

4 April 2011

YouGov plc

Interim results for the six months ended 31 January 2011

US becomes YouGov's largest region driven by successful acquisitions and good organic growth

Summary of Results

	Six months to 31 January 2011 £m	Six months to 31 January 2010 £m	Full Year to 31 July 2010 £m	% change (HY 2011 vs HY 2010)
Revenue	27.0	21.3	44.3	26.8
Adjusted Operating Profit ¹	2.2	1.4	3.8	57.1
Adjusted Operating Profit Margin (%)	8.1	6.6	8.6	

Key Financials

- Turnover of £27.0m (2010: £21.3m) 27% higher
- Adjusted operating profit increased 57% to £2.2m (2010: £1.4m)
- Organic revenue growth of 8% and organic operating profit growth of 7%
- Adjusted profit before tax improved 64% to £2.3m (2010: £1.4m)
- Adjusted earnings per share doubled to 2.1 p (2010:1.0p)
- Reported profit before tax of £0.4m (2010: loss of £0.5m)
- Middle Eastern minority shareholding bought out – accretive to EPS, 0.2p in period.
- Balance sheet remains strong – net cash of £10.9m after making total acquisition payments of £4.8m (Balance at 31 July 2010: £15.6m)

Operational highlights

- USA - now the largest region at 26% of Group turnover, reflecting 66% organic revenue growth and Harrison acquisition
- Harrison (acquired in August 2010) performing well with initial revenue contribution of £3.9m and profit of £0.7m
- UK - continuing to grow well, revenue increased by 19%
- Scandinavia - revenue increased by 18% and trading profitably, continuing trend from second half of year ended 31 July 2010
- Middle East - stable revenue with profits increased by 14% reflecting cost savings made in 2010
- Germany - restructuring in progress to address continuing poor performance; online products revenue up 95%
- BrandIndex revenue up 38% year-on-year as international client base increases

¹Adjusted operating profit is defined as Group operating profit before amortisation, exceptional items and one-off costs associated with acquisition activities.

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

“YouGov has grown revenue and profits during the first six months of this financial year, as expected. Harrison, our recent US acquisition, has performed very well, extending our reach into the US corporate research market and helping to make the USA our largest market by revenue. Our UK, Middle Eastern and Scandinavian businesses have also gained market share and increased profits and we expect these positive trends to continue. In Germany, the planned performance improvement programme is under way with a new CEO to be appointed soon but we recognise that it’s challenging.

Innovation remains at the heart of our growth strategy. BrandIndex continues to grow its client base globally, in Germany the new online products business is performing well and in the UK, SixthSense, our new business intelligence reports business, has made a promising start. Current trading is in line with the Board’s expectations and we are already benefitting from the broader range of services that we can offer our clients. This combined with our strong balance sheet, means we are well placed to continue to invest in new products as well as to open up new markets.”

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YouGov plc

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YUGOV PLC

CEO'S REPORT

For the six months ended 31 January 2011

Introduction

In the six months to 31 January 2011, YouGov has grown well and significantly improved its profitability. This strong performance builds on the progress reported at the end of the last financial year in delivering benefits from the measures we took to make our operations more efficient and to tighten our focus on products and sales. While market conditions have improved, we are also gaining market share in the UK, USA and Scandinavia which all reported impressive revenue growth. As predicted, the USA has now become our most significant growth region and the largest contributor to Group revenues. This is through a combination of organic development and the contribution of Harrison Group, the custom research business acquired in August 2010, which is performing ahead of expectations. Our Middle East business has also increased the growth and profitability of its locally generated business offsetting the expected decline from a long term contract. We have also given considerable attention to fixing problems in our German business as reported at the last year-end. We believe that the actions already taken are strengthening the business but we do not expect Germany to contribute significantly in profit terms until the next financial year. Our Group strategy puts increasing emphasis on our core strength of delivering high-quality data and insight, and further developing the scope and relevance of real-time research. At all levels throughout the Group, we are strengthening the foundation for continued growth. BrandIndex, our flagship brand intelligence service, has continued to win new customers in all our markets and its revenue has grown by 38% compared to the six months ended 31 January 2010. We are currently developing significant enhancements that will make it even easier for our clients to integrate BrandIndex with their day-to-day management information.

We have also begun to serve a broader range of users, through business intelligence reports that combine our primary research data with other sources and provide an informed commentary. In the UK, SixthSense which started in mid-2010 has now produced 101 reports whose scope ranges from a whole sector (such as Food and Drink) down to an in-depth study of a category (such as Baby Foods). We are also offering macro-economic data products, such as HEAT launched in October 2010, which measures consumer economic activity and confidence. This now covers the UK, USA and China (since January 2011) and is attracting buyers from new segments such as the investment community and strategic planners.

Financial Performance

Total Group revenue in the period rose by 27% to £27.0m from £21.3m in the six months to 31 January 2010. Organic revenue growth, excluding Harrison, was 8%. The USA was our highest growth region both organically, delivering 66% organic growth, and delivering total growth of 274% including Harrison. UK revenue grew by 19% and Scandinavia by 18%. Middle East revenue fell by 3% although locally generated revenue increased by 27% and German revenues fell by 12%.

