

10 October 2016

YouGov plc

Preliminary Results for the year ended 31 July 2016

Financial Highlights			
	Year to 31 July 2016 £m	Year to 31 July 2015 £m	% change
Revenue	88.2	76.1	16%
Adjusted Operating Profit¹	10.9	8.6	27%
Adjusted Operating Profit Margin (%)	12%	11%	
Adjusted Profit before Tax¹	13.3	9.1	46%
Adjusted Earnings per Share¹	8.8p	7.0p	26%
Dividend per Share	1.4p	1.0p	40%
Statutory Operating Profit	4.3	2.9	51%
Statutory Profit before Tax	5.5	2.7	106%
Statutory Earnings per Share	3.3p	3.2p	2%

Highlights

- Group revenue increased by 16% (12% on a constant currency basis)
- Data Products and Services revenue up by 32% to £34.5m; now represents 38% of Group total (2015: 34%)
 - BrandIndex revenue increased by 39% to £14.5m
 - Omnibus revenue increased by 30% to £16.4m
- Custom Research revenue up by 9% to £54.3m
- Adjusted operating profit up by 27%, adjusted profit before tax up 46% and adjusted earnings per share up by 26%
- Cash generated from operations (before paying interest and tax) increased by 37% to £14.1m (2015: £10.3m)
- Excellent cash conversion¹ of 130% of adjusted operating profit (2015: 120%)
- Net cash balances of £15.6m (2015: £10.0m)
- Recommended dividend increased by 40% to 1.4p per share
- US largest market by revenue; both core and newer markets continue to perform well
- Current trading in line with the Board's expectations

1. Defined in the explanation of non-IFRS measures on page 16.

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

“YouGov has delivered strong growth in revenue and profit. The expansion in our global data products and services such as YouGov BrandIndex and YouGov Omnibus demonstrates their stand-alone strength and also the further potential benefits to clients that we can offer by bringing all of our data together in the YouGov Cube. We are continuing our journey towards becoming a global data and analytics business and this will remain the focus of our investment in our technology and staff resources. Trading in the current financial year has started in line with our expectations and we remain well positioned to continue to grow our business in accordance with our goals and to exploit the tremendous potential of YouGov’s connected data system.”

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Chairman's Statement

The financial year ended 31 July 2016 has seen another strong performance by our Company in both revenue and profit growth. YouGov is delivering well against the ambitious five-year plan that the Board set out in 2015 with our adjusted earnings per share rising by 26% in the year. We are on track with our planned transition from being a market researcher to becoming a data and analytics business.

Group revenue of £88.2m increased by 16% from the previous year, once again growing well ahead of the research market, and the adjusted operating profit of £10.9m was up by 27% reflecting improved margins as we move our product mix from traditional market research to data products and services. BrandIndex revenues, for example, were up 39%.

These results demonstrate the continuing success of our strategy of focussing the business on providing in-depth data derived from our digitally interactive panel to clients. We are selling this data increasingly as a subscription based service and using our technology and methods to transform the way that custom research can be designed and delivered.

YouGov has continuously advanced its business since it started in 2000 and pioneered the use of the internet as a means of collecting survey data. This has now been widely adopted by the industry as the standard research method. YouGov has now developed into a global data and analytics business. This is exemplified by the use of our technology and interactive panel to create a proprietary, multi-dimensional database ("the YouGov Cube") that allows the storage and analysis of thousands of data points relating to our panellists, and the creation of ground-breaking syndicated data products drawing on this connected data set.

Our global capability now includes the panel comprising of almost 5 million people worldwide and a network of 31 offices in 21 countries. Our largest market is now the USA where the awareness of YouGov's quality, methodologies and products is growing rapidly. This expanding US presence and its increasing share of Group earnings is a particular strength at a time when the economic outlook in the UK as well as the Eurozone appears more challenging.

YouGov's strong cash position provides us with the means to continue to invest to support growth, including in our product development, technology and panel. While the delivery of our strategy remains firmly centred on organic growth, we also have the capacity to consider bolt-on acquisition opportunities that may arise to accelerate our development in line with that strategy.

In keeping with our progressive dividend policy, we are pleased to propose a 40% increase in the annual dividend to 1.4p per share, payable in December 2016.

Trading in the current year is in line with the Board's expectations. The Board considers that YouGov remains well positioned to maintain its successful progress towards the achievement of its long-term targets.

Roger Parry
Chairman
10 October 2016

Chief Executive Officer's Review

Performance in the Year

YouGov's revenue for the year ended 31 July 2016 increased by 16% to £88.2m and by 12% on a constant currency basis. This organic growth continued to be well above global market growth, which is estimated at approximately 4%. In line with our strategy, over two-thirds of the revenue growth was generated by our higher margin Data Products and Services which grew by 32% from £26m to £35m, although Custom Research also grew ahead of the market at 9% from £50m to £54m. As a result, the Group's adjusted operating profit increased by 27% from £8.6m to £10.9m and the adjusted operating margin increased by 1% point to 12%, mostly attributable to Data Products and Services.

Revenue from Data Products and Services now represents 38% of total Group revenue, compared to 34% in the previous year. Within this segment, YouGov BrandIndex revenue grew by 39% to £14.5m, YouGov Omnibus revenue grew by 30% to £16.4m and the new YouGov Profiles product achieved revenue of £1.4m in its first full financial year and now has over 75 subscribers worldwide. Data Products and Services operating profit increased by 43% to £9.7m and its profit margin went up from 26% to 28% as previous investments in product development and sales resources fed through into higher sales and revenue.

Custom Research operating profit grew by 7% to £6.9m (2015: £6.4m). A significant part of this growth has been generated by multi-wave custom tracking studies, including a number for major UK and US technology and media clients whose results are delivered through our new analytics platform, Crunch.

Regionally, the US operation, our largest in revenue terms, accounted for 42% of overall revenue growth with a 20% increase in £ terms (12% in local currency) to £31m. Its operating profit grew by 29% to £6m. This was largely driven by continuing strong growth in Data Products including the US launch and roll out of Profiles. UK revenue increased by 9% and its operating profit grew by 28%. Our Middle East business grew revenue and profits significantly across all its regional markets. The relatively new Asia Pacific business maintained its rapid growth with BrandIndex and Omnibus both doubling their regional revenue. France which has a similar focus on these two core products also grew strongly. Revenue in our Northern European businesses (Germany and Nordic), which now operate under a single management team, was static in overall terms although in both markets BrandIndex and Omnibus revenue grew well while Custom Research revenue declined as the business focus continued to shift towards the core YouGov model.

Strategy

Our financial results show that we have the right strategy, our implementation is effective, and our product and technology investment is paying off. We will continue in the coming year to focus the Group's resources on the areas of strategic importance, while also maintaining our pace of investment in technology and other enablers.

As businesses are increasingly looking for smarter alternatives to traditional market research, YouGov is evolving from being a market research company into a global data and analytics company. 38% of our revenue is now generated by Data Products and Services and in the coming year we aim to accelerate progress towards reaching the 50% mark. An increasing proportion of this business is contracted for more than one year, with 15% of sales arising from these in the last year.

Neither traditional market research nor 'big data' provides the best solution to suit the needs of businesses in developing their marketing strategies and constructing campaigns, nor for the kinds of monitoring that allows for swift tactical adaptation. However, YouGov's connected data – with which insights on attitudes, motivations, lifestyles and cultures can be connected through specific individuals into behavioural tracking – provides the new systematic solution to fit the needs of today's marketers.

Our product-based, technology-driven, integrated system (which includes BrandIndex, Profiles, Pulse, Crunch and the new Collaborative Insights) generates over 1 million new connected data points a day through 65,000 daily automated interviews (as well as through passive digital tracking). It delivers the outputs on a revolutionary analytics platform, and will in future allow users to design self-service

surveys targeted at specific groups. This adds up to a new connected data system for understanding change in markets and for planning, monitoring and adapting campaigns.

Further, with our new conception of the traditional 'Field and Tab' service, augmented with high-scope background data available from the Cube, we are redefining custom research surveys to become 're-contact studies', creating a new industry standard for speed, quality and richness of detail.

