



YouGov plc

**Good second half performance
Full year results in line with expectations**

**Preliminary results
October 2010**

YouGov[®]
What the world thinks



Overview

- 
- Good progress in the last year - company's operations strengthened & new services launched
 - Profits improved significantly in H2
 - Operating profit increased by 22% from 2008/9
 - Strong performances in UK and US
 - Successful turnaround in Scandinavia
 - Global BrandIndex revenue up 53%
 - US acquisitions accelerate growth of US corporate business




Focusing on strengths

- ✓ Technology platforms completed and delivering benefits
- ✓ Integrated and streamlined operations
- ✓ Successful product launches
 - ✓ SixthSense - reports business
 - ✓ Daily polling in UK General Election
 - ✓ TellYouGov platform
- ✓ Exporting proven core model





Financial overview

- 
- Full year turnover steady at £44.2m ; second half 5% up on prior year
 - Operating profit of £3.8m (2009 £3.1m)
 - Maintained strong operating cash generation at £4.9m (2008: £5.3m)
 - Adjusted profit before tax of £4.0m (2009: £3.9m)
 - Reported loss before tax of £9.6m (after impairment charge of £7.9m) (2009: £0.7m)
 - Adjusted earnings per share of 2.5p (2009: 2.7p)
 - Balance sheet remains strong – cash increased by £2.9m to £15.6m as at 31 July 2010

Segmental analysis – Revenue

	Revenue £m 2010	Revenue £m 2009	Change %
UK	12.1	11.1	9%
Middle East	7.2	8.4	(14%)
Germany	13.8	14.8	(7%)
Scandinavia	7.0	7.4	(6%)
USA	4.8	3.5	38%
Corporate & Consol Adj.	<u>(0.7)</u>	<u>(0.9)</u>	
Group Total	<u>44.2</u>	<u>44.3</u>	0%



Segmental analysis – Operating profit

	Operating Profit £m* 2010	Margin % 2010	Operating Profit £m 2009	Margin % 2009
UK	3.4	28%	2.0	18%
Middle East	1.4	20%	2.8	34%
Germany	0.4	3%	0.7	5%
Scandinavia	0.1	1%	(0.2)	(2%)
USA	0.5	11%	0.2	5%
Corporate & Consol Adj.	<u>(2.0)</u>		<u>(2.4)</u>	
Group Total	<u>3.8</u>	9%	<u>3.1</u>	7%

* Operating profit before amortisation, impairment charge & exceptional items

Group Income Statement

- Full year revenue stable with second half 5% up on last year
- Gross margin improved by 2% to 78%
- Operating margin up 3% points
- Adjusted Earnings per share of 2.5p
- Average headcount reduced to 420 at 31 July 2010 from 431 in 2009

	2009/10 £m	2008/09 £m
Group revenue	44.2	44.3
Cost of sales	(9.9)	(10.6)
Gross Profit	34.4	33.8
<i>Gross Margin %</i>	78%	76%
Operating expenses	(30.6)	(31.0)
Group Operating Profit *	3.8	2.7
<i>Operating Margin</i>	9%	6%
Adjusted Operating Profit	3.8	3.1
Adjusted EPS (p)	2.5	2.7

* Before Amortisation , Impairment & Exceptional Items

Balance Sheet

	31 July <u>2010</u> £m	31 July <u>2009</u> £m
<u>Assets</u>		
Non-current assets		
Goodwill	31.2	33.5
Intangible assets	10.5	17.9
Other non current assets	5.0	5.2
Total non-current assets	46.7	56.6
Current assets		
Trade & other receivables	14.7	15.0
Cash & cash equivalents	15.6	12.7
Total current assets	30.4	27.7
Total assets	77.1	84.3
<u>Liabilities</u>		
Trade and other payables	10.6	8.6
Provisions	1.3	1.7
Total current liabilities	11.9	10.3
Net current assets	18.5	17.3
Provisions and other non current liabilities	1.8	0.7
Deferred taxation	3.2	6.1
Total non-current liabilities	5.0	6.8
Total liabilities	16.9	17.2
<u>Total Net Assets</u>	60.2	67.1



Cash Flow

- Cash flow from operating activities: £4.9m (2009: £5.3m)
- Debtor days reduced to 61 days from 70 days at 31 July 2009
- £2.0m invested in technology development and patent
- Net cash inflow of £2.6m
- Post year end acquisition – initial net outflow of US \$4.6m (£3.0m)