Gross margins fell slightly to 76% from 77%, largely due to the USA where, as expected, the proportion of external data collection costs rose following the Harrison acquisition although it is planned to transfer much of Harrison's data collection to our own US panel over the next year.

Group operating costs, excluding amortisation and exceptional items, of £18.3m were 21% higher in this half year than the comparative period last year, with 14% due to Harrison and 7% from organic growth. The underlying growth reflected the investment made in new initiatives in the UK and USA as well as in staff needed to service growth in existing business areas. At 31 January 2011, Group staff numbers totalled 449 (full time equivalents) compared to 421 in January 2010 and 425 in July 2010. The underlying staffing increase since July 2010 is 17 (after allowing for 33 staff added with Harrison and reduction of 26 due to the disposal of Great Place to Work Germany).

Total Group adjusted operating profit, before amortisation and exceptional items, rose 57% to £2.2m compared to £1.4m in the six months ended 31 January 2010. Amortisation charges for intangible assets totalled £1.9m in the period of which £1.5m related to acquired assets and £0.4m to the Group's internally generated assets. The exceptional credit of £0.2m (2010: cost of £0.1m) included the gain of £0.5m realised on the sale of Great Place to Work Germany, a business formerly owned by our German unit and other exceptional costs.

The Group's net financial costs (including imputed interest on deferred consideration) were stable at £0.1m.

The higher operating profit led to the adjusted profit before tax of £2.3m being £0.9m higher than the comparable result of £1.4m. The statutory Group profit before tax was £0.5m compared to a loss of £0.6m in the six months ended 31 January 2010. Adjusted earnings per share more than doubled to 2.1p compared to 1.0p in the six months to 31 January 2010.

Our business has continued to be cash generative with £1.0m generated from operations (before paying interest and tax) in the six months to 31 January 2011. This represents operational cash conversion of 51% of operating profits (2010: 176%). The lower conversion rate reflects the increase of £3.0m in trade receivables since 31 July 2010 resulting from the high level of sales in the last quarter of the period. However, this seasonal trend is consistent with previous years and the Group's debtor days of 76 as at 31 January 2011 were lower than at 31 January 2010 (82 days) although 15 days higher than at 31 July 2010.

Net cash has reduced to £10.9m compared to £14.9m as at 31 January 2010. This was after expenditure incurred on investments in the period of £4.8m which included a net cash outlay of £2.4m on the acquisition of Harrison and £1.9m for the purchase of the minority interest in our Middle Eastern subsidiary. We also invested £1.0m in the continuing development of our technology platform (£0.9m) and of our panel (£0.1m).

Analysis of Adjusted Operating Profit and Earnings per Share

	Six months to 31 Jan 2011 £'000	Six months to 31 Jan 2010 £'000	Full Year to 31 July 2010 £'000
Adjusted group operating profit before amortisation of intangibles & exceptional costs	2,158	1,353	3,776
Share based payments	149	35	148
Imputed interest ¹	17	-	48
Net finance income	(60)	27	5
Share of post tax profit/(loss) in joint venture	-	4	(8)
Adjusted profit before tax ²	2,264	1,419	3,969
Basic earnings/(loss) per share	0.7	(0.3)	(7.8)
Diluted earnings/(loss) per share	0.7	(0.3)	(7.8)
Adjusted earnings per share ³	2.1	1.0	2.5

As in previous years, the Directors are not recommending the payment of a dividend.

¹Imputed interest relates to the unwinding of discounting in respect of deferred consideration for acquisitions.

²Adjusted profit before tax is defined as Group profit before tax after adding back amortisation, share based payments, imputed interest, exceptional items and one-off costs associated with the acquisition of new entities.

³Adjusted earnings per share is calculated based on the post-tax result derived from the adjusted profit before tax and the fully diluted number of shares.

Review of operations

UK

	Six months to 31 January 2011 £m	Six months to 31 January 2010 £m	% Change
Revenue	6.4	5.4	19.0
Operating Profit	1.3	1.2	8.0
Operating Profit Margin (%)	20.3	22.2	

Our UK business has continued to build on success and deliver growth both in custom research and data products revenue. However, as planned we have continued to invest in new initiatives such as the new SixthSense reports business as well as to strengthen further our sales and business delivery teams. This has increased UK operating costs by £0.5m compared to the six months ended 31 January 2010.

Revenue growth was largely driven by the Consumer, Technology and Telecom sector, which gained new clients such as Argos and Penguin Books as well as launching more syndicated products. These include the Tablet tracker, designed to follow the successful formula of the Mobile Broadband (Dongle) Tracker in becoming the leading indicator of product adoption and performance in its market. Revenue from the Financial Services and Public sectors also saw increases since the comparable period last year. Our market leading Omnibus service continued to grow with revenues 18% higher due especially to the expansion of its international services. The UK's new SixthSense reports business which provides in-depth reports on a range of sectors drawing on YouGov's primary research data as well as other specialist sources has started well and already gained over 100 clients many of which are new to YouGov.

USA

	Six months to 31 January 2011 £m	Six months to 31 January 2010 £m	% Change	% Organic Change
Revenue	7.1	1.9	274	66
Operating Profit	1.0	0.1	900	243
Operating Profit Margin (%)	14.1	5.3		

Our revenue in the USA more than tripled compared to the six months ended 31 July 2010 due both to organic growth and the acquisition of Harrison in August 2010 which added £3.9m in the period. Following the acquisition, we now have, as planned, a business with a significant presence in the corporate research market which complements our historic strength in US academic and political research. Our recent US acquisitions are all compatible with YouGov's online model which has helped to make their integration a relatively smooth process.

