



**YouGov plc**


**Solid progress in challenging market conditions –  
Results in line with expectations**

**Interim results to  
31 January 2010**

**YouGov®**  
What the world thinks




# Overview

- 
- Continuing challenging period for the market research industry as a whole
  - Turnover of £21.3m
  - Group operating profit of £1.35m
  - Achieved operating cost savings of £1.0m (£1.5m in constant currency terms) in line with annual target of £2.5m
  - Maintained Group margins despite the previously anticipated reduction in profits in the Middle East
  - BrandIndex revenue up 75% year on year following international roll-out
  - YouGov continues to lead innovation in market research

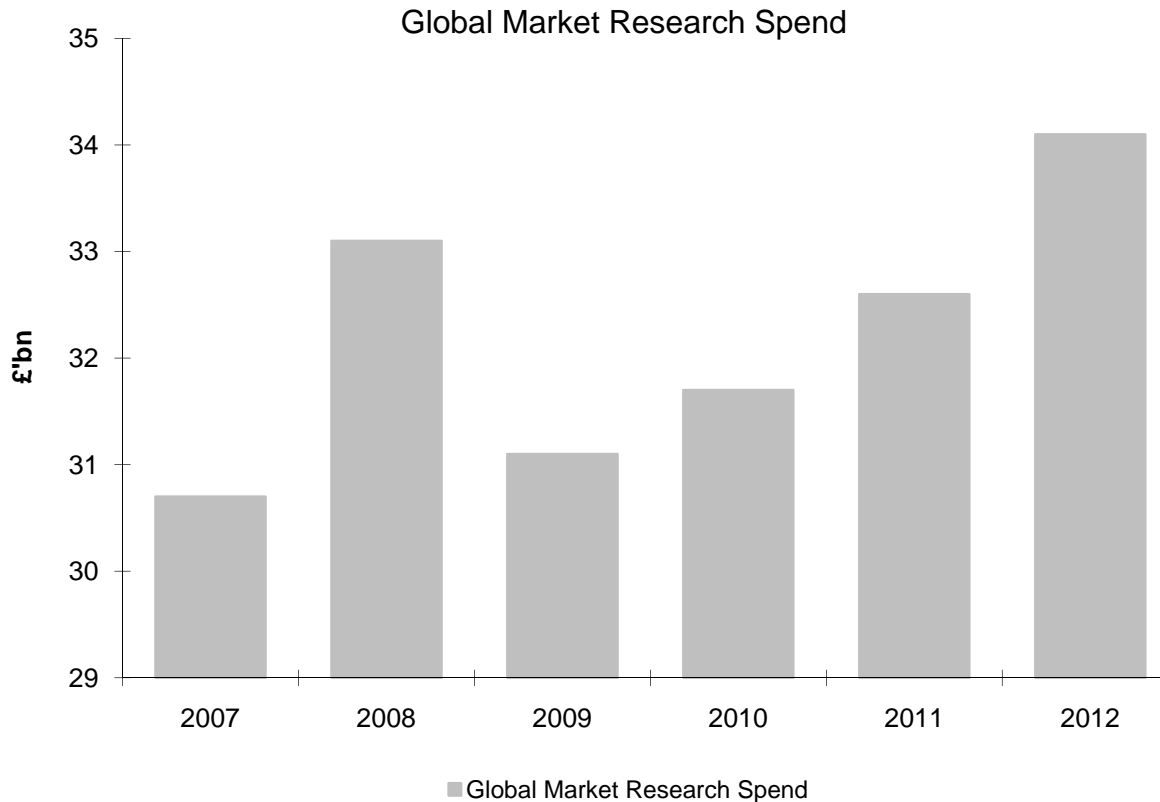




# Positioning YouGov for the future

- 
- Integrated global technology platform “G” rolled out across the Group
  - Planned innovations coming on stream:
    - Launch of daily polling in UK – running through the General Election and beyond – with News International
    - [www.TellYouGov.com](http://www.TellYouGov.com) in beta launch: the first platform to collect statistically meaningful real time data from micro-blogging
  - Continue to seek opportunities to scale up commercial market research business in the US
  - Strong balance sheet