	2009/10 £m	2008/09 £m
Cash flows from operating activities		
Profit after taxation	(7.0)	0.2
Adjustments for:		
Non cash movements	9.4	2.9
Net working capital movement	2.5	2.2
Cash generated from operations	4.9	5.3
Interest and tax	0.7	(1.1)
Net cash generated from operating activities	5.6	4.2
Net cash used in investing activities	(2.7)	(4.8)
Net cash generated from financing activities	(0.3)	(0.8)
Net increase/(decrease) in cash	2.6	(1.5)
Cash and cash equivalents at beginning of year	12.7	13.4
Exchange gain/(loss) on cash and cash equivalents	0.3	0.8
Cash, cash equivalents and overdrafts at end of year	15.6	12.7

UK - operational review

- Revenue up 9%
- Operating Profit up 70% to £3.4m
- Omnibus and BrandIndex showed double digit growth
- Daily polling for UK General Election generated huge brand awareness
- Sixth Sense reports business launched successfully
- Other innovations include: "YouChoose" and www.TellYouGov.com

	2009/10 £m	2008/09 £m	Change
Revenue	12.1	11.1	9%
Operating profit	3.4	2.0	70%
Average headcount	96	99	



Middle East – operational review

- Regionally generated revenue up 30%
- Offsetting expected reduction in revenue from long term contract
- New CEO driving online products growth & improved efficiency
- Saudi Arabian operations grew by 60% - clients include Saudi Telecom and Riyadh Bank
- New polling contract for Al Aan TV – pan-regional Arab language service
- Headcount reduction saving £0.5m

	2009/10 £m	2008/09 £m	Change
Revenue	7.2	8.4	(14%)
Operating profit	1.4	2.8	(50%)
Average headcount	52	49	



Germany – operational review

- Revenue reduction due in part to closure of (loss-making) Austrian operation
- Online products business nearly doubled revenue
- Contract with Bild (German tabloid)
- Sectoral spread broadened beyond financial services (e.g. BMW, Fujitsu and Sanofi-Aventis) retail banking and insurance markets
- Re-engineering key delivery processes using Group technology to improve efficiency and profitability

	2009/10 £m	2008/09 £m	Change
Revenue	13.8	14.8	(7%)
Operating profit	0.4	0.7	(43%)
Average headcount	156	174	



Scandinavia – operational review

- Successful turnaround in second half: profits of £0.3m offset H1 losses
- Sales efforts better focussed on YouGov strengths
- Swedish market offers good opportunities for growth
- Significant clients include Coca-Cola, Danske Bank and Blockbuster

	2009/10 £m	2008/09 £m	Change
Revenue	7.0	7.4	(6%)
Operating profit	0.1	(0.2)	150%
Average headcount	62	78	



BANG & OLUFSEN



TeliaSonera



Scandic



US – operational review

- Revenue growth of 38%
- Corporate market research up 86% - now contributing majority of revenue
- Clear Horizon acquisition (April 2009) performing in line with earn-out targets
- BrandIndex innovation recognised in Wall Street Journal and New York Times
- Harrison acquisition will double revenue base, building scale and wider product range
- Significant clients include Pepsico and Universal McCann

	2009/10 £m	2008/09 £m	Growth
Revenue	4.8	3.5	38%
Operating profit	0.5	0.2	150%
Average headcount	37	31	





Harrison Group acquisition

- Harrison is a leading US market research agency, with a reputation for high quality work and an impressive corporate client list
- Its purchase brings us:
 - A significantly expanded addressable market opportunity within the US \$8bn corporate market research sector
 - Opportunity to leverage YouGov's panel, proprietary technology and analytics and deliver cost synergies
 - Adds to YouGov's suite of syndicated products with Survey of Affluence and Wealth in America and the newly released American Pantry study
 - Greater scale so as better to meet the growing demands of the combined customer base



