Press Release **21 March 2014**

BrainJuicer Group PLC

("BrainJuicer" or "the Company")

Results for the 12 Months ended 31 December 2013

Innovative online market research agency, BrainJuicer Group PLC (AIM: BJU) today announces its Final Results for the 12 months ended 31 December 2013.

Highlights

- 17% revenue growth to £24,457,000 (2012: £20,822,000)
- 135% growth in operating profit to £3,550,000 (2012: £1,513,000)
- 135% increase in profit before tax to £3,556,000 (2012: £1,515,000)
- 137% growth in earnings per share (diluted) 18.7p (2012: 7.9p)
- Strategically important "Juicy" products grew 28%
- Largest 10 clients by revenue grew 61%
- Strong growth in the UK and US, the Company's largest operations
- Grew in all other geographies that we operate in other than Germany
- Voted the most innovative market research firm for the third year running in the global GreenBook Research Industry Trends survey

Dividends

- Paid interim dividend of 0.9p (2012: 0.85p)
- Paid first special dividend of 12.0p in October 2013, representing £1,508,000 return of cash to shareholders
- Proposed final dividend subject to shareholder approval of 3.0p (2012: 2.25p)
- Proposed second special dividend of 12.0p, representing a further £1,508,000 return of cash

Net Cash

- Cash of £6,188,000 as at 31 December 2013 (31 December 2012: £3,755,000)
- No debt

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

"The year was testament to our fantastic staff's collective tenacity and temperament, as well as to the market moving meaningfully in our direction. For many years we have been the most vocal and profound advocate of applying Behavioural Science to improving the predictive power of market research. Now there seems to be a meaningful move to adopt this thinking. And, while the rest of the industry talks about the potential of Behavioural Sciences, we're already applying our award-winning suite of Juicy tools and models to help clients create famous marketing that impacts their bottom line.

We have made a promising start to 2014. As always, however, given our limited revenue visibility we cannot predict with any certainty how the year will unfold. What we do know is that the coming years will be exciting."

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

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CHAIRMAN'S STATEMENT

I am pleased to report that BrainJuicer has had an excellent year. An encouraging first half was followed by a strong second half, and in particular an excellent final quarter. For 2013 as a whole, our revenue increased by 17% to £24,457,000, and operating profit by 135% to £3,550,000, bouncing back from the decline in 2012. Diluted earnings per share increased by 137% to 18.7p. This substantial progress resulted entirely from organic growth within the business.

The Board is proposing to pay a final dividend of 3.0p per share, an increase of 33% over the 2012 final payment. This would take the full year ordinary dividend payout to 3.9p, an increase of 26%. In addition, and reflecting another year of strong cash generation, £1,508,000 was returned to shareholders in October 2013 via a 12p per share special dividend.

Even after this substantial return of capital, BrainJuicer ended 2013 with cash of £6,188,000 and no debt. In view of this, the Board proposes to return a further £1,508,000 to shareholders via another special dividend, again of 12p per share.

The 2013 results mean that over the last 5 years (taking 2008 as the base year), revenue and operating profit have grown at an average annual rate of 21% and 22% respectively, despite the disappointing results in 2012. Over the same period, diluted earnings per share have increased from 7.4p to 18.7p. The BrainJuicer share price has responded very positively to the Company's good progress. The closing share price as at 19 March 2014 was 425p, an increase of 294% since the shares were first admitted to trading on AIM in 2006 at a price of 108p.

John Kearon, our Chief Executive or "Chief Juicer", and James Geddes, our Chief Financial Officer, will review BrainJuicer's 2013 performance and underlying progress in the sections following this Chairman's Statement. From my "top down" perspective, however, the much improved results were driven essentially by a resumption of double digit revenue growth, primarily due to our expanding business with major multinational clients, and by a reduced rate of cost growth following actions taken towards the end of 2012. With revenues growing much faster than costs, profits rose sharply.

In terms of geography, growth in 2013 was fuelled primarily by our two main businesses, the UK and the US. It was pleasing to see all of our operations, with the exception of Germany, generating higher revenue, and our most recently established businesses, in France, Italy, India and Singapore, getting off to a promising start.

2013 saw a further encouraging shift in the balance of our revenue towards our unique "Juicy" products. Juice Generation, our suite of qualitative research services, also delivered impressive growth – contributing 14% of total revenue. Our new behavioural consultancy services, while so far generating only modest revenue in their own right, are helping us to work even more closely with key clients.

