



YouGov plc


**Uniquely positioned in online research
- selective investment for the future**

**Interim results 2008/09
April 2009**

YouGov[®]
What the world thinks

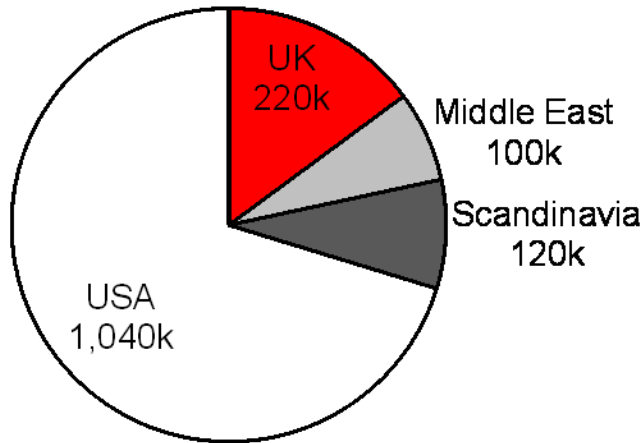


Operational overview

- 
- Result in line with trading statement issued 5 February 2009
 - Market conditions remain challenging
 - Revenue increased 20% (4% in constant currency)
 - New product launches to meet our clients changing needs - Recession Tracker, Debt Tracker and Dongle Tracker. Well received by clients and add to syndicated offering
 - BrandIndex now available in all our hubs
 - Significant growth in global panel size to 2,170,000 from 1,480,000 at 31 January 2008
 - UK and Scandinavia revenues below expectations due to poor market conditions
 - Good revenue growth in Germany and USA
 - Diversification in Middle East progressing well
 - Reputation for accuracy further enhanced by our polling results for the US Presidential Elections and State elections in Hesse, Germany

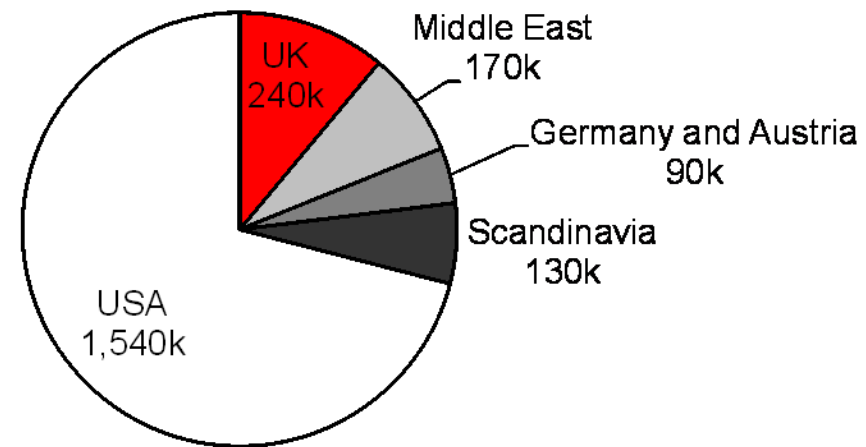
YouGov - "What the world thinks"

31/1/08 Panel Size



31 Jan 2008 Total: 1,480k

31/1/09 Panel Size




31 Jan 2009 Total: 2,170k

Track record of accuracy continues

- US Presidential Elections
- State of Hesse in Germany




Positioning YouGov for the future

- 
- Growth in cost base reflected investments made last year
 - Costs kept in line with budget but revenue growth expectations not met
 - Reviewed range of investment areas - scaling back investment in non-core activities and reducing costs in areas not delivering expected revenue growth
 - Announced measures which will deliver annualised cost savings of £2.5m
 - These will yield £0.3m savings in current financial year
 - Maintaining key developments to reinforce online competitive advantage
 - Developing and enriching BrandIndex and other syndicated products
 - Continuing to migrate research online in Germany
 - Re-focussed UK custom research