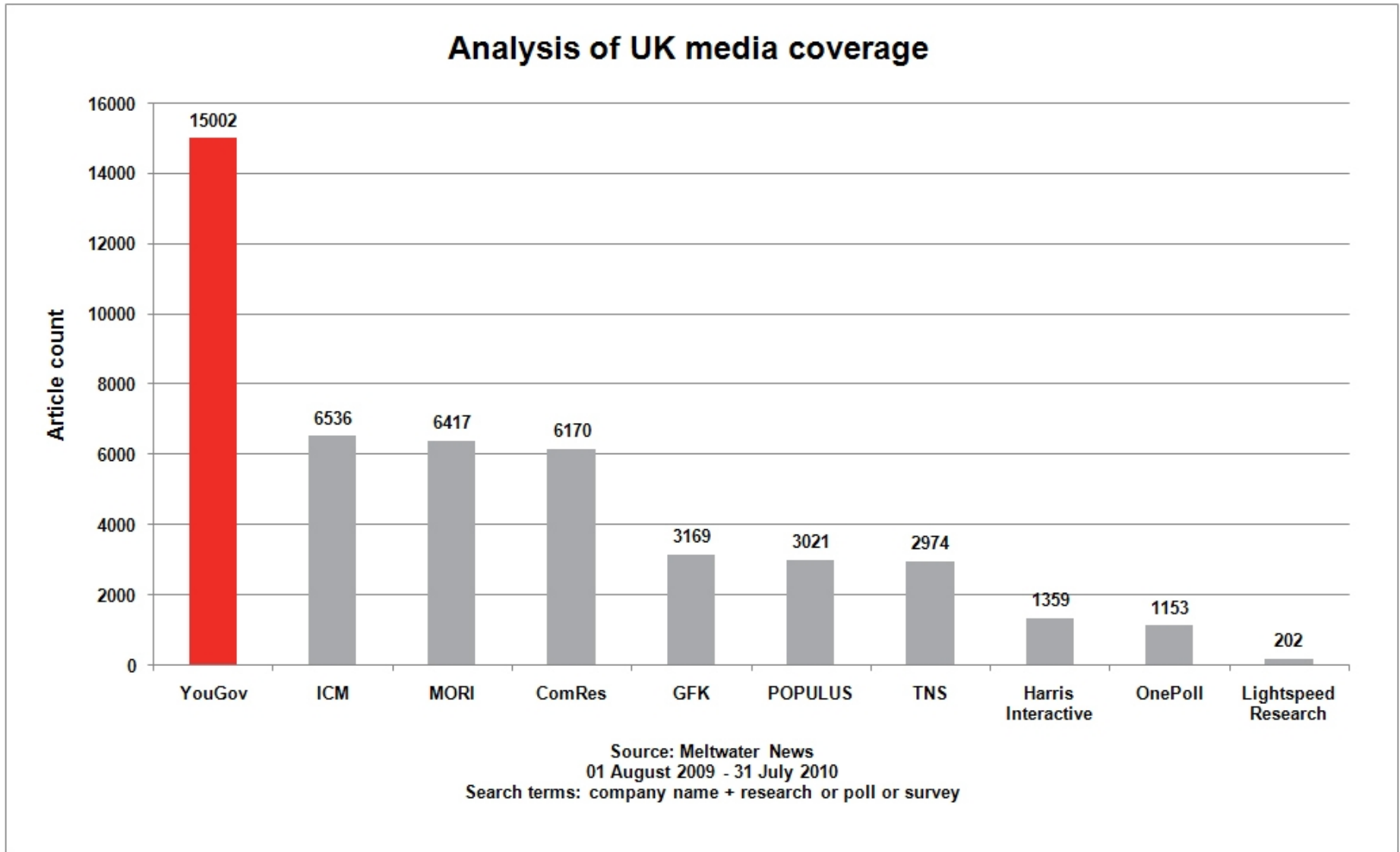


Harrison acquisition terms

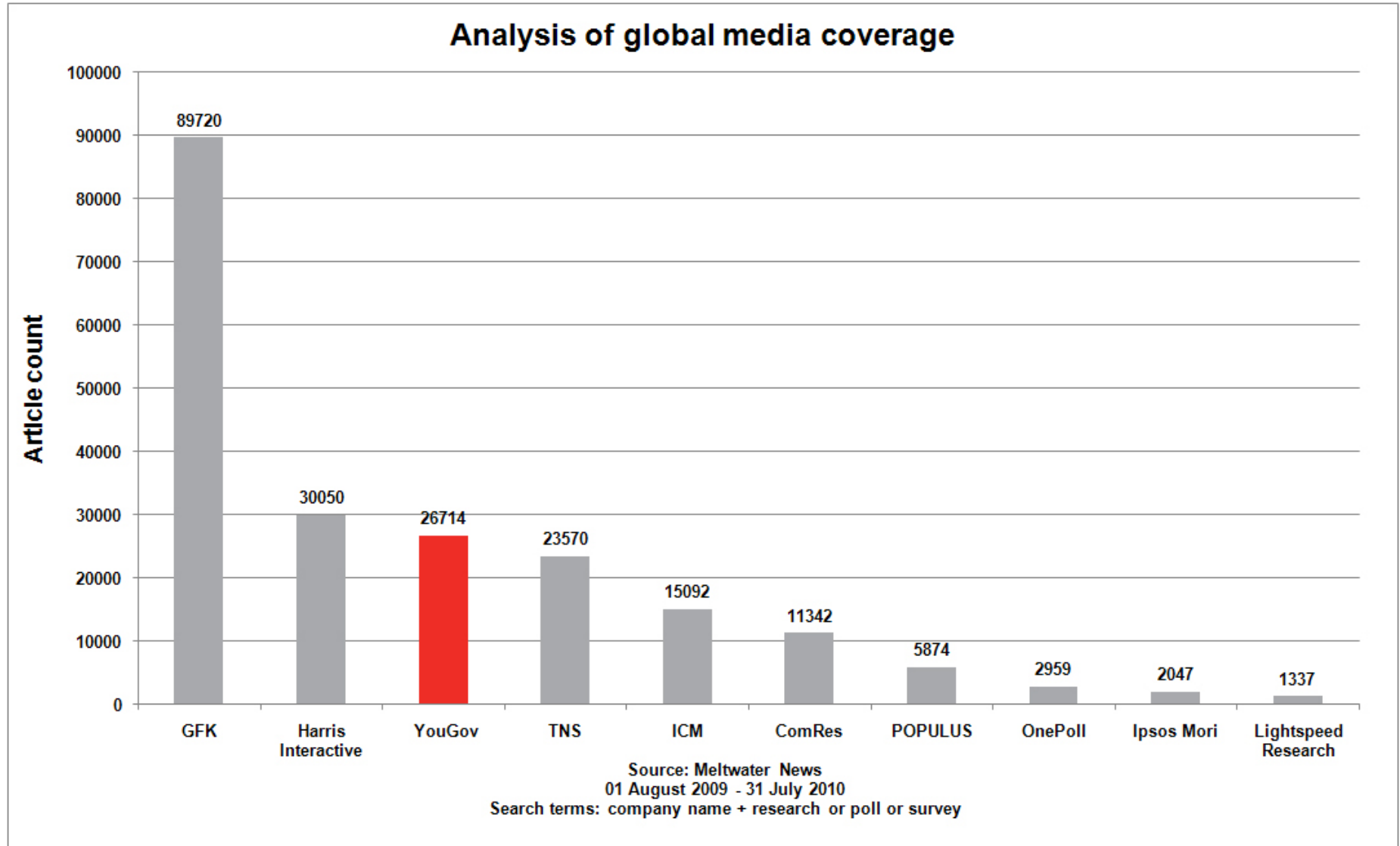
- Initial payment of \$6 million
- Balance to equal 6x EBITDA for year ended 31 December 2010 (expected to be further \$6 million)
- Downside protection if 2011 EBITDA lower than 2010
- Upside incentive (up to \$1m) for earnings growth (15%+) in 2011 and 2012
- Net current assets at completion of \$1.4m