All of these trends indicate strongly that BrainJuicer's approach to market research, centred on Behavioural Science, leaves us well positioned to deliver further attractive growth in the years to come. While we did not win a major piece of international recurring business during 2013, there are signs that we are getting ever closer to doing so.

Finally, I would like to thank all of our employees for their hard work, determination and enterprise during what was a busy and successful year for BrainJuicer.

Ken Ford
Chairman

CHIEF EXECUTIVE'S STATEMENT

It's been emotional.

2012's flat result meant a miserable start to the year but the restored 17% revenue growth in 2013 was hugely uplifting to Company spirits as well as financials. The year was testament to our collective tenacity and temperament, as well as to the market moving meaningfully in our direction.

For many years we have been the most vocal and profound advocate of applying Behavioural Science to improving the predictive power of market research and helping clients do 5-Star marketing that improves their brands' fame and fortune. This involves replacing the overly-rational existing models of research and marketing with more emotional measures and models that better reflect how people really make decisions. The plausible but flawed era of persuasion-based marketing gives way to a more challenging but effective era of seduction-based marketing. Homo Economicus is dead; long live Homo Emoticus.

2013 seemed to mark the year the industry woke up to this shift, with speaker after speaker at conferences around the world falling over themselves to use the language of Behavioural Science. But, while the rest of the industry talks about the potential of Behavioural Sciences, we're already applying our award-winning suite of Juicy tools and models to help clients create famous marketing that impacts their bottom line.

Advertising is the most publicly-visible manifestation of how our behavioural approach helps clients. As it happens, we were intimately involved in the development of two of the most successful advertising campaigns of 2013, one on each side of the Atlantic: 3 Mobile Moonwalking Pony (over 7m YouTube views) and Guinness Wheelchair Basketball (over 7m YouTube views). Both adverts continue to have a tremendous impact on their respective businesses and, at the time of writing, 3 Mobile have launched Singing Kitty, their 2014 follow up which already has over 4.9m views in just a few days. As well as helping John Lewis test their annual blockbuster Christmas advert in the UK, we also launched the FeelMore50™ in the US, a league table of the year's strongest, most emotional adverts, which has generated a great deal of press and client interest. We'll be repeating the FeelMore50™ in the US for 2014 and extending it to UK. FaceTrace®, our award winning measure of emotion has now been answered over five million times by over three million people. And, having tested over 3,300 adverts across 40 countries, we have amassed the databases to calibrate results from individual tests, and be a credible global ad testing partner. It's now a case of whether and when clients move away from their current persuasion-based models and embrace seduction-based advertising.

Tellingly, the large research groups are adopting the new language of emotions and even adding more emotional measures to their tests, but critically, they are not using this data to change how they measure their results. Nor are they changing their model of how advertising works, because that would be to admit they've had it wrong for decades and render useless their huge normative database of redundant persuasion-based measures. Without changing their model of interpretation, no amount of new emotional measures will improve their recommendations, and we believe this will reveal itself over the same time period BrainJuicer's emotional and more predictive model becomes associated with increasingly famous ad campaigns.

The same pattern is repeated when it comes to our other Juicy research tools. The market is starting to talk about how to apply Behavioural Science to concept testing, pack testing, insight generation and brand tracking, while we're busy doing it. Our best-selling Juicy tool, Predictive Markets [PMs], is also our most controversial. It uses emotional measures, the wisdom of crowds and a game-format to ask people what they feel 'other people' would buy or not buy. It has proven highly discriminatory and predictive of winning concepts, and avoids the well-documented flaws of current concept testing: people being unreliable predictors of their own behaviour, over-rational measures being unpredictive of in-market success, nearly all concept results falling close to the norm and enormous differences in scoring from country to country.

Since introducing PMs in 2006, we have won several awards and more than 200 companies have used the technique, testing over 25,000 concepts across more than 70 countries and achieving significant in-market success. The controversial nature of PMs meant they grew slowly at first while clients trialled and proved their superior predictive power over current methods but, for the last 4 years, PMs have experienced significant year-on-year growth and are increasingly being adopted by large companies.

Our experience with Predictive Markets is likely to prove illustrative of client adoption across our whole suite of Behavioural Science-inspired Juicy products, covering insight generation, concept testing, pack testing, ad testing, shopper marketing and brand tracking. It's possible the industry's increasing enthusiasm for Behavioural Science may well speed acceptance, growth and the rate at which we achieve our goal of becoming brand leader in these areas. Last year our Juicy tools grew 28%, now accounting for 74% of our business and with the added advantages of being highly differentiated, premium priced, higher margin, more international, larger-sized projects and much more likely to be mandated by large clients. As testament to the appeal of our Juicy tools with these clients, we grew revenue 61% with our top 10 clients in 2013 – all of which are multinationals. We're also hugely proud to have been voted 'Most Innovative Research Agency' for the third year running in the international GRIT report's study among 2,300 clients and agencies. The large research groups will no doubt increase their use of the language of Behavioural Science and add some of the new emotional measures, but unless they fundamentally change their models of interpretation and lose their historical normative database advantage, their predictive power will not improve.

