



Structured for further growth  
Organic • International • New products

Half Year Announcement  
10 April 2007

# Highlights

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- Turnover up 61% to £6.1m, mainly organic
- PBT up 64% to £2.3 million
- UK business performed strongly with growth of 68%
- YouGov Middle East re-branded as YouGovSiraj
- Acquisition of 32% stake in Polimetrix Inc in December 2006 - £3.8m
- Increased investment in people and infrastructure
- Successful launch of YouGovHealthcare and its products PatientsOnline and NHSOpinions
- Launch of YouGovCentaur
- Structured for expansion – main board, operational board, innovation
- New offices in London, Palo Alto, Washington, Saudi Arabia. Relocated UK offices in February 2007, quadrupling capacity in the process

# Financial Highlights

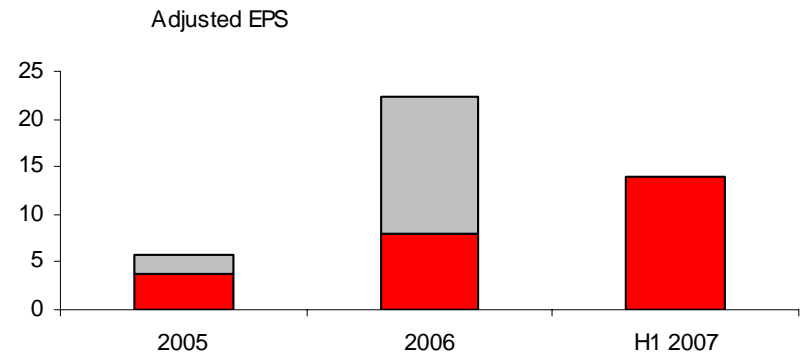
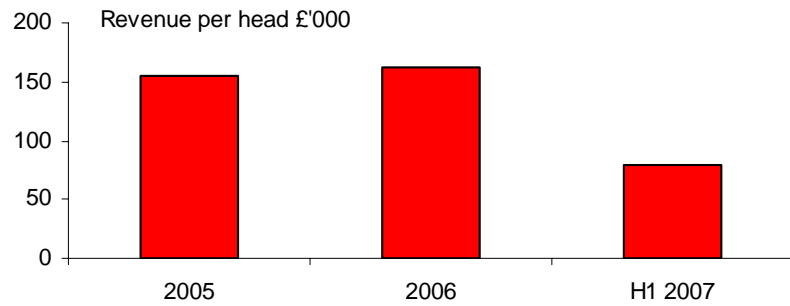
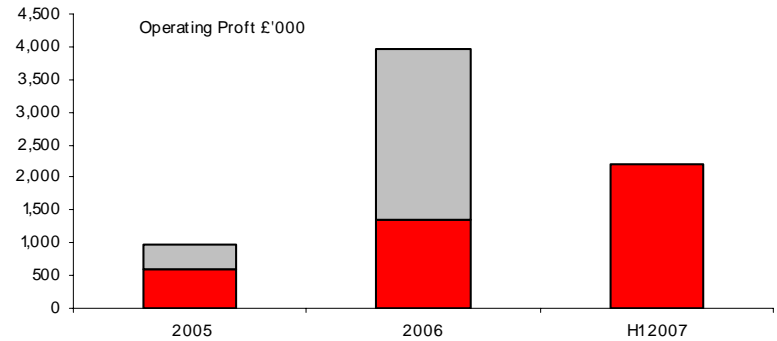
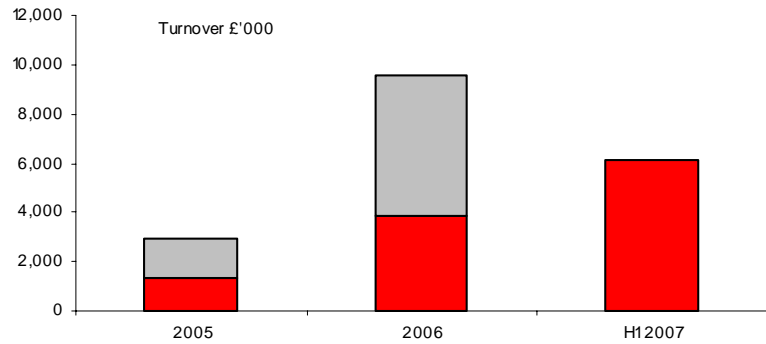
# Financial Highlights - Group

