

15 October 2012

**YouGov plc**  
**Preliminary results for the Year ended 31 July 2012**  
**Strategy underpins maiden dividend**

<b>Headline Financial Highlights</b>			
	<b>Year to 31 July 2012 £m</b>	<b>Year to 31 July 2011 £m</b>	<b>% change</b>
<b>Revenue</b>	<b>58.1</b>	<b>56.1</b>	<b>4%</b>
<b>Adjusted Operating Profit<sup>1</sup></b>	<b>5.6</b>	<b>5.3</b>	<b>6%</b>
<b>Adjusted Operating Profit Margin (%)</b>	<b>10%</b>	<b>9%</b>	
<b>Adjusted Profit before Tax<sup>1</sup></b>	<b>6.1</b>	<b>5.8</b>	<b>5%</b>
<b>Adjusted Earnings per Share<sup>1</sup></b>	<b>4.9p</b>	<b>4.7p</b>	<b>4%</b>
<b>Dividend per Share</b>	<b>0.5p</b>	<b>-</b>	

**Operational Highlights**

- YouGov continues to increase market share with strong growth in its major markets and in data products and services
- Like-for-like revenue increased by 9%<sup>2</sup>
- Maiden dividend of 0.5p per share to be paid
- US increased revenues by 21% to £19.2m (8% organic growth rate); UK by 15%
- BrandIndex global revenue increased by 39% to £4.4m
- Good progress made in turning around the German business; profit doubled to £0.6m on revenue of £9.4m (2011: £11.3m)
- Middle East regionally generated business grew by 19% partly offsetting the £2m decline from the expected ending of the long-term contract in Iraq
- Nordic revenue up 6% - ahead of market
- New French operation started well: panel has already reached 75,000
- Social Media Analysis (SoMA) product launched
- Strong balance sheet with net cash balances of £7.2m (2011: £9.4m) after making £2.5m of earn-out payments for previous acquisitions
- Current trading in line with the Board's expectations

<b>Reported Financial Highlights</b>		
	<b>Year to 31 July 2012 £m</b>	<b>Year to 31 July 2011 £m</b>
<b>Operating Profit</b>	<b>0.8</b>	<b>0.4</b>
<b>Profit before Tax</b>	<b>0.4</b>	<b>0.4</b>
<b>Earnings per Share</b>	<b>0.4p</b>	<b>0.3p</b>

1. Adjusted operating profit is defined as group operating profit before amortisation of intangibles, impairment charge and exceptional items; In the year to 31 July 2012, amortisation of intangibles was £4.4m (2011: £3.8m) and exceptional costs were £0.5m (2011: £1.1m). Adjusted profit before tax and earnings per share are calculated based on the adjusted operating profit.

2. Like-for-like revenue growth excludes Iraq contract, US business acquired in April 2011 and German businesses closed or disposed of in 2010/11.

Commenting on the results, Stephan Shakespeare, Chief Executive, said:

*"I am pleased to report that we have achieved the objectives we set at the beginning of the year. We have continued to develop and invest in our growing portfolio of data products and services and increase revenue from these. This has helped to drive the momentum in our custom and data businesses, particularly in the US and UK. The focus on profitability under the new management in Germany is delivering planned margin improvements. The launch of the French business has gone well and regionally generated business is growing strongly in the Middle East offsetting the expected end to the large historic contract in Iraq.*

*Innovation remains a key differentiator and the initial customer feedback from recent launches has been very encouraging. YouGov is well placed to continue to outperform the research market both in terms of sales growth and our reputation for new product development: this, combined with our strong balance sheet, underpins our continued investment in the business and the decision to commence the payment of a dividend. Current trading is in line with the Board's expectations although the macro-economic environment especially in Europe remains uncertain"*

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## **Chairman's Statement**

### **Introduction**

In the year ended 31 July 2012, YouGov has performed in line with the Board's expectations and we have continued to invest to develop our business in accordance with the plans we set out at the beginning of the year. Given the continued success of our strategy we are pleased to propose the payment of a maiden dividend which marks a significant milestone in YouGov's corporate history.

### **Results**

The Group's revenue this year of £58.1m was 4% higher than the prior year and 9% higher on a like-for-like basis. While our UK, US and Nordic operations all grew well ahead of the market this was partly offset by the effect of the anticipated completion of the long-term Iraq contract and a deliberate focussing of our German business on winning higher margin work rather than just on sales growth.

The Group's adjusted operating profit of £5.6m increased by £0.3m compared to the year ended 31 July 2011. We believe that this outcome is a creditable achievement as it incorporates the continued investment in the development of new products and expansion into new markets as well as the ending of our long term contract in Iraq. This performance should also be seen in the context of the continuing economic stagnation in Europe and USA and of a global research market which has been relatively static as a result. Our investments continue to bear fruit with the launch of the ground-breaking social media analysis product (SoMA), the start-up in France and the continued growth of the SixthSense reports business. It is especially pleasing to report a significant improvement in the profitability of the German business under the new management appointed at the beginning of the financial year. This year's results also highlight the successful transition of our Middle Eastern business over recent years from reliance on a major contract (that generated over £3m revenue in its last full year) into a regional leader well placed to exploit that market's growing opportunities

Year-end net cash balances were £7.2m compared to £9.4m at 31 July 2011 after expenditure of £2.5m in the year on earn-out payments for previous acquisitions.

### **Payment of Dividend**

As indicated at the interim results, after careful consideration of the Group's expected performance and cash generation capabilities, the Board is recommending the initiation of a dividend payment of 0.5 pence per share. This reflects our belief that our growth strategy will continue to generate cash without requiring significant cash investment. There will be a final dividend in respect of the year ended 31 July 2012, payable in December 2012, subject to the approval of shareholders. The Board intends to adopt a progressive dividend policy. This reflects the relative stage of maturity that the Group has now achieved. It is also consistent with our aim of using our resources to support growth largely through start-ups and new products while making selective investments and acquisitions if the right opportunities arise.

## **Strategy**

With all our operations this year delivering results expected of them, YouGov has now established a solid base for consistent performance in the future. However, we are still a relatively young company for which innovation remains at the heart of the business. We will continue to utilise our key assets of a strong brand, online methodology based on a highly responsive panel and proprietary technology to meet our customers' changing needs.

The Group has continued this year to deliver the growth strategy outlined by Stephan Shakespeare on his appointment as Chief Executive three years ago. One of our stated goals is to increase the proportion of revenue from data products and services over the medium term and bring these closer to parity with custom research. We aim to exploit YouGov's core strengths in online research to create high value research products and services based on our ability to deliver a continuous flow of accurate, real-time information rapidly and in multiple forms. The focus in the coming year will remain on growing revenue from our core product suite across all our existing geographies and bringing to market the new products already developed. We will also continue to explore opportunities to expand our core model geographically as well as to pioneer new ways of providing clients with the valuable insights of our panel-derived data through our products and services.

## **Prospects**

We can see from our own surveys and from media and political commentary that business and consumer confidence remain low in Europe although the Middle Eastern and US markets offer more encouraging growth prospects. Against this challenging backdrop we believe that YouGov will continue to outperform the research market both in terms of sales growth and reputation for innovation. We will continue to invest in products and services in pursuit of our strategy. Current trading is in line with the Board's expectations.

**Roger Parry**  
**Chairman**

15 October 2012

## **Chief Executive's Review**

We are pleased to have delivered another year of revenue and profit growth. Our Group's results for the year reflect our focus on delivering profitable growth as well as the continuing transition to a common YouGov model across all of our geographies. Our US and UK businesses achieved double-digit revenue growth thus further gaining market share as did the locally generated element of our Middle East business. The Nordics operations also grew ahead of the market and the new management team in Germany successfully delivered the profit improvement goals set for them this year.

