Year Ended December 31, 2003 and the Nine Months Ended September 30, 2004

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004 (Unaudited)
Net revenues	$521,870	$476,352
Cost of revenues (including costs allocated from related party of $23,704 and $15,641 at December 31, 2003 and September 30, 2004, respectively)	23,704	44,043
Gross profit	498,166	432,309

Operating expenses		
Sales and marketing (including expenses allocated from related party of $69,076 and $35,875 at December 31, 2003 and September 30, 2004, respectively)	77,088	44,569
General and administrative (including expenses allocated from related party of $117,809 and $95,649 at December 31, 2003 and September 30, 2004, respectively)	261,173	185,560
Total operating expenses	338,261	230,129
Income from operations	159,905	202,180
Net income	$159,905	$202,180

The accompanying notes are an integral part of these financial statements.

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Statements of Cash Flows

For the Year Ended December 31, 2003 and the

Nine Months Ended September 30, 2004

	Year Ended December 31, 2003	Nine Months Ended September 30, 2004 (Unaudited)
Flows from operating activities		
Net income	$159,905	$202,180
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	2,700	2,274
Provision for doubtful accounts	22,491	10,373
Changes in assets and liabilities, net		
Prepaid expenses and other current assets	—	(56,350)
Accounts receivable	(10,605)	(29,845)
Accounts payable	1,347	73,031
Accrued expenses	(4,834)	14,641
Deferred revenue	61,500	200,000
Net flows from operating activities	232,504	416,304
Flows from financing activities		
Distribution to The Dohring Company	(232,504)	(416,304)
Net flows from financing activities	(232,504)	(416,304)
Cash and cash equivalents at beginning of the period	—	—
Cash and cash equivalents at end of the period	$—	$—

The accompanying notes are an integral part of these financial statements.

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Notes to Financial Statements

December 31, 2003 and September 30, 2004

1. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

OpinionSurveys.com ("OS," "Business," the "Company," "management," "us," "our," or "we") is a marketing research business specializing in targeted advertising and customized primary research. Using our advanced research techniques, proprietary survey design and panel management software, we specifically target groups to deliver customized research solutions to our clients.

OS is a business of The Dohring Company, Inc., ("TDC") a California corporation incorporated in May 2002 for the purposes of acquiring all the assets and liabilities of TDC Research, Inc. TDC also conducts business other than the OpinionSurveys.com business that operates under common management. Broadly, these are TDC's automotive business ("Automotive"), a customized research business focusing exclusively on the automotive industry, and Your Interest Only ("YIO"), single use e-mail offers directed to substantially the same base of panelists that serve OS. OS shares staff, facilities, equipment and other resources with the other business activities of TDC.

The accompanying statement of net assets as of December 31, 2003 and September 30, 2004 (unaudited) and the statement of operations and cash flows for the year ended December 31, 2003 and the nine months ended September 30, 2004 (unaudited) have been prepared for the purpose of complying with the Rule 3-05 of Regulation S-X.

The following accounting policies were used in preparation of the OS financial statements:

Statement of Net Assets

Accounts receivable attributable to OS was specifically identified by TDC as well as the related allowance for doubtful accounts.

Prepaid expenses and property and equipment attributable to OS were specifically identified by the Company.

Accounts payable and accrued expenses attributable to OS were specifically identified where possible and the remaining balance was allocated based on estimates consistent with those determined in the allocation of operating expenses below.

Distributions to TDC represent a transfer between TDC and OS. TDC retains the cash generated by OS's business and allocates expenses that are common to the TDC businesses against this cash balance. Expenses deducted from OS's cash balance are based on expenses that are directly attributable to OS's business and include apportionments, estimates and judgments of operating costs as determined in "Statement of Operations" below, where necessary.

Statement of Operations

The statement of operations includes only those revenues, costs and expenses directly related to the business of OS.

Revenues attributable to OS were specifically identified by TDC through an analysis of contracts specific to OS.

Direct expenses include list acquisition costs and payroll expense. List acquisition costs are directly identifiable between (i) Automotive and (ii) OS/YIO. Costs to OS and YIO are allocated based on a percentage of their respective combined revenue. Payroll expense is allocated based on a percentage of revenue of OS as compared to TDC as a whole. The use of these allocation methodologies necessarily

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involved estimates and judgments; management believes the allocation methodologies and resulting percentages represent a reasonable and appropriate approach to allocating such direct expenses.

With the exception of bad debt expense, which is directly identifiable to each respective business, and, certain executive payroll expenses, which were allocated to OS based on a percentage of revenue of OS as compared to TDC as a whole, all indirect costs such as payroll, marketing, rent, professional services, insurance and general and administrative costs were allocated in two steps. Those

indirect costs that were identifiable to Automotive were allocated to Automotive, and the remaining portion was allocated amongst OS and YIO based on a percentage of their respective combined revenue. Management believes the allocation methodologies and resulting percentages represent a reasonable and appropriate approach to allocating such direct expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. In addition to the use of estimates described in "Basis of Presentation" above, other estimates relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Revenue Recognition

OS recognizes revenue when: (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services rendered; (3) the fee is fixed and determinable; and (4) collectibility is reasonably assured. Generally, these criteria are met at the time service is delivered. Provisions are made for estimated billing adjustments that occur subsequent to period end based on the Company's historical trends. Customer contracts are generally for an indefinite period of time, for which OS delivers monthly or daily data files to the customer. Customers are billed monthly based on the number of valid panelists ("click-throughs") delivered to the customer during the period, at which time OS recognizes revenue.

