Preliminary Results 2012

November 27th, 2012

- Highlights
- Clients and markets
- Digital transition
- Financials
- Summary
- Appendix

Highlights

- Revenue growth of 6% of which 1% organic*
- New business success: Avaya, AVG, BAE, Box, Groupon, IFS, Mozilla, Pinterest, SAP, Sony Professional, Spotify, Viacom, Vodafone
- Pure digital and research segment represents 10.2% of group revenues (was 6.5%) and continues to be source of resilience
- Tactical digital and other acquisitions (Paratus, Content & Motion and Trademark)
- Encouraging start to FY 2013, strong new business pipeline across all territories

**Organic growth excludes the impact of currency and acquisitions.*

Financial year 2012 headlines

Resilient results in challenging markets

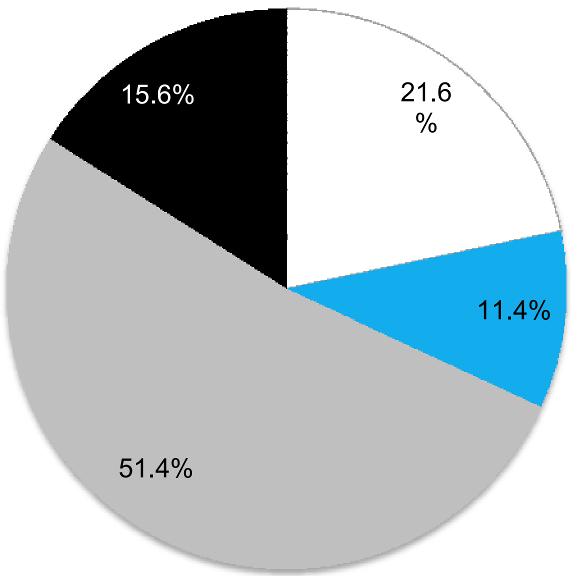
- Revenue **up 6%** to **£91.6m** (2011:£86.0m)
- EBITDA **up 5%** to **£11.2m** (£10.7m)
- Operating profit margins before HO costs **15.5%** (14.8%)
- Adjusted PBT **up 14%** to **£9.6m** (£8.4m)

- Adjusted diluted EPS **up 15%** to **10.07p** (8.74p)
- Dividend **up 12%** to **2.30p** (2.05p)

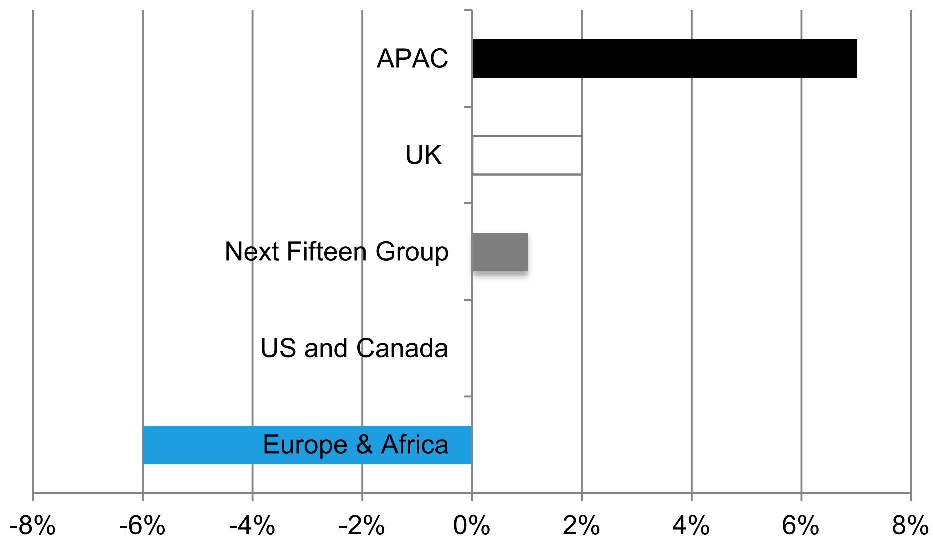
- Net debt of **£2.6m** (£1.6m)
- Earn out obligations of **£11.9m** (£15.3m)