It feels we're at a seminal moment in the research industry and BrainJuicer's history. Fourteen years in, we have made a good start in our mission to reinvent market research, creating and validating a suite of market-changing Juicy research approaches based on Behavioural Science. Hopefully for the next fourteen, the market will continue to move our way, we'll continue to hire the best and the brightest, working in a truly innovative Juicy culture, and help more clients produce famous marketing that drives significant growth.

The coming years should be exciting.

John Kearon
Chief Juicer

BUSINESS AND FINANCIAL REVIEW

In a recent internal staff feedback survey, one of our people made the comment "*It would be good to understand why 2012 and 2013 were so massively different in terms of success*". The 135% increase in our operating profit, after the decline of 45% in 2012, was a dramatic swing, and yet nothing so dramatic happened within the underlying business. We cannot point to a big new initiative, for example, nor a major contract win or a change in strategy, just as we couldn't point to a major problem in 2012. In fact, 2013 is best characterised as another year of continued and consistent progress in refining our positioning, developing our products, selling our approaches into our client base, and building our operating capability – just as 2012 was.

So why were 2012 and 2013 *so massively different in terms of success*? The maths are straightforward. Revenue grew 17% and costs 7% in 2013, whereas revenue grew 1% and costs 9% in 2012. These percentage differences make a very big difference to our profit, yet are not reflective of anything we did very differently over the two years.

With lumpy revenues from month to month and from client to client, and some large client projects – over £1.7m of our 2013 revenue was from a handful of projects larger than £100,000 – it doesn't take very much to tilt revenues up or down by meaningful percentage points. Yet most of our cost base is fixed – being the cost of the people we employ. Our administrative costs in 2013 totalled £15,537,000 (64% of revenue), and 74% of that (£11,563,000) related to staff costs. We have to recruit and train new people well in advance of the growth we are recruiting them to deliver, but have minimal visibility of future revenue. In 2012 we were caught out by a relatively poor November and December, traditionally our busiest months, having increased our cost base earlier in the year. In 2013 we weren't.

Furthermore, we pared back some of the increase in the 2012 cost base in December 2012, and this contributed to our lower cost growth than normal in 2013. It's important to note that this cost cutting was very much a pruning exercise and didn't require any structural reorganisation or other fundamental change within the business.

A point on our staff costs: we mitigate the fixed cost nature of our staff costs to a degree through our bonus scheme, which is primarily correlated to profit and is therefore variable.

Aggregate bonuses were high at £1,941,000 in 2013, representing 20% of pre-bonus staff costs, compared to £63,000 in 2012 (less than a percent of staff costs). Nevertheless this ability to mitigate goes only so far.

We have always been careful in how we manage costs, and how we build the resources necessary to grow the business. In fact, some have asked if we focus too much on cost control at the expense of thinking about inputs that will help to make our business impregnable, and it's a good question.

The first point to make in response is that we have always, and continue to have, long-term organic growth aspirations. We are not planning on an exit; we are not looking for short cut growth; our time horizon is essentially *forever*. The way we run the business and our bias when making decisions is with this backdrop in mind.

Secondly, our investment spend – that element of our cost base which is primarily designed to help make our business impregnable – is a material percentage of our profits. The two areas in our business where we have developed capability that will most obviously benefit us in the future are in our product development "Labs" and in what we call Juice Generation (the part of our business which supports our creative, qualitative research services). Our total staff cost spend alone on Labs and Juice Generation in 2013 was £1.55 million representing a substantial 44% of operating profit (2012: £1.28m, 84% of operating profit). Our Juice Generation services, and to a lesser extent Labs, generate revenue from client projects in their own right, but they have strategic value significantly beyond the revenue they generate.

Whilst we will continue to be careful in how we manage costs, we will also continue to invest in Labs and Juice Generation – and in other activities which help to secure our future growth.

