

24 July 2007

Thomson Intermedia plc

Final results for 15 months to 30 April 2007

Thomson Intermedia plc ("Thomson Intermedia" or the 'Group', AIM: THN), a leading provider of media intelligence, today announces its final audited results for the fifteen months to 30 April 2007.

Highlights

- Group revenue for the 15 month period was £20.0m (2006 – 12m to 31/1: £11.1m)
 - 12 months Group revenue up 16% to £15.8m (2006 – 12m to 30/4: £13.7m)
 - 12 months Core revenue up 29% to £15.1m (2006: £11.7m)
- Group underlying* operating profit for 15 months was £3.1m (2006: £2.4m)
 - 12 months Group underlying* profit was £2.2m (2006: £2.9m)
 - 12 months Core underlying* operating profit up 33% to £2.3m (2006: £1.8m)
- Group underlying* profit before tax for 15 months was £2.7m (2006: £2.4m)
- Group profit before tax for 15 months was £0.4m (2006: £1.9m)
- Underlying* diluted earnings per share for 15 months was 8.01p (2006: 7.30p)
- Management team strengthened across a number of levels
- Developed a new route to market to accelerate sales growth in the UK
- Strong international growth with the US up 57% on last year
 - Investment completed in Spain and licensing deals signed in Greece and Cyprus
- Encouraging momentum in current year with core renewal rates (by value) over 100%
** before Highlighted Items (see Note 3 below)*

Sarah Jane Thomson, Joint Chief Executive of Thomson Intermedia plc, said:

"2006/07 was a particularly notable year for the Group with important advances achieved although revenue from Development projects was lower than our original expectations. Operationally we have now firmly established all of our key capabilities in terms of products, data, technology and route to market. Financially we are now in a much more robust position, having completed a thorough overhaul of all our finances."

"This year we are seeing some good momentum in the Core business with renewal rates exceeding 100%. Furthermore, our international operations continue to grow strongly, especially in the US where there are significant market opportunities."

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Overview

Thomson Intermedia made good progress during the past fifteen months with Group revenues reaching £20 million, although revenue from Development projects was lower than originally anticipated. As outlined below, there have been a number of significant achievements which position the Group well for future growth:

- Completion of the integration of billets, significantly bolstering the overall management team
- Strengthening the Board with three new appointments, including a new Finance Director
- Signing of a partnership agreement with WPP's GroupM, the world's leading media agency group
- Development of a suite of tailored online systems to support a new route to market
- Exploitation of the exclusive capture of advertising from over 90% of regional newspapers
- Strong growth of the international business, particularly in the US, to 20% of total revenues
- Completion of a licensing deal for media monitoring in Greece and Cyprus
- Investment in a media auditing business in Spain

The Group classifies its business into two types: Core and Development. The Core business, encompassing Subscriptions, Consultancy and International income streams, has continued to grow strongly. As highlighted earlier this year, Development income was lower than originally anticipated as a result of delays in securing pipeline opportunities. However, these projects remain active and although they have the potential to be important sources of income, the shortfall has not impacted the underlying performance and progress of the Group.

The new Finance Director initiated a comprehensive review of the Group's assets and finances and consequently a more rigorous approach was adopted to revenue recognition as part of the year end close process. This led to a one-off adjustment to revenue and costs at the year end.

Strategy & Positioning

Thomson Intermedia aims to become the essential provider of business critical media intelligence, measurement and evaluation services to UK and global customers. The Group operates in a fast-changing market, historically based on trust, where the need for reliable, comprehensive media data has never been greater. There is also an increasing focus by advertisers on the value and effectiveness of their marketing spend, often their largest external cost.

Thomson Intermedia is uniquely placed to capitalise on this market opportunity, based on:

- Its leading positions in data capture, data analysis, and media consultancy
- The comprehensiveness, accuracy and sheer size of its database
- Its integrated, proprietary systems and technical expertise and
- The Group's deep knowledge and experience of the media industry

The database has been developed over ten years. It currently holds 72 terabytes of data comprising four million advertisements which have appeared a quarter of billion times across all the media including the internet. The database is a key asset with market-leading functionality and content, providing the Group with a notable competitive advantage. Uniquely, Thomson Intermedia receives data in digital form from over 1,000 regional publications. Since its launch in December 2005, the Publisher Platform has processed 2.3 million pdfs and has captured some two million new creatives; the Group is currently processing over 300,000 regional pdfs a month.

Thomson Intermedia's proprietary technology is world-leading and scalable. Its systems are fully integrated into a single database to ensure that advertising creatives and expenditure can be completely aligned. The technology allows the fastest and most comprehensive capture of all advertising media and insertions and uses sophisticated, tailored interfaces to provide this fundamental data, peer group monitoring and associated analysis to marketeers.