Growth map by geography

Revenue contribution by geography finals 2012



Organic growth* rate by geography full year 2012



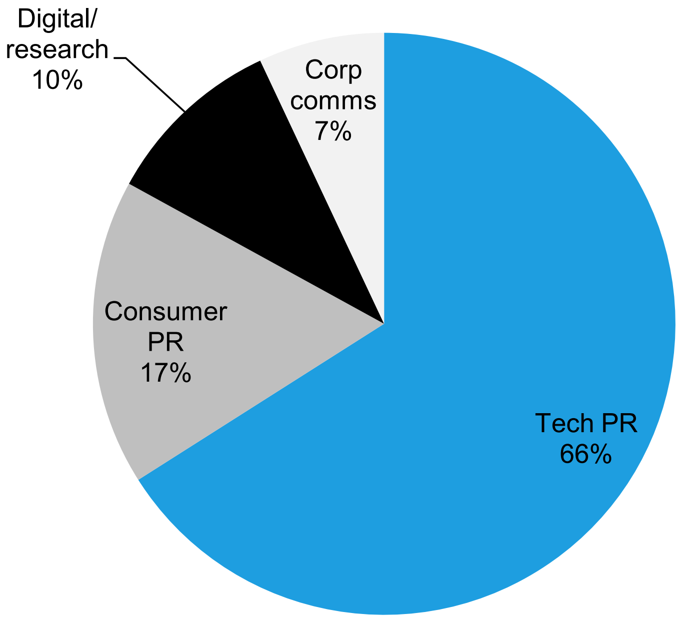
- US and Canada plus APAC 67% of the group
- 88% of the group showing positive organic growth

*Organic growth excludes the impact of currency and acquisitions.

- Previously reported client losses in US restrained full year growth
- European markets have seen lower client budgets outside digital; NFC has no pure digital businesses in mainland Europe

Growth map by function

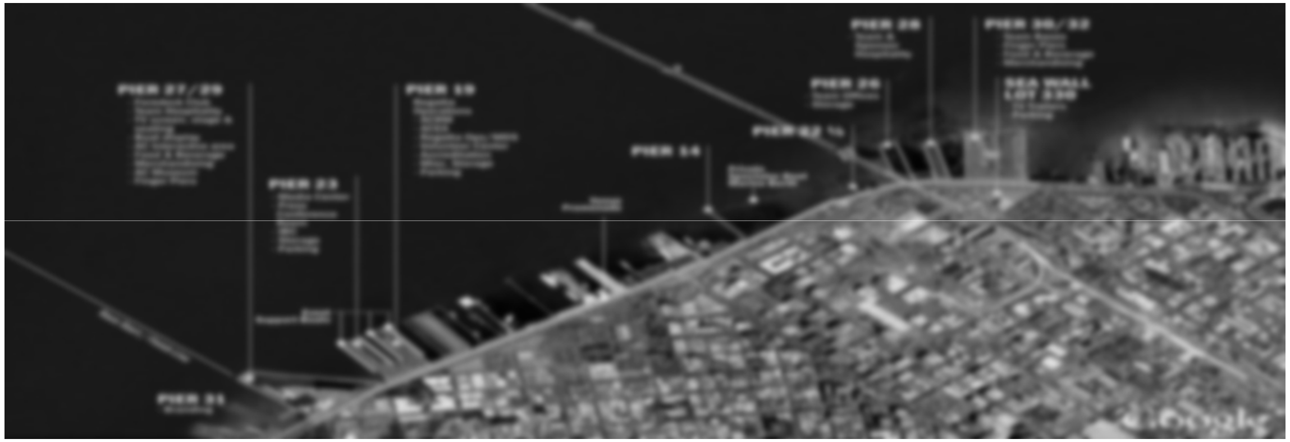
Revenue contribution by function finals 2012



Organic growth comments 2012

- Tech PR (Total revenues 2012: £61m) – 1% fall, progress held back by loss of HP
- Consumer PR (£15m) - 10% fall overall impacted by Lexis in UK, US consumer business was up over 6%
- Pure Digital & Research (£9m) – up 34% with some evidence of accelerated client transition to social and digital
- Corporate Communications (£7m) – up 10% with gains helped by better tech IPO roster
- Faster growth segments are higher margin; non PR businesses now 20% of pre tax profits