Cash received in advance of delivery are recorded as deferred revenue. As of December 31, 2003 and September 30, 2004, the deferred revenue balance was $61,500 and $261,500, respectively. As of December 31, 2003, the balance related to an initial payment received in August 2003 for a research project being performed for an automotive customer. Upon completion of the project OS will provide the automotive customer with the final survey results; however, as of September 30, 2004, the project had not been completed, therefore, the performance criteria to recognize this project as revenue have not been met. As of September 30, 2004, in addition to the payment received in August 2003, the balance consisted of a $200,000 payment received from Greenfield Online, Inc. in June 2004, representing an advance for the use of the OS panel. In accordance with a service agreement signed by the two parties, OS was required to provide Greenfield Online, Inc. with access to their Internet-based panel in order to conduct online research studies.

Fair Value of Financial Instruments

OS considers the face value of financial instruments included in the financial statements to approximate their fair value due to the relatively short period of time between the origination and realization of such instruments and the fact that their interest rates approximate current market rates. Financial instruments primarily consist of accounts receivable, prepaid expenses, accounts payable and accrued expenses.

Property and Equipment

OS depreciates its assets over their estimated useful lives. The estimated useful lives range from: 3 to 5 years for equipment; 3 years for software; 7 years for furniture and fixtures; and the shorter of the

estimated useful life of the related asset or the life of the lease for leasehold improvements. Property and equipment are carried at historical cost and are depreciated using the straight-line method. Repairs and maintenance accounts are expensed as incurred.

Income Taxes

TDC elected to be taxed under the provisions of Subchapter "S" of the Internal Revenue Code by unanimous consent of its shareholders. Under those provisions, a corporation does not pay federal corporate income taxes on its taxable income and pays California state franchise taxes of 1.5% of taxable income. Therefore, no federal or state tax provision is included in these financial statements.

Panel Acquisition Costs

Cost associated with establishing and maintaining panels of potential survey respondents, including list acquisition costs, are expensed as incurred. These costs include payments to third parties who source panelists from their database and websites.

In August 2004, TDC entered into an agreement to sell the OS business, which represented a database of approximately 4,000,000 distinct email addresses related to OS (the "Panel"). In addition to the Panel, as part of the proposed sale, the assets sold included all of OS's right, title and interest in its domain names and intellectual property. All other assets and any and all liabilities associated with the business have been excluded from the purchase.

On October 21, 2004, TDC completed the sale of the OS business for a total purchase price of $3,000,000 in cash.

3. Concentration of Credit Risk

Financial instruments which potentially subject OS to concentrations of credit risk, consist principally of trade accounts receivable. OS periodically reviews its accounts receivable for collectibility and provides for an allowance for doubtful accounts to the extent that amounts are not expected to be collected. For the year ended December 31, 2003 and the nine months ended September 30, 2004 there were two and three customers, respectively, that represented greater than 10% of the total accounts receivable balances. As of December 31, 2003, Capella Interactive accounted for approximately 30% of accounts receivable and 7% of net revenues and Venture Direct Worldwide accounted for approximately 12% of accounts receivable and 12% of net revenues. As of September 30, 2004, Webclients accounted for approximately 19% of accounts receivable and 15% of net revenues, Venture Direct Worldwide accounted for approximately 16% of accounts receivable and 26% of net revenues and MetaReward accounted for approximately 16% of accounts receivable and 13% of net revenues.

4. Related Party Transactions

OS utilizes the services of management and employees of TDC. The cost of those services was allocated to OS by multiplying the percentage that OS revenues represent of total TDC revenues, by TDC's total payroll costs; or by estimating the percentage of time spent on OS business by each member of management and each TDC employee, and multiplying that percentage by the total payroll cost for each individual. Refer

to discussion in Note 1 under "Statement of Operations." The amounts and income statement classification of the payroll costs allocated to OS are as follows:

	December 31, 2003	September 30, 2004 (Unaudited)
Cost of revenues	$23,704	$15,641
Sales and marketing	69,076	35,875
General and administrative	117,809	95,649
	$210,589	$147,165

OS utilizes the services of the management and employees of a company that has an affiliation with TDC which was allocated to OS in the same proportion as OS revenues bear to total TDC revenues, and totaled $46,766 for 2003.

The OS website is hosted on TDC servers. A portion of the cost of operating the servers, including depreciation, was allocated to OS. The cost was allocated to OS in the same proportion as OS revenues bear to total TDC revenues.

OS utilizes the banking and credit facilities of TDC. TDC maintains a $250,000 bank line of credit, collateralized by all of TDC's assets. Interest is set at 1.5% over prime. At December 31, 2003, there was no balance drawn on the credit line, and there were no amounts due.

