

# Scaling YouGov

- Acquisitions accelerate development
- Integration progressing well and benefits coming through
- Strong organic growth across the business



**Half Year Announcement**

**31 March 2008**

# Overview

- Strong performance across the Group
- Organic growth of 43% reflects continued investment in technology, products and people
- Acquisitions provide increased global reach and sector expertise
- Integration of acquired companies on track
- Roll-out of core products delivering expected benefits
- Uniquely positioned to capitalise on future opportunities

***“YouGov: Challenging the giants of the industry”***

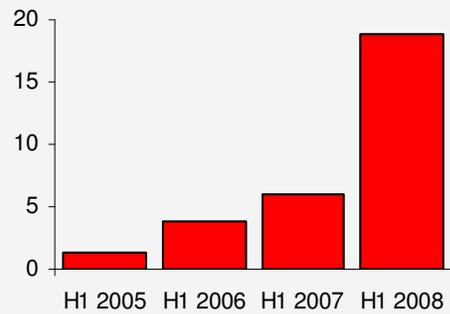
# Financial Highlights

## Group financial highlights

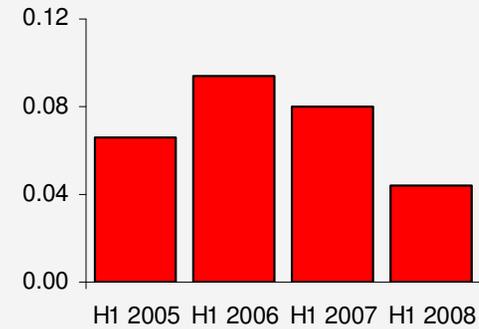
- Turnover up 208% to £18.8m in the six month period to 31 January 2008
- 43% of growth is organic (£8.7m) and 163% is through acquisition (£10.1m)
- Adjusted operating profit before amortisation in the period was £4.3m, a 95% increase from £2.2m last year
- EPS grew 78% from 2.7p to 4.8p on a restated normalised basis
- As expected group margin of 23% (2007: 37%) reflects margin in acquired businesses and continued investment
- Net assets up 448% from £9.5m to £52.3m
- £14.0m of cash on balance sheet
- Headcount increased from 76 to 425
- First interims prepared under International Financial Reporting Standards (IFRS)

# KPIs

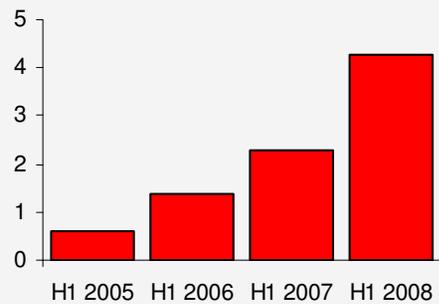
Turnover £'m



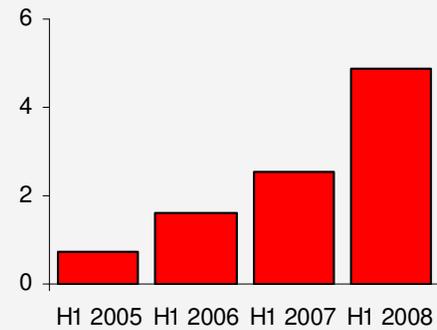
Revenue per head £'m



Operating profit £'m



Earnings per share p \*



\* Restated for the 5:1 share split on 10 April 2007

## EMEA Highlights

- Turnover grew 192% from £6.1m to £17.8m
- Revenue driven by:
  - increase in project sizes
  - growing customer numbers
  - high level of repeat business
  - acquisitions in Scandinavia and Germany
- Refocus of UK business into data products and sector specific consulting teams to capture identified growth opportunities
- Key appointments made across teams
- Panel size 0.5 million, up from 0.2 million at 31 January 2007
- Joint ventures are progressing well

