

# **M&C SAATCHI**

**2008 Preliminary Results**

**26<sup>th</sup> March 2009**

**Analyst Presentation**

# Overview

- Strong revenue growth from all regions except the USA
- Like-for-like revenue growth of 11%
- Good new business momentum
- Extended relationships with current clients

# Overview (Cont)

- Operating margin increased to 13.2% (2007 : 11.7%), but
  - Pressure on fees and media budgets and projects cancelled in the 4<sup>th</sup> quarter
  - Cost action being taken where appropriate
- Loss making offices in Singapore and Thailand closed

# Headline results

12 months to December 2008

|                   | <u>Growth</u> | <u>2008</u> | <u>2007</u> |
|-------------------|---------------|-------------|-------------|
|                   | %             | £000's      | £000's      |
| Revenue           | 19%           | 104,383     | 87,620      |
| Operating profit  | 34%           | 13,739      | 10,222      |
| Profit before tax | 18%           | 14,095      | 11,926      |
| Profit after tax  | 17%           | 9,592       | 8,214       |
| Minority Interest | -51%          | (568)       | (1,168)     |
| Profit for period | 28%           | 9,024       | 7,046       |
| Basic EPS         | 20%           | 15.05p      | 12.55p      |

# Key Ratios

|                               | <u>2008</u>   | <u>2007</u>   |
|-------------------------------|---------------|---------------|
| <b>Revenue Growth</b>         | <b>19.1%</b>  | <b>7.7%</b>   |
| <b>Operating Margin</b>       | <b>13.2%</b>  | <b>11.7%</b>  |
| <b>PBT Margin</b>             | <b>13.5%</b>  | <b>13.6%</b>  |
| <b>Effective Tax Rate</b>     | <b>31.8%</b>  | <b>32.0%</b>  |
| <b>Minority Interest: PAT</b> | <b>5.9%</b>   | <b>14.2%</b>  |
| <b>Basic E.P.S</b>            | <b>15.05p</b> | <b>12.55p</b> |
| <b>Diluted E.P.S</b>          | <b>14.68p</b> | <b>12.09p</b> |

# The Headline P&L

12 months to December 2008

|   | 2008           | 2007          | Inc/Dec       |              |
|---|----------------|---------------|---------------|--------------|
|   | £000's         | £000's        | £000's        | %            |
| <b>Revenue (gross profit)</b>                   | <b>104,383</b> | <b>87,620</b> | <b>16,763</b> | <b>19.1%</b> |
| Operating Expenses                              | 90,417         | 76,499        | 13,918        | 18.2%        |
| LTIP Expense                                    | 227            | 899           | (672)         | ****         |
| <b>Operating profit</b>                         | <b>13,739</b>  | <b>10,222</b> | <b>3,517</b>  | <b>34.4%</b> |
| Share of Associate                              | (81)           | 334           | (415)         | ****         |
| Net Interest                                    | 437            | 1,370         | (933)         | -68.1%       |
| <b>Profit Before Tax (ex notional interest)</b> | <b>14,095</b>  | <b>11,926</b> | <b>2,169</b>  | <b>18.2%</b> |
| Tax Rate  | 31.8%          | 32.0%         |               |              |
| <b>Profit After Tax</b>                         | <b>9,592</b>   | <b>8,214</b>  | <b>1,378</b>  | <b>16.8%</b> |
| Minority Interest                               | (568)          | (1,168)       | 600           | -51.4%       |
| <b>Profit for Period</b>                        | <b>9,024</b>   | <b>7,046</b>  | <b>1,978</b>  | <b>28.1%</b> |
| <b>Headline EPS</b>                             | <b>15.05p</b>  | <b>12.55p</b> | <b>2.50p</b>  | <b>19.9%</b> |

# Revenue

|                         | 2008    | 2007   | 08 V's 07           |                     |
|-------------------------|---------|--------|---------------------|---------------------|
|                         | £000's  | £000's | Reported Rates<br>% | Constant Rates<br>% |
| UK                      | 52,355  | 48,284 | 8.4%                | 8.4%                |
| Asia & Australia        | 28,951  | 23,258 | 24.5%               | 14.1%               |
| America                 | 3,202   | 3,471  | -7.7%               | -14.6%              |
| Europe                  | 8,727   | 5,487  | 59.0%               | 37.0%               |
| Organic total           | 93,235  | 80,500 | 15.8%               | 11.0%               |
| Clear (group)           | 10,422  | 5,454  | -                   | -                   |
| Discontinued operations | 728     | 1,666  | -56.3%              | -61.5%              |
| Group Total             | 104,385 | 87,620 | 19.1%               | 14.3%               |