NEXT15



NEXT15

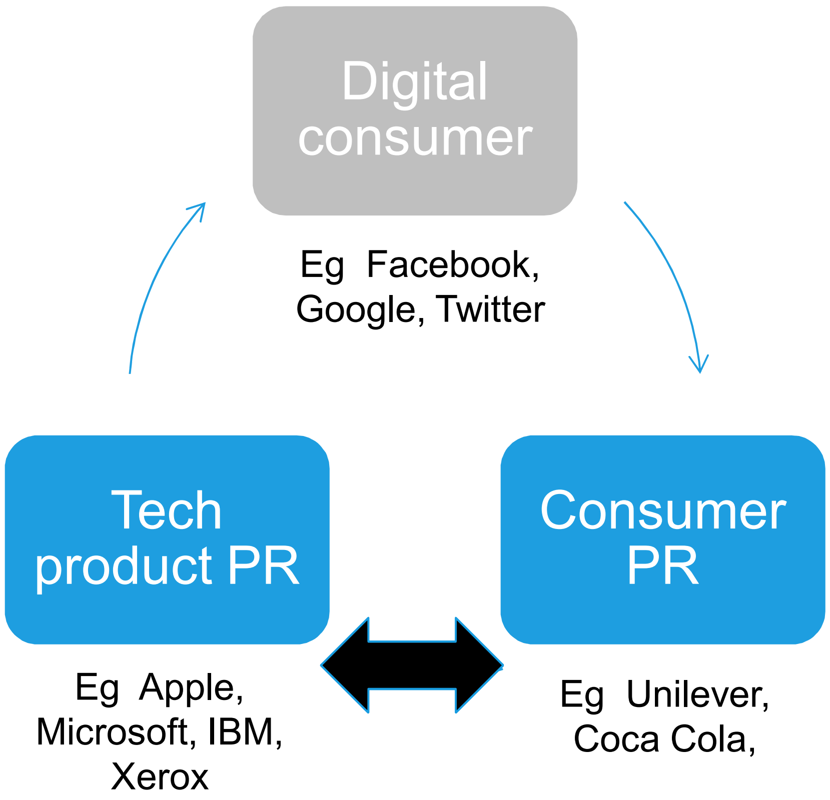
New business update

Region	Wins H1	Wins H2	Pure digital H1	Pure digital H2	Losses
US	Angies' List AVG Foursquare, GE, Internet Society, Nicira, Nokia, Sony Digital, Camera, Yelp	Avaya, Box, Mozilla, Palo Alto Networks, Pinterest SAP Staples, Spotify,	EMI Esurance Informatica Novartis NXP Salesforce	Hershey SAP Viacom	HP JC Penney Salesforce Visa
UK	Nokia	Box IFS Sega William Hill Pizza Hut Farming First	Mozilla Playtex	AVG BAE Groupon IFS	Boots HP Flora (Unilever)
APAC	Adobe Amazon Kindle, Dyson Infosys, Nokia	NVIDIA SAP Qualcomm		Sony Professional	
EMEA		Telefonica Informatica eBay, Spotify Vodafone	Philips	AVG Google IFS	

- Busy new business pipeline in H2 follows trend from H1
- Key losses in H1 (bar Unilever) with principal financial impact from H2

NEXT15

Client development trend via digital



- In non digital marketing and PR, product and consumer agencies had operated in different spheres
- In recent times, successful tech product brands have learned from consumer brands and vice versa
- Digital creates a platform for all brands to create a consumer profile
- The multi - discipline skills the group has gained here are highly applicable in the new digital consumer environment

NEXT15

- Highlights
- Client and markets
- Digital transition
- Financials
- Summary
- Appendix

