



3 April 2006

YOUGOV PLC

INTERIM RESULTS FOR THE PERIOD ENDED 31 JANUARY 2006

DRIVEN BY

STRONG ORGANIC GROWTH AND NEW INTERNATIONAL OPPORTUNITIES

£'000	Six months ended 31 January 2006	Six months ended 31 January 2005	Growth
Turnover	3,841	1324	190%
Operating profit	1,364	607	124%
Profit before tax	1,448	602	141%
Basic earnings per share	8.0	3.7	116%

Highlights

- Performance ahead of market expectations
- UK business performs strongly – all organic
- Expansion of blue chip client base with new wins in the UK travel and leisure, media, pharmaceutical, financial and public sectors
- YouGov Middle East performing significantly ahead of initial expectations – recent new business performance remains strong
- Successful launch of BrandIndex in October 2005
- Continued panel investment and growth
- Momentum continues into the second half – confident of outlook for the full year

Commenting on the results, Nadhim Zahawi, Joint Chief Executive Officer of YouGov, said;

“The Group’s better than expected performance in the first half confirms the strength of our business model. The core UK business has delivered good organic growth and continues to capitalise on the trend toward online research and polling. The scalability and adaptability of our online research model has also been demonstrated by the significant contribution from our Middle Eastern operations and the successful launch of BrandIndex.

“The first half momentum has continued into the second half and the UK and Middle East businesses are trading well. As a result, the Board is confident of delivering a significant advance in the Group’s financial performance for the current year compared to last.”

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Introduction

By every measure – turnover, profits, staff numbers – YouGov’s growth continued to accelerate during the six months to 31 January 2006, the period covered by these interim results. The core UK business has continued to expand and one year on from the flotation we have delivered two significant developments that provide us with a solid platform for further growth in the future. We launched our first syndicated subscription product, BrandIndex; and we have opened and established active control over our Dubai-based subsidiary, YouGov ME FZ LLC.

As the benefits of online research - speed, accuracy and efficiency - become increasingly recognised among clients so the opportunities continue to grow. YouGov’s strategy going forward is to grow through a combination of product development and geographical expansion as well as through selective acquisition.

We have been actively investing in our core asset – our people. Staff numbers have increased from 20 to a Group headcount of 41. Recruitment has taken place across all divisions including our sales team, our key accounts and insight teams and our service delivery and operations.

Financial performance

CHAIRMAN'S STATEMENT

For the six months ended 31 January 2006

Turnover has increased by 192% to £3.8 million in the period (£1.3 million in the six months to 31 January 2005), already exceeding that reported for the full year to 31 July 2005. Profits before tax rose 141% to £1.4 million and earnings per share increased from 3.7 pence to 8.0 pence. Cash generated by operations was £704,000 (£483,000 in the six months to 31 January 2005).

The growth in the business has been driven by two factors: The 47% revenue growth in the UK compared with the same period last year, and the strong performance from the Middle Eastern operation. Revenues generated by the Middle Eastern business total £1.9 million in the period. The growth in the UK demonstrates our ongoing commitment to the omnibus product and a renewed focus on our bespoke business. Revenues have also started coming in from our new subscription based syndicated research product, BrandIndex, which is performing in line with our expectations.

During the first six months, YouGov has invested in its Middle East operations and BrandIndex. Despite these factors, margins remain strong, and have been maintained.

Our Middle East operations commenced in September 2005. In agreement with our local partners, less capital was required from them than was originally expected and as such YouGov's share has increased to 78% of the issued ordinary share capital. Since launch we have successfully tendered for a number of large contracts with governments, large multinationals and media partners.

On 31 January 2006, YouGov Group's fixed assets totaled £107,000 (£50,000 at 31 January 2005) reflecting our ongoing investment in our infrastructure. Current assets total £6.8 million (£1.6 million at 31 January 2005), including £4.5 million in cash or on deposit. Current liabilities stood at £1.9 million (£0.7 million at 31 January 2005). Overall net assets stood at £5.0 million (£0.9 million at 31 January 2005).

