Press Release **21 March 2013**

BrainJuicer Group PLC

("BrainJuicer" or "the Company")

Results for the 12 Months ended 31 December 2012

Innovative, online market researcher, BrainJuicer Group PLC (AIM: BJU) today announces its Final Results for the 12 months ended 31 December 2012.

Financial Features

- Revenue £20,822,000 (2011: £20,713,000)
- Gross profit £16,068,000 (2011: £16,063,000)
- Operating profit £1,513,000 (2011: £2,758,000)
- Profit before tax £1,515,000 (2011: £2,760,000)
- Profit after tax £1,038,000 (2011: £1,850,000)
- Earnings per share (fully diluted) 7.9p (2011: 14.1p)
- Proposed final dividend 2.25p (2011: 2.25p)
- Cash £3,755,000 (31 December 2011: £3,683,000) and no debt

Operational Features

- Full year revenues impacted by adverse trading in Q4
- Overheads grew 9% as we continued to invest for future growth, but at a slower rate
- Steps taken to reduce cost growth further in 2013
- Strategically important “Juicy” products grew 22%
- Re-framed our offerings into a behavioural economics construct
- Strong progress in our newer offices in China and Brazil
- Expanded geographic coverage further with new offices in India and France

Commenting on the Company's results, John Kearon, Founder and Chief Juicer of BrainJuicer, said:

"After several years of uninterrupted financial success, 2012 was a disappointing year. However, it was a year in which we still made progress in our long-term mission to change the industry. Our Juicy products grew 22%; we were voted Most Innovative Agency in the respected GreenBook Research Industry Trends report, for the second year in a row; and we won ESOMAR's prestigious Best Paper award for 'Research in a World Without Questions' using our Behavioural Science approach to market research. Additionally, we expanded our footprint, opening new offices in India and France. We have an amazing group of people, enormously motivated by our mission - 'turning human understanding into business advantage'. We are having a promising start to 2013 and remain determined to continue to build the business in 2013 and beyond. We stress again however that we have limited visibility and so cannot predict with any certainty how the rest of the year will unfold."

The Company can be found at www.brainjuicer.com.

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CHAIRMAN'S STATEMENT

For the first time since BrainJuicer was established in 2000 I have to report that the Group has had a poor year. Revenue increased marginally, to £20,822,000, but operating profit fell by 45% to £1,513,000 and diluted earnings per share by 44% to 7.9p.

Despite this setback, the Board is proposing to pay a final dividend of 2.25p, the same as for 2011. After taking account of the 2012 interim dividend, which was increased by 13.3% to 0.85p, this would give a full year payment of 3.1p, an increase over 2011 of 3.3%, covered 2.5 times by diluted earnings per share. The proposed dividend reflects the comfortable level of dividend cover, the Group's strong financial position, with year-end cash of £3,755,000 and no debt, and the Board's continued confidence in the future prospects for the business.

John Kearon, our Chief Executive, and James Geddes, our Chief Financial Officer, will assess the 2012 performance and results in the context of the Group's long term growth aspirations, in the sections following this Chairman's Statement. The major factor behind the sharp decline in 2012 profits was the unexpected non-recurrence of the very high levels of business which BrainJuicer has traditionally generated in the last months of the year. The 11% year on year revenue growth achieved over the first 10 months of the year was below our internal expectations but nonetheless respectable. However, the seasonal increase in activity during November and December fell significantly short of that experienced in previous years, leaving revenue for the full year essentially flat.

BrainJuicer's costs (excluding cost of sales) increased by 9%, or £1,250,000 compared with 2011. Much of this increase reflected the full year impact of the investments made during the course of 2011 as the Group pursued its growth agenda – strengthening its teams, broadening its geographic coverage, building its infrastructure and investing in product development and validation. The combined effect of flat sales and a significant increase in costs resulted in a sharp fall in profit for the year.

While disappointing in terms of financial results, BrainJuicer continued to make progress on several fronts during 2012. Our recently established businesses in China and Brazil both grew very strongly, and we opened offices in India and France, to further extend our geographic reach. BrainJuicer's focus on turning human understanding into business advantage continues to be widely recognized by both clients and the market research industry. Sales of our unique “Juicy” products increased by 22% in 2012, a highly encouraging achievement albeit offset by a decline in sales of our more traditional “Twist” products. Revenue from most of the Group’s largest clients, which are mainly multinational consumer goods companies, increased significantly over the year.

During 2012 Mark Muth, who had represented Unilever Ventures on the BrainJuicer board since 2003 retired from the board, as did another long-serving director, Simon Godfrey. I would like to thank both Mark and Simon for their valuable input to our discussions over the years. Two new non-executive directors with complementary backgrounds were appointed during the year and have already made a positive contribution. Robert Brand enjoyed a long City career, initially as an investment analyst and then as a company advisor, while Graham Blashill has a strong background in sales and marketing, culminating in 6 years as a main board director of Imperial Tobacco Group plc.