## USA Highlights

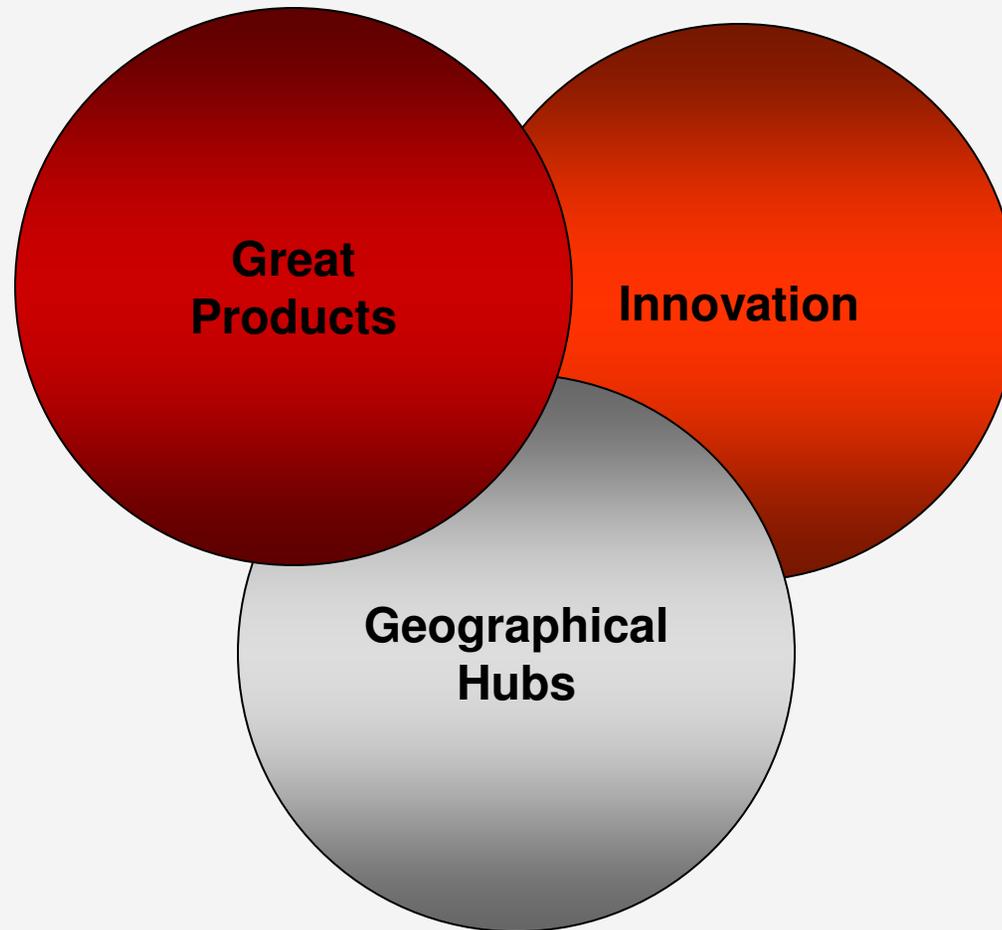
- Proforma turnover increased 77% to \$2.3m as at 31 January 2008
- Continued expansion from political and academic research to consumer research – following the YouGov model
- Rollout of BrandIndex and Omnibus
- Investment in revenue generating headcount - increased from 21 at 31 January 2007 to 26 at 31 January 2008.
- Established New York and Washington offices
- Panel size 1.0 million, up from 0.8 million at 31 January 2007

## Investment phase

- Significant number of senior appointments in the UK business including new UK CEO and new Operations Director.
- Group headcount increasing from 76 at 31 January 2007 to 425 at 31 January 2008
- German panel now 17,400 from standing start at 1 August 2007. 13% of the German business is now online
- Scandinavian panel now 130,673, UK panel 226,021, American and Canadian panel 1,034,437 and Middle East panel 102,243
- Group branding of companies underway
- Plan in place to unify technology platform and business practices
- New product development

# Strategic Overview

# Consistent strategy



## Strategic objectives

- High quality global panel built around regional hubs
- Investment in revenue generating 'research brains', technology and product development
- Portfolio of core products with a common culture of quality, engagement and innovation
- Emphasis on syndicated products providing a stream of fresh data
- Moving up the value-chain from 'suppliers of quality data' to 'data-driven insight'
- Capitalise on the considerable opportunities provided by the recent acquisitions

## Future growth opportunities

- Organic growth of existing operations
- Further rollout of BrandIndex and other core products and services across enlarged geographic footprint
- Access international and cross border mandates
- Capitalise on technology innovations
- Ongoing new product development
- Geographic expansion through selective acquisitions

## YouGov, Numis and Four Capital – Research driven hedge fund

- Hedge fund joint venture with Numis and Four Capital
- YouGov's role is to deliver accurate, timely primary research
- Natural extension of YouGovAlpha experience in UK and USA
- Plan to raise first fund shortly
- Confident the new JV will offer a distinctive approach to a broad range of investors