While our revenue growth was lower in the second half of the year than in the first six months, this was due in part to the ending of the Iraq contract in the first half as well as the re-focusing in Germany on profitable business. However, there was some evidence, notably in the Nordics, of client demand being affected by the continuing economic uncertainties. We have nonetheless continued to win significant business from new clients across all our units including ITV in the UK, Starbucks in USA and Pfizer in the Middle East.

Our planned investment in organic geographic expansion and development of new products is already yielding new products and revenue sources. Our new Social Media analysis tool was beta-launched in May. It is attracting significant interest from media agencies as well as corporate clients and will be marketed fully from the autumn of 2012. SixthSense, our UK-based reports business, continued its expansion with 65% revenue growth. The new French operation which started in November 2011 has grown its panel to over 75,000 and launched French versions of our global BrandIndex and Omnibus products which are selling both to international and local clients.

We have also made good progress in increasing the proportion of revenue from data products and services. This year's new initiatives together with sales of existing products contributed to a 27% growth from this part of our business which now represents 23% of total Group revenue. BrandIndex, our global brand intelligence service, grew by 39% and Omnibus by 22% reflecting its international expansion as well as continuing market leadership in the UK. Custom research revenue across the Group grew by 7% (excluding Iraq) and 1% in headline terms although it still accounts for 77% of our total Group revenue.

YouGov has always valued strong links with the academic community. In September 2011, we set up the YouGov-Cambridge programme with the University of Cambridge to support the academic study of public opinion research on national and transnational issues. In the first year, YouGov-Cambridge has already run three conferences with high profile speakers from business, politics and the media and published several major reports. It is establishing an international reputation as a unique and authoritative research forum as well as providing Cambridge experts with access to panel-based research in support of their studies.

### **Looking ahead**

YouGov has continued to strengthen its foundations while also creating the new products that will serve the market research buyers of the future.

Our interactions with clients indicate that there is a decisive shift of interest among brand-owners and marketers from reliance on information created by traditional market researchers to information created by the consumers themselves. That is why last year we developed (SoMA) as the first product to provide robust social media audience measurement data that covers not only Twitter but also Facebook. This ground breaking product is made all the more powerful when combined with other new YouGov products (some still in beta) including several sector trackers aimed at the investment community, significant enhancements to

BrandIndex, an online data dashboard, and new analytics services. All of these will be fully brought to market in the coming year.

YouGov is also significantly expanding its design of the Profile Data Library (“PDL”) and the technology for accessing it to provide a comprehensive data-base of consumer behaviour, preferences, social attitudes and the most detailed and dynamic media consumption data on offer. Taken together with SoMA, BrandIndex and our trackers, this will offer an aligned suite of products (a dashboard of live methodically layered data-flow) that helps clients to monitor their brands and markets, design campaigns, plan their media execution, and deliver real-time ROI-tracking for within-campaign adaptive improvement.

YouGov’s strategy is, therefore, to make its core offering a systematic marketing data platform that can be used daily by all types of campaigners. YouGov’s strong custom research offering enhances and is enhanced by this syndicated offering. Together, they create a complete solution for marketers in an increasingly fast-changing consumer world where consumer-connectivity and fractured media make traditional, slow market research seem inadequate.

As we have stated previously, we are growing both the custom and the syndicated products sides of our business, but are investing more heavily on the latter to bring the revenues to parity.

We have continued to grow in these difficult times by investing in and enhancing our core offering. We have also continued our programme of geographical expansion based around a simple, repeatable version of our core offering. We believe we are building a company that will be among the global leaders of the future.

## **Review of Operations**

YouGov’s geographical operations vary in terms of their maturity, size and business mix and the market context in which they operate. In general, syndicated data products generate higher margins than custom research once they reach maturity as their data collection and analysis is carried out once but their outputs can be sold to multiple clients. Omnibus is delivered through a highly standardised process so that its delivery cost is lower than for individual ad hoc research projects and its margins are consequently higher.

These factors are reflected in the differing financial and operational performance of our units. In the year under review our UK unit generated the highest operating margin reflecting the well-established brand and the relatively high proportion of revenue from data products and services. Our US business has largely grown through acquisition and although its scale is increasing, it is still at an early stage of development as a single business. It also has a higher proportion of custom research revenue than the UK and has borne some of the cost of investment in new data products. In Germany, the low operating margin is clearly below the norm due to previously inefficient processes and high operating costs although the transformation programme and the increase in proportion of products revenue have begun to improve margins as planned.

## UK

	<b>Year to 31 July 2012 £m</b>	<b>Year to 31 July 2011 £m</b>	<b>% Change</b>
Revenue	<b>15.7</b>	<b>13.7</b>	<b>15%</b>
Adjusted Operating Profit	<b>3.7</b>	<b>3.5</b>	<b>8%</b>
Adjusted Operating Profit Margin (%)	<b>24%</b>	<b>24%</b>	

Our UK business once again achieved significant growth and gained market share with revenue 15% up on the prior year. It also maintained its strong margins at 24%.

This performance was led by the data products and services whose revenue grew by 18% and now accounts for 44% of UK business. BrandIndex continued to win new customers including Superdrug and First Rate and Omnibus grew revenue by 13%. SixthSense maintained its expansion with a 65% revenue growth. It now has over 200 titles covering over 1,000 topic areas.

Custom research grew by 12% overall. As noted at the half year, the UK business benefitted from international clients wishing to take advantage of YouGov's expertise in political, social and reputation research. Although there was continuing budgetary caution among some UK clients, custom revenue generated from the domestic base still grew at 8%, ahead of the market. Our sector teams continued to bring new syndicated products to market to reflect changing market needs such as the Smartphone and Tablet trackers. Their rapid launch also reflects our ability to access early adopters through our panel as well as the general population. Major new clients included Peugeot and ITV while contracts continued with existing clients such as Asda, Argos, Costa Coffee and News International

## USA

	<b>Year to 31 July 2012 £m</b>	<b>Year to 31 July 2011 £m</b>	<b>% Change</b>	<b>% Organic Change</b>
Revenue	<b>19.2</b>	<b>15.9</b>	<b>21%</b>	<b>8%</b>
Adjusted Operating Profit	<b>2.7</b>	<b>1.9</b>	<b>40%</b>	<b>40%</b>
Adjusted Operating Profit Margin (%)	<b>14%</b>	<b>12%</b>		

In the US, revenue grew in total by 21% and organically by 8% (excluding Definitive Insights, acquired in April 2011). The businesses acquired in 2011 and 2010 contributed combined revenue of £11.4m.

The US data products business continued to perform strongly delivering overall growth of 79% with BrandIndex growing by 75% and the new Hospital Index product doubling its revenue. New clients for BrandIndex in the year included Bank of America and Subway.

Our US custom business which now has a significant base of corporate clients (including Activision, Coca Cola, Microsoft and Panasonic) and particular strength in the technology sector grew its revenue by 16%. The integration of client-facing activities under one brand has progressed well. Synergy benefits have also begun to be released in the back office with the

migration of the Harrison IT platform to one of YouGov's global data centres. Doug Harrison, the founder and CEO of Harrison Group has been appointed as CEO of YouGov America to take forward the next stage of the integration of our offices in Portland OR., Waterbury CT. and Lawrenceville, N.J. following the completion of the earn-out periods of the acquired businesses. He will be harnessing the strengths of the combined team going to market under the single YouGov brand so as to extend further our corporate research base in the USA. We also plan to launch a full Omnibus service there in the coming year in line with our strategy of implanting our core model across all our key markets.

