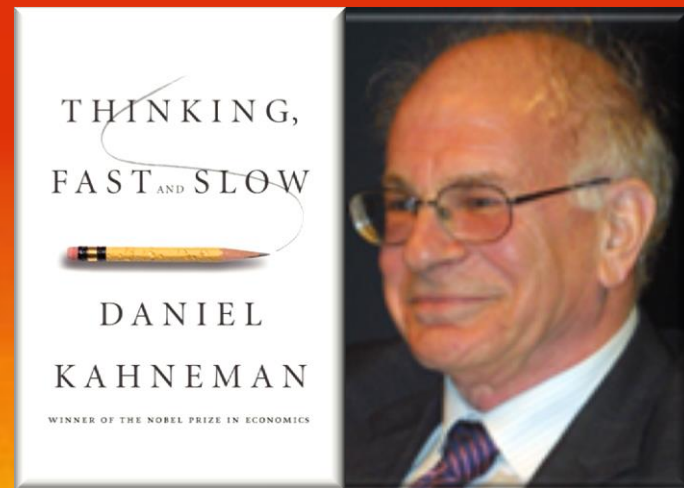




turning human understanding into business advantage

2013 Interims



Turning human understanding into business advantage

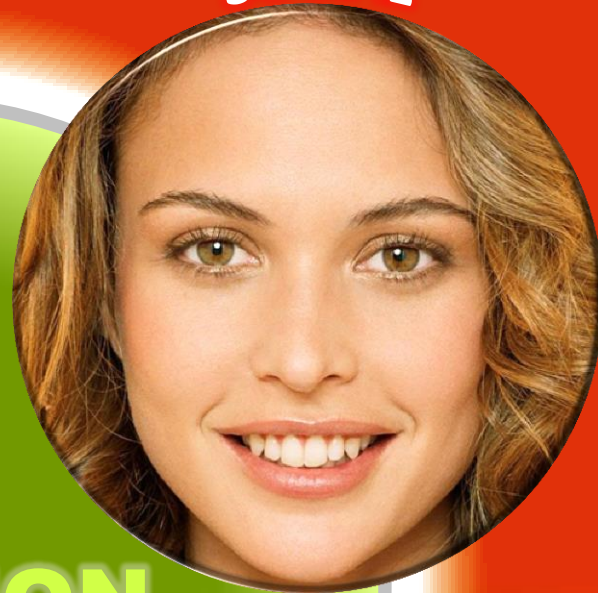


John Kearon, Chief Juicer

ENVIRONMENTAL



SOCIAL



DECISION











PERSONAL

Helping
to make
brands
famous

The UK's Most Popular ad of 2013



- Contempt 
- Disgust 
- Anger 
- Fear 
- Sadness 
- Neutral 
- Happiness 
- Surprise 

It's 10 days since Pony first strutted his stuff and the level of engagement is breath-taking with over 5 million views on YouTube. You have no idea how proud I am of the Three team & how grateful I am to BrainJuicer for providing the validation for why we should just have faith. It's the best feeling in the world to work in Marketing & do stuff like this.