Looking forward to 2013 and beyond, BrainJuicer will continue in its efforts to translate its excellent reputation for innovation into significant revenue growth. One important objective is to get back on track in Western Europe and the US, where revenue was well below budget in 2012. Another priority, and probably the key to taking our business to the next level in terms of scale, is to win significant “mandate” opportunities (where large clients use a specific market research technique from a single supplier across all of its business on an on-going basis). Encouragingly, as our credibility grows, we are increasingly being invited to pitch for such opportunities.

At the same time, and despite the inevitable costs of establishing BrainJuicer in new markets and developing its infrastructure, we will keep aggregate cost increases to a minimum until significant revenue growth returns. Management has already taken steps to deliver this and we expect the overall percentage increase in costs during 2013 to be in low single digits.

Finally, I would like to thank all of our employees for their hard work and commitment during what was a difficult year for our Group.

Ken Ford
Chairman

CHIEF EXECUTIVE'S STATEMENT

There's a short version of what happened in 2012 and a longer version of what 2012 represents in the time scale of a changing industry. I'd like to share both.

Short. After several years of uninterrupted financial success, 2012 was a disappointing year. James Geddes' CFO commentary addresses the reasons in some detail but there's one factor that accounts for the majority of the disappointment. Every year, some clients spend unused budget in November and December, but in 2012 many big companies decided instead to cut back, and this had a material effect on our profits. As a result, we reduced costs and we'll be less reliant on clients releasing spare budgets at the end of the year going forward.

Long. My objective here is to position 2012 in the time scale of a changing industry, where it feels like we're at a seminal moment in BrainJuicer's history. Voted the most innovative agency in the world for the last 2 years running, we have made a good start in our mission to reinvent market research. Thirteen years in, we have created and validated a suite of market changing Juicy research approaches, established a global presence working with a great many of the world's biggest companies, attracted a group of 140 talented and highly motivated people, built a truly innovative reputation and are in the process of forming a highly desirable company culture to achieve personal drive and company growth.

In those same thirteen years, the research industry has been woken from its slumber, first by a fieldwork revolution in the form of online research and, more recently, by a research revolution crystallising around the Behavioural Sciences. Thirteen years ago, online research stirred the high priests of market research into defending their faith in offline, random sampled representative research, but the forces of progress meant that by 2013 online research has been totally accepted. From the start, BrainJuicer has been associated with this important fieldwork revolution but, in recent years, it is the more fundamental research revolution that we've been spearheading, inspired by the latest thinking in Behavioural Sciences. Traditional market research has offered a plausible but flawed model of human decision making, over-estimating the importance and measurement of rational, persuasion based messaging and under-estimating the degree to which the vast majority of decisions are made intuitively, instinctively and emotionally. Just as Behavioural Economics is providing a truer-to-life model of human behaviour, so Behavioural Science offers a tremendous opportunity to increase the accuracy of predicting customer behaviour and generating greater commercial returns.

BrainJuicer's reputation has grown in leaps and bounds with the popularity of these new ideas, but the business has not grown at the same rate. Clients are enthusiastic about our new approaches and the commercial benefits on offer, but altering ingrained buying habits requires a great deal of change, which is always hard.

Changing Habits Is Hard

'*Market research as we know it will be dead by 2020*'
Kim Dedeker P&G Global Head of MR
'*We need more magic and less logic*'
Marc Mathieu, Unilever CMO
'*We're drowning in data but thirsting for insight*'
Denise Drummond-Dunn, Nestle Global Head of MR
'*How do we change from a "Plan-Learn-Qualify-Optimize-Launch-Track-Revisit in a Year" research approach, to a more agile, real-time "Do-Learn" mentality*'
Joan Lewis, Global Consumer & Market Knowledge Officer at P&G

Despite these public statements by the most senior researchers from the world's biggest buyers of market research, echoed by many of their peers in companies the world over, there has been little change in the pattern of these companies' research spending. The desire to adopt new models and methods may be strong but old habits die hard and the traditional research approaches are hard to relinquish, even when there's an awareness of how bad they are for the company's long-term health.

A critical step to changing habits is to understand the forces keeping them in place. Once known, you can find ways to avoid loss aversion and create ways to make it fun, fast and easy for clients to switch. These are the forces we believe keep 'bad-trad' research in place:

1. an established language and standard questions make it easy for clients to discuss and interpret the research;
2. the status quo feels comfortable and possesses default credibility ['nobody ever got fired for buying IBM'];
3. habit; it's just so much easier to buy; suppliers on speed dial & little or no need to sell internally;

4. can be bought by juniors because it's so accepted;
5. has years of normative data to provide benchmarks for go/no-go decisions;
6. it's part of an accepted and understood marketing model that combines the rational and emotional in equal measure to aim for an adequate return, rather than a more intuitive/emotional approach with the potential to deliver a spectacular return;
7. it is generally black-box, formulaic and complicated, which seems to support its plausibility and prevent interrogation of whether it actually works very well.

The Power of Behavioural Science to Change Habits

Current market research techniques are a direct reflection of current marketing beliefs. The two are a co-evolved eco-system. The central misdirecting belief running throughout current research and marketing is a left brain, right brain model of human decision making. Since left and right are equal, the default assumption is that rational and emotional factors are equal in decision making and that successful marketing and communications are a combination of functional and emotional factors. So concepts are written in a standard format, of insight-benefit and reason-to-believe, which insists on a mix of emotional and rational components, and advertising is made with equal amounts of message and engagement. It seems a plausible, even sensible approach but as we'll see below, it's not how the most successful marketing works.