5. Accounts Receivable

Accounts receivable are stated net of allowances for doubtful accounts of $19,469 as of December 31, 2003 and $29,842 (unaudited) as of September 30, 2004.

6. Property and Equipment

Property and equipment at December 31, 2003 and September 30, 2004 consists of the following:

	December 31, 2003	September 30, 2004 (Unaudited)
Computer equipment	$9,207	$9,207
Software	26,165	26,165
	35,372	35,372
Accumulated depreciation	(29,080)	(31,354)
Property, plant and equipment, net	$6,292	$4,018

Depreciation expense for the year ended December 31, 2003 and the nine months ended September 30, 2004 was $2,700 and $2,274 (unaudited), respectively.

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NOTES TO FINANCIAL STATEMENTS — (Continued)

7. Accrued Expenses

Accrued expenses at December 31, 2003 and September 30, 2004 consists of the following:

	December 31, 2003	September 30, 2004 (Unaudited)
Accrued payroll	$1,445	$8,285
Accrued list acquisitions costs	—	7,801
	$1,445	$16,086

8. Commitments and Contingencies

Lease Commitments and Obligations

As of December 31, 2003 and September 30, 2004, there were no future minimum annual lease payments under capital leases and noncancelable operating leases related to OS as all leases are maintained by TDC.

Rental expenses on operating leases allocated to OS by TDC amounted to approximately $7,956 and $8,558 (unaudited) for the year ended December 31, 2003 and the nine months ended September 30, 2004, respectively.

Legal Contingencies

From time to time, in the ordinary course of business, OS is subject to legal proceedings. While it is impossible to determine the ultimate outcomes of such matters, it is management's opinion that the resolution of any pending issues will not have a material adverse effect on the consolidated net assets, cash flows or results of operations of OS.

Unaudited Pro Forma Financial Information

The following unaudited pro forma consolidated statements of income for the year ended December 31, 2003 and the nine months ended September 30, 2004 as well as the unaudited pro forma consolidated balance sheet as of September 30, 2004 were prepared to illustrate the estimated effects of the acquisition of the OpinionSurveys.com business. The unaudited pro forma consolidated statements of income assume that this acquisition occurred at January 1, 2003. The unaudited pro forma consolidated balance sheet assumes that the acquisition occurred on September 30, 2004.

The unaudited pro forma financial information presented is derived from the audited financial statements of Greenfield as of and for the year ended December 31, 2003 and the unaudited financial statements for the nine months ended September 30, 2004. The unaudited pro forma financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements of Greenfield, including the notes thereto, appearing

elsewhere in this prospectus. The unaudited pro forma financial information does not purport to be indicative of the results of operations or financial condition that would have been reported had the events occurred on the dates indicated, nor does it purport to be indicative of the results of operations, or financial condition that may be achieved in the future.

The Company completed the purchase of certain assets relating to the OpinionSurveys.com's Internet-based panel members from The Dohring Company for a total purchase price of $3.0 million in cash. The assets acquired by the Company include the complete OpinionSurveys.com panel, certain profile information contained in its database, title to the domain names "OpinionSurveys.com" and "OpinionSurvey.com", as well as certain intellectual property associated with the OpinionSurveys.com panel. Therefore, for each of the periods presented, the unaudited pro forma financial information presented herein gives effect to the acquisition of these assets from The Dohring Company and the reduction in cash utilized to purchase these assets. These pro forma financial statements assume no additional borrowings by the Company to effect this purchase, as the Company had sufficient cash on hand at September 30, 2004.

GREENFIELD ONLINE, INC.

Pro Forma Consolidated Balance Sheets

($ in thousands, except share data)

(Unaudited)

	As of September 30, 2004			
	Greenfield Historical	Opinion-Surveys Historical	Adjustments	Pro Forma
ASSETS				
Current assets:				
Cash and cash equivalents	$38,431	$—	$(2,800) (a)	$35,631
Accounts receivable trade	8,403	103	(103) (b)	8,403
Prepaid expenses and other current assets	1,467	56	(256) (b)	1,267
Total current assets	48,301	159	(3,159)	45,301
Property and equipment, net	3,872	4	(4) (c)	3,872
Other intangible assets, net	262	—	3,000 (d)	3,262
Security deposits	873	—	—	873
Other long term assets	34	—	—	34
Total assets	$53,342	$163	$(163)	$53,342
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current liabilities:				
Accounts payable	$2,538	$75	$(75) (e)	$2,538
Accrued expenses and other current liabilities	4,417	16	(16) (e)	4,417
Current portion of capital lease obligations	1,120	—	—	1,120
Deferred revenues	371	262	(262) (e)	371
Total current liabilities	8,446	353	(353)	8,446
Capital lease obligations	914	—	—	914
Other long-term liabilities	23	—	—	23
Total liabilities	9,383	353	(353)	9,383
Commitments and contingencies				
Stockholders' equity:				

