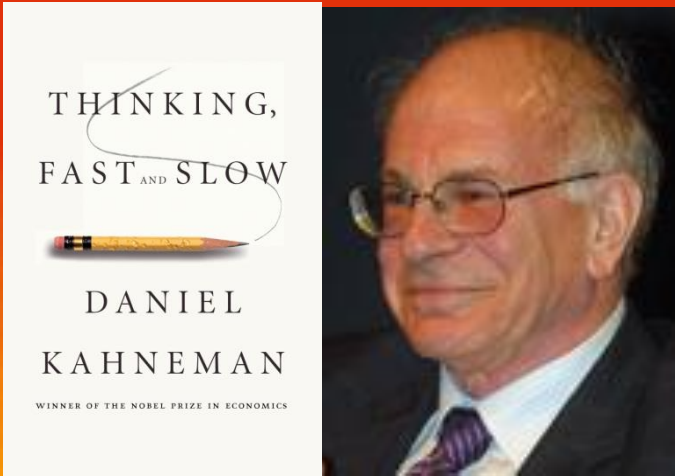


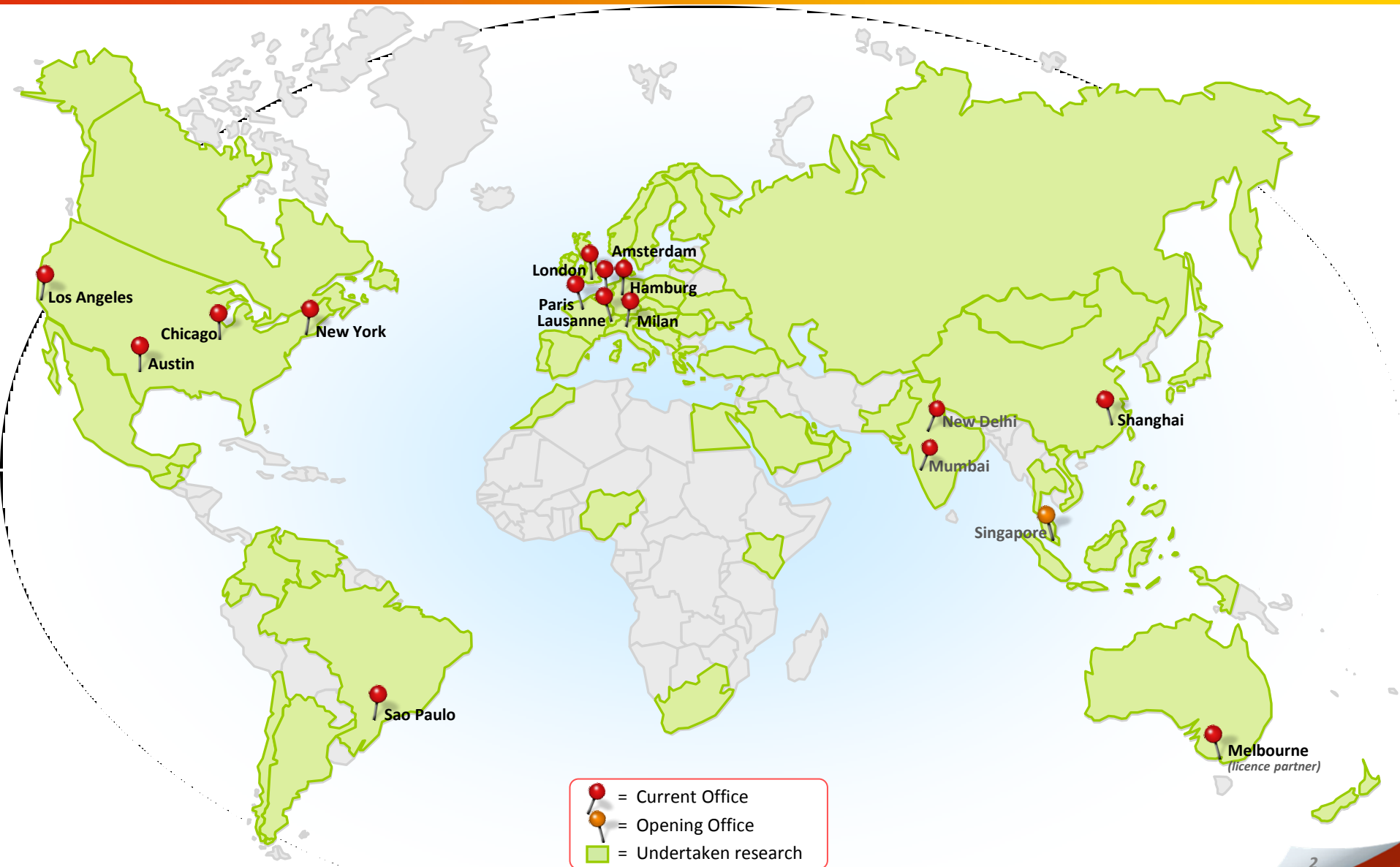


**2012  
Results**



# Offices across the world

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



# 2012 performance

**Until October**, heading for another year of revenue and profit growth

**But:** didn't have as big