# Development of the Business

## Integration and synergies

- The integration of recent acquisitions is on track. Continued focus on 4 main areas:
  - Products and services
  - Technology
  - Innovation
  - Financial reporting
- Operational board already driving through synergy opportunities
  - Identify “low hanging fruit”
  - Product rollout
  - Recruitment
  - Communications and decision making forum
- .... and benefits already coming through
  - Combined projects
  - Group marketing
- All three acquisitions expected to be earnings enhancing in current financial year

# Product roll out at 31 July 2007

	Pre Acquisition – YouGov		Additional scale provided by acquisitions		
	UK	Middle East	Germany	Scand	USA
BrandIndex	✓	(✓)			(✓)
Omnibus	✓	✓			(✓)
Quantitative	✓	✓	✓	✓	✓
Qualitative	(✓)	✓	✓	✓	✓
Sector Specialisms	(✓)		✓		

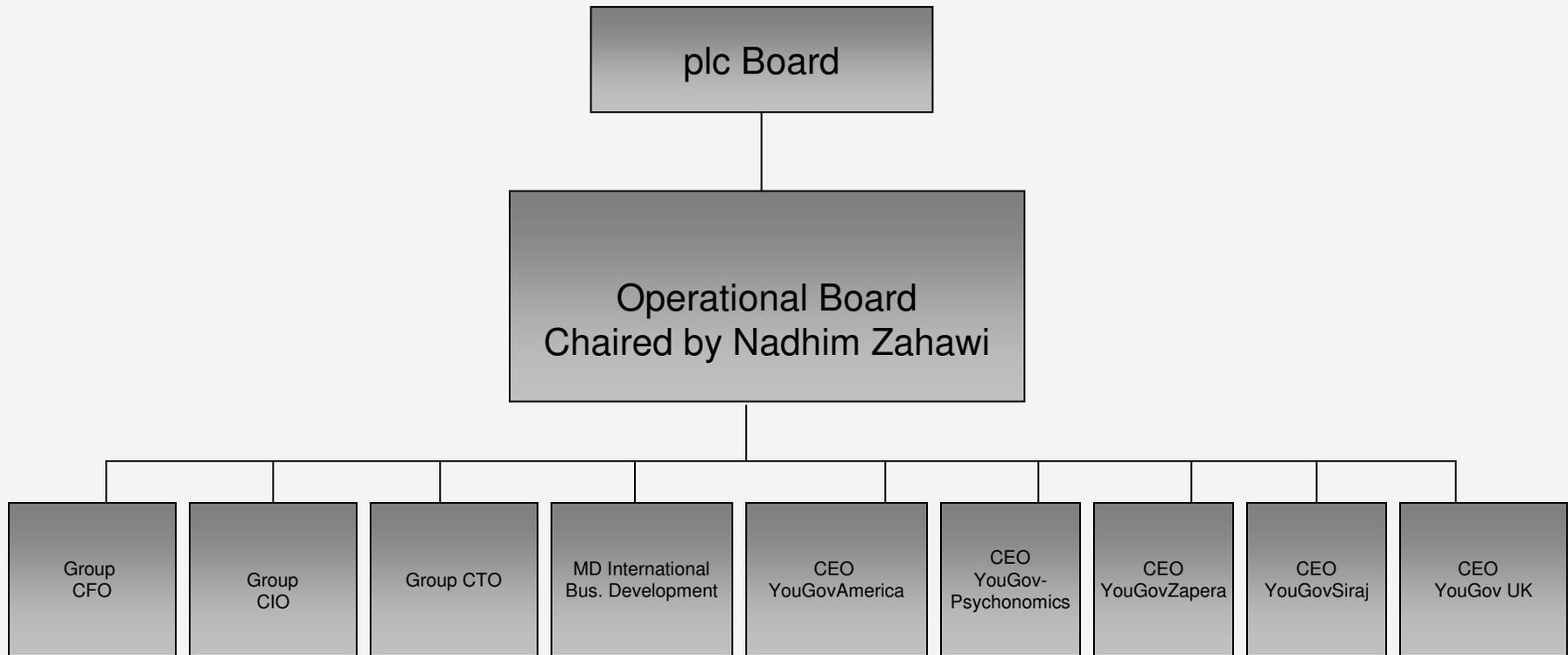
- Operational
- Development phase
- Planning phase