# Market dynamics

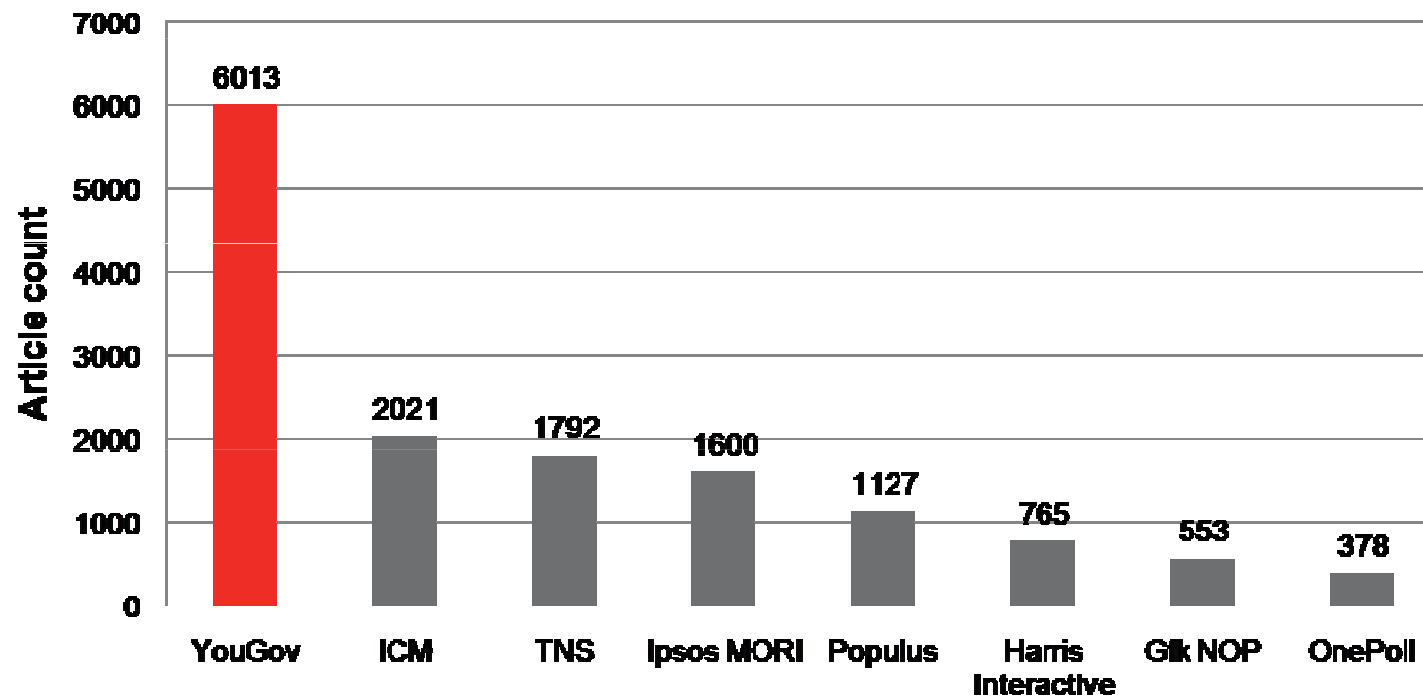


- 2009 was a challenging year for the industry, growth expected in 2010
- Online expected to continue to grow as a percentage of total market

