12 April 2010

YouGov plc

Interim results for the period ended 31 January 2010

Solid operational progress in challenging market conditions

- results in line with expectations

Key Financials

- Turnover of £21.3m (2009: £22.6m) 6% lower
- Operating profit of £1.35m (2009: £1.6m)
- Adjusted profit before tax of £1.4m (2009: £2.4m)
- Adjusted earnings per share of 1.0 p (2009: 1.7p)
- Reported loss before tax of £0.5m (2009: Profit £0.4m)
- Operating cost savings of £1.0m (£1.5m in constant currency terms) in line with annual target of £2.5m
- Maintained Group operating margins despite previously anticipated reduction in Middle Eastern profits
- Good operating cash generation - £2.4m (2009: £2.6m), representing operational cash conversion of 175%
- Balance sheet remains strong – net cash increased to £14.9m from £13.7m as at 31 January 2009

Operational highlights

- UK and Germany showing improved profitability
- USA continuing to grow commercial market research revenues
- Despite expected fall in profits from a historic contract in Middle East, diversification is progressing well
- Scandinavian operations restructured further; return to profitable trading expected in second half
- BrandIndex revenue up 75% year-on-year following international rollout
- Global panel size grown to 2.5 million from 2.2 million at 31 January 2009

Recent initiatives

- Integrated global technology platform "G" now rolled out across the Group – providing a highly advanced survey, panel management and portal system with turbo sampling
- Launch of daily political polling in UK with News International– running through the General Election and beyond
- www.TellYouGov.com has been beta-launched, the first platform to collect statistically meaningful data from micro-blogging sites

Commenting on the results, Stephan Shakespeare, Chief Executive, said:

"YouGov has performed as expected during the first half and continues to lead innovation in the market. Good performances in the UK, Germany and US have helped to offset the expected decline in revenue from the Middle East and the under-performance in Scandinavia where our remedial action has put the business on track to be profitable in the second half. Our new technology platform has been rolled out to all our hubs and we are already seeing the benefits coming through with the launch of daily polling in the UK and our pioneering new "TellYouGov" website. TellYouGov.com provides real-time readings on the public's attitudes and concerns, the first product to generate statistically meaningful data from micro-blogging.

"As previously indicated, we are expecting profitability to be stronger in the second half of the financial year than in the first. Trading in the second half of our financial year is currently in line with the Board's expectations. The Group has a good new business pipeline and we are starting to see contributions from new revenue generating initiatives. This, combined with our strong balance sheet and good cash generation, gives us confidence for the future and in our ability to deliver improved profits for the full financial year."

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CEO'S REPORT

For the six months ended 31 January 2010

Introduction

In the six months to 31 January 2010, our business has continued to trade in line with expectations. Consistent with our strategy we have continued to expand our range of products and to launch planned innovations. These are being well received by our clients and members of our panels and this is reflected in new client wins.

Group revenues of £21.3m for the six months ended 31 January 2010 were 6% lower than in the same period last year. This was a solid performance given the market conditions and the expected £800k reduction in revenue from a large Middle Eastern contract. Market conditions continued to remain challenging in the second half of the 2009 calendar year although there is evidence of improvement as the second half of our financial year progresses.

The Group's operating margins in the six months to 31 January 2010 remained consistent with the comparable period last year with increases in the UK and Germany offsetting the lower level of profits from the Middle East and the losses in Scandinavia. This performance reflects the lower cost base with which we are operating compared to the previous year as a result of the actions taken in 2009 to reduce headcount and improve operating efficiencies. We are on track to achieve our planned annual savings target of £2.5m with operating costs £1.5m lower in the six months to 31 January 2010 (in constant currency terms) than in the comparable period. The reported reduction is only £1.0m due to currency appreciation against Sterling.

In the six months to 31 January 2010 our UK business has increased its operating margins to 22% and operating profits by 51% compared to the six months to 31 January 2009. Germany has continued to increase the proportion of online projects and increased its profits by 48%, compared to the six months ended 31 January 2009. The Middle East grew the locally generated business although the expected fall in the historic contract revenue has reduced the overall profits generated from the region. The USA has continued to grow its commercial market research revenues and the Marketing Insights business acquired in April 2009 is performing in line with its earn-out targets. This helped to offset the absence of US presidential election work which added significantly to first half revenues last year. The Scandinavian business, which has continued to face strong local competition in a difficult market environment, was further rationalised in November 2009 and should start to trade profitably in the second half of the financial year.

We remain committed to being the leading-edge innovator in market research by leveraging the advantages of internet-based research and developing new products which are unique to it. In February 2010, we beta-launched www.TellYouGov.com in the UK. This is a new platform through which panel members can express their views proactively using a special format that turns those views directly into live data. The results of the test launch are being assessed with a view to developing associated market-research products that will provide real-time measurable data on the public's attitudes and behaviour as and when they volunteer it.

We have also started, with News International, a programme of daily political polling in the UK with same-day reporting of results, so that we will provide a continuous description of the forthcoming General Election campaign. This arrangement will continue after the election enabling us to provide a continuous feedback loop between government and the electorate.