The Directors are not recommending the payment of a dividend at this point, which is consistent with statements made at the time of flotation and reflects the age of the Company and the opportunities available. The board may consider payment of a dividend at year end.

Operational highlights

YouGov has clearly established its position as a full-service online research agency with strong client relationships generating a high level of repeat business.

UK

The strong organic growth in the UK has been driven by a combination of increasing the amount of research that we provide to our existing clients and winning new clients. YouGov is now increasingly short listed against traditional top 10 research agencies for end-client business and is recording a good new-business success rate.

During the first six months of the year, the Group has strengthened its skill set and product range through the recruitment of new staff and with the ongoing development of BrandIndex. Perception of YouGov as a pioneering market researcher has strengthened considerably, from earlier perceptions of it as primarily a political pollster.

CHAIRMAN'S STATEMENT

For the six months ended 31 January 2006

Key projects completed in the first six months include work on pre-ad testing, pricing and service comparison, consumer usage and attitudes, concept and package testing, in-home product usage tests, savings and pensions, consumer confidence and key business decision-maker research.

New and existing clients for whom some of our key projects were completed are from the advertising, marketing communications, retail, FMCG and financial sectors. Other repeat and new project work was completed for media (both print and broadcast) as well as central and local government clients and non-governmental organisations.

At the same time an even wider range of YouGov project work is published in the media reflecting the agency's extending client audience and increasing business in sectors other than political and opinion polling.

New Product development and international expansion

Consistent with the strategy outlined at the time of the listing in 2005, YouGov has successfully exploited its online market research expertise to develop new products and extend its business internationally.

During the period YouGov launched a new research product, BrandIndex. This provides daily tracking of approximately 1,100 consumer brands in 32 sectors across seven different measures of brand perception. Sales of BrandIndex subscriptions are accelerating following the launch period and are now in double figures. Sales have mainly been to blue-chip clients in a number of sectors.

The data is delivering just the sort of brand specific insights we expected by measuring public response to observable outside events and showing shifts in consumer sentiment. We believe that as we gain more historical data, including a complete yearly cycle, we will be able to forecast change with greater confidence.

The BrandIndex is also gaining strong exposure and credibility in the media. A weekly column in the Daily Telegraph business section discusses BrandIndex data, and there are other regular bulletins in Media Week and other trade press. Alongside our focus on sales, we plan to increase our efforts to generate increased and sustained media exposure to demonstrate the strength of the product. We continue to expect our new product BrandIndex to break even in its first full year and to be a significant contributor to YouGov profits in the future.

We have invested in our panel which has expanded from 98,000 active panelists at 31 July 2005 to 145,000 at the end of January 2006. Panel churn remains low and response rates remain high. We have expanded our panel footprint by venturing into Canada, in time for the Canadian general election.

Since the period end, YouGov launched a 50:50 joint venture with Execution Limited (one of Europe's leading full-service agency stockbrokers) on 6 February 2006 called YouGovExecution Limited (YGX). YGX combines Execution Ltd's financial market understanding with the speed and accuracy of YouGov's online surveying capabilities to provide financial institutions with a competitive edge through primary research into consumer

CHAIRMAN'S STATEMENT

For the six months ended 31 January 2006

and business trends. The initial investment made is £100,000. We are optimistic about the synergistic opportunities for the joint venture.

International

These are the first reported results which include our subsidiary YouGov ME FZ LLC, which conducts market research and polling across the Middle East as well as providing its media partners with detailed monthly surveys. The new company is based in Dubai, the commercial hub of the region. However we are already providing a range of clients across the region with primarily ad-hoc research solutions. As the results for the six month period to 31 January 2006 confirm, trading has been very successful with revenues exceeding our initial expectations.

The success of our Middle Eastern business demonstrates the scalability of YouGov's core expertise and intellectual property. While the current focus for the time being is on growing this business we shall continue to look at other markets.