NEXT15

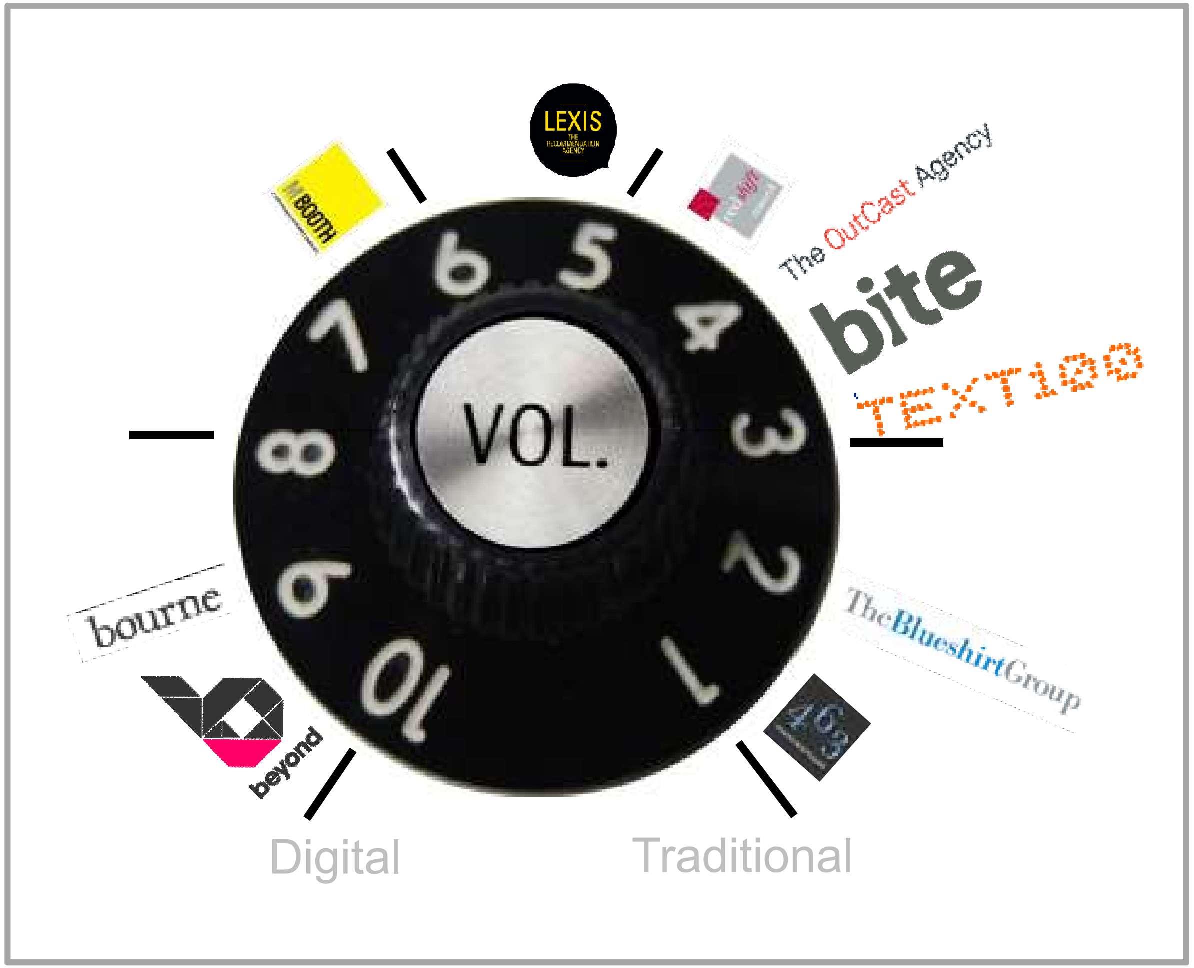
Last 3 years: key digital work for key digital brands

- California (SF) is home to more internet businesses of scale than anywhere else in the world
- Next Fifteen’s tech client base have been early adopters of the internet and social media….
- …and we have developed relations with key digital brands
- Our corporate culture is led by our clients and is more technology than PR

✓ Our landmark digital work for digital clients endorses our advantage and is helping to attract new business

NEXT15

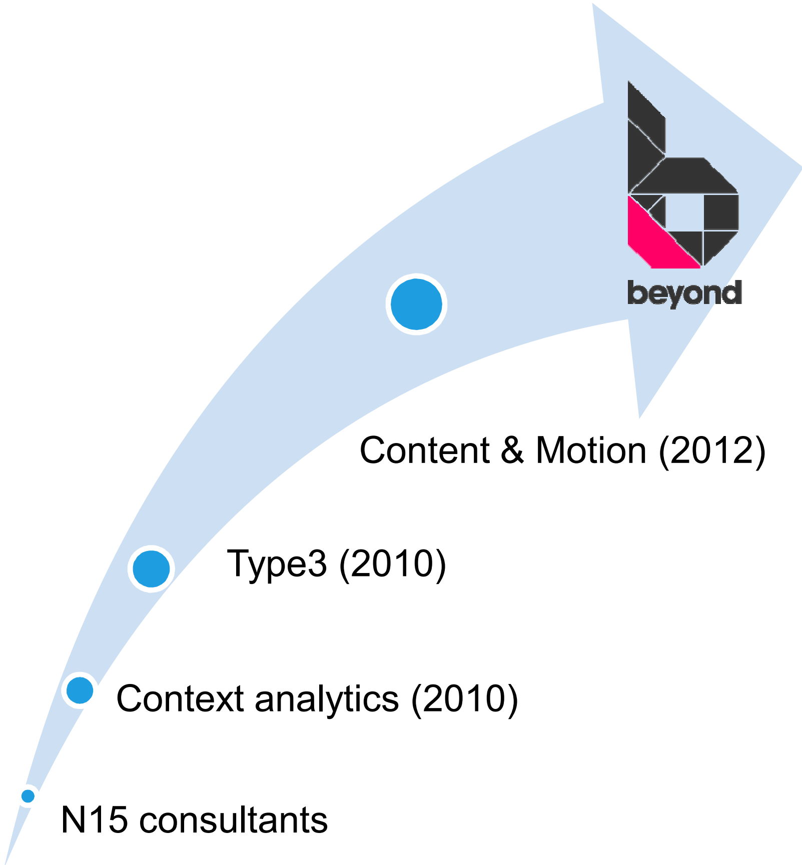
Digital transition by group brand



- Chart uses management's breakdown of each key brand's revenue mix in 2012
- This follows group wide digital function and revenue analysis
- Larger international brands showing higher digital revenues in US offices
- Pure digital brands up by over 60% in 2012
- Expect to make further gains in 2012

