

31 July 2008

Tarsus Group plc

Interim results for the six months to 30 June 2008

Strong organic growth in first half

Tarsus Group plc (“Tarsus” or “the Group” or “the Company”), the international business-to-business media group with interests in exhibitions, conferences, publishing and online media is pleased to announce strong like-for-like results for the six months to 30 June 2008.

Summary

The Group has evolved significantly during the last eighteen months driven by a combination of strong organic growth and targeted acquisitions in key areas. The strategy that has been successfully implemented by the management team has produced a portfolio of very high quality, geographically diversified assets for Tarsus and the Group is now generating nearly all of its profits from outside the UK.

In the first half of 2008 the Group achieved organic revenue growth of 12%, or 20% if the two new launches in Dubai are included, and like-for-like profits before tax increased by a third. In March the Group made its latest acquisition, Hubei Hope Exhibition Company Limited in China.

Importantly, the nature of the portfolio’s booking cycle provides the Company with a high degree of visibility. Like-for-like contracted revenues are at 78% (2007: 74%) of our internal projections for the full year and bookings for our large 2009 biennial exhibitions are in advance of previous years. As an indication of our confidence in the medium term prospects for the Group, we are today announcing an interim dividend of two pence per share, an increase of a third over the same period last year.

Financial Highlights

Strong like-for-like performance

	2008	2007	Change
Group turnover	£14.5 million	£11.3 million	+28%
Like-for-like revenue* growth	12%	12%	-
Like-for-like profit before tax*	£1.6 million	£1.2 million	+33%
Interim dividend	2.0p	1.5p	+33%
Continuing strong operating cash flow	£1.3 million	£3.7 million	£(2.4) million

Performance including Fairs & Exhibitions (F&E), acquired November 2007

	2008	2007	Change
Increased costs related to F&E	£0.7 million	n/a	-
Profit before tax	£0.2 million	£0.7 million	£(0.5) million
Adjusted profit before tax*	£0.9 million	£1.2 million	£(0.3) million
Basic EPS	(0.1)p	0.9p	(1.0)p
Adjusted EPS*	0.8p	1.5p	(0.7)p

Operational Highlights

- Good visibility for the full year with like-for-like contracted revenue to date at 78% (2007: 74%) of our full-year forecast
- Medical business performing well, portfolio broadened and deepened
- Continued good progress in France and from our online portfolio
- Resilient performance from our US clothing division
- Further Emerging Market progress in both China and Dubai

Neville Buch, Chairman of Tarsus, said:

“We have produced strong organic revenue growth in the first half.

Our key drivers of growth in the second half – Labelexpo Americas, the MCII medical division, our French portfolio and our Off-Price clothing division – remain on track to deliver our expectations. Contracted like-for-like revenues for the year to date are already at 78% of our full year forecast (2007: 74%), giving high revenue visibility.

We are confident that organic growth will be strong in 2008 and we remain confident of further progress over the 2008/2009 cycle.”

Glossary *

Adjusted profit before tax:

Calculated using profit before tax adjusted for share option charges, amortisation charges and tax on profit from joint ventures.

Adjusted EPS:

Calculated using profit after tax attributable to equity shareholders adjusted for share option charges amortisation charges and tax on profit from joint ventures.

Like-for like revenue and profit before tax:

Calculated at constant exchange rates adjusted for biennial events, after excluding acquisitions impacting for the first time in the period and non-recurring products and items.

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Chairman & Managing Director's Statement

Introduction

The first half of 2008 has been another period of excellent progress for Tarsus. Our established products have again performed well and we have made particularly good progress in developing our medical and emerging market portfolios.

Our strategy of focusing on organic growth, the Emerging Markets and the B2B exhibition and internet media formats has paid dividends as these economies and media channels have to date proved to be the most resilient in the current global economic climate.

The Group has evolved significantly during the last eighteen months, driven by strong organic growth and targeted acquisitions in key areas. The strategy that has been successfully implemented by the management team has produced a portfolio of very high quality, geographically diversified assets for Tarsus and the Group is now generating nearly all of its profits from outside the UK.

Financial Results

Strong like-for-like performance

Group revenue was £14.5 million (2007: £11.3 million) an increase of 28%, with underlying like-for-like growth of 12% or 20% if the two new launches in Dubai, GESS (education supplies) and AIME (aircraft interiors), are included.

Profit before tax was £0.2 million (2007: £0.7 million). Adjusted profit before tax was £0.9 million (2007: £1.2 million). Like-for-like profit before tax increased by 33% to £1.6 million (2007: £1.2 million).