# Product roll out 31 March 2008

	Post acquisition implementation				
	UK	Middle East	Germany	Scand	USA
BrandIndex	✓	(✓)	✓	(✓)	✓
Omnibus	✓	✓	(✓)	(✓)	(✓)
Quantitative	✓	✓	✓	✓	✓
Qualitative	✓	✓	✓	✓	✓
Sector Specialisms	✓	(✓)	✓		

-  Operational
-  Development phase
-  Planning phase

# Structure to deliver strategy



# Current trading and Outlook

## Market conditions

- The online market research market grew by 23% in 2007 to \$3.6bn
- Growth in online is expected to continue and is expected to be 21% in 2008
- Growth rates in online continue to exceed that of broader market research market (4% growth in 2007)
- Growth is being driven by the innovators

## Current trading and prospects

- Momentum continues and current trading is in line with the Board's expectations
- Strategy continues to be based on innovation, investment and internationalisation
- Refocused UK business well positioned to capitalise on organic growth opportunities
- Acquired businesses have accelerated strategy and provide international scale in key market research territories
- Integration largely complete and revenue synergies expected to come through in the next financial year
- Confident of a successful year for the enlarged business

# Q & A

# Financial appendices - Group profit and loss

	6 months to 31/1/08 £'000	6 months to 31/1/07 £'000	12 months to 31/7/07 £'000
<b>Continuing operations</b>			
<b>Revenue</b>	<b>18,843</b>	6,083	14,303
Cost of sales	(3,197)	(1,215)	(2,647)
<b>Gross profit</b>	<b>15,646</b>	4,868	11,656
Administrative expenses	(11,380)	(2,589)	(6,098)
<b>Group operating profit before amortisation and exceptional items</b>	<b>4,266</b>	2,279	5,558
Amortisation of intangibles	(16)	(58)	-
Amortisation of intangibles identified on acquisition	(1,292)	-	-
<b>Group operating profit</b>	<b>2,958</b>	2,221	5,558
Finance income	271	110	188
Finance costs	(52)	(1)	(2)
Imputed finance cost	(165)	-	-
Share of post tax loss in joint ventures	(35)	(14)	(139)
<b>Profit before taxation</b>	<b>2,977</b>	2,316	5,605
Taxation	255	(243)	(613)
<b>Profit for the year</b>	<b>3,232</b>	2,073	4,992
Attributable to:			
Equity holders of the parent company	2,731	1,749	4,198
Minority interests	501	324	794
	<b>3,232</b>	2,073	4,992

# Financial appendices – Segment Profit and Loss

	<b>6 months to 31/1/08 £'000</b>	6 months to 31/1/07 £'000	12 months to 31/7/07 £'000
<b>Revenue</b>			
EMEA	<b>17,785</b>	6,083	14,303
USA	<b>1,058</b>	-	-
Group turnover	<b>18,843</b>	6,083	14,303
<b>Segment operating profit</b>	<b>6 months to 31/1/08 £'000</b>	6 months to 31/1/07 £'000	12 months to 31/7/07 £'000
EMEA	<b>4,183</b>	2,886	6,953
USA	<b>(731)</b>	-	-
Unallocated corporate expenses	<b>(494)</b>	(665)	(1,395)
Group operating profit	<b>2,958</b>	2,221	5,558

# Financial appendices – Consolidated Balance Sheet

	31/01/2008 £'000	31/01/2007 £'000	31/07/2007 £'000
<b>Assets</b>			
<b>Non Current Assets</b>			
Goodwill	30,538	1,068	1,090
Intangible assets	16,174	22	343
Property, plant and equipment	2,166	350	499
Investment accounted for using the equity method	29	3,975	4,539
Deferred tax assets	1,747	9	20
	<b>50,654</b>	<b>5,424</b>	<b>6,491</b>
<b>Current Assets</b>			
Inventories	2,521	-	-
Trade and other receivables	11,612	3,296	5,693
Other current assets	816	-	-
Cash and cash equivalents	14,049	4,287	4,061
	<b>28,998</b>	<b>7,583</b>	<b>9,754</b>
<b>Total current assets</b>	<b>28,998</b>	<b>7,583</b>	<b>9,754</b>
<b>Total assets</b>	<b>79,652</b>	<b>13,007</b>	<b>16,245</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Lease liabilities	21	29	24
Deferred consideration	4,157	-	-
Trade and other payables	10,501	2,336	3,470
Short term borrowings	104	-	-
Current tax liability	250	752	147
	<b>15,033</b>	<b>3,117</b>	<b>3,641</b>
<b>Total current liabilities</b>	<b>15,033</b>	<b>3,117</b>	<b>3,641</b>
<b>Net current assets / liabilities</b>	<b>13,965</b>	<b>4,466</b>	<b>6,113</b>
<b>Non current liabilities</b>			
Deferred consideration	3,652	347	334
Long term borrowings	2,305	-	-
Deferred tax liability	6,353	19	56
	<b>12,310</b>	<b>366</b>	<b>390</b>
<b>Total non current liabilities</b>	<b>12,310</b>	<b>366</b>	<b>390</b>
<b>Total liabilities</b>	<b>27,343</b>	<b>3,483</b>	<b>4,031</b>
<b>Total net assets</b>	<b>52,309</b>	<b>9,524</b>	<b>12,214</b>
<b>Equity</b>			
Issued share capital	190	134	135
Share premium	29,158	2,987	3,026
Merger reserve	9,240	-	-
Deferred consideration reserve	1,085	-	-
Foreign exchange reserve	29	-	-
Profit and loss reserve	10,646	5,373	7,593
	<b>50,348</b>	<b>8,494</b>	<b>10,754</b>
<b>Total parent shareholder's equity</b>	<b>50,348</b>	<b>8,494</b>	<b>10,754</b>
Minority interests in equity	1,961	1,030	1,460
	<b>52,309</b>	<b>9,524</b>	<b>12,214</b>

