



**For immediate release:**

## **Optimisa plc Realigning resource to match growth in key areas**

**[London]: Thursday, 18<sup>th</sup> September 2008**

Marketing services group Optimisa plc (EPIC: OPS) today announced its interim statement for the six months to 30<sup>th</sup> June 2008.

Difficult market conditions and the limited positive contribution from the major UK businesses meant that Optimisa failed to reach the high targets set during its exceptional latter half of 2007. International business, however, has continued to grow with KAE Asia performing much better than expected.

Simon Dannatt, CEO of Optimisa plc, said of the results:

“The year to date has been much tougher than we anticipated. As a result, the Group has made changes to its focus and staffing, reallocating resources to match current sector opportunities and requirements, notably in media, financial services and the public sector. We have focused on key areas, particularly with regard to data analytics, high-end quantitative analysis and qualitative research, as well as building our teams in Asia.

“We have also enjoyed increased collaboration across all of the Group companies”, Dannatt continued. “Existing and new heads of business – including, most recently, David Rankin’s appointment to Managing Director of KAE – are now working together to promote a more integrated offering to our clients. Overall, I am happy to say that we are making significant progress with both existing and new clients and we believe that the work we’ve done thus far in 2008 will pay dividends in the future.”

### **Highlights**

- As forewarned in our trading update on 22 May, trading conditions in the 2<sup>nd</sup> quarter were extremely difficult and we performed well below budget in all three of our major operating units.
- The re-organisation and integration of the EQ business acquired at the end of 2007 was completed. However, EQ did not make a positive contribution to earnings after interest costs.
- KAE Asia, with operations in Singapore and Shanghai, made a positive contribution in the first half.
- Revenue for the first 6 months was up to £9.1m from £4.7m, an increase of 94%.
- Gross profit increased to £6.2m up from £3.5m, an increase of 74%.
- Adjusted pre tax profit fell to £472,000 from £789,000.
- Adjusted EPS reduced to 3.93p per share from 12.41p per share.
- Net debt rose in H1 and peaked at £4.3m at the end of June.



- In order to increase the speed at which we reduce debt, we do not propose to pay an interim dividend.

## **Excerpts from the Chairman's statement**

The disappointing results for the six months to 30 June 2008 reflect the sudden deterioration in trading experienced across the major businesses in the UK market during this period as outlined in my trading update in May. Unfortunately our worst fears for business performance in the UK materialised. Even with an improvement in conversion rates since the 2<sup>nd</sup> quarter, it is clear that market conditions will continue to be difficult for some time to come.

The re-organisation and integration of the EQ companies into the group took longer and were more difficult than planned in part because of the speed and severity of the delays, reduction and cancellation of projects. As a consequence and even with a modest recovery of fortunes in the 2<sup>nd</sup> half of the year, the businesses acquired at the end of 2007 are not expected to be earnings enhancing during 2008 as was planned.

Similarly, KAE the major operating unit in Optimisa prior to the EQ acquisition has performed below the level of the exceptional first half delivered in 2007.

We expect that the overall markets in the US and UK to continue to contract in the 2<sup>nd</sup> half of 2008 and pressure on prices and the slow business pipeline conversion rate to continue, possibly well into 2009. However, in the face of these difficult market and operational conditions we have had a number of significant contract wins throughout the year and have succeeded in maintaining our business relationships with all of our major clients.

Against this challenging economic background we have acted quickly to reduce fixed costs in all areas of the business and have targeted operational changes that increase speed of project execution and overall efficiency so that we can deliver the same level of quality to our clients at lower cost. The benefits of the cost cutting programme we have undertaken, while having some impact in the 2<sup>nd</sup> half of 2008 will not be fully reflected until 2009. With these cost savings and a strong performance from KAE Asia we expect overall group margins to recover in the 2<sup>nd</sup> half.

In our last trading statement we announced that new Managing Directors were appointed at both Buckingham and Quaestor in February and March respectively. Both have worked extremely hard to get to grips with their respective businesses and have played a significant part in the considerable change programme that has been undertaken. A significant part of this has been the expansion of 'cross-group' business development and execution and we have made considerable progress in this area with a wide range of projects involving KAE, Quaestor and Buckingham now being undertaken. In addition we have moved the offices of our specialist research team AIA, co-locating them in the KAE / Quaestor London office.

The consolidated group offer of combined research and consulting has been met with considerable positive reaction from our clients and we believe this, combined with our continued group wide investment in business development, will help us increase our market share in the UK during the rest of this year and facilitate more positive growth once the general market starts to recover.

**R F Littleboy**  
Chairman

---ENDS---



## ---NOTES FOR EDITORS---

Optimisa plc ([www.optimisapl.com](http://www.optimisapl.com)) is an AIM-listed holding company in the marketing services sector (EPIC: OPS). Optimisa Group is positioned in the space between the large management consultancies and the traditional market research, market intelligence and business intelligence providers. The Group companies share a common desire to deliver high-value, commercial market and marketing advice to help clients to grow their businesses profitably. The Optimisa Group continues to grow, organically and through acquisition. The Group currently comprises kae: marketing intelligence ([www.kae.com](http://www.kae.com)), nxtMOVE ([www.thenxtmove.com](http://www.thenxtmove.com)), Andrew Irving Associates ([www.aiaresearch.com](http://www.aiaresearch.com)), Report International ([www.reportinternational.com](http://www.reportinternational.com)), Quæstor ([www.quæstor.co.uk](http://www.quæstor.co.uk)), Buckingham Research Associates ([www.buckingham-research.com](http://www.buckingham-research.com)) and Summit Studios ([www.summitstudios.co.uk](http://www.summitstudios.co.uk)).

## ---CONTACT---

Caroline Dundas  
020 7960 3300  
[caroline.dundas@optimisapl.com](mailto:caroline.dundas@optimisapl.com)

#####