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## EMPIRICAL – ANNOUNCES ITS FOURTH QUARTER AND YEAR-END RESULTS

MISSISSAUGA, ONTARIO - (April 29, 2008) - Empirical Inc. - The Dialogue Architects (TSX.V: EM) (the “Company” or “Empirical”) is pleased to announce that it has released its results for the fourth quarter and the full year ended December 31, 2007.

Empirical’s 2007 Annual Consolidated Financial Statements and Management’s Discussion and Analysis are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Financial Review

Revenue for the fiscal year ended December 31, 2007 of \$10,016,789 was down slightly compared to \$10,669,736 in 2006 and during the fourth quarter of 2007 to \$2,398,356 from \$2,623,206. The decrease in revenue resulted from a continued decline in spending by two major clients in the automotive and pharmaceutical sectors on sales incentive programs. Revenues contributed by C3 Online Marketing Inc. (“C3”) for the full year compared to a seven-week period following its acquisition on November 10, 2006 were not sufficient to offset declines in client revenues mentioned above.

Ian McKinnon, who recently agreed to lead the Office of the President consisting of Chief Financial Officer David Garland and Vice President of Marketing Don Cochrane, said “the Empirical management team is confident that the Company will successfully execute its fiscal 2008 business plan, which is expected to produce improved results over last year. We also anticipate that the previously announced acquisition of MediaMix Marketing Group Inc., which is expected to close in the coming days, will enhance the Company’s growth prospects and allow Empirical to improve its competitive offering. The acquisition effectively doubles the Empirical sales force who can now offer full-service integrated marketing solutions”.

EBITDA (loss) for the fiscal year ended December 31, 2007 improved to \$(1,357,983) from \$(1,951,095) in 2006 due to higher gross profit earned on revenues offset by slightly higher selling, administrative and general expenses (“SG&A”). For the quarter ended December 31, 2007, EBITDA (loss) was \$(660,204) compared to \$(730,638) for the same period in 2006 as the decrease in gross profit of \$285,661 was offset by a higher decrease in SG&A expenses of \$356,095. For the fiscal year ended December 31, 2007, SG&A expenses increased to \$7,916,138 from \$7,256,003 in 2006 and for the fourth quarter of 2007 were \$1,885,601 compared to \$2,241,696 for the fourth quarter of 2006. SG&A expenses increased for the year because of the inclusion of SG&A expenses of C3 for whole year compared to the seven-week period following its acquisition on November 10, 2006.

Amortization of capital assets and intangibles increased significantly for the year ended December 31, 2007 to \$2,028,602 from \$466,748 in 2006. Amortization of capital assets and intangibles for the quarter ended December 31, 2007 increased to \$488,556 from \$314,035 in 2006. The year over year and quarter over quarter increase reflects a decision by the Company, following the acquisition of its online marketing services business, to be conservative and amortize the acquired intangible assets over a two-year period.

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As a result of declining sales and profitability, during the fiscal year ended December 31, 2006, the Company determined that it was necessary to write-down the full value of its customer lists by \$1,312,011. \$854,386 of these write-downs occurred during the fourth quarter of 2006. No such adjustment was required for 2007.

Interest and Finance Charges including interest on long-term debt for the fiscal year ended December 31, 2007 increased to \$1,281,668 from \$577,329 in 2006 and during the fourth quarter of 2007, increased to \$338,038 compared to \$283,292 in the same period of 2006. The year over year and quarter over quarter increase is a result of interest arising from the debentures assumed and subsequently amended and restated concurrent with the acquisition of C3 on November 10, 2006 and the issue on May 24, 2007 of a new \$1,700,000 convertible debenture, which increased the aggregate principal amount of outstanding convertible debentures, and due to a more costly credit facility taken on by the Company in April 2007 to discharge a lower cost credit facility which had been provided by a Chartered Bank.

During 2007, the Company incurred Other Expenses of \$872,381 compared to \$1,536,943 in 2006. In 2007, Other Expenses included \$413,629 related to severance costs on termination of executives, \$468,457 on the extinguishment of debt and income of \$9,705 related to settlement of outstanding vendor amounts in the fourth quarter. In 2006 this compares to a debt extinguishment loss of \$441,209 incurred in connection with amending and restating two convertible secured debentures assumed from C3, \$910,734 to fully provide against a loan receivable and \$185,000 to recognize a loss on sublet of warehouse and office space. \$641,075 of these expenses was incurred in the fourth quarter of 2006.

The Net Loss for the fiscal year ended December 31, 2007 was \$5,926,377 which is flat compared to a Net Loss of \$5,922,385 in 2006. Cash used in operating activities during 2007 was \$2,479,187 compared to \$890,290 of cash used in operating activities in 2006. The Net Loss for the fourth quarter of 2007 was \$1,729,859, an improvement compared to a loss of \$2,878,481 in the same period of 2006.

On May 24, 2007 following regulatory approval of the TSX Venture Exchange, the Company received the proceeds of its financing (the "Financing") as described in its press release dated May 18, 2007, and issued a \$1,700,000 convertible secured debenture ("Debenture") to Quorum Investment Pool Limited Partnership ("QIP"). The Debenture bears interest at 8% per annum, matures on May 22, 2012 and is convertible at any time by QIP into common shares of the Company at \$0.10 per share for the first two years; \$0.11 in the third year; \$0.121 in the fourth year; and \$0.1331 in the fifth year with the provision that the conversion price will increase to \$0.15 per share should certain revenue and EBITDA targets be achieved. In connection with the Financing, the Company also issued to QIP 6,022,804 common share purchase warrants ("Warrants") exercisable to purchase a total of 6,022,804 common shares of the Company from treasury at \$0.12 per share up and until May 22, 2011. QIP transferred these Warrants to three officers of the Company considered key to its revitalization.

