

smartFOCUS Group plc

FINAL RESULTS

For the year ended 31 December 2009

17th March 2010

***MAKE
MARKETING
SMARTER**

Chris Underhill, CEO
Neil Thomas, FD

smartFOCUS



Agenda

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- **Summary**

- Highlights
- Company

Chris Underhill, CEO

- **Financial Review**

- Statement of Comprehensive Income
- Statement of Financial Position

Neil Thomas, FD

- **Outlook**

- Current Trading
- Growth Strategy & Opportunities

Chris Underhill, CEO

- **Q&A**

- **Ahead of expectations**
 - Revenue grew by 15% to £11.9m (2008 : £10.4m)
 - Profit before tax (& non recurring costs) up £1.7m to £0.5m (2008: £1.2m loss)
 - Cash up to £2.4m (2008 : £1.5m), growth of 59%
- **Strong recurring revenue base**
 - Increased to 66% of total revenues (2008: 50%)
 - Over 90% of recurring revenue retained in 2009
- **Continuing sales momentum**
 - Over 80 client and partner contracts won
 - Significant new client wins including Rank, Carnival Group, The Chartered Institute of Marketing and Liverpool Victoria
 - 2x Tier 1 marketing service partners added

- **Operational Progress**
 - France direct operation migrated to strong local partner
 - US data center deployed
 - Continued development of SaaS software platform
- **Board confident smartFOCUS is well placed**
 - Strategy delivering strong sustainable business model
 - Continued profitable growth
 - High recurring and retained revenue
 - Capitalise on economic recovery and potential growth opportunities

smartFOCUS – marketing software that improves results..

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The Facts:

- 80% direct : 20% partner
- 750+ customers
- 80+ partners
- Founded 1999
- Listed AIM 2004 (STF)
- 140 Employees
- Offices in UK, US, Europe



ROI Proposition

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“Software and solutions that make it **easy and cost effective** for marketers to **create and action** marketing insight across multi-channels of communication, **improving results**”



- 118% year on year sales increase through targeted & personalised marketing campaigns



- over 18 months loyalty scheme delivered £9m increase in sales



- increased conversion by 10% with smartFOCUS solution



- 10% improvement in marketing campaign efficiency



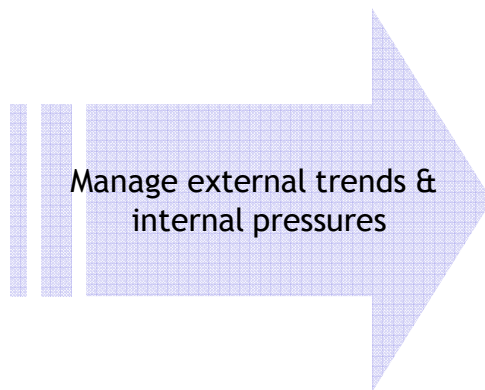
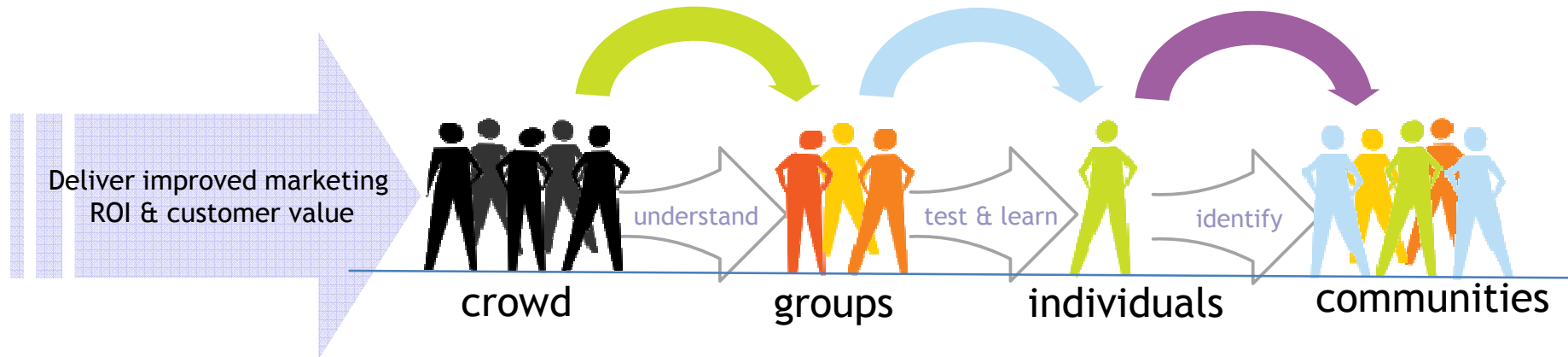
- reduce campaign construction time by 87%