BrandIndex has also continued to grow well in the US with revenue up 62% from the comparable period. While corporate clients now account for 83% of our US revenue, political work remains important to us, representing 10% of US revenue in the period due to the benefit of the 2010 mid-term elections. This reflects the growing acceptance of online methods for political polling in the US which we have pioneered in contrast to commercial research for which online has long been regarded as the norm.

The major clients for our existing US business in the period included Domino's Pizza, Bloomberg and OMD. Harrison's main clients included Coca-Cola, Activision and T-Mobile.

Germany

	Six months to 31 January 2011 £m	Six months to 31 January 2010 £m	% Change
Revenue	6.4	7.3	(12)
Operating Profit	0.2	0.7	(71)
Operating Profit Margin (%)	3.1	9.6	

In Germany, our aim has been to focus on the areas of long term strategic importance and establish a base for sustainable profitability. While the new online products business (including Omnibus and BrandIndex) exceeded expectations with revenues 95% up compared to the six months ended 31 January 2010, the traditional custom business has performed less well with revenue declining by 17%. This was due largely to the financial services sector, which has faced increased competition from new entrants although this was offset by growth in business-to-business and FMCG clients. The sale in December of Great Place to Work, to a buy-out team led by our German CEO, has provided the opportunity to re-assess and strengthen the management structure of our German business. At the time of writing, we expect shortly to appoint a new CEO. As previously announced, measures to improve efficiency and profitability are under way including a major re-engineering of the business processes and the scaling back of unprofitable areas of the custom research business. Our experience underlines the difficulty of integrating a business which did not fit well with our core YouGov model.

Significant clients in the period included a number of German regional savings banks, Henkel, Deutsche Bahn (German Railways) and Nokia Siemens.

Scandinavia

	Six months to 31 January 2011 £m	Six months to 31 January 2010 £m	% Change
Revenue	3.9	3.3	18
Operating Profit/(Loss)	0.2	(0.2)	n/a
Operating Profit Margin (%)	5.1	(0.6)	

Following the successful turnaround in the last half of the previous year, our Scandinavian business has continued to perform well with revenue growth of 18% compared to the six months ended 31 January 2010 maintaining the return to profitability achieved in the previous half year. Our Swedish offices in particular, have been successful in winning new business in the region's largest market. In February 2011, we launched a new Swedish political opinion service led by Lars Björkman, a recognised expert in the field. Our annual syndicated study, the Nordic Food and Health Survey has also attracted a number of new clients. The business's major clients in the period included Coca-Cola, Steen & Strom, Danske Bank and Bristol Myers Squibb.

Middle East

	Six months to 31 January 2011 £m	Six months to 31 January 2010 £m	% Change
Revenue	3.7	3.8	(3)
Operating Profit	0.8	0.7	14
Operating Profit Margin (%)	21.6	21.1	

In the Middle East, we maintained our strategy of growing the regionally generated business and improving our operating margins so as to offset the expected scaling down of a historic long term contract. Thus, overall revenues were only 3% lower than the comparable period as the locally generated business grew by 27% and operating profit increased by 14% to £0.8m from £0.7m reflecting the benefit of the cost reduction carried out in early 2010. Our regional online data services which include Sample Only, Omnibus and BrandIndex continue to expand with revenue growth of 481% compared to the six months ended 31 January 2010. In line with YouGov's model of strong media engagement, we established a collaboration with Al-Aan TV to provide surveys for their pan-regional Arabic language TV channels. While the recent political upheaval in the region clearly makes the outlook more uncertain, we believe that in the long term it will increase the value of our ability to provide fast and accurate information on the views and attitudes of Middle Eastern citizens. Indeed, we have already published the first opinion poll on Egyptian political views following the resignation of President Mubarak. Our major clients in the region this half-year included Pepsico, Saudi Telecom and Riyadh Bank.

Panel development

We continue to invest in our online panels to increase our research capabilities, both in new geographies and specialist panels. The total panellist numbers (defined as the number of panel registrations) have increased to 2,649,000 as at 31 January 2011, an increase of 5.5% compared to 31 July 2010 and 5.2% from 31 January 2010. The online panel sizes in each hub were:

Region	Panel Size at 31 Jan 2011	Panel Size at 31 Jan 2010
UK	377,000	322,000
USA	1,772,000	1,759,000
Middle East	268,000	215,000
Scandinavia	143,000	143,000
Germany, Austria and CEE	89,000	78,000
Total Group	2,649,000	2,517,000

Corporate Development Activities

As previously announced, in August 2010, the Group acquired 100% of Harrison Group, a leading US market research agency for a basic purchase consideration of six times the EBITDA achieved by Harrison in the year ended 31 December 2010 (\$2.4m) which amounts to a total of £9.5m (\$14.3m). £4m (\$6m) of

this was paid on completion and the balance will be payable in instalments between 2011 and 2013, contingent upon the results achieved in 2010 and 2011. An additional payment of up to £0.8m (\$1.25m) will be payable in 2013 contingent upon strong EBITDA growth targets being achieved in the calendar years 2011 and 2012.