Common stock; par value $0.0001 per share; 100,000,000 shares authorized; 16,471,435 shares issued and outstanding	2	—	—		2
Additional paid-in capital	128,186	—	—		128,186
Accumulated deficit	(81,094)	(190)	190	(f)	(81,094)
Unearned stock-based compensation	(3,004)	—	—		(3,004)
Treasury stock at cost	(131)	—	—		(131)
Total stockholders' equity	43,959	(190)	190		43,959
Total liabilities and stockholders' equity	$53,342	$163	$(163)		$53,342

(a)	Adjustment reflects the reduction of $3,000 in cash, net of an offsetting payment of $200 that we made prior to September 30, 2004, in connection with a separate service agreement (the "Service Payment") utilized to acquire the OpinionSurveys panel members, domain names and a service mark.
(b)	Adjustment reflects the exclusion of the OpinionSurveys accounts receivable of $103, prepaid expenses of $56 from the pro forma accounts receivable because the Company did not purchase these assets in the acquisition, and the $200 Service Payment.
(c)	Adjustment reflects the exclusion of the OpinionSurveys property and equipment of $4 from the pro forma property and equipment because the Company did not purchase these assets in the acquisition.
(d)	Adjustment reflects the addition of intangible assets related to the OpinionSurveys panel of $2,680 and domain names and a service mark of $320.
(e)	Adjustment reflects the exclusion of the OpinionSurveys accounts payable, accrued expenses and deferred revenues of $75, $16 and $262, respectively because the Company did not acquire these liabilities in the acquisition. The $262 in deferred revenues includes the $200 Service Payment.
(f)	Adjustment reflects the exclusion of the OpinionSurveys deficit of $190 from the pro forma equity of the Company, reflecting the adjustments described above.

GREENFIELD ONLINE, INC.

Pro Forma Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Year Ended December 31, 2003				
		Opinion-			
	Greenfield	**Surveys**			**Pro**
	Historical	**Historical**	**Adjustments**		**Forma**
Net revenues	$25,868	$522	$(522)	(a)	$25,868
Cost of revenues (excluding depreciation shown below)	8,884	24	(552)	(b)	8,356
Gross profit	16,984	498	30		17,512
Operating expenses:					
Selling, general and administrative	12,127	338	(338)	(c)	12,127
Panel acquisition expenses	1,421	—	(23)	(d)	1,398
Depreciation and amortization	1,113	—	702	(e)	1,815
Research and development	626	—	—		626
Total operating expenses	15,287	338	341		15,966
Operating income	1,697	160	(311)		1,546
Other income (expense):					
Interest expense, net	(440)	—	—		(440)
Related party interest expense, net	(55)	—	—		(55)
Other income, net	596	—	—		596
Total other income (expense)	101	—	—		101

Income before income taxes	1,798	160	(311)	1,647
Provision for income taxes	150	—	(13)(f)	137
Net income	1,648	160	(298)	1,510
Less: Accretion of Series C-2 redeemable preferred stock dividends	(63)	—	—	(63)
Cumulative dividends on Series B convertible preferred stock	(673)	—	—	(673)
Income allocable to participating preferred securities	(761)	—	—	(761)
Net income (loss) available to common stockholders	$151	$160	$(298)	$13
Net income (loss) per share available to common stockholders:				
Basic	$0.07	$0.08	$(0.15)	$0.01
Diluted	$0.06	$0.07	$(0.15)	$0.01
Weighted average shares outstanding:				
Basic	2,054	2,054	2,054	2,054
Diluted	2,347	2,347	2,347	2,347

(a)	Adjustment reflects the exclusion of the OpinionSurveys revenues of $522 from the pro forma revenues of the Company because these revenues were not acquired in connection with this transaction.
(b)	Adjustment reflects the exclusion of the OpinionSurveys costs of $24 from the pro forma cost of revenues of the Company because these costs were not acquired in connection with this transaction and the anticipated reduction of our outside sample costs of $314 and MSN survey fees of $214, which savings would result from the use of the additional OpinionSurveys.com panel members expected to respond to our surveys.
(c)	Adjustment reflects the exclusion of the OpinionSurveys costs of $338 from the pro forma selling, general and administrative expenses because the Company did not acquire these costs in connection with this transaction, and would not require any additional selling, general and administrative costs as a result of this transaction.
(d)	Adjustment reflects the reduction of $23 from panel recruitment costs, as the additional OpinionSurveys.com panelists are expected to replace some of the Company's need to recruit additional panelists, however, because the Company had a minimum commitment agreement with MSN, the savings would have been diminished during 2003.
(e)	Adjustment reflects the increase in amortization of intangible assets acquired, consisting of panel members valued at $2,680, and domain names and a service mark valued at $320.
(f)	Adjustment reflects the additional tax provision that would be required based on an effective tax rate of 8.3%.

GREENFIELD ONLINE, INC.

