

## 'mktg, inc.' Closes on \$5 Million Financing

NEW YORK, Dec 16, 2009 /PRNewswire-FirstCall via COMTEX News Network/ -- 'mktg, inc.' (Nasdaq: CMKG) announced today that it closed a \$5 million financing led by an affiliate of Union Capital Corporation.

### *\$5 Million Financing*

The Company previously reported that it had entered into a definitive agreement with an investment vehicle organized by Union Capital Corporation, and certain directors and officers of the Company. The Company closed the financing on December 15, 2009, issuing \$2.5 million in aggregate principal amount of Senior Secured Notes, \$2.5 million in aggregate stated value of Series D Convertible Participating Preferred Stock initially convertible into 5,319,149 shares of Common Stock, and Warrants to purchase 2,456,272 shares of Common Stock at a nominal exercise price.

The Company currently has 8,596,951 shares of Common Stock outstanding. Accordingly, if all of the shares of Preferred Stock issued in the financing are converted to Common Stock at the initial conversion price and all of the Warrants exercised, the Company will have 16,372,372 shares of Common Stock outstanding, representing a potential increase of approximately 90% in the number of shares outstanding prior to the financing.

The Company used approximately \$1.6 million of the proceeds of the financing to repay amounts owed to its largest customer. The remaining net proceeds of approximately \$3.15 million after payment of closing fees and expenses incurred in connection with the financing will be used for general working capital purposes.

### *Financial Reporting*

"The filing of our periodic reports and financial statements for fiscal 2009 and the first two quarters of fiscal 2010 have been delayed as a result of the need to confirm that there has been no impairment to goodwill and to thoroughly review and verify our financial statements in light of our prior accounting difficulties," stated Jim Haughton. "We have concluded that our financial statements are complete and accurate, that there is no impairment to goodwill and that the results for fiscal 2009 and the first two quarters of fiscal 2010 are consistent with the disclosures already made. Our auditors are completing their audit and review of these financial statements, and we expect to file our late SEC filings shortly".

### *Management Actions and Prospects*

Management has taken substantial steps at the end of fiscal 2009 and thereafter to reduce expenses, including reducing the Company's workforce by approximately 60 full-time persons in the aggregate. These efforts are expected to reduce compensation, general and administrative expenses by approximately \$8.6 million in the aggregate on an annual basis, and by \$6.2 million in fiscal 2010.

"The Company added people and costs during fiscal 2008 in anticipation of growth in new areas of business," commented Charlie Horsey, president of the Company. "Most of those investments failed to deliver revenue growth and achieve expected results. As a consequence, new management eliminated unproductive costs and reset the direction of the business into areas and markets consistent with our core capabilities, setting the stage for profitable growth. With the completion of the financing and the cost reduction actions, our operations, costs and capital structure are sound" continued Mr. Horsey. "Our key clients have remained steadfast because we deliver great work and great value. The costs and distraction of resolving our accounting issues, reducing our cost structure and completing the financing have placed substantial strain on the company and added significant one-time costs which will impact our performance in the third quarter. We enter our fourth quarter and our next fiscal year with stabilized revenue sources and costs under control."

### *About 'mktg, inc.'*

'mktg, inc.' (Nasdaq: CMKG) is an alternative media and marketing services company headquartered in New York with full service offices in San Francisco, Chicago and Cincinnati. The company currently serves a variety of the world's most recognizable brands, including CBS, Diageo, P&G, Nintendo, Pepsi, Nike and Google/YouTube. The company's services include experiential marketing, digital marketing, retail promotions and strategic research and planning. The firm's programs help its clients profitably connect with consumers and create networks of brand advocates to generate brand awareness and higher sales for its customers. For more information, please visit [www.mktg.com](http://www.mktg.com).

This press release includes statements, which constitute forward-looking statements made pursuant to the safe harbor

provision of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this press release are not promises or guarantees and are subject to risks and uncertainties that could cause our actual results to differ materially from those anticipated. These statements are based on management's current expectations and assumptions and are naturally subject to uncertainty and changes in circumstances. We caution you not to place undue reliance upon any such forward-looking statements.

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