NEXT15

Transition update - beyond



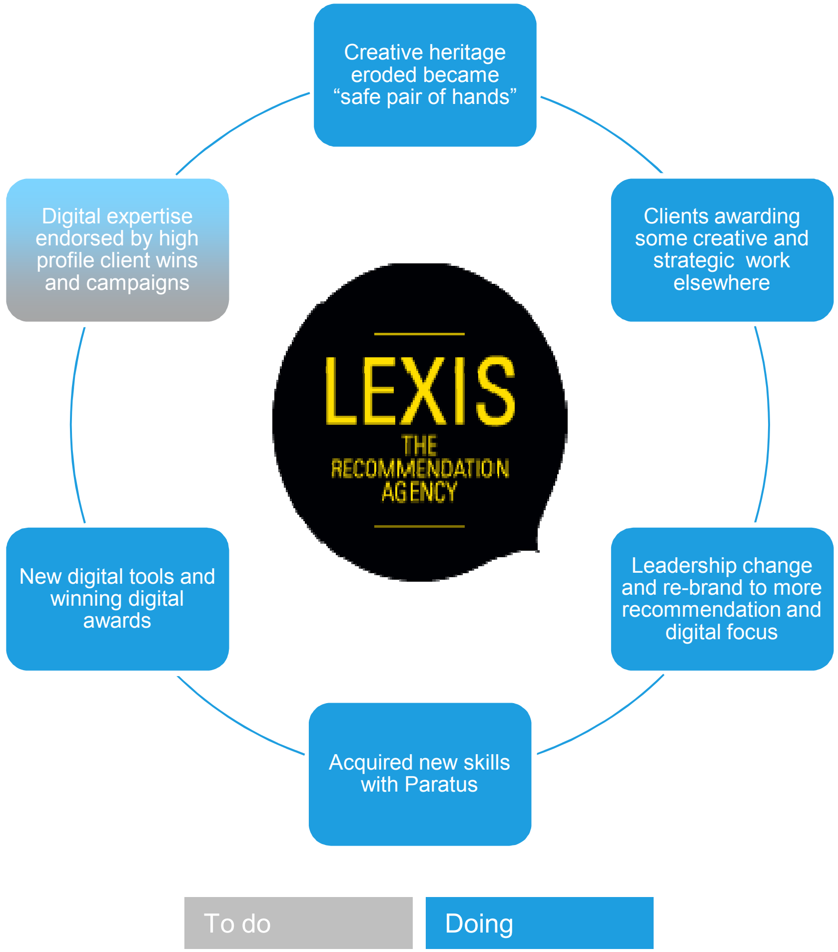
- Next Fifteen's largest pure digital agency, built out from internal team
- Revenue growth 39% in FY 2012 to £6.2m
- Strong support from digital creative team (Google, YouTube and Facebook)
- Content & Motion acquisition adds important third leg to business, i.e.
  - Data insight and strategy
  - Digital creative and development
  - Engagement enhancing content (C&M)

✓ This should extend Beyond's relationships with clients into more continuous services and boost retainer style revenues

✓ Further opportunity to syndicate/ productise software marketing solutions

Transition case study - Lexis

- Lexis is a UK-based full-service agency, 6.5% of group revenues
- Key clients include Barclays, Coca-Cola, Costa Coffee, Pizza Hut and William Hill
- Challenge: to recover from loss of largest client, Boots and accelerate transition to digital
- Leadership change and re-branding instigated in H1 2012, with emphasis on third party recommendation, social and other online media
- Paratus acquisition brought strong leadership and new digital skills
- Pitch activity increasing in otherwise difficult marketing environment
- Acclaimed digital campaigns William Hill and Farming First in H2 providing strong proof of concept



NEXT15

Transition and organic growth

Growth measure	FY 2012	FY 2012	Interim 2012
Basis	*Incl Lexis*	*Ex Lexis*	*As reported*
Total (1)	6%	9%	11%
Organic (2)	1%	3%	4%

Notes: (1) net revenue growth, (2) adjusted to exclude the impact of currency and acquisitions

- Some client adjustments have occurred as group focuses on digital techniques and products