Basic (loss)/earnings per share were (0.1)p (2007: 0.9p) while adjusted earnings per share were 0.8p (2007: 1.5p).

Operating cash flow continued to be very strong with £1.3 million generated in the period (2007: £3.7 million). Operating cash conversion continued to be very high at 147%. Net debt is in line with our expectations and at 30 June 2008 was £36.4 million.

Given the good first half organic performance and our confidence in the medium-term outlook for the Group, the Directors are proposing an interim dividend of 2.0p per share, an increase of 33%. The interim dividend will be paid on 1 October 2008 to Shareholders on the Register of Members of the Company on 8 August 2008. We will continue to offer a scrip alternative.

Performance including Fairs & Exhibitions, acquired November 2007

In November 2007 Tarsus acquired Fairs & Exhibitions (F&E). Its portfolio contained 8 separate shows including the Dubai Air Show which immediately became the Group's largest event.

The Dubai Air Show is a biennial show which will generate revenues for Tarsus in odd years and is the most important contributor to F&E's profits. In even years therefore, including 2008, the Group will carry the cost of this portfolio with relatively little associated revenue.

In the half year, the additional costs (including interest) amounted to approximately £0.7 million and were the principal reason why unadjusted profit before tax and earnings per share were lower than the previous period, despite strong like-for-like revenue growth.

Operating Review

Introduction

Despite widespread concerns about the global economy, to date we have seen no evidence that these concerns have affected the performance of the business in the first half or that they are materially impacting the outlook for our important second half. However, we continue to actively manage our portfolio of products, cost base and working capital to enable the Group to remain responsive to market conditions and to the requirements of our customers.

Importantly, revenue visibility is high for the year as a whole and Labelexpo Americas, our largest event this year, is ahead of its budgeted space target.

We have continued to expand the business both by industry and geography and the percentage of revenues coming from faster growing economies like Dubai, India and China is steadily increasing. Our launch programme remains active and we are increasingly able to extend our established brands into these newer territories.

Tarsus is a highly customer focused business and throughout the Group we aim to provide our customers with the right product, in the right markets and in the right media formats. We were therefore especially pleased to win the Association of Event Organisers' "Marketing Campaign of the Year 2007" award for Tarsus' Labelexpo Europe. The exceptional innovation and customer service provided by our in-house team contributed to the event's record performance.

Summary of Results

£ million	USA			Europe			Emerging Markets		
	2007	2008	% change	2007	2008	% change	2007	2008	% change
Revenue	3.8	4.1	7%	6.9	9.2	32%	0.6	1.2	115%
Adjusted profit before tax	1.2	1.3	7%	0.8	1.3	60%	0.1	(0.4)	-

United States

Medical Division, Off-Price Clothing & Labelexpo

In the first half we held two principal events. The first was the February Off-Price show which enjoyed a stronger performance than the 2007 event, with like-for-like revenues up by 6% (2007: 3%). The second was the Orlando Anti-Aging medical event, which once again enjoyed rapid growth with revenues up by 33%.

Our Medical division is continuing to expand its depth and breadth in the US which is both helping to attract more delegates and ensure that they will be repeat attendees. This is being

achieved by strengthening the educational element of the events as well as expanding the scope of the events further into the aesthetics field.

This division is also expanding internationally with our launch of two new wholly owned events. The first European (Dusseldorf) and Middle Eastern (Dubai) medical events will take place in the second half of 2008 and are already completely sold out of exhibition space. Plans are in place to continue to accelerate the international expansion of this fast growing division.

The next two US events are, firstly, the August Off-Price show where indications are that it is on track to deliver a comparable result to the equivalent 2007 event. Secondly, the Washington D.C. Anti-Aging medical event which took place earlier this month (previously held in Chicago) performed well with revenues up 4%, and the largest show in the medical portfolio in Las Vegas in December is on track to achieve our expectations.

Our largest event of the year, Labelexpo Americas, takes place in Chicago in September and already has over 100% of expected space sales contracted.

Europe

France

Like-for-like revenues in France rose by 10% in the first half. The reorganisation of the French division in the latter part of 2007 and early 2008 into one office was implemented in order to improve sales disciplines. This improvement, along with strong cost control, has resulted in a very strong performance in operating profit in the first half.

Our largest event in the period, the Modamont (clothing accessories) show in February, saw revenues increase by 12%. Contracted sales for IP Convergence (October) and Modamont (September) are ahead of prior years – those for Heavent (November) have been impacted by our running a new annual Heavent meeting in Deauville earlier in the year and some consolidation in the sector. Owing to its reliance on third and fourth quarter trading and a later booking cycle, we have factored cautious estimates into our full year sales projections for France. A significant appreciation of the Euro should impact favourably for the year as a whole.