## **Middle East**

	<b>Year to 31 July 2012 £m</b>	<b>Year to 31 July 2011 £m</b>	<b>% Change</b>	<b>% Change Local Only</b>
Revenue	<b>6.0</b>	<b>7.5</b>	<b>(20%)</b>	<b>19%</b>
Adjusted Operating Profit	<b>1.3</b>	<b>1.9</b>	<b>(31%)</b>	<b>112%</b>
Adjusted Operating Profit Margin (%)	<b>22%</b>	<b>25%</b>		

This year our Middle East business again delivered strong growth in revenue and profits from regionally generated business while the long-term contract in Iraq as expected, reached completion in December. The regional business operates from offices in Dubai and Saudi Arabia and our panel which now covers 21 countries in the Middle East and North Africa is regarded as the regional leader in terms of quality. Its revenue rose by 19% to £4.9m while the Iraq long-term contract contributed only £1.1m compared to £3.4m in the prior year. We continued the planned expansion in online data services which grew by 38% while the custom business also grew market share with a revenue increase of 16%. Major clients include Pepsico, Saudi Telecom and Johnson & Johnson. In line with the YouGov model of media engagement, we have continued the partnership with Al-Aan TV to provide surveys for their pan-regional Arab language channels. New clients in FY12 include economic development agencies in Dubai and Abu Dhabi. The changing political landscape across the region means we have seen significant interest, particularly from international organisations, in understanding the views and perceptions of populations affected by the Arab Spring. The advantages of online research over traditional research methodologies are reinforced, given the potentially sensitive nature of this type of research in post conflict countries.

## **Germany**

	<b>Year to 31 July 2012 £m</b>	<b>Year to 31 July 2011 £m</b>	<b>% Change</b>	<b>% Change Continuing businesses</b>
Revenue	<b>9.4</b>	<b>11.3</b>	<b>(17)%</b>	<b>1%</b>
Adjusted Operating Profit	<b>0.6</b>	<b>0.3</b>	<b>130%</b>	
Adjusted Operating Profit Margin (%)	<b>7%</b>	<b>2%</b>		

Good progress was made in turning around our German business under the leadership of the new CEO, appointed at the beginning of the year with profits doubling as a result. The reported revenue reflected the disposal and closure respectively of two non-core parts of the business in the prior year. The focus was maintained on profitability rather than revenue and on ensuring that the business is more closely aligned with YouGov's core model. Further savings were achieved in staff numbers and costs and progress was made in the introduction of more efficient business processes. As a result of this programme, the operating margin trebled on an overall revenue increase for the continuing businesses of 4% in local currency



terms and 1% in £ terms. The mix of revenue continued also to shift towards data products and services as these rose by 34% while the revenue from custom research fell by 4%. Major clients in the year included Vodafone, ERGO and Zalando as well as many of the leading German regional savings and mutual banks.

## **Nordic**

	<b>Year to 31 July 2012 £m</b>	<b>Year to 31 July 2011 £m</b>	<b>% Change</b>
Revenue	<b>8.8</b>	<b>8.3</b>	<b>6%</b>
Adjusted Operating Profit/(Loss)	<b>0.8</b>	<b>0.6</b>	<b>23%</b>
Adjusted Operating Profit Margin (%)	<b>9%</b>	<b>7%</b>	

Our Nordic business achieved another year of solid performance with revenue growth of 6% which was above that of the market and a 23% improvement in operating profit. This was due in large part to an improvement in gross margins with a higher proportion of local work conducted using our own panel, which is one of the strongest in the Nordic region. However, performance was mixed between the three main countries in which we operate. Revenue generated in Denmark, the largest unit which accounts for some 50% of the total, grew by 11% and Norway by 14%. In Sweden, after two years of good growth, the revenue was static due partly to challenging conditions in the market. New clients in the year included Swiss Post, Pandora and Nordic Sugar.

**Stephan Shakespeare**  
**Chief Executive Officer**  
 15 October 2012

## **Financial Performance**

### **Income Statement Review**

Group turnover for the year to 31 July 2012 of £58.1m was 4% higher than the prior year and 9% on an underlying basis, excluding the effect of acquisitions, disposals and the completion of the Iraqi contract. The highest growth was in the UK at 15%, the US grew at 8% organically and 21% in total including the effect of the acquisitions made last year. Nordic revenue grew by 6% and Germany by 1% in underlying terms (excluding businesses disposed or closed in the prior year). In the Middle East, local business revenue grew by 19% although total revenue declined by 20% due to the ending of the Iraqi contract during the year.

The Group's gross profit (after deducting costs of panel incentives and external data collection) increased by £2.5m to £44.7m and the gross margin rose by 2% points to 77% from 75%. This is due largely to an increase in the proportion of on-line data collection which incurs lower costs than other methods.

Operating expenses (excluding amortisation and exceptional items) of £39.2m were £2.2m higher than last year, a total increase of 6%. The operating expense ratio rose to 67% compared to 66% in the prior year reflecting the investments in staff made during the year to support continued growth in existing business areas as well as new business initiatives.

The average number of staff (full-time equivalents) employed during the year increased to 482 from 476 in the previous year. The net average growth of 6 staff reflected the addition of 31 heads primarily in the UK & US offset by a reduction of 25 in Germany resulting from the restructuring in that region. Average revenue per head increased to £121k from £118k in the previous year.

Adjusted group operating profit increased by 6% to £5.6m compared to £5.3m in the previous year. Adjusted profit before taxation, which includes net interest income, rose by £0.3m to £6.1m. Adjusted earnings per share<sup>1</sup> for the year rose by 0.2p to 4.9p. The reported profit before taxation (after charging amortisation and exceptional items of £4.8m) was £0.4m, the same as in the year ended 31 July 2011.

### **Amortisation of Intangible Assets and Impairment**

Amortisation charges for intangible assets totalled £4.4m (2011: £3.8m) in the year of which £2.0m (2010: £2.3m) related to acquired assets and £1.2m (2011: £0.8m) to those created through the Group's own internal development activities.

### **Exceptional Items**

Exceptional costs of £0.5m (2011: £1.1m) were incurred in the year. £0.6m related to restructuring costs incurred mainly in Germany and in the closure of operations in Iraq and £0.2m to redundancies. These costs were offset by a credit of £0.4m reflecting the net effect of adjustments to the estimated contingent consideration payable in respect of the acquisitions of Harrison and Definitive Insights which were made in the year ended 31 July 2011.

## Analysis of Operating Profit and Earnings per Share:

	31 July 2012 £'000	31 July 2011 £'000
Group operating profit before amortisation of intangibles, impairment & exceptional costs	5,585	5,269
Share-based payments	641	337
Imputed interest	150	202
Net finance (cost)/income	(240)	58
Share of post-tax loss in associates	(83)	(32)
Adjusted profit before tax	6,053	5,834
Adjusted profit after tax	4,663	4,459
Adjusted earnings per share (pence)	4.9	4.7

1. Adjusted earnings per share is calculated based on the post-tax result derived from the adjusted profit before tax.

## Cash flow

The Group generated £4.9m in cash from operations (before paying interest and tax) (2011: £5.6m) and paid out £5.9m in investing and financing activities (2011: £11.0m). £3.3m of this (2011: £2.7m) related to capital expenditure on tangible and intangible assets and £2.6m (2011: £8.1m) to acquisitions including deferred consideration.

## Taxation

The Group had a tax charge of £0.1m (2011: £nil) on a reported basis, the current tax charge of £0.4m (2011: £0.2m) being partly offset by a deferred tax credit of £0.3m (2011: £0.2m). On an adjusted basis, the tax charge was £1.4m (2011: £1.4m) which represents an implied tax rate of 23% on the adjusted profit before tax and was 1% point lower than the prior year.

## Balance Sheet

Total shareholders' funds increased to £55.9m from £55.8m at 31 July 2011 and total net assets increased to £56.0m compared to £55.9m at 31 July 2011. Net cash balances fell by £2.2m to £7.2m from £9.4m as at 31 July 2011 due largely to the cash expenditure on deferred consideration in respect of the US acquisitions made last year. Net current assets increased to £10.3m from £10.0m. Debtor days increased to 63 from 61. Current liabilities increased by £0.5m to £16.9m from £16.4m. Creditor days increased slightly to 35 days from 32 days in 2011.