- doubled number of campaigns they could run

We solve marketing challenges

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- Brand competition for customer spend
- Increased media, channel and data complexity
- Web increasing consumer choice
- Consumer sensitivity, privacy concerns
- Measurement of ROI for budget
- Move to outsource non-core operations

Highly competitive products & service portfolio

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smartMARKETER



- powerful, easy to use and intuitive software deployed as modules, or as an integrated application, over the web or on-premise

smartSERVER



- a common and consistent approach to data purposed for marketing to serve multiple channels, delivering operational marketing

smartPEOPLE



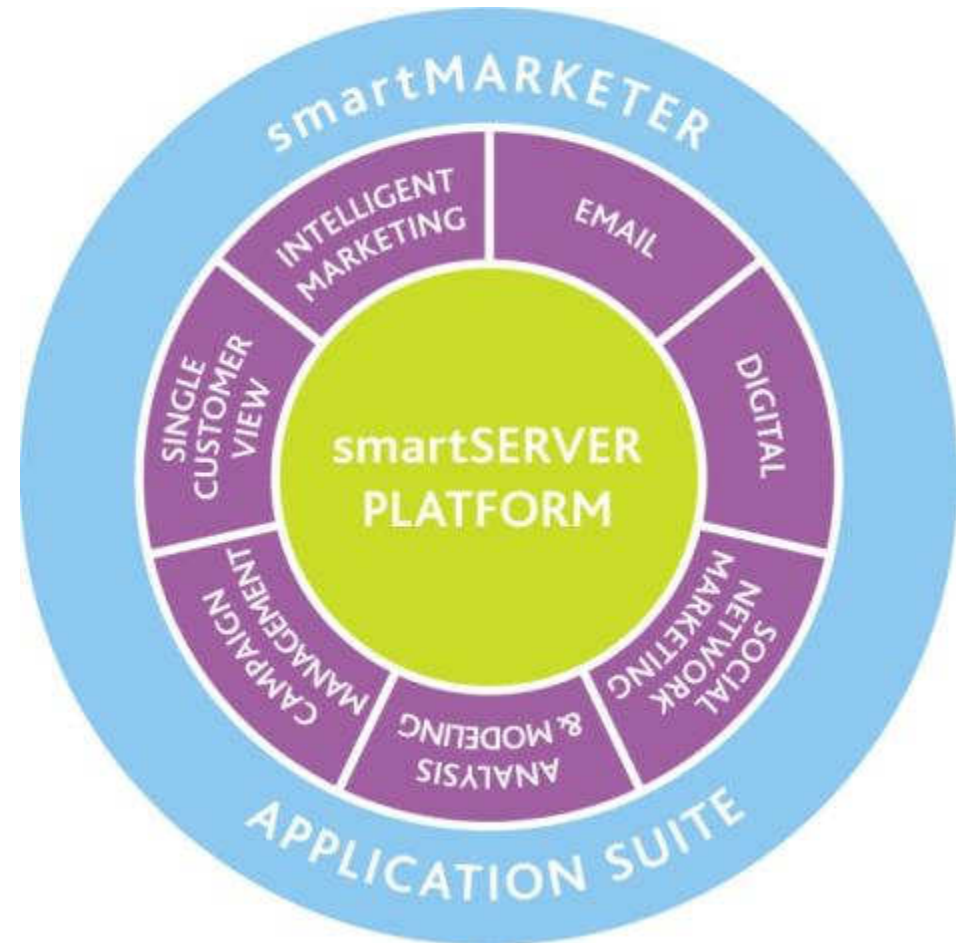
- experienced practitioners and proven consultancy, education and deployment services that solve real-world marketing challenges across all industry sectors and vertical markets