UK Market

Thomson Intermedia is the leading provider of media auditing and competitive monitoring to advertisers in the UK. The Group believes that the UK market remains a source of significant growth. The Group aims to ensure that the Thomson Intermedia system is available and in constant use on the desktops of as many advertisers, agencies and media owners as possible in order to become the standard currency of media spend in the UK. It is here that the Group's development activities are focused. Not only will this create the opportunity for a step-change in revenue for the Group in the UK, it will provide the platform for significant growth in overseas markets.

In October 2006, the Group signed a partnership with GroupM, part of WPP plc, which significantly enhances its route to market. GroupM will endorse Thomson Intermedia's monitoring products and facilitate access to their customer base of more than 650 of the UK's top advertisers. Thomson Intermedia has invested a significant amount of development time in adapting its systems for the GroupM partnership and for the agency environment in general. It has also been active in building relationships and buy-in within the GroupM agencies, specifically Mindshare, Mediacom and Mediaedge: CIA.

The development work has involved developing an entirely new agency and client user front-end solution, automated reporting and distribution functions and agency attribution (whereby advertisements can be filtered by agency which is a fundamental requirement of this market). The new front-end product will be made available to all of Thomson Intermedia's existing clients as well as to GroupM and its clients which will bring significant upgrade opportunities.

The new system is currently in the late stages of beta testing and the Group anticipates a controlled roll-out within GroupM and to existing clients starting in September. The financial benefits of this new route to market should begin to be felt by the end of the financial year.

International Development

The Group's business model is scaleable and there is a substantial opportunity to grow revenues in international markets, many of which are less developed in terms of media information and consultancy than the UK. The Board plans to continue to invest in and develop businesses in key overseas markets in the form of recruitment, small acquisitions and start-ups.

MPMA, the Group's US subsidiary, is a fast growth, profitable company with a leadership position in the US media auditing market. The US is the largest single advertising market in the world where media auditing (long accepted in the UK) is still at a relatively early stage of penetration. The Group recently launched its internet monitoring service in the US and is considering rolling out other products in due course.

In Europe, the Group recently completed a modest investment in a media auditing business in Spain and is actively pursuing the acquisition of a business in another key market. These initiatives will strengthen the Group's competitive position in the securing of global audit mandates as well as provide a platform for domestic growth and non-audit products. The Group is committed to growing its joint venture in Germany as well as to signing licence deals in smaller territories such as the recently agreed transaction covering Greece and Cyprus.

In due course, the Group expects to establish a direct presence in other major and developing advertising markets.

Financial Review

Following the extension of the Group's accounting reference date, Thomson Intermedia is publishing its final results for the fifteen month period ended 30 April 2007. This review also contains unaudited proforma figures for the twelve month period ended 30 April 2007.

Revenue

	15 months ended 30 April 2007 (audited)	12 months ended 31 January 2006 (audited)	12 months ended 30 April 2007 (unaudited proforma)	12 months ended 30 April 2006 (unaudited proforma)
	£'000s	£'000s	£'000s	£'000s
Core	19,131	8,918	15,084	11,712
Development	896	2,218	748	1,951
Total Revenue	20,027	11,136	15,832	13,663

Total Group revenue increased by £8.9m to £20.0m (12 months 2006: £11.1m) for the fifteen month period. Group revenue in the final three months was adjusted down by £0.4m (and costs increased by £0.1m) as a consequence of a comprehensive review of accrued income and other receivables and the more rigorous approach adopted to revenue recognition under existing policies. The adjustment relates to income recorded in the twelve months preceding 31 January 2007 and does not reflect the underlying trading performance during the final three months of the period.

Core revenue was up £10.2m to £19.1m (12 months 2006: £8.9m). Development revenue was £0.9m (12 months 2006: £2.2m) reflecting the previously announced delays in project income and the high level of income in 2006 from retrospective vouching and developing the Publisher Platform.

For the 12 months to 30 April 2007, total Group revenue was £15.8m, a 16% increase (£2.2m) on the previous 12 months. On the same basis, Core revenue was up £3.4m (30%) at £15.1m and Development revenue was £1.2m lower at £0.8m.

Gross Profit

Gross profit for the period was £11.3m, yielding a gross margin of 56.3% (2006: 62.9%) which has been consistent throughout the period. The margin decrease in 2007 reflects lower development income and the inclusion of billets for the full period, which has a lower gross margin than the original Thomson Intermedia monitoring business.