The next phase

Our stated strategy is to increase significantly the higher margin Data Products proportion of our business, moving from mainly custom research to mainly data systems. For our next phase of evolution, we are committed to accelerating this shift and building out our full offer of systematic connected data so that it is available to clients across all our territories. This offer is already available and being used in 'alpha' versions by some lead clients in the UK and USA. Key elements of the system which will be delivered in this next phase include:

Growth and increased engagement of panel

We are increasing the engagement of our panel in two ways: by making it as easy as possible for our panellists to talk to us and by giving them entertaining and interesting content to consume and interact with. As part of a push to boost our editorial content, we have rolled out new websites across all our territories and are now focusing on releasing a constant stream of topical data and associated commentaries through our YouGov Daily Agenda initiative. We have expanded our editorial content and production team and are now investing further in technological enhancements to our data archive so that our past data returns increased value to panellists and the wider community as well as to clients.

Further interactive mobile data collection platforms

One of the ways that we are making it easier for our panellists to talk to us is by making more of our platforms available on-the-go. All our websites are now fully mobile-optimised and we now have our first mobile app in the market: "YouGov Daily" (called "First Verdict" in the US) provides users with daily short surveys with instant feedback of results and the data from these surveys feeds into the YouGov Daily Agenda described above. During the coming year, we will be launching a new native mobile app which will offer users even more of the full YouGov experience. This is intended to streamline and intensify our efforts both for interactivity (panel engagement) and visibility (public profile).

24/7 global data processing and analytics resources

We are building the capacity to provide 24-hour data processing and analytics support through the newly established shared services data operations centre in Romania to which work is initially being transferred from the existing European and Middle Eastern operations teams.

Improved delivery through advanced analytics technology

Crunch, the online data analytics platform, is increasingly being integrated into our customer-facing online offer, making data processing faster and more accurate and enabling clients to obtain increased value through easy-to-use analytics tools. Several clients are now using this new platform to combine and analyse data from other sources as well as data supplied by YouGov.

Self-service survey design tool

We are currently testing our new self-service tool ('Collaborative Insights') in the UK which automates and speeds up the process of designing and scripting surveys both for the Omnibus service and also for general custom research. The first development phase enables rapid conversion of plain language text into scripted and formatted surveys and supports online sharing of information between the client and YouGov staff. This makes the interaction between them much more efficient. Future development is planned to automate further the entire survey ordering cycle.

More product-aligned custom trackers and services

Recurring, single or multi-country custom trackers (contracted for one or more years), whose data is delivered through Crunch, are a form of custom research that is highly aligned with YouGov's strategic focus. Trackers meet clients' needs for longitudinal monitoring and can provide company-specific information which even clients using our BrandIndex and Profiles syndicated products may require in order to supplement the information provided by the product. Another form of customised information linked to Profiles data is the re-contact study, usually conducted via the Omnibus platform which enables client specific questions to be addressed to a sample selected using Profiles. Connecting our data products and services with custom trackers and re-contact studies creates an integrated system of market research which YouGov is uniquely placed to provide.

Outlook

Over the past few years, we have been consistently implementing the strategy that the Board laid out to our shareholders and as a result have delivered recurring revenue and profits growth. As planned, YouGov has been transforming itself in response to the needs of the market to become increasingly a global data and analytics business. In the coming year, we aim to maintain our progress in the same direction in pursuit of the goals that we have set ourselves.

We recognise, however, that the UK's "Brexit" vote has created a more uncertain economic and political environment, especially for UK and European businesses, although the international spread of our revenues (with a significant US element) means that our Group can also benefit in the short-term if £ sterling rates remain relatively low compared to other major trading currencies.

Taking both the macro-environment and our own plans into account, the Board is confident that YouGov remains well-placed to exploit opportunities for growth, especially in our Data Products and Services business, in both our more mature markets and our newer operations.

Overview of Global Products and Services

Revenue	Year to 31 July 2016 £m	Year to 31 July 2015 £m	% Change	% Change at Constant Currency
Data Products (incl. BrandIndex)	16.6	11.9	40%	34%
Data Services (incl. Omnibus)	17.9	14.3	25%	24%
Total Data Products & Services	34.5	26.2	32%	29%
Custom Research	54.3	49.9	9%	5%
Eliminations	(0.6)	-	-	-
Group	88.2	76.1	16%	12%

Adjusted Operating Profit	Year to 31 July 2016 £m	Year to 31 July 2015 £m	% Change	Operating Margin %	
				2016	2015
Data Products (incl. BrandIndex)	4.5	2.3	99%	27%	19%
Data Services (incl. Omnibus)	5.2	4.5	15%	29%	32%
Total Data Products & Services	9.7	6.8	43%	28%	26%
Custom Research	6.9	6.4	7%	13%	13%
Central Costs	(5.7)	(4.6)	(22%)	-	-
Group	10.9	8.6	27%	12%	11%

Data Products

Data Products are comprised of YouGov BrandIndex, our flagship brand intelligence tracker, which accounted for 87% of this category's revenue in the year; YouGov Profiles, the segmentation and planning product and YouGov Reports, which currently provides market intelligence reports and sector trackers in the UK.

Data products, once they are mature, have a higher profit margin than custom research as the outputs are sold to multiple clients while the input costs, such as data collection and analysis, are incurred only once. However, in their early stages investment is required in areas such as product development, analytics and sales resources in order to launch and expand the products to new markets. This year the 99% increase in the overall Data Products profit and its margin improvement from 19% to 27%, reflected this as YouGov Profiles began to achieve significant revenue on the cost base established in the prior year and BrandIndex also increased its revenue while maintaining its higher margins.

Within Data Products, BrandIndex grew revenue by 39% to £14.5m (2015: £10.4m) and now accounts for 16% of total Group revenue, generated from 500 subscribers in 27 markets across the world. The US remained the largest BrandIndex market, accounting for 62% of the total and growing by 39% (in £ terms, 30% in local currency) with the UK, its second largest market, growing by 25%. Germany, the third largest BrandIndex market with 8% of Group revenue, grew by an impressive 71% in 2016. And our Asia Pacific region grew by nearly 150%, albeit from a smaller base.

BrandIndex serves major accounts among both advertising and media planning agencies on the one hand and brand owners and advertisers on the other. Its current clients include OMG, Universal McCann, Bank of America, KFC and Subway. New client wins in the period included Viacom, Airbnb, Amedia, Volkswagen, IKEA, SunTrust and Telefonica UK (O2).

BrandIndex continued to focus on three major areas in FY16 to drive growth: geographic expansion, product enhancements and further integration and interoperability with Profiles.

Geographical expansion continued with launches in three new markets: Russia, Hong Kong and South Korea. Our strategy for new market entry is to secure at least one charter subscriber – typically, a client that already subscribes to BrandIndex in its existing markets – which guarantees a minimum initial revenue from that new market.

We introduced enhanced reporting capabilities in the BrandIndex tool that support advanced statistical significance testing and provide more flexible time period analyses. These make it easier for subscribers to embed BrandIndex data into their normal workflow. A 'beta' version of a templated reporting capability has been launched that will enable users to create, store and update standardised periodic reports (e.g., weekly scorecards, monthly brand health reports etc). This makes it easier for users to download, present and circulate BrandIndex data in management report formats in an efficient way while also improving scalability of the service from YouGov's perspective.

YouGov Profiles offers the largest, most detailed and real-time consumer database updated weekly in the UK, US, Germany, China, Indonesia and Malaysia. Profiles was first launched in the UK in November 2014, rolled out to the USA and Germany in 2015 and to the Asia Pacific region in 2016. Its growth is progressing as planned with Group sales exceeding £3m in the financial year under review and revenue reaching well over £1 million. YouGov Profiles now has over 50 subscribers in the UK and more than 75 worldwide. The next stage of the global roll-out will be to France and the Nordic region.

Profiles' clients include agencies such as MEC, OMG and the7stars, and brand owners such as Experian, O2 (Telefonica UK) and Universal Music. New clients in the period include JCDecaux, RBS, City A.M. and OMD in the UK and Crossmedia, Beiersdorf and Miles & More in Germany. In the US, the combined offering of BrandIndex and Profiles is doing particularly well with joint sales in the period to clients such as Viacom, MediaCom and Crossmedia.