Refining our positioning

We have further developed the Behavioural Science framework which underpins how we develop and articulate our research techniques. As our business is becoming more firmly entrenched within this framework, so, within the marketing world at large, Behavioural Science is becoming a more mainstream phenomenon. Whilst it could be argued that we may be losing some differentiation and so are becoming more vulnerable to competitors, we are finding that this industry backdrop is helpful. We remain highly differentiated, as evidenced, for example, by recently being voted the most innovative market research firm for the third year in a row in a global survey of over 2,000 market research practitioners (the GreenBook Research Industry Trends survey). Our challenge is in selling our methods into large clients and dislodging long-standing traditional approaches. We have to demonstrate over a prolonged period that our techniques actually work, and that the sometimes counter-intuitive notions underpinning our techniques are backed up by academic research and credible third party opinion. The shifting industry dynamics are providing helpful support to our position.

It would be an exaggeration to suggest there had been a major breakthrough in 2013, but there have been further steps in the right direction. Our 17% revenue growth, while unspectacular by historic standards, is significant and is a fair reflection of the progress here.

Developing our products

We have historically categorised our products into “Juicy” – those which in our view are particularly insightful but which are unconventional – and “Twist” – those which use traditional techniques but with an added BrainJuicer twist. It's our Juicy products which will define our long-term future, and it’s therefore these that we’ve invested most in developing and which we’ve marketed most actively. This investment is paying off. Most of our business is now Juicy, with 74% of 2013 revenue from Juicy products, up from 68% in 2012 and 56% in 2011.

Product development and validation is an on-going process. As well as many incremental improvements during the year, we developed a new product for testing packaging and upgraded our Concept Optimizer product (our second biggest-selling product). We have also begun undertaking behavioural consultancy services, where we apply the principles of behavioural economics to marketing challenges. This provides opportunities to demonstrate how these principles can be applied in practice, and therefore reinforce the power of the behavioural framework underpinning our research tools.

Selling our approaches into our client base

We have 224 clients, and 57% of 2013 revenue was from our largest 20. This is broadly similar to 2012, where we had 217 clients and 53% of revenue from our largest 20. However, this hides the growth we experienced from our very largest clients. Revenue from our biggest 10 clients in 2013, all very large multinational companies, grew 61%. Revenue from our largest client in 2013 grew 57%, and our top five clients each spent more than £1m with us in 2013. While these amounts represent small percentages of each of their total market research spend, they are nevertheless significant and hard-won. In each case, they are the result of broad and durable relationships that we have developed over a number of years, and in each case there is significant potential for further growth.

We are being invited to participate in an increasing number of mandate and roster applications. These vary from opportunities to pitch for global concept screening and advertising pre-testing, to opportunities to pitch for advertising and brand tracking globally and regionally, and we are getting closer to securing a significant win.

Building our operating capability

In 2013 we delivered 892 projects, up from 794 projects in 2012, with an average revenue per project of £27,000 per project (2012: £26,000). Our centralised software platform and operational functions accommodated this increase without issue, and with reduced average headcount company-wide (138 in 2013 compared to 148 in 2012). We have the technical capacity to be able to process many times our current level of projects. We also have a well-oiled, centrally-managed operational process, and a small, dedicated team continuously improving it.

The key to scale is in building our account management teams – the people who sell and deliver our research projects to our clients – and then evolving our organisation structure and central functions to support those teams. While average headcount reduced in 2013, we increased our *account management team* head-count from 95 to 97, and over the last five years by 22% (on a compound annual basis). We have a relatively smooth process for recruiting and on-boarding people, particularly in our larger offices in the UK and US, and believe we can continue in this vein and grow the business to at least two to three times its current size without any significant change in our structure or any major investment or disruption. We would hope that through continuous evolution of our operations, we can continue to grow well beyond that.

Financial performance

Our profit and loss account is straightforward. Revenue grew 17% from £20,822,000 to £24,457,000 and gross profit 19% from £16,068,000 to £19,087,000 (now 78% of revenue), and this top line growth together with a 7% increase in administrative costs, after 9% in 2012, resulted in the bounce in operating profit from £1,513,000 to £3,550,000, after the decline last year. Our lower cost growth than in previous years was in part the result of our cost cutting in December 2012. As always growth was organic, and there were no particularly large, unusual or extraordinary items.