# Top 10 Clients

ANZ

Barclays

COI

DSGI

GlaxoSmithKline

NatWest

Optus

Pernod Ricard

Qantas

Woolworths (Aus)

Top 5 21%

Top 10 33%

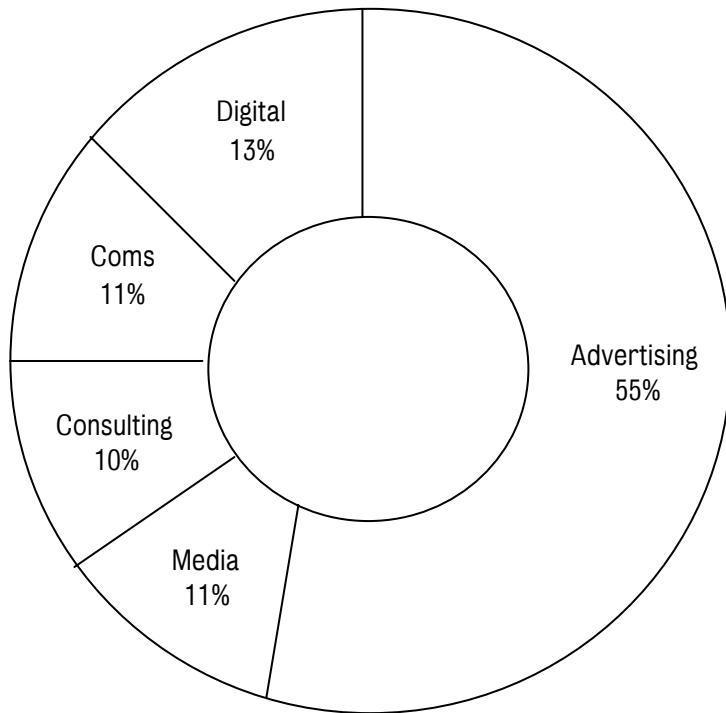
Top 15 41%

Top 20 45%

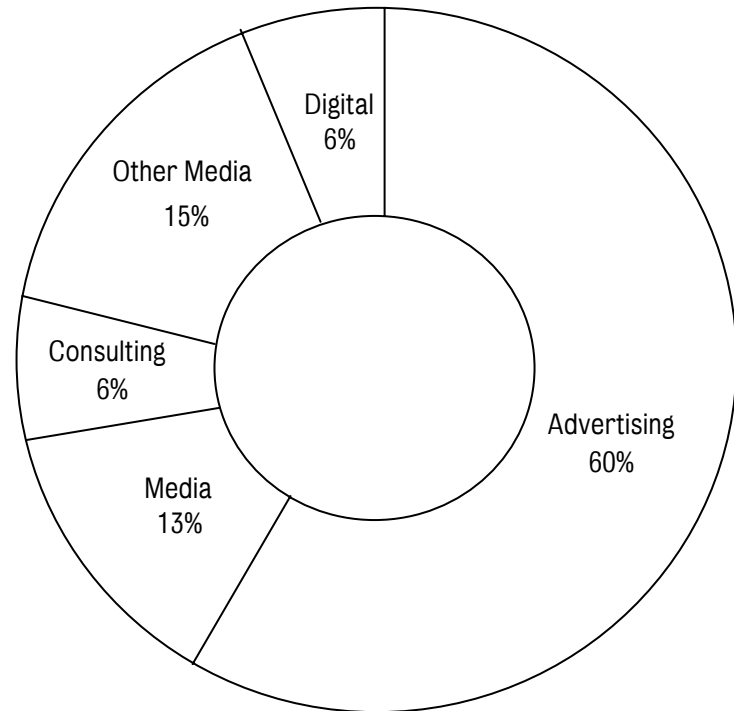


# Revenue by Business

2008



2007



# Headline Operating Profit

12 months to December 2008

|   | Operating Profit     |                      |                     |                   | Operating Margin    |                        |
|---|----------------------|----------------------|---------------------|-------------------|---------------------|------------------------|
|   | 2008<br>£000's       | 2007<br>£000's       | 08 v's 07           |                   | 2008<br>%           | 08 v's 07<br>%         |
|   |                      |                      | £000's              | %                 |                     |                        |
| <b><u>Underlying Operating Profit</u></b> |                      |                      |                     |                   |                     |                        |
| UK  | 11,370               | 10,943               | 427                 | 4%                | 21.1%               | -2.2 pts               |
| Clear                                     | 1,905                | 1,625                | 280                 | 17%               | 18.3%               | -11.5 pts              |
| Asia Pacific                              |                      |                      |                     |                   |                     |                        |
| - Continuing operations                   | 2,710                | 1,673                | 1,037               | 62%               | 9.4%                | 4.6 pts                |
| - offices closed                          | (277)                | (503)                | 226                 | -45%              | -                   | *** pts                |
| USA                                       | 296                  | 481                  | (185)               | -38%              | 9.2%                | -3.6 pts               |
| Europe                                    | 1,305                | 683                  | 622                 | 91%               | 15.0%               | 2.5 pts                |
| <b><u>Total Operating Companies</u></b>   | <b><u>17,309</u></b> | <b><u>14,902</u></b> | <b><u>2,407</u></b> | <b><u>16%</u></b> | <b><u>16.6%</u></b> | <b><u>-0.4 pts</u></b> |
| Group Costs                               | (3,343)              | (3,781)              | 438                 | -12%              | -3.2%               | 1.1 pts                |
