



Fresher Insights, Better Marketing.

2010 Results

March 2011

2010 Financials

Highlights

- ↑ 38% revenue growth to £16,360,000
- ↑ 41% gross profit growth to £12,622,000
- ↑ 35% growth in operating profit to £2,216,000
- ↑ 34% increase in pre-tax profit to £2,217,000
- ↑ 25% growth in post-tax profit to £1,480,000
- ↑ 26% increase in fully diluted eps to 11.3p
- ↑ 117% growth in cash flow before financings



Revenue

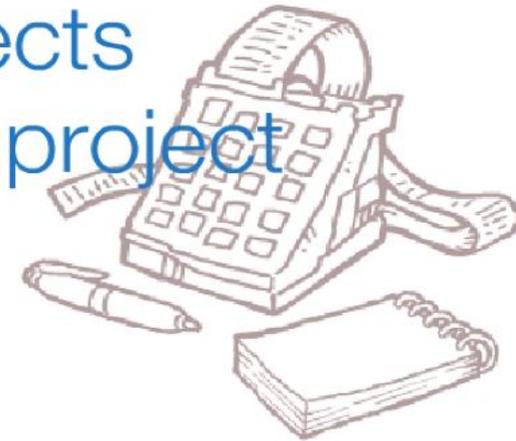
£11.8m → £16.4m

in 2009

in 2010

601 projects
£20,000 per project

745 projects
£22,000 per project



Revenue

Clients include 11 of the 20 largest market research buyers in the world

..... and they represent 31% of revenue

89% repeat business

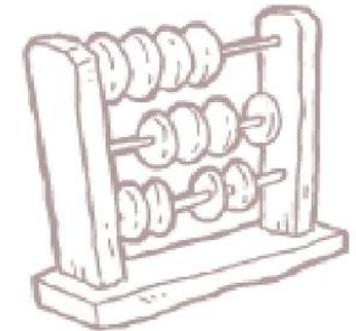
(2009 revenue from clients who returned in 2010)



Gross profit

£8.9m → £12.6m
in 2009 in 2010

= Revenue - External Project Related Costs (Direct Costs)
60% of Direct Costs are panel costs
Panel costs per complete down 12%



Gross profit margin = 77%
Up from 76% in 2009

We're a technology enabled consultancy ...
but what does this mean?

Gross profit

No of account teams (fee earners)	12*
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Gross profit per team	£1.05m
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Staff cost per team	£0.36m
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Profit contribution per team	£0.69m
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Profit contribution % (of gross profit)	66%
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* Excludes our 2 new countries, Brazil and China which were in start-up mode

Operating profit

£1.6m

in 2009



£2.2m

in 2010



Operating profit

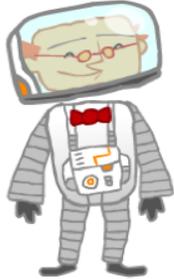
High proportion of overheads are central

Revenue	£16.4m
Gross Profit	£12.6m
Less: Account Team Staff Costs (the fee-earners)	£4.3m
<i>Contribution from Account Teams</i>	<i>£8.3m</i>
Less: Account Team Overheads	£1.1m
Central Overheads	£5.0m
Operating Profit	£2.2m

Operating profit

... and a high percentage of central overheads are for growth

Central Overheads
£5.0m



Overheads invested for future Growth

= 34% of Central Overheads



Overheads supporting Current Business

= 66% of Central Overheads

Revenue and operating profit – geographic split

	Revenue	growth	Operating Profit	growth
UK	£7.9m	+ 42%	£4.1m	+61%
North America	£4.1m	+ 61%	£1.6m	+85%
Netherlands	£2.0m	- 12%	£0.7m	-28%
Switzerland	£1.4m	+ 62%	£0.7m	+82%
Germany	£0.8m	+ 41%	£0.2m	+43%
China	£0.1m	NM	-	NM
Brazil	£0.1m	NM	£(0.1)m	NM
	£16.4m	up 38%	£7.2m	+46%
Central Overheads			£(5.0)m	+52%
			£2.2m	+35%

UK back to strong growth

US continues to do well

Decline in Netherlands due to management changes and reorg in its largest client

Newer countries – Switzerland and Germany developing nicely

China and Brazil getting started



Profit after tax

£1.2m

in 2009



£1.5m

in 2010



Higher average tax rate due to higher US profits
- 33% in 2010 up from 29% in 2009

Diluted EPS

9.0p

in 2009



11.3p

in 2010

Basic EPS up a little more ... 27% ... from 9.2p to 11.7p

Future dilution?

we have 13.11m issued shares
660,000 of which are held in Treasury

plus 1.37m unexercised share options

plus further shares earmarked for
senior management additional incentive scheme

as at year end (31 December 2010)

Diluted EPS

... and the further shares for senior management

... are related to share price performance in 2014 ...

- at £3 = 0 shares
- at £5 = 787,000 shares
- at £7 = 1,124,000 shares

so what does this do to dilution?

	Issued shares		13.11m		
Plus:	Unexercised options	+	1.37m		
Less:	Treasury shares	-	0.66m		
				at £3 per share	at £5 per share
Plus:	Additional senior management	+	0.00m	0.79m	1.12m
Equals:	Potential dilution	=	13.82m	14.61m	14.94m
			5% dilution	11% dilution	14% dilution

Dividends

Proposing final dividend of 1.8p per share

Total (interim + final) = 2.4p

26% growth

5 times covered by earnings



Cash Flow

Cash flow before financings more than doubled

	2010	2009	growth
Operating cash flow	£2.9m	1.3m	+123%
Investment in JC2, & other fixed assets	£(1.1)m	£(0.5)m	+135%
Cash flow before financing	£1.8m	£0.8m	+117%
Buyback of shares, plus dividends less share option issues	£(1.4)m*	£(0.2)m	not meaningful
Net cash flow	£0.4m	£0.6m	-31%
Cash balance (no debt)	£2.8m	£2.3m	+18%

* 687,000 shares bought back for £1.15m during 2010



Historic growth

Trends bode well for the future...