Operating Profit

Profit before highlighted items is termed "underlying operating profit". Certain items have been highlighted because separate disclosure is considered helpful in understanding the underlying performance of the business.

	15 months ended 30 April 2007 (audited)	12 months ended 31 January 2006 (audited)	12 months ended 30 April 2007 (unaudited proforma)	12 months ended 30 April 2006 (unaudited proforma)
	£'000s	£'000s	£'000s	£'000s
Core	3,317	960	2,322	1,749
Development	(192)	1,411	(134)	1,134
Underlying Operating Profit	3,125	2,371	2,188	2,883
Highlighted Items	(2,337)	(443)		
Reported Operating Profit	788	1,928		

Underlying operating profit for the fifteen months was £3.1m (2006: £2.4m). Core business operating profit was £3.3m (2006: £1.0m). These figures were adjusted down in the final three months by £0.5m as a result of the previously mentioned year end review of accrued income and receivables.

The Development business recorded a loss of £0.2m (2006: £1.4m profit). Reported operating profit was £0.8m (2006: £1.9m).

For the 12 months to 30 April 2007, underlying operating profit from Core business was £2.3m which represents a £0.6m increase (33%) over the prior year.

Highlighted Items

	15 months ended 30 April 2007 (audited) £'000s	12 months ended 31 January 2006 (audited) £'000s
Recurring:		
Share based expenses	347	249
Amortisation of purchased intangible assets	484	162
Foreign exchange losses/(gains)	107	32
Total recurring	938	443
Non recurring:		
Acquisition related (billets) - performance bonus	206	-
- restructuring costs	155	-
Provision for doubtful debts	474	-
Onerous property lease obligations	218	-
Management restructuring	193	-
Holiday pay accrual (IFRS)	106	-
Professional fees	47	-
Total non recurring	1,399	-
Total highlighted items	2,337	443

The provision for doubtful debts relates to specific contracts from a line of business which the Group no longer pursues. Other provisions for doubtful debts are included within Administrative Expenses. This provision is unrelated to the above-mentioned £0.5m adjustment to operating profit following the year end review of accrued income and other receivables.

Profit Before Tax and EPS

Net finance costs were £0.4m (2006: £nil) which reflects an increase in the Group's borrowings as a result of the billets transaction.

Underlying profit before tax for fifteen months was £2.7m (2006: £2.4m). For the 12 months to 30 April 2007, underlying profit before tax was £1.8m (2006: £2.8m) whilst underlying profit before tax from the Core business increased by 17% to £2.0m (2006: £1.7m).

Reported profit before tax was £0.4m (2006: £1.9m).

Underlying diluted earnings per share for the 15 months was 8.01p (2006: 7.30p). Diluted earnings per share was 1.87p (2006: 7.39p).

Cash and Debt

	As at 30 April 2007 (audited) £'000s	As at 31 January 2007 (unaudited) £'000s	As at 31 January 2006 (audited) £'000s
Cash	2,105	2,702	2,712
Debt	(5,057)	(6,400)	(2,937)
Net Debt	<u>(2,952)</u>	<u>(3,698)</u>	<u>(225)</u>

Operating cashflow for the 15 months was £2.8m (2006: £1.8m), reflecting an improved working capital performance especially in the last nine months of the period.

During the 15 months, the Group invested £0.8m in intangible assets (development work now capitalised under IFRS). The associated amortisation cost in the income statement was £0.6m.

The net debt position as at 30 April 2007 was £3.0m (2006: £0.2m) following the issuance in August 2006 of vendor loan notes to the value of £3.7m related to the billets acquisition. As at 30 April 2007, £3.2m of these loan notes had been redeemed. These redemptions were funded out of operating cash flow and a £2.0m increase in bank debt.

As at 30 April 2007, the Group had unutilised banking facilities of £3.6m.

Dividend

The Board is not recommending the payment of a dividend, reflecting the high growth nature of the Group and the numerous opportunities for further development. However, given the cash generative nature of the Group's business model this policy will be reviewed on an ongoing basis.

Operational Review

The Group classifies its business into two types: Core (which comprises Subscriptions, Consultancy and International) and Development.

Core Business

Subscriptions

This area of the business comprises 67% of Group revenues and is made up of advertiser monitoring, news monitoring, e-vouching and audit services. Following recent development work, subscribers will soon be able to access these services via new interfaces enabling both individual and bundled sales.

This business currently has over 360 customers (including 74 of the top 100 UK advertisers), 54 of which currently take more than one Group product. The renewal rate (by contract value) for the 12 months to April 2007 was maintained at 90%, although this rate has increased to over 100% in the early months of 2007/08. The average contract value across the Group is £38,000 and for customers who hold more than one Group product the average aggregate contract value is over £90,000. Developing the cross selling opportunities is a key priority for the Group.