| LTIP                                      | (227)                | (899)                | 672                 | -75%              | -0.2%               | 0.8 pts                |
| <b><u>Headline Operating Profit</u></b>   | <b><u>13,739</u></b> | <b><u>10,222</u></b> | <b><u>3,517</u></b> | <b><u>34%</u></b> | <b><u>13.2%</u></b> | <b><u>1.5 pts</u></b>  |

# The UK

- Good year for the media and content businesses
- Organic revenue growth of 8.4%
- Operating margin down to 21%  
(2007 : 23%) following pressure in the 4<sup>th</sup> quarter
- Difficult second half for Clear as clients cut spend on long term marketing investment.
  - Cost action taken in the 4<sup>th</sup> quarter, head count reduced by 25%
  - Improved trading during 1<sup>st</sup> quarter 2009

# The UK (Cont)

- Significant wins
  - Department of Health – Change4Life
  - East Midland Trains
  - Hyundai (Pan Europe)
  - BMI

# The UK

## Summary Profit & Loss

12 months to December 2008

|                                    | <u>2008</u><br>£000's | <u>2007</u><br>£000's | <u>08 V's 07</u>    |                     |
|------------------------------------|-----------------------|-----------------------|---------------------|---------------------|
|                                    |                       |                       | £000's              | %                   |
| <b>Revenue</b>                     | <b>62,777</b>         | <b>53,738</b>         | <b>9,039</b>        | <b>16.8%</b>        |
| <b>Underlying operating profit</b> | <b>13,275</b>         | <b>12,568</b>         | <b>707</b>          | <b>5.6%</b>         |
| <b>Group costs</b>                 | <b>(3,322)</b>        | <b>(3,781)</b>        | <b>459</b>          | <b>-12.1%</b>       |
| Recharged                          | 293                   | 569                   | <b>(276)</b>        | <b>-48.5%</b>       |
| LTIP                               | <b>(171)</b>          | <b>(703)</b>          | 532                 | <b>-75.7%</b>       |
| <b>Reported operating profit</b>   | <b><u>10,075</u></b>  | <b><u>8,653</u></b>   | <b><u>1,422</u></b> | <b><u>16.4%</u></b> |
| <b>Associate</b>                   | <b>0</b>              | <b>25</b>             | <b>(25)</b>         | <b>***</b>          |
| <b>Net interest</b>                | <b>529</b>            | <b>1,445</b>          | <b>(916)</b>        | <b>-63.4%</b>       |
| <b>Profit before tax</b>           | <b><u>10,604</u></b>  | <b><u>10,123</u></b>  | <b><u>481</u></b>   | <b><u>4.8%</u></b>  |
| <b>Underlying margin</b>           | <b>21.1%</b>          | <b>23.4%</b>          |                     | <b>-2.2 PTS</b>     |
| <b>Reported margin</b>             | <b>16.0%</b>          | <b>16.1%</b>          |                     | <b>-0.1 PTS</b>     |