Current concept testing reflects the left-right brain model by having a battery of rational-biased metrics to assess perceptions of efficacy/functionality, some metrics on likability and then purchase intention to predict in-market performance. There is no direct measure of people's emotional reaction and it is no surprise most concepts come out around the average. Packaging testing acknowledges the need for visual impact and recognition but thereafter reflects a belief that great packs are a mixture of the logical and magical. The fact that in-market performance seems to regularly differ from research results should at least question the assumptions behind current market research methods. Communication theory believes the very best adverts are a winning combination of, 'a fist of a brand proposition, wrapped in a velvet glove of emotion'. Nearly every pre-testing method reflects this belief and measures both the rational and emotional, weighing them equally with brand recall [how can an advert possibly work unless people can recall the brand?!]. But all the evidence suggests the very best adverts work through pure emotional seduction, not persuasion [Cadbury Gorilla, VW Darth Vader, the Andrex puppy to name a few examples] and that brand recognition, not recall, is the only thing that matters. Brand and communications tracking are an extension of the communication beliefs and equally flawed.

Behavioural Economics provides a new framework that can radically change marketing beliefs and will demand market research tools to match. The central frame that runs throughout Behavioural Economics is the System 1, System 2 model of the brain, where the instinctive, intuitive and emotional System 1 completely overwhelms the cognitive, deliberative, rational brain [the equivalent of 11 million bits of computing power vs. just 50 bits]. It turns out, ‘we think much less than we think we think’, with human decision making wildly biased in favour of the emotional, instinctive and intuitive. Market research needs to change the way it assesses new concepts, packs and adverts and prioritise the need to measure emotion and seduction. BrainJuicer’s suite of Juicy tools matches this new understanding, successfully measuring the things that matter and putting us in prime position to benefit from a change in understanding how people really make decisions. To the extent we can help our clients speak the System 1 language, we increase their chances of creating famous marketing and significant commercial success.

To challenge the market-leading approaches and make it easier for clients to buy, we need a single focus, a ‘single hook’ on which to hang all our Juicy tools. This is why we have decided to position ourselves as THE System 1 research agency and adopted the tagline, ‘BrainJuicer - Turning Human Understanding into Business Advantage’.

Our challenge is to encourage changes in habits. Just as we have applied our inventiveness to our products and culture, so we need to apply our inventiveness to helping change behaviour. These are five approaches we’re sharing with clients:

1. **Educate** in Behavioural Science. Train market research teams in Behavioural Sciences and the revolution that’s taking place in the understanding of human decision making, habits and behaviour change.
2. **Evangelise** more widely to help turn this new understanding into business advantage. Offer the business a constant stream of inspiring ‘behavioural’ speakers, webinars, books, websites, examples to encourage a corporate fascination with understanding the human condition with all its wonderful quirks, with an emphasis on using this knowledge to finding ways of improving the lives of your customers.
3. **Encourage** market research to challenge the status quo and dare to act on behavioural practices. Take this new found knowledge of Behavioural Sciences and

challenge current practices to see where the opportunities for change are in the business. This could be everything from the research methods used to understand and predict customer behaviour, to the way new product development concepts are written, to giving precedence to instinctive, emotional marketing e.g. the main advertising objective should always be ‘make my brand famous’ with an emphasis on making people feel something strongly, rather than remembering messages.

4. **Experiment** with behavioural interventions. Establish a culture of experimentation as the means of testing behavioural interventions to find the ones that show a significant effect and which are then rolled-out as widely as possible.
5. **Establish** proof of behavioural impact. Invest time, effort, skills, patience and money to prove the impact of initiatives and have the humility and bravery to acknowledge those that don’t work as well as the patience to know not everything will.

Changing habits is a creative process that requires a great deal of patience. But in a world struggling for growth, it can only be a matter of time before something that provides significant business advantage gets adopted. Our job is to speed the process of change and make it as easy as possible for our clients to reap the rewards of adopting new research and applying Behavioural Science.

It’s not the smartest, fastest, strongest or even most creative that survive, it’s the most adaptable.

John Kearon
Chief Juicer

BUSINESS AND FINANCIAL REVIEW

Introduction

Until October 2012, we were heading for our sixth year of uninterrupted revenue and profit growth. We are therefore very disappointed that we finished the year with revenue at a similar level to that in 2011 and a sharp fall in profit. The result does however put into focus some features of our business.

As we have often noted in the past, we have traditionally earned a disproportionately high amount of revenue in the final quarter of our year, particularly in November and December. In 2011, for example, December revenue was nearly three times the average monthly revenue from January to October. Whilst we have always been pleased to receive this flourish of year-end business activity, some of the incremental revenue tends to arise from clients simply using up budget allocations toward the end of the year. This type of business tends to be of lower value to the client, is less repeatable, and is less predictable than our normal business generated throughout the year.