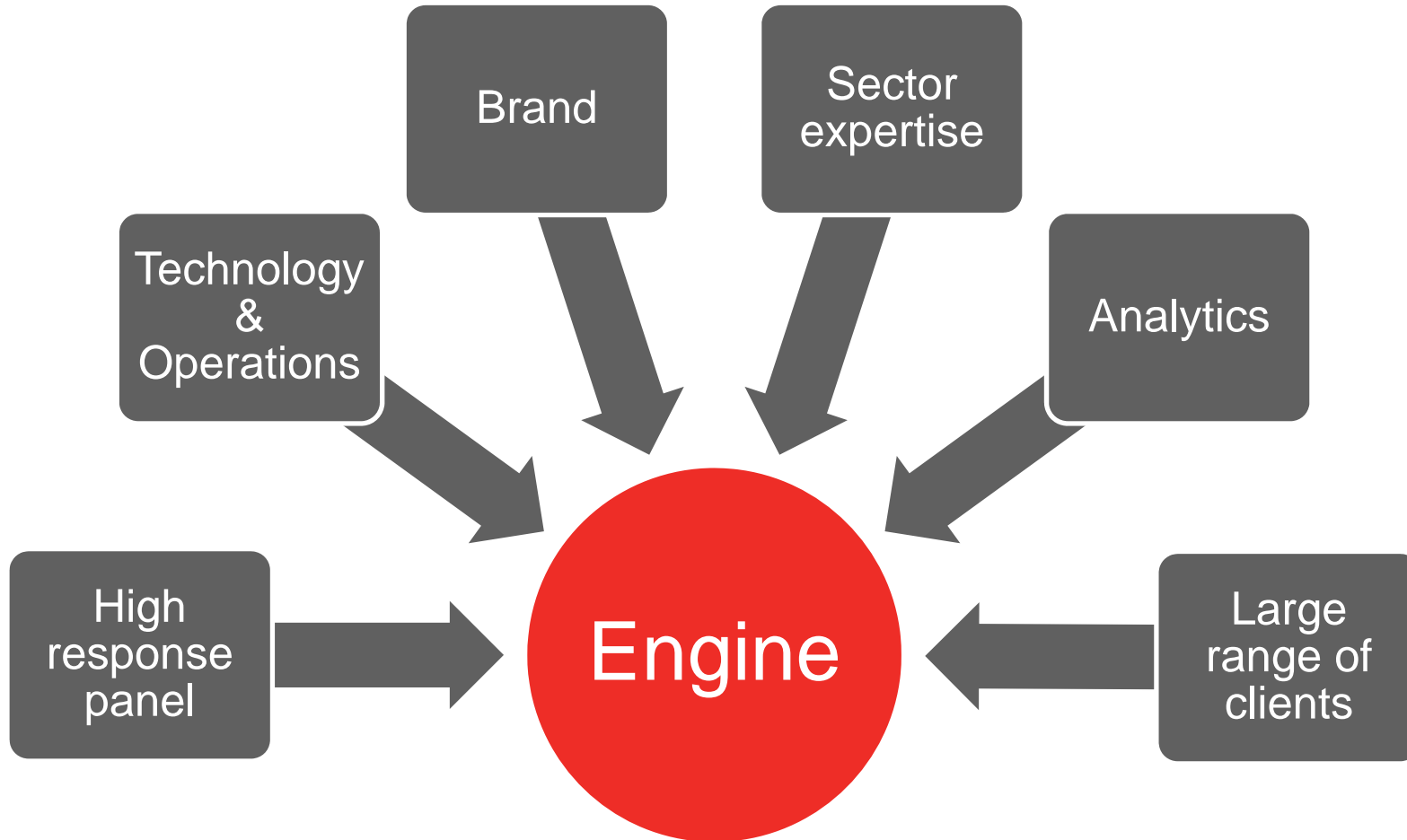
The most quoted market research company in the UK



Third most quoted market research company globally

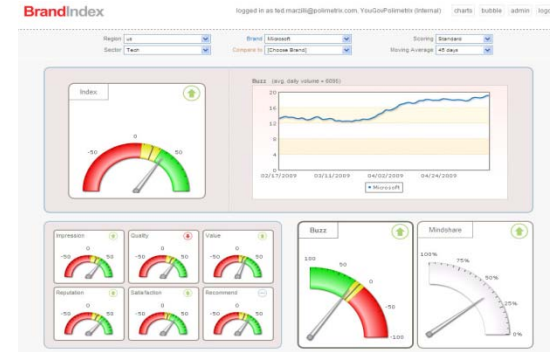


Getting more out of the engine we've built



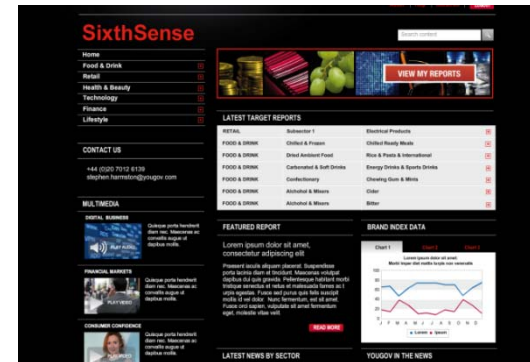
Multi-platform product range

Dashboard



NEW

Reports




Custom Research





New products leverage our platform

- 
- Technology
 - Cost-efficient and fast speed of online data collection
 - Rich data - quality and reliability
 - Proprietary technology provides flexibility
 - Brand
 - People trust us and want to tell us about themselves
 - Engagement – consumer facing website
 - Panel
 - Targeted panel recruitment and active panel management
 - Longitudinal techniques to provide a more detailed, evidence-driven model of public opinion
 - Generating more data through interactivity (Tygga, Teenvoice, Football survey, YouChoose)



SixthSense

- Soft launched reports business in April 2010
- Builds on business intelligence model
 - based on more and timelier original consumer research
 - reports updated online in response to market changes
 - provides market sizing and forecasting
 - purchased online – from full reports to individual pages
- Macro, target, and focus reports – library is constantly increasing
- Covers a range of sectors, analysed by industry experts
- First telesales team established
- Growing demand reflected in sales and demonstrations
- Now cash-flow positive on monthly run rate