smartFOCUS



Improved marketing ROI and customer value 9

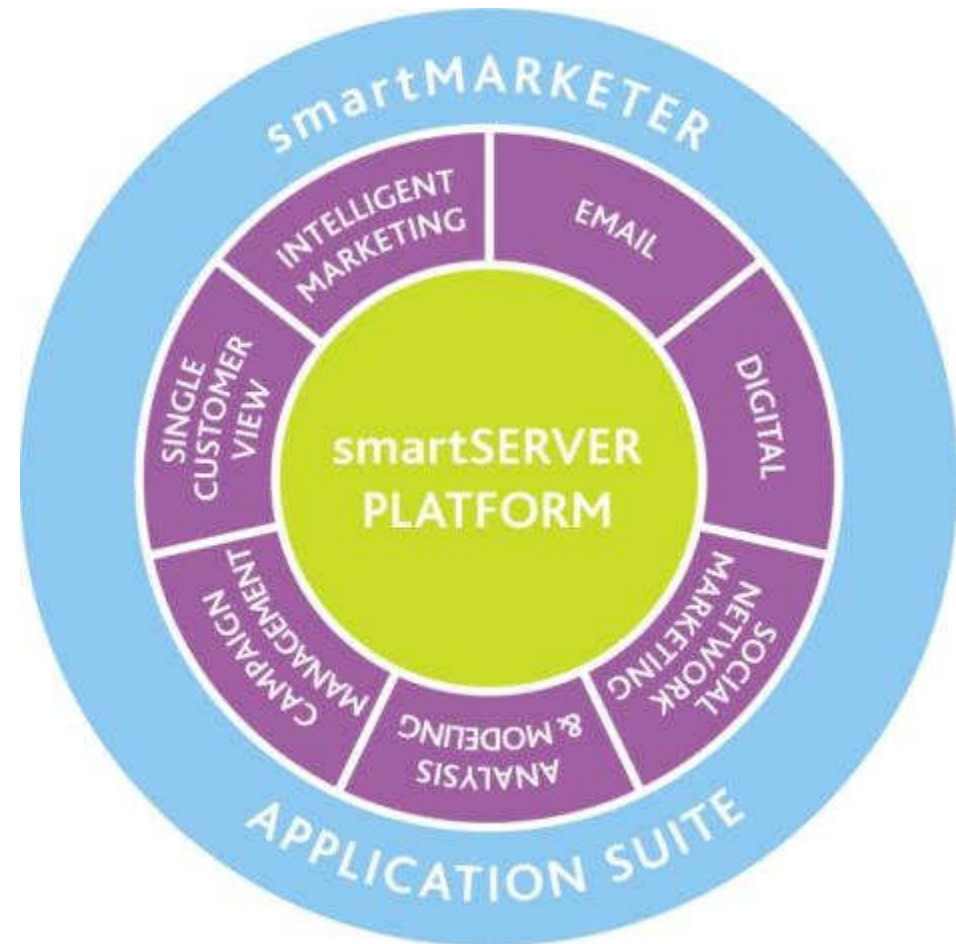
- A platform to serve the whole multi-channel marketing operation
- Analysis to more effectively and affordably learn from every interaction
- More productively create and target highly relevant, personalised communications
- Plan and automate the delivery of integrated multi channel campaigns
- Effectively measure and report performance
- Reduce decision cycles and deploy improvement



Solution Platform Differentiators

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- Highly scalable, integrated multi channel platform with easy to use marketing software applications
- Powerful range of packaged marketing and vertical solutions
- Fast time to deployment and low cost of ownership, supported by domain experts
- Multiple product and solution entry points, with easy “buy-up” options



Financial Review

Neil Thomas, FD

2009 Financials

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| | 2008 | 2009 |
|---|----------------|--------------|
| Group revenue | 10.40 | 11.93 |
| Other operating income and charges | (11.60) | (11.41) |
| Operating result | (1.20) | 0.52 |
| Results from continuing operations before taxation | (1.74) | 0.49 |
| Tax expense, net | 0.00 | (0.21) |
| Net results for the period | (1.74) | 0.28 |
| Earnings per share (basic) | (1.87p) | 0.30p |
| Earnings per share (diluted) | (1.87p) | 0.28p |