In 2012, our December revenue was £2,843,000 and November revenue was £1,688,000 compared to an average for the year to October of £1,629,000. So November and December 2012 still represented good months compared to the rest of the year. However both months fell significantly compared to 2011, November by 20%, and December by 29%. We have always believed that while we are not immune from the impact of macro-economic conditions, our small size compared to our clients and their relative stability have helped shield us from the peaks and troughs of the wider market research market. Nevertheless it seems likely that the prolonged difficult economic conditions were the main reason for the tightening of client budgets and less year-end spend than normal.

It was this relative lack of year-end revenue that left our revenue and our gross profit for the year flat compared to 2011. With our cost base (excluding cost of sales) growing by 9%, our operating profit declined by a very significant 45%, and demonstrated the high operating leverage intrinsic in our business. A high percentage of our cost base is the cost of our people, which is relatively fixed, so small differences in revenue and cost growth result in large percentage changes in our profits.

We are careful in how we manage our costs, and how we build the resources necessary to grow the business, yet last year our cost growth was out of kilter with our eventual revenue growth. There are two main reasons for this. First, we have limited revenue visibility and a fair amount of volatility in workload from month to month and from different clients. Yet, we have to plan our resources and recruit and train new people well in advance of the growth that we are recruiting them to deliver, and in 2012 we simply got it wrong. Second, we are managing the business for long-term sustainable growth, and as well as meeting short term financial needs, we remain committed to building the infrastructure necessary to deliver our future potential.

Our business in some ways resembles a creative consultancy, and shares some of the challenges that such businesses face when trying to grow. Creative consultancies are by nature less easy to scale than product or technology companies. We need to create a new and fresh piece of work for each and every client, rather than reproduce in a mechanical way the same product time and again. We are assisted by our proprietary techniques and our software technology, which facilitate the gathering of data and which enable the creative process to function efficiently. Nevertheless our growth is not easy, and requires considerable human endeavour to win an ever-increasing number of larger and larger projects and for each one to add significant value for our clients.

This is why winning mandates is key to propelling our growth. A mandate is where a client uses a particular research solution within the whole of the organisation on an on-going basis. In larger clients a mandate can earn revenue of more than a million pounds a year and will be reasonably predictable. We currently have little revenue from mandates, but we are getting closer to achieving a breakthrough.

None of this is particularly new. We have had a number of years of challenging economic conditions. We have always had cost growth, high operating leverage, limited revenue visibility and a lack of mandated positions. Yet this year these factors came together in a way which conspired to dampen our normal heightened November and December activity and caused profits to fall significantly.

In spite of this being our first ever year of flat revenue, the fundamentals of our business remain unchanged. The Group's long term growth potential remains dependent on the degree to which our Juicy products are taken up by our large clients (and eventually turn into mandated solutions), and our ability to grow and scale a business which is in essence a consultancy, albeit one which to some degree sells standard products and is enabled by clever technology.

Here we remain optimistic. Revenue from our Juicy products (those which are strategically important) grew by 22%. We had double-digit revenue growth in 11 of our top 20 clients and single digit growth in another 2. We were invited to participate in more than 5 tenders for mandates (or similarly significant) opportunities and a number of other smaller but nevertheless still sizeable prospects, in all cases against large competitors. We won one of them – and while it was small in financial terms and while we didn't win the others, the fact that we are now regularly being invited to pitch for these opportunities is a positive signal. We have maintained and enhanced our simple organisational structure, with its centralised and efficient processes and technology.

Financial Performance

Our flat revenue growth led to zero gross profit growth. Gross profit comprises revenue less the external direct costs of delivering our research projects, and was 77% of revenue, (marginally lower than in 2011).

In terms of the regional split of our gross profit, Europe represented 61% of our total, and was down in aggregate by 11% on the prior year, reflecting the prolonged economic difficulties across the region. Switzerland grew 15% on the prior year, the UK (our largest country with 38% of our total business) declined by 8%, and Germany and Holland declined by 22% and 57% respectively. While Dutch gross profit declined particularly steeply, it was only 3% of our business. Gross profit from the US, (our second largest country after the UK and representing 29% of our total) was flat. Gross profit in both China and Brazil grew strongly, China particularly so, and in aggregate gross profit in these two countries now represents 10% of our total. While the fortunes of each of our geographic offices were very different, they are each selling the same products using the same processes and technology platform to many of the same clients. Regional differences therefore seem to owe much to buying patterns within our large clients, and large global consumer companies appear in certain cases to be shifting marketing spend towards emerging markets. The profitability of each office tends to reflect the relative size of the office, with the larger more established offices being in the main more profitable than the smaller newer ones, in both absolute and percentage of revenue terms.

The percentage of our gross profit from our strategically important Juicy products grew from 58% in 2011 to 69% in 2012, partly as a result of 26% growth in our biggest selling product, Predictive Markets (used for testing marketing concepts), and 82% growth in our Juice Generation services. Juice Generation is a consultancy service where we help clients create (and not just validate) new ideas, insights, concepts and marketing material. Gross profit from what we call our Twist products declined by 26%. These products are similar to those available from competitors, albeit with an added BrainJuicer "twist", and so are exposed to greater competitor pressure. By contrast, Juicy products are distinctive, and fit within our behavioural science framework.