During 2006/07, the Group consolidated its position as the pre-eminent provider of media auditing, e-vouching and competitive monitoring in the UK.

Thomson Intermedia diversified its monitoring service into new client areas. This included a significant healthcare related project from the Government, a market-leading email monitoring product and a unique, real-time news monitoring service.

In media auditing, the Group's market share increased to 64% with some significant client wins, including Renault, Bird's Eye and Standard Life. Revenues from the auditing of internet advertising and best practice consultancy have more than doubled over the past year. Thomson Intermedia is the only company offering a credible audit of online advertising in the UK.

The Publisher Platform, which was launched in December 2005, has exclusive long term contracts with 10 regional media owners covering over 1,400 publications and accounting for 90% of total regional press. The platform is now accessed by 70,000 users in the UK within media owners themselves, advertisers and over 100 national and provincial agencies across the UK. Due to the extensive volume of publications being received digitally, the Group is now able to offer UK media owners the first comprehensive monitoring and market share analysis system with a lead generation tool. Thomson Intermedia is currently in discussions with the regional media owners to roll out this new product.

Consultancy

This area of the business comprises 8% of Group revenues. Trading as billettts marketing sciences, this unit is the leading independent provider of marketing effectiveness consultancy in the UK. It focuses on answering the fundamental questions facing marketers about allocation of marketing spend and return on investment. The consultants use a mixture of advanced analytical tools, modelling, bespoke software tools and marketing experience. The Group has developed a range of market-leading products across the FMCG, financial services and retail sectors.

billettts marketing sciences has built strong client relationships and there is a high level of repeat business: in 2006/07, 80% of revenues were derived from established clients. There has also been significant growth in international contracts, managed out of London, with successful projects undertaken across five continents.

International

The Group's products and services have international appeal. International revenues now comprise 20% of total revenues, up from 16% in 2006. For the 12 months to 30 April 2007, MPMA – the Group's US subsidiary – increased revenue by 57% over the prior year.

USA: The Group views the US media audit market as an area of significant opportunity and MPMA, the Group's 80% owned subsidiary, is one of the leading players in a relatively immature market segment. MPMA has continued to make excellent progress with ten new client wins since April 2006, bringing the total client base to 26. For the 12 months to 30 April 2007, MPMA recorded \$2.1m in revenues, an increase over the prior year of 57%, and contributed operating profit of \$0.3m. Approximately 80% of MPMA revenues are generated from US-based customers with the remainder coming from international assignments. MPMA's earn-out from the billettts acquisition ended on 30 April 2007 and, having recently launched its online monitoring service in the US, the Group is now considering extending its range of products and services further.

Germany: The Group owns 50% of Thomson Media Control (TMC) which currently offers media monitoring services in Germany. It has grown well with a current client base of 43 of which 23 were signed since May 2006. The Group is currently exploring opportunities to extend products and services in Germany. For the 12 months to 30 April 2007, TMC recorded €2.0m of revenues and is expected to be in operating profit by the end of the calendar year. Under the terms of the joint venture, the Group does not bear any financial risk but receives a percentage of the profit arising once the accumulated losses have been repaid. The Board does not expect TMC to have a material financial impact on Group results until 2008/09.

Partners: The Group has partnerships with 16 companies in 25 countries to secure local data, benchmarks and media training insight in order to provide an international audit service. The Group believes there is an opportunity to establish or acquire wholly-owned operations in certain larger key markets. As described earlier, the Group has recently invested in a media auditing business in Spain and is actively pursuing an acquisition in another key European market.

In May 2007, Thomson Intermedia signed a licence agreement with MMA Media Analysis to launch a media monitoring operation in Greece and Cyprus. The Group will supply its proprietary software and provide technical support to the venture, without any financial exposure in exchange for an annual licence fee and a percentage share of the operation's revenues. The Group may sign similar deals in the future to gain footholds in other smaller countries.

Development Business

Development business is characterised by one-off project income which is targeted so that it often leads to additional ongoing Core revenue sources. In the past, development income has been derived from areas such as retrospective vouching, licence fee income from Germany and up-front fees for the Publisher Platform.

In 2006/07, Development income was lower than originally anticipated due to delays in the securing of projects in the pipeline. The Group is still working on a significant pipeline of projects and remains confident that a high proportion will be closed during the current financial year.

The current pipeline includes projects to expand the Publisher Platform by bringing on more media owners and by developing new services using the same data. In addition, there are a number of international opportunities and other bespoke projects in the pipeline.