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- Strong focus on topline growth - turnover up 61% from £3.8 million to £6.1 million, mainly organic
- Profit before tax up 64% from £1.4 million to £2.3 million (adjusted PBT increased from £1.4m to £2.4m (71%) after allowing for amortisation and exceptionals), margins increased slightly from 37% to 38% before a and e (39%)
- Earnings per share up by 59% from 8.0 pence to 12.7 pence per share (adjusted EPS increased from 8.0 pence to 13.9 pence (74%))
- Cash on hand £4.3m
- Investment in people, innovation and infrastructure
- Headcount has increased from 41 at end January 2006 to 76 at end January 2007
- Acquisition of 32% stake in Polimetrix Inc in December 2006 - £3.8m

# KPIs

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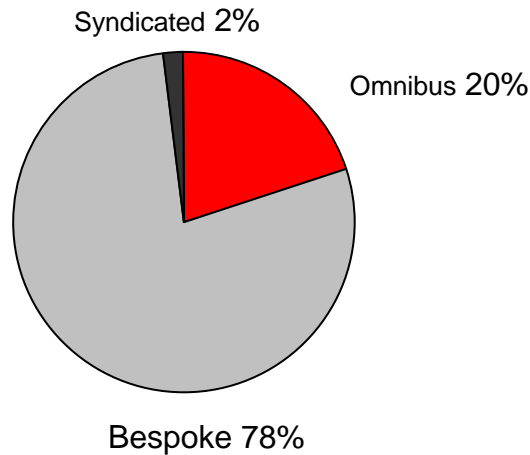


# Split of Turnover - Group

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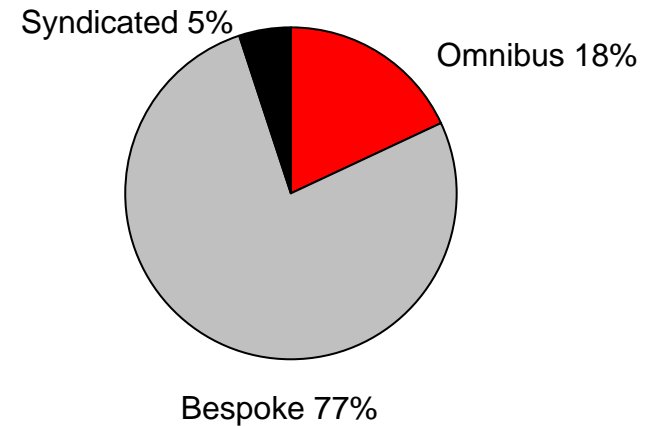
**January 2006**

Turnover £3.841m



**January 2007**

Turnover £6.083m



# Financial and operational highlights - UK

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- Growth in revenues continues at 68% to £3.2m
- Operating profits remain strong £1.1m (margin: 34%, prior period 33%)
- Headcount has increased from 32 at end January 2006 to 55 at end January 2007
- BrandIndex now 5% of Group revenues
- Customer repeat levels
- Organisational consulting division launched
- YGX continues to develop its client base and intellectual property



# Financial and operational highlights – Middle East

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- YouGov ME has now been rebranded YouGovSiraj following the successful integration of Siraj
- Turnover up 53% from £1.9m to £2.9m
- Operating profit up 43% from £0.7m to £1.0m
- Strong cashflows generated
- Saudi Office opened
- Omnibus has been launched
- BrandIndex launch scheduled for later this calendar year
- Headcount has increased from 10 at end January 2006 to 21 at end January 2007
- Proven the scalability of the business model