Source: Inside Research

# Strength of YouGov's brand


## Press coverage in the UK



Source: Meltwater News  
01 August 2009 - 31 January 2010



## Financial overview

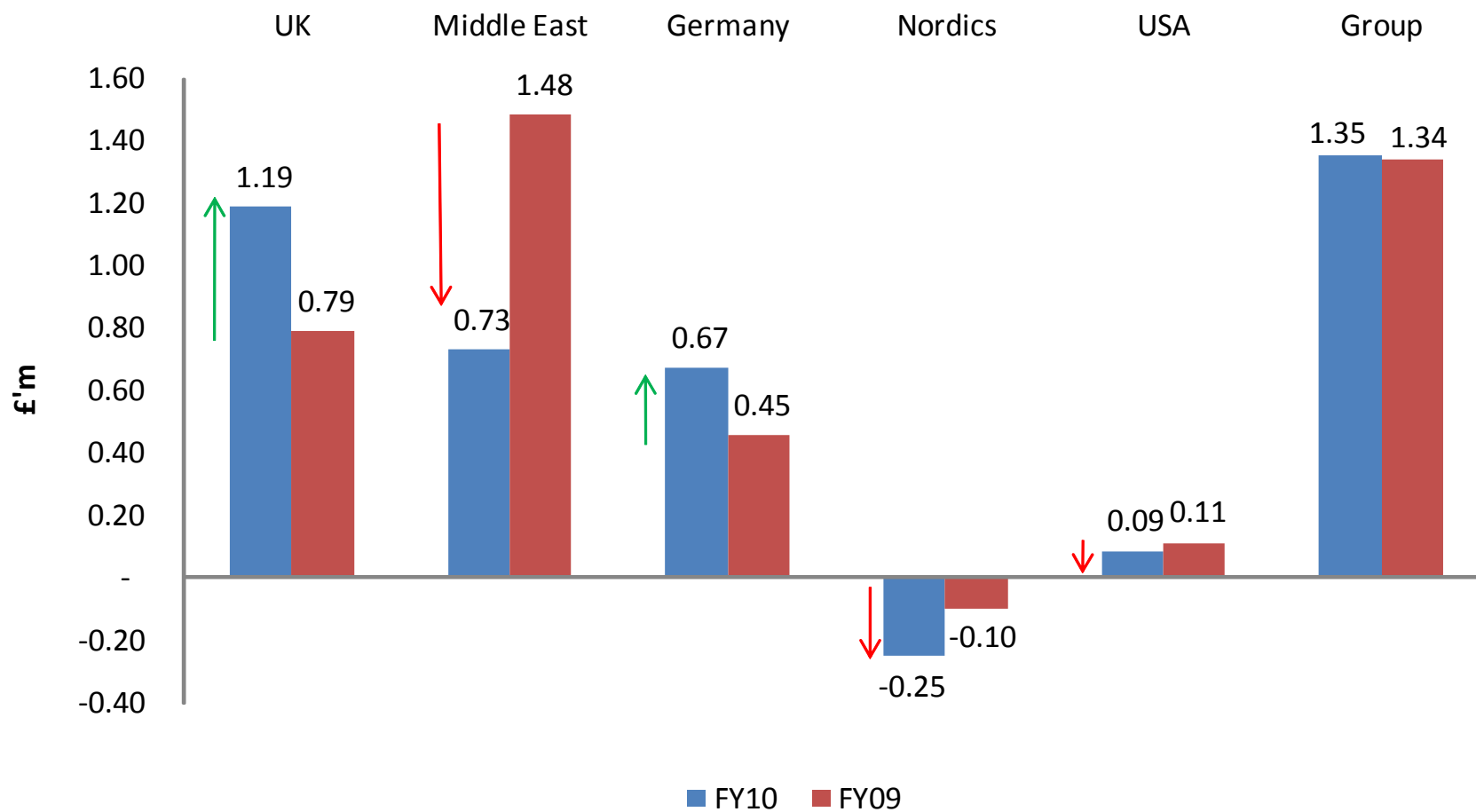
- 
- Turnover down 6% to £21.3m (2009: £22.6m)
  - Group operating profit of £1.35m (2009: £1.6m)
  - Cost savings of £1.0m, in line with annual target of £2.5m
  - Reported loss before tax of (£0.5)m (2009: £0.4m)
  - Adjusted earnings per share of 1.0p (2009: 1.7p)
  - Good operating cash generation of £2.4m (2009: £2.6m)
  - Balance sheet remains strong – net cash increased to £14.9m from £13.7m as at 31 January 2009