On 31 October 2010, the Group purchased the 22% shareholding that we did not already own in our Middle East business, (YouGov ME FZ LLC) from the minority shareholders. The consideration for this purchase was £1.87m which represented a discount of £1.95m compared to the book value of minority interests of £3.82m. This purchase will improve the ability of the Group to develop our Middle Eastern business as well as enhancing the earnings attributable to YouGov's shareholders.

As part of our strategy of focusing our attention in Germany on our core and strategic market research business, YouGov disposed of Great Place to Work Deutschland GmbH ("GPW Germany"), a wholly owned unit within YouGovPsychonomics AG, our German subsidiary, through a management buy-out led by the CEO of YouGovPsychonomics and the CEO of GPW Germany. The sale was completed on 31 December 2010 and resulted in a net surplus over book value of £500,000 which has been treated as an exceptional credit.

On 24 November 2010, the Group invested £0.5m in return for a shareholding of 25% in Co-Editor Limited, of which Doughty Media 2 Limited, a company controlled by Stephan Shakespeare, owns 75%. Co-Editor has developed software and expertise 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. Co-Editor's main business objective is to exploit its IPR in markets and activities outside market research. YouGov also has options to acquire additional shares which will enable it to benefit from increases in Co-Editor's equity value resulting from its business development.

Current trading and outlook

YouGov has, as expected, delivered a good performance in the first half of the current financial year. In the second half of the year we expect to maintain the positive trends seen in our US, UK, Scandinavia and Middle East businesses. However, the turnaround of our German business continues to pose challenges in the short term, although we believe that the measures already in progress will ultimately prove successful. Overall, the Group is currently trading in line with the Board's expectations.

Our business is already benefitting from the broader range of our research capabilities, especially in the US, and from the revenue growth generated by our data products. Our continuing strong balance sheet leaves us well placed to maintain investment in new product development as well as in the expansion of our existing business activities.

Stephan Shakespeare
Chief Executive Officer
4 April 2011

YOUGOV PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

For the six months ended 31 January 2011

The directors confirm that, to the best of their knowledge, these consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last Annual Report.

The directors of YouGov plc are listed in the YouGov plc Annual Report for the year ended 31 July 2010.

By order of the Board:

Stephan Shakespeare
Chief Executive Officer

Alan Newman
Chief Financial Officer

4 April 2011

YOUGOV PLC

CONSOLIDATED INCOME STATEMENT

For the six months ended 31 January 2011

		Unaudited 6 months to 31-Jan 2011 £'000	Unaudited 6 months to 31-Jan 2010 £'000	Audited Year ended 31 July 2010 £'000
	Note			
Continuing operations				
Group revenue	4	26,989	21,292	44,234
Cost of sales		(6,570)	(4,848)	(9,877)
Gross profit	4	20,419	16,444	34,357
Operating expenses		(18,261)	(15,091)	(30,581)
Adjusted operating profit before amortisation of intangible assets and exceptional costs	4	2,158	1,353	3,776
Impairment of goodwill and intangibles		-	-	(7,861)
Amortisation of intangibles		(1,852)	(1,776)	(3,689)
Exceptional items	5	170	(148)	(1,834)
Group operating profit/(loss)		476	(571)	(9,608)
Finance income		195	157	205
Finance costs		(255)	(130)	(201)
Share of post- tax profit/(loss) in joint venture		-	4	(8)
Group profit/(loss) before taxation		416	(540)	(9,612)
Tax credit	7	339	492	2,572
Group profit /(loss) after taxation		755	(48)	(7,040)
Attributable to:				
Equity holders of the parent company		673	(308)	(7,534)
Non-controlling interests		82	260	494
		755	(48)	(7,040)
Earnings per share				
Basic earnings per share attributable to equity holders of the company (in pence)	8	0.7	(0.3)	(7.8)
Diluted earnings per share attributable to equity holders of the company (in pence)	8	0.7	(0.3)	(7.8)

YOUGOV PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 January 2011

	Unaudited 6 months to 31-Jan 2011 £'000	Unaudited 6 months to 31-Jan 2010 £'000	Audited Year ended 31-Jul 2010 £'000
Profit/(loss) for the period	755	(48)	(7,040)
Other comprehensive income:			
Currency translation differences	(984)	1,209	298
Purchase of non-controlling interest in subsidiary	1,947	-	(163)
	963	1,209	135
Other comprehensive income for the year net of tax	963	1,209	135
Total comprehensive income for the year	1,718	1,161	(6,905)
Attributable to:			
-Equity holders of the parent company	1,836	765	(7,680)
-Non-controlling interests	(118)	396	775
Total comprehensive income for the year	1,718	1,161	(6,905)