Financial Performance

Group turnover for the period fell by 6% to £21.3m compared to £22.6m in the six months to 31 January 2009. The UK and USA each grew revenues by 2% while Germany fell by 7%, Middle East by 10% and Scandinavia by 12%. The Group's gross margin remained constant at 77%. Group operating costs of £15.1m were 6% lower (9% lower in constant currency terms) in this half year than the comparative period last year. This reflected the effect of the staffing reductions and other savings actions taken in 2009. The Group staff numbers of 421 (full time equivalents) at 31 January 2010 were 7% lower than at 31 January 2009, although 16 higher than at 31 July 2009 due to recent recruitment.

Group operating profit was £1.35m, before amortisation and exceptional items compared to normalised operating profit of £1.6m in the comparable period last year. Lower market interest rates contributed to a reduction in the Group's net financial income (including interest and realised foreign exchange gains) to £0.03m from £0.6m, although last year's result also benefitted from £0.9m of realised exchange gains. The lower finance income contributed to adjusted profit before tax being £1.0m lower at £1.35m compared to £2.4m in the comparable period last year. Adjusted earnings per share were 1.0p compared to 1.9p in the six months to 31 January 2009.

Our business has continued to be strongly cash generative with £2.4m generated from operations (before paying interest and tax) in the six months to 31 January 2010. This represents operational cash conversion of 176% of operating profits (2009: 198%). Debtor days remained stable at 82 days compared to 81 as at 31 January 2009. Our net cash increased to £14.9m compared to £13.7m as at 31 January 2009. Investment expenditure of £1.1m in the period was incurred largely on the continuing development of our technology platform (£0.8m) and of our panel (£0.2m).

Analysis of Operating Profit and Earnings per Share

	6 months to 31 Jan 2010	6 months to 31 Jan 2009	12 montl to 31 Ju 20(
Normalised operating profit	**£'000**	**£'000**	**£'000**
Group operating profit before amortisation of intangibles & exceptional costs	1,353	1,338	2,715
Normalisation adjustments:			
Integration costs[1]	--	240	371
Normalised operating profit	1,353	1,578	3,086
Share based payments	35	115	271
Imputed interest[2]	-	93	158
Net finance income	27	615	404
Share of post tax profit/(loss) in joint venture	4	22	(47)
Adjusted profit before tax[3]	1,419	2,423	3,872
Basic (loss)/earnings per share	(0.3)	0.4	(0.6)
Diluted (loss)/earnings per share	(0.3)	0.3	(0.6)
Adjusted earnings per share[4]	1.0	1.9	2.7

As in previous years, the Directors are not recommending the payment of a dividend but will consider this option again for the year end.

[1]Integration costs are one off in nature and relate to the global rebranding undertaken for all of the acquired entities and the costs incurred in association with aligning the acquired businesses to the YouGov model.

[2]Imputed interest relates to the unwinding of discounting in respect of deferred consideration for acquisitions.

[3]Adjusted profit before tax is defined as Group profit before tax after adding back amortisation, share based payments, imputed interest, exceptional items and one-off costs associated with the integration of acquired entities and IFRS transition costs

[4]Adjusted earnings per share is calculated based on thepost tax result derived from the adjusted profit before tax and the fully diluted number of shares. The figures in the prior year reflected normalisation adjustments)

Review of operations

UK

Our UK, operations have increased their operating profits by 51% to £1.2m and operating margins from 15% to 22% on revenues of £5.4m, 2% higher than the comparable period last year. This substantial improvement in profitability reflected the continuing strength of the UK data services business as well as the benefits of last year's restructuring of the custom research teams. The new international Omnibus service continues to grow revenue and sales of the UK version of BrandIndex benefitted in this half from the launch of the upgraded web portal already in use in the USA. The sector based custom teams have also been growing their client base winning significant projects with a range of clients such as Pfizer, Innocent Foods and Unilever.

Innovations which will impact the next half include the launch of a daily political poll in the run up to the General Election which will be published exclusively in the Sun and the Sunday Times. At the end of March 2010, we also launched SixthSense, our new business intelligence service that will provide in-depth reports on a range of sectors drawing on YouGov's primary research data as well as other specialist data sources and expert views. www.TellYouGov.com has been beta-launched and reports live data.

Germany

Our focus this year in Germany was on improving margins and continuing the transition to online data collection. We are on track against both of these objectives. Although revenues in the six months to 31 January 2010 fell by 7% to £7.3m from £7.8m, the operating profit of £0.7m was 48% higher than for the six months to 31 January 2009. This represents an operating margin of 9% compared to 6% in the comparable period. The online share has increased to 30% compared to 20% in the six months to 31 January 2009. YouGov's well-known daily Omnibus service was launched in September 2009 and is progressing well while the financial services team maintained their strength in the retail banking and insurance markets serving clients such as Allianz and Hamburger Sparkasse (regional savings bank). Significant clients in other sectors in the period included German Federal Ministry of Labour and Sanofi-Aventis.