Our costs (before year-end bonus awards and excluding cost of sales) increased by 13%, which was significantly less than the 40% increase in 2011 (again before bonuses). The increase was largely due to increases in our account management teams, new offices, and Labs (product development). We awarded bonuses to only a very few people and they amounted to £63,000 in total (£500,000 in 2012). Our costs included one-off redundancy costs of £260,000. However our costs also benefited from lower anticipated social security costs on the future exercise of stock options of £135,000 as a result of the sharp fall in our share price, which (like the redundancy costs) is also likely to be non-recurring. Operating profit fell by 45% to £1,513,000, and with minimal interest income on our sizeable cash balances, profit before tax was very much the same. Our effective tax rate fell to 31% (2011: 33%) leaving profits after tax down 44% at £1,038,000. Earnings per share fell in a similar proportion.

The Group generated strong cash flows before financing activities of £868,000 (2011: £1,448,000), paid out £796,000 in dividends and share buy-backs on exercise of stock options, and finished the year with a cash balance of £3,755,000 (31 December 2011: £3,683,000). The Group has no debt.

Our issued share capital remained relatively constant, with 13,136,448 shares at 31 December 2012 (of which 572,784 were in Treasury) and 13,136,448 at 31 December 2011 (of which 657,195 were in Treasury). To mitigate the dilutive impact of stock options, we usually repurchase shares on exercise of stock options. We had 900,215 outstanding stock options at 31 December 2012 down from 1,204,614 at 31 December 2011. There has been no change in the additional long-term incentive scheme for senior executives set up in 2010 and described in our 2010 annual report other than the recycling of a small number of existing units from departing senior executives to new and existing senior executives.

Outlook

Our continued underlying progress in 2012 was overshadowed by the sharp year on year revenue decline in November and December and the impact it had on profit. Looking ahead we continue to dedicate our efforts to translating our growing reputation within the industry and excellent feedback from clients, into increased share of their spend. Specifically we are re-framing our service offerings within a behavioural economics construct, which, within the marketing world, is starting to become an established way of thinking. We are further refining, focussing and unifying our product portfolio, to simplify the sales process. We are dedicating senior people to identifying and responding to significant mandate type opportunities. We are continuing to expand our geographic footprint, and continuing to focus on delighting clients on each and every project we deliver. Through this, we believe that over time we will continue to earn the credibility we need to develop and build meaningful client relationships of a size and scale that reflect the reputation we have been building.

Nevertheless, the volatility and limited visibility of the Group's revenues, brought into sharp focus in 2012, are features of our business that will not change in 2013. We are reducing our cost growth in 2013 and have lowered overhead invested in our central functions, for example in marketing and Labs (product development). We reduced our employee numbers by 9% in December 2012, and this will enable us to limit our percentage cost growth in 2013 to low single digits (before bonuses), whilst continuing to invest in our offices in China, Brazil and India.

We are having a promising start to 2013 and we remain determined to continue to build the business in 2013 and beyond. We stress again however that we have limited visibility and so cannot predict with any certainty how the rest of the year will unfold.

James Geddes
Chief Financial Officer

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
Revenue	4	**20,822**	20,713
Cost of sales		**(4,754)**	(4,650)
Gross profit	4	**16,068**	16,063
Administrative expenses		**(14,555)**	(13,305)
Operating profit	4	**1,513**	2,758
Investment income – bank interest		**2**	2
Profit before taxation		**1,515**	2,760
Income tax expense	8	**(477)**	(910)
Profit for the financial year		**1,038**	1,850
Attributable to equity holders of the Company		**1,038**	1,850
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share	9	**8.3p**	14.8p
Diluted earnings per share	9	**7.9p**	14.1p

All of the activities of the Group are classed as continuing.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £'000	2011 £'000
Profit for the financial year	**1,038**	1,850
Other comprehensive income:		
Exchange differences on translating foreign operations	**(72)**	(47)
Other comprehensive income for the year, net of tax	**(72)**	(47)
Total comprehensive income for the year and amounts attributable to equity holders	**966**	1,803

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**178**	291
Intangible assets	6	**1,260**	1,449
Financial assets – available for sale investments	7	**83**	133
Deferred tax assets		**293**	288
		1,814	2,161
Current assets			
Inventories		**51**	50
Trade and other receivables		**5,825**	6,087
Cash and cash equivalents		**3,755**	3,683
		9,631	9,820
Total assets		**11,445**	11,981
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	12	**131**	131
Share premium account		**1,579**	1,579
Merger reserve		**477**	477
Foreign currency translation reserve		**53**	125
Retained earnings		**5,100**	4,676
Total equity		**7,340**	6,988
LIABILITIES			
Non-current			
Provisions		**173**	156
Non-current liabilities		**173**	156
Current			
Provisions		**96**	47
Trade and other payables		**3,773**	4,377
Current income tax liabilities		**63**	413
Current liabilities		**3,932**	4,837
Total liabilities		**4,105**	4,993
Total equity and liabilities		**11,445**	11,981