NEXT15

Continuing opportunities in digital

Product/ service	Client demand	NFC opportunity
Insight	Need to make sense of data from multiple sources to both understand changing customer demand/ opinion and inform digital marketing spend	To play a more pivotal role with clients by building an earlier stage/ advisory relationship and thereby create a more persuasive platform for extended digital services
Branded content	Need trusted source of high frequency, brand-relevant content to engage with clients and marketing targets	Build a more continuous client relationship in digital e.g. Content and Motion acquisition for Beyond

- Highlights
- Clients and markets
- Digital transition
- Financials
- Summary
- Appendices

Income statement

£m	FY 2012	FY 2011	Growth/ %
Billings	108.5	105.2	3
Revenue	**91.6**	**86.0**	**6**
Adj Operating profit	10.0	8.8	14
Margins	*10.5%*	*9.8%*	
Adjusted PBT	**9.6**	**8.4**	**14**
PBT	6.0	7.5	(21)
Tax	(1.7)	(2.3)	
Retained profit	4.3	5.3	(18)
EBITDA	**11.2**	**10.7**	**5**
Basic EPS	6.85p	9.10p	(25)
Diluted adj EPS	**10.07p**	**8.74p**	**15**
Dividend	2.30p	2.05p	12

- Margins benefitted from: careful cost management; improving digital margin; and, higher contribution from high margin Corp Comms agencies.
- Dividend growth at twice reported revenues is measure of management confidence

NEXT 15

Cash flow

£m	FY 2012	FY 2011
Inflow from op activities	9.8	11.1
Working capital	0.3	0.3
Net inflow from operations	**10.1**	**11.4**
Tax	(2.5)	(2.6)
Net capex	(0.9)	(2.0)
Acquisitions	(5.7)	(6.3)
Own shares	0.1	0.1
Interest	(0.5)	(0.4)
Dividends	(1.2)	(1.0)
Minorities	(0.3)	(0.1)
Financing	0.9	2.0
Increase in cash	**_**	**1.1**
Net debt	2.6	1.6

- Net cash from operations represents 119% of Adjusted Operating profit despite impact of fraud (£0.9m in 2012, £0.4m in 2011).
- Acquisition payments predominantly in H1
- Dividend payments in H2.

Balance sheet

£m	FY 2012	FY 2011
Intangible assets	41.0	37.9
Non-current assets	7.2	6.4
Current assets	33.3	34.8
Non-current liabilities	(20.1)	(20.7)
Current liabilities	(24.2)	(26.1)
Net assets	**37.2**	**32.3**
Share capital	1.5	1.4
Reserves	33.6	28.1
Own shares	-	(0.5)
Minorities	2.1	3.3
Total equity	**37.2**	**32.3**
Net debt	2.6	1.6

Includes present value of estimated future earn out commitments (equity and cash) of £11.9m

Net debt increased by just £1m despite spending £5.7m on acquisition-related payments

NEXT 15

Business development update

Organic investment/ brand incubation at Next Fifteen is the process of building new agencies from a combination of internal resources and acquired skills.

Last 3 financial years	
Amount invested in brand incubation (cumul)	£1.0m
Key projects	Beyond, Bite Asia Digital (and 2012 projects listed below)
Net contribution to PBT* 2012	£0.65m/ 6.8%

Financial year 2012	
Amount invested in brand incubation	£0.35m
Key projects	Animo, Red Brick Media, Paratus
Net contribution to PBT* 2012	Negligible at this point

**Adjusted pre tax profits*

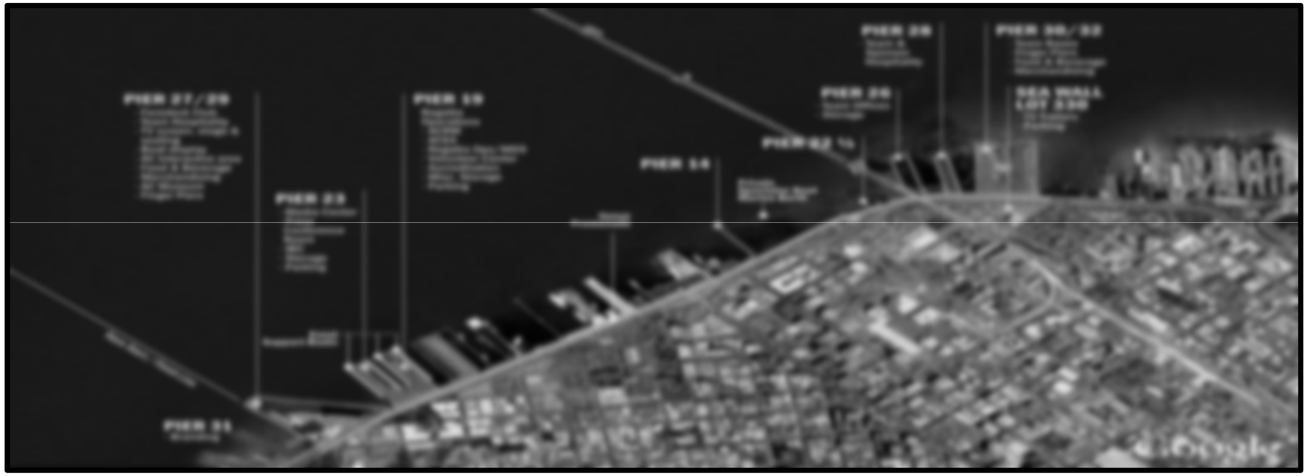
Content & Motion added to Beyond in FY13