Outlook

2006/07 was an important year for the enlarged Group, both operationally and financially.

All the key operational capabilities, product, data, technology and route to market are now in place to grow the business substantially and the investment in the Group's sales and account management capabilities has continued to be a priority. A new Sales Director, with 10 years of relevant industry experience, was recently hired. The Board has also completed a thorough review of the Group's balance sheet and taken a prudent view on assessing receivables. This leaves the Group in a robust financial position going forward.

The Board is encouraged by the recent momentum in the Core business where the Group has seen renewal rates by contract value exceeding 100%. Furthermore the Group's international operations continue to grow strongly, especially the US subsidiary where there is a significant market opportunity.

Thomson Intermedia has entered 2007/08 on a solid financial footing and the Board is confident that the Group is well-placed to capitalise on its many growth opportunities.

**Consolidated Income Statement
for the fifteen months ended 30 April 2007**

		15 months ended 30 April 2007	12 months ended 31 January 2006
	Note	£'000s	£'000s
Revenue		20,027	11,136
Cost of Sales		(8,758)	(4,129)
Gross Profit		11,269	7,007
Administrative expenses – excluding highlighted items		(8,144)	(4,636)
Administrative expenses – highlighted items	3	(2,337)	(443)
Total administrative expenses		(10,481)	(5,079)
Operating profit before highlighted items		3,125	2,371
Administrative expenses – highlighted items	3	(2,337)	(443)
Operating profit		788	1,928
Finance income		80	49
Finance expenses		(473)	(55)
Net finance costs		(393)	(6)
Profit before taxation		395	1,922
Corporation tax	4	(79)	(126)
Deferred tax	4	342	471
Tax income		263	345
Profit for the period		658	2,267
Attributable to:			
Equity holders of the parent		607	2,277
Minority interests		51	(10)
		658	2,267
Earnings per share			
Basic	5	1.94p	7.75p
Diluted	5	1.87p	7.39p

All amounts relate to continuing activities.

**Consolidated Statement of Recognised Income and Expense
for the fifteen months ended 30 April 2007**

	15 months ended 30 April 2007	12 months ended 31 January 2006
	£'000s	£'000s
Profit for the period	658	2,267
Exchange differences on translation of overseas subsidiary net assets	56	(6)
Deferred tax movement on share based expenses	(101)	(71)
Net losses not recognised in income statement	(45)	(77)
Total recognised income for the period	613	2,190
Attributable to:		
Equity holders of the company	562	2,200
Minority interest	51	(10)
	613	2,190

**Consolidated Balance Sheet
as at 30 April 2007**

		30 April 2007	31 January 2006
	Note	£'000s	£'000s
Non current assets			
Goodwill		8,625	8,924
Other intangible assets	6	4,432	4,759
Property, plant & equipment		610	706
Investment in joint ventures		115	122
Deferred tax asset		895	952
Total non current assets		14,677	15,463
Current assets			
Trade & other receivables: Due within one year	7	5,715	5,452
Current tax assets		105	-
Cash & cash equivalents		2,105	2,774
Total current assets		7,925	8,226
Total assets		22,602	23,689
Current liabilities			
Bank overdrafts		-	(62)
Other financial liabilities		(2,857)	(250)
Trade & other payables		(2,132)	(2,041)
Current tax liabilities		-	(126)
Provisions		(59)	(3,850)
Accruals & deferred income		(3,828)	(3,644)
Total current liabilities		(8,876)	(9,973)
Non current liabilities			
Other financial liabilities		(2,200)	(2,687)
Provisions		(159)	(269)
Deferred tax liability		(825)	(1,019)
Total non current liabilities		(3,184)	(3,975)
Total liabilities		(12,060)	(13,948)
Total net assets		10,542	9,741
Capital & reserves			
Share capital		7,828	7,823
Share premium		1,840	8,869
Merger reserve		(4,504)	(4,504)
Translation reserve		50	(6)
Retained earnings		5,385	(2,333)
Capital and reserves attributable to the equity holder of the parent		10,599	9,849
Minority interest		(57)	(108)
Total equity		10,542	9,741