2009 Financials

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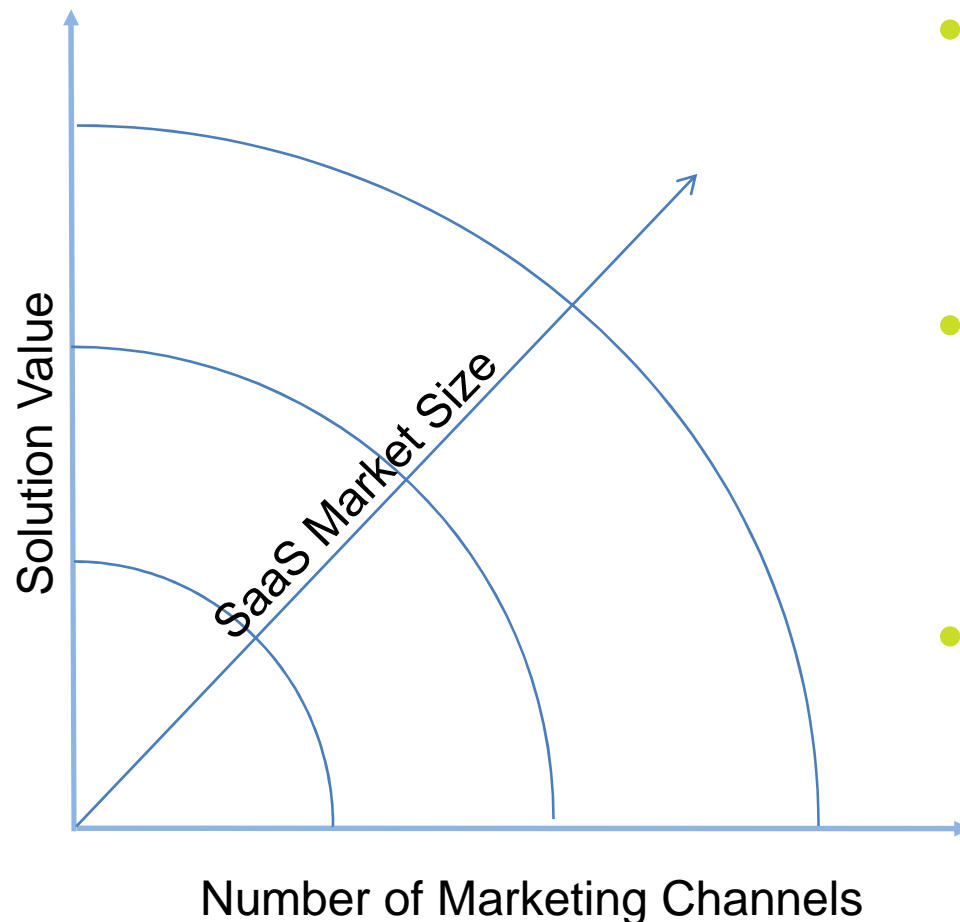
| | 2008 | 2009 |
|---|--------------|--------------|
| Non-current assets | 5.03 | 5.15 |
| Trade and other receivables due within one year | 3.71 | 2.92 |
| Cash and cash equivalents | 1.53 | 2.44 |
| Total assets | 10.27 | 10.51 |
| | ===== | ===== |
| Equity and Reserves | 3.00 | 3.50 |
| | | |
| Non-current liabilities | 0.52 | 1.12 |
| Trade payables | 0.49 | 0.46 |
| Other payables falling due within one year | 6.26 | 5.43 |
| Total liabilities | 7.27 | 7.01 |
| Total liabilities and equity | 10.27 | 10.51 |
| | ===== | ===== |

Outlook

- **Positive start to 2010**
 - Trading in line with our expectations
 - New customer wins continue
- **Customers re-investment is strong**
 - Partner reselling in line with expectations
 - Client cross and up sell ahead of plan
 - Customer retention ahead of planned 90%
- **Pipeline growth continuing – 78% visibility FY2010**
- **Market opportunity is substantial**
 - Organisations continue to move from **mass to 1-1 and 1-1-many** marketing
 - Drive towards digital marketing continues to offer double digit growth
- **Board confident for 2010 and beyond**

Growth Strategy & Opportunities

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- **SaaS market growth**
 - More products in SaaS 2010
 - More digital channels
 - Social Networks, Mobile, Web
- **Distribution growth**
 - Increased digital sales resource
 - International partner recruitment
 - Customer cross and up-selling
- **Acquisition opportunities**
 - Digital marketing technology
 - Vertical partners

Q&A