NEXT15

Recent trading history

Item	2009	2010	2011	2012	*CAGR 2009 – 2012*
Revenue	£65.4m	£72.3m	£86.0m	**£91.6m**	*11.9%*
Adjusted profit before tax	£5.25m	£6.61m	£8.39m	**£9.60m**	*22.3%*
Adjusted profit before tax margin %	8.0%	9.1%	9.8%	**10.5%**	*n/a*
EBITDA	£5.5m	£8.4m	£10.7m	**£11.2m**	*26.7%*
Net cash from operating activities	£4.8m	£5.1m	£11.4	**£10.1**	*28.1%*
Adjusted diluted EPS	6.46p	7.53p	8.74p	**10.07p**	*15.9%*
Dividend per share	1.7p	1.85p	2.05p	**2.30p**	*10.6%*

- Highlights
- Clients and markets
- Digital transition
- Financials
- Summary
- Appendices



NEXT 15

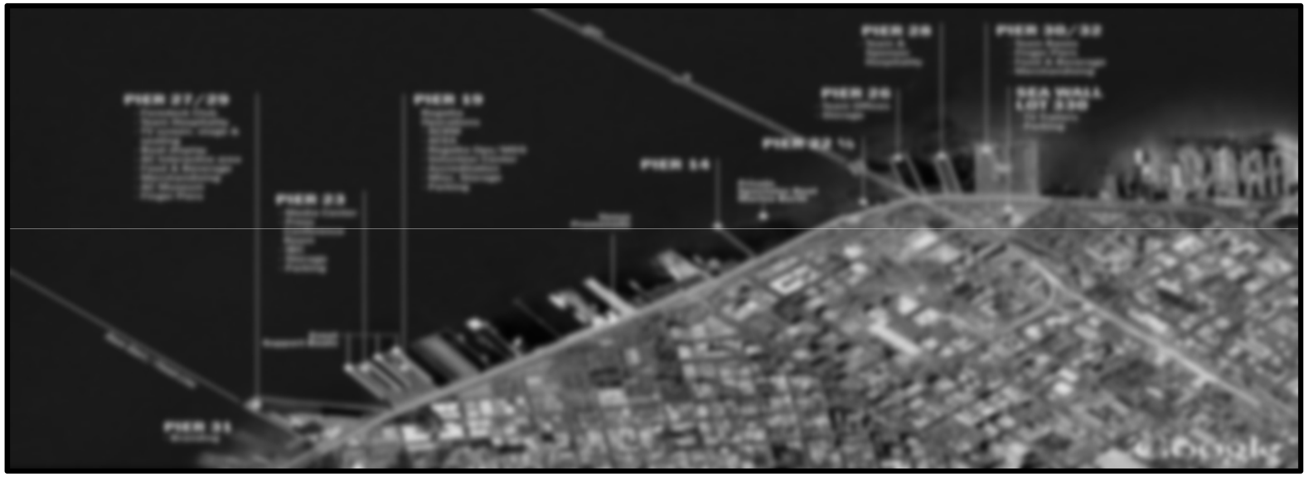
Summary

Finals 2012 in review

- Digital/ Research and Corp Comms showing organic revenue growth of over 10%....
- ....now 20% of group pre tax profits
- Margin development trend continues as group gains scale
- Overall organic growth held back by UK consumer business.....now repositioned and profitable
- Asia continues to deliver solid organic growth counterbalancing weaknesses in mainland Europe

Outlook

- Encouraging start to FY 2013
- Strong pipeline across all territories
- Revenue visibility continues to be reasonable
- Strength of balance sheet provides scope for further organic investment and acquisitions
- US economy remains solid but political uncertainty has an impact
- US $ currently weaker than expected