As announced on May 3, 2007, prior to the Financing, the Company was in default of certain financial covenants under convertible debentures previously issued to

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Quorum Secured Equity Trust ("QSET"), SME Capital Corporation ("SME") and QIP and was also in default for failure to repay a \$285,000 note payable when due on March 15, 2007. QIP, QSET and SME waived the defaults on the previously issued and outstanding convertible secured debentures on the closing of the Financing which included amending certain provisions of the previously issued and outstanding debentures, including advancement of the maturity date on the \$1,225,926 convertible debenture held by SME to January 4, 2008 from February 28, 2008 and a requirement for the Company to make an additional \$500,000 payment to SME on April 3, 2008 in either cash or common shares, at the option of SME. Both of these amounts have been extended subsequent to year end.

## Summary of Results

	Three months ended		Year ended	
	December 31, 2007	December 31, 2006	December 31, 2007	December 31, 2006
Revenue	\$ 2,398,356	\$ 2,623,206	\$ 10,016,789	\$ 10,669,736
EBITDA	(660,204)	(730,638)	(1,357,983)	(1,951,095)
Amortization	488,556	314,035	2,028,602	466,748
Write-down of Intangible Assets	-	854,386	-	1,312,011
Interest and Finance Charges <sup>1</sup>	338,038	283,292	1,281,668	577,329
Other Expenses	(9,705)	641,075	872,381	1,536,943
Stock Based Compensation	252,766	55,055	385,743	78,259
Net Loss	<u>\$ (1,729,859)</u>	<u>\$ (2,878,481)</u>	<u>\$ (5,926,377)</u>	<u>\$ (5,922,385)</u>
Loss per Share- Basic	\$ (0.04)	\$ (0.09)	\$ (0.12)	\$ (0.24)
Loss Per Share- Diluted	n.a. <sup>2</sup>	n.a. <sup>2</sup>	n.a. <sup>2</sup>	n.a. <sup>2</sup>

### Notes

<sup>1</sup> Interest & finance charges include interest and finance charges and interest on long-term debt.

<sup>2</sup> Not applicable where anti-dilutive.

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*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. This news release contains certain forward-looking information and statements. Forward-looking information typically contains statements with words such as “consider”, “anticipate”, “believe”, “expect”, “plan”, “intend”, “may”, “will”, “likely” or similar words suggesting future outcomes or statements regarding an outlook for, or future changes in, the Company’s financial performance, results of operations or other expectations future events or performance. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, readers should not place undue reliance on forward-looking information and should be aware that forward looking statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements of the Company to differ materially from those suggested by the forward-looking statements. These factors include but are not limited to, uncertainty in connection with the Company’s ability to continue as a going concern, the possible failure of the Company to receive the continued support of its lenders and other creditors and to obtain additional financing and successfully plan and execute business improvement strategies that will generate future positive cash flows, restrictions and covenants contained in the Company’s agreements with its lenders including holders of its convertible secured debentures and promissory notes, high levels of interest-bearing debt and resultant debt services costs, downturns in general economic conditions and resulting changes in client business and marketing budgets, the highly competitive nature of the marketing services industry including providers of online marketing services, the greater resources available to larger and better financed competitors, low barriers to entry for new competitors, dependence upon a limited number of clients contributing a significant percentage of revenues, inability to acquire new clients or new assignments from existing clients, ability to successfully integrate the recent acquisition of C3, ability to continue to enhance and improve the responsiveness, functionality and features of its online marketing suite of promotions products and the retention of key management, sales and marketing and technical personnel.*

*The above list of factors affecting forward-looking information is not exhaustive, and reference should be made in the MD&A under “Risk” and “Uncertainties” and in the Company’s filings with Canadian securities regulatory authorities. The Company undertakes no obligation, except as required by law, to update publicly or otherwise any forward-looking information, whether as a result of new information, future events or otherwise, or the above list of factors affecting this information.*

*Except as outlined below financial information has been prepared in accordance with generally accepted accounting principles applicable to a going concern which assumes the Company will realize on its assets and satisfy its obligations as they become due in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern. In other than in the normal course of business, the Company may be required to realize its assets and liquidate its liabilities and commitments at amounts different from those in the accompanying consolidated financial statements. The application of the going concern concept is dependent upon the Company receiving the continued support of its lenders and other creditors, its ability to secure additional financing and its ability to generate future positive cash flow. The Company is pursuing additional capital resources; however it is not possible to predict whether financing efforts shall be successful or if the Company will attain profitable levels of operations. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying value of assets and liabilities, reported income and expenses and in the balance sheet classifications used.*

*As used herein, “EBITDA” refers to earnings before amortization of property and equipment, amortization of intangible assets, interest including interest on long-term debt and finance charges, write down of intangible assets, stock-based compensation and other non-recurring expenses including loss on extinguishment of debt, provision for loan receivable and loss on sublet of warehouse and office space. The Company cautions that EBITDA is not a recognized measure under GAAP and that measures adjusted to a basis other than GAAP do not have a standardized meaning and are unlikely to be comparable to similar measures used by other companies. EBITDA is presented as a supplemental measure to net income (loss) as management believes it provides useful information regarding operating performance and is commonly used by investors, financial analysts and lenders to value the Company and assess the Company’s ability to service debt. The items required to reconcile between EBITDA and net income (loss) are amortization of property and equipment, amortization of intangible assets, interest including interest on long-term debt and finance charges, write down of intangibles assets, stock-based compensation and other non-recurring expenses including loss on extinguishment of debt, provision for loan receivable and loss on sublet of warehouse and office space.*

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