From a geographic standpoint, we did well in most of our markets. In the UK and the US, where we generate the majority of our business, we grew strongly with gross profit up by 12% and 25% respectively. We delivered £6,843,000 of gross profit in the UK and £5,794,000 in the US, which collectively represented over 66% of our total gross profit. We have recently consolidated our Continental European offices into one region, with our Swiss country manager at the helm. Gross profit in Continental Europe grew by 9% to £3,992,000 (21% of our total gross profit). We are established in three Continental European countries, Switzerland, Germany and Holland, Switzerland being, by some margin, the biggest for us. In Switzerland gross profit grew by 4%, and in Holland by 22%, whereas in Germany it declined by 27%. While the German research market is large, we are finding it very traditional, and it is taking longer for our methods to be adopted by German clients. We believe, however, that we will get there. We have a small, effective team, and we will patiently build from what is now quite a small base (at £841,000 gross profit). We're making progress in our two new European countries, Italy and France, which collectively generated £512,000 of gross profit. We continue to enjoy strong growth in China and Singapore with gross profit up 11% to £1,112,000, and in Brazil with gross profit up 86% to £1,206,000. We've made a promising start in India.

We are a capital light business, and as in previous years our capital expenditure was low at only £139,000 (2012: £231,000), and depreciation similarly low at £465,000 (2012: £526,000). We therefore tend to have strong cash flow, and in 2013 it was particularly high. Cash flow before financing was £4,458,000 (nearly double profit after tax), and we finished the year with £6,188,000 of cash, up from £3,755,000, and that after dividends, including our special dividend of 12 pence per share in October, and share buy-backs totalling £2 million. This was partly due to negligible bonuses in 2012, paid in 2013. Our high bonuses in 2013 will rein in 2014 cash flow somewhat.

Our effective tax rate was 32% which is relatively high compared to the UK standard rate of 23.2%. This is in part due to higher tax rates in our overseas operations, particularly in the US. It is also due to tax inefficiencies relating to management fees chargeable by our UK parent company to our Brazilian and Chinese subsidiary companies. Nevertheless the tax rate was similar to the prior year (31%) and so profit after tax grew at a similar rate to profit before tax (135%).

We continued to purchase back most of the shares transferred to stock option holders on exercise of options, and so there was little change in the number of issued or voting shares. As a result, our earnings per share, both diluted and undiluted, grew at a similar rate to profit after tax at 137% and 134% respectively.

Outlook

Over the last five years, we have grown revenues and profits by a little over 20% per annum on an annual compound basis (using 2008 as the base). Over that time we've returned over £4.7 million to shareholders in dividends and share buy-backs, and are proposing to pay a further £1.9 million in dividends during May 2014. We've also built a strong franchise in terms of our products, reputation, client relationships, geographic coverage and operational delivery mechanisms. We have a talented and dedicated team, bound by a well-defined unifying culture, and we have a strong balance sheet for our size. Looking ahead, we are planning more of the same, and believe we have the platform from which to deliver. We have made a promising start to 2014, but as always, given our limited revenue visibility we cannot predict with any certainty how the year will unfold.

James Geddes

Chief Financial Officer

5 YEAR SUMMARY

(£000 unless specified otherwise)

Year to 31 December		2013	2012	2011	2010	2009
Revenue		24,457	20,822	20,713	16,360	11,814
	growth	*17%*	-	*27%*	*38%*	*27%*
Gross profit		19,087	16,068	16,063	12,622	8,935
	growth	*19%*	-	*27%*	*41%*	*30%*
Operating profit		3,550	1,513	2,758	2,216	1,645
	growth	*135%*	*-45%*	*24%*	*35%*	*28%*
Pre-tax profit		3,556	1,515	2,760	2,217	1,658
	growth	*135%*	*-45%*	*24%*	*34%*	*21%*
Post-tax profit		2,435	1,038	1,850	1,480	1,185
	growth	*135%*	*-44%*	*25%*	*25%*	*23%*
EPS – diluted		18.7p	7.9p	14.1p	11.3p	9.0p
	growth	*137%*	*-44%*	*25%*	*26%*	*22%*
Cash flow pre financing		4,458	868	1,448	1,785	824
Cash balance (no debt)		6,188	3,755	3,683	2,770	2,343
Dividend per share (interim and final)		3.9p	3.1p	3.0p	2.4p	1.9p
	growth	*26%*	*3%*	*25%*	*26%*	*27%*
Special dividend per share (paid and proposed)		24.0p	-	-	-	-
Total dividends (paid and proposed)		3,505	390	375	315	246
Share buy-backs (net of stock option proceeds)		71	408	217	1,046	(38)
Number of projects		892	794	859	745	601
	growth	*12%*	*-8%*	*15%*	*24%*	*20%*
Average revenue per project		27.4	26.2	24.1	22.0	19.7
	growth	*5%*	*9%*	*10%*	*12%*	*5%*
Number of clients		224	217	199	165	140
	growth	*3%*	*9%*	*21%*	*18%*	*22%*
Average headcount		138	148	124	91	70
	growth	*-7%*	*19%*	*36%*	*30%*	*19%*