an end of year as usual

🔥 November revenue down 20% vs 2011

🔥 December revenue down 29% vs 2011

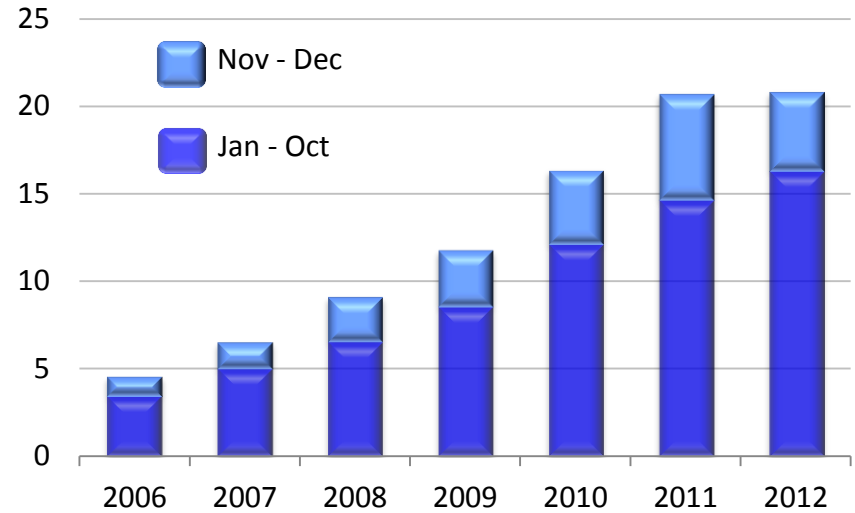
Ended the year with flat revenue

Overheads up 9%, operating profit down 45%

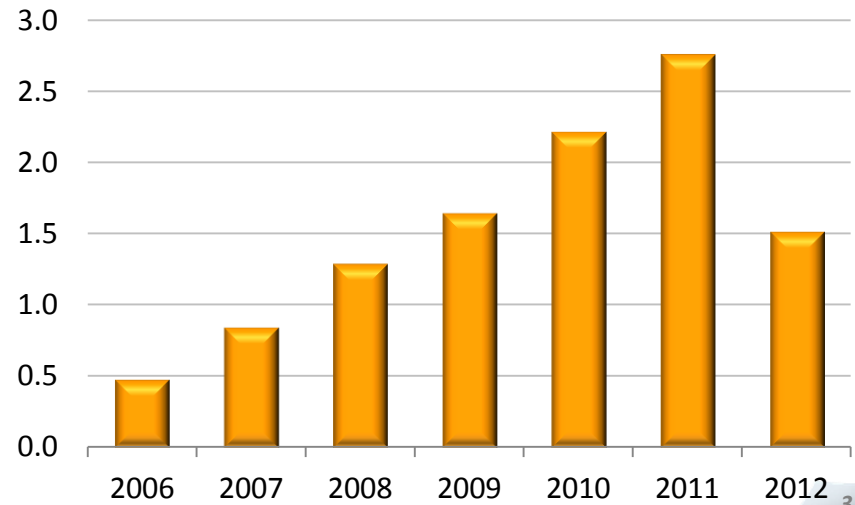
PAT and EPS down similarly to £1.0m and 7.9p respectively