**Consolidated Cashflow Statement
for the fifteen months ended 30 April 2007**

	15 months ended 30 April 2007	12 months ended 31 January 2006
	£'000s	£'000s
Cashflows from operating activities		
Profit before taxation	395	1,922
Adjustments for:		
Depreciation	414	276
Amortisation	1,120	593
Foreign exchange differences on operating activities	-	32
Share option charges	307	249
Finance income	(80)	(49)
Finance expenses	473	55
	2,629	3,078
Increase in trade receivables	(225)	(945)
Increase/(decrease) in trade payables	385	(324)
Cash generated from operations	2,789	1,809
Finance expenses	(473)	(71)
Income taxes paid	(308)	(6)
Net cash from operating activities	2,008	1,732
Cashflows from investing activities		
Purchase of subsidiary, net of cash acquired	-	(7,012)
Purchase of property, plant & equipment	(317)	(264)
Purchase of intangible assets	(793)	(538)
Purchase of investments	-	(87)
Finance income	80	43
Net cash used in investing activities	(1,030)	(7,858)
Cashflows from financing activities		
Proceeds from issue of share capital	32	4,343
Proceeds from long term borrowings	2,000	3,000
Repayment of bank loans	(375)	(63)
Loan note settlement	(3,218)	-
Net cashflow used in financing activities	(1,561)	7,280
Net increase in cash, cash equivalents and bank overdrafts	(583)	1,154
Effect of foreign exchange rate changes	(24)	(40)
Cash, cash equivalents and bank overdraft at beginning of period	2,712	1,598
Cash, cash equivalents and bank overdraft at end of period	2,105	2,712

1. Accounting policies

Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union (EU) and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

This is the Group's first set of financial statements prepared in accordance with IFRS. The transition date for the Group's application of IFRS is 1 February 2005, and the comparative figures for 31 January 2006 have been restated accordingly.

Change in year end

The Group has changed its year-end from 31 January to 30 April in order to better accommodate the commercial needs of the Group. These financial statements therefore cover the 15 month period to 30 April 2007. As a result, the comparative amounts in the income statement, cashflow statement and statement of recognised income and expense (which cover the 12 months to 31 January 2006) are not entirely comparable.

Highlighted items

Highlighted items comprise significant non-cash charges and non-recurring items which are highlighted in the income statement because separate disclosure is considered helpful in understanding the underlying performance of the business.

2. Segmental reporting

The Group offers its clients a range of media information products and services. These products and services were considered under a number of criteria (including nature of the products and services, type or class of clients, methods of distribution and supply), and it was concluded that the following segments generally have separate risks and returns:

Core – Ad monitoring and media auditing products and services (subscriptions) and marketing effectiveness services (consultancy)

Development – Projects leading to the creation of new revenue streams and/or the enhancement of existing revenue streams

Primary reporting format – business segments

15 months ended 30 April 2007

	Core	Development	Other	Eliminations	Total
	£'000s	£'000s	operations	£'000s	continuing
			£'000s		operations
					£'000s
Revenue					
External	19,131	896	-	-	20,027
Inter-segment	233	-	-	(233)	-
Total revenue	19,364	896	-	(233)	20,027

Result

Segment result	4,093	(192)	-	-	3,901
Unallocated corporate expenses					(776)
Operating profit before highlighted items					3,125
Highlighted items - administrative expenses	(1,943)	-	(394)	-	(2,337)
Operating profit					788
Finance income					80
Finance expenses					(473)
Share of profit of associates/JVs					-
Profit before tax					395
Tax income					263
Profit					658

	Core £'000s	Development £'000s	Other operations £'000s	Eliminations £'000s	Total continuing operations £'000s
Other information					
Segment assets	20,876	1,413	-	-	22,289
Investment in equity method associates/JVs	-	-	115	-	115
Unallocated corporate assets					198
Consolidated total assets	20,876	1,413	115	-	22,602
Segment liabilities	(6,660)	-	-	-	(6,660)
Unallocated corporate liabilities					(5,400)
Consolidated total liabilities	(6,660)	-	-	-	(12,060)
Capital expenditure on PP&E and IFAs	317	793	-	-	1,110
Depreciation of PP&E	(413)	-	-	-	(413)
Amortisation of intangible fixed assets	-	(636)	(484)	-	(1,120)
Other non-cash expenses - foreign exchange	(30)	-	(77)	-	(107)

Year ended 31 January 2006

	Core £'000s	Development £'000s	Other operations £'000s	Eliminations £'000s	Total continuing operations £'000s
Revenue					
External	8,918	2,218	-	-	11,136
Inter-segment	-	-	-	-	-
Total revenue	8,918	2,218	-	-	11,136
Result					
Segment result	977	1,411	-	-	2,388
Unallocated corporate expenses					(17)
Operating profit before highlighted items					2,371
Highlighted items - administrative expenses	(194)	-	(249)	-	(443)
Operating profit					1,928
Finance income					49
Finance expenses					(55)
Share of profit of associates/JVs					-
Profit before tax					1,922
Tax income					345
Profit					2,267
Other information					
Segment assets	21,436	1,603	-	-	23,039
Investment in equity method associates/JVs	-	-	115	-	115
Unallocated corporate assets					535
Consolidated total assets	21,436	1,603	115	-	23,689
Segment liabilities	(6,644)	-	-	-	(6,644)
Unallocated corporate liabilities					(7,304)
Consolidated total liabilities	(6,644)	-	-	-	(13,948)
Capital expenditure on PP&E and IFAs	264	538	3,395	-	4,197
Depreciation of PP&E	(276)	-	-	-	(276)
Amortisation of intangible fixed assets	-	(431)	(162)	-	(593)