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	**2013** **£'000**	2012 £'000
Revenue	4	**24,457**	20,822
Cost of sales		**(5,370)**	(4,754)
Gross profit		**19,087**	16,068
Administrative expenses		**(15,537)**	(14,555)
Operating profit	4	**3,550**	1,513
Gain on disposal of available for sale investments	7	**14**	-
Finance income		**1**	2
Finance costs		**(9)**	-
Profit before taxation		**3,556**	1,515
Income tax expense	8	**(1,121)**	(477)
Profit for the financial year		**2,435**	1,038
Attributable to equity holders of the Company		**2,435**	1,038
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share	9	**19.4p**	8.3p
Diluted earnings per share	9	**18.7p**	7.9p

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	£'000	£'000
Profit for the financial year	**2,435**	1,038
Other comprehensive income:		
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translating foreign operations	**(55)**	(72)
Other comprehensive income for the year, net of tax	**(55)**	(72)
Total comprehensive income for the year and amounts attributable to equity holders	**2,380**	966

CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	2013 £'000	2012 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**112**	178
Intangible assets	6	**1,000**	1,260
Financial assets – available for sale investments	7	**-**	83
Deferred tax asset		**670**	293
		1,782	1,814
Current assets			
Inventories		**238**	51
Trade and other receivables		**7,344**	5,825
Cash and cash equivalents		**6,188**	3,755
		13,770	9,631
Total assets		**15,552**	11,445
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		**(2)**	53
Retained earnings		**5,924**	5,100
Total equity		**8,109**	7,340
LIABILITIES			
Non-current			
Provisions		**390**	173
Non-current liabilities		**390**	173
Current			
Provisions		**206**	96
Trade and other payables		**6,336**	3,773
Current income tax liabilities		**511**	63
Current liabilities		**7,053**	3,932
Total liabilities		**7,443**	4,105
Total equity and liabilities		**15,552**	11,445

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £'000	2012 £'000
Net cash generated from operations	11	**5,343**	1,921
Tax paid		**(835)**	(824)
Net cash generated from operating activities		**4,508**	1,097
Cash flows from investing activities			
Purchases of property, plant and equipment		**(70)**	(108)
Purchase of intangible assets		**(69)**	(123)
Sale of available for sale investments		**97**	-
Interest (paid)/received		**(8)**	2
Net cash used by investing activities		**(50)**	(229)
Net cash flow before financing activities		**4,458**	868
Cash flows from financing activities			
Proceeds from sale of treasury shares		**82**	325
Purchase of own shares		**(153)**	(733)
Dividends paid to owners		**(1,903)**	(388)
Net cash used by financing activities		**(1,974)**	(796)
Net increase in cash and cash equivalents		**2,484**	72
Cash and cash equivalents at beginning of year		**3,755**	3,683
Exchange losses on cash and cash equivalents*		**(51)**	-
Cash and cash equivalents at end of year		**6,188**	3,755

* Foreign exchange losses on cash and cash equivalents for the year ended 31 December 2012 amounted to £48,000

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2013

	Share capital	Share premium account	Merger reserve	Foreign currency translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2012	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
- current tax credited to equity	-	-	-	-	127	127
- deferred tax debited to equity	-	-	-	-	(120)	(120)
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**
Profit for the financial year	**-**	**-**	**-**	**-**	**2,435**	**2,435**
Other comprehensive income:						
Currency translation differences	-	-	-	(55)	-	(55)
Total comprehensive income	**-**	**-**	**-**	**(55)**	**2,435**	**2,380**
Transactions with owners:						
Employee share options scheme:						
- value of employee services	-	-	-	-	148	148
- deferred tax credited to equity	-	-	-	-	206	206
- current tax credited to equity	-	-	-	-	9	9
Dividends paid to owners	-	-	-	-	(1,903)	(1,903)
Sale of treasury shares	-	-	-	-	82	82
Purchase of treasury shares	-	-	-	-	(153)	(153)
	-	**-**	**-**	**-**	**(1,611)**	**(1,611)**
At 31 December 2013	**131**	**1,579**	**477**	**(2)**	**5,924**	**8,109**

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.

The board of directors has approved this condensed consolidated annual financial information for issue on 21 March 2014.

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 2013 or 2012 but is derived from those accounts. Statutory accounts for 2012 have been delivered to the registrar of companies, and those for 2013 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 2012, as described in those annual financial statements.