## Segmental analysis

	Revenue £m	Revenue growth %	Operating profit £m*	Operating margin
<b>UK</b>	<b>5.44</b>	<b>2%</b>	<b>1.19</b>	<b>22%</b>
<b>Middle East</b>	<b>3.78</b>	<b>(10)%</b>	<b>0.73</b>	<b>19%</b>
<b>Germany</b>	<b>7.29</b>	<b>(7)%</b>	<b>0.67</b>	<b>9%</b>
<b>Scandinavia</b>	<b>3.28</b>	<b>(12)%</b>	<b>(0.25)</b>	<b>(8)%</b>
<b>USA</b>	<b>1.88</b>	<b>2%</b>	<b>0.09</b>	<b>5%</b>
<b>Group</b>	<b>21.29</b>	<b>(6)%</b>	<b>1.35</b>	<b>6%</b>

\* Operating profit before amortisation and exceptional items

# Operating profit by hub





# Group Income Statement

- Revenue down 6% to £21.3m (2009: £22.6m)
- Gross margin constant at 77%
- Operating expenses decreased by 6% reflecting cost reductions made in FY2009
- Earnings per share of 1.0p
- Group headcount reduced to 429 at 31 January 2010 from 452 in 2009

	6 months to 31-Jan-10 £'m	6 months to 31-Jan-09 £'m
<b>Group revenue</b>	<b>21.3</b>	22.6
Cost of sales	(4.8)	(5.1)
<b>Gross profit</b>	<b>16.4</b>	17.5
Operating expenses	(15.1)	(16.2)
<b>Group Operating Profit Before Amortisation &amp; Exceptional Items</b>	<b>1.4</b>	1.3
<b>Normalised operating profit</b>	<b>1.4</b>	1.6
<b>Basic EPS (p)</b>	<b>(0.3)</b>	0.4
<b>Adjusted EPS (p)</b>	<b>1.0</b>	1.9

\*Before Amortisation & Exceptional Items

# Balance Sheet

	31-Jan-10 £'m	31-Jan-09 £'m
<b>Assets</b>		
<b>Non current assets</b>		
Goodwill	34.3	35.5
Intangible assets	17.3	19.6
Other non current assets	4.8	4.7
<b>Total non current assets</b>	<b>56.4</b>	<b>59.8</b>
<b>Current Assets</b>		
Trade & other receivables	14.5	18.6
Cash & cash equivalents	14.9	13.8
<b>Total current assets</b>	<b>29.4</b>	<b>32.4</b>
<b>Total assets</b>	<b>85.8</b>	<b>92.2</b>
<b>Liabilities</b>		
<b>Total current liabilities</b>	<b>11.4</b>	<b>12.6</b>
<b>Net current assets / liabilities</b>	<b>18.0</b>	<b>19.9</b>
<b>Total non current liabilities</b>	<b>6.0</b>	<b>7.2</b>
<b>Total liabilities</b>	<b>17.5</b>	<b>19.8</b>
<b>Total net assets</b>	<b>68.3</b>	<b>72.5</b>

- Strong financial position - cash balances : £14.9m (2009: £13.8m)

# Cash Flow

- Cash flow from operating activities: £2.4m
- Debtor days at 31 January 2010 were 82 days (2009: 81 days)
- £1.1m invested in technology development and panel
- £0.2m exchange gain

## Cash flows from operating activities

Profit after taxation

Adjustments for:

Non cash movements

Net working capital movement

## Cash generated from operations

## Net cash generated from operating activities

## Net cash used in investing activities

## Net cash generated from financing activities

## Net increase/(decrease) in cash

Cash and cash equivalents at beginning of year

Exchange gain/(loss) on cash and cash equivalents

## Cash, cash equivalents and overdrafts at end of year

6 months to	6 months to
31-Jan-10 £'m	31-Jan-09 £'m
(0.0)	0.7
1.9	0.8
0.6	1.1
<u>2.4</u>	<u>2.6</u>
3.4	2.1
(1.1)	(2.8)
(0.3)	(1.1)
<u>1.9</u>	<u>(1.9)</u>
12.7	13.4
<u>0.2</u>	<u>2.3</u>
<u><u>14.9</u></u>	<u><u>13.8</u></u>

## UK - operational review

- Re-focusing custom research verticals led to increasing margins
- Omnibus delivering good revenue growth
- Upgraded web portal for BrandIndex
- Innovations include launch of daily polling and [www.TellYouGov.com](http://www.TellYouGov.com)
- Major clients include: Pfizer, Innocent Foods and Unilever