The UK version of Profiles is based on a database of some 200,000 separate data variables on consumers, collected initially from approximately 250,000 YouGov panellists. The tool connects data on profiles, brand, sector, and media, digital and social data all in one place combining that with attitudes, interests, views and likes. For example, it provides brand usage and perception data for some 1,000 brands (plus usage for thousands more), TV viewing for 5,000 programmes, website usage for the most active commercial websites, thousands of "likes" on music artists, films, personalities and much more.

Profiles improves the ability of marketers to understand the people and audiences that matter to them. It allows users to profile their target audience across multi-channel data sets from a single source, with greater granularity and accuracy than ever before. It enables media owners to identify potential advertisers and make more informed content and scheduling decisions so as to deliver the target audience that advertisers require.

This year we have introduced further functionality for utilising Profiles data in programmatic advertising processes and this use is proving increasingly popular with our UK and US digital media agency clients. We have also introduced a dynamic segmentation offering, allowing clients to run segmentations that are full of colour and continually updated when combined with their Profiles subscription.

YouGov Profiles is offered to the market as a subscription service (like BrandIndex) with clients accessing the data through a dedicated portal. It is delivered through a "point and click" tool, which gives users access to a wide range of detailed and connected data and provides analytics methods with which to interrogate and interpret the data. It is planned to migrate the product delivery onto the Crunch analytical tool.

YouGov BrandIndex and YouGov Profiles share a range of data sets from within the YouGov Cube database. Profiles complements BrandIndex since it allows users to define and understand their potential target customers while BrandIndex allows them to measure the effect of campaigns and other events on how their own and other brands are perceived.

In the three main markets where YouGov Profiles is available so far (UK, USA and Germany) extensive profiling in each BrandIndex category is available to subscribers of both products. We therefore believe

that clients can obtain the maximum benefit in terms of their marketing and sales activities by subscribing to both products. In these territories, our product marketing and sale strategy is thus designed to maximise the number of joint subscriptions sold. An example of this joint use is in the “dining” category, where the YouGov database captures critical data such as frequency of dining out, monthly spend on dining out, frequency of takeaway orders, monthly spend on takeaway orders and type of meal ordered or eaten out. In Profiles, clients are able to look at these key consumer segments, and use the data to develop content that will appeal to them as well as to plan their media campaigns and placements so as to reach their target groups more effectively. In BrandIndex, the response and attitudes of these same key consumer groups can be tracked in order to assess the effectiveness of campaigns once they have been run.

YouGov Reports, which publishes a suite of market intelligence reports using YouGov’s data, has been a UK-only business up to now. We are refocussing this segment into a more international offering centred more directly on YouGov Cube data complemented by informed analysis and commentaries. These reports will be made available through an online portal which provides advanced search, analysis and translation functionality as well as the ability to buy reports online through the portal. This initiative is being led by a new global head, appointed in March 2016. Revenue from the UK Reports business contracted by 37% in the year just ended as the number of titles published was reduced in anticipation of the re-organisation.

Data Services

Data Services revenue largely comprises YouGov Omnibus (including Field and Tab services) (92%) with the balance being the provision of sample-only services in the Nordic and Middle East regions.

YouGov Omnibus, our online fast-turnaround service, increased its revenue globally by 30% to £16.4m. It continued to grow (by 7%) ahead of the market in the UK where it is the recognised market leader, while growing strongly in markets where it has been established more recently. The US achieved 52% growth in £ terms (42% in local currency terms), Nordic, the second largest market, grew by 30% and Germany by 15%. Our newer and smaller Omnibus markets, France and Asia Pacific grew revenue by 49% and 234% respectively. This revenue growth flowed through to an increase of 15% in the total Data Services profit, from £4.5m to £5.2m.

As well as expanding geographically, Omnibus has continued to extend the range of specialised YouGov Omnibus services which offer access to more narrowly defined sample segments. This diverse range includes Children and Parents, Shoppers and Citybus on the consumer side and a fast-growing SME service, now available in all YouGov Omnibus markets which enables clients to conduct B2B research among Small and Medium Enterprise owners.

The growing footprint of the Omnibus network is attracting more multi-national clients, leading to more multi-country projects being run across our Group platform. Major international clients in the period included Handelsblatt, Johnson & Johnson, VISA and NBC Universal International Television.

We have also continued to improve the quality of Omnibus deliverables, with slides now being provided as standard in most markets. Over the coming year, further enhancements planned include automation of the way that clients submit survey questions which will make the turnaround from the client’s initial question generation to YouGov’s survey results delivery even faster and smoother for both clients and staff.

Custom Research

Our global Custom Research business continued to gain market share with growth of 9% in the past year, taking its revenue to £54.3m.

YouGov’s Custom Research business conducts a wide range of quantitative and qualitative research, tailored by our specialist teams to meet clients’ specific requirements. The scope, scale and complexity of projects varies significantly and ranges from one-off surveys designed to address clients’ specific information needs at a given time through to large-scale national and multinational tracking studies. YouGov’s panel-centric methodology and ability to collect and analyse data rapidly, now enhanced by

delivery of results through the Crunch analytics platform, are well-suited to meeting clients' needs for faster and more continuous tracking data. Our tracking offering is being further developed through the YouGov Cube which enables survey data to be connected with other data from our library or that forms part of a data product such as BrandIndex or Profiles. Revenue from tracking contracts now comprises approximately 12% of total Custom Research revenue. Many of these projects are contracted for on an annual basis and also provide opportunities for further renewals.

Among our major Custom Research markets, Middle East achieved 30% revenue growth with clients in Saudi Arabia and Dubai such as San Miguel and Ford as well as extending the large contracts in Kurdistan. The UK grew by 7% winning new contracts with clients such as HSBC and Vevo as well as continuing to serve commercial clients such as Asda, Barclays and ITV and increasing its public sector roster. The US grew by 9% (2% in local currency terms) mainly through expanding the work won from its West Coast based technology clients. Custom revenue fell in Germany by 5% due partly to weakness in the regional financial services market. At the end of the year, a re-organisation was undertaken to refocus staff resources further towards the data products and services business and scale the Custom business down to a profitable core offering. Nordic Custom Research revenue also fell by 20%, partly due to the non-renewal of some major contracts and as in Germany, in contrast to growth in the Data Product and Services business.

The adjusted operating profit from Custom Research increased by 7% to £6.9m from £6.4m although the adjusted operating margin remained static at 13%. Our aim has been to improve Custom Research profitability by exploiting the benefits of our panel-based methodology and improving the efficiency with which Custom work is delivered. The new shared services data operations facility in Romania was set up during the financial year and began to take on work from the local units, notably Germany and Nordic, where a number of posts were made redundant at the end of the year. This new approach will start to yield net cost savings in the coming year. The new Crunch analytics tool has also been deployed to a number of major clients in USA, UK and Nordic who are now able to access and analyse survey data and generate reports on it using this advanced cloud-based analytical engine.

Major clients in the year included Asda, Barclays, ITV, HSBC and Vevo (UK); Google, Sun Products and Blizzard Entertainment (USA); Thomas Cook, Readers Digest and Deutsche Telekom (Germany), Pernot-Ricard and Burger King (France); TDC Group and Aarhus University (Nordic); Ford and San Miguel (Middle East); and Starcom and Tesco (Asia Pacific).

Central Costs

Central costs of £5.7m include the Group management team and central management functions together with the teams responsible for YouGov's online presence and the development and roll-out of the products and services based around the YouGov Cube.