Market conditions

Demand for online market research continues to grow. Inside Research forecasts that the European market is now valued at \$326million, up from \$170million in 2005. It is estimated that at least 60% of this will be generated in the UK through a combination of single and multi-country research projects.

As the benefits of online research become increasingly recognised among the clients so the opportunities for YouGov continue to grow. We relish the challenges of this dynamic environment, and believe we are well-placed to continue to deliver innovative research tools that meet our clients changing needs.

Current trading and outlook

The Group has performed strongly during the first six months of the year and this momentum has continued into the second half. The UK and Middle East businesses are trading well and while the ad-hoc nature of the Middle Eastern business makes it difficult to predict revenue and profitability into the next financial year at this time, the Board is confident of delivering a significant advance in the Group's financial performance for the current year compared to last.

YOUGOV PLC

CHAIRMAN'S STATEMENT

For the six months ended 31 January 2006

YOUGOV PLC

CONSOLIDATED SUMMARISED PROFIT AND LOSS ACCOUNT

For the ended 31 January 2006

	Note	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
Group Turnover		3,841	1,324	2,942
Cost of sales		(926)	(87)	(476)
Gross Profit		2,915	1,237	2,466
Other operating income and charges		(1,551)	(630)	(1,505)
Operating profit		1,364	607	961
Interest receivable		84	11	51
Interest payable		-	(16)	(16)
Profit on ordinary activities before taxation		1,448	602	996
Tax on profit on ordinary activities	2	(183)	(188)	(305)
Profit on ordinary activities after taxation		1,265	414	691
Minority interests		(194)	0	0
Equity dividends	3	-	(436)	(436)
Profit/(loss) retained and transferred to reserves		1,071	(22)	255
Earnings per share				
- basic	4	8.0	3.7	5.8
- diluted		7.6	3.5	5.5

There are no other historical cost, profits or other recognised gains and losses in the year.

YOUNGOV PLC**CONSOLIDATED SUMMARISED BALANCE SHEET**

At 31 January 2006

	31/1/06	31/1/05	31/7/05
	£'000	£'000	£'000
Fixed assets	107	50	63
Current assets			
Debtors	2,288	716	769
Cash at bank and in hand	4,544	880	3,796
	6,832	1,596	4,565
Creditors: amounts falling due within one year	(1,885)	(735)	(870)
Net current assets	4,947	861	3,695
Total assets less current liabilities	5,054	911	3,758
Provisions for liabilities and charges	(11)	(3)	(11)
	5,043	908	3,747
Capital and reserves			
Called up share capital	134	113	133
Share premium account	2,941	371	2,913
Profit and loss account	1,772	424	701
Total attributable to equity shareholders	4,847	908	3,747
Minority interests	196	-	-
Total equity	5,043	908	3,747

YOUNGOV PLC

CONSOLIDATED SUMMARISED CASH FLOW STATEMENT

For the ended 31 January 2006

	Note	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
Net cash inflow from operating activities	5	704	483	1,149
Returns on investments and servicing of finance				
Interest received		73	10	51
Interest paid		-	(16)	(16)
Net cash inflow/(outflow) from returns on investments and servicing of finance		73	(6)	35
Taxation		-	-	(202)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(60)	(5)	(28)
Net cash inflow		717	472	954
Equity dividends paid		-	(385)	(436)
Issue of shares		-	-	3,038
Cost of issue		-	-	(306)
Exercise of share options		31	-	-
Payments to repurchase own share capital		-	-	(167)
Repayment of loans		-	(264)	(264)
Amount introduced by directors		-	269	-
Amount withdrawn by directors		-	(190)	-
Net cash inflow/(outflow) from financing		31	(185)	2,301
Increase/(decrease) in cash		748	(98)	2,819

YOUGOV PLC

OTHER PRIMARY STATEMENTS

For the ended 31 January 2006

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
Profit on ordinary activities after taxation	1,265	414	691
Dividends and other appropriations	-	(436)	(436)
	1,265	(22)	255
Net issue of share capital	31	-	2,732
Repurchase of own share capital	-	-	(170)
	1,296	(22)	2,817
Net increase/(decrease) in shareholders' funds	1,296	(22)	2,817
Opening shareholders' funds	3,747	930	930
Closing shareholders' funds	5,043	908	3,747

NOTES TO THE INTERIM REPORT

For the ended 31 January 2006

1 BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The interim financial information in this report has been neither audited nor reviewed by the company's auditors.