4. Segment information

The Executive Directors (“the Executives”) review the Group’s internal reports in order to assess performance and allocate resources and have determined the operating segments.

The Executives consider 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 Executives 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.

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.

	2013			2012		
	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	**8,859**	**6,843**	**4,908**	7,960	6,105	3,935
North America	**7,266**	**5,794**	**2,796**	5,998	4,644	2,257
Switzerland, Italy & France	**3,190**	**2,577**	**1,436**	2,498	2,040	1,309
Germany	**1,024**	**841**	**162**	1,448	1,153	584
China & Singapore	**1,461**	**1,112**	**491**	1,345	1,004	583
Brazil	**1,806**	**1,206**	**507**	948	650	177
Netherlands	**681**	**574**	**261**	625	472	(79)
India	**170**	**140**	**41**	-	-	-
	24,457	**19,087**	**10,602**	20,822	16,068	8,766
Juicy	**18,197**	**14,455**		14,236	11,067	
% Juicy	74%	76%		68%	69%	
Twist	**6,260**	**4,632**		6,586	5,001	
% Twist	26%	24%		32%	31%	
	24,457	**19,087**		20,822	16,068	

A reconciliation of total operating profit for reportable segments to total profit before income tax is provided below:

	2013 £’000	2012 £’000
Operating profit for reportable segments	**10,602**	8,766
Central overheads	**(7,052)**	(7,253)
Operating profit	**3,550**	1,513
Gain on disposal of available for sale investments	**14**	-
Finance costs - net	**(8)**	2
Profit before income tax	**3,556**	1,515

4. Segment information (continued)

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

Consolidated cash, trade receivable, property, plant and equipment and intangible asset balances are regularly provided to the Executives but segment assets and segment liabilities are not, and accordingly the Company does not disclose segment assets and liabilities here.

BrainJuicer Group PLC is domiciled in the UK. Revenue from external customers to the UK is £8,859,000 (2012: £7,960,000), and revenue from external customers to other countries is £15,598,000 (2012: £12,862,000).

Non-current assets other than financial instruments and deferred tax assets located in the UK is £1,067,000 (2012: £1,365,000), and these non-current assets located in other countries is £45,000 (2012: £73,000).

Revenues of £2,315,000 (2012: £1,476,000) are derived from the Group's largest single external customer, representing 9% (2012: 7%) of group revenues. Revenues by operating segment are as follows:

	2013 **£**	2012 £
UK	**1,284,000**	1,009,000
China and Singapore	**351,000**	287,000
Continental Europe	**349,000**	103,000
US	**271,000**	77,000
Brazil	**60,000**	-
	2,315,000	1,476,000

5. Property, plant and equipment

For the year ended 31 December 2013

	Furniture, fittings and equipment £'000	Computer hardware £'000	Total £'000
At 1 January 2013			
Cost	335	636	971
Accumulated depreciation	(259)	(534)	(793)
Net book amount	**76**	**102**	**178**
Year ended 31 December 2013			
Opening net book amount	76	102	178
Additions	4	66	70
Depreciation charge for the year	(41)	(95)	(136)
Foreign exchange	(1)	1	-
Closing net book amount	**38**	**74**	**112**
At 31 December 2013			
Cost	337	699	1,036
Accumulated depreciation	(299)	(625)	(924)
Net book amount	**38**	**74**	**112**

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**

6. Intangible assets

	Software licenses £'000	Software £'000	Total £'000
At 1 January 2013			
Cost	429	1,672	2,101
Accumulated amortisation	(315)	(526)	(841)
Net book amount	**114**	**1,146**	**1,260**
Year ended 31 December 2013			
Opening net book amount	114	1,146	1,260
Additions	69	-	69
Amortisation charge	(100)	(229)	(329)
Foreign exchange	-	-	-
Closing net book amount	**83**	**917**	**1,000**
At 31 December 2013			
Cost	498	1,672	2,170
Accumulated amortisation	(415)	(755)	(1,170)
Net book amount	**83**	**917**	**1,000**

	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**

Software comprises the Group's main research software platform, which it developed over a number of years and introduced in 2011, at a cost of £1,604,000. It is being amortised over 7 years and has a remaining amortisation period of 4 years. The carrying amount of this asset at the balance sheet date was £917,000 (2012: £1,146,000).

7. Financial assets – available for sale investments

During the year the Company sold its minority investment in Slater Marketing Group Pty Limited for cash consideration of £97,000 realising a gain of £14,000. As at 31 December 2012 the carrying amount of the investment was £83,000 after cumulative impairment charges of £50,000.

