

COMSCORE, INC.  
Form S-1/A  
May 08, 2007

As filed with the Securities and Exchange Commission on May 8, 2007

Registration No. 333-141740

**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**Amendment No. 1  
to  
FORM S-1  
REGISTRATION STATEMENT  
Under  
The Securities Act of 1933**

**COMSCORE, INC.**

*(Exact name of Registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
incorporation or organization)*

**7389**

*(Primary Standard Industrial  
Classification Code Number)*

**54-19555550**

*(I.R.S. Employer  
Identification Number)*

**11465 Sunset Hills Road  
Suite 200  
Reston, Virginia 20190  
(703) 438-2000**

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

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**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.

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.

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.

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.

**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.**

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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 jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 8, 2007  
PRELIMINARY PROSPECTUS

Shares

Common Stock

Prior to this offering, there has been no public market for our common stock. The initial public offering price of the common stock is expected to be between \$      and \$      per share. We have applied to list our common stock on The NASDAQ Global Market under the symbol    SCOR.

We are selling      shares of common stock and the selling stockholders are selling      shares of common stock. We will not receive any of the proceeds from the shares of common stock sold by the selling stockholders.

The underwriters have an option to purchase a maximum of      additional shares from us and the selling stockholders to cover over-allotments of shares. The underwriters can exercise this right at any time within 30 days from the date of this prospectus.

**Investing in our common stock involves risks. See Risk Factors on page 8.**

	Price to Public	Underwriting Discounts and Commissions	Proceeds to comScore	Proceeds to Selling Stockholders
Per Share	\$	\$	\$	\$
Total	\$	\$	\$	\$

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

Delivery of the shares of common stock will be made on or about      , 2007.

**Credit Suisse**

**Deutsche Bank Securities**

William Blair & Company

Friedman Billings Ramsey

Jefferies & Company

The date of this prospectus is \_\_\_\_\_, 2007

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**You should rely only on the information contained in this document or to which we have referred you. We have not authorized anyone to provide you with information that is different. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.**

**Dealer Prospectus Delivery Obligation**

**Until , 2007 (25 days after the commencement of this offering) all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.**

**comScore , Media Metrix and MyMetrix are registered trademarks in the U.S. and several other countries. Our unregistered trademarks and service marks include: Ad Metrix , Campaign R/F , Campaign Metrix , comScore Marketing Solutions , Marketing Solutions , Plan Metrix , qSearch , Video Metrix and World Metrix .**

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## PROSPECTUS SUMMARY

*This summary highlights information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before buying shares in this offering. Therefore, you should read this entire prospectus carefully, including the Risk Factors section beginning on page 8 and our consolidated financial statements and the related notes. Unless the context requires otherwise, the words we, us, our and comScore refer to comScore, Inc. and its consolidated subsidiaries.*

### **comScore, Inc.**

We provide a leading digital marketing intelligence platform that helps our customers make better-informed business decisions and implement more effective digital business strategies. Our products and solutions offer our customers deep insights into consumer behavior, including objective, detailed information regarding usage of their online properties and those of their competitors, coupled with information on consumer demographic characteristics, attitudes, lifestyles and offline behavior.

Our digital marketing intelligence platform is comprised of proprietary databases and a computational infrastructure that measures, analyzes and reports on digital activity. The foundation of our platform is data collected from our comScore panel of more than two million Internet users worldwide who have granted us explicit permission to confidentially measure their Internet usage patterns, online and certain offline buying behavior and other activities. By applying advanced statistical methodologies to our panel data, we project consumers' online behavior for the total online population and a wide variety of user categories.

We deliver our digital marketing intelligence through our comScore Media Metrix product family and through comScore Marketing Solutions. Media Metrix delivers digital media intelligence by providing an independent, third-party measurement of the size, behavior and characteristics of Web site and online advertising network audiences among home, work and university Internet users as well as insights into the effectiveness of online advertising. Our Marketing Solutions products combine the proprietary information gathered from the comScore panel with the vertical industry expertise of comScore analysts to deliver digital marketing intelligence, including the measurement of online advertising effectiveness, customized for specific industries. We typically deliver our Media Metrix products electronically in the form of weekly, monthly or quarterly reports. Customers can access current and historical Media Metrix data and analyze these data anytime online. Our Marketing Solutions products are typically delivered on a monthly, quarterly or ad hoc basis through electronic reports and analyses.

In 2006, we generated revenues of \$66.3 million and had cash flow from operations of \$10.9 million. We derive our revenues primarily from the fees that we charge for subscription-based products and customized projects. A significant characteristic of our business model is our large percentage of subscription-based contracts. Subscription-based revenues have grown to 75% of our total revenues in 2006. See Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this prospectus for a discussion of how we determine subscription-based revenues.

### **Our Industry**

The Internet is a global digital medium for commerce, content, advertising and communications. According to International Data Corporation, or IDC, the number of global Internet users is projected to grow from approximately 968 million in 2005 to over 1.7 billion in 2010. As the online population continues to grow, the Internet is increasingly becoming a tool for research and commerce and for distributing and consuming media.