# Polimetrix – operational review

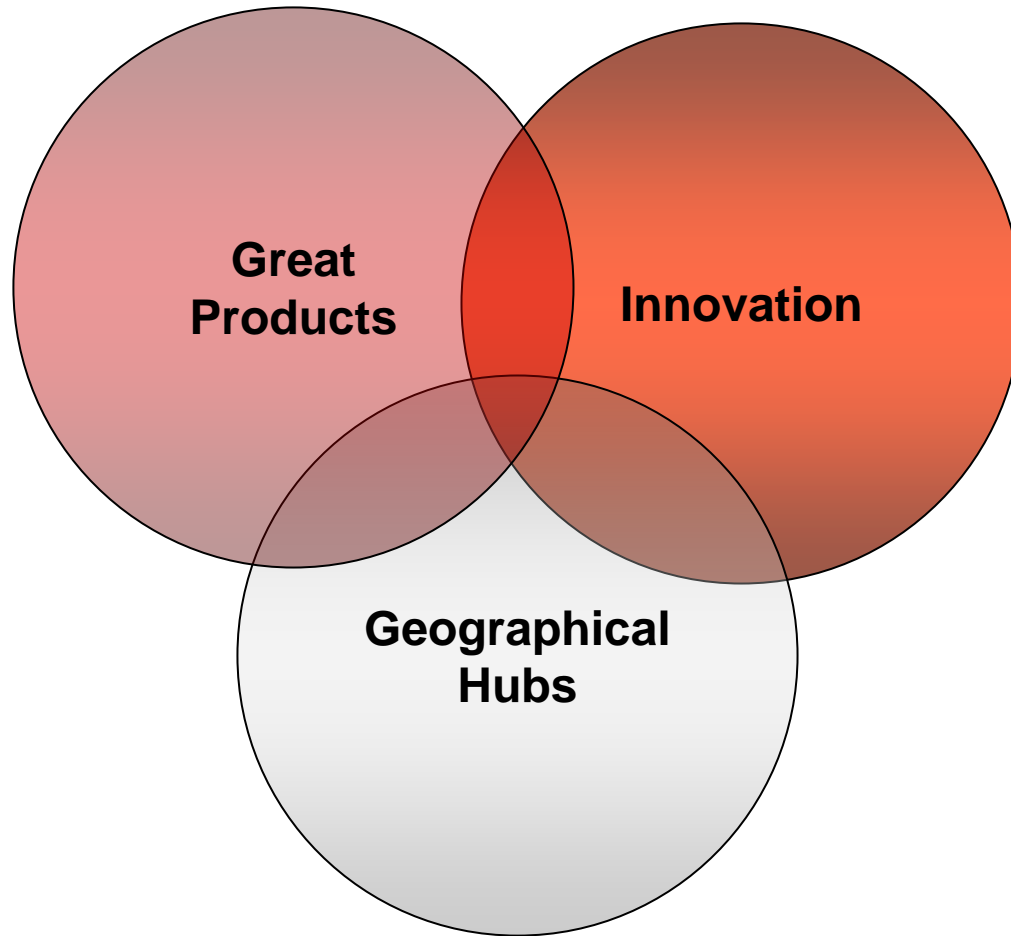
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- Acquired 32% stake, option to acquire the remainder within 30 months – price agreed
- YouGov 4-5 years ago
  - Academic
  - Political
  - Media
- Mid-term elections
- US panel of over 1 million
- Team of 20+

# Strategic Overview

# Strategic Overview

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# Structure for achievement of strategy



(✓) = beta phase

# Innovation

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- Creation of innovations hub in Group HQ – London
  - Qualitative / YouGov TV
  - BrandIndex v2
  - Financial research
- Cross pollination of innovative ideas at Operational Board
- Acquisition strategy supports innovation
- Daily rhythm of business reflected in research activity

# The Future

# Future Developments

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- Market conditions remain favourable
- Products
  - Alliances to bed in – YGX, YGC, YGS – others in pipeline
  - Innovation projects – BrandIndex and qualitative research online
- Internationalisation
  - Launch BrandIndex USA within 8 weeks and thereafter launch omnibus
  - Leverage of international network
  - Other geographies being considered
  - Strategic partnership with Susquehanna International Group bringing additional revenues



# Selective Acquisitions

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- Acquisitions – achieving geographical expansion and market share in UK
- Largest research markets

|            |         |
|------------|---------|
| 1. US      | \$7.7bn |
| 2. UK      | \$2.4bn |
| 3. France  | \$2.2bn |
| 4. Germany | \$2.2bn |
| 5. Japan   | \$1.4bn |
- Financial criteria
  - Earnings enhancing in first full year
  - Pay-back in 7 years
  - Positive NPV
- Operational criteria
  - Strong customer base
  - Industry specialisms
  - Strong management

# Current Trading and Prospects

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- Momentum continues to build into H2
- All businesses continue to perform well with increased investment in people and infrastructure
- Well placed to continue delivery of innovative research tools to clients
- Board confident 2007 will be another successful year both financially and operationally