Review of Geographic Operations

Revenue	Year to 31 July 2016 £m	Year to 31 July 2015 £m	Revenue Growth %	Revenue Growth at Constant Currency %
UK	24.9	22.9	9%	9%
USA	31.0	25.9	20%	12%
Germany	9.1	8.9	2%	2%
Nordic	7.6	7.5	1%	1%
Middle East	13.9	10.7	30%	22%
France	1.7	1.2	46%	45%
Asia Pacific	2.8	1.4	100%	98%
Intra-group Revenues	(2.8)	(2.4)		
Group	88.2	76.1	16%	12%

Adjusted Operating Profit	Year to 31 July 2016 £m	Year to 31 July 2015 £m	Operating Profit Growth %	Operating Margin	
				2016	2015
UK	7.2	5.6	28%	29%	24%
USA	6.0	4.6	29%	19%	18%
Germany	0.7	0.9	(21%)	8%	10%
Nordic	0.9	1.0	(6%)	12%	13%
Middle East	2.4	1.5	60%	17%	14%
France	0.1	0.1	(8%)	8%	13%
Asia Pacific	(0.6)	(0.4)	48%	-	-
Unallocated	(5.8)	(4.7)	22%		
Group	10.9	8.6	27%	12%	11%

USA, our largest unit in revenue terms, grew revenue by 20% in reported terms and 12% in constant currency terms, increasing its operating profit by 29% and its operating margin to 19%. This positive performance reflected the continuing high growth in US Data Products and Services whose revenue grew by 46% in £ terms (37% in local currency) and now represents 35% of the total. The launch of Profiles has added to the existing strength of BrandIndex in the US market and has led to a number of combined sales while Omnibus has also expanded its US client base. Awareness of YouGov's brand name has also benefitted from the more prominent media exposure received for our US political polling as well as continued coverage of BrandIndex data in the business media. A new office was opened in San Francisco and two more are planned during the coming year (Chicago and Washington D.C.) to help us to exploit the potential for YouGov to expand our business further in the US market.

UK grew revenue by 9% in total with Data Products and Services growing by 11% and representing 50% of the total. Within this BrandIndex grew by 25% while Profiles doubled its revenue in its first full financial year, securing renewals from all its initial subscribers and gaining further traction among new clients. Omnibus grew revenue by 6%. This good growth was partly offset by a reduction of 24% in Reports revenue as the product portfolio is being redesigned and repositioned. Custom Research grew revenue by 7%. The adjusted operating profit margin increased from 24% to 29%.

Our Middle East operations performed well, delivering revenue growth of 30% in reported terms (22% in local currency) and a 60% increase in operating profit. This reflected expansion in the Custom Research business (which represents 88% of the total) across the region especially of work from

existing clients which utilised existing resources as well as some uplift (54% growth) in BrandIndex (with new subscriptions in Egypt) and Omnibus services.

Germany returned to revenue growth this year and while this was only 2%, the business mix continued to shift as planned towards Data Products and Services which grew by 36% while Custom revenue declined by 5%. Data Products and Services now make up 34% of total revenue. BrandIndex grew by 71% with 36 new subscribers and the newly launched Profiles achieved sales of £0.2m although only minimal revenue was earned in this year. Omnibus also grew well with a 15% increase. YouGov's public profile in Germany continued to become more prominent benefitting from an active media partnership with *Handelsblatt*, the leading business newspaper, and a YouGov-Cambridge conference on the EU Referendum in Berlin whose speakers included leading German politicians. The operating profit fell by £0.2m to £0.7m largely due to the fall in custom revenue and some investment in Data Products. A rationalisation of the Custom and Operations teams was undertaken at the end of the year resulting in a reduction of 16 posts and a redeployment of resources to support further growth in Data Products and Services in the coming year.

A similar re-orientation towards Data Products is under way in the Nordic business which with Germany is now under a single Northern Europe management team. Data Products and Services grew there by 58% and Omnibus by 30% while Custom Research fell by 20%. The regional operating profit fell slightly to £0.9m reflecting revenue. Actions taken to restructure the Custom and Operations areas towards the end of the year, including redundancies whose costs are included in exceptional items, are expected to have a positive impact in the coming year.

Our French business further expanded its client base and delivered a 46% revenue increase, in line with plans with Omnibus growing by 49% and BrandIndex by 37% with 10 new subscribers. The operating profit remained static reflecting an increase of 110% in the staff numbers to support this growth.

The Asia Pacific unit doubled its revenue to £2.8m both through growth in its existing operations (China, Hong Kong, Indonesia and Singapore) and expansion to Australia and Thailand. This growth was driven by BrandIndex and Omnibus which together make up 86% of the total. The regional launch of Profiles (beginning with China) is also underway with the development of an Asia Pac Cube which will be expanded as the panel size continues to grow. The YouGov team across the region has now expanded by 45% to 48 staff. As a result of these investments, the operating loss increased slightly to £0.6m.

Panel Development

As at 31 July 2016, the Group's online panel comprised a total of 4.8m panellists, an increase of 30% from the total of 3.7m as at 31 July 2015. There was substantial investment in panellist recruitment during the year both to support development of the newer regional panels such as in France and in particular Asia Pacific and to extend the coverage of more mature panels. All the panels grew as a result and the panel sizes by region were:

Region	Panel Size at 31 July 2016	Panel Size at 31 July 2015
UK	882,700	752,300
USA	1,972,000	1,596,500
Middle East	728,500	481,000
Germany	235,500	199,200
Nordic	221,800	179,600
France	163,500	132,900
Asia Pacific	561,500	312,800
Total	4,765,500	3,654,300

Stephan Shakespeare
Chief Executive Officer
 10 October 2016

Financial Performance

Income Statement Review

Group revenue for the year to 31 July 2016 of £88.2m was 16% higher than the prior year.

The Group's gross profit (calculated after deducting costs of panel incentives and external data collection) increased by £10.1m to £68.7m. The Group's adjusted operating profit margin increased by 1% to 12%, due to improved gross margins from 77% to 78% reflecting a higher proportion of work undertaken on the Group's own panels. Our business continues to be highly cash generative with the profit conversion rate increasing to 130% from 120%.

Operating expenses (excluding amortisation and exceptional items) of £57.8m increased by £7.7m. The growth rate of 15% was slightly lower than revenue so that the operating expense ratio reduced by 0.3% point to 65.5% of revenue.

The average number of staff (full-time equivalents) employed during the year increased by 70 to 692 from 622. Average revenue per head increased to £128,000 from £122,000 and staff costs as a percentage of revenue increased by 3% points to 50%.

Adjusted group operating profit increased by 27% to £10.9m compared to £8.6m in the previous year. There was a net finance income of £1.2m compared to a cost of £0.2m last year, primarily due to foreign exchange translation gains. This resulted in an adjusted profit before taxation of £13.3m, an increase of 46% over the prior year. Adjusted earnings per share for the year rose by 1.8p (26%) to 8.8p.

The statutory operating profit (which is after charging amortisation of £5.5m and exceptional items of £1.1m) increased by £1.5m to £4.3m. This was slightly less than the increase in adjusted group operating profit due to higher amortisation charges. Statutory profit before taxation increased by £2.8m to £5.5m reflecting the increase in operating profit and a net foreign exchange translation gain of £1.2m compared to a loss of £0.2m in the prior year.

Amortisation of Intangible Assets and Impairment

Amortisation charges for intangible assets of £5.5m were £0.8m higher than the previous year. Amortisation of the consumer panel increased by £0.5m to £1.6m reflecting the additional investment made to grow the panel in the past two years. Amortisation of software increased by £0.5m to £3.2m, £2.5m (2015: £1.8m) of the total charge related to assets created through the Group's own internal development activities, £0.6m (2015: £0.7m) to separately acquired assets and £0.1m (2015: £0.2m) to amortisation on assets acquired through business combinations.

Exceptional Items

Exceptional costs of £1.1m (2015: £1.1m) were incurred in the year. £0.7m of this related to costs incurred in restructuring the German business, with a further £0.2m of restructuring costs arising in the Nordics, and £0.2m in other units. In addition, £0.1m of exceptional costs were incurred in relation to the territorial expansion in Asia Pacific. There was an exceptional credit of £0.1m in relation to the acquisition of Decision Fuel (Asia Pacific) as a result of the writing back of the contingent consideration and other related accruals.

Analysis of Operating Profit and Earnings per Share:

	31 July 2016 £'000	31 July 2015 £'000
Adjusted operating profit ¹	10,917	8,570
Share-based payments	1,111	669
Imputed interest	27	32
Net finance income/(cost)	1,199	(220)
Share of post-tax (loss)/profit in associates	(4)	42
Adjusted profit before tax ¹	13,250	9,093
Adjusted taxation ^{1, 2}	(4,099)	(2,016)
Adjusted profit after tax ¹	9,151	7,077
Adjusted earnings per share (pence) ¹	8.8	7.0

1. Defined in the explanation of non-IFRS measures

2. The year ended 31 July 2015 excluded a one-off credit of £1.2m relating to the recognition of a deferred tax asset arising from available tax losses in Germany.