YOUGOV PLC

CONSOLIDATED BALANCE SHEET

As at 31 January 2011

		Unaudited	Unaudited	Audited
		31-Jan-11	31-Jan-10	31-Jul-10
	Note	£'000	£'000	£'000
Assets				
Non-current assets				
Goodwill	9	36,834	34,309	31,203
Intangible assets	9	11,376	17,272	10,545
Tangible Fixed Assets	9	2,403	2,554	2,382
Investments accounted for using the equity method		500	23	23
Deferred tax assets		2,371	2,195	2,606
Total non-current assets		53,484	56,353	46,759
Current assets				
Trade and other receivables		19,879	14,300	14,561
Other short term financial assets		64	172	165
Current tax assets		-	63	-
Cash and cash equivalents		10,862	14,885	15,634
Total current assets		30,805	29,420	30,360
Total assets		84,289	85,773	77,119
Liabilities				
Current liabilities				
Trade and other payables		14,813	8,850	10,146
Provisions		1,314	1,597	1,278
Borrowings		-	-	4
Current tax liabilities		354	125	164
Deferred consideration		2,154	302	304
Lease liabilities		56	7	-
Total current liabilities		18,691	11,433	11,896
Net current assets		12,114	17,987	18,464
Non-current liabilities				
Provisions		669	552	1,398
Deferred consideration		3,908	664	360
Borrowings		-	17	-
Deferred tax liabilities		3,615	5,359	3,298
Total non-current liabilities		8,192	6,040	5,056
Total liabilities		26,883	17,473	16,952
Net assets		57,406	68,300	60,167

	Note	Unaudited 31-Jan-11 £'000	Unaudited 31-Jan-10 £'000	Audited 31-Jul-10 £'000
Equity				
Issued share capital	10	194	194	194
Share premium		30,822	30,818	30,822
Merger reserve		9,239	9,239	9,239
Foreign exchange reserve		9,013	10,853	9,797
Retained earnings		8,078	13,392	6,116
Total shareholders' funds		57,346	64,496	56,168
Non- controlling interests in equity		60	3,804	3,999
Total equity		57,406	68,300	60,167

The accompanying accounting policies and notes form an integral part of this financial information.

Alan Newman
Chief Financial Officer
4 April 2011

YUUGOV PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 January 2011

	Attributable to equity holders of the company							
	Share		Foreign				Non	
	Share	Premium	Merger	Exchange	Retained		Controlling	Total
	Capital	Account	Reserve	Reserve	Earnings	Total	Interest	Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carrying amount at 31 July 2010	194	30,822	9,239	9,797	6,116	56,168	3,999	60,167
Comprehensive Income								
Profit	-	-	-	-	673	673	82	755
Other comprehensive income								
Purchase of Non-controlling Interests	-	-	-	-	1,947	1,947	-	1,947
Currency translation differences	-	-	-	(784)	-	(784)	(200)	(984)
Total comprehensive income	-	-	-	(784)	2,620	1,836	(118)	1,718
Transactions with owners								
Issue of share capital through exercise of share options	-	-	-	-	-	-	-	-
Purchase of Non-controlling Interests	-	-	-	-	-	-	(3,821)	(3,821)
Share based payments	-	-	-	-	149	149	-	149
Purchase of treasury shares	-	-	-	-	(807)	(807)	-	(807)
Carrying amount At 31 January 2011	194	30,822	9,239	9,013	8,078	57,346	60	57,406

	Attributable to equity holders of the company						Non Controlling Interest £'000	Total Equity £'000
	Share		Foreign		Retained Earnings £'000	Total £'000		
	Share Capital £'000	Premium Account £'000	Merger Reserve £'000	Exchange Reserve £'000				
Carrying Amount at 31 July 2009	193	30,811	9,239	9,780	13,665	63,688	3,408	67,096
Comprehensive income								
Profit	-	-	-	-	(308)	(308)	260	(48)
Other comprehensive income								
Currency translation differences	-	-	-	1,073	-	1,073	136	1,209
Total comprehensive income	-	-	-	1,073	(308)	765	396	1,161
Transactions with owners								
Issue of share capital through exercise of share options	1	7	-	-	-	8	-	8
Share based payments	-	-	-	-	35	35	-	35
Carrying amount At 31 January 2010	194	30,818	9,239	10,853	13,392	64,496	3,804	68,300

YOUGOV PLC

CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 January 2011

	Unaudited 6 months to 31-Jan 2011 £'000	Unaudited 6 months to 31-Jan 2010 £'000	Audited Year ended 31 July 2010 £'000
Profit/(loss) after taxation	755	(48)	(7,040)
Adjustments for:			
Impairment charge	-	-	7,861
Amortisation	1,852	1,776	3,689
Depreciation	327	328	658
Profit on disposal of subsidiary	(500)	-	-
Foreign exchange loss	138	240	(348)
Share option expense	149	35	148
Tax credit recorded in the profit and loss	(339)	(492)	(2,572)
Net finance income	60	(27)	(4)
Write off of investments	130		
(Increase) in trade and other receivables	-		
	(2,898)	(599)	(97)
Increase in trade and other payables	1,417	1,175	2,556
Cash generated from operations	1,091	2,388	4,851
Interest paid	(255)	(40)	(201)
Income taxes (paid) / received	(65)	1,013	947
Net cash generated from operating activities	771	3,361	5,597
Cash flow from investing activities			
Acquisition of subsidiaries (net of cash acquired)	(2,415)	-	(291)
Acquisition of associates	(500)	-	-
Purchase of non-controlling interests	(1,870)	-	-
Settlement of deferred considerations	-	(23)	(304)
Proceeds received from sale of subsidiary	279	37	-
Proceeds from sale of fixed asset	-	-	-
Purchase of property, plant and equipment	(154)	(126)	(282)
Purchase of intangible assets	(878)	(1,054)	(2,037)
Interest received	195	70	205
Net cash used in investing activities	(5,343)	(1,096)	(2,709)