Scandinavia

Our Scandinavian business performed below initial expectations for the period under review as local market conditions remained challenging, particularly in Sweden. Revenues of £3.3m in the six months to 31 January 2010 were 12% below the level achieved in the period ended 31 January 2009. In order to improve profitability, the organisation was restructured in November 2009 which led to a reduction of 20% in staffing and annual savings of £0.8m. As a result, the business is expected to trade profitably in the second half of the current financial year and make a positive contribution in the full year. Significant clients in the period included Coca-Cola, Danske Bank and Blockbuster.

Middle East

In the Middle East, overall revenues were 10% lower at £3.8m compared to £4.2m in the period ended 31 January 2009. This reflected the expected reduction in revenue from a long term contract. In contrast, our regionally generated business grew by 20% over the comparable period last year. Our online services are expanding in the region with an enhanced Omnibus service and BrandIndex which launched in August 2009 achieving good early sales. Our major clients in the region this half-year included Pepsico and Abu Dhabi Media Company and in Saudi Arabia our growing operation is serving groups such as Saudi

Telecom and Riyadh Bank. We are also well placed to exploit the developing commercial research market in Iraq. We held a successful conference on this topic in January which has already helped us to generate new business there.

USA

Our USA operations continue to develop well with the new Marketing Insights division (acquired in April 2009) and the BrandIndex service contributing to a higher proportion of revenue from commercial market research as distinct from political and academic work. The revenue of £1.9m in the six months to 31 January 2010 was the same as the comparable period last year but without the benefit of the 2008 Presidential election. Revenues from commercial (non political) work increased by 88% compared to the six months ending 31 January 2009 with major clients including Domino's Pizza and Pepsico. We will continue to seek opportunities to scale up our commercial market research business in the USA.

BrandIndex

BrandIndex, our syndicated daily brand intelligence service, is now available in all five of the geographical regions where YouGov operates. Its global leadership team has successfully grown revenue by 75% year-on-year and gained a number of new corporate and agency clients in all of our hubs. These include four of the world's leading media agencies (Mediacom, OMD, Starcom, and Universal McCann).

Panel development

We continue to invest in our online panels to increase our research capabilities, both in new geographies and specialist panels. The total panellist numbers (defined as the number of panel registrations) have increased to 2,517,000 as at 31 January 2010, an increase of 14% compared to 31 July 2009 and 16% compared to 31 January 2009. The online panel sizes in each hub were:

Region	Panel Size at 31 Jan 2010	Panel Size at 31 Jan 2009
UK	322,000	240,000
USA	1,759,000	1,540,000
Middle East	215,000	170,000
Scandinavia	143,000	130,000
Germany, Austria and CEE	78,000	90,000
Total Group	**2,517,000**	**2,170,000**

Panel numbers have grown in all our hubs except for Germany, Austria and CEE where we have scaled down activity in Austria and Central and Eastern Europe while increasing the online research undertaken in our main German market.

Current trading and outlook

During the last 18 months YouGov has improved financial controls, strengthened the operational management and developed an integrated global technology platform which is at the heart of a number of new revenue generating initiatives.

As previously indicated, profitability is expected to be stronger in the second half of the current financial year than in the first. In the UK and Germany, the improvement in operating margins is expected to be maintained. In the USA, we will continue to leverage our panel asset and reputation for accuracy and to invest in growing our commercial research business in the world's largest research market. In the Middle East, we aim to continue growing the locally generated business. Following the actions taken earlier in this half year, our Scandinavian business is expected to report a profit in the second half.

With trading in line with the Board's expectations, a strong balance sheet and good cash generation; the Group expects to deliver improved profits for the full financial year and continue to grow market share as conditions improve in the markets that YouGov serves.

Board Changes

As announced on 22 February, Nadhim Zahawi has been selected as the Prospective Parliamentary Candidate for the Conservative Party in the Stratford-on-Avon constituency at the forthcoming UK General Election. From that date, Stephan Shakespeare (Chief Innovation Officer and co-Founder) resumed his original role as Joint Chief Executive Officer and became sole CEO after a handover period. Nadhim Zahawi currently remains a non-executive director of the Company and will resign from the Board if elected as a Member of Parliament. The short transition period and hand-over of all remaining executive tasks to Stephan Shakespeare has ensured continuity both of strategic direction and management control.

I and the Board of YouGov congratulate Nadhim on his selection as a parliamentary candidate and wish to express our appreciation for his tremendous contribution since he and I founded YouGov ten years ago.

Stephan Shakespeare
Chief Executive Officer
12 April 2010

INDEPENDENT REVIEW REPORT TO YOUGOV PLC

For the six months ended 31 January 2010

Introduction

We have been engaged by the company to review the interim financial information in the half-yearly financial report for the six months ended 31 January 2010, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in equity, consolidated cash flow statement and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

As disclosed in note 3, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

The maintenance and integrity of the YouGov plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented to the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules for Companies.