## Panel development

Panel numbers have grown across all hubs in the current financial year to support the continually increasing levels of online survey activity as well as geographic expansion.

As at 31 July 2012, the Group's online panels comprised a total of 3,310,700 panellists (defined as the number of panel registrations), an increase of 15% over the total of 2,867,100 as at 31 July 2011. The panel sizes by region were:

<b>Region</b>	<b>Panel Size at 31 July 2012</b>	<b>Panel Size at 31 July 2011</b>
UK	432,400	405,800
Middle East	426,500	351,700
Germany	195,600	152,800
Nordic	191,300	162,800
USA	1,989,000	1,768,200
France	75,600	25,800
<b>Total</b>	<b>3,310,700</b>	<b>2,867,100</b>

### **Corporate Development Activities**

As anticipated, a further payment of \$3.6m (£2.2m) was made during the year in respect of the acquisition of Harrison Group which brings the total payments to date to \$12.6m (£7.8m). A further tranche of deferred consideration of \$1.7m (£1.1m) will be payable in 2013. The final total consideration is now estimated to be \$0.7m (£0.4m) less than was provided for in the balance sheet as at 31 July 2011 so in accordance with IFRS 3 a corresponding credit has been recognised as an exceptional item.

A further payment of \$0.2m (£0.1m) was also made in respect of the acquisition of Definitive Insights ("DI") bringing the total consideration to date to \$1.2m (£0.7m). Additional payments, contingent upon the average EBITDA of DI for the two years ending 31 January 2013 and EBITDA growth in the year ending 31 January 2013 will be payable in three instalments between 2013 and 2015. These are estimated to be \$1.5m (£0.9m) in total. This is \$0.1m (£0.1m) more than anticipated as at 31 July 2011 and a corresponding charge has been recognised as an exceptional item.

On 18 April 2012, the Group invested £0.1m in return for an additional 5% stake in CoEditor Limited thereby increasing its shareholding to 30%. This was as planned under the shareholder agreement with the majority shareholder, Doughty Media 2 (which is 50% owned by Stephan Shakespeare). CoEditor has developed software in the field of news and content aggregation which will be provided exclusively to YouGov for the purpose of providing dedicated content and activities for members of YouGov's online panels. CoEditor's main business objective is to exploit its intellectual property rights in markets and activities outside market research. YouGov also has options to acquire additional shares, which will enable it to benefit from increases in CoEditor's equity value resulting from its business development

### **Proposed Dividend**

The Board is recommending the payment of a final dividend of 0.5 pence per share for the year ended 31 July 2012. If shareholders approve this payment at the AGM, it will be paid on 17 December 2012 to all shareholders who were on the Register of Members at close of business on 7 December 2012.

## **Publication of Non-Statutory Accounts**

The financial information relating to the year ended 31 July 2012 set out below does not constitute the Group's statutory accounts for that year but has been extracted from the statutory accounts, which received an unqualified auditors' report and which have not yet been filed with the Registrar of Companies.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

For the year ended 31 July 2012

	Note	<b>2012</b> <b>£'000</b>	2011 £'000
<b>Revenue</b>	1	<b>58,145</b>	56,142
Cost of sales		<b>(13,399)</b>	(13,918)
<b>Gross profit</b>		<b>44,746</b>	42,224
Operating expenses*		<b>(39,161)</b>	(36,955)
<b>Adjusted operating profit before amortisation of intangible assets and exceptional items</b>	1	<b>5,585</b>	5,269
Amortisation of intangibles		<b>(4,350)</b>	(3,755)
Exceptional items	2	<b>(472)</b>	(1,129)
<b>Operating profit</b>		<b>763</b>	385
Finance income		<b>94</b>	277
Finance costs		<b>(334)</b>	(219)
Share of post-tax loss in joint ventures and associates		<b>(83)</b>	(32)
<b>Profit before taxation</b>	1	<b>440</b>	411
Tax charge	3	<b>(79)</b>	(8)
<b>Profit after taxation</b>	1	<b>361</b>	403
Attributable to:			
Owners of the parent		<b>333</b>	286
Non-controlling interests		<b>28</b>	117
		<b>361</b>	403
<b>Earnings per share</b>			
Basic earnings per share attributable to owners of the parent	5	<b>0.4</b>	0.3
Diluted earnings per share attributable to owners of the parent	5	<b>0.3</b>	0.3

\* Total 2012 operating expenses including amortisation of intangibles and the items detailed in note 2 are £43.983m (2011: £41.839m).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 July 2012

	2012 £'000	2011 £'000
Profit for the year	361	403
<b>Other comprehensive income/(loss):</b>		
Currency translation differences	(973)	(1,237)
Purchase of non-controlling interest in subsidiary	-	1,691
<b>Other comprehensive (loss)/income for the year</b>	<b>(973)</b>	<b>454</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(612)</b>	<b>857</b>
Attributable to:		
-Owners of the parent	(635)	940
-Non-controlling interests	23	(83)
<b>Total comprehensive (loss)/income for the year</b>	<b>(612)</b>	<b>857</b>

Items in the statement above are disclosed net of tax

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 31 July 2012

	Note	31 July 2012 £'000	31 July 2011 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	7	36,239	37,795
Other intangible assets	8	8,544	11,427
Property, plant and equipment	9	2,310	2,338
Investments in joint ventures and associates		485	468
Deferred tax assets		2,204	1,939
<b>Total non-current assets</b>		<b>49,782</b>	<b>53,967</b>
<b>Current assets</b>			
Trade and other receivables	10	19,231	16,933
Current tax assets		442	-
Cash and cash equivalents		7,477	9,400
<b>Total current assets</b>		<b>27,150</b>	<b>26,333</b>
<b>Total assets</b>		<b>76,932</b>	<b>80,300</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		12,453	11,602
Provisions for other liabilities and charges		2,150	1,437
Borrowings		327	-
Current tax liabilities		42	487
Contingent consideration	11	1,906	2,838
<b>Total current liabilities</b>		<b>16,878</b>	<b>16,364</b>
<b>Net current assets</b>		<b>10,272</b>	<b>9,969</b>
<b>Non-current liabilities</b>			
Trade and other payables		23	-
Provisions for other liabilities and charges		800	1,605
Contingent consideration	11	453	2,826
Deferred tax liabilities		2,774	3,611
<b>Total non-current liabilities</b>		<b>4,050</b>	<b>8,042</b>
<b>Total liabilities</b>		<b>20,928</b>	<b>24,406</b>
<b>Net assets</b>		<b>56,004</b>	<b>55,894</b>
<b>Equity</b>			
Issued share capital		195	195
Share premium		30,947	30,947
Merger reserve		9,239	9,239
Foreign exchange reserve		7,792	8,760
Retained earnings		7,776	6,658
<b>Total shareholders' funds</b>		<b>55,949</b>	<b>55,799</b>
Non-controlling interests in equity		55	95
<b>Total equity</b>		<b>56,004</b>	<b>55,894</b>

The financial information on pages 14 to 32 was authorised for issue by the Board of Directors on 15 October 2012.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 July 2012