# Clear

## Summary Profit & Loss 12 months to December 2008

|                                    | <u>2008</u><br>£000's | <u>2007</u><br>£000's | <u>08 V's 07</u>  |        |
|------------------------------------|-----------------------|-----------------------|-------------------|--------|
|                                    |                       |                       | £000's            | %      |
| <b>Revenue</b>                     | <b>10,422</b>         | <b>5,454</b>          | <b>4,968</b>      | -      |
| <b>Underlying operating profit</b> | <b>1,905</b>          | <b>1,625</b>          | <b>280</b>        | -      |
| Recharged<br>LTIP                  | 0<br>0                | 0<br>0                | 0<br>0            | -<br>- |
| <b>Reported operating profit</b>   | <u><b>1,905</b></u>   | <u><b>1,625</b></u>   | <u><b>280</b></u> | -      |
| Associate<br>Net interest          | 0<br>21               | 0<br>0                | 0<br>21           | -<br>- |
| <b>Profit before tax</b>           | <u><b>1,926</b></u>   | <u><b>1,625</b></u>   | <u><b>301</b></u> | -      |
| <b>Underlying margin</b>           | <b>18.3%</b>          | <b>29.8%</b>          |                   | - PTS  |
| <b>Reported margin</b>             | <b>18.3%</b>          | <b>29.8%</b>          |                   | - PTS  |

# Europe

- France - Strong and growing despite slow new business environment.  
Like-for-like revenue growth of 45%.  
Growth driven by extending relationships with existing clients.  
Successful launch of digital offering.  
Corporate PR business working with key French companies
- Germany - Solid  
Like-for-like revenue growth of 9%  
Good relationships with clients  
Working to extend offering to digital and direct
- Spain – Difficult  
Collapse of property and finance companies has impact on current clients.  
New business environment difficult and very price competitive.  
Further investment cancelled for time being. Will revisit in the future.

# Europe

## Summary Profit & Loss 12 months to December 2008

|                                  | <u>2008</u><br>£000's | <u>2007</u><br>£000's | <u>08 V's 07</u> |               |
|----------------------------------|-----------------------|-----------------------|------------------|---------------|
|                                  |                       |                       | £000's           | %             |
| Revenue                          | 8,727                 | 5,487                 | 3,240            | 59.0%         |
| Underlying operating profit      | 1,305                 | 683                   | 622              | 91.1%         |
|                                  |                       |                       | 0                |               |
| Group Recharge                   | (37)                  | (79)                  | 42               | -53.2%        |
| LTIP                             | 0                     | 0                     | 0                | 0.0%          |
| <b>Reported operating profit</b> | <u>1,268</u>          | <u>604</u>            | <u>664</u>       | <u>109.9%</u> |
| Associate                        | (81)                  | 309                   | (390)            | ***           |
| Net interest                     | (213)                 | (90)                  | (123)            | ***           |
| <b>Profit before tax</b>         | <u>974</u>            | <u>823</u>            | <u>151</u>       | <u>18.3%</u>  |
| <b>Underlying margin</b>         | 15.0%                 | 12.4%                 |                  | 2.5 PTS       |
| <b>Reported margin</b>           | 14.5%                 | 11.0%                 |                  | 3.5 PTS       |



# Asia and Australia

- Better performance from region
- Like-for-like revenue growth of 14%
- Margin improving to 8.2% (2007 : 4.7%)
- Growth driven by account wins in 2<sup>nd</sup> half 2007 (Westfield) and from existing clients
- Australia, Malaysia and Hong Kong all showing +10% revenue growth
- Singapore and Thailand closed
- Looking for growth opportunities in important region