PricewaterhouseCoopers LLP
Registered Auditor & Chartered Accountants
London
12 April 2010

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 January 2010

	Note	**Unaudited 6 months to 31 January 2010 £'000**	Unaudited 6 months to 31 January 2009 £'000	Audited 12 months to 31 July 2009 £'000
Continuing operations				
Group Revenue	**5**	**21,292**	22,566	44,322
Cost of sales		**(4,848)**	(5,107)	(10,557)
Gross profit	**5**	**16,444**	17,459	33,765
Operating expenses		**(15,091)**	(16,121)	(31,050)
Group operating profit	**5**	**1,353**	1,338	2,715
Amortisation of intangibles		**(1,776)**	(1,418)	(3,145)
Group loss before exceptional items		**(423)**	(80)	(430)
Exceptional items	**6**	**(148)**	(194)	(610)
Group loss before finance costs		**(571)**	(274)	(1,040)
Finance income		**157**	1,131	1,054
Finance costs		**(130)**	(516)	(650)
Share of post tax profit/(loss) in joint venture		**4**	22	(47)
Group (loss)/profit before taxation		**(540)**	363	(683)
Tax credit	**7**	**492**	366	842
Group (loss)/profit after taxation		**(48)**	729	159
Attributable to:				
Equity holders of the parent company		(308)	346	(544)
Minority interests		260	383	703
		(48)	729	159
Earnings per share				
Basic earnings per share attributable to equity holders of the company (in pence)	**8**	**(0.3)**	0.4	(0.6)
Diluted earnings per share attributable to equity holders of the company (in pence)	**8**	**(0.3)**	0.3	(0.6)

The accompanying accounting policies and notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2010

	Unaudited 6 months to 31 January 2010 £'000	Unaudited 6 months to 31 January 2009 £'000	Audited 12 months to 31 July 2009 £'000
(Loss)/Profit for the period	**(48)**	729	159
Other comprehensive income:			
Currency translation differences	**1,209**	10,748	5,863
Other comprehensive income for the year net of tax	**1,209**	10,748	5,863
Total Comprehensive income for the year	**1,161**	11,477	6,022
Attributable to:			
-Equity holders of the parent company	**765**	10,102	4,846
-Minority interests	**396**	1,375	1,176
Total Comprehensive income for the year	**1,161**	11,477	6,022

CONSOLIDATED BALANCE SHEET

As at 31 January 2010

		Unaudited 31 January 2010	Unaudited 31 January 2009	Audited 31 July 2009
Assets	**Note**	**£'000**	£'000	£'000
Non-current assets				
Goodwill	**10**	**34,309**	35,463	33,482
Intangible assets	**10**	**17,272**	19,615	17,940
Property, plant and equipment	**10**	**2,554**	2,643	2,629
Investments accounted for using the equity method		**23**	58	23
Deferred tax assets		**2,195**	2,033	2,510
Total non-current assets		**56,353**	59,812	56,584
Current assets				
Trade and other receivables		**14,300**	16,663	13,678
Other short term financial assets		**172**	216	211
Current tax assets		**63**	1,746	1,066
Cash and cash equivalents		**14,885**	13,799	12,718
Total current assets		**29,420**	32,424	27,673
Total assets		**85,773**	92,236	84,257
Liabilities				
Current liabilities				
Lease liabilities		**7**	4	4
Provisions		**2,149**	1,598	1,738
Deferred consideration		**302**	853	317
Trade and other payables		**8,850**	9,907	7,942
Borrowings		**-**	61	224
Current tax liabilities		**125**	139	158
Total current liabilities		**11,433**	12,562	10,383
Net current assets		**17,987**	19,862	17,290
Non-current liabilities				
Lease liabilities		**-**	7	4
Deferred consideration		**664**	576	651
Borrowings		**17**	20	18
Deferred tax liabilities		**5,359**	6,616	6,105
Total non-current liabilities		**6,040**	7,219	6,778
Total liabilities		**17,473**	19,781	17,161
Total net assets		**68,300**	72,455	67,096

	Note	**Unaudited 31 January 2010 £'000**	Unaudited 31 January 2009 £'000	Audited 31 July 2009 £'000
Equity				
Issued share capital	**12**	**194**	193	193
Share premium		**30,818**	30,813	30,811
Merger reserve		**9,239**	9,239	9,239
Foreign exchange reserve		**10,853**	13,826	9,780
Profit and loss reserve		**13,392**	14,777	13,665
Total parent shareholder's equity		**64,496**	68,848	63,688
Minority interests in equity		**3,804**	3,607	3,408
Total equity		**68,300**	72,455	67,096

The accompanying accounting policies and notes form an integral part of these financial statements.

Alan Newman
Chief Financial Officer
12 April 2010

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2010

	Share Capital £'000	Share Premium £'000	Foreign Exchange £'000	Merger £'000	Deferred Consideration £'000	Profit & Loss £'000	Total £'000	Minority Interest £'000	Equity £'000
Carrying Amount At 31 July 2009	193	30,811	9,780	9,239	-	13,665	63,688	3,408	67,096
Comprehensive Income									
Profit	-	-	-	-	-	(308)	(308)	260	(48)
Other comprehensive income									
Currency translation differences	-	-	1,073	-	-	-	1,073	136	1,209
Total Comprehensive income	-	-	1,073	-	-	(308)	765	396	1,161
Transactions with Owners									
Issue Of Share Capital Through Exercise Of Share Options	1	7	-	-	-	-	8	-	8
Share based payments	-	-	-	-	-	35	35	-	35
Carrying Amount At 31 January 2010	194	30,818	10,853	9,239	-	13,392	64,496	3,804	68,300