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £'000	2011 £'000
Net cash generated from operations	11	**1,921**	2,565
Tax paid		**(824)**	(770)
Net cash generated from operating activities		**1,097**	1,795
Cash flows from investing activities			
Purchases of property, plant and equipment		**(108)**	(232)
Purchase of intangible assets		**(123)**	(117)
Interest received		**2**	2
Net cash used by investing activities		**(229)**	(347)
Net cash flow before financing activities		**868**	1,448
Cash flows from financing activities			
Proceeds from sale of treasury shares		**325**	216
Purchase of own shares		**(733)**	(433)
Dividends paid to owners		**(388)**	(318)
Net cash used by financing activities		**(796)**	(535)
Net increase in cash and cash equivalents		**72**	913
Cash and cash equivalents at beginning of year		**3,683**	2,770
Cash and cash equivalents at end of year		**3,755**	3,683

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2012

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2011	131	1,549	477	172	2,990	5,319
Profit for the financial year	-	-	-	-	1,850	1,850
Other comprehensive income:						
Currency translation differences	-	-	-	(47)	-	(47)
Total comprehensive income	-	-	-	(47)	1,850	1,803
Transactions with owners:						
Employee share options scheme:						
- value of employee services	-	-	-	-	236	236
- proceeds from shares issued	-	30	-	-	-	30
- deferred tax credited to equity	-	-	-	-	138	138
- current tax credited to equity	-	-	-	-	27	27
Dividends paid to owners	-	-	-	-	(318)	(318)
Sale of treasury shares	-	-	-	-	186	186
Purchase of treasury shares	-	-	-	-	(433)	(433)
	-	30	-	-	(164)	(134)
At 31 December 2011	131	1,579	477	125	4,676	6,988
Profit for the financial year	-	-	-	-	1,038	1,038
Other comprehensive income:						
Currency translation differences	-	-	-	(72)	-	(72)
Total comprehensive income	-	-	-	(72)	1,038	966
Transactions with owners:						
Employee share options scheme:						
- value of employee services	-	-	-	-	175	175
- deferred tax debited to equity	-	-	-	-	(120)	(120)
- current tax credited to equity	-	-	-	-	127	127
Dividends paid to owners	-	-	-	-	(388)	(388)
Sale of treasury shares	-	-	-	-	325	325
Purchase of treasury shares	-	-	-	-	(733)	(733)
	-	-	-	-	(614)	(614)
At 31 December 2012	131	1,579	477	53	5,100	7,340

1. General information

BrainJuicer Group PLC ("the Company"), a United Kingdom resident, and its subsidiaries (together "the Group") provide on-line market research services. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange ("AIM"). The address of the Company's registered office is 1 Cavendish Place, London, W1G 0QF.

This condensed consolidated annual financial information was approved by the board of directors for issue on 21 March 2013.

2. Basis of preparation

The financial information set out in this report does not constitute the Company's statutory accounts for the years ended 31 December 2012 or 2011 but is derived from those accounts. Statutory accounts for 2011 have been delivered to the registrar of companies, and those for 2012 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

3. Principal accounting policies

The principal accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2011, as described in those annual financial statements.

4. Segment information

The Board of Directors review the Group's internal reports in order to assess performance and allocate resources and have determined the operating segments.

The Board considers the business from both a geographic and product perspective, and when reviewing product performance, look particularly at the split between what it categorises as 'Juicy' and 'Twist' products.

When reviewing the financial performance of each operating segment, the Board look at revenue, gross profit, and operating profit / (loss) before allocation of central overheads. Interest income is not included in the result for each operating segment.

	2012			2011		
	Revenue from external customers £'000	**Gross margin £'000**	**Operating Profit/ (loss)* £'000**	Revenue from external customers £'000	Gross margin £'000	Operating Profit/ (loss)* £'000
United Kingdom	**7,960**	**6,105**	**3,935**	8,697	6,620	4,539
North America	**5,998**	**4,644**	**2,257**	5,868	4,577	2,616
Switzerland**	**2,498**	**2,040**	**1,309**	2,213	1,780	1,139
Germany	**1,448**	**1,153**	**584**	1,756	1,485	948
China	**1,345**	**1,004**	**583**	297	209	(68)
Brazil	**948**	**650**	**177**	450	299	(90)
Netherlands	**625**	**472**	**(79)**	1,432	1,093	272
	20,822	**16,068**	**8,766**	20,713	16,063	9,356
Juicy	**14,236**	**11,067**		11,667	9,301	
% Juicy	68%	69%		56%	58%	
Twist	**6,586**	**5,001**		9,046	6,762	
% Twist	32%	31%		44%	42%	
	20,822	**16,068**		20,713	16,063	

Juicy products are BrainJuicer's new methodologies that challenge traditional approaches to market research. Twist products are industry standard quantitative research methods with an added "twist", BrainJuicer's qualitative diagnostics.

*Segmental operating profit excludes costs relating to central services provided by our Operations, IT, Marketing, HR and Finance teams and our Board of Directors.

**Swiss revenues include £209,000 relating to our new office based in Milan, Italy.

A reconciliation of total operating profit for reportable segments to total profit before income tax is provided below:	**2012 £'000**	2011 £'000
Operating profit for reportable segments	**8,766**	9,356
Central overheads	**(7,253)**	(6,598)
Operating profit	**1,513**	2,758
Finance income – bank interest	**2**	2
Profit before income tax	**1,515**	2,760

Revenues are attributed to geographical areas based upon the location in which the sale originated.