# Asia & Australia

## Summary Profit & Loss 12 months to December 2008

|                             | 2008<br>£000's | 2007<br>£000's | 08 V's 07    |            |
|-----------------------------|----------------|----------------|--------------|------------|
|                             |                |                | £000's       | %          |
| Revenue                     | 29,677         | 24,663         | 5,014        | 20.3%      |
| Underlying operating profit | 2,433          | 1,170          | 1,263        | 107.9%     |
| Group Recharge              | (273)          | (439)          | 166          | -37.8%     |
| LTIP                        | (56)           | (181)          | 125          | -69.1%     |
| Reported operating profit   | <u>2,104</u>   | <u>550</u>     | <u>1,554</u> | <u>***</u> |
| Associate                   | 0              | 0              | 0            | ***        |
| Net interest                | 119            | 10             | 109          | 1090.0%    |
| Profit before tax           | <u>2,223</u>   | <u>560</u>     | <u>1,663</u> | <u>***</u> |
| Underlying margin           | 8.2%           | 4.7%           |              | 3.5 PTS    |
| Reported margin             | 7.1%           | 2.2%           |              | 4.9 PTS    |

# USA

- Very difficult environment
- Like-for-like revenue down 15%
- Spending cut backs across clients
- Clients loyal to Agency during 2008 but we anticipate fall out this year
- Exploring opportunities to build critical mass and improve stability of revenue
- 2009 will be a difficult year

# America

## Summary Profit & Loss 12 months to December 2008

|                             | <u>2008</u><br>£000's | <u>2007</u><br>£000's | <u>08 V's 07</u> |               |
|-----------------------------|-----------------------|-----------------------|------------------|---------------|
|                             |                       |                       | £000's           | %             |
| Revenue                     | 3,202                 | 3,732                 | (530)            | -14.2%        |
| Clear                       |                       |                       | 0                |               |
| Underlying operating profit | 296                   | 481                   | (185)            | -38.5%        |
| Group Recharge              | (4)                   | (51)                  | 47               | -92.2%        |
| LTIP                        | 0                     | (15)                  | 15               | -100.0%       |
| Reported operating profit   | <u>292</u>            | <u>415</u>            | <u>(123)</u>     | <u>-29.6%</u> |
| Associate                   | 0                     | 0                     | 0                | ***           |
| Net interest                | 2                     | 2                     | 0                | 0.0%          |
| Profit before tax           | <u>294</u>            | <u>417</u>            | <u>(123)</u>     | <u>-29.5%</u> |
| Underlying margin           | 9.2%                  | 12.9%                 |                  | -3.6 PTS      |
| Reported margin             | 9.1%                  | 11.1%                 |                  | -2.0 PTS      |

# Cash

|  | <b>£000's</b>   |
|--|-----------------|
| <b>Opening balance @ 1st January 2008</b>    | <b>16,895</b>   |
| Effect of exchange revaluation               | 1,162           |
| Operating Profit                             | 13,739          |
| Net Interest Earned                          | 436             |
| Tax paid in period                           | <b>(3,592)</b>  |
| Depreciation                                 | 1,859           |
| Capital Expenditure - cash & lease payments  | <b>(1,712)</b>  |
| <b>Free cash flow before working capital</b> | <b>10,730</b>   |
| Impact of Working Capital movements          | <b>(548)</b>    |
| Dividends paid (ordinary & MI)               | <b>(2,729)</b>  |
| <b>Net Cash inflow before acquisitions</b>   | <b>7,453</b>    |
| Acquisitions                                 | <b>(14,156)</b> |
| Reduction to Bank Loans                      | <b>(2,083)</b>  |
| <b>Closing Balance @ 31st December 2008</b>  | <b>9,271</b>    |

# Cash & Working Capital

|                    | Cash Position    |                       |             | Working Capital position |                     |                     |
|--------------------|------------------|-----------------------|-------------|--------------------------|---------------------|---------------------|
|                    | Advance Payments | M&C Saatchi free cash | Total Cash  | Advance Payments         | Underlying position | Net Working Capital |
| 31st December 2007 | 16.9             | (0.0)                 | 16.9        | (16.9)                   | 4.3                 | (12.6)              |
| Exchange           |                  |                       | 1.2         |                          |                     |                     |
| 2008 movements     |                  |                       |             |                          |                     |                     |
| Free cash          |                  | 10.7                  | 10.7        |                          |                     |                     |
| Working capital    | (7.9)            | 7.7                   | (0.2)       | 7.9                      | (8.2)               | (0.3)               |
| Dividends          |                  | (2.7)                 | (2.7)       |                          |                     |                     |
| Acquisitions       |                  | (14.2)                | (14.2)      |                          |                     |                     |
| 31st December 2008 | <u>9.0</u>       | <u>1.5</u>            | <u>11.7</u> | <u>(9.0)</u>             | <u>(3.9)</u>        | <u>(12.9)</u>       |
| Bank Loans         |                  | (2.1)                 | (2.1)       |                          |                     |                     |
| 31st December 2008 | <u>9.0</u>       | <u>(0.6)</u>          | <u>9.6</u>  |                          |                     |                     |