Final dividend maintained – 3% up for the year

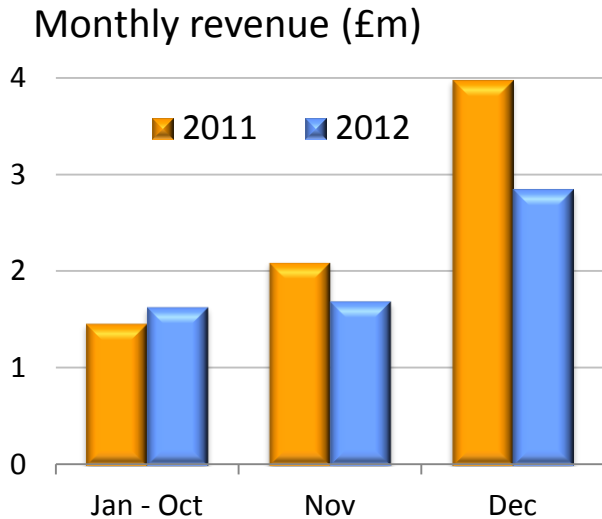
### Revenue (£m)



### Operating Profit (£m)



# Underlying causes



Revenue ~ 0%

+ Overheads up 9%

= Profit **down 45%**

## Clients spent less unused y/e budgets than usual

- 🔥 Prolonged difficult economic backdrop caught up with us

## High operating leverage

- 🔥 Small differences in revenue and cost growth have big impact on profit

## Cost growth out of synch with revenue growth

- 🔥 In part due to limited revenue visibility
- 🔥 In part due to continued investment for long term growth

## Haven't yet won meaningful mandates

- 🔥 As a creative consultancy, scale is hard to achieve without them

# Profit and loss

	<b>Revenue</b>	<b>Gross profit</b>	<b>growth</b>	<b>Operating profit</b>	<b>growth</b>
US	£6.0m	£4.6m	+ 1%	£2.3m	- 14%
UK	£8.0m	£6.1m	- 8%	£3.9m	- 13%
Germany	£1.5m	£1.2m	- 22%	£0.6m	- 38%
Netherlands	£0.6m	£0.5m	- 57%	£(0.1)m	- 129%
Switzerland	£2.5m	£2.0m	+ 15%	£1.3m	+ 15%
China	£1.3m	£1.0m	+ 381%	£0.6m	NM
Brazil	£0.9m	£0.7m	+ 117%	£0.2m	NM
<b>Total</b>	<b>£20.8m</b>	<b>£16.1m</b>	<b>0%</b>	<b>£8.8m</b>	<b>- 6%</b>
Central Costs				£(7.3)m	+ 10%
<b>Operating profit</b>				<b>£1.5m</b>	<b>- 45%</b>

## Cash flow

	2012	2011
Operating cash flow	£1.9m	£2.6m
Tax paid	£(0.8)m	£(0.8m)
Investment in fixed assets	£(0.2)m	£(0.4)m
Cash flow before financing	£0.9m	£1.4m
Share buy back and dividends less share options exercised	£(0.8)m	£(0.5)m
Net cash flow	£0.1m	£0.9m
Cash balance (no debt)	£3.8m	£3.7m

Cash conversion

84%

78%

# Fundamentals unchanged

Long term growth still dependent on:

- 🔥 take up of Juicy products and mandates
- 🔥 ability to scale business

Revenue from Juicy products up 22%

Double digit revenue growth in 11 of top 20 clients, single digit growth in another 2

5 tenders for mandate (or similar) – won 1

Until Q4 underlying metrics positive

	2012	2011	Growth	Q1-Q3 Growth
Revenue	£20.8m	£20.7m	0%	+ 13%
Number of projects	794	859	- 8%	- 2%
Revenue per project	£26,000	£24,000	+ 9%	+ 16%
Revenue from Juicy products	£14.1m	£11.6m	+ 22%	
Number of clients	217	199	+ 9%	
Repeat rate	84%	89%	NA	
Average headcount	148	124	+ 19%	
Revenue per person	£141,000	£167,000	- 16%	
Staff cost per person	£66,000	£70,000	- 6%	

## 2013 outlook

**Reduced headcount in December 2012 to keep 2013 % cost growth to low single digits**

**Continue to invest in new offices in China, Brazil and India**

**Reframing service offerings within behavioural science model**

**Refining and unifying our product portfolio**

**Dedicating senior people to identifying and responding to mandate type opportunities**

**Promising start to 2013 ..... but as always limited revenue visibility for the full year**



# The challenge

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-Optimise-Launch-Track-Revisit in a year” research approach, to a more agile, real time “Do-Learn” mentality

Joan Lewis Global Consumer & Market Knowledge Officer, P&G

# Behavioural model



# Turning human understanding into business advantage



*John Kearon, Chief Juicer*