4. Segment information (continued)

Consolidated cash, trade receivable, property, plant and equipment and intangible asset balances are regularly provided to the chief operating decision-maker but segment assets and segment liabilities are not provided, accordingly disclosure of segment assets and liabilities is not provided.

BrainJuicer Group PLC is domiciled in the UK. Revenue from external customers in the UK is £7,960,000 (2011: £8,697,000), and revenue from external customers from other countries is £12,862,000 (2011: £12,016,000).

Non-current assets other than financial instruments and deferred tax assets located in the UK is £1,365,000 (2011: £1,624,000), and these non-current assets located in other countries is £73,000 (2011: £116,000).

Revenues of £1,476,000 (2011: £1,944,000) are derived from the Group's largest single external customer. £1,009,000 (2011: £1,245,000) of these revenues are attributable to the UK operating segment with £77,000 (2011: £471,000), £103,000 (2011: £Nil), £287,000 (2011: £63,000), and £Nil (2011: £165,000) attributable to the North American, Swiss, Chinese and Netherlands segments respectively.

5. Property, plant and equipment

For the year ended 31 December 2012

	Furniture, fittings and equipment £'000	Computer hardware £'000	Total £'000
At 1 January 2012			
Cost	306	563	869
Accumulated depreciation	(193)	(385)	(578)
Net book amount	**113**	**178**	**291**
Year ended 31 December 2012			
Opening net book amount	113	178	291
Additions	31	77	108
Depreciation charge for the year	(66)	(149)	(215)
Foreign exchange	(2)	(4)	(6)
Closing net book amount	**76**	**102**	**178**
At 31 December 2012			
Cost	335	636	971
Accumulated depreciation	(259)	(534)	(793)
Net book amount	**76**	**102**	**178**

For the year ended 31 December 2011

	Furniture, fittings and equipment £'000	Computer hardware £'000	Total £'000
At 1 January 2011			
Cost	278	368	646
Accumulated depreciation	(128)	(259)	(387)
Net book amount	**150**	**109**	**259**
Year ended 31 December 2011			
Opening net book amount	150	109	259
Additions	39	193	232
Depreciation charge for the year	(65)	(126)	(191)
Foreign exchange	(11)	2	(9)
Closing net book amount	**113**	**178**	**291**
At 31 December 2011			
Cost	306	563	869
Accumulated depreciation	(193)	(385)	(578)
Net book amount	**113**	**178**	**291**

6. Intangible assets

For the year ended 31 December 2012

	Software licenses £'000	Software £'000	Total £'000
At 1 January 2012			
Cost	307	1,672	1,979
Accumulated amortisation	(233)	(297)	(530)
Net book amount	**74**	**1,375**	**1,449**
Year ended 31 December 2012			
Opening net book amount	74	1,375	1,449
Additions	123	-	123
Amortisation charge	(82)	(229)	(311)
Foreign exchange	(1)	-	(1)
Closing net book amount	**114**	**1,146**	**1,260**
At 31 December 2012			
Cost	429	1,672	2,101
Accumulated amortisation	(315)	(526)	(841)
Net book amount	**114**	**1,146**	**1,260**

For the year ended 31 December 2011

	Software develop-ment in progress £'000	Goodwill £'000	Software licenses £'000	Software £'000	Total £'000
At 1 January 2011					
Cost	1,604	6	208	68	1,886
Accumulated amortisation	-	-	(195)	(68)	(263)
Net book amount	**1,604**	**6**	**13**	**-**	**1,623**
Year ended 31 December 2011					
Opening net book amount	1,604	6	13	-	1,623
Additions	-	-	99	-	99
Transfers	(1,604)	-	-	1,604	-
Amortisation charge	-	(6)	(38)	(229)	(273)
Closing net book amount	**-**	**-**	**74**	**1,375**	**1,449**
At 31 December 2011					
Cost	-	6	307	1,672	1,985
Accumulated depreciation	-	(6)	(233)	(297)	(536)
Net book amount	**-**	**-**	**74**	**1,375**	**1,449**

During the prior year the Group introduced its new software platform, JC2. Being ready for use, the platform was transferred from Software development in progress to Software at a cost of £1,604,000. It is being amortised over 7 years and has a remaining amortisation period of 5 years. The carrying amount of this asset at the balance sheet date was £1,146,000 (2011: £1,375,000).

7. Financial assets – available for sale investments

In 2008 the Group acquired an interest of 3.64% in Slater Marketing Group Pty Limited ("Slater Marketing), an unlisted company incorporated in Australia, for cash consideration of £40,000 plus transaction costs of £50,000. During 2009 the Group acquired a further interest of 3.64% for cash consideration of £43,000.

Under the terms of the share purchase agreement, cash consideration of AUD$1,040,000 and a variable number of ordinary shares to the value of AUD$1,000,000 became payable on or before 31 December 2012 subject to certain performance conditions being met by Slater Marketing. On the last working day of February, May, August and November in each of 2009, 2010, 2011 and 2012, the Group had the option to acquire Slater Marketing whether or not the performance conditions had been satisfied. These conditions had not been met at the balance sheet date and the Group has not exercised its option to acquire Slater Marketing.