Pro Forma Consolidated Statements of Operations

(In thousands, except per share data)

(Unaudited)

	Nine Months Ended September 30, 2004			
		Opinion-		
	Greenfield	**Surveys**		**Pro**
	Historical	**Historical**	**Adjustments**	**Forma**
Net revenues	$30,867	$476	$(476)(a)	$30,867
Cost of revenues (excluding depreciation shown below)	7,508	44	(853)(b)	6,699
Gross profit	23,359	432	377	24,168
Operating expenses:				
Selling, general and administrative	15,247	230	(230)(c)	15,247
Panel acquisition expenses	1,771	—	(988)(d)	783
Depreciation and amortization	851	—	527 (e)	1,378
Research and development	789	—	—	789

Total operating expenses	18,658	230	(691)	18,197
Operating income	4,701	202	1,068	5,971
Other expense:				
Interest expense, net	(94)	—	—	(94)
Related party interest expense, net	(1,093)	—	—	(1,093)
Other income expense, net	(26)	—	—	(26)
Total other expense	(1,213)	—	—	(1,213)
Income before income taxes	3,488	202	1,068	4,758
Provision for income taxes	193	—	70 (f)	263
Net income	3,295	202	998	4,495
Less: Charge to common stockholders for Series B convertible preferred stock	(28,054)	—	—	(28,054)
Cumulative dividends on Series B convertible preferred stock	(382)	—	—	(382)
Income allocable to participating preferred securities	(1,564)	—	—	(1,564)
Net income (loss) available to common stockholders	$(26,705)	$202	$998	$(25,505)
Net income (loss) per share available to common stockholders:				
Basic	$(4.39)	$0.03	$0.16	$(4.19)
Diluted	$(4.39)	$0.03	$0.15	$(4.19)
Weighted average shares outstanding:				
Basic	6,084	6,084	6,084	6,084
Diluted	6,799	6,799	6,799	6,799

(a)	Adjustment reflects the exclusion of the OpinionSurveys revenues of $476 from the pro forma revenues of the Company because these revenues were not acquired in connection with this transaction.
(b)	Adjustment reflects the exclusion of the OpinionSurveys costs of $44 from the pro forma cost of revenues of the Company because these costs were not acquired in connection with this transaction and the anticipated reduction of our outside sample costs of $176 and MSN survey fees of $633, which savings would result from the use of the additional OpinionSurveys.com panel members expected to respond to our surveys.
(c)	Adjustment reflects the exclusion of the OpinionSurveys costs of $230 from the pro forma selling, general and administrative expenses because the Company did not acquire these costs in connection with this transaction, and would not require any additional selling, general and administrative costs as a result of this transaction.
(d)	Adjustment reflects the reduction of $988 from panel recruitment costs, as the additional OpinionSurveys panelists are expected to replace some of the Company's need to recruit additional panelists.
(e)	Adjustment reflects the increase in amortization of intangible assets acquired, consisting of the panel members valued at $2,680, and domain names and a service mark valued at $320.
(f)	Adjustment reflects the additional tax provision that would be required based on an effective tax rate of 5.5%.

PAGEBREAK

6,000,000 Shares

Common Stock

PROSPECTUS

, 2004

Lehman Brothers

Piper Jaffray

Friedman Billings Ramsey

Adams Harkness

Pacific Growth Equities, Llc

PAGEBREAK

Part Ii

Information Not Required in the Prospectus

Item 13. ***Other Expenses of Issuance and Distribution***

The following table sets forth the costs and expenses, other than underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts are estimates except the SEC registration fee and the NASD filing fee. We will pay all these expenses.

	Amount to be Paid
SEC Registration Fee	$17,476
NASD Filing Fee	14,293
Printing Fees and Expenses	150,000
Legal Fees and Expenses	300,000
Accounting Fees and Expenses	300,000
Blue Sky Fees and Expenses	5,000
Transfer Agent and Registrar Fees	20,000
Miscellaneous	300,000
Total	$1,106,769

Item 14. ***Indemnification of Directors and Officers***

As permitted by Section 145 of the Delaware General Corporation Law, our certificate of incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of their fiduciary duty as directors. In addition, as permitted by Section 145 of the Delaware General Corporation Law, our bylaws provide that: (1) we are required to indemnify our directors and officers for serving us in those capacities or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law, including in those circumstances in which indemnification would otherwise be discretionary; (2) we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is not required by law; (3) we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such director or officer shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification; (4) we will not be obligated pursuant to the bylaws to indemnify a person with respect to proceedings initiated by that person, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification; (5) the rights conferred in the bylaws are not exclusive, and we are authorized to enter into indemnification agreements with its

directors, officers, employees and agents and to obtain insurance to indemnify such persons; and (6) we may not retroactively amend the bylaw provisions to reduce its indemnification obligations to directors, officers, employees and agents in these matters arising prior to such time.

Our policy is to enter into indemnification agreements with each of our directors and executive officers that provide the maximum indemnity allowed to directors and executive officers by Section 145 of the Delaware General Corporation Law and the bylaws, as well as certain additional procedural protections. We have also obtained directors and officers insurance to insure such persons against certain liabilities. In addition, the underwriting agreement for this offering contains provisions indemnifying our directors and officers against certain liabilities.