	Attributable to equity holders of the Company					Non-Controlling interest £'000	Total £'000
	Share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained Earnings £'000		
<b>Balance at 1 August 2010</b>	<b>194</b>	<b>30,822</b>	<b>9,239</b>	<b>9,797</b>	<b>5,151</b>	<b>3,999</b>	<b>59,202</b>
<b>Changes in equity for 2011</b>							
Exchange differences on translating foreign operations	-	-	-	(1,037)	-	(200)	(1,237)
Purchase of non-controlling interest in subsidiary	-	-	-	-	1,691	-	1,691
<b>Net income/(loss) recognised directly in equity</b>	-	-	-	(1,037)	1,691	(200)	454
Profit for the year	-	-	-	-	286	117	403
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	(1,037)	1,977	(83)	857
Purchase of treasury shares	-	-	-	-	(807)	-	(807)
Issue of share capital through allotment of shares in satisfaction of purchase of non-controlling interest	1	125	-	-	-	-	126
Purchase of non-controlling interest in subsidiary	-	-	-	-	-	(3,821)	(3,821)
Share-based payments	-	-	-	-	337	-	337
<b>Balance at 31 July 2011</b>	<b>195</b>	<b>30,947</b>	<b>9,239</b>	<b>8,760</b>	<b>6,658</b>	<b>95</b>	<b>55,894</b>
<b>Changes in equity for 2012</b>							
Exchange differences on translating foreign operations	-	-	-	(968)	-	(5)	(973)
<b>Net loss recognised directly in equity</b>	-	-	-	(968)	-	(5)	(973)
Profit for the year	-	-	-	-	333	28	361
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	(968)	333	23	(612)
Dividends paid to non-controlling interests	-	-	-	-	-	(63)	(63)
Share-based payments	-	-	-	-	785	-	785
<b>Balance at 31 July 2012</b>	<b>195</b>	<b>30,947</b>	<b>9,239</b>	<b>7,792</b>	<b>7,776</b>	<b>55</b>	<b>56,004</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended 31 July 2012

	2012 £'000	2011 £'000
<b>Cash flows from operating activities</b>		
Profit before taxation	440	411
Adjustments for:		
Finance income	(94)	(277)
Finance costs	334	219
Share of post-tax loss in joint ventures and associates	83	32
Amortisation of intangibles	4,350	3,755
Depreciation	593	745
Loss on disposal of property, plant and equipment and other intangible assets	135	74
Loss on disposal of goodwill and other investments	-	159
Other non-cash profit items	230	337
Increase in trade and other receivables	(1,890)	(1,855)
Increase in trade and other payables	775	2,626
Decrease in provisions	(67)	(599)
<b>Cash generated from operations</b>	<b>4,889</b>	<b>5,627</b>
Interest paid	(22)	(17)
Income taxes paid	(1,295)	(639)
<b>Net cash generated from operating activities</b>	<b>3,572</b>	<b>4,971</b>
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries (net of cash acquired)	-	(2,973)
Acquisition of non-controlling interest shareholdings	-	(2,570)
Acquisition of non-controlling interest in related party	(100)	(500)
Settlement of contingent considerations	(2,513)	(2,075)
Proceeds from sale of property plant and equipment	-	9
Purchase of property, plant and equipment	(624)	(574)
Purchase of intangible assets	(2,703)	(2,107)
Proceeds from sale of interest in subsidiary	-	486
Interest received	78	133
Dividends received	10	-
<b>Net cash used in investing activities</b>	<b>(5,852)</b>	<b>(10,171)</b>
<b>Cash flows from financing activities</b>		
Purchase of own shares	-	(807)
Proceeds from the issue of shares	1	-
Proceeds from borrowings	33	-
Repayment of borrowings	(5)	(4)
Dividends paid to non-controlling interests	(63)	-
<b>Net cash used in financing activities</b>	<b>(34)</b>	<b>(811)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,314)</b>	<b>(6,011)</b>
Cash and cash equivalents at beginning of year	9,400	15,634
Exchange gain/(loss) on cash and cash equivalents	64	(223)
<b>Cash and cash equivalents at end of year</b>	<b>7,150</b>	<b>9,400</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 July 2012

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**Nature of operations**

YouGov plc and subsidiaries' ('the Group') principal activity is the provision of market research.

YouGov plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of YouGov plc's registered office is 50 Featherstone Street, London, EC1Y 8RT United Kingdom. YouGov plc's shares are listed on the Alternative Investment Market of the London Stock Exchange.

YouGov plc's annual consolidated financial statements are presented in UK Sterling, which is also the functional currency of the parent company.

**Basis of preparation**

The consolidated financial statements of YouGov plc are for the year ended 31 July 2012. They have been prepared under the historical cost convention modified for fair values under IFRS. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), International Financial Reporting Interpretations Committee (IFRIC) Interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

1 REVENUE AND PROFIT BEFORE TAXATION

Segmental Analysis

For internal reporting purposes the Group is organised into six operating divisions based on geographic lines – UK, Middle East, Germany, Nordic, USA and France. These divisions are the basis on which the Group reports its segmental information. The Group only undertakes one class of business, that of market research.

	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	USA £'000	France £'000	Consolidation and unallocated £'000	Group £'000
<b>2012 Revenue</b>								
External sales	15,543	5,827	9,067	8,710	18,965	33	-	58,145
Inter-segment sales	176	172	330	101	224	122	(1,125)	-
Total revenue	15,719	5,999	9,397	8,811	19,189	155	(1,125)	58,145
Inter-segment sales are priced on an arm's length basis that would be available to unrelated third parties.								
<b>Segment result</b>								
Gross profit	11,511	4,459	7,290	7,016	14,435	136	(101)	44,746
Adjusted operating profit	3,719	1,312	647	767	2,675	(173)	(3,362)	5,585
Amortisation of intangibles	(287)	(93)	(203)	(552)	(1,777)	-	(1,438)	(4,350)
Exceptional costs	(146)	(283)	(357)	-	378	-	(64)	(472)
Finance income								94
Finance costs								(334)
Share of results of joint ventures and associates								(83)
Profit before taxation								440
Tax charge								(79)
Profit after taxation								361
<b>Other segment information</b>								
Depreciation	98	108	47	41	102	-	197	593
Share-based payments	-	-	-	-	-	-	641	641
<b>Assets</b>								
Segment assets	23,069	8,275	14,763	12,788	29,424	256	(12,128)	76,447
Investments in associates								485
Total assets								76,932

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

							Consolidation and unallocated	Group
	UK	Middle	Germany	Nordic	USA	France	£'000	£'000
	£'000	East	£'000	£'000	£'000	£'000		
		£'000						
<b>2011</b>								
<b>Revenue</b>								
External sales	13,348	7,423	11,348	8,213	15,810	-	-	56,142
Inter-segment sales	342	111	-	75	100	-	(628)	-
Total revenue	13,690	7,534	11,348	8,288	15,910	-	(628)	56,142
Inter-segment sales are priced on an arm's length basis that would be available to unrelated third parties.								
<b>Segment result</b>								
Gross profit	10,343	4,993	8,504	6,453	11,737	-	194	42,224
Adjusted operating profit	3,458	1,891	281	625	1,906	-	(2,892)	5,269
Amortisation of intangibles	(218)	(114)	(121)	(111)	(652)	-	(2,539)	(3,755)
Exceptional costs	(421)	-	303	-	(74)	-	(937)	(1,129)
Finance income								277
Finance costs								(219)
Share of results of joint ventures and associates								(32)
Profit before taxation								411
Tax charge								(8)
Profit after taxation								403
<b>Other segment information</b>								
Depreciation	111	173	175	36	50	-	200	745
Share-based payments	-	-	-	-	104	-	233	337
<b>Assets</b>								
Segment assets	8,890	9,276	16,240	14,198	35,630	-	(4,402)	79,832
Investments in associates								468
Total assets								80,300

Management has determined the operating segments based on the reports reviewed by the Executive directors (which is the "chief operating decision maker"). The board of directors review information based on geographic lines – UK, Middle East, Germany, Nordic and North America. These divisions are the basis on which the group reports its segmental information. The group only undertakes one class of business, that of market research.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

Differences between the origin and destination of revenue are material to the Group. Revenue by destination is presented below.

	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	North America £'000	France £'000	Consolidation and unallocated £'000	Group £'000
<b>2012 Revenue by destination</b>								
External sales	16,482	4,100	8,920	8,750	19,750	143	-	58,145
Inter-segment sales	900	194	330	208	410	8	(2,050)	-
Total revenue	17,382	4,294	9,250	8,958	20,160	151	(2,050)	58,145

Inter-segment sales are priced on an arm's length basis that would be available to unrelated third parties.