# Balance sheet

31st December

|  | <b>2008</b>     | <b>2007</b>     |
|--|-----------------|-----------------|
|  | £000's          | £000's          |
| <b>Non Current Assets</b>                      | <b>65,988</b>   | <b>71,483</b>   |
| Net Debtors                                    | 61,491          | 75,437          |
| Net Creditors                                  | <b>(74,066)</b> | <b>(87,992)</b> |
| <b>Net Working Capital Position - Exc Cash</b> | <b>(12,575)</b> | <b>(12,555)</b> |
| Net Tax  | <b>(2,381)</b>  | <b>(1,091)</b>  |
| <b>Cash</b>                                    | <b>9,271</b>    | <b>16,895</b>   |
| <b>Net Current Assets</b>                      | <b>(5,685)</b>  | <b>3,249</b>    |
| Bank Loan                                      | <b>(6,702)</b>  | <b>(8,531)</b>  |
| Deferred Consideration                         | <b>(116)</b>    | <b>(18,136)</b> |
| Provision for minority put options             | <b>(3,697)</b>  | <b>(10,545)</b> |
| Non Current liabilities                        | <b>(965)</b>    | <b>(1,622)</b>  |
| <b>Net assets</b>                              | <b>48,823</b>   | <b>35,898</b>   |

# Acquisitions

| Entity      | Play     | Walker<br>Media | Walker<br>Media | Zapping<br>Media | Clear     | IS        | F5       | Total |
|-------------|----------|-----------------|-----------------|------------------|-----------|-----------|----------|-------|
| Aquired in: | May 2008 | April 2008      | July 2007       | July 2007        | July 2007 | Sept 2008 | Jan 2008 |       |
| % Aquired   | 30%      | 5.5%            | 19.5%           | 25%              |           | 11.2%     | 82.0%    |       |
| % Now held  | 80%      | 100%            | 100%            |                  |           | 97.2%     |          |       |

| Initial Consideration | £'000     | £'000        | £'000    | £'000    | £'000    | £'000      | £'000     | £'000        |
|-----------------------|-----------|--------------|----------|----------|----------|------------|-----------|--------------|
| Cash paid             | 43        | 3,854        |          |          |          |            | 55        | 3,952        |
| Shares issued         |           | 945          |          |          |          | 531        |           | 945          |
| <b>Total</b>          | <b>43</b> | <b>4,799</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>531</b> | <b>55</b> | <b>4,897</b> |

| Deferred Consideration                   | £'000 | £'000 | £'000    | £'000    | £'000    | £'000    | £'000      | £'000      |
|--|-------|-------|----------|----------|----------|----------|------------|------------|
| Cash paid                                |       |       | 5,369    | 2,376    | 2,405    |          |            | 10,150     |
| Shares issued                            |       |       |          |          | 469      |          |            | 469        |
| Fair value provision                     |       |       | (242)    | (160)    | 8,088    |          | (116)      | 7,570      |
| Fair value adjustment - notinal interest |       |       |          |          | (169)    |          |            | (169)      |
| <b>Balance at 30th June</b>              |       |       | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>116</b> | <b>116</b> |

| Total Cash Paid   |           |              |              |              |              |          |           | £'000         |
|-------------------|-----------|--------------|--------------|--------------|--------------|----------|-----------|---------------|
| Cash Paid         | 43        | 3,854        | 5,369        | 2,376        | 2,405        |          | 55        | 14,102        |
| Less cash Aquired |           |              |              |              |              |          |           |               |
| Direct cost       |           | 35           |              |              |              | 3        | 16        | 54            |
| <b>TOTAL</b>      | <b>43</b> | <b>3,889</b> | <b>5,369</b> | <b>2,376</b> | <b>2,405</b> | <b>3</b> | <b>71</b> | <b>14,156</b> |