Other non-cash expenses					
- foreign exchange	(10)	-	(23)	-	(33)

Secondary reporting format – geographical segments

The Groups business segments operate in 4 main geographical areas. The home country of the Group is the United Kingdom.

	15 months to 30 April 2007			12 months to 31 January 2006		
	External revenue by location of customers	Total assets by location of assets	Capital expenditure by location of assets	External revenue by location of customers	Total assets by location of assets	Capital expenditure by location of assets
United Kingdom	16,438	22,119	1,092	9,569	23,535	4,197
Rest of Europe	1,405	-	-	834	-	-
North America	1,534	484	18	281	154	-
Rest of world	650	-	-	452	-	-
Total	20,027	22,602	1,110	11,136	23,689	4,197

3. Highlighted items

	15 months ended 30 April 2007	12 months ended 31 January 2006
	£'000s	£'000s
Recurring:		
Share based expenses	347	249
Amortisation of purchased intangible assets	484	162
Foreign exchange losses	107	32
	938	443
Non recurring:		
Acquisition related - performance bonus	206	-
- restructuring costs	155	-
Provision for doubtful debts	474	-
Onerous property lease obligations	218	-
Management restructuring costs	193	-
Holiday pay accrual	106	-
Professional fees	47	-
	1,399	-

Total highlighted items	2,337	443
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The performance bonus relates to the acquisition of billets in August 2005.

The restructuring costs relate to the closure of the acquired entity's previous head office.

The provision for doubtful debts relates to specific contracts from a line of business which the Group no longer pursues. All other provisions for doubtful debts are included within Administrative expenses.

The onerous property lease obligation relates to a property that the Group will be vacating during the next financial year for which a shortfall between head lease costs and sub lease income is expected.

The management restructuring costs relate to the replacement of the Finance Director during the period.

The holiday pay accrual is an adjustment which has resulted following our change in year end. This is expected to be a one time adjustment, since movements to this accrual in subsequent years are not anticipated to be material.

Professional fees relate to legal and accounting advice in relation to the share premium reduction and IFRS transition. All other professional fees are included within "Administrative expenses – excluding highlighted items".

4. Taxation

	15 months ended 30 April 2007	12 months ended 31 January 2006
	£'000s	£'000s
UK tax		
Current year	60	126
	60	126
Foreign tax		
Current year	19	-
Total current tax	79	126
Deferred tax		
Origination and reversal of temporary differences	(69)	(471)
Adjustments in respect of prior periods	(273)	-
	(342)	(471)
Total tax income	(263)	(345)

The difference between tax as charged in the financial statements and tax at the nominal rate is explained below:

	15 months ended 30 April 2007	12 months ended 31 January 2006
	£'000s	£'000s
Profit before tax	395	1,927
Corporation tax at 30%	119	578
Non deductible taxable expenses/(income)	14	(23)
Previously unrecognised deferred tax asset assessed as recoverable at the end of the period	(225)	(853)
Overseas tax rate differential	(2)	-
Capital allowances	20	9
Pre acquisition profits	-	113
EMI Options Sch 23 FA 2003 relief	-	(159)
Additional deduction for R&D expenditure	(139)	(113)
Prior year amortisation of other intangibles	(49)	-
Other timing differences	(1)	103
Total tax income	(263)	(345)

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	15 months ended 30 April 2007	12 months ended 31 January 2006
	£'000s	£'000s
Earning for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	607	2,277
Adjustments:		
Deferred tax	(342)	(471)
Highlighted items – recurring*	938	443
Highlighted items – non recurring*	1,399	-
Earnings for the purpose of underlying earnings per share	2,602	2,249
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	31,299,591	29,380,750
Effect of dilutive potential ordinary shares Share options**	1,185,915	1,432,829
Weighted average number of ordinary shares for the purpose of diluted earnings per share	32,485,506	30,813,579
Basic earnings per share	1.94p	7.75p

Diluted earnings per share**	1.87p	7.39p
Underlying basic earnings per share	8.31p	7.65p
Underlying diluted earnings per share	8.01p	7.30p

*Highlighted items (see note 3).