	Unaudited 6 months to 31-Jan 2011 £'000	Unaudited 6 months to 31-Jan 2010 £'000	Audited Year ended 31 July 2010 £'000
Cash flows from financing activities			
Proceeds from issue of share capital	-	7	5
Loan repayments	-	(252)	(237)
Dividends paid to non-controlling interests	-	(75)	(56)
Net cash used in financing activities	-	(320)	(288)
Net (decrease)/increase in cash and cash equivalents	(4,573)	1,945	2,600
Cash and cash equivalents at beginning of period	15,634	12,718	12,718
Exchange (loss)/gain on cash and cash equivalents	(199)	222	316
Cash and cash equivalents at end of period	10,862	14,885	15,634

YUGOV PLC

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 January 2011

1 GENERAL INFORMATION

YouGov plc and subsidiaries' ('the Group') principal activity is the provision of market research. The market research industry is subject to seasonal fluctuations, with peak demand in the second half of the group's financial year. For the six months to 31 January 2011 the level of sales represented 65% of the annual level of sales for the year ended 31 July 2010.

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. YouGov plc's shares are listed on the Alternative Investment Market.

YouGov plc's consolidated interim financial statements are presented in pounds sterling (£), which is also the functional currency of the parent company.

These condensed consolidated interim financial statements have been approved for issue by the board of directors on 4 April 2011.

This consolidated interim financial information for the six months ended 31 January 2011 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 January 2010 were approved by the Board on 12 April 2010 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The consolidated financial statements of the group for the year ended 31 July 2010 are available from the company's registered office or website (www.yougov.com).

This consolidated interim financial information is unaudited and not reviewed.

2 FORWARD LOOKING STATEMENTS

Certain statements in this interim report are forward looking. Although the group believes that the expectations reflected in these forward looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. As these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward looking statements.

We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

3 BASIS OF PREPARATION

This consolidated interim report for the six months ended 31 January 2011 has been prepared in accordance with IAS 34 'Interim financial reporting' as adopted by the European Union. The consolidated interim report should be read in conjunction with the annual financial statements for the year ended 31 July 2010, which has been prepared in accordance with IFRS's as adopted by the European Union.

The financial information contained in the consolidated interim report does not constitute statutory accounts as defined in the Companies Act 2006. The figures for the year ended 31 July 2010 have been extracted from the statutory financial statements which have been filed with the Registrar of Companies. The auditors' report on those financial statements was unqualified and did not contain a statement made under Section 498 (3) of the Companies Act 2006.

Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 July 2010.

Accounting estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of income, expense, assets and liabilities. The significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 July 2010.

Risks and uncertainties

The principal strategic level risks and uncertainties affecting the group remain those set out in the 2010 Annual Report.

The chairman's statement and chief executive's review in this interim report include comments on the outlook for the remaining six months of the financial year.

4 SEGMENTAL ANALYSIS

Management has determined the operating segments based on the reports reviewed by the board of directors. The board of directors review information based on geographic lines – UK, Middle East and North Africa, Germany and Central Europe, Scandinavia and Northern Europe, 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.

	UK	Middle East and North Africa	Germany and Central Europe	Scandinavia and Northern Europe	North America	Consolidation and Unallocated	Consolidated
For the six months to 31 January 2011 - Unaudited Revenue	£'000	£'000	£'000	£'000	£'000	£'000	£'000
External sales	6,197	3,667	6,305	3,861	6,959	-	26,989
Inter-segment sales	179	27	45	10	121	(382)	-
Total revenue	6,376	3,694	6,350	3,871	7,080	(382)	26,989

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

Segment result

Gross profit	4,724	2,426	4,875	2,966	5,435	(7)	20,419
Adjusted operating profit	1,294	840	152	146	961	(1,235)	2,158
Amortisation of intangibles	(102)	(68)	(63)	(52)	(317)	(1,250)	(1,852)
Exceptional items	-	-	500	-	(50)	(280)	170
Finance income							195
Finance costs							(255)
Share of post-tax profit/(loss) in joint venture							-
Group profit before tax							416
Tax credit							339
Group profit after tax							755

Other segment information

Depreciation	55	87	70	17	51	48	327
Share based payments	145	-	-	-	4	-	149
Assets							
Segment assets	18,801	18,792	6,091	5,228	16,559	18,818	84,289
Investments in joint ventures	-	-	-	-	-	-	-
	18,801	18,792	6,091	5,228	16,559	18,818	84,289

	UK	Middle East and North Africa	Germany and Central Europe	Scandinavia and Northern Europe	North America	Consolidation and Unallocated	Consolidated
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
For the six months to 31 January 2010 - Unaudited Revenue							
External sales	5,218	3,760	7,225	3,269	1,820	-	21,292
Inter-segment sales	223	21	63	14	62	(383)	-
Total revenue	5,441	3,781	7,288	3,283	1,882	(383)	21,292

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

Segment result

Gross profit	4,198	2,454	5,733	2,482	1,587	(10)	16,444
Adjusted operating profit	1,185	728	670	(249)	85	(1,066)	1,353
Amortisation of intangibles	(510)	(106)	(99)	(60)	(71)	(930)	(1,776)
Exceptional items	-	-	-	(148)	-	-	(148)
Finance income							157
Finance costs							(130)
Share of post-tax profit/(loss) in joint venture							4
Group profit before tax							(540)
Tax credit							492
Group profit after tax							(48)

