



the missiontm

2012 interim results

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Agenda

- Review of H1 2012
- Financials
- Outlook



Summary of the period

- Market remains tough
- Good new business wins
- Strong growth from incumbent Clients
- Good financial performance without Census and Royal Mint
 - Specialist Agencies - ThinkBDW and April-Six - doing well
 - First contribution from digital specialist Yucca (Oct 2011)
- Full-year again expected to favour H2



New Business – some examples

M&SMONEY

vmware



BRANTANO



AVIVA



telfordhomes

RBS

The Royal Bank of Scotland



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Profit & Loss

	H1 2012	H1 2011	%
Turnover	<u>59.9</u>	<u>59.9</u>	-%
Operating income ("Revenue")	22.5	19.8	+14%
Operating expenses	<u>(19.7)</u>	<u>(17.2)</u>	+15%
Pre-exceptional operating profit	2.8	2.7	+4%
Margin	12.3%	13.4%	
Net interest	<u>(0.6)</u>	<u>(0.9)</u>	-29%
Pre-exceptional PBT	2.1	1.8	+20%
Exceptional items	<u>-</u>	<u>(0.1)</u>	
PBT	2.1	1.7	
Tax	<u>(0.6)</u>	<u>(0.5)</u>	
Earnings	1.5	1.2	
Diluted headline eps	<u>2.0</u>	<u>1.7</u>	+19%



Segmental Split

	2012	2011	%
Turnover			
Branding, Advertising & Digital	27.2	24.9	+10%
Media	25.7	28.6	-10%
Events & Learning	5.4	5.2	+4%
PR	1.5	1.2	+ 24%
	<u>59.9</u>	<u>59.9</u>	-%
Gross Profit			
Branding, Advertising & Digital	17.1	15.0	+14%
Media	2.2	2.2	-%
Events & Learning	2.0	1.7	+12%
PR	1.3	0.9	+ 44%
	<u>22.5</u>	<u>19.8</u>	+14%
Pre-exceptional Op Profit			
Branding, Advertising & Digital	2.6	2.6	+2%
Media	0.5	0.6	-11%
Events & Learning	0.1	0.1	+60%
PR	-	-	-%
Central costs	(0.6)	(0.6)	-4%
	<u>2.8</u>	<u>2.7</u>	+4%



Interest

	H1 2012	H1 2011
P&L		
Bank	(0.4)	(0.7)
Fees	<u>(0.2)</u>	<u>(0.2)</u>
	<u><u>(0.6)</u></u>	<u><u>(0.9)</u></u>
Cash flow		
Bank	(0.3)	(0.7)
Fees	<u>(0.2)</u>	<u>(0.5)</u>
	<u><u>(0.5)</u></u>	<u><u>(1.2)</u></u>



Balance Sheet

	June 2012	June 2011	Dec 2011
Intangibles	68.5	68.2	68.4
Tangible fixed assets	2.9	2.4	2.7
Working capital	1.4	(0.3)	2.9
Net bank debt	(12.3)	(13.8)	(15.3)
Acquisition obligations	-	-	-
Total net debt	(12.3)	(13.8)	(15.3)
All others (mainly Corp. tax)	(1.0)	(0.6)	(0.8)
Net assets	<u>59.5</u>	<u>55.9</u>	<u>57.9</u>
Gearing	21%	25%	26%
Debt leverage	x1.8	x2.2	x2.3



Cash Flow

	H1 2012	H1 2011
Pre-exceptional Operating profit	2.8	2.7
Add back depreciation	0.5	0.3
EBITDA	3.3	3.0
Exceptional costs	-	(0.1)
Changes in working capital	1.6	3.9
Net interest	(0.5)	(1.2)
Taxation	<u>(0.4)</u>	<u>(0.2)</u>
Operating cash flows	4.0	5.4
Capex/investments	(0.8)	(0.8)
Debt repayment	(3.3)	(2.5)
All others	-	-
Change in cash balances	<u><u>(0.1)</u></u>	<u><u>2.1</u></u>



Outlook

- Market
 - No sign of general improvement
 - Olympics generally negative
- Organic growth opportunities
 - Structure continuing to evolve and improve
 - Q4 expected to see rebound from Olympics
- Non-organic growth opportunities
 - Market continues to provide good value acquisition opps
 - Will continue to seek out small opportunistic purchases, eg Addiction
 - Reduced debt leverage ratio - flexibility for further deals in 2013
 - Equity funding an alternative, eg Balloon Dog



Thank You.

Any Questions?

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