Group outlook

- Research market generally more optimistic
- YouGov's second half momentum expected to continue into current year
- Harrison on track
- Current trading in line with the Board's expectations





Appendix

BrandIndex v2

BrandIndex

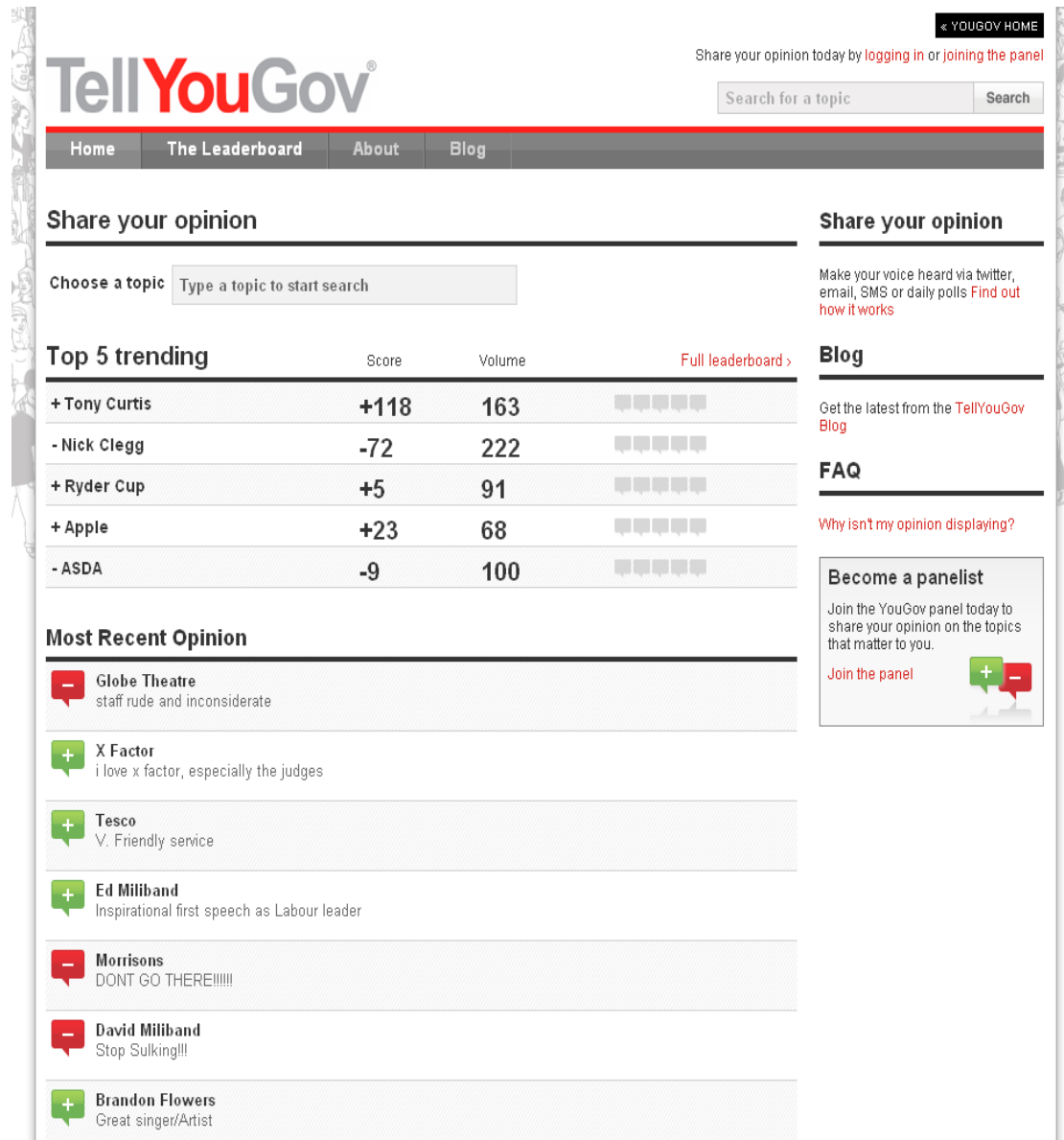
logged in as ted.marzilli@polimetric.com, YouGovPolimetric (Internal) [charts](#) [bubble](#) [admin](#) [logout](#)