# Financial appendices – Consolidated Cashflow Statement

	6 months to 31/1/08 £'000	6 months to 31/1/07 £'000	12 months to 31/7/07 £'000
<b>Cash flows from operating activities</b>			
Profit after taxation	3,232	2,073	4,992
Adjustments for:			
Depreciation	367	37	111
Amortisation	1,308	61	15
Foreign exchange gain	(36)	(112)	-
Share option expense	166	-	-
Taxation expense recorded in profit and loss	(270)	243	613
Loan revaluation	(42)	-	-
Investment income	(51)	(113)	(232)
(Increase)/decrease in trade and other receivables	(3,930)	459	(2,000)
Increase in trade and other payables	1,071	89	1,307
Cash generated from operations	1,815	2,737	4,806
Interest paid	(220)	(1)	(2)
Income taxes paid	(554)	-	(960)
<b>Net cash generated from operating activities</b>	<b>1,041</b>	<b>2,736</b>	<b>3,844</b>
<b>Cashflow from investing activities</b>			
Acquisition of subsidiaries (net of cash acquired)	(15,765)	-	(681)
Acquisition of associate	-	(3,889)	(3,727)
Acquisition of joint venture	-	-	(34)
Proceeds from sale of property, plant and equipment	22	-	-
Purchase of property, plant and equipment	(1,630)	(242)	(467)
Purchase of intangible assets	(544)	(22)	(383)
Interest received	271	114	234
<b>Net cash used in investing activities</b>	<b>(17,646)</b>	<b>(4,039)</b>	<b>(5,058)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	26,211	44	84
Repayment of debt	(2)	-	-
<b>Net cash used in financing activities</b>	<b>26,209</b>	<b>44</b>	<b>84</b>
<b>Net increase / (decrease) in cash, cash equivalents and overdrafts</b>	<b>9,604</b>	<b>(1,259)</b>	<b>(1,130)</b>
Cash and cash equivalents at beginning of year	4,061	5,546	5,546
Exchange gain on cash and cash equivalents	384	-	(355)
<b>Cash, cash equivalents and overdrafts at end of year</b>	<b>14,049</b>	<b>4,287</b>	<b>4,061</b>

## Financial appendices – Normalised profit

	<b>6 months to 31/1/08 £'000</b>	6 months to 31/1/07 £'000	12 months to 31/7/07 £'000
Profit before tax	<b>2,977</b>	2,316	5,605
Amortisation	<b>1,308</b>	58	-
Share based payments	<b>161</b>	21	47
Imputed interest	<b>165</b>	-	-
Adjusted profit before tax	<b>4,611</b>	2,395	5,652
<i>One off costs</i>			
One off IFRS transition costs	<b>290</b>	8	47
Integration costs	<b>266</b>	-	-
Normalised profit before tax	<b>5,167</b>	2,403	5,699
Basic earnings per share attributable to equity holders of the company	<b>3.1</b>	2.6*	6.2*
Adjusted earnings per share	<b>4.2</b>	2.7*	6.3*
Normalised earnings per share	<b>4.8</b>	2.7*	6.4*

\* Restated assuming 5:1 share split on 10 April 2007 had been effective throughout the period.