The principal accounting policies of the Group are set out in the 31 July 2005 annual report and financial statements. The policies have remained unchanged from the previous annual report with the exception of the basis of consolidation.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the Company and all of its subsidiaries

Minority interests in the net assets of the consolidated subsidiaries are identified separately from the Group's equity and consist of the amount of those interests at the date of the original business combination plus their share of changes in equity since that date.

The period to 31 January 2006 is the first in which the Middle East operation has been consolidated. The company has a controlling interest in that operation under the terms of Companies Act legislation and FRS 2.

NOTES TO THE INTERIM REPORT

For the ended 31 January 2006

2 SEGMENTAL REPORTING

The group only undertakes one class of business, that of market research.

The group only supplies two geographical segments that are deemed significant, the UK and the Middle East.

Turnover by origin and destination are not materially different.

Turnover by origin	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
UK	1,941	1,324	2,942
Middle East	1,900	-	-
Group turnover	3,841	1,324	2,942

Operating profit	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
UK	638	607	961
Middle East	726	-	-
Operating Profit	1,364	607	961

NOTES TO THE INTERIM REPORT

For the ended 31 January 2006

3 TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
The tax charge represents:			
United Kingdom corporation tax at 30% (2005: 30%)	183	188	305

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 30% (2005: 30%). The differences are explained as follows:

Profit on ordinary activities before tax	1,448	602	996
Profit on ordinary activities multiplied by standard rate of corporation tax in the period	434	181	299
Effects of:			
Overseas earnings not assessable to UK corporation tax	(265)	-	-
Adjustments to tax charge in respect of prior periods	14	7	6
	183	188	305

4 DIVIDENDS

	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
'A' Ordinary Shares of 1p	-	200	200
'B' Ordinary Shares of 1p	-	92	92
'C' Ordinary Shares of 1p	-	95	95
'D' Ordinary Shares of 1p	-	49	49
	-	436	436

NOTES TO THE INTERIM REPORT

For the ended 31 January 2006

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.

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

	Profit attributable to shareholders	Diluted Earnings per share		
		Earnings attributable to ordinary shareholders	Dilutive effect of securities (Options)	Adjusted earnings
6 months to 31/1/06				
Earnings £'000	1,071	1,071		1,071
Weighted average number of shares		13,346,757	669,267	14,016,024
Per Share amount pence		8.0		7.6
 6 months to 31/1/05				
Earnings £'000	414	414		414
Weighted average number of shares		11,338,207	463,344	11,801,551
Per Share amount pence		3.7		3.5
 12 months to 31/7/05				
Earnings £'000	691	691		691
Weighted average number of shares		11,998,561	661,578	12,660,139
Per Share amount pence		5.8		5.5

NOTES TO THE INTERIM REPORT

For the ended 31 January 2006

6 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES

	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
Operating profit	1,364	607	961
Depreciation	15	8	17
(Increase) in debtors	(1,507)	(211)	(263)
Increase in creditors	832	79	434
	704	483	1,149

7 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	6 months to 31/1/06 £'000	6 months to 31/1/05 £'000	12 months to 31/7/05 £'000
Increase in cash in the period	748	(97)	2,819
Change in net funds resulting from cash flows	748	(97)	2,819
Repayment of loans	-	264	264
Movement in net debt/funds in the period	748	167	3,083
Net funds at start of the period	3,796	713	713
Net funds at end of the period	4,544	880	3,796

8 PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The figures for the year ended 31 July 2005 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement under Section 237(2) of the Companies Act 1985.