Cash Flow

The Group generated £14.1m (2015: £10.3m) in cash from operations (before paying interest and tax) including a £2.3m (2015: £1.2m) net working capital inflow. The cash conversion rate (percentage of adjusted operating profit converted to cash) increases by 10% points to 130% of adjusted operating profit.

Expenditure on investing activities reduced to £6.0m (2015: £6.2m) of which £6.1m (2015: £5.8m) was on capital expenditure, £1.0m (2015: £1.1m) on purchasing tangible assets and £5.1m (2015: £4.6m) of investment in intangible assets and £nil (2015: £0.5m) related to acquisitions, including the payment of deferred consideration. Expenditure on intangible assets included £2.0m (2015: £1.5m) on panel recruitment and £3.0m (2015: £3.1m) on software development, £2.6m (2015: £2.3m) of which related to internally generated assets.

Expenditure on financing activities increased by £0.4m to £1.2m including the dividend payment of £1.0m (2015: £0.8m) and £0.2m (2015: £nil) acquiring additional non-controlling interests in subsidiaries and associates.

There was a net cash inflow of £4.5m (2015: £2.6m) which combined with an exchange gain of £1.0m (2015: £0.2m) resulted in year-end net cash balances increasing by £5.5m to £15.6m.

Currency

As well as achieving robust growth in constant currency terms, the Group's results benefitted from the year-on-year depreciation of the £, especially against the US\$ and its related currencies, which accelerated after the UK's EU Referendum. This added a further 4% to the Group's overall revenue growth. The appreciation of the US dollar led to approximately 8% higher reported revenue growth in the US, Middle East and Asia Pacific while the Euro appreciation meant that reported revenue in Germany, France and the Nordics was 1% higher than if calculated in local currency terms. Although the foreign exchange effect on costs largely matched that on revenue, the translation gains realised on profits generated in the US and the Middle East added a further £0.5m and 6% points to the 21% increase in Group adjusted operating profit calculated in constant currency terms.

Taxation

The Group had a tax charge of £2.1m (2015: £0.6m credit, after recognising £1.2m of tax losses in Germany). On a reported basis, the current tax charge was £2.3m (2015: £0.7m) with a deferred tax credit of £0.2m (2015: £1.3m). On an adjusted basis, the tax charge was £4.1m (2015: £2.0m), which represents a tax rate of 31% on the adjusted profit before tax which was 9% points higher than last year reflecting the profit growth in the US.

Balance Sheet

Total shareholders' funds increased to £74.1m from £61.6m at the prior year-end and total net assets increased to £74.1m compared to £61.6m at 31 July 2015. Net current assets increased to £17.5m from £10.3m. Current assets increased by £12.0m to £45.3m, with debtor days increasing to 59 days from 56 days. Current liabilities increased by £4.8m to £27.8m, with creditor days decreasing to 28 days from 38 days at 31 July 2015. Current liabilities includes £7.2m of deferred revenue in respect of subscriptions (an increase of £1.8m from 31 July 2015), which contributed to the increase in net cash balances in the year. Non-current liabilities increased by £3.3m to £5.8m partly due to the reassessment of the likely timing of the redemption of panel incentives.

Proposed Dividend

The Board is recommending the payment of a final dividend of 1.4 pence per share for the year ended 31 July 2016. If shareholders approve this dividend at the AGM (scheduled for Wednesday 7 December 2016), it will be paid on Monday 12 December 2016 to all shareholders who were on the Register of Members at close of business on Friday 2 December 2016.

Alan Newman
Chief Financial Officer
10 October 2016

Explanation of Non-IFRS measures

Financial Measure	How we define it	Why we use it
Adjusted operating profit	Operating profit excluding amortisation of intangible assets charged to operating expenses and exceptional items	Provides a more comparable basis to assess the year-to-year operational business performance
Adjusted operating profit margin	Adjusted operating profit expressed as a percentage of revenue	
Adjusted profit before tax	Profit before tax before amortisation of intangible assets charged to operating profit, share based payment charges, imputed interest and exceptional costs.	
Adjusted taxation	Taxation due on the adjusted profit before tax, thus excluding the tax effect of amortisation and exceptional items.	Provides a more comparable basis to assess the underlying tax rate
Adjusted tax rate	Adjusted taxation expressed as a percentage of adjusted profit before tax	
Adjusted profit after tax	Adjusted profit before tax less adjusted taxation	Facilitates performance evaluation, individually and relative to other companies
Adjusted profit after tax attributable to owners of the parent	Adjusted profit after tax less profit attributable to non-controlling interests	
Adjusted earnings per share	Adjusted profit after tax attributable to owners of the parent divided by the weighted average number of shares. Adjusted diluted earnings per share includes the impact of share options.	
Constant currency revenue change	Current year revenue change compared to prior year revenue in local currency translated at the current year average exchange rates.	Shows the underlying revenue change by eliminating the impact of foreign exchange rate movements
Cash conversion	The ratio of cash generated from operations to adjusted operating profit	Indicates the extent to which the business generates cash from adjusted operating profits

Publication of Non-Statutory Accounts

The financial information relating to the year ended 31 July 2016 set out below does not constitute the Group's statutory accounts for that year but has been extracted from the statutory accounts, which received an unqualified auditors' report and which have not yet been filed with the Registrar.

YOUNGOV PLC
CONSOLIDATED INCOME STATEMENT

For the year ended 31 July 2016

	Note	2016 £'000	2015 £'000
Revenue	1	88,202	76,110
Cost of sales		(19,476)	(17,472)
Gross profit		68,726	58,638
Operating expenses		(64,395)	(55,773)
Operating profit	1	4,331	2,865
Amortisation of intangibles		5,478	4,633
Exceptional items	2	1,108	1,072
Adjusted operating profit	1	10,917	8,570
Finance income		2,144	422
Finance costs		(945)	(643)
Share of post-tax (loss)/profit of associates		(4)	42
Profit before taxation	1	5,526	2,686
Taxation	3	(2,111)	580
Profit after taxation	1	3,415	3,266
Attributable to:			
– Owners of the parent		3,401	3,240
– Non-controlling interests		14	26
		3,415	3,266
Earnings per share			
Basic earnings per share attributable to owners of the parent	5	3.3p	3.2p
Diluted earnings per share attributable to owners of the parent	5	3.2p	3.1p

All operations are continuing.

YOUNGOV PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 July 2016

Items in the statement above are disclosed net of tax.

	2016 £'000	2015 £'000
Profit for the year	3,415	3,266
Other comprehensive income/(expense)		
Items that may be subsequently reclassified to profit or loss		
Currency translation differences	8,271	(262)
Other comprehensive income/(expense) for the year	8,271	(262)
Total comprehensive income for the year	11,686	3,004
Attributable to:		
– Owners of the parent	11,667	2,982
– Non-controlling interests	19	22
Total comprehensive income for the year	11,686	3,004

Items in the statement above are disclosed net of tax.