Item 15. *Recent Sales of Unregistered Securities*

Since November 2001, we have issued and sold the following unregistered securities. The following information is not adjusted to reflect the one-for-14 reverse split of our common stock that was effected on July 7, 2004.

December 2002 Recapitalization

In December 2002, we underwent a change in our capital structure (the "Recapitalization"), which resulted in the issuance and sale of three newly created classes of preferred stock. These new classes of preferred stock were designated the Series B Convertible Participating Preferred Stock ("Series B Preferred Stock"), the Series C-1 Convertible Participating Preferred Stock ("Series C-1 Preferred Stock"), and the Series C-2 Redeemable Non-Voting Preferred Stock ("Series C-2 Preferred Stock"). As part of the Recapitalization, we also converted the outstanding Class A and Class B common stock into a new single class of common stock and then effected a reverse stock split on the resulting new single class of common stock. Additionally, we issued shares of our common stock to certain members of our management and an independent member of our board of directors.

Series C-1 Preferred Stock. We offered the Series C-1 Preferred to all holders of our Series A Preferred Stock. The aggregate number of shares of our Series C-1 Preferred Stock issued and sold in the Recapitalization was 74,627,182 for an aggregate offering price of $4,564,778, which was payable in cash or through the conversion of existing principal and accrued interest due under promissory notes issued by us and held by holders of our Series A Preferred Stock. Outstanding shares of out Series C-1 Preferred Stock were convertible at the option of the holder into shares of our common stock at a set conversion ratio.

Series C-2 Preferred Stock. We issued and sold 10,000 shares of our Series C-2 Preferred Stock to Imprimis SB, L.P. ("Imprimis") in exchange for the cancellation of a promissory note held by Imprimis in an aggregate amount of $2,052,267.

Series B Preferred Stock. We issued and sold 30,211,595 shares of our Series B Preferred Stock in exchange for the cancellation of certain promissory notes in an aggregate amount of $16,827,835. In connection with the Recapitalization, one of our stockholders, Greenfield Holdings, LLC ("Greenfield Holdings"), dissolved and distributed to its members their pro rata percentage interest of the promissory notes that we had issued to Greenfield Holdings (the "Greenfield Holdings Notes"). In the Recapitalization, each of the members of Greenfield Holdings, other than Imprimis, exchanged their portion of the Greenfield Holdings notes for shares of our Series B Preferred Stock. Imprimis exchanged its portion of the Greenfield Holdings Notes for Series C-2 Preferred Stock as described above. Outstanding shares of the Series B Preferred Stock were convertible at the option of the holder into shares of our common stock at a set conversion ratio.

Restricted Shares

We issued and sold 1,105,750 shares of our common stock to certain members of our management team and one independent director (the "Restricted Shares") as consideration for services rendered and services to be rendered. The Restricted Shares were issued to Dean A. Wiltse, Robert E. Bies, Hugh O. Davis, Jonathan A. Flatow and Joel R. Mesznik. The Restricted Shares were sold for par value, $0.0001 per share, and, for the members of management, were restricted stock subject to a vesting schedule, which would accelerate upon satisfaction of certain conditions.

Reverse Stock-Split

In connection with the Recapitalization, our Class A Common Stock and Class B Common Stock were converted into one share of a new class of our common stock. Additionally, we effected a reverse stock-split such that for each one outstanding share of common stock held by a stockholder prior to the reverse stock-split, such stockholder would hold 0.41987 new shares of our common stock after the reverse stock split.

Exemption From Registration

The sales of the Series B Preferred Stock, Series C-1 Preferred Stock, Series C-2 Preferred Stock and Restricted Shares were exempt from registration under Section 4(2) of the Securities Act or Regulation D promulgated thereunder as transactions by an issuer not involving a public offering. All recipients were either accredited or sophisticated investors, as those terms are defined in the Securities Act and the regulations promulgated thereunder. The recipients of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and other instruments issued in such transactions. All recipients either received adequate information about us or had access, through employment or other relationships, to such information. The securities issued in connection with the reverse stock-split were exempt from registration in reliance on Section 3(a)(9) of the Securities Act as exchanges by the issuer with existing security holders, where no commissions or other payments were made for soliciting such exchange.

Item 16. ***Exhibits and Financial Statement Schedules***

(a) The following exhibits are filed herewith:

Exhibit Number		Exhibit Description
1.1†	—	Form of Underwriting Agreement.
2.1*	—	Asset Purchase Agreement, dated August 18, 2004, by and among The Dohring Company, Doug C. Dohring and Greenfield Online, Inc.
3.1**	—	Amended and Restated Certificate of Incorporation.
3.2**	—	Amended and Restated Bylaws.
4.1**	—	Form of Common Stock Certificate of Greenfield Online, Inc.
4.2**	—	Amended and Restated Registration Rights Agreement, dated as of December 16, 2002, by and among Greenfield Online, Inc. and the stockholders listed therein.
4.3**	—	Registration Rights Agreement, dated August 9, 2001, by and between Silicon Valley Bank and Greenfield Online, Inc.
4.4**	—	Registration Rights Agreement, dated December 13, 1999, by and between Greyrock Capital and Greenfield Online, Inc.
5.1	—	Opinion of Preston Gates & Ellis LLP.
10.1**	—	Form of Indemnification Agreement.
10.2**	—	Amended and Restated 1999 Stock Option Plan.
10.3**	—	2004 Equity Incentive Plan.
10.4**	—	2004 Employee Stock Purchase Plan.
10.5**	—	Form of Stock Option Agreement under Amended and Restated 1999 Stock Option Plan.
10.6**	—	Form of Stock Option Agreement under 2004 Equity Incentive Plan.
10.7**	—	Restricted Stock Agreement, dated December 16, 2002, by and between Dean A. Wiltse and Greenfield Online, Inc. and an amendment thereto.
10.8**	—	Restricted Stock Agreement, dated December 16, 2002, by and between Robert E. Bies and Greenfield Online, Inc. and an amendment thereto.
10.9**	—	Restricted Stock Agreement, dated December 16, 2002, by and between Jonathan A. Flatow and Greenfield Online, Inc. and an amendment thereto.
10.10**	—	Restricted Stock Agreement, dated December 16, 2002, by and between Hugh O. Davis and Greenfield Online, Inc. and an amendment thereto.
10.11**	—	Restricted Stock Agreement, dated December 16, 2002, by and between Joel R. Mesznik and Greenfield Online, Inc.
10.12**	—	License Agreement, dated December 22, 1999, by and between Greenfield Consulting Group, Inc. and Greenfield Online, Inc. and an amendment and supplement thereto.
10.13**	—	Note and Warrant Purchase Agreement, dated March 3, 2000, by and between Greenfield Holdings, LLC and Greenfield Online, Inc. and an amendment thereto.
10.14**	—	Form of Warrant to purchase common stock of Greenfield Online, Inc.
10.15**	—	Non-Recourse Promissory Note, dated May 17, 1999, made by Hugh O. Davis in favor of Greenfield Online, Inc.

Exhibit Number		Exhibit Description
10.16**	—	Full Recourse Promissory Note, dated March 9, 2001, made by Hugh O. Davis in favor of Greenfield Online, Inc.
10.17**	—	Pledge Agreement, dated May 17, 1999, by and between Hugh O. Davis and Greenfield Online, Inc. and an amendment thereto.
10.18**	—	Warrant for the purchase of shares of Class A Common Stock, dated December 3, 1999, issued by Greenfield Online, Inc. to Greyrock Capital.
10.19**	—	Warrant for the purchase of shares of Class A Common Stock, dated August 9, 2001, issued by Greenfield Online, Inc. to Silicon Valley Bank.
10.20**	—	Accounts Receivable Financing Agreement, dated August 9, 2001, by and between Silicon Valley Bank and Greenfield Online, Inc. and amendments thereto.
10.21**	—	Lease, dated October 20, 1999, by and between Wilton Campus Properties, LLC and Greenfield Online, Inc.

10.22**	—	Agreement to Lease, dated July 19, 2003, by and between Tafsir Ahmad, Tanweer Ahmad, Saeed Ahmad, Salman Ahmad, and Shadab Ahmad (lessors) and M/s Agilis Information Technologies International Private Limited.
10.23**	—	Agreement to Lease, dated March 3, 2004, by and between M/s Unitech Business Parks Limited and M/s Greenfield Online PVT. Ltd.
10.24**	—	Lease Agreement, dated September 15, 1999, by and between Somerset Capital Group Ltd and Greenfield Online, Inc.
10.25††**	—	FieldSource Agreement, dated October 31, 2001, by and between Custom Research Inc. and Greenfield Online, Inc. and an amendment thereto.
10.26††**	—	Enterprise User License Agreement, dated October 21, 2002, by and between Future Information Research Management, Inc. and Greenfield Online, Inc. and an addendum thereto.
10.27††**	—	Commercial Agreement, dated November 28, 2001, by and between Microsoft Corporation and Greenfield Online, Inc. and amendments thereto.
10.28††**	—	Alliance, License and Supply Agreement, dated January 31, 2002, by and between Taylor Nelson Sofres Intersearch Corporation and Greenfield Online, Inc. and amendments thereto.
10.29**	—	Form of Partnering Agreement of Greenfield Online, Inc.
10.30**	—	Amended and Restated Employment Agreement, by and between Dean A. Wiltse and Greenfield Online, Inc.
10.31**	—	Amended and Restated Employment Agreement, by and between Robert E. Bies and Greenfield Online, Inc.
10.32**	—	Amended and Restated Employment Agreement, by and between Jonathan A. Flatow and Greenfield Online, Inc.
10.33**	—	Amended and Restated Employment Agreement, by and between Hugh Davis and Greenfield Online, Inc.
10.34**	—	Employment Agreement, by and between Keith Price and Greenfield Online, Inc.
10.35**	—	Employment Agreement, dated December 10, 2003, by and between Frank Kelly and Greenfield Online, Inc.
10.36**	—	Employment Agreement, dated February 5, 2004, by and between Beth Rounds and Greenfield Online, Inc.
10.37***	—	Sixth Loan Modification Agreement, dated July 15, 2004, by and between Silicon Valley Bank and Greenfield Online, Inc.
10.38****	—	Amendment No. 7 dated October 15, 2004 to Accounts Receivable Financing Agreement, dated August 9, 2001, by and between Silicon Valley Bank and Greenfield Online, Inc.
21.1**	—	List of Subsidiaries of Greenfield Online, Inc.
23.1	—	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.

