

Next Fifteen 2009 Preliminary results

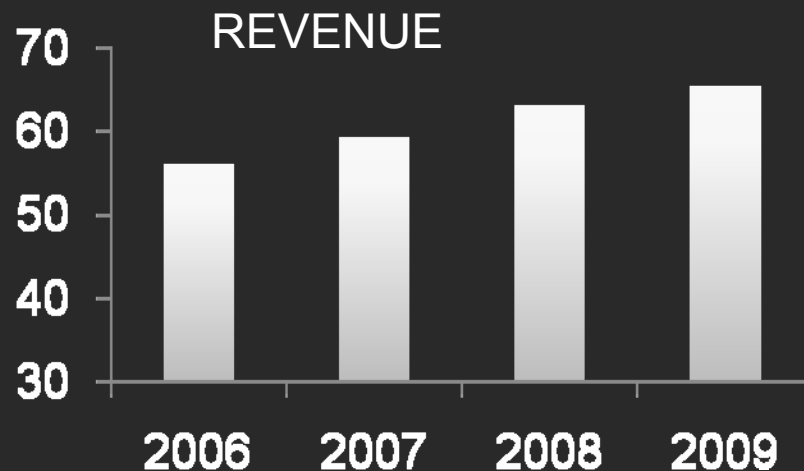
Tim Dyson, CEO

Highlights

- Revenue increased to £65.4m (2008:£63.1m)
- PBT down to £3.1m (2008:£5.5m)
- Tax rate down to 28%
- Net cash of £1.8m
- Major new or expanded clients include: HP, VM Ware, Autodesk
- Maintained total dividend at 1.7p
- M Booth, Upstream Asia, 463

Results

- Revenue
£65.4m up 6.5% (2008: £63.1m)
- Headline profits
£5.2m (2008: £6.6m)
- Adjusted EPS 6.48p (2008:
8.62p)
- EBITDA
£5.2m (2008: £8.0m)
- Dividend
1.7p (2008: 1.7p)



Strategies

- Leverage international footprint
 - Cross sell network to existing client base
 - Establish hubs for other brands
- Capitalise on social media expertise
- Expand research capability
- Expand service lines
- Selective acquisitions
- Maintain focus on margins

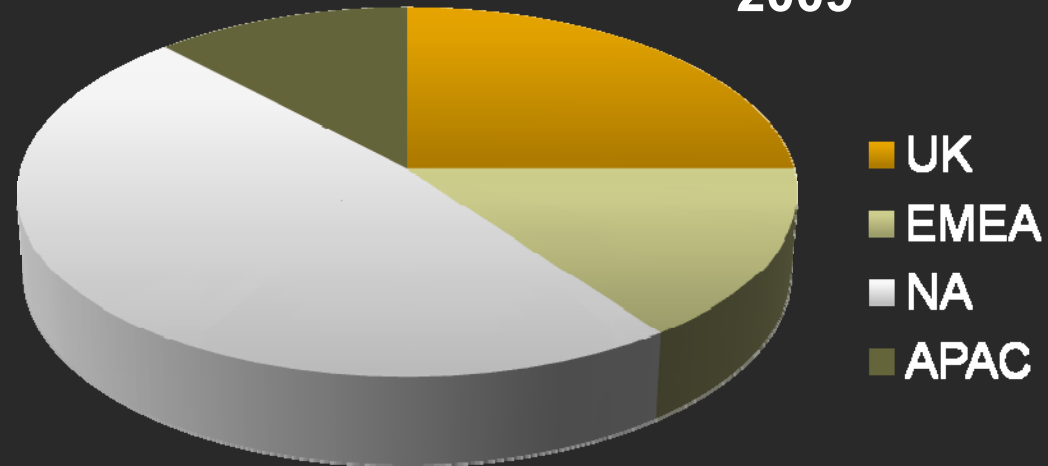
Investments

- M Booth – working with Lexis to create global consumer agency
 - Unilever, JC Penney, Boots, Coca Cola
- Upstream Asia – enable Bite to offer a global reach
- 463 – becomes subsidiary rather than associate
- Project Metal

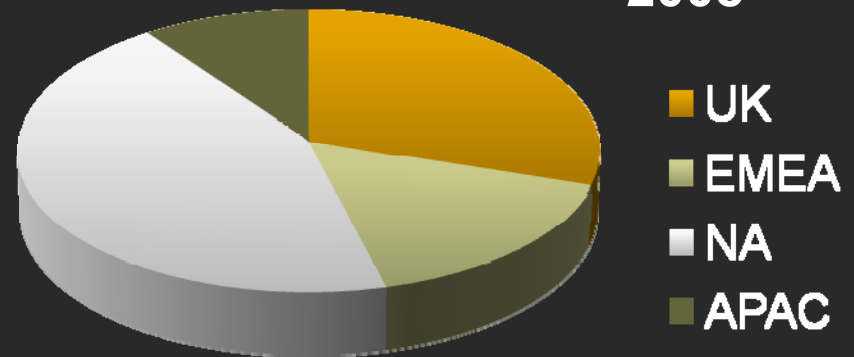
Global

- NA reach almost 50% of revenue
- UK market suffered 11.9% decline
- APAC grew 16%
- Our structure:
 - 6 PR agencies
 - 2 Research agencies
 - operate in 18 countries
 - 13 offices in North America
 - 4 offices in UK
 - 12 offices in APAC
 - 10 offices in EMEA

2009



2008



Recession scorecard

- Clients
 - Maintained strong blue chip client base
 - Lost Sun to Oracle merger
 - Lost Nokia
 - Won HP
- Staff
 - Maintained staff costs to revenue at 67% (excluding reorg. costs)
- Operations
 - One onerous lease following Bite/Inferno merger
 - Remaining operating costs managed in line with revenue
- Investments
 - M Booth, Upstream, 463 and Metal all designed to deliver growth over next five years