	Share Capital £'000	Share Premium £'000	Foreign Exchange £'000	Merger £'000	Deferred Consideration £'000	Profit & Loss £'000	Total £'000	Minority Interest £'000	Equity £'000
Carrying Amount At 31 July 2008	190	29,156	4,465	9,239	1,438	13,938	58,426	2,232	60,658
Comprehensive Income									
Profit For The Period	-	-	-	-	-	346	346	383	729
Other comprehensive income									
Currency translation differences	-	-	9,361	-	-	395	9,756	992	10,748
Total Comprehensive income	-	-	9,361	-	-	741	10,102	1,375	11,477
Transactions with Owners									
Expenses Offset Against Share Premium	-	(2)	-	-	-	-	(2)	-	(2)
Issue Of Share Capital Through Exercise Of Share Options	1	223	-	-	-	-	224	-	224
Settlement Of Deferred Consideration As Part Consideration For Acquisition	2	1,436	-	-	(1,438)	-	-	-	-
Share based payments	-	-	-	-	-	98	98	-	98
Carrying Amount At 31 January 2009	193	30,813	13,826	9,239	-	14,777	68,848	3,607	72,455

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 January 2010

	Unaudited 6 months to 31 January 2010	Unaudited 6 months to 31 January 2009	Audited 12 months to 31 July 2009
Cash flows from operating activities	**£'000**	£'000	£'000
Profit after taxation	**(48)**	729	159
Adjustments for:			
Depreciation	**328**	286	557
Amortisation	**1,776**	1,418	3,145
Loss on disposal of fixed assets	**-**	-	53
Foreign exchange loss	**240**	-	132
Share option expense	**35**	115	271
Tax credit recorded in the profit and loss	**(492)**	(366)	(842)
Net investment income	**(27)**	(615)	(404)
Decrease/(increase) in trade and other receivables	(599)	2,901	5,265
(Decrease)/increase in trade and other payables	1,175	(1,822)	(3,040)
Cash generated from operations	**2,388**	2,646	5,296
Interest paid	**(40)**	(69)	(109)
Foreign Exchange losses	**-**		(515)
Income taxes received/ (paid)	**1,013**	(501)	(520)
Net cash generated from operating activities	3,361	2,076	4,152
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)	-	212	(685)
Settlement of deferred considerations	(23)	(1,786)	(2,215)
Other investments made	37	(170)	(175)
Purchase of property, plant and equipment	(126)	(235)	(732)
Purchase of intangible assets	(1,054)	(1,146)	(2,020)
Interest received	70	296	329
Foreign Exchange gain	-	-	725
Net cash used in investing activities	(1,096)	(2,829)	(4,773)
Cash flows from financing activities			
Proceeds from issue of share capital	7	225	220
Loan repayments	(252)	(1,372)	(1,043)
Proceeds from sale of financial assets	-	-	-
Dividends paid to minority interests	(75)	-	(12)
Net cash used in financing activities	(320)	(1,147)	(835)
Net increase/(decrease) in cash, cash equivalents and overdrafts	1,945	(1,900)	(1,456)
Cash and cash equivalents at beginning of period	12,718	13,406	13,406
Exchange gain on cash and cash equivalents	222	2,293	768
Cash, cash equivalents and overdrafts at end of period	14,885	13,799	12,718

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 January 2010

1 NATURE OF OPERATIONS

YouGov plc and subsidiaries' ('the group') principal activity is the provision of market research.

YouGov plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of YouGov plc's registered office is 50 Featherstone Street, London, EC1Y 8RT. YouGov plc's shares are listed on the Alternative Investment Market.

YouGov plc's consolidated interim financial statements are presented in pounds sterling (£), which is also the functional currency of the parent company.

These condensed consolidated interim financial statements have been approved for issue by the board of directors on 31 March 2010.

2 FORWARD LOOKING STATEMENTS

Certain statements in this interim report are forward looking. Although the group believes that the expectations reflected in these forward looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

3 BASIS OF PREPARATION

The interim financial information is unaudited but has been reviewed by the auditors, PricewaterhouseCoopers LLP, and their report to YouGov plc is set out on page 8.

This consolidated interim report for the six months ended 31 January 2009 has been prepared in accordance with IAS 34 'Interim financial reporting' as adopted by the European Union. The consolidated interim report should be read in conjunction with the annual financial statements for the year ended 31 July 2009, which has been prepared in accordance with IFRS's as adopted by the European Union.

The financial information contained in the consolidated interim report does not constitute statutory accounts as defined in the Companies Act 2006. The figures for the year ended 31 July 2009 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement made under Section 498 (3) of the Companies Act 2006.

Accounting policies
The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 July 2009, except as described below:

Taxes on income
Taxes on income in the interim periods are accrued using the expected weighted average tax rate that would be applicable to expected total annual earnings for the full financial year.