Financial overview

- 
- Turnover up 20% to £22.6m (2008: £18.8m)
 - Normalised profit before tax of £2.4m (2008: £5.2m)
 - Normalised earnings per share were 1.9p (2008: 5.2p)
 - Good cash generation - improved to £2.6m (2008: £1.8m)
 - Balance sheet remains strong – net cash increased to £13.7m as at 31 January 2009 from net cash of £12.3m as at 31 July 2008

Segmental analysis

| | Revenue £m | Revenue growth % | Operating profit £m | Operating margin |
|--------------------|---------------|---------------------|------------------------|---------------------|
| UK | 5.3 | 5% | 0.8 | 15% |
| Middle East | 4.2 | 7% | 1.5 | 35% |
| Scandinavia | 3.7 | 23% | (0.1) | (3)% |
| Germany | 7.8 | 30% | 0.5 | 6% |
| USA | 1.9 | 60% | 0.1 | 6% |

| | | | | |
|--------------|-------------|------------|-------------|-----------|
| Group | 22.6 | 20% | 1.6* | 7% |
|--------------|-------------|------------|-------------|-----------|

* Normalised operating profit

Group P&L - update

- Revenue up 20% to £22.6m (2008: £18.8m)
- All revenue growth is organic
- Gross margin decreased from 83% to 77%
- Operating expenses increased by 42% (underlying increase of 26% in constant currency) reflecting effect of investments made in FY08
- Group operating margin of 6% (2008: 23%)
- Normalised operating profit in the period was £1.6m
- Normalised EPS decreased from 5.2p to 1.9p
- Headcount increased from 425 to 452 through investment in research teams in the period.
- However, headcount has been kept static since 31 July 2008

| | 6 months to 31-Jan-09 £'m | 6 months to 31-Jan-08 £'m |
|------------------------------------|---------------------------------|---------------------------------|
| Group revenue | 22.6 | 18.8 |
| Cost of sales | (5.1) | (3.2) |
| Gross profit | 17.5 | 15.6 |
| Operating expenses | (16.1) | (11.4) |
| Group operating profit | 1.3 | 4.3 |
| Normalised operating profit | 1.6 | 4.8 |
| Basic EPS (p) | 0.4 | 3.5 |
| Normalised EPS (p) | 1.9 | 5.2 |

Balance Sheet

- Strong financial position
- Healthy cash balances : £13.8m
- Growth in net assets reflects foreign exchange gain of £13.8m

| | 31-Jan-09 £'m | 31-Jan-08 £'m |
|---|------------------|------------------|
| Assets | | |
| Non current assets | | |
| Goodwill | 35.5 | 30.5 |
| Intangible assets | 19.6 | 16.2 |
| Other non current assets | 4.7 | 3.9 |
| Total non current assets | 59.8 | 50.7 |
| Current Assets | | |
| Trade & other receivables | 16.7 | 14.9 |
| Cash & cash equivalents | 13.8 | 14.0 |
| Other current assets | 2.0 | 0.5 |
| Total current assets | 32.4 | 29.5 |
| Total assets | 92.2 | 80.2 |
| Liabilities | | |
| Total current liabilities | 12.6 | 14.9 |
| Net current assets / liabilities | 19.9 | 14.6 |
| Total non current liabilities | 7.2 | 12.3 |
| Total liabilities | 19.8 | 27.2 |
| Total net assets | 72.5 | 53.0 |

Cash Flow

- Cash flow from operating activities: £2.6m
- Debtor days at 31 January 2009 were 79 days (2008: 71 days)
- £1.8m cash spent in period on deferred consideration related to the Zapera and psychonomics acquisitions
- £1.4m loan repaid in period
- £2.3m exchange gain
- Net cash increased by £1.4m

| | 6 months to 31-Jan-09 £'m | 6 months to 31-Jan-08 £'m |
|---|---------------------------------|---------------------------------|
| Cash flows from operating activities | | |
| Profit after taxation | 0.7 | 3.6 |
| Adjustments for: | | |
| Non cash movements | 0.8 | 1.1 |
| Net working capital movement | 1.1 | (2.9) |
| Cash generated from operations | 2.6 | 1.8 |
| Net cash generated from operating activities | 2.1 | 1.0 |
| Net cash used in investing activities | (2.8) | (17.6) |
| Net cash generated from financing activities | (1.1) | 26.2 |
| Net increase/(decrease) in cash | (1.9) | 9.6 |
| Cash and cash equivalents at beginning of year | 13.4 | 4.1 |
| Exchange gain on cash and cash equivalents | 2.3 | 0.4 |
| Cash, cash equivalents and overdrafts at end of year | 13.8 | 14.0 |