The interactive nature of digital media on the Internet enables businesses to access a wealth of user information that was virtually unavailable through offline audience measurement and marketing intelligence techniques. Digital media provide businesses with the opportunity to measure detailed user activity, such as how users interact with Web page content; to assess how users respond to online marketing, such as which online ads users click on to pursue a transaction; and to analyze how audiences and user behavior compare

across various Web sites. This type of detailed user data can be combined with demographic, attitudinal and transactional information to develop a deeper understanding of user behavior, attributes and preferences.

We believe that the growth in the online and digital media markets for digital commerce, content, advertising and communications creates an unprecedented opportunity for businesses to acquire a deeper understanding of both their customers and their competitive market position. Businesses can use accurate, relevant and objective digital marketing intelligence to develop and validate key strategies and improve performance.

### **The comScore Digital Marketing Intelligence Platform**

We provide a leading digital marketing intelligence platform that enables our customers to devise and implement more effective digital business strategies.

Key attributes of our platform include:

*Panel of global Internet users.* Our ability to provide digital marketing intelligence is based on information continuously gathered from a broad cross-section of more than two million Internet users worldwide who have granted us explicit permission to confidentially measure their Internet usage patterns, online and certain offline buying behavior and other activities.

*Scalable technology infrastructure.* We developed our databases and computational infrastructure to support the growth in online activity among our global Internet panel and the increasing complexity of digital content formats, advertising channels and communication applications. The design of our technology infrastructure is based on distributed processing and data capture environments that allow for the collection and organization of vast amounts of data on online activity.

Benefits of our platform include:

*Advanced digital marketing intelligence.* We use our proprietary technology to compile vast amounts of data on Internet user activity and to organize that data into discrete, measurable elements that can be used to provide actionable insights to our customers.

*Objective third-party resource for digital marketing intelligence.* We are an independent company that is not affiliated with the digital businesses we measure and analyze, allowing us to serve as an objective third-party provider of digital marketing intelligence.

*Vertical industry expertise.* We have developed expertise across a variety of industries to provide digital marketing intelligence specifically tailored to the needs of our customers operating in specific industry sectors. We have dedicated personnel to address the automotive, consumer packaged goods, entertainment, financial services, media, pharmaceutical, retail, technology, telecommunications and travel industries.

*Ease of use and functionality.* The comScore digital marketing intelligence platform is designed to be easy to use by our customers. Our products are primarily available through the Internet using a standard browser; our customers do not need to install additional hardware or software to access our products.

### **Our Strategy**

Our objective is to be the leading provider of global digital marketing intelligence products. We plan to pursue our objective through internal initiatives and, potentially, through acquisitions and other investments. The principal

elements of our strategy are to:

deepen relationships with current customers;

grow our customer base;

expand our digital marketing intelligence platform;

address emerging digital media;

extend technology leadership;

build brand awareness through media exposure; and

grow internationally.

### **Risks Related to Our Business**

Our business is subject to a number of risks that you should be aware of before making an investment decision. These risks are discussed more fully in the section entitled "Risk Factors" immediately following this prospectus summary. We have a limited operating history, and we must continue to retain and attract customers. We must be able to maintain an Internet user panel of sufficient size in order to provide the quality of marketing intelligence demanded by our customers. Although we were profitable in each quarter of 2006, we were not profitable in 2005, and we had, at December 31, 2006, an accumulated deficit of \$99.5 million.

### **Company Information**

We incorporated in August 1999 in Delaware. Our principal offices are located at 11465 Sunset Hills Road, Suite 200, Reston, Virginia 20190. Our telephone number is (703) 438-2000. You can access our Web site at [www.comscore.com](http://www.comscore.com). Information contained on our Web site is not part of this prospectus and is not incorporated in this prospectus by reference.

comScore, Media Metrix and MyMetrix are registered trademarks in the U.S. and several other countries. Our unregistered trademarks and service marks include: Ad Metrix, Campaign R/F, Campaign Metrix, comScore Marketing Solutions, Marketing Solutions, Plan Metrix, qSearch, Video Metrix and World Metrix.

**The Offering**

Common stock offered by us	shares
Common stock offered by the selling stockholders	shares
Total common stock offered	shares
Common stock outstanding after this offering	shares
Use of proceeds	We intend to use the net proceeds from this offering for working capital, for capital expenditures and for other general corporate purposes. We may also use a portion of our net proceeds to fund potential acquisitions. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders. See Use of Proceeds.
Proposed NASDAQ Global Market symbol	SCOR
Risk factors	See Risk Factors and other information included in this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

The number of shares of common stock that will be outstanding after this offering is based on 108,025,682 shares outstanding as of December 31, 2006 and excludes:

13,619,700 shares of common stock issuable upon exercise of options outstanding at a weighted-average exercise price of \$0.40 per share;

5,316,147 shares of common stock reserved for future issuance under our 1999 Stock Plan;

7,000,000 shares of common stock reserved for future issuance under our 2007 Equity Incentive Plan, which will be effective upon completion of this offering;

100,000 shares of common stock issuable upon the exercise of a warrant, which warrant shall terminate if not exercised prior to this offering, at an exercise price of \$1.00 per share; and

775,923 shares of common stock issuable upon the exercise of warrants, which total includes warrants for our preferred stock that will become exercisable for common stock after this offering, at a weighted-average exercise price of \$0.96 per share.