# Q&A

# Financial Appendices

# Group Profit and Loss

|  | Note | 6 months<br>to 31/1/07<br>£'000 | 6 months<br>to 31/1/06<br>£'000 | 12 months<br>to 31/7/06<br>£'000 |
|--|------|---------------------------------|---------------------------------|----------------------------------|
| Turnover: group and share of joint ventures                                      | 2    | 6,176                           | 3,841                           | 9,567                            |
| Less: share of joint ventures' turnover  |      | (93)                            | -                               | (95)                             |
| <b>Group turnover</b>  |      | <b>6,083</b>                    | 3,841                           | 9,472                            |
| Cost of sales  |      | (1,215)                         | (926)                           | (2,153)                          |
| <b>Gross profit</b>  |      | <b>4,868</b>                    | 2,915                           | 7,319                            |
| Other operating charges  |      | (2,581)                         | (1,551)                         | (3,466)                          |
| <b>Group operating profit before amortisation<br/>of intangible fixed assets</b> |      | <b>2,287</b>                    | 1,364                           | 3,853                            |
| Amortisation of intangible fixed assets  |      | (114)                           | -                               | -                                |
| <b>Group operating profit</b>  |      | <b>2,173</b>                    | 1,364                           | 3,853                            |
| Share of operating profit in joint venture                                       |      | 18                              | -                               | 9                                |
| Share of operating loss in associate   |      | (38)                            | -                               | -                                |
|  | 2    | <b>2,153</b>                    | 1,364                           | 3,862                            |
| Interest receivable  |      | 110                             | 84                              | 192                              |
| Interest payable   |      | (1)                             | -                               | (1)                              |
| Share of interest receivable in joint venture                                    |      | 1                               | -                               | -                                |
| Share of interest receivable in associate  |      | 5                               | -                               | -                                |
| <b>Profit on ordinary activities before taxation</b>                             |      | <b>2,268</b>                    | 1,448                           | 4,053                            |
| Tax on profit on ordinary activities   | 3    | (231)                           | (183)                           | (542)                            |
| Share of tax on profit on ordinary activities of<br>joint venture                |      | (10)                            | -                               | -                                |
| <b>Profit on ordinary activities after taxation</b>                              |      | <b>2,027</b>                    | 1,265                           | 3,511                            |
| Minority interests   |      | (324)                           | (194)                           | (521)                            |
| <b>Profit retained and transferred to reserves</b>                               |      | <b>1,703</b>                    | 1,071                           | 2,990                            |
| Earnings per share   |      |                                 |                                 |                                  |
| - basic  | 4    | 12.7                            | 8.0                             | 22.4                             |
| - diluted  |      | 12.1                            | 7.6                             | 21.1                             |

# Segmental Analysis

| <b>Turnover by origin</b>                  | <b>6 months<br/>to 31/1/07<br/>£'000</b> | 6 months<br>to 31/1/06<br>£'000          | 12 months<br>to 31/7/06<br>£'000 |
|--|--|--|----------------------------------|
| UK   | 3,216                                    | 1,941                                    | 4,849                            |
| Middle East                                | 2,867                                    | 1,900                                    | 4,623                            |
| Share of turnover of joint venture         | 93                                       | -  | 95                               |
| Group turnover                             | <b>6,176</b>                             | 3,841                                    | 9,567                            |
| <b>Operating profit</b>                    | <b>6 months<br/>to 31/1/07<br/>£'000</b> | 6 months<br>to 31/1/06<br>£'000          | 12 months<br>to 31/7/06<br>£'000 |
| UK   | 1,147                                    | 638                                      | 1,898                            |
| Middle East                                | 1,026                                    | 726                                      | 1,955                            |
| Share of operating profit of joint venture | 18                                       | -  | 9                                |
| Share of operating loss of associate       | (38)                                     | -  | -                                |
| Group operating profit                     | <b>2,153</b>                             | 1,364                                    | 3,862                            |
| <b>Net assets</b>                          | 6 months<br>to 31/1/07<br>£'000          | <b>6 months<br/>to 31/1/06<br/>£'000</b> | 12 months<br>to 31/7/06<br>£'000 |
| UK   | 1,569                                    | 3,935                                    | 4,809                            |
| Middle East                                | 2,841                                    | 912                                      | 1,698                            |
| Middle East acquisition                    | -  | -  | 151                              |
| Share of net assets of joint venture       | 119                                      | -  | 110                              |
| Share of net assets of associate           | 3,856                                    | -  | -                                |
| Group net assets                           | <b>8,385</b>                             | 4,847                                    | 6,768                            |