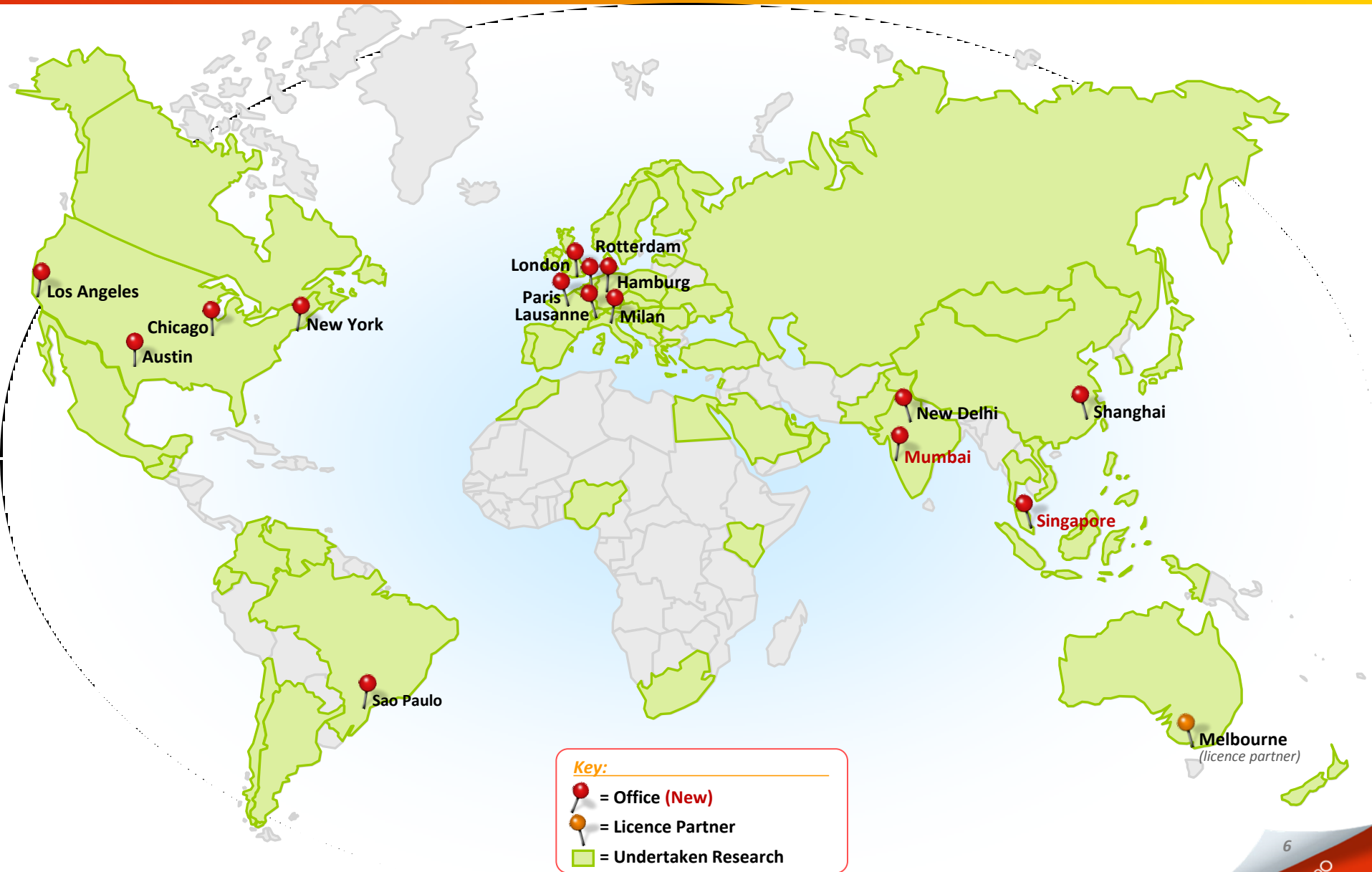
*Margaret Burke
Director, Brand & Communications
Three.co.uk*



Three.co.uk

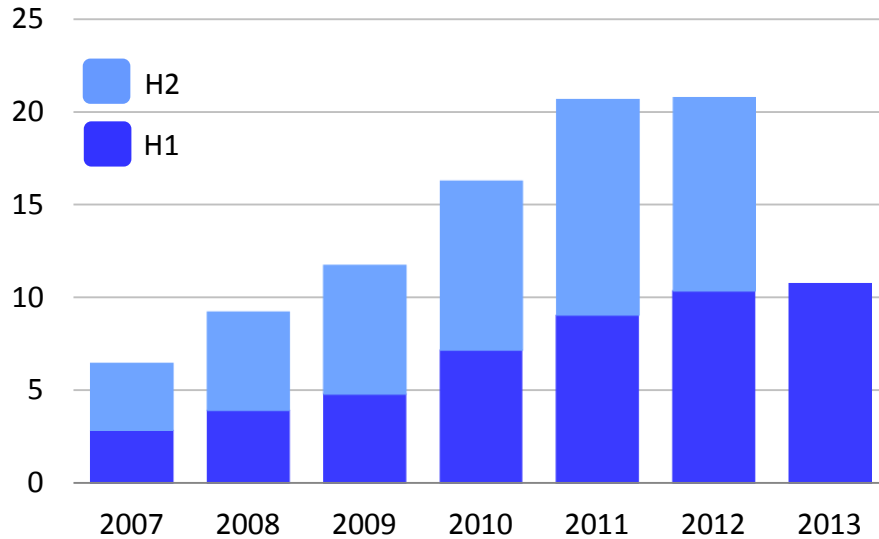
15 Offices in 11 countries

Research in 60+ countries, 140+ people, 200+ clients

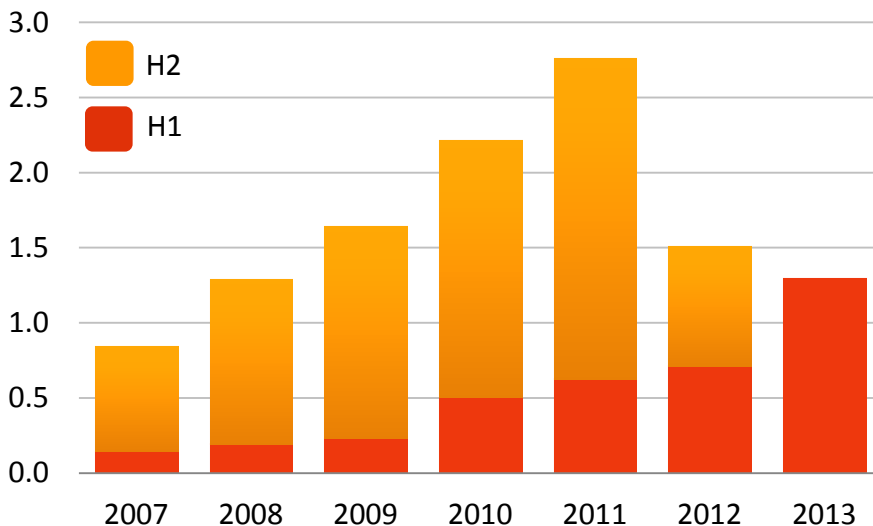


H1 2013 increased revenue, reduced headcount, improved profits

Revenue (£m)