	UK £'000	Middle East £'000	Germany £'000	Nordic £'000	North America £'000	France £'000	Consolidation and unallocated £'000	Group £'000
<b>2011 Revenue by destination</b>								
External sales	16,418	3,178	12,171	8,224	16,151	-	-	56,142
Inter-segment sales	517	422	333	154	137	-	(1,563)	-
Total revenue	16,935	3,600	12,504	8,378	16,288	-	(1,563)	56,142

Inter-segment sales are priced on an arm's length basis that would be available to unrelated third parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

**2 EXCEPTIONAL COSTS**

	<b>2012</b>	2011
	<b>£'000</b>	£'000
Restructuring costs	<b>644</b>	338
Acquisition related costs	<b>132</b>	544
Change in accounting estimation – contingent consideration	<b>(355)</b>	-
Adjustment to Harrison Group's acquired balance sheet	<b>(117)</b>	-
Employment termination	<b>168</b>	
Investment write offs	-	168
Loss on disposal of subsidiary	-	200
Provision for YouGov Stone put option	-	(121)
	<b>472</b>	1,129

Restructuring costs in the year primarily relate to the closing of the company's operations in Iraq and further rationalisation activity in Germany. Restructuring costs in the prior year arose due to the termination of operations of certain divisions within the German business.

Acquisition related costs in the year include £87,000 of contingent consideration in respect of the acquisition of Definitive Insights deemed under IFRS 3, to be staff compensation costs and £45,000 of professional fees in respect of acquisitions in the prior year and abortive joint-ventures. Acquisition costs in the prior financial year comprise professional fees incurred relating to the acquisition of Harrison Group and Definitive Insights including £348,000 of deemed staff compensation costs.

The change in estimated contingent consideration comprises a credit of £434,000 in respect of the Harrison Group acquisition and a charge of £79,000 in respect of the Definitive Insights acquisition.

During the year the fair value of the Harrison Group assets acquired was increased by £117,000, as the allowable period of time for finalising the valuation under IFRS3 had ended, this adjustment has been treated as an exceptional item.

Employment termination costs relate to redundancies made in the UK and the Middle East.

A number of investments in joint ventures were written off during the prior financial year, as they no longer traded or the Group no longer had an equity interest in them.

On 30 December 2010, YouGov disposed, through a management buy-out, of Great Place to Work Deutschland GmbH, a wholly owned subsidiary of YouGovPsychonomics AG. The net sale consideration for the shares in GPW Germany was approximately £530,000 payable in cash. At the date of disposal, GPW's net assets were £30,000. Management have apportioned £700,000 of the goodwill pertaining to the acquisition of the Psychonomics Group in 2007 to GPW. As such a loss of £200,000 has been recognised in the prior financial year within exceptional items line of the income statement to reflect this disposal.

According to the terms of the shareholders' agreement for YouGovStone Limited, Carole Stone was entitled to require YouGov plc to purchase some or all of her shareholding of the 49 'B' class shares. The value of this option as at 31 July 2010 was estimated to be £965,000. During the year ended 31 July 2011, an agreement was reached for the purchase of the "B" shares which resulted in a credit being taken in the prior financial year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

### 3 INCOME TAXES

The taxation charge represents:

	31 July 2012 £'000	31 July 2011 £'000
Current tax on profits for the year	400	297
Adjustments in respect of prior years	-	(58)
<b>Total current tax charge</b>	<b>400</b>	<b>239</b>
Deferred tax:		
Origination and reversal of temporary differences	(498)	(293)
Adjustments in respect of prior years	61	-
Impact of changes in tax rates	116	62
<b>Total deferred tax charge/(credit)</b>	<b>(321)</b>	<b>(231)</b>
<b>Total income statement tax charge</b>	<b>79</b>	<b>8</b>

The tax assessed for the year is higher (2011: lower) than the standard rate of corporation tax in the UK.

The differences are explained below:

	2012 £'000	2011 £'000
Profit before taxation	440	411
Tax charge calculated at Group's standard rate of 25.3% (2010: 27.3%)	(111)	(112)
Variance in overseas tax rates	286	354
Impact of changes in tax rates	(116)	(62)
Gains not subject to tax	109	-
Expenses not deductible for tax purposes	(44)	(247)
Tax losses for which no deferred income tax asset was recognised	(121)	-
Adjustment in respect of prior years	(61)	58
Associates results reported net of tax	(21)	1
<b>Total income statement tax charge for the year</b>	<b>(79)</b>	<b>(8)</b>

In addition to the changes in rates of Corporation tax reflected above, further changes were announced in the March 2012 UK Budget Statement including a reduction in the main rate of corporation tax from 23% to 22% from 1 April 2014. As this change had not been substantively enacted at the balance sheet date the impact of this change is not included in these financial statements.

The effect of the proposed reduction of 1% in the corporation tax rate from 1 April 2014 would be to reduce the deferred tax asset provided at the balance sheet date by £46,000 and the liability by £5,000 with a net decrease in profit and total comprehensive income of £41,000.

### 4 DIVIDEND

No dividend was paid during the current or previous financial years. A dividend of 0.5p per share in respect of the year ended 31 July 2012, amounting to a total dividend of £476,000 is to be proposed at the annual general meeting on 12 December 2012. These financial statements do not reflect this proposed dividend payable.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

5 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. Shares held in employee share trusts are treated as cancelled for the purposes of this calculation.

The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post-tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares.

The adjusted earnings per share has been calculated to reflect the underlying profitability of the business by excluding the amortisation of intangible assets, share-based payments, imputed interest, impairment charges, exceptional items and any related tax effects.

	2012 £'000	2011 £'000
<b>Profit after taxation attributable to equity holders of the parent company</b>	<b>333</b>	286
Add: amortisation of intangible assets	4,350	3,755
Add: share-based payments	641	337
Add: imputed interest	150	202
Add: exceptional costs	472	1,129
Tax effect of the above adjustments	(1,283)	(1,250)
<b>Adjusted profit after taxation</b>	<b>4,663</b>	4,459

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	2012	2011
<b>Number of shares</b>		
Weighted average number of shares during the period: ('000 shares)		
- Basic	95,141	95,114
- Dilutive effect of share options	5,956	3,319
- Diluted	101,097	98,433

The adjustments have the following effect:

<b>Basic profit per share (in pence)</b>	<b>0.4</b>	0.3
Amortisation of intangible assets (in pence)	4.6	4.0
Share-based payments (in pence)	0.6	0.3
Imputed interest (in pence)	0.2	0.2
Exceptional costs and impairments (in pence)	0.5	1.2
Tax effect of the above adjustments (in pence)	(1.4)	(1.3)
<b>Adjusted earnings per share (in pence)</b>	<b>4.9</b>	4.7
<b>Diluted profit per share (in pence)</b>	<b>0.3</b>	0.3
Amortisation of intangible assets (in pence)	4.3	3.8
Share-based payments (in pence)	0.6	0.3
Imputed interest (in pence)	0.1	0.2
Exceptional costs and impairment (in pence)	0.5	1.2
Tax effect of the above adjustments (in pence)	(1.2)	(1.3)
<b>Adjusted diluted earnings per share (in pence)</b>	<b>4.6</b>	4.5

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

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### 6 BUSINESS COMBINATIONS AND DISPOSALS

On 18 April 2012, the Group invested £0.1m in return for an additional 5% stake in CoEditor Limited increasing its shareholding to 30%, the majority shareholder is Doughty Media 2 (50% owned by Stephan Shakespeare). CoEditor has developed software in the field of news and content aggregation which will be provided exclusively to YouGov for the purpose of providing dedicated content and activities for members of YouGov's online panels. YouGov also has options to acquire additional shares, which will enable it to benefit from increases in CoEditor's equity value resulting from its business development. In the previous year, the Group had invested £0.5m for a 25% stake in CoEditor Limited.