Other segment information

Depreciation	96	71	116	21	21	3	328
Share based payments	-	-	-	-	35	-	35
Assets							
Segment assets	16,451	16,699	6,937	4,403	6,613	34,678	85,781
Investments in joint ventures	(8)	-	-	-	-	-	(8)
	16,443	16,699	6,937	4,403	6,613	34,678	85,773

5 EXCEPTIONAL ITEMS

	Unaudited 6 months to 31-Jan 2011 £'000	Unaudited 6 months to 31-Jan 2010 £'000	Audited Year Ended 31 July 2010 £'000
Acquisition costs	200	-	271
Profit on sale of Great Place to Work	(500)	-	-
Investment write off	130	-	-
Change in accounting estimation	-	-	600
Employment termination	-	-	280
Restructuring costs	-	148	683
	(170)	148	1,834

Restructuring costs in prior year arose due to the termination of operations of certain divisions within the Scandinavian business.

Acquisition costs arose due to the purchase of Harrison in 2010. Details of the sale of Great Place to Work are further disclosed in note 11 b). The investments written off relate to joint ventures in Greece, Russia and Chile which have now been wound up.

6 DIVIDEND

No dividend was paid or proposed during the period (2010: £nil).

7 TAXATION

	Unaudited 6 months to 31-Jan 2011 £'000	Unaudited 6 months to 31-Jan 2010 £'000	Audited Year Ended 31 July 2010 £'000
Current taxation charge	(100)	(14)	(189)
Deferred taxation credit	439	506	2,761
	339	492	2,572

8 EARNINGS PER SHARE

	Unaudited 6 months to 31-Jan 2011	Unaudited 6 months to 31-Jan 2010	Audited 12 months to 31-Jul 2010
Number of shares			
Weighted average number of shares during the period ('000 shares):			
- Basic	95,303	96,740	96,777
- Dilutive effect of options	566	2,701	-
- Diluted	95,869	99,441	96,777
Basic earnings per share (in pence)	0.7	(0.3)	(7.8)
Adjusted basic earnings per share (in pence)	2.1	1.0	2.5
Diluted earnings per share (in pence)	0.7	(0.3)	(7.8)
Adjusted diluted earnings per share (in pence)	2.1	1.0	2.5

The adjustments have the following effect:

	Unaudited 6 months to 31-Jan 2011 pence	Unaudited 6 months to 31-Jan 2010 pence	Audited 12 months to 31-Jul 2010 pence
Basic earnings per share	0.7	(0.3)	(7.8)
Amortisation of intangible assets	1.9	1.8	3.8
Share based payments	0.2	-	0.2
Imputed interest	-	-	-
Exceptional items and impairment	(0.2)	0.2	10.0
Tax effect of the above adjustments	(0.5)	(0.7)	(3.7)
Adjusted basic earnings per share	2.1	1.0	2.5

8 EARNINGS PER SHARE- CONTINUED

	Unaudited 6 months to 31-Jan 2011 pence	Unaudited 6 months to 31-Jan 2010 pence	Audited 12 months to 31-Jul 2010 pence
Diluted earnings per share	0.7	(0.3)	(7.8)
Amortisation of intangible assets	1.9	1.8	3.8
Share based payments	0.2	-	0.2
Imputed interest	-	-	-
Exceptional items and impairment	(0.2)	0.2	10.0
Tax effect of the above adjustments	(0.5)	(0.7)	(3.7)
Adjusted diluted earnings per share	2.1	1.0	2.5

9 GOODWILL, INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

	Goodwill £'000	Intangible assets £'000	Property, plant and Equipment £'000
Carrying amount at 31 July 2009	33,482	17,940	2,629
Additions:			
Separately acquired	-	565	126
Internally developed	-	489	-
Amortisation and depreciation	-	(1,776)	(328)
Revision to initial carrying value, reclassification and disposals	-	(25)	-
Net exchange differences	827	79	127
Carrying amount at 31 January 2010	34,309	17,272	2,554
Additions:			
Separately acquired	-	474	156
Internally developed	-	509	-
Amortisation and depreciation	-	(1,913)	(330)
Revision to initial carrying value, Impairment, reclassification and disposals	(2,399)	(5,437)	-
Net exchange differences	(707)	(360)	2
Carrying amount at 31 July 2010	31,203	10,545	2,382
Additions:			
Through business combination	5,515	3,244	269
Separately acquired	-	381	154
Internally developed	-	497	-
Disposals	-	(33)	(47)
Amortisation and depreciation	-	(1,852)	(327)
Revision to initial carrying value, reclassification and disposals	-	(25)	-
Net exchange differences	116	(1,381)	(28)
Carrying amount at 31 January 2011	36,834	11,376	2,403

In accordance with the group's accounting policy, the carrying values of goodwill and other intangible assets are reviewed annually for impairment. The last full annual impairment review was undertaken as at 31 July 2010. IAS 36 also requires carrying values to be reviewed at each balance sheet date and a full impairment review to be undertaken should any information come to light which may indicate an impairment. An impairment review was performed by Management as at 31 January 2011 and this supported the carrying value of goodwill.