Changes to accounting standards
The following new standards have been adopted by YouGov plc in the period to 31 January 2010:

- IAS 1 (revised), 'Presentation of financial statements'. This revised standard required entities to prepare a statement of comprehensive income. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income), as adopted by YouGov plc. Owner changes in equity are shown in a statement of changes in equity.
- IFRS 8, 'Operating segments'. This standard replaces IAS 14. The new standard uses a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. There have been no changes to the segmental analysis presented by YouGov plc as a result of the adoption of IFRS 8.
- IFRS 3 (revised), 'Business combinations'. The standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill and non-controlling (minority) interests may be calculated on a gross or net basis. All transaction costs will be expensed. The standard had no impact on YouGov plc in the period.

The following new standards and amendments to existing standards are now effective but have no significant impact on YouGov plc:

- IAS 23 (revised), 'Borrowing costs'
- Amendments to IFRIC 9 and IAS 39 regarding embedded derivatives
- Annual improvements to IFRSs 2008
- Amendment to IFRS 7, 'Financial instruments:Disclosures'
- Amendment to IFRS 1 'First time adoption of IFRS' and IAS 27 'Consolidated and separate financial statements' on the 'Cost of an investment in a subsidiary, jointly controlled entity or associate'
- Amendment to IAS 39, 'Financial instruments: Recognition and measurement' and IFRS 7, 'Financial instruments: Disclosures' on the 'Reclassification of financial assets'
- IFRS 1 (revised) 'First-time adoption'
- Amendment to IAS 32, 'Financial instruments: Presentation', and IAS 1, 'Presentation of financial statements on 'Puttable financial instruments and obligations arising on liquidation'
- Amendment to IFRS 2, 'Share based payments' on 'Vesting conditions and cancellations'
- Amendment to IAS 39, 'Financial Instruments: Recognition and measurement' on 'Eligible hedged items'
- IAS 27 (revised), 'Consolidated and separate financial statements'

The following new standards and amendments to existing standards are not yet effective.

- IFRS 9, 'Financial instruments'. IFRS 9 is the first part of a new standard on classification and measurement of financial assets that will replace IAS 39. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value and debt instruments are at amortised cost if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is at fair value through profit or loss. This standard is effective for annual periods beginning on or after 1 January 2013 and will impact YouGov plc after that date. It has not yet been endorsed by the EU.
- Amendments to IFRS 1, 'First time adoption'
- Amendment to IAS 32 on classification or rights issues
- Amendment to IAS 24, 'Related party disclosures'
- Amendment to IFRS 1 on first time adoption of IFRS additional exemptions
- Amendments to IFRS 2, Share-based payments group cash-settled transactions

Other than IFRS 9, the standards not yet effective are not currently expected to have a significant impact on YouGov plc. Management will continue to review the impact that these standards may have.

4 SEASONAL FLUCTUATIONS

The market research industry is subject to seasonal fluctuations, with peak demand in the second half of the group’s financial year. For the six months to 31 January 2010 the level of sales represented 48% of the annual level of sales for the year ended 31 July 2009.

5 SEGMENTAL ANALYSIS

Management has determined the operating segments based on the reports reviewed by the board of directors. The board of directors review information based on geographic lines – UK, Middle East and North Africa, Germany and Central Europe, Scandinavia and Northern Europe, and North America. These divisions are the basis on which the group reports its segmental information. The group only undertakes one class of business, that of market research.

For the six months to 31 January 2010 - Unaudited	UK £'000	Middle East and North Africa £'000	Germany and Central Europe £'000	Scandin-avia and Northern Europe £'000	North America £'000	Consol-idation Elimin-ations £'000	Consol-idated £'000
Revenue							
External sales	5,218	3,760	7,225	3,269	1,820	-	21,292
Inter-segment sales	223	21	63	14	62	(383)	-
Total revenue	5,441	3,781	7,288	3,283	1,882	(383)	21,292

Inter-segment sales are priced on an arms length basis that would be available to unrelated third parties.

Segment result							
Gross profit	4,198	2,454	5,733	2,482	1,587	(10)	16,444
Operating profit/(loss)	1,185	728	670	(249)	85	-	2,419
Unallocated corporate expenses							(1,066)
Group operating profit							1,353
Amortisation of intangibles							(1,776)
Exceptional items							(148)
Finance income							157
Finance costs							(130)
Share of post tax profit/ (loss) in joint venture							4
Group profit before tax							(540)
Tax credit							492
Group profit after tax							(48)
Other segment information							
Capital additions	184	58	35	51	102	750	1,180
Depreciation	96	71	116	21	21	3	328
Amortisation	510	106	99	60	71	930	1,776
Share based payments	-	-	-	-	36	-	36
Assets							
Segment assets	16,451	16,699	6,937	4,403	6,613	(4,446)	46,657
Investments in joint ventures	(8)	-	-	-	-	-	(8)
Unallocated corporate assets							39,124
Total assets							85,773
Liabilities							
Segment liabilities	9,106	557	5,174	4,150	2,769	(6,837)	14,919
Unallocated corporate liabilities							2,554
Total liabilities							17,473

For the six months to 31 January 2009 - Unaudited	UK £'000	Middle East and North Africa £'000	Germany and Central Europe £'000	Scandin-avia and Northern Europe £'000	North America £'000	Consol-idation Elimin-ations £'000	Consol-idated £'000
Revenue							
External sales	5,036	4,213	7,830	3,709	1,778	-	22,566
Inter-segment sales	310	-	-	4	73	(387)	-
Total revenue	5,346	4,213	7,830	3,713	1,851	(387)	22,566

Inter-segment sales are priced on an arms length basis that would be available to unrelated third parties.