Current trading

- Margins normalised
- Tax charge remains low and predicted to do so for coming year
- Good new business pipeline in all four geographic regions
- Social media creating opportunities for additional PR spend
- Relative dollar strength helping support revenues/profits

Financials

David Dewhurst

FD

Summary

- Revenue increased 3.6% to £65.4m
- Adjusted PBT down by 20% to £5.25m
- Adjusted EPS down by 25% to 6.48p
- Adjusted profit margin before head office costs 14.9% (2008: 15.9%)
- Staff costs contained to 67.0% revenue (2008: 67.3%)
- Net cash of £1.8m

Income Statement

	2006	2007	2008	2009
	£m	£m	£m	£m
Billings	63.3	69.4	73.9	77.3
Revenue	56.0	59.3	63.1	65.4
Adjusted profit	4.4	5.6	6.6	5.2
Adjusted margin	7.0%	9.4%	10.4%	8.0%
PBT	3.0	5.1	5.5	3.2
Tax	(1.5)	(1.8)	(1.7)	(0.9)
Retained	1.5	3.3	3.8	2.3
Dividend	1.365p	1.5p	1.7p	1.7p
Adjusted EPS	5.32p	7.09p	8.62p	6.48p

EPS and tax

- Adjusted EPS down 25% at 6.48p
 - Reduced profits and more shares in issue following Lexis acquisition
- Effective tax rate is 28% (2008: 30%)
 - New transfer pricing policy
- Projecting tax rate to remain at or below 30% in current financial year

Balance sheet

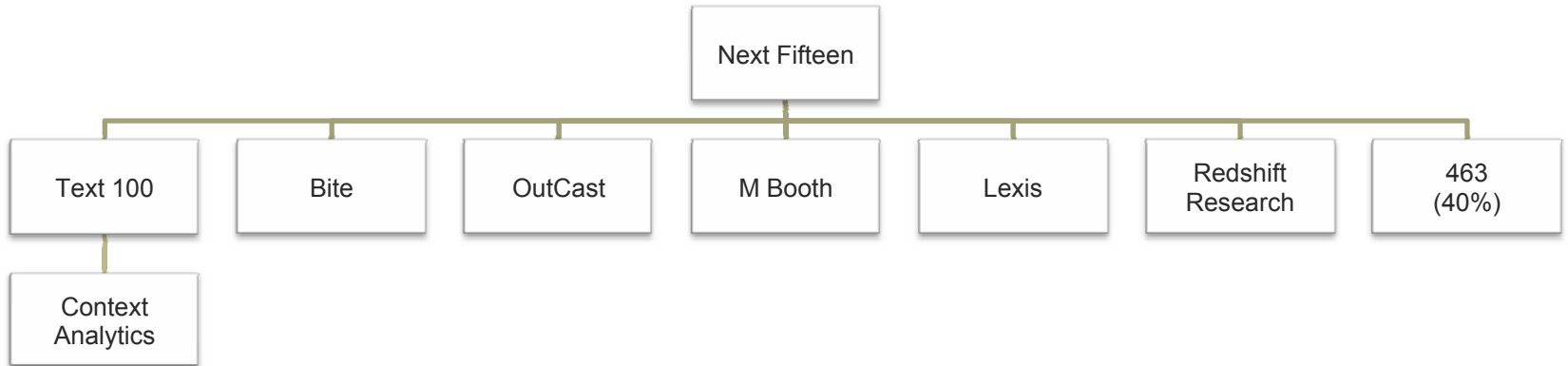
	2008	2009
	£m	£m
Intangible assets	15.5	18.4
Other assets	4.7	3.1
Non-current assets	20.2	21.5
Trade receivables	15.7	14.6
Cash	9.5	7.1
Tax assets	0.7	2.2
Current assets	25.9	23.9
Borrowings	5.3	4.9
Other liabilities	0.6	0.4
Non-current liabilities	5.9	5.3
Borrowings	0.0	0.2
Trade payables	14.9	13.7
Other liabilities	5.7	1.4
Current liabilities	20.6	15.3
Total net assets	19.6	24.9
Equity shareholders funds	19.4	24.1
Minority Interests	0.2	0.8
Total Equity	19.6	24.9
Net cash	3.4	1.8

Cashflow

	2008	2009
	£m	£m
Inflow from operating activities	8.3	5.2
Working capital items	1.3	1.1
Net inflow from operations	9.6	6.3
Taxation	(1.1)	(1.5)
Net capital expenditure	(1.9)	(0.5)
Own shares	(0.4)	
Acquisitions	(0.9)	(4.5)
Interest	(0.2)	(0.3)
Dividends	(0.8)	(0.9)
Financing – bank loan	(0.5)	(1.5)
- hire purchase	(0.2)	(0.2)
Minority dividends		(0.2)
Increase/ (decrease) in cash	3.5	(3.3)

Appendices:

- Group structure
- Global reach
- Top clients



US and Canada

San Francisco

New York

Washington

Boston

Rochester

Los Angeles

Toronto

EMEA

London

Paris

Munich

Milan

Madrid

Amsterdam

Stockholm

Copenhagen

Helsinki*

Oslo

Johannesburg

APAC

Tokyo

Hong Kong

Beijing

Shanghai

Kuala Lumpur

Singapore

New Delhi

Mumbai

Bangalore

Chennai

Sydney

Seoul*

Tapei*

Auckland*

Top clients

- IBM
- Microsoft
- Cisco
- Yahoo!
- AMD
- HP
- Lenovo
- Xerox
- EMC
- Symantec
- Boots
- Unilever
- Facebook
- Coca Cola