



the missiontm

2012 Results

together, we are **the mission**tm

Addiction[®] april-six[®] balloon dog[®]  brayleino[®] RLA[®]  'story'[®] thinkbdw[®] yucca[®]



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Summary of the Year: 2012

- Great new business wins
 - The names keep getting better
- Growth from 5 of the 7 Agencies
- Strategy proving successful
 - Clarity
 - Concinnity
 - Multinational yet boutique
- Reputation growing
 - Clients
 - Industry
- Service offering expanded
 - 2011 acquisitions embedded successfully
- Further real financial progress
 - 15% revenue and profit growth
 - Debt leverage now well below x2
 - Oversubscribed placing, improved banking terms
 - LTIP scheme motivating the management



Opportunities ahead: 2013

- Focus on Core Strategy plus
 - Improve profitability
 - Embed 2012 acquisitions
 - Broaden Client offering
 - Risk-reduced tactical acquisitions
- Leverage our success
- Continue to manage debt



Profit & Loss

	2012	2011	%
Turnover	<u>117.0</u>	<u>116.0</u>	+1%
Operating income ("Revenue")	47.5	41.5	+15%
Operating expenses	<u>(41.5)</u>	<u>(35.6)</u>	
Headline operating profit	6.0	5.8	+2%
<i>Margin</i>	12.5%	14.1%	
Net interest	<u>(1.1)</u>	<u>(1.6)</u>	-32%
Headline PBT	4.9	4.2	+15%
Adjustments	<u>(0.2)</u>	<u>(0.1)</u>	
PBT	4.7	4.1	
Tax	<u>(1.3)</u>	<u>(1.0)</u>	
Earnings	3.4	3.1	
Diluted headline eps	<u>4.5</u>	<u>4.2</u>	+8%



Profit & Loss

	2012	2011	%
Turnover			
Branding, advertising & all others	69.5	64.7	+7%
Media	46.1	51.3	-10%
balloon dog	1.4	-	
	<u>117.0</u>	<u>116.0</u>	+1%
Operating income			
Branding, advertising & all others	41.8	36.9	+13%
Media	4.5	4.6	-1%
balloon dog	1.2	-	
	<u>47.5</u>	<u>41.5</u>	+15%
<i>Gross profit margin</i>	41%	36%	
Profit			
Like for like operating profit	5.8	5.8	-
balloon dog	0.1	-	
	<u>6.0</u>	<u>5.8</u>	+2%
Interest	<u>(1.1)</u>	<u>(1.6)</u>	
Headline PBT	4.9	4.2	+15%



Balance Sheet

	2012	2011	2010
Intangibles	71.4	68.4	68.2
Tangible fixed assets	3.2	2.7	2.0
Working capital	4.1	2.9	3.4
Net bank debt	(12.3)	(15.3)	(18.5)
Acquisition obligations	(2.3)	0.0	0.0
Total net debt	(14.6)	(15.3)	(18.5)
All others (mainly Corp. tax)	(1.4)	(0.8)	(0.4)
Net assets	62.7	57.9	54.7
Bank debt gearing	20%	26%	34%
Total gearing	23%	26%	34%
Debt leverage	x1.7	x2.3	x3.3



Underlying Cash Flow

	2012	2011
Headline Operating profit	6.0	5.8
Add back depreciation/other non-cash items	1.2	0.9
EBITDA	7.2	6.7
Changes in working capital	(0.8)	0.5
Net interest	(0.9)	(1.6)
Taxation	(0.9)	(0.5)
Operating cash flows	4.6	5.1
Capex	(1.2)	(1.5)
Initial acquisition consideration	(0.7)	-
Settlement of acquired liabilities	(0.6)	-
Proceeds of placing	1.1	-
Debt repayment	(3.0)	(4.5)
All others	-	(0.2)
Change in cash balances	0.2	(1.1)

Prospects

- Market
 - Still uncertain but more promising
- Organic growth
 - Our business model shows that we can win market share
 - New business pipeline strong
- Non-organic
 - balloon dog on track, more work to do with Addiction
 - Still looking for acquisition opportunities
- Use of cash
 - Dividends