Unless otherwise indicated, all information in this prospectus assumes:

a -for- reverse split of our common stock that will occur prior to the consummation of this offering;

the conversion, in accordance with our certificate of incorporation, of all our shares of outstanding preferred stock into shares of our common stock;

no exercise by the underwriters of their option to purchase up to            additional shares to cover  
over-allotments, consisting of            shares to be purchased from us and            shares to be purchased from the  
selling stockholders; and

the adoption of our amended and restated certificate of incorporation and bylaws that will occur immediately  
prior to the consummation of this offering.

### Summary Historical Financial Data

You should read the summary historical financial data set forth below in conjunction with our consolidated financial statements, the notes to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere in this prospectus. The consolidated statements of operations data and the consolidated statements of cash flows data for each of the three years ended December 31, 2004, 2005 and 2006 as well as the consolidated balance sheet data as of December 31, 2005 and 2006 are derived from our audited consolidated financial statements that are included elsewhere in this prospectus. Our historical results are not necessarily indicative of results to be expected for future periods.

	<b>Year Ended December 31,</b>		
	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>(In thousands)</b>		
<b>Consolidated Statement of Operations Data:</b>			
Revenues	\$ 34,894	\$ 50,267	\$ 66,293
Cost of revenues(1)	13,153	18,218	20,560
Selling and marketing(1)	13,890	18,953	21,473
Research and development(1)	5,493	7,416	9,009
General and administrative(1)	4,982	7,089	8,293
Amortization	356	2,437	1,371
Total expenses from operations	37,874	54,113	60,706
(Loss) income from operations	(2,980)	(3,846)	5,587
Interest (expense) income, net	(246)	(208)	231
(Loss) gain from foreign currency		(96)	125
Revaluation of preferred stock warrant liabilities		(14)	(224)
(Loss) income before income taxes and cumulative effect of change in accounting principle	(3,226)	(4,164)	5,719
(Benefit) provision for income taxes		(182)	50
Net (loss) income before cumulative effect of change in accounting principle	(3,226)	(3,982)	5,669
Cumulative effect of change in accounting principle		(440)	
Net (loss) income	(3,226)	(4,422)	5,669
Accretion of redeemable preferred stock	(2,141)	(2,638)	(3,179)
Net (loss) income attributable to common stockholders	\$ (5,367)	\$ (7,060)	\$ 2,490

(1) Amortization of stock-based compensation is included in the line items above as follows:

**Year Ended December 31,**



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	<b>2004</b>	<b>2005</b>	<b>2006</b>
		<b>(In thousands)</b>	
Cost of revenues	\$	\$	\$ 12
Selling and marketing			82
Research and development			13
General and administrative	14	3	91

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The following table presents consolidated balance sheet data as of December 31, 2006:

on an actual basis without any adjustments to reflect subsequent or anticipated events;

on a pro forma basis reflecting (i) the conversion of all outstanding shares of our Series A, Series B, Series C, Series C-1, Series D and Series E preferred stock into an aggregate of 86,286,697 shares of our common stock effective immediately prior to the completion of this offering, for a total of 108,025,682 shares of common stock, which amount includes 1,738,172 shares subject to put and (ii) the reclassification of our preferred stock warrant liabilities from current liabilities to additional paid in capital effective upon the completion of this offering; and

on a pro forma as adjusted basis reflecting the conversion and reclassification described above and the receipt by us of the net proceeds from the sale of            shares of common stock in this offering at an assumed initial public offering price of \$     per share, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	<b>As of December 31, 2006</b>		
	<b>Actual</b>	<b>Pro Forma (In thousands)</b>	<b>Pro Forma as Adjusted</b>
<b>Consolidated Balance Sheet Data:</b>			
Cash, cash equivalents and short-term investments	\$ 16,032	\$ 16,032	
Total current assets	31,493	31,493	
Total assets	42,087	42,087	
Total current liabilities	32,880	31,875	
Capital lease obligations, long-term	2,261	2,261	
Common stock subject to put	4,357	4,357	
Redeemable preferred stock	101,695		
Stockholders' equity (deficit)	(99,557)	3,143	

	<b>Year Ended December 31,</b>		
	<b>2004</b>	<b>2005</b>	<b>2006</b>
	<b>(In thousands)</b>		
<b>Consolidated Statement of Cash Flows Data:</b>			
Net cash provided by operating activities	\$ 1,907	\$ 4,253	\$ 10,905
Depreciation and amortization	2,745	5,123	4,259
Capital expenditures	1,208	1,071	2,314

**Year Ended  
December 31,  
2004    2005    2006  
(In thousands)**

**Other Financial and Operating Data (unaudited):**

Adjusted EBITDA(2)