In the previous financial year the following business combinations and disposals also occurred.

#### a) Acquisition of Harrison Group

The acquisition of Harrison Group, one of the USA's leading market and strategic research firms was completed on 16 August 2010. The basic purchase consideration payable is six times the EBITDA achieved by Harrison in the year ended 31 December 2010 of \$2.4m (£1.5m) amounting to \$14.3m (£9.1m). \$6.0m (£3.8m) of this was paid on completion, further payments of \$3.0m (£1.8m) and \$3.6m (£2.2m) were paid in April 2011 and May 2012 respectively. The remaining balance of \$1.7m (£1.1m) will be payable in 2013. An additional payment of up to \$1.2m (£0.8m), which was originally anticipated to be \$0.8m (£0.5m), will be payable in 2013 contingent upon EBITDA growth targets being achieved in the calendar years 2011 and 2012.

This additional payment is now expected to be less than \$0.1m (£0.1m). As a result the amount of contingent consideration payable has been reduced by £0.4m with a corresponding credit recognised as an exceptional item.

#### b) Disposal of Great Place to Work Deutschland GmbH ("GPW Germany")

On 30 December 2010, YouGov disposed, through a management buy-out, of Great Place to Work Deutschland GmbH, a wholly owned subsidiary of YouGovPsychonomics AG. The net purchase consideration for the shares in GPW Germany was £0.5m payable in cash, in two tranches, £0.3m at 30 December 2010 and the remainder on 30 June 2011. At the date of disposal, GPW's net assets including goodwill were £0.7m and net loss of £0.2m was recognised as an exceptional cost.

#### c) Purchase of minority shareholding in YouGov ME FZ LLC

On 31 October 2010, YouGov plc purchased the remaining 22% shareholding in its subsidiary YouGov ME FZ LLC from the minority shareholders.

The cash consideration for this purchase was £1.9m. The book value of non-controlling interests at the transaction date was £3.8m. The difference of £1.9m (£1.7m net of associated costs) was reflected directly in reserves in accordance with IAS 27 (revised).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

d) Acquisition of Definitive Insights

The acquisition of Definitive Insights ("DI"), a custom research company based in Oregon USA, was completed on 1 April 2011. The basic purchase consideration payable is 4.5 times the average EBITDA of DI for the two years ending 31 January 2013 plus an additional incentive of up to 20% contingent upon EBITDA growth in the year ending 31 January 2013. If the full incentive is paid, this would bring the total multiple up to 5 times EBITDA for the year ending 31 January 2013. An initial payment of \$1.0m (£0.6m) was paid upon completion and a further \$0.2m (£0.1m) was paid in May 2012 the balance will be payable in three instalments between 2013 and 2015. Half of this contingent consideration is being treated as staff compensation. The treatment of this is discussed in more detail in notes 3 and 4.

Provisional fair value adjustments were made in the 2011 financial statements to align Definitive Insights' accounting policies with those of YouGov and to account for the intangible assets and attributable deferred taxation of the business which are recognised upon acquisition. In the first half of this financial year, management revised these provisional fair value adjustments and the estimated contingent consideration. A prior year adjustment was not recorded on the grounds of materiality.

The amount recognised for each class of Definitive Insights' assets is as follows:

	Acquiree's carrying amount before combination £'000	Final fair value adjustments £'000	Fair value £'000
<b>Net assets acquired:</b>			
Net assets at completion date	12	-	12
Intangible assets			
Trademarks and patents	-	110	110
Customer relationships	-	400	400
Order backlog	-	2	2
Deferred tax liability	-	(215)	(215)
Net assets	12	297	309
Goodwill arising on acquisition			769
Total consideration for acquisition			1,078
Consideration contingent on continued employment			466
Total consideration and related employee benefits			1,544

Subsequently the estimated contingent consideration payable has been increased from \$1.8m (£1.1m) to \$1.9m (£1.2m) and as the period for amending valuations has now closed a charge of £0.1m has been recognised as an exceptional item.

e) Purchase of minority shareholding in YouGovStone Limited

On 6 June 2011, YouGov plc purchased the remaining 49% shareholding in its subsidiary YouGovStone Limited from the minority shareholder Carole Stone.

The consideration for this purchase was part cash of £0.7m and part the issue of new ordinary shares in YouGov plc of £0.1m. The book value of non-controlling interests in assets and liabilities at the transaction date was not material.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

**7 GOODWILL**

	<b>Middle East £'000</b>	<b>North America £'000</b>	<b>Nordic £'000</b>	<b>Germany £'000</b>	<b>UK £'000</b>	<b>Total £'000</b>
<b>Carrying amount at 1 August 2010</b>	<b>1,405</b>	<b>10,052</b>	<b>8,203</b>	<b>11,463</b>	<b>80</b>	<b>31,203</b>
Acquired through business combinations	-	7,128	-	-	-	7,128
Disposal of subsidiary	-	-	-	(700)	(80)	(780)
Exchange differences	(63)	(745)	439	613	-	244
<b>Carrying amount at 31 July 2011</b>	<b>1,342</b>	<b>16,435</b>	<b>8,642</b>	<b>11,376</b>	<b>-</b>	<b>37,795</b>
Revision to initial carrying values	-	(413)	-	-	-	(413)
Exchange differences	63	792	(817)	(1,181)	-	(1,143)
<b>Carrying amount at 31 July 2012</b>	<b>1,405</b>	<b>16,814</b>	<b>7,825</b>	<b>10,195</b>	<b>-</b>	<b>36,239</b>

In accordance with the Group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The cash-generating units (CGUs) are consistent with those segments shown in note 1. The 2012 impairment review was undertaken as at 31 July 2012. This review assessed whether the carrying value of goodwill was supported by the net present value of future cash flows derived from assets using an initial projection period of three years for each CGU based on approved budget numbers. Beyond that, EBITDA growth was assumed to be 5% for years four and five, which is conservative both in comparison with their historical performance and annual growth rates in the internet based market research sector. Annual growth rates of 3% have been assumed in perpetuity beyond year five. The weighted average costs of capital on a pre-tax basis used to discount the future cash flows to their present values are between 10% and 18% (2011: 11.7%). All CGUs, when subjected to sensitivity analyses, decreasing the assumed EBITDA growth and increasing the discount rate by 1%, had sufficient headroom to support their carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