Operating Profit (£m)



- Revenue grew 4% and gross profit 6%
- Average headcount down; 143 to 137
- Overhead costs declined 2%
- Operating profit grew 81%
- PBT, PAT, EPS also grew 81%
- Minimal capex, favourable working capital movement led to £1.64m free cash flow

Fundamentals unchanged

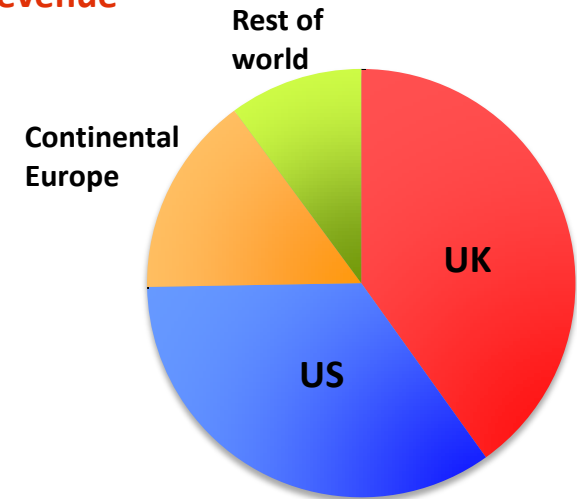
	H1 2012	H1 2013	Growth
Revenue	£10.4m	£10.8m	4%
Number of projects	387	401	4%
Revenue per project	£27,000	£27,000	0%
Revenue from Juicy products	£6.9m	£7.1m	4%
Number of clients	204	212	4%
Repeat rate	80%	76%	NA
Average headcount	143	137	-4%
Revenue per person	£73,000	£79,000	8%
Staff cost per person	£34,000	£38,000	12%

- Steadily increasing projects
- In the main Juicy products
- Stable growing client base
- Fewer people but still investing
- New markets – Singapore and India
- 2 new Juicy products – now 5

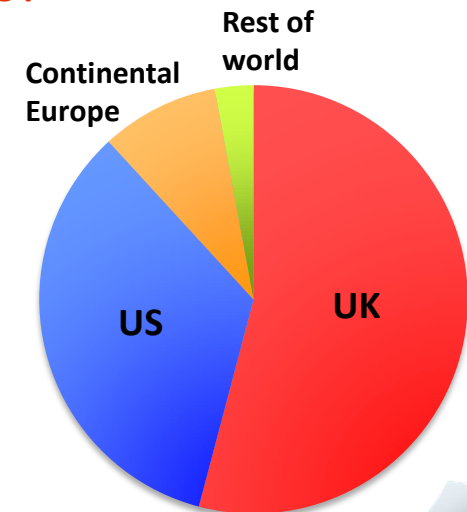
Growing well in biggest operations – UK and US

	Revenue	Gross profit		Operating profit	
UK	£4.3m	£3.4m	+ 17%	£2.5m	+ 31%
US	£3.7m	£2.9m	+ 10%	£1.6m	+ 4%
Switzerland France Italy	£1.0m	£0.8m	- 7%	£0.3m	- 41%
Germany	£0.4m	£0.3m	- 34%	£0m	- 76%
Holland	£0.3m	£0.2m	+ 4%	£0m	<i>NM</i>
Brazil	£0.6m	£0.4m	+ 45%	£0.1m	- 9%
China India Singapore	£0.5m	£0.4m	- 38%	£0.1m	- 83%
Total	£10.8m	£8.5m	6%	£4.6m	+ 2%
Central Costs				£(3.3)m	- 13%
Operating profit				£1.3m	+ 81%

Revenue



Operating profit



Cash flow

	H1 2012	H1 2013
Operating cash flow	£(0.17)m	£2.35m
Tax paid	£(0.42)m	£(0.37)m
Investment in fixed assets	£(0.12)m	£(0.03)m
Cash flow before financing	£(0.71)m	£1.95m
Share buy backs and dividends less share options exercised	£(0.56)m	£(0.31)m
Net cash flow	£(1.27)m	£1.64m
Cash (no debt)	£2.41m	£5.46m

- High levels of cash
- Modest Capex requirements
- Organic growth strategy
- Returning cash to shareholders
- £1.51m special dividend +
- £0.11m interim dividend

Outlook

Long term growth dependent on take-up of Juicy products and mandates + ability to scale

Juicy products 66% of total and will increase further with 2 new Juicy products

Invited to pitch for significantly more mandates but no new mandate win in H1

UK margins illustrate scale opportunity – core infrastructure has capacity still

On track to meet market profit expectations but as ever limited revenue visibility for the full year