- Revenue up by 53% in FY10
- Clients include:
 - Brands: Yahoo!, Marks & Spencer, LG, Starbucks, Toyota
 - Agencies: Starcom, BSSP, Razorfish, Hill Holiday, Universal McCann Mullen, OMD, Mediacom

TellYouGov – tygga.com

- Reversing the direction of research – we don't ask them, they tell us
- Powerful enhancement of BrandIndex; real life net promoter score with crunchable qualitative data
- First objective measure of opinion dynamics of social media
- Huge production of low cost, real time data for new data mining products



The screenshot shows the TellYouGov website interface. At the top, there is a navigation bar with links for Home, The Leaderboard, About, and Blog. A search bar is also present. The main content area is divided into several sections:

- Share your opinion:** A section with a search input field labeled "Choose a topic" and a "Search" button.
- Top 5 trending:** A table showing the top 5 trending topics with their scores and volumes.
- Most Recent Opinion:** A list of recent opinions with their respective scores and titles.
- Share your opinion (right sidebar):** A section encouraging users to share their voice via Twitter, email, SMS, or daily polls, with a link to "Find out how it works".
- Blog (right sidebar):** A section titled "Blog" with a link to "Get the latest from the TellYouGov Blog".
- FAQ (right sidebar):** A section titled "FAQ" with a link to "Why isn't my opinion displaying?".
- Become a panelist (right sidebar):** A section titled "Become a panelist" with a link to "Join the panel" and a small graphic of a speech bubble.

Top 5 trending	Score	Volume	Full leaderboard >
+ Tony Curtis	+118	163	★★★★★
- Nick Clegg	-72	222	★★★★★
+ Ryder Cup	+5	91	★★★★★
+ Apple	+23	68	★★★★★
- ASDA	-9	100	★★★★★

Most Recent Opinion

- Globe Theatre** (Score: -) staff rude and inconsiderate
- X Factor** (Score: +) i love x factor, especially the judges
- Tesco** (Score: +) V. Friendly service
- Ed Miliband** (Score: +) Inspirational first speech as Labour leader
- Morrisons** (Score: -) DONT GO THERE!!!!!!
- David Miliband** (Score: -) Stop Sulking!!!
- Brandon Flowers** (Score: +) Great singer/Artist

TellYouGov – Client interface

TellYouGov®

[Sign Out](#)

Search for a topic

Search

Home

The Leaderboard

Clients

About

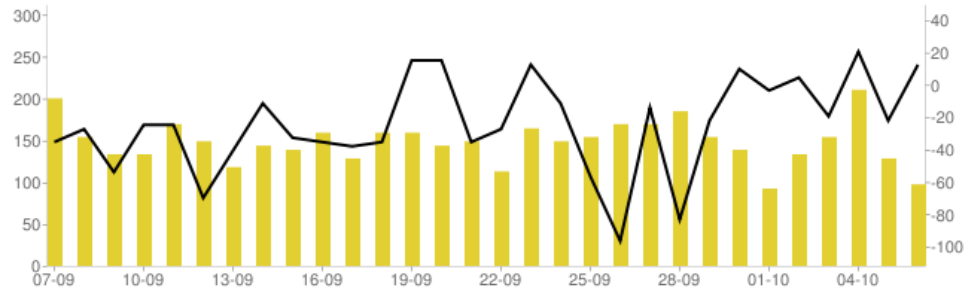
Blog

Dashboard

Tesco

Score and volume for the last 24 hours **-21** ▼2 / **64** ▼59

Chart of score and volume over last 30 days



Score Volume

Opinions

10 in the last 24 hours

157 in the last week

10319 since appearing

Export

To export opinions on this topic for the past month, please [click here](#).

More Topics

To request access to further topics of interest, please [email](#).

Apply filters

Age 18 - 24 25 - 39 40 - 54 55 +

Gender Male Female

Region North South

Social Grade A/B/C1 C2/D/E

Party Conservative Labour Liberal Democrat SNP / Plaid Cymru

Most Recent Opinion

Show: [Positive](#) | [Negative](#) | [All](#)

Frequent keywords: [non](#), [bad](#), [stock](#), [season](#), [profits](#), [club](#), [punters](#), [existant](#), [quality](#), [foreign](#)

+ wonderful staff at the Llansamlett branch

- Ever thought who pays for club card benefits? Mug punters.

- Tooooo big!

+ Excellent and effective.