Exhibit Number		Exhibit Description
23.2	—	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.3	—	Consent of Preston Gates & Ellis LLP (included in Exhibit 5.1).
24.1	—	Power of Attorney (set forth on signature page to this Registration Statement).

*	Incorporated by reference to the exhibit of same number filed with our current report on Form 8-K filed with the SEC on October 22, 2004.
**	Incorporated by reference to the exhibit of same number filed with our Registration Statement on Form S-1 (File No. 333-114391).
***	Incorporated by reference to the exhibit of same number filed with our quarterly report on Form 10-Q filed with the SEC on August 27, 2004.
****	Incorporated by reference to the exhibit of same number filed with our quarterly report on Form 10-Q filed with the SEC on November 4, 2004.

† To be filed by amendment.

†† Certain information in these exhibits has been omitted and filed separately with the Securities and Exchange Commission pursuant to a confidential treatment request under 17 C.F.R. Sections 200.80(b)(4), 200.83 and 230.406.

(b) Financial Statement Schedules All schedules other than the Valuation and Qualifying Accounts schedule provided below have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

ON

Financial Statement Schedules

To the Board of Directors and stockholders of Greenfield Online, Inc.:

Our audits of the consolidated financial statements referred to in our report dated April 6, 2004 also included an audit of the financial statement schedules listed in Item 16(b) of this Form S-1. In our opinion, these financial statement schedules present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ PricewaterhouseCoopers LLP

Stamford, Connecticut April 6, 2004

Schedule Ii

Greenfield Online, Inc

Valuation and Qualifying Accounts

	Balance at Beginning of Period	Charged to Costs and Expenses	Charged to Other Accounts	Deduction	Balance at End of Period
	(In thousands)				
Year ended December 31, 2001					
Allowance for doubtful accounts (deducted from accounts receivable)	$246	$366		$(517) (1)	$95
Allowance for customer credits (deducted from accounts receivable)	$—	$52		$(52)	$—
Valuation allowance for deferred tax asset	$15	$6			$21
Year ended December 31, 2002					
Allowance for doubtful accounts (deducted from accounts receivable)	$95	$6		$(5)	$96
Allowance for customer credits (deducted from accounts receivable)	$—	$218		$(90) (3)	$128
Valuation allowance for deferred tax Asset	$21	$2			$23
Year ended December 31, 2003					
Allowance for doubtful accounts (deducted from accounts receivable)	$96	$(6)			$90
Allowance for customer credits (deducted from accounts receivable)	$128	$346		$(345) (2)	$129
Valuation allowance for deferred tax Asset	$23				$23

(1) The decrease in the allowance for doubtful accounts for the year ended December 31, 2001 resulted from write-offs of $517,000 including one large customer, which amounted to $307,000.

(2) The decrease in the allowance for customer credits for the year ended December 31, 2003 resulted from customers utilizing discounts associated with volume rebates, including one large customer, which accounted for approximately $102,000, and cash discounts, which accounted for approximately $127,000.

(3) The decrease in the allowance for customer credits for the year ended December 31, 2002 resulted primarily from customers utilizing cash discounts.

Item 17. ***Undertakings***

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 14 or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be a part of this registration statement as of the time it was declared effective, and (2) for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-1 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Wilton, State of Connecticut, on the 3rd day of November, 2004.

GREENFIELD ONLINE, INC.

By:	/s/ DEAN A. WILTSE

Dean A. Wiltse *President and Chief Executive Officer*

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jonathan A. Flatow and Robert E. Bies, and each of them, his attorney-in-fact, for him in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments and abbreviated registration statements), and any and all registration statements filed pursuant to Rule 462 or Rule 429 under the Securities Act of 1933, as amended, in connection with the registration under the Securities Act of 1933, as amended, of equity securities of Greenfield Online, Inc., and to file or cause to be filed the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys-in-fact, or their substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement on Form S-1 has been signed by the following persons in the capacities indicated on November 3, 2004.

Signature	Title
/s/ DEAN A. WILTSE Dean A. Wiltse	President and Chief Executive Officer, Director (Principal Executive Officer)
/s/ ROBERT E. BIES Robert E. Bies	Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
/s/ PETER SOBILOFF Peter Sobiloff	Director
/s/ JOEL R. MESZNIK Joel R. Mesznik	Director
/s/ LAWRENCE R. HANDEN Lawrence R. Handen	Director
/s/ BURTON J. MANNING Burton J. Manning	Director

Signature	Title
/s/ LISE J. BUYER Lise J. Buyer	Director
/s/ VIKAS KAPOOR Vikas Kapoor	Director

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