8. Income tax expense

	2013 £'000	2012 £'000
Current tax	**1,298**	599
Deferred tax	**(177)**	(122)
	1,121	477

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

Profit on ordinary activities before taxation	**3,556**	1,515
Profit on ordinary activities multiplied by standard rate of tax of 23.2% (2012: 24.5%)	**825**	371
Difference between tax rates applied to Group's subsidiaries	**87**	53
Expenses not deductible for tax purposes	**9**	55
Tax on intra-group management charges (Brazil and China)	**204**	-
Adjustment to current tax in respect of prior years	**2**	14
Credit on exercise of share options taken to income statement	**(6)**	(16)
Total tax	**1,121**	477

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.

	2013 £'000	2012 £'000
Profit attributable to equity holders of the Company	**2,435**	1,038
Weighted average number of ordinary shares in issue	**12,563,664**	12,520,480
Basic earnings per share	**19.4p**	8.3p

(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.

	2013 £'000	2012 £'000
Profit attributable to equity holders of the Company and profit used to determine diluted earnings per share	**2,435**	1,038
Weighted average number of ordinary shares in issue	**12,563,664**	12,520,480
Share options	**426,759**	587,463
Weighted average number of ordinary shares for diluted earnings per share	**12,990,423**	13,107,943
Diluted earnings per share	**18.7p**	7.9p

10. Dividends per share

	2013 £'000	2012 £'000
Dividends paid on Ordinary Shares		
Interim, 0.9 pence per share (2012: 0.85 pence per share)	**112**	107
Special dividend, 12 pence per share (2012: NIL)	**1,508**	-
	1,620	107
Final dividend relating to 2012, 2.25 pence per share (2012: 2.25 pence per share relating to 2011)	**283**	281
Total ordinary dividends paid in the year	**1,903**	388

The directors are proposing a final dividend in respect of the year ended 31 December 2013 of 3 pence per share, and a second special dividend of 12.0 pence per share. These financial statements do not reflect these proposed dividends.

11. Cash generated from operations

	2013 £'000	2012 £'000
Profit before taxation	**3,556**	1,515
Depreciation	**136**	215
Amortisation	**329**	311
Impairment of available for sale financial assets	**-**	50
Gain on disposal of available for sale investments	**(14)**	-
Interest paid/(received)	**8**	(2)
Share-based payment expense	**148**	175
Increase in inventory	**(187)**	(1)
(Increase)/decrease in receivables	**(1,519)**	262
Increase/(decrease) in payables	**2,890**	(539)
Exchange differences on operating items	**(4)**	(65)
Net cash generated from operations	**5,343**	1,921

12. Share capital

During the year, the Company transferred 63,043 ordinary shares out of treasury to satisfy the exercise of employee share options over 63,043 ordinary shares at a weighted average exercise price of 130.7 pence per share for total consideration of £82,000. The weighted average share price at exercise date was 241.4 pence per share.

The Company subsequently repurchased 63,043 of these shares at a weighted average price of 241.4 pence per share. The total consideration payable on repurchase (including stamp duty and commission) amounted to £153,000.

Following these transactions, at the end of the reporting period the number of ordinary shares numbered 13,136,448 (2012: 13,136,448) of which shares held in treasury numbered 572,784 (2012: 572,784). The treasury shares will be used to help satisfy the requirements of the Group's share incentive schemes.

The Company does not have an obligation to repurchase shares upon the exercise of share options.

13. Seasonality of revenues

Group revenues tend to be higher in the second-half of the financial year than in the first six months.

For the year ended 31 December 2013, revenues for the second half of the year represented 56% of total revenues compared to 50% for the year ended 31 December 2012.

14. Related party transactions

The wife of Mark Muth, a director of the Company for part of the prior year, provided consultancy services for the Group during 2012 totalling £1,750. There was no balance outstanding as at 31 December 2012.

During the prior year, the Group made sales to companies connected to Unilever Ventures, of which Mark Muth is a director, totalling £1,475,767. The balance outstanding as at 31 December 2012 amounted to £422,169.

Mark Muth resigned as a director of BrainJuicer in 2012 and is no longer connected to the Group.

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:

	2013	2012
	£	£
John Kearon	**584,477**	125,171
James Geddes	**23,986**	5,246
Alex Batchelor	**15,431**	3,157
Ken Ford	**3,030**	620
Robert Brand*	**4,545**	930
Graham Blashill**	**758**	155
	632,227	135,279

*appointed 5th January 2012
**appointed 1st July 2012