# Group Cash Flow

|   | Note     | 6 months<br>to 31/1/07<br>£'000 | 6 months<br>to 31/1/06<br>£'000 | 12 months<br>to 31/7/06<br>£'000 |
|---|----------|---------------------------------|---------------------------------|----------------------------------|
| <b>Net cash inflow from operating activities</b>                            | <b>6</b> | <b>2,737</b>                    | 704                             | 2,896                            |
| <b>Returns on investments and servicing of finance</b>                      |          |                                 |                                 |                                  |
| Interest received   |          | 114                             | 73                              | 181                              |
| Interest paid   |          | (1)                             | -                               | (1)                              |
| <b>Net cash inflow from returns on investments and servicing of finance</b> |          | <b>113</b>                      | 73                              | 180                              |
| <b>Taxation</b>   |          | -                               | -                               | (318)                            |
| <b>Capital expenditure and financial investment</b>                         |          |                                 |                                 |                                  |
| Purchase of intangible fixed assets   |          | (8)                             | -                               | (806)                            |
| Purchase of tangible fixed assets   |          | (256)                           | (60)                            | (133)                            |
| Cost of investment in joint venture   |          | -                               | -                               | (100)                            |
| Cost of investment in associate   |          | (3,889)                         | -                               | -                                |
| <b>Net cash outflow from capital expenditure and financial investment</b>   |          | <b>(4,153)</b>                  | (60)                            | (1,039)                          |
| <b>Financing</b>  |          |                                 |                                 |                                  |
| Issue of shares   |          | 1                               | 1                               | 1                                |
| Premium on issue of shares  |          | 50                              | 30                              | 30                               |
| Offset expense against share premium account                                |          | (7)                             | -                               | -                                |
| <b>Net cash inflow from financing</b>                                       |          | <b>44</b>                       | 31                              | 31                               |
| (Decrease)/increase in cash   | <b>7</b> | <b>(1,259)</b>                  | 748                             | 1,750                            |

# Group Balance Sheet

|  | Note | 31/1/07<br>£'000 | 31/1/06<br>£'000 | 31/7/06<br>£'000 |
|--|------|------------------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |                  |
| Intangible assets  |      |                  |                  |                  |
| Goodwill   |      | 1,012            | -                | 1,171            |
| Tangible assets  |      | 372              | 107              | 158              |
| Investment in joint venture                                    |      |                  |                  |                  |
| Share of gross assets  |      | 135              | -                | 123              |
| Share of gross liabilities                                     |      | (16)             | -                | (13)             |
|  |      | 119              | -                | 110              |
| Investment in associate  | 5    | 3,856            | -                | -                |
|  |      | 5,359            | 107              | 1,439            |
| <b>Current assets</b>  |      |                  |                  |                  |
| Debtors  |      | 3,302            | 2,288            | 3,699            |
| Cash at bank and in hand                                       |      | 4,287            | 4,544            | 5,546            |
|  |      | 7,589            | 6,832            | 9,245            |
| <b>Creditors: amounts falling due within one year</b>          |      | (3,167)          | (1,885)          | (2,796)          |
| <b>Net current assets</b>                                      |      | 4,422            | 4,947            | 6,449            |
| <b>Total assets less current liabilities</b>                   |      | 9,781            | 5,054            | 7,888            |
| <b>Creditors: amounts falling due after more than one year</b> |      | (347)            | -                | (365)            |
| <b>Provisions for liabilities and charges</b>                  |      | (19)             | (11)             | (12)             |
|  |      | 9,415            | 5,043            | 7,511            |
| <b>Capital and reserves</b>                                    |      |                  |                  |                  |
| Called up share capital  |      | 134              | 134              | 134              |
| Share premium account  |      | 2,987            | 2,941            | 2,943            |
| Profit and loss account  |      | 5,264            | 1,772            | 3,691            |
| <b>Total attributable to equity shareholders</b>               |      | 8,385            | 4,847            | 6,768            |
| Minority interests   |      | 1,030            | 196              | 743              |
| <b>Shareholders funds</b>                                      |      | 9,415            | 5,043            | 7,511            |



# Background Appendices

# Full Service Agency

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Replacement

Pre-revolution

Hypothesis

BES

Real  
outcomes

Online only

Revolution

Brand-  
Index

Sons and  
daughters  
of BI

YGX

Global  
data,  
daily