UK - operational review

- Omnibus service performing well and extended – good demand for international service
- New product launches to meet market environment and changing client research needs – Recession Tracker, Dongle Tracker and Debt Tracker
- Expected new business from investment community did not materialise
- Refocusing of sector based approach in response to market demand

| | 6m FY09 £m | 12m FY08 £m | 6m FY08 £m |
|------------------|---------------|----------------|---------------|
| Revenue | 5.3 | 12.6 | 5.1 |
| Operating profit | 0.8 | 3.9 | 2.0 |
| Headcount | 31/1/09 89 | 31/7/08 99 | 31/1/08 89 |



Middle East – operational review

- Revenue benefited from currency appreciation in the period, underlying decrease in revenue was 14% as expected
- Good growth in regionally generated new business
- Saudi Arabian market developing
- Panel extended to 18 countries
- YouGov now established as a leader in Arabic language online research

| | 6m FY09 £m | 12m FY08 £m | 6m FY08 £m |
|------------------|---------------|----------------|---------------|
| Revenue | 4.2 | 7.7 | 4.0 |
| Operating profit | 1.5 | 3.8 | 2.1 |
| Headcount | 31/1/09 47 | 31/7/08 45 | 31/1/08 35 |



Scandinavia – operational review

- Roll out of YouGov’s products progressing well and driving growth
- Underlying revenue growth 4% in constant currency
- Trading conditions challenging – particularly in Norway and Sweden
- Increase of Danish Kroner against other Scandinavian currencies causing margin pressure as centralised operating costs are incurred in Denmark

| | 6m FY09 £m | 12m FY08 £m | 6m FY08 £m |
|------------------|---------------|----------------|---------------|
| Revenue | 3.7 | 6.5 | 3.0 |
| Operating profit | (0.1) | 1.0 | 0.2 |
| | 31/1/09 | 31/7/08 | 31/1/08 |
| Headcount | 81 | 78 | 71 |



Scandic



BERLINGSKE
MEDIA

TeliaSonera



Germany – operational review

- Underlying revenue growth 10% in local currency
- Online panels in Germany and Austria grown to 90,000 panelists
- Financial management controls significantly improved
- Employee Satisfaction and Service Rating services performing well
- Election success - first online poll most accurate in State of Hesse elections

| | 6m FY09 £m | 12m FY08 £m | 6m FY08 £m |
|------------------|----------------|----------------|----------------|
| Revenue | 7.8 | 12.0 | 6.0 |
| Operating profit | 0.5 | 0.7 | 0.8 |
| Headcount | 31/1/09 196 | 31/7/08 192 | 31/1/08 195 |



USA – operational review

- Underlying revenue growth 30% in local currency
- Still in early stage of commercial development – good progress being made
- Strength in political polling provides a platform for brand extension – reputation for accuracy enhanced by US Election polling
- Enlarged panel now able to provide representative sample in each state
- Successful launch of enhanced BrandIndex in US – several large contracts won