- Over-priced

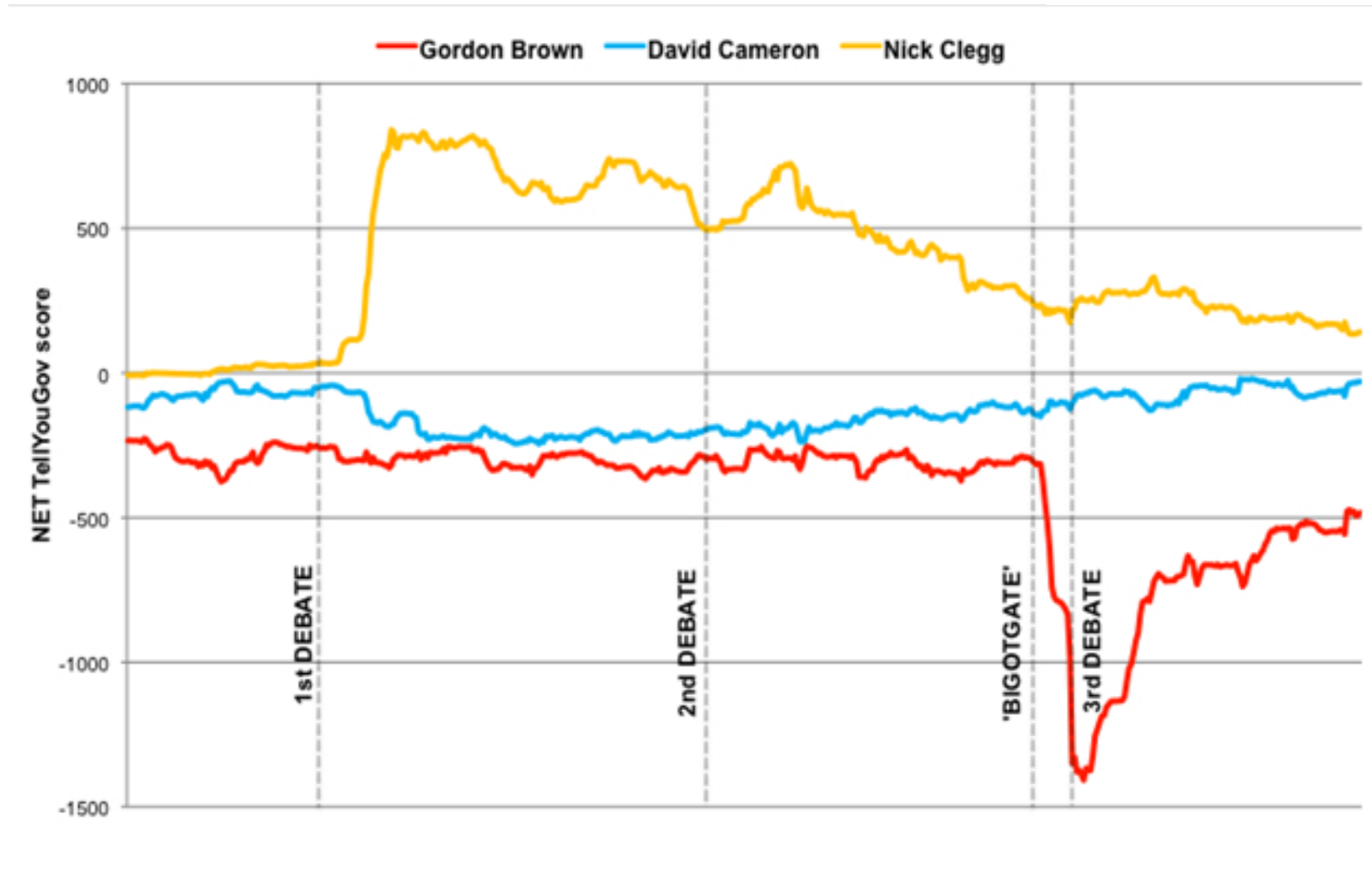
- Stock too many foreign apples in the English apple season

+ CLUBCARD POINTS

- bad quality.

TellYouGov – data captured during the UK General Election

TellYouGov®



YouChoose

- YouGov has recently partnered with the London Borough of Redbridge to roll out YouChoose
- YouChoose is an online budget simulator that encourages members of the public to consider where council budget cuts should fall, where efficiencies might be made and where income might be generated
- The tool is now freely available to all councils in England and Wales – since the launch on 27 September 2010, 57 councils have signed up
- YouChoose engages citizens in decisions about how their council spends its revenue and help citizens to understand the tough choices the council faces - very much in keeping with YouGov's passion to re-engineer the relationship between citizen and government