Segment result							
Gross profit	4,289	2,804	6,043	2,857	1,460	6	17,459
Operating profit/(loss)	787	1,481	453	(98)	113	(30)	2,706
Unallocated corporate expenses							(1,368)
Group operating profit							1,338
Amortisation of intangibles							(1,418)
Exceptional items							(194)
Finance income							1,131
Finance costs							(516)
Share of post tax profit/ (loss) in joint venture							22
Group profit before tax							363
Tax credit							366
Group profit after tax							729
Other segment information							
Capital additions	521	74	289	70	328	273	1,555
Depreciation	67	34	129	18	26	12	286
Amortisation	127	29	40	31	72	1,119	1,418
Share based payments	13	-	-	-	102	-	115
Assets							
Segment assets	16,461	16,424	8,268	4,864	6,877	(9,205)	43,689
Investments in joint ventures	(3)	-	-	-	-	-	(3)
Unallocated corporate assets							48,550
Total assets							92,236
Liabilities							
Segment liabilities	8,994	1,251	6,846	3,900	2,531	(4,704)	18,818
Unallocated corporate liabilities							963
Total liabilities							19,781

6 EXCEPTIONAL ITEMS

	Unaudited 6 months to 31 January 2010 £'000	Unaudited 6 months to 31 January 2009 £'000	Audited 12 months to 31 July 2009 £'000
Restructuring costs	148	194	610
	148	194	610

Restructuring costs arose due to the termination of operations of certain divisions within the Scandinavian business. In the prior year, restructuring costs arose due to terminations of certain operations within the UK business.

7 INCOME TAXES

	Unaudited 6 months to 31 January 2010 £'000	Unaudited 6 months to 31 January 2009 £'000	Audited 12 months to 31 July 2009 £'000
Current taxation charge	**(14)**	(180)	(415)
Deferred taxation credit	**506**	546	1,257
	492	366	842

8 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Shares held in employee trusts are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

The adjusted earnings per share has been calculated to reflect the underlying profitability of the business by excluding the amortisation of intangible assets, share based payments, imputed interest, exceptional items and any tax effects.

	Unaudited 6 months to 31 January 2010 £'000	Unaudited 6 months to 31 January 2009 £'000	Audited 12 months to 31 July 2009 £'000
Group (loss)/profit after taxation attributable to equity holders of the parent company	(308)	346	(544)
Add: amortisation of intangible assets	1,776	1,418	3,145
Add: share based payments	35	115	271
Add: imputed interest	23	93	158
Add: exceptional items	148	194	610
Tax effect of the above adjustments	(646)	(588)	(1,384)
	1,028	1,578	2,256

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

Number of shares	**Unaudited 6 months to 31 January 2010**	Unaudited 6 months to 31 January 2009	Audited 12 months to 31 July 2009
Weighted average number of shares during the period ('000 shares):			
- Basic	**96,740**	95,790	96,244
- Dilutive effect of options	**2,701**	5,120	3,517
- Diluted	**99,441**	100,910	99,761
Basic earnings per share (in pence)	**(0.3)**	0.4	(0.6)
Adjusted basic earnings per share (in pence)	**1.0**	1.7	2.3
Diluted earnings per share (in pence)	**(0.3)**	0.3	(0.6)
Adjusted diluted earnings per share (in pence)	**1.0**	1.6	2.3

The adjustments have the following effect:

	Unaudited 6 months to 31 January 2010 pence	Unaudited 6 months to 31 January 2009 pence	Audited 12 months to 31 July 2009 pence
Basic earnings per share	(0.3)	0.4	(0.6)
Amortisation of intangible assets	1.8	1.5	3.3
Share based payments	-	0.1	0.3
Imputed interest	-	0.1	0.1
Exceptional items	0.2	0.2	0.6
Tax effect of the above adjustments	(0.7)	(0.6)	(1.4)
Adjusted basic earnings per share	1.0	1.7	2.3

	Unaudited 6 months to 31 January 2010 pence	Unaudited 6 months to 31 January 2009 Pence	Audited 12 months to 31 July 2009 pence
Diluted earnings per share	(0.3)	0.3	(0.6)
Amortisation of intangible assets	1.8	1.5	3.3
Share based payments	-	0.1	0.3
Imputed interest	-	0.1	0.1
Exceptional items	0.2	0.2	0.6
Tax effect of the above adjustments	(0.7)	(0.6)	(1.4)
Adjusted diluted earnings per share	1.0	1.6	2.3

9 DIVIDEND

No dividend was paid or proposed during the period (2009: £nil).