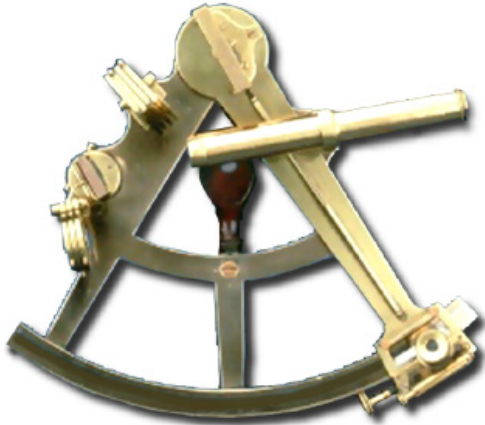
| | 6m FY09 £m | 12m FY08 £m | 6m FY08 £m |
|------------------|---------------|----------------|---------------|
| Revenue | 1.9 | 2.8 | 1.2 |
| Operating profit | 0.1 | (0.1) | (0.1) |
| Headcount | 31/1/09 31 | 31/7/08 30 | 31/1/08 26 |





Innovation

The revolution continues



- The old world has been thoroughly transformed by the internet

The revolution continues



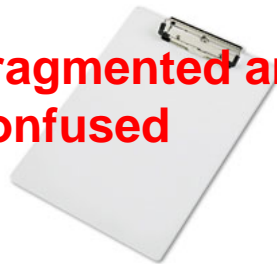
- Nearly all of us exist online – but how much has market research really changed?

The revolution continues

YouGov[®]
Innovation



**Fragmented and
confused**



Google[™]
Zeitgeist



Passive

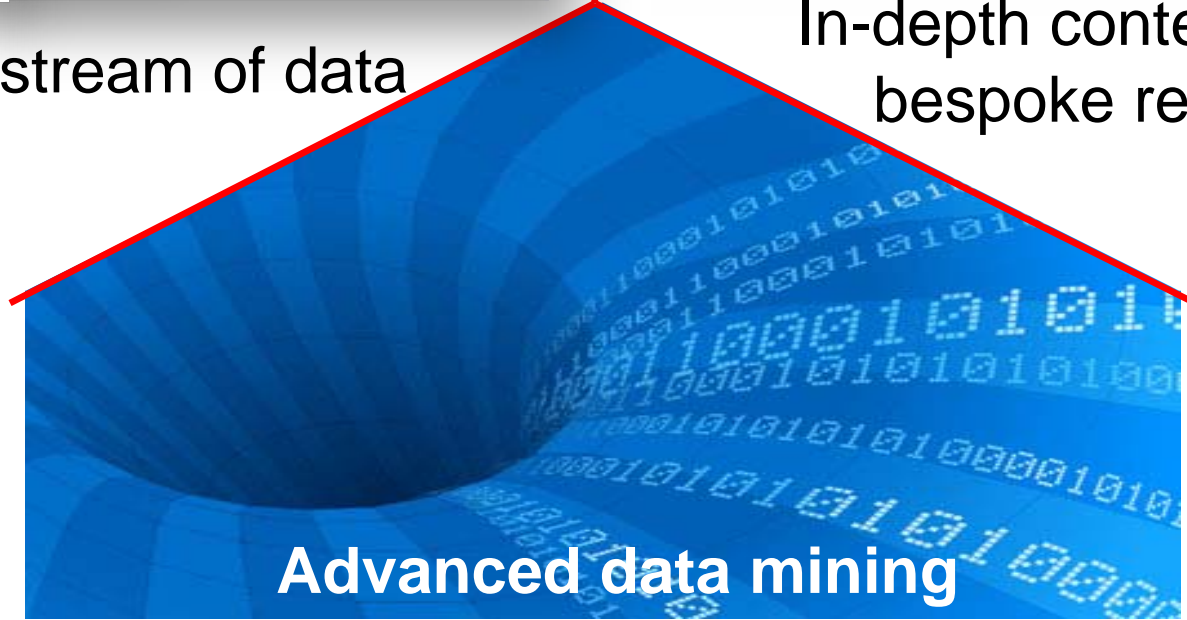
- YouGov is launching a coherent range of products that allow clients to engage directly with the new world