YOUNGOV PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 July 2016

Assets	Note	31 July 2016 £'000	31 July 2015 £'000
Non-current assets			
Goodwill	7	42,401	35,793
Other intangible assets	8	10,739	10,352
Property, plant and equipment	9	3,568	2,973
Investments in associates		242	204
Deferred tax assets		5,416	4,404
Total non-current assets		62,366	53,726
Current assets			
Trade and other receivables	10	28,643	22,507
Current tax assets		1,143	805
Cash and cash equivalents		15,553	10,017
Total current assets		45,339	33,329
Total assets		107,705	87,055
Liabilities			
Current liabilities			
Trade and other payables	11	25,839	19,042
Provisions		1,592	3,665
Current tax liabilities		392	276
Total current liabilities		27,823	22,983
Net current assets		17,516	10,346
Non-current liabilities			
Trade and other payables		-	3
Provisions		4,255	685
Contingent consideration	12	-	36
Deferred tax liabilities		1,538	1,725
Total non-current liabilities		5,793	2,449
Total liabilities		33,616	25,432
Net assets		74,089	61,623
Equity			
Issued share capital		209	206
Share premium		31,086	31,051
Merger reserve		9,239	9,239
Foreign exchange reserve		13,730	5,464
Retained earnings		19,795	15,635
Total shareholders' funds		74,059	61,595
Non-controlling interests in equity		30	28
Total equity		74,089	61,623

YOUNGOV PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 July 2016

	Attributable to equity holders of the Company							Non-controlling interest in equity £'000	Total equity £'000
	Note	Issued share capital £'000	Share premium £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000		
Balance at 1 August 2014		199	31,014	9,239	5,722	11,755	57,929	23	57,952
Exchange differences on translating foreign operations		-	-	-	(258)	-	(258)	(4)	(262)
Net loss recognised directly in equity		-	-	-	(258)	-	(258)	(4)	(262)
Profit for the year		-	-	-	-	3,240	3,240	26	3,266
Total comprehensive gain/(expense) for the year		-	-	-	(258)	3,240	2,982	22	3,004
Issue of shares	21	3	37	-	-	-	40	-	40
Dividends paid	7	-	-	-	-	(804)	(804)	(17)	(821)
Consideration for purchase of subsidiary	9, 21	4	-	-	-	500	504	-	504
Share-based payments	22	-	-	-	-	669	669	-	669
Tax in relation to share based payments	19	-	-	-	-	275	275	-	275
Total transactions with owners recognised directly in equity		7	37	-	-	640	684	(17)	667
Balance at 31 July 2015		206	31,051	9,239	5,464	15,635	61,595	28	61,623
Exchange differences on translating foreign operations		-	-	-	8,266	-	8,266	5	8,271
Net gain recognised directly in equity		-	-	-	8,266	-	8,266	5	8,271
Profit for the year		-	-	-	-	3,401	3,401	14	3,415
Total comprehensive gain for the year		-	-	-	8,266	3,401	11,667	19	11,686
Issue of shares	21	3	35	-	-	(3)	35	-	35
Dividends paid	7	-	-	-	-	(1,042)	(1,042)	(14)	(1,056)
Purchase of non-controlling interest in subsidiary		-	-	-	-	(28)	(28)	(3)	(31)
Share-based payments	22	-	-	-	-	1,111	1,111	-	1,111
Tax in relation to share based payments	19	-	-	-	-	721	721	-	721
Total transactions with owners recognised directly in equity		3	35	-	-	759	797	(17)	780
Balance at 31 July 2016		209	31,086	9,239	13,730	19,795	74,059	30	74,089

YOUNGOV PLC
CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 July 2016

	Note	2016 £'000	2015 £'000
Cash flows from operating activities			
Profit before taxation		5,526	2,686
Adjustments for:			
Finance income		(2,144)	(422)
Finance costs		945	643
Share of post-tax loss of associates		4	(42)
Amortisation of intangibles		5,567	4,765
Depreciation		819	703
Loss on disposal of property, plant and equipment and other intangible assets		-	49
Share-based payments		1,111	669
Other non-cash profit items		(36)	94
Increase in trade and other receivables		(1,925)	(360)
Increase in trade and other payables		3,229	1,009
Increase in provisions		1,043	518
Cash generated from operations		14,139	10,312
Interest paid		(1)	(14)
Income taxes paid		(2,365)	(730)
Net cash generated from operating activities		11,773	9,568
Cash flow from investing activities			
Acquisition of interest in associates		(140)	(140)
Settlement of contingent considerations	12	-	(330)
Purchase of property, plant and equipment	9	(1,003)	(1,123)
Purchase of intangible assets	8	(5,080)	(4,631)
Proceeds from sale of plant, property and equipment		7	-
Interest received		12	2
Dividends received from associates		28	48
Net cash used in investing activities		(6,176)	(6,174)
Cash flows from financing activities			
Acquisition of non-controlling interests		(31)	-
Proceeds from the issue of share capital		35	40
Repayment of borrowings		(19)	(28)
Dividends paid to shareholders		(1,042)	(804)
Dividends paid to non-controlling interests		(14)	(17)
Net cash used in financing activities		(1,071)	(809)
Net increase in cash and cash equivalents		4,526	2,585
Cash and cash equivalents at beginning of year		10,017	7,245
Exchange gain on cash and cash equivalents		1,010	187
Cash and cash equivalents at end of year		15,553	10,017

YOUGOV PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2016

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 United Kingdom. YouGov plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

YouGov plc's annual consolidated financial statements are presented in UK Sterling, which is also the functional currency of the parent company.

Basis of preparation

The following financial information does not amount to full financial statements within the meaning of Section 434 of Companies Act 2006. The financial information has been extracted from the Group's Annual Report and Financial Statements for the year ended 31 July 2016 on which an unqualified report has been made by the Company's auditors.

The consolidated financial statements of YouGov plc are have been prepared under the historical cost convention modified for fair values under International Financial Reporting Standards as adopted by the European Union (IFRS). These consolidated financial statements have been prepared in accordance with IFRS, IFRS Interpretations Committee (IFRS IC) and the Companies Act 2006 applicable to companies reporting under IFRS.

Financial statements for the year ended 31 July 2015 have been delivered to the Registrar of Companies; the report of the auditors on those accounts was unqualified and did not contain a statement under Section 498 of the Companies Act 2006. The 2016 statutory accounts will be delivered in due course.

Copies of the Annual Report and Financial Statements will be posted to shareholders shortly and will be available from the Company's registered office at 50 Featherstone Street, London, EC1Y 8RT.

YOUNGOV PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2016

1 SEGMENTAL ANALYSIS

The Board of Directors (which is the “chief operating decision maker”) primarily reviews information based on product lines, Custom Research, Data Products and Data Services, with supplemental geographical information.

2016	Custom Research £'000	Data Products £'000	Data Services £'000	Eliminations & Unallocated Costs £'000	Group £'000
Revenue	54,318	16,629	17,905	(650)	88,202
Cost of sales	(13,753)	(3,007)	(3,394)	678	(19,476)
Gross profit	40,565	13,622	14,511	28	68,726
Operating expenses	(33,704)	(9,110)	(9,320)	(5,675)	(57,809)
Adjusted operating profit	6,861	4,512	5,191	(5,647)	10,917
Amortisation of intangible assets					(5,478)
Exceptional items					(1,108)
Operating profit					4,331
Finance income					2,144
Finance costs					(945)
Share of post-tax loss in joint ventures and associates					(4)
Profit before taxation					5,526
Taxation					(2,111)
Profit after taxation					3,415
Other segment information					
Depreciation	506	108	112	93	819

2015	Custom Research £'000	Data Products £'000	Data Services £'000	Eliminations & Unallocated Costs £'000	Group £'000
Revenue	49,901	11,908	14,301	–	76,110
Cost of sales	(13,181)	(2,083)	(2,208)	–	(17,472)
Gross profit	36,720	9,825	12,093	–	58,638
Operating expenses	(30,300)	(7,563)	(7,575)	(4,630)	(50,068)
Adjusted operating profit	6,420	2,262	4,518	(4,630)	8,570
Amortisation of intangible assets					(4,633)
Exceptional items					(1,072)
Operating profit					2,865
Finance income					422
Finance costs					(643)
Share of post-tax profit in joint ventures and associates					42
Profit before taxation					2,686
Taxation					580
Profit after taxation					3,266
Other segment information					
Depreciation	427	83	100	93	703

YOUNGOV PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2016

Supplementary information by geography

Revenue and adjusted operating profit by geography based on the origin of the sale

	2016		2015	
	Revenue £'000	Adjusted operating profit/(loss) £'000	Revenue £'000	Adjusted operating profit/(loss) £'000
UK	24,927	7,150	22,857	5,582
USA	30,960	6,014	25,867	4,647
Germany	9,098	698	8,904	887
Nordic	7,577	942	7,476	1,001
Middle East	13,948	2,430	10,718	1,520
France	1,689	134	1,158	145
Asia Pacific	2,832	(586)	1,419	(397)
Intra-group revenues/unallocated costs	(2,829)	(5,865)	(2,289)	(4,815)
Group	88,202	10,917	76,110	8,570

^Operating profit/(loss) before amortisation of intangible assets and exceptional items.