8 OTHER INTANGIBLE ASSETS

	Consumer panel £'000	Software and software develop- ment £'000	Customer contracts and lists £'000	Patents and trade- marks £'000	Order backlog £'000	Develop- ment costs £'000	Total £'000
<b>At 1 August 2010</b>							
Cost	8,455	4,877	2,898	3,066	209	452	19,957
Accumulated amortisation	(5,093)	(2,326)	(748)	(942)	(209)	(94)	(12,913)
<b>Net book amount</b>	<b>3,362</b>	<b>2,551</b>	<b>2,150</b>	<b>2,124</b>	<b>-</b>	<b>358</b>	<b>10,545</b>
<b>Year ended 31 July 2011</b>							
Opening net book amount	3,362	2,551	2,150	2,124	-	358	10,545
Additions							
Separately acquired *	329	124	-	8	-	23	484
Through business combinations	-	171	3,369	845	90	-	4,475
Internally developed	-	1,539	-	-	-	84	1,623
Disposals	-	(31)	-	-	-	-	(31)
Amortisation charge *	(1,566)	(1,244)	(448)	(355)	(83)	(59)	(3,755)
Exchange differences *	(334)	(264)	(642)	(691)	(1)	18	(1,914)
<b>Closing net book amount</b>	<b>1,791</b>	<b>2,846</b>	<b>4,429</b>	<b>1,931</b>	<b>6</b>	<b>424</b>	<b>11,427</b>
<b>At 31 July 2011</b>							
Cost	8,566	6,384	5,459	3,125	229	577	24,340
Accumulated amortisation	(6,775)	(3,538)	(1,030)	(1,194)	(223)	(153)	(12,913)
<b>Net book amount</b>	<b>1,791</b>	<b>2,846</b>	<b>4,429</b>	<b>1,931</b>	<b>6</b>	<b>424</b>	<b>11,427</b>
<b>Year ended 31 July 2012</b>							
Opening net book amount	1,791	2,846	4,429	1,931	6	424	11,427
Additions:							
Separately acquired	560	522	-	3	-	-	1,085
Fair value revision	-	-	(762)	(25)	(7)	-	(794)
Internally developed	-	1,574	-	-	-	44	1,618
Disposals	-	-	-	(2)	-	(36)	(38)
Amortisation charge	(1,483)	(1,879)	(428)	(369)	-	(191)	(4,350)
Exchange differences	(257)	(50)	38	(120)	1	(16)	(404)
<b>Closing net book amount</b>	<b>611</b>	<b>3,013</b>	<b>3,277</b>	<b>1,418</b>	<b>-</b>	<b>225</b>	<b>8,544</b>
<b>At 31 July 2012</b>							
Cost	9,051	8,238	4,702	2,973	218	548	25,730
Accumulated amortisation	(8,440)	(5,225)	(1,425)	(1,555)	(218)	(323)	(17,186)
<b>Net book amount</b>	<b>611</b>	<b>3,013</b>	<b>3,277</b>	<b>1,418</b>	<b>-</b>	<b>225</b>	<b>8,544</b>

\* Prior year classifications have been restated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

9 PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000	Leasehold property improve- ments £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
<b>At 1 August 2010</b>						
Cost	1,211	353	1,478	1,274	104	4,420
Accumulated depreciation	(54)	(211)	(974)	(695)	(104)	(2,038)
<b>Net book amount</b>	<b>1,157</b>	<b>142</b>	<b>504</b>	<b>579</b>	<b>-</b>	<b>2,382</b>
<b>Year ended 31 July 2011</b>						
Opening net book amount	1,157	142	504	579	-	2,382
Additions:						
Separately acquired	-	4	547	23	-	574
Through business combinations	177	-	39	3	14	233
Disposals	-	(13)	(9)	(30)	-	(52)
Depreciation	(80)	(77)	(431)	(155)	(2)	(745)
Exchange differences	(52)	3	(9)	4	-	(54)
<b>Closing net book amount</b>	<b>1,202</b>	<b>59</b>	<b>641</b>	<b>424</b>	<b>12</b>	<b>2,338</b>
<b>At 31 July 2011</b>						
Cost	1,333	329	2,038	1,252	118	5,070
Accumulated amortisation	(131)	(270)	(1,397)	(828)	(106)	(2,732)
<b>Net book amount</b>	<b>1,202</b>	<b>59</b>	<b>641</b>	<b>424</b>	<b>12</b>	<b>2,338</b>
<b>Year ended 31 July 2012</b>						
Opening net book amount	1,202	59	641	424	12	2,338
Additions:						
Separately acquired	-	69	446	101	8	624
Disposals	-	(3)	(15)	(79)	-	(97)
Depreciation	(53)	(45)	(444)	(40)	(11)	(593)
Reclassifications	32	-	55	(87)	-	-
Exchange differences	57	(5)	(11)	(3)	-	38
<b>Closing net book amount</b>	<b>1,238</b>	<b>75</b>	<b>672</b>	<b>316</b>	<b>9</b>	<b>2,310</b>
<b>At 31 July 2012</b>						
Cost	1,463	384	1,951	919	73	4,790
Accumulated amortisation	(225)	(309)	(1,279)	(603)	(64)	(2,480)
<b>Net book amount</b>	<b>1,238</b>	<b>75</b>	<b>672</b>	<b>316</b>	<b>9</b>	<b>2,310</b>

All property, plant and equipment disclosed above, with the exception of those items held under lease purchase agreement, are free from restrictions on title. No property, plant and equipment either in 2012 or 2011 has been pledged as security against the liabilities of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 July 2012

**10 TRADE AND OTHER RECEIVABLES**

	<b>31 July 2012</b>	31 July 2011
	<b>£'000</b>	£'000
Trade receivables	<b>10,704</b>	9,810
Amounts owed by related parties	<b>292</b>	292
Other receivables	<b>895</b>	1,048
Prepayments and accrued income	<b>7,460</b>	5,945
	<b>19,351</b>	17,095
Provision for trade receivables	<b>(120)</b>	(162)
	<b>19,231</b>	16,933

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

As at 31 July 2012, trade receivables of £7,285,000 (2011: £4,808,000) were overdue but not impaired. These relate to a number of customers for which there is no recent history of default or any other indication that the receivable should not be fully collectible. The ageing analysis of past due trade receivables which are not impaired is as follows:

	<b>31 July 2012</b>	31 July 2011
	<b>£'000</b>	£'000
Up to three months overdue	<b>4,529</b>	3,334
Three to six months overdue	<b>1,595</b>	895
Six months to one year overdue	<b>848</b>	465
More than one year overdue	<b>313</b>	114
	<b>7,285</b>	4,808

Movement on the Group provision for impairment of trade receivables is as follows:

	<b>2012</b>	2011
	<b>£'000</b>	£'000
Provision for receivables impairment at 1 August	<b>162</b>	194
Provision created in the year	<b>90</b>	112
Provision utilised in the year	<b>(129)</b>	(144)
Exchange differences	<b>(3)</b>	-
Provision for receivables impairment at 31 July	<b>120</b>	162

The creation and release of the provision for impaired receivables has been included in the consolidated income statement. The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

The average length of time taken by customers to settle receivables is 63 days (2011: 61 days). Concentrations of credit risk do exist with certain clients with which we have trading relationships but none has a history of default and all command a certain stature within the marketplace which minimises any potential risk of default. Material balances (defined as >£250,000 (2011: >£250,000)) represent 8% of trade receivables (2011: 12%).

At 31 July 2012 £453,000 (DKK 4.3m) (2010: £435,000 (DKK 3.7m)) of the trade and other receivables of YouGov Denmark A/S was used as security against a loan and revolving overdraft facility held by YouGov Denmark A/S.

YouGov Deutschland AG has secured a value of up to £20,000 (€25,000) (2011: £126,000 (€144,000)) in the event of default on rental payments against its trade and other receivables.

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11 CONTINGENT CONSIDERATION

	<b>Clear Horizons £'000</b>	<b>Harrison Group £'000</b>	<b>Definitive Insights £'000</b>	<b>Total £'000</b>
<b>At 1 August 2010</b>	664	-	-	664
Settled during the year	(266)	(1,809)	-	(2,075)
Provided during the year	-	5,504	1,658	7,162
Discount unwinding	21	156	12	189
Foreign exchange differences	6	(265)	(17)	(276)
<b>Balance at 31 July 2011</b>	<b>425</b>	<b>3,586</b>	<b>1,653</b>	<b>5,664</b>
Included within current liabilities	425	2,116	297	2,838
Included within non-current liabilities	-	1,470	1,356	2,826
Settled in the period	(152)	(2,244)	(117)	(2,513)
Released during the year	-	(444)	(639)	(1,083)
Discount unwinding	14	68	35	117
Foreign exchange differences	19	148	7	174
<b>Balance at 31 July 2012</b>	<b>306</b>	<b>1,114</b>	<b>939</b>	<b>2,359</b>
<b>Included within current liabilities</b>	<b>306</b>	<b>1,114</b>	<b>486</b>	<b>1,906</b>
<b>Included within non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>453</b>	<b>453</b>

Details of the terms of the acquisitions of Harrison Group and Definitive Insights are given in Note 8.