The revolution continues



Enriched stream of data

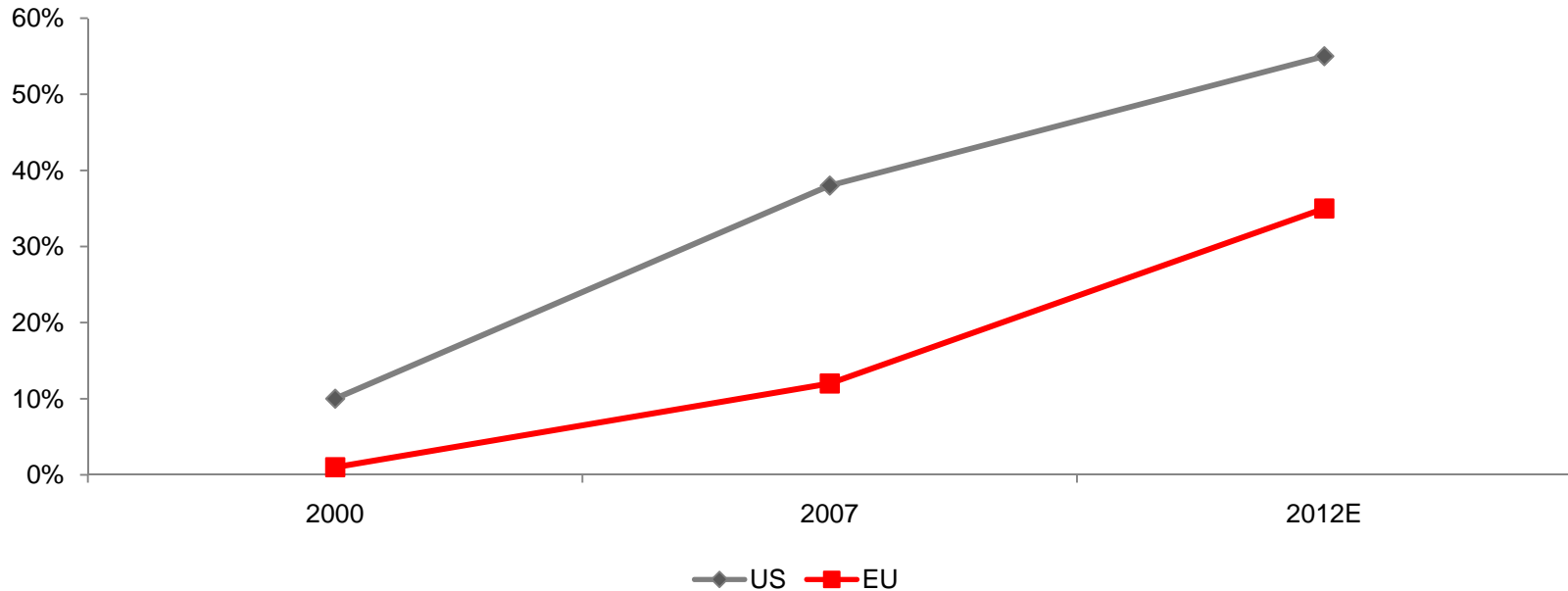
In-depth contextualised
bespoke research



Advanced data mining

Market dynamics


Online research penetration



- Challenging conditions for market research as a whole but continuing to grow
- Market driven by online shift, internationalisation and B2B focus
- The US and European online research market will potentially be worth \$6.4bn by 2012 compared to some \$2.8bn in 2007 (Source: Ernst and Young estimates)




Group strategy

- 
- The Group's strategy is to take market share, selectively invest in the business and optimally position the business for the future and an upturn
 - Network of hubs supported by a global technology platform
 - Delivering global products from a global panel
 - Capitalise on the continued growth in online research



Current trading and Group outlook

- 
- Trading is in line with the Board's revised expectations although, given the ad hoc, project based nature of much of our client work, the outlook remains uncertain in the current market environment
 - Strong balance sheet, profitable and cash generative
 - Restructuring set to deliver cost savings and ensure focus on core activities
 - Continue to monitor performance closely
 - Prudent investment to support future growth and meet client needs
 - Online market will continue to grow - accurate, high quality, real-time and low cost research particularly attractive in this market
 - Ensure YouGov is optimally positioned for the future - continue to win market share