Revenue by geography based on the destination of the customer

	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Asia Pacific £'000	Intra- group revenues £'000	Group £'000
2016									
External sales	24,654	10,819	8,722	7,451	32,563	1,789	2,204	-	88,202
Inter-segment sales	1,925	209	512	356	1,922	141	193	(5,258)	-
Total revenue	26,579	11,028	9,234	7,807	34,485	1,930	2,397	(5,258)	88,202
2015									
External sales	21,669	9,327	8,493	7,373	26,627	1,361	1,260	-	76,110
Inter-segment sales	1,546	160	365	434	1,285	75	79	(3,944)	-
Total revenue	23,215	9,487	8,858	7,807	27,912	1,436	1,339	(3,944)	76,110

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

YUGOV PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2016

2 EXCEPTIONAL ITEMS

	2016 £'000	2015 £'000
Restructuring costs	1,086	650
Legal costs	157	-
Acquisition-related costs	(130)	431
Change in accounting estimation – contingent consideration	(5)	(9)
	1,108	1,072

Restructuring costs in the year included £894,000 in relation to the restructuring of the Northern European units including £723,000 in respect of the rationalisation of the German Custom and Operations teams undertaken at the end of the year and £171,000 in reorganising the management structure in Nordics. Restructuring costs were also incurred in reorganising sales and marketing operations in the UK £107,000, reorganising the IT Development structure £68,000 and reorganising the management structure in the US £17,000.

Restructuring costs in the prior year were the cost of reorganising the management structure of the US £294,000, Middle East £127,000, UK £116,000, Germany £67,000 and Nordic £46,000 businesses.

Legal costs incurred in connection with establishing operations in Thailand.

The acquisition related income in the year is in respect of the acquisition of Decision Fuel comprising a £53,000 reduction in contingent deemed staff costs and a £77,000 reduction in provisions in respect of transaction costs.

Acquisition related costs in the prior year comprise £501,000 of contingent consideration that is deemed under IFRS to be staff compensation cost in relation to the acquisition of Doughty Media 2 and a net credit of £70,000 in relation to the acquisition of Decision Fuel including a £124,000 reduction in contingent deemed staff costs, £41,000 of transaction costs and a £13,000 reduction in the fair value of acquired net assets.

The change in estimated contingent consideration in both years is in respect of the Decision Fuel acquisition.

YOUNGOV PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2016

3 TAXATION

The taxation charge represents:

	2016	2015
	£'000	£'000
Current tax on profits for the year	2,083	714
Adjustments in respect of prior years	173	(44)
Total current tax charge	2,256	670
Deferred tax:		
Origination and reversal of temporary differences	(309)	84
Adjustments in respect of prior years	85	(1,350)
Impact of changes in tax rates	79	16
Total deferred tax credit	(145)	(1,250)
Total income statement tax charge/(credit)	2,111	(580)

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2016	2015
	£'000	£'000
Profit before taxation	5,526	2,686
Tax charge calculated at Group's standard rate of 20% (2015: 20.67%)	1,105	555
Variance in overseas tax rates	616	371
Impact of changes in tax rates	79	16
Gains not subject to tax	(7)	(79)
Expenses not deductible for tax purposes	7	46
Tax losses for which no deferred income tax asset was recognised	52	(86)
Adjustments in respect of prior years	258	(1,394)
Associates results reported net of tax	1	(9)
Total income statement tax charge for the year	2,111	(580)

On 8 July 2015, the UK corporation tax rate was reduced from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020. This change has been substantively enacted at the balance sheet date and, therefore, is included in these financial statements. Further changes to the UK corporation tax rates were announced in the Chancellor's Budget on 16 March 2016. These include reductions to the main rate to 17% from 1 April 2020. As these changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

Adjustments in respect of prior periods in the prior year includes the recognition of £1,206,000 of tax losses incurred in prior years in Germany.

4 DIVIDEND

On 14 December 2015, a final dividend in respect of the year ended 31 July 2015 of £1,042,000 (1.0p per share) (2014: £804,000 (0.8p per share)) was paid to shareholders. A dividend in respect of the year ended 31 July 2016 of 1.4p per share, amounting to a total dividend of £1,460,000 is to be proposed at the Annual General Meeting on 7 December 2016. These financial statements do not reflect this proposed dividend payable

YOUNGOV PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2016

5 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 share 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, impairment charges, exceptional items and any related tax effects.

	2016 £'000	2015 £'000
Profit after taxation attributable to equity holders of the parent company	3,401	3,240
Add: amortisation of intangible assets included in operating expenses	5,478	4,633
Add: share-based payments	1,111	669
Add: imputed interest (Note 5)	27	32
Add: exceptional costs	1,108	1,072
Tax effect of the above adjustments and adjusting tax items	(1,988)	(2,595)
Adjusted profit after taxation attributable to equity holders of the parent company	9,137	7,051

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

	2016	2015
Number of shares		
Weighted average number of shares during the year: ('000 shares)		
– Basic	103,944	100,998
– Dilutive effect of share options	3,361	4,051
– Diluted	107,305	105,049

The adjustments have the following effect:

Basic earnings per share	3.3p	3.2p
Amortisation of intangible assets	5.3p	4.6p
Share-based payments	1.1p	0.7p
Imputed interest	0.0p	0.0p
Exceptional costs and impairments	1.0p	1.1p
Tax effect of the above adjustments and adjusting tax items	(1.9p)	(2.6p)
Adjusted earnings per share	8.8p	7.0p
Diluted earnings per share	3.2p	3.1p
Amortisation of intangible assets	5.1p	4.4p
Share-based payments	1.0p	0.7p
Imputed interest	0.0p	0.0p
Exceptional costs and impairment	1.0p	1.0p
Tax effect of the above adjustments and adjusting tax items	(1.8p)	(2.5p)
Adjusted diluted earnings per share	8.5p	6.7p

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6 BUSINESS COMBINATIONS AND DISPOSALS

Doughty Media 2 Ltd

In 2013, YouGov acquired 100% of Doughty Media 2 Ltd, which owned the majority shareholding in CoEditor Ltd, increasing YouGov's interest in CoEditor Ltd to 98.3%.

During the year YouGov acquired the remaining 1.7% shareholding in CoEditor Ltd for a cash consideration of £31,000.

Acquisition of Decision Fuel

On 9 January 2014, YouGov plc purchased a 100% shareholding in Decision Fuel an Asia-based research and technology company with offices in Hong Kong, Shanghai and Singapore. The basic purchase consideration payable is the sum of six times the EBITDA of Decision Fuel in the year ending 31 July 2016 and two times EBITDA (capped at 1.5 times 2016 EBITDA) in the year ending 31 July 2017 less any working capital funding provided by YouGov to Decision Fuel prior to the end of the performance year. An initial payment of \$1,000,000 (£608,000) was paid upon completion, with the balance payable in two instalments in December 2017 and December 2018.

It is now estimated that no further consideration will be payable and as a result the contingent consideration of £5,000 and the £53,000 of deemed staff compensation charge recognised in prior periods were written back as exceptional items along with £77,000 of accrued transaction costs.

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7 GOODWILL

	Middle East £'000	USA £'000	Nordic £'000	Germany £'000	CoEditor £'000	Asia Pacific £'000	Total £'000
Carrying amount at 1 August 2014	1,306	15,624	7,890	10,301	569	639	36,329
Exchange differences	110	1,321	(878)	(1,142)	-	53	(536)
Carrying amount at 31 July 2015	1,416	16,945	7,012	9,159	569	692	35,793
Exchange differences	251	2,996	1,417	1,821	-	123	6,608
Carrying amount at 31 July 2016	1,667	19,941	8,429	10,980	569	815	42,401
At 31 July 2016							
Cost	1,667	19,941	8,429	11,655	569	815	43,076
Accumulated impairment	-	-	-	(675)	-	-	(675)
Net book amount	1,667	19,941	8,429	10,980	569	815	42,401

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The cash-generating units (CGUs) are consistent with those segments shown in Note 1. The 2016 impairment review was undertaken as at 31 July 2016. The recoverable amounts of all CGUs have been determined based on value in use calculations. This review assessed whether the carrying value of goodwill was supported by the net present value of future cash flows derived from assets using a projection period of three years for each CGU based on approved budget numbers. The sources of the assumptions used in making the assessment are as follows:

- Growth rates are internal forecasts based on both internal and external market information.
- Margins reflect past experience, adjusted for expected changes.
- Terminal growth rates based on management's estimate of future long-term average growth rates.
- Discount rates based on Group WACC, adjusted where appropriate.