The investment has been classified as an available for sale financial asset and measured at cost less provisions for impairment. As stated in our principal accounting policies note, investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to (and must be settled by delivery of such) unquoted equity instruments, are measured at cost.

The investment and associated derivatives in respect of the share purchase agreement for the acquisition of Slater Marketing have been recorded at a cost of £133,000 (2011: £133,000) and £nil (2011: £nil) respectively. In the opinion of the directors no reliable fair value information can be disclosed for these financial instruments. During the year the transaction costs of £50,000 were written off to the income statement leaving a carrying amount of £83,000 (2011: £133,000).

8. Income tax expense

	2012 **£'000**	2011 £'000
Current tax	**599**	963
Deferred tax	**(122)**	(53)
	477	910

Income tax expense for the year differs from the standard rate of taxation as follows:

Profit on ordinary activities before taxation	**1,515**	2,760
Profit on ordinary activities multiplied by standard rate of tax of 24.5% (2011: 26.5%)	**371**	731
Difference between tax rates applied to Group's subsidiaries	**52**	108
Expenses not deductible for tax purposes	**55**	91
Other temporary differences	**1**	(28)
Adjustment to current tax in respect of prior years	**14**	16
Credit on exercise of share options taken to income statement	**(16)**	(8)
Total tax	**477**	910

9. Earnings per share

(a) Basic

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2012 £'000	2011 £'000
Profit attributable to equity holders of the Company	**1,038**	1,850
Weighted average number of ordinary shares in issue	**12,520,480**	12,461,136
Basic earnings per share	**8.3p**	14.8p

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding assuming conversion of all dilutive share options to ordinary shares.

	2012 £'000	2011 £'000
Profit attributable to equity holders of the Company and profit used to determine diluted earnings per share	**1,038**	1,850
Weighted average number of ordinary shares in issue	**12,520,480**	12,461,136
Share options	**587,463**	677,423
Weighted average number of ordinary shares for diluted earnings per share	**13,107,943**	13,138,559
Diluted earnings per share	**7.9p**	14.1p

10. Dividends per share

	2012 £'000	2011 £'000
Dividends paid on Ordinary Shares		
Interim, 0.85p per share (2011: 0.75p per share)	**107**	94
	107	94
Final dividend relating to 2011, 2.25p per share (2011: 1.8p per share relating to 2010)	**281**	224
Total ordinary dividends paid in the year	**388**	318

The directors will be proposing a final dividend in respect of the year ended 31 December 2012 of 2.25p per share, at the AGM. These financial statements do not reflect this final dividend.

11. Cash generated from operations

	2012 **£'000**	2011 £'000
Profit before taxation	**1,515**	2,760
Depreciation	**215**	191
Amortisation	**311**	273
Impairment of available for sale financial assets	**50**	-
Interest received	**(2)**	(2)
Share-based payment expense	**175**	236
Increase in inventory	**(1)**	(3)
Decrease/(increase) in receivables	**262**	(1,368)
(Decrease)/increase in payables	**(539)**	517
Exchange differences	**(65)**	(39)
Net cash generated from operations	**1,921**	2,565

12. Share capital

During the year, the Company transferred 320,797 ordinary shares out of treasury to satisfy the exercise of employee share options over 320,797 ordinary shares at a weighted average exercise price of 101.3 pence per share for total consideration of £325,000. The weighted average share price at exercise date was 304.9 pence per share.

The Company subsequently repurchased 236,386 of these shares at a weighted average price of 310.1 pence per share. The total consideration payable on repurchase (including stamp duty and commission) amounted to £733,000.

Following these transactions, at the end of the reporting period the number of ordinary shares numbered 13,136,448 (2011: 13,136,448) of which shares held in treasury numbered 572,784 (2011: 657,195). The treasury shares will be used to help satisfy the requirements of the Group's share incentive schemes.

During the year, 28,064 employee share options over ordinary shares with a weighted average exercise price of 297 pence per share were granted to employees.

13. Seasonality of revenues

Until 2012, Group revenues tended to be higher in the second-half of the financial year than in the first six months.

However for the year ended 31 December 2012, revenues for the second half of the year represented 50% of total revenues compared to 56% for the year ended 31 December 2011.

14. Related party transactions

The wife of Mark Muth, a director of the Company for part of the year, provided consultancy services for the Group totalling £1,750 (2011: £225). There was no balance outstanding at the year-end (2011: £nil).

During the year, the Group made sales to companies connected to Unilever Ventures, of which Mark Muth is a director, totalling £1,475,767 (2011: £1,944,472). The balance outstanding at the year-end amounted to £422,169 (2011: £447,500).

Services are sold to related parties on an arm's length basis at prices available to third parties.

14. Related party transactions (continued)

Dividends paid to directors were as follows:

	2012	2011
	£	£
John Kearon	**125,171**	112,009
James Geddes	**5,246**	4,420
Alex Batchelor	**3,157**	2,597
Ken Ford	**620**	510
Simon Godfrey	**358**	2,000
Robert Brand*	**930**	*
	135,482	121,536

*appointed 5th January 2012