**Note that certain share options have been excluded from the calculation of diluted EPS as their exercise price is greater than the weighted average share price during the year (i.e. they are out-of-the-money) and therefore it would not be advantageous for the holders to exercise those options. 297,647 (2006: 117,026) share options have not been included within the diluted earnings per share calculation at 31 April 2007 as they are anti-dilutive for the periods presented. These shares could potentially dilute earnings per share in the future.

6. Other intangible assets

	Capitalised development costs	Purchased intangible assets	Total intangible assets
	£'000s	£'000s	£'000s
<i>Cost</i>			
At 1 February 2005	2,157	-	2,157
Additions	538	3,395	3,933
At 1 February 2006	2,695	3,395	6,090
Additions	793	-	793
At 30 April 2007	3,488	3,395	6,883
<i>Amortisation</i>			
At 1 February 2005	(738)	-	(738)
Provision for the year	(431)	(162)	(593)
At 1 February 2006	(1,169)	(162)	(1,331)
Provision for the period	(636)	(484)	(1,120)
At 30 April 2007	(1,805)	(646)	(2,451)
<i>Net book value</i>			
At 30 April 2007	1,683	2,749	4,432
At 31 January 2006	1,526	3,233	4,759
At 31 January 2005	1,419	-	1,419

The capitalised development costs are internally generated.

On 23 August 2005 the Company acquired the entire share capital of BCMG Limited (billets) for a maximum total consideration of £13.1m. In line with IAS 38 intangible assets owned by billets have been independently valued by an external consultant and shown within 'Other intangible assets' on the balance sheet.

Amortisation is charged within administrative expenses so as to write off the cost of the purchased intangible assets over their estimated useful lives. The assets, initial values and periods used are as follows:

Purchased intangibles	Cost at acquisition	Useful economic life	Remaining period of amortisation
	£'000s	Years	Years
Media Consulting Customer relationships	2,859	10	8.5
Marketing Sciences Customer relationships	271	5	3.5
MPMA Customer relationships	43	2	0.5
Trade name	215	10	8.5
Non-compete	7	1.5	-

3,395

The carrying values of the Media Consulting Customer relationships and the Marketing Sciences Customer relationships at 30 April 2007 are £2,383,000 and £181,000 respectively (31 January 2006: £2,740,000 and £248,000 respectively).

The group tests other intangible assets annually for impairment, or more frequently if there are indications that the assets may be impaired. No impairment was recognised in 2007 (2006: £nil).

7. Trade and other receivables

	30 April 2007	31 January 2006
	£'000s	£'000s
Trade and other receivables due within one year		
Trade receivables	4,739	4,019
Less provision for doubtful debts	(574)	(144)
Net trade receivables	4,165	3,875
Other receivables	65	427
Prepayments & accrued income	1,485	1,150
	5,715	5,452

There are no trade and other receivables due after one year.

The Directors consider that the carrying amount of receivables and prepayments are reasonable approximations of their fair value.

The provision for doubtful debts is estimated by the Directors based on prior experience, the result of specific contract disputes, and their assessment of the current economic environment.

8. Financial information

The financial information set out above does not constitute the company's statutory accounts for the fifteen months ended 30 April 2007 or the year ended 31 January 2006, but is derived from those accounts. Statutory accounts for the year ended 31 January 2006 have been delivered to the Registrar of Companies and those for the fifteen months ended 30 April 2007 will be delivered following the company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not contain statements under the Companies Act 1985, s 237(2) or (3).

When published, the Group's annual report and Accounts will be sent to shareholders and will be made available to the public at the Group's registered office, 1 Westmoreland Road, Bromley, Kent BR2 0TB.

Notes supplementary to, but not forming part of, the Group financial statements for the period ended 30 April 2007

Unaudited proforma Consolidated Income Statement for the twelve months ended 30 April 2007

The following unaudited proforma consolidated income statement for the twelve months ended 30

April 2007 has been prepared for illustrative purposes only to provide results for a twelve month period following the change in our year end from January to April.

Unaudited proforma
12 months ended
30 April 2007
£'000s

Revenue	15,832
Cost of Sales	(7,026)
Gross Profit	8,806
Administrative expenses – excluding highlighted items	(6,618)
Administrative expenses – highlighted items	(2,161)
Total administrative expenses	(8,779)
Operating profit before highlighted items	2,188
Administrative expenses – highlighted items	(2,161)
Operating profit	27
Finance income	63
Finance expenses	(416)
Net finance costs	(353)
Loss before taxation	(326)