Annual EBITDA growth rates of 2.25% have been assumed in perpetuity beyond year three. The pre-tax weighted average costs of capital used to discount the future cash flows to their present values are Middle East 10% (2015: 10%), USA 17% (2015: 17%), Nordic 13% (2015: 13%), Germany 15% (2015: 15%) and Asia Pacific 12% (2015: 12%).

Management has considered reasonable possible changes in key assumptions and performed sensitivity analyses under these scenarios. This analysis shows that sufficient headroom exists and would not give rise to any further impairment.

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8 OTHER INTANGIBLE ASSETS

	Consumer panel £'000	Software and software development £'000	Customer contracts and lists £'000	Patents and trademarks £'000	Order backlog £'000	Product development costs £'000	Total £'000
At 1 August 2014							
Cost	10,917	14,106	4,485	2,907	210	969	33,594
Accumulated amortisation	(9,078)	(8,953)	(2,279)	(2,132)	(210)	(621)	(23,273)
Net book amount	1,839	5,153	2,206	775	-	348	10,321
Year ended 31 July 2015							
Opening net book amount	1,839	5,153	2,206	775	-	348	10,321
Additions:							
Separately acquired	1,455	762	-	38	-	41	2,296
Internally developed	-	2,335	-	-	-	-	2,335
Amortisation charge:							
Business combinations	-	(206)	(465)	(317)	-	-	(988)
Separately acquired	(1,102)	(683)	-	-	-	(133)	(1,918)
Internally developed	-	(1,842)	-	-	-	(17)	(1,859)
Disposals	-	(12)	-	-	-	-	(12)
Exchange differences	5	82	108	(30)	-	12	177
Closing net book amount	2,197	5,589	1,849	466	-	251	10,352
At 31 July 2015							
Cost	12,182	16,329	4,576	2,869	-	988	36,944
Accumulated amortisation	(9,985)	(10,740)	(2,727)	(2,403)	-	(737)	(26,592)
Net book amount	2,197	5,589	1,849	466	-	251	10,352
Year ended 31 July 2016							
Opening net book amount	2,197	5,589	1,849	466	-	251	10,352
Reclassifications	-	80	-	-	-	(80)	-
Additions:							
Separately acquired	1,979	391	-	49	-	106	2,525
Internally developed	-	2,555	-	-	-	-	2,555
Amortisation charge:							
Business combinations	-	(128)	(465)	(169)	-	-	(762)
Separately acquired	(1,574)	(572)	-	(3)	-	(166)	(2,315)
Internally developed	-	(2,490)	-	-	-	-	(2,490)
Disposals	-	-	-	-	-	-	-
Exchange differences	312	211	283	48	-	20	874
Closing net book amount	2,914	5,636	1,667	391	-	131	10,739
At 31 July 2016							
Cost	16,081	19,901	5,418	3,439	-	962	45,801
Accumulated amortisation	(13,167)	(14,265)	(3,751)	(3,048)	-	(831)	(35,062)
Net book amount	2,914	5,636	1,667	391	-	131	10,739

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9 PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000	Leasehold property improvements £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
At 31 July 2014						
Cost	1,305	799	2,443	1,100	72	5,719
Accumulated depreciation	(257)	(331)	(1,857)	(767)	(18)	(3,230)
Net book amount	1,048	468	586	333	54	2,489
Year ended 31 July 2015						
Opening net book amount	1,048	468	586	333	54	2,489
Additions:						
Separately acquired	–	337	468	294	24	1,123
Disposals	–	–	–	(37)	–	(37)
Depreciation	(49)	(130)	(385)	(117)	(22)	(703)
Exchange differences	88	3	2	3	5	101
Closing net book amount	1,087	678	671	476	61	2,973
At 31 July 2015						
Cost	1,416	1,011	2,376	1,302	103	6,208
Accumulated depreciation	(329)	(333)	(1,705)	(826)	(42)	(3,235)
Net book amount	1,087	678	671	476	61	2,973
Year ended 31 July 2016						
Opening net book amount	1,087	678	671	476	61	2,973
Additions:						
Separately acquired	-	178	576	249	-	1,003
Disposals	-	(7)	-	-	-	(7)
Depreciation	(75)	(176)	(398)	(144)	(26)	(819)
Exchange differences	184	73	81	72	8	418
Closing net book amount	1,196	746	930	653	43	3,568
At 31 July 2016						
Cost	1,667	1,248	3,082	1,692	121	7,810
Accumulated depreciation	(471)	(502)	(2,152)	(1,039)	(78)	(4,242)
Net book amount	1,196	746	930	653	43	3,568

All property, plant and equipment disclosed above, with the exception of those items held under lease purchase agreements, are free from restrictions on title. No property, plant and equipment either in 2016 or 2015 has been pledged as security against the liabilities of the Group.

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The net book value of assets held under finance leases is as follows:

	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
At 31 July 2015			
Cost	48	28	76
Accumulated depreciation	(32)	(8)	(40)
Net book amount	16	20	36
At 31 July 2016			
Cost	57	34	91
Accumulated depreciation	(57)	(17)	(74)
Net book amount	-	17	17

10 TRADE AND OTHER RECEIVABLES

	31 July 2016 £'000	31 July 2015 £'000
Trade receivables	16,542	13,957
Other receivables	2,004	1,056
Prepayments	1,646	1,204
Accrued income	8,925	6,525
	29,117	22,742
Provision for trade receivables	(474)	(235)
	28,643	22,507

The Directors consider that the carrying amount of trade and other receivables approximate to their fair value.

As at 31 July 2016, trade receivables of £10,101,000 (2015: £7,408,000) were overdue but not impaired. These relate to a number of customers for which there is no recent history of default or any other indication that the receivable should not be fully collectable. The ageing analysis of past due trade receivables which are not impaired is as follows:

	31 July 2016 £'000	31 July 2015 £'000
Up to three months overdue	4,752	3,846
Three to six months overdue	4,467	2,186
Six months to one year overdue	631	954
More than one year overdue	251	422
	10,101	7,408

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Movement on the Group provision for impairment of trade receivables is as follows:

	2016	2015
	£'000	£'000
Provision for receivables impairment at 1 August	235	230
Provision created in the year	368	189
Provision utilised in the year	(159)	(194)
Exchange differences	29	10
Provision for receivables impairment at 31 July	474	235

The creation and release of the provision for impaired receivables has been included in the consolidated income statement. The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The average length of time taken by customers to settle receivables is 59 days (2015: 56 days). Concentrations of credit risk do exist with certain clients with which we have trading relationships but none has a history of default and all command a certain stature within the marketplace which minimises any potential risk of default. Material balances (defined as greater than £250,000 (2015: greater than £250,000)) represent 39% of trade receivables (2015: 28%).

At 31 July 2016, £nil (2015: £397,000) of the trade and other receivables of YouGov Nordic and Baltic A/S were used as security against a loan and revolving overdraft facility held by YouGov Nordic and Baltic A/S.

11 TRADE AND OTHER PAYABLES

	31 July 2016	31 July 2015
	£'000	£'000
Trade payables	1,557	2,354
Accruals	11,295	7,626
Deferred Income	9,399	5,948
Other payables	3,588	3,114
	25,839	19,042

Included within other creditors are £56,000 (2015: £45,000) of contributions due in respect of defined contribution pension schemes.

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12 CONTINGENT CONSIDERATION

	Definitive Insights £'000	Decision Fuel £'000	Total £'000
At 1 August 2014	298	169	467
Settled during the year	(330)	–	(330)
Released during the year	–	(133)	(133)
Discount unwinding	8	–	8
Foreign exchange differences	24	–	24
Balance at 31 July 2015	–	36	36
Included within current liabilities	–	–	–
Included within non-current liabilities	–	36	36
Settled during the year	-	-	-
Released during the year	-	(36)	(36)
Discount unwinding	-	-	-
Foreign exchange differences	-	-	-
Balance at 31 July 2016	-	-	-
Included within current liabilities	-	-	-
Included within non-current liabilities	-	-	-