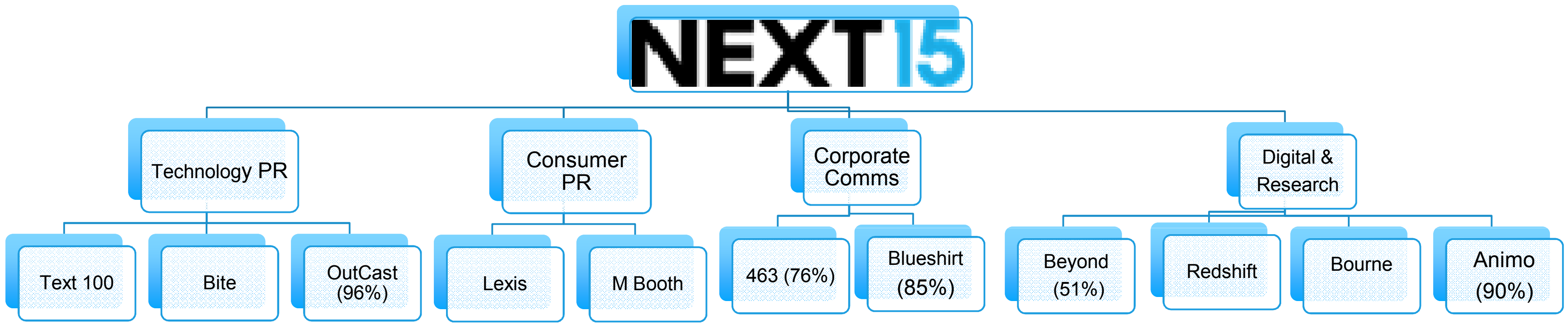
Next Fifteen – investor snapshot

- **What we do** – Provide PR and communication services designed to enable progressive brands to influence buyer behaviour using digital channels.
- **Our belief** – Digital has become the most important channel for influencing buyer behaviour but is still in its relative infancy as an industry
- **Growth beyond Tech PR** – Tech PR (£60.6m – 66.1%); Consumer PR (£15m - 16.5%); Pure Digital & Research (£9.4m - 10.2%); Corporate Communications (£6.6m - 7.2%)
- **Global network, based in US** – Strong base in San Francisco with global network of 53 offices in 17 countries. More than 50% of revenue and profit from the US and less than 22% from the UK
- **Material client relationships** – Top 10 clients account for 26% of revenue, but no single client accounts for more than 5%
- **Both organic and acquisitive growth** – Group revenue increased by over 60% since 2006, driven by both good levels of organic growth and acquisitions
- **Modest gearing** – Net debt of £2.6m as at 31st July 2012
- **Respected management team** – Long-serving, experienced team based in US and UK

✓ *A digital communications group advantaged by its technology client base, US exposure and digital transition, poised for a step change in growth and scale*

NEXT15

Group Structure



Segmental Revenue and Adj Operating Profit

£m	Revenue	%	Operating Profit	%
Technology PR	60.6	*66.1*	9.4	*65.7*
Consumer PR	15.0	*16.5*	2.0	*14.4*
Pure Digital & Research	9.4	*10.2*	1.3	*9.2*
Corporate Communications	6.6	*7.2*	1.5	*10.7*
Head Office			(4.2)	
Total	**91.6**	***100***	**10.0**	***100***

NEXT15

Geographic Revenue and Adj Operating Profit

£m	Revenue	%	Operating Profit	%
US and Canada	47.1	*51.4*	9.3	*65.4*
UK	19.7	*21.6*	3.3	*23.5*
EMEA	10.5	*11.4*	0.9	*6.4*
APAC	14.3	*15.6*	0.7	*4.7*
Head Office			(4.2)	
Total	**91.6**	***100***	**10.0**	***100***

NEXT15

Contingent consideration and minority interests

Prospective cash commitments: 2013 - 2016

Cash commitments	£m
FY 2013	1.7
FY 2014	3.6
FY 2015	4.0
FY 2016 and later	5.5

- These figures show undiscounted estimates, assuming that shares are issued in those acquisitions where they form part of the consideration
- Cash can be substituted for share consideration at Next Fifteen's discretion. This could add a further £2.2m cash consideration over the next six years
- Discounted sum is £11.9m (was £15.3m in 2011)

NEXT15

Office locations

US

San Francisco

New York

Washington

Boston

Rochester
Los Angeles

EMEA

London

Paris

Munich

Milan

Madrid
Amsterdam

Stockholm

Copenhagen

Istanbul*
Oslo*
Johannesburg

APAC

Tokyo

Hong Kong

Beijing

Shanghai

Kuala Lumpur
Singapore

New Delhi

Mumbai

Bangalore
Chennai
Sydney

Seoul*

Tapei*

Auckland*

* Licensed partners

NEXT15

END