	6m FY10 £m	6m FY09 £m	Growth
Revenue	5.44	5.35	2%
Operating profit	1.19	0.79	51%
Headcount	88	89	-1%



## Middle East – operational review

- Expected reduction in revenue from long term contract
- Focus on regionally generated business - up 20% in H1
- Enhanced Omnibus and BrandIndex successfully launched in August 2009 and achieving good early sales
- Saudi Arabian operations growing – clients include Saudi Telecom and Riyadh Bank

	6m FY10 £m	6m FY09 £m	Growth
Revenue	3.78	4.21	-10%
Operating profit	0.73	1.48	-51%
Headcount	58	47	23%

mashreq المشرق

MARS  
gcc

Virgin atlantic

CNN

STC  
الاتصالات السعودية



نادك  
nadec  
ناتك

danya داخيا

NOKIA  
Connecting People

bayt.com  
The Middle East's #1 Job Site



## Germany – operational review

- Operating margin improvement to 9% from 6%
- Continuing transition to online data collection – up from 20% to 30%
- UK style Omnibus launched in Sep 2009
- Strength maintained in retail banking and insurance markets
- Significant clients include Allianz, Federal Ministry of Labour and Sanofi-Aventis

	6m FY10 £m	6m FY09 £m	Growth
Revenue	7.29	7.83	-7%
Operating profit	<u>0.67</u>	<u>0.45</u>	48%
Headcount	175	196	-11%

**REWE**

**Haspa**  
Hamburger Sparkasse

**sanofi aventis**  
Das Wichtigste ist die Gesundheit

**DER SPIEGEL**  
SPIEGEL-Leser wissen mehr.

**Johnson+Johnson**



**vodafone**

**Allianz**

**SIEMENS**



**T** Deutsche Telekom



**L'ORÉAL**



**Deutsche Post**



## Scandinavia – operational review

- Operations performed below initial expectations due to continued challenging conditions in the local market
- Restructure in November 2009 - annual savings of £0.8m
- Business expected to trade profitably in H2 and make a positive contribution to FY
- Significant clients include Coca-Cola, Danske Bank and Blockbuster

	6m FY10 £m	6m FY09 £m	Growth
Revenue	<u>3.28</u>	<u>3.71</u>	-12%
Operating profit	<u>(0.25)</u>	<u>(0.10)</u>	-154%
Headcount	59	81	-27%



BERLINGSKE  
MEDIA



Visit  
Sweden

TeliaSonera



Danske Bank



Scandic



## USA – operational review

- Continuing development of commercial market research – now contributing higher proportion of revenue compared to political and academic work
- Clear Horizon acquisition performing in line with earn-out targets
- Significant clients include PepsiCo and Universal McCann

	6m FY10 £m	6m FY09 £m	Growth
Revenue	1.88	1.85	2%
Operating profit	0.09	0.11	-25%
Headcount	34	31	10%



Economist.com



# Innovation - The future we are building: a more systematic approach to research

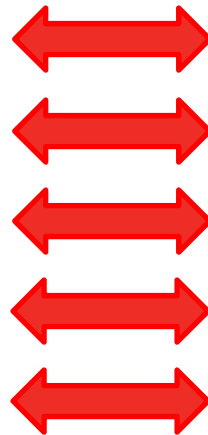
All of the building blocks exist in various stages but are now being developed and integrated:

- Engaged panel
- Integrated multi-tracker survey design
- Real time automated collection of data
- Central searchable, crunchable database of all research
- KPI dashboard reporting screen for marketers, the C-suite and investor community
- Additional provision of reports, advice and insight to clients
- More focused marketing team

# The YouGov Screen – now delivering in beta

Public interacts on YouGov's platform which YouGov converts into meaningful data streams for clients (eg marketers, media, investors etc)


Polls  
www.TellYouGov.com  
Ratings and reviews  
Consumer voice







## Group outlook

- 
- Trading in line with the Board's expectations
  - Contributions from new revenue generating initiatives coming through as expected
  - Group profitability will be stronger in the second half of the financial year, as previously announced
  - Group expects to deliver improved profits for the full financial year