# Dividend

|                          | <u>2008</u>          |                     | <u>2007</u>          |                     |
|--------------------------|----------------------|---------------------|----------------------|---------------------|
|                          | <u>Pence</u>         | <u>£000's</u>       | <u>Pence</u>         | <u>£000's</u>       |
| <b>Profit for Period</b> |                      | <b>9,024</b>        |                      | <b>7,046</b>        |
| <b>Interim Dividend</b>  | <b>0.87 p</b>        | <b>529</b>          | <b>0.87 p</b>        | <b>513</b>          |
| <b>Final Dividend</b>    | <b>2.75 p</b>        | <b>1,672</b>        | <b>2.75 p</b>        | <b>1,658</b>        |
| <b>Total Dividend</b>    | <u><b>3.62 p</b></u> | <u><b>2,201</b></u> | <u><b>3.62 p</b></u> | <u><b>2,171</b></u> |
| <b>Dividend cover</b>    |                      | <b>4.10</b>         |                      | <b>3.2</b>          |

# Outlook

- Medium term visibility is murky
- Conditions are difficult in all our markets
- Challenging year particularly in media and consultancy
- We expect pressure on fees

BUT ...

# Outlook (Cont)

- Good new business wins in 1<sup>st</sup> quarter
- Balance sheet is in good health
- Strong cash flows
- We will continue to invest in new businesses

So,

- Despite the economic gloom, we have great confidence in the organisation, the strategy and overriding philosophy of brutal simplicity

# Appendix

1. Minority Interest
2. The Headline P&L
3. Clear Reconciliation

# Minority Interest

12 months to December 2008

|                         | Minority Interest Charge |                    | MI %  | Put Option Date |
|-------------------------|--------------------------|--------------------|-------|-----------------|
|                         | <hr/>                    |                    |       |                 |
|                         | £000's                   |                    |       |                 |
| Walker Media            | 100                      | 780                | 25.0  | Open            |
| Talk PR/Immediate sales | 140                      | 219                | 14.0  | Open            |
| Malaysia                | 113                      | 58                 | 20.0  | Open            |
| Los Angeles             | 32                       | 70                 | 16.0  | Open            |
| Germany                 | 56                       | 35                 | 24.0  | 2011            |
| France                  | 127                      | 0                  | 20/40 |                 |
| <b>Group Total</b>      | <hr/> <b>568</b>         | <hr/> <b>1,162</b> |       |                 |

# The Headline P&L

|   | <u>2008</u>   | <u>2007</u>   |
|---|---------------|---------------|
|   | £000's        | £000's        |
| Revenue (gross profit)                              | 104,383       | 87,620        |
| <b><u>Headline</u></b>                              |               |               |
| Operating profit                                    | <u>13,739</u> | <u>10,222</u> |
| Profit Before Tax                                   | <u>14,095</u> | <u>11,926</u> |
| <b><u>Less</u></b>                                  |               |               |
| Amortisation of intangible assets - group companies | 2,973         | 608           |
| Amortisation of intangible assets - associates      | 2,400         | 53            |
| Revaluation of minority put option liabilities      | (1,940)       | 3,052         |
| Notional Interest on Deferred consideration         | 169           | 257           |
| Deferred tax on Amortisation of intangibles         | (599)         | (182)         |
| <b><u>Reported</u></b>                              |               |               |
| Profit Before Tax                                   | 10,493        | 7,956         |
| Profit After Tax                                    | 6,589         | 4,426         |
| Profit for Period                                   | 6,021         | 3,258         |
| Basic EPS   | 10.04p        | 5.80p         |

# Clear

## Reconciliation of segmental reporting

12 months to December 2008

|                   | UK       |        |        | America  |        |        | Europe   |         |        |
|-------------------|----------|--------|--------|----------|--------|--------|----------|---------|--------|
|                   | Reported | Clear  | Total  | Reported | Clear  | Total  | Reported | Clear   | Total  |
|                   | £000's   | £000's | £000's | £000's   | £000's | £000's | £000's   | £000's  | £000's |
| Revenue           | 60,349   | 2,428  | 62,777 | 4,028    | (826)  | 3,202  | 10,329   | (1,602) | 8,727  |
| Operating profit  | 9,978    | 97     | 10,075 | 295      | (3)    | 292    | 1,362    | (94)    | 1,268  |
| Profit before tax | 6,306    | 99     | 6,405  | 252      | (3)    | 249    | 449      | (96)    | 353    |