10 GOODWILL, INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

	Goodwill	**Intangible assets**	**Property, plant and equipment**
Carrying amount at 31 July 2008	**33,500**	**17,118**	**2,217**
Additions:			
Separately acquired	-	613	235
Internally developed	-	533	-
Through business combinations	-	-	-
Amortisation and depreciation	-	(1,418)	(286)
Revision to initial carrying value, reclassification and disposals	(3,798)	(3)	-
Net exchange differences	5,761	2,772	477
Carrying amount at 31 January 2009	**35,463**	**19,615**	**2,643**
Additions:			
Separately acquired	61	691	497
Internally developed	-	183	-
Through business combinations	1,125	687	7
Amortisation and depreciation	-	(1,727)	(271)
Revision to initial carrying value, reclassification and disposals	(923)	(35)	(16)
Net exchange differences	(2,244)	(1,474)	(231)
Carrying amount at 31 July 2009	**33,482**	**17,940**	**2,629**
Additions:			
Separately acquired	-	565	126
Internally developed	-	489	-
Amortisation and depreciation	-	(1,776)	(328)
Revision to initial carrying value, reclassification and disposals	-	(25)	-
Net exchange differences	827	79	127
Carrying amount at 31 January 2010	**34,309**	**17,272**	**2,554**

In accordance with the group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The last full annual impairment review was undertaken as at 31 July 2009. IAS 36 also requires carrying values to be reviewed at each balance sheet date and a full impairment review to be undertaken should any information come to light which casts doubt on the results of the last full annual impairment review. This review was performed by Management as at 31 January 2010.

The review assessed whether the carrying value of goodwill was supported by the net present value of future cash flows derived from assets using an initial projection period of 4 years (inclusive of the current financial year) for each cash generating unit. After the initial projection period (years 5 – 10 inclusive) growth rates of 5% (10% for Polimetrix) which is conservative both in comparison with historical performance (across all geographies) and annual growth rates in the internet based market research sector. Annual growth rates of 2% have been assumed in perpetuity beyond year 10.

The weighted average cost of capital used by the group to discount the future cash flows to their present value is 10% (2009: 12%). All businesses are debt free with the exception of Zapera.

The impairment reviews supported the carrying values of goodwill.

11 BORROWINGS

In the six months to 31 January 2010 the group has reduced its external debt by £0.2m leaving its current external borrowings at less than £0.1m. The group has no need to increase this in the near future.

12 SHARE CAPITAL

	Number of shares	**Unaudited Share capital £'000**
At 31 January 2009	**96,676,552**	**193**
Issue of shares	**56,625**	**-**
At 31 July 2009	**96,733,177**	**193**
Issue of shares	61,232	1
At 31 January 2010	**96,794,409**	**194**

The 61,232 shares issued to satisfy share options yielded £7k in cash and increased shareholders equity by £7k.

13 EVENTS AFTER THE BALANCE SHEET DATE

Board Change

On 22 February 2010, Nadhim Zahawi, Chief Executive Officer and co-Founder of YouGov plc was selected as the Prospective parliamentary Candidate for the Conservative party in the Stratford-on-Avon constituency at the next UK General Election. Stephan Shakespeare (Chief Innovation Officer and co-Founder) resumed his original role as Joint Chief Executive Officer and became sole CEO when the General Election was called. Nadhim Zahawi stepped down as CEO and will resign from the Board of YouGov plc if elected as a Member of Parliament.

Purchase of minority stake in Service Rating

On the 11th March 2010, YouGovpsychonomics AG bought the 40% minority shareholding in its subsidiary, Service Rating GmbH from the other minority shareholder, Assekurata for a total price of €340,000. Service Rating is now a fully owned subsidiary of the group.

14 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

During the period, the company received notice that Stephan Shakespeare had on 3 November 2009 entered into a pledge agreement in respect of 6,000,000 ordinary shares of 0.2p each in the Company (representing approximately 6.2% of issued share capital of the company) as a grant of security against a personal loan. There is no change in his overall shareholding in the company. Mr Shakespeare continues to have an interest in 10,939,110 ordinary shares representing approximately 11.3 % of the company's issued share capital.

During the period goods and services were procured from IPBD Limited totaling £767k (2009: £650k). IPBD Limited is a company which is owned by the parents of Nadhim Zahawi, an executive director of YouGov plc. The purchases were made at an arm's length and on usual commercial terms. As at 31 January 2010, YouGov plc owed IPBD Limited £2k (2009: £8k).

During the period, YouGov plc provided research services totaling £36k (2009: £76k) to Privero Capital Advisors Inc. Minority stakes in this company are owned by Stephan Shakespeare and Balshore Investments (the family trust of Nadhim Zahawi's family), each of whom control 25% of the company. Both Stephan Shakespeare and Nadhim Zahawi are executive directors of YouGov plc. The sales were made at an arm's length and on usual commercial terms. These arrangements have previously been disclosed as a related party transaction under the AIM Rules for Companies and in respect of which the independent directors, having consulted with the Company's nominated adviser, consider that the terms of these transactions are fair and reasonable insofar as the Company's shareholders are concerned.
At 31 January 2010 Privero Capital Advisors Inc owed YouGov plc £635k (2009: £998k) of which £519k was repaid on 12th February 2010.

During the period, YouGov plc provided research services totaling £30k (2009: £nil) to Doughty Media Limited, a company which Stephan Shakespeare owns. At 31 January 2010 Doughty Media Limited owed YouGov plc £35k (2009: £163k).

Trading between YouGov plc and group companies is excluded from the related party note as this has been eliminated on consolidation.