The 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 4 years (inclusive of the current financial year) for each cash generating unit. After the initial projection period (years 5 – 10 inclusive) growth rates of 5% (12% for YouGovPolimetrix) which is conservative both in comparison with historical performance (across all geographies) and annual growth rates in the internet based market research sector. Annual growth rates of 3% have been assumed in perpetuity beyond year 10.

The weighted average cost of capital used by the group to discount the future cash flows to their present value is 10% (2010: 10%).

10 SHARE CAPITAL

	Number of shares	Unaudited Share capital £'000
At 31 January 2010	96,794,409	194
Issue of shares	33,005	-
At 31 July 2010	96,827,414	194
Issue of shares	3,486	-
At 31 January 2011	96,830,900	194

The increase in share capital represents issue of share options of 3,486.

11 BUSINESS COMBINATION AND DISPOSALS

(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 \$2.39m (£1.5m) amounting to \$14.3m (£9.1m). \$6m (£3.8m) of this was paid on completion and the balance will be payable in instalments between 2011 and 2013, contingent upon the results achieved in 2010 and 2011. An additional payment of up to \$0.8m (£0.5m) will be payable in 2013 contingent upon strong EBITDA growth targets being achieved in the calendar years 2011 and 2012. An instalment of £1.9m (\$3m) is due to be paid in April 2011.

The instalments due between 2011 and 2013 (including the incentive payment) have been discounted to a net present value of \$8.5m (£5.4m) resulting in a finance charge of \$0.6m (£0.4m) taken to the income statement over the earn-out period.

Professional fees of £0.5m have been incurred to date relating to the Harrison acquisition. In accordance with IFRS 3 (revised) all professional fees have been expensed in the period that they have been incurred. £0.3m was recognised in financial year 2009/10 and £0.2m in the six months to January 2011.

Provisional fair value adjustments have been made to align Harrison's 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.

The amount recognised for each class of Harrison's assets recognised at the acquisition date are as follows:

Net assets acquired:

	Acquiree's carrying amount before combination	Provisional fair value adjustments	Provisional Fair Value
	£000	£000	£000
Net assets at completion date	1,601	-	1,601
Intangible assets	-	3,244	3,244
Deferred tax liability	-	(1,135)	(1,135)
Net assets	1,601	2,109	3,710
Finance charge on deferred consideration	-	-	413
Goodwill arising on acquisition	-	-	5,515
Total consideration			9,638

Total Consideration analysed as :	£000
Cash	3,827
Deferred consideration	5,811
Total consideration	9,638

Ownership and control passed to YouGov on 16 August 2010 and Harrison has been consolidated within the Group financial statements from that date. The goodwill arising on the acquisition of Harrison is attributable to the anticipated synergies expected to be derived from the combination and value of the workforce of Harrison which cannot be recognised as an intangible asset under IAS38 "Intangible Assets".

Since the acquisition Harrison has contributed £3.9m (\$6.2m) to Group revenue and £0.7m (\$1.1m) to the Group operating profit for the six months ended 31 January 2011.

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. During the six months ended 31 January 2011, revenue from GPW was £1.3m (2010: £1.4m) with an operating profit of £0.2m (2010:£0.1m)

The net purchase consideration for the shares in GPW Germany was approximately £530,000 payable in cash, in two tranches, £279k at 30 December 2010 and the remainder on 30 June 2011. At the date of disposal, GPW's net assets were £30,000. Accordingly a profit of £500,000 has been recognised within exceptional items to reflect this disposal.

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 £1,870k. The book value of non-controlling interests at the transaction date was £3,820k. The difference of £1,950k has been reflected directly in reserves in accordance with IAS 27 (revised).

12 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

During the period goods and services were procured from IPBD Limited totalling £525k (2010: £767k). IPBD Limited is a company which is owned by the parents of Nadhim Zahawi, a former Executive Director of YouGov plc. The purchases were made at an arm's length and on usual commercial terms. As at 31 January 2011, YouGov plc owed IPBD Limited £1k (2010: £2k).

During the period, YouGov plc provided research services totalling £nil (2010: £36k) to Privero Capital Advisors Inc. A minority stake of 25% in this company is owned by Stephan Shakespeare, an Executive Director of YouGov plc. The sales were made at an arm's length and on usual commercial terms. These arrangements have previously been disclosed as a related party transaction under the AIM Rules for Companies and in respect of which the independent directors, having consulted with the Company's nominated adviser, consider that the terms of these transactions are fair and reasonable insofar as the Company's shareholders are concerned. At 31 January 2011 Privero Capital Advisors Inc owed YouGov plc £116k (2010: £635k). During the period, YouGov plc invested £500k for a 25% stake in Co-Editor Limited, a company owned by Doughty Media 2 (owned by Stephan Shakespeare). Co-Editor has expertise in the field of news and content aggregation, and is the owner of certain software and Intellectual Property Rights.

In the sixth months to 31 January 2011, YouGov plc provided research services totalling £nil (2010: £30k) to Doughty Media Limited, a company which Stephan Shakespeare owns. At 31 January 2011, Doughty Media Limited owed YouGov plc £nil (2010: £35k).

Trading between YouGov plc and group companies is excluded from the related party note as this has been eliminated on consolidation.