UK

Our online business, Caroo, has continued to grow strongly with revenues up by 15% to £1.0 million.

Emerging Markets

Latin America, China, India & the Middle East

There were two events in the first half. The Latin America Label Summit in Mexico City and the travel show COTTM in China. The success of the Label Summit was evidenced by strong rebookings both for the repeat event in Mexico City in 2010 and also for the 2009 event in Sao Paulo. The fourth edition of COTTM saw revenues up 35% with a near doubling of attendance.

The acquisition of F&E in November 2007 is one which we expect to provide a number of interesting opportunities for the Group in the years ahead. Not only did it bring the important and growing Dubai Air Show into the portfolio (in odd years), it gave us a base from which to

launch new events into a vibrant economy. We achieved this in the first half with GESS, an educational event and AIME (Aircraft Interiors Middle East), both of which were profitable in their first editions.

Second half events include the biennial Indian Label Show (part of the Labelexpo Global Series) in New Delhi, and in Dubai, MEBA, the second edition of a biennial business aviation event. In addition, there are a growing number of Chinese events organised in conjunction with our partners Hope Exhibitions, which we acquired in April, and Shanghai Modern.

The Board

On 30 June 2008 Tarsus was pleased to announce the appointment of Virginia Kern to the Board as an executive director. Virginia has been the Chairman of F&E for the last 15 years and has been involved with that company since 1976.

Dubai itself is growing strongly and the addition of Virginia to the Board, with her contacts and considerable knowledge of the region, will ensure that Tarsus is in a position to exploit the strong growth opportunities in the area.

Neil Jones is stepping down as a Director of Tarsus with immediate effect and will be leaving the Company in due course to join another media group. It is currently anticipated that he will remain with the company as an employee until the end of his contract – he may leave earlier should a suitable financial appointment be made. We would like to thank Neil for all his hard work over the last 5 years and wish him all the best in his future career.

Taxation

The Group, as part of its strategy of creating shareholder value by growing earnings per share, has always proactively managed its tax charge and has been successful in maintaining a lower than average tax rate.

In the last 18 months the acquisitions of MCII in the US and F&E in Dubai have seen Tarsus expand its international operations dramatically. Whilst the broad international spread of the Group now provides both access to growth regions and insulation from the weaker economic conditions in Western markets, the outcome is that the Group now generates nearly all its profits from outside the UK.

Given the current profit profile of the Group, the Board is advanced in examining alternative jurisdictions to base Tarsus' holding company. A new holding company structure, if implemented, is likely to increase shareholder value by further reducing the Group's maintainable tax rate.

Outlook

We have again made good progress in the first half. Prospects for the important second half are also looking positive. Contracted like-for-like revenues for the year to date at 78% of our full year forecast (2007: 74%) are ahead of last year, giving high revenue visibility.

We are confident that organic growth will be strong in 2008 and we remain confident of further progress over the 2008/2009 cycle.

Neville Buch
Chairman

Douglas Emslie
Group Managing Director

CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

For the six months ended 30 June

	Notes	2008 £000	2007 £000
Group revenue	7	14,466	11,330
Operating costs		<u>(13,659)</u>	<u>(10,196)</u>
Group operating profit		807	1,134
Share of profit of joint venture (post tax)		151	151
Interest receivable		3	3
Interest payable and other financial expenses		<u>(751)</u>	<u>(553)</u>
Profit before taxation		210	735
Taxation expense	9	<u>(44)</u>	<u>(147)</u>
Profit for the financial period		<u>166</u>	<u>588</u>
(Loss)/profit for the financial period attributable to equity shareholders of the parent company		(21)	554
Profit for the financial period attributable to minority interests		<u>187</u>	<u>34</u>
∩		<u>166</u>	<u>588</u>
	Notes	2008	2007
Earnings/(loss) per share (pence)	10		
- basic		(0.1)	0.9
- diluted		(0.1)	0.9

CONDENSED CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the six months ended 30 June

	2008	2007
	£000	£000
Foreign exchange translation differences	(1,468)	301
Revaluation of trade investment	218	-
	<hr/>	<hr/>
Net (loss)/profit recognised directly in equity	(1,250)	301
Profit for the financial period	166	588
	<hr/>	<hr/>
Total recognised income and expense for the period	(1,084)	889
	<hr/>	<hr/>
Attributable to:		
Equity holders of the parent company	(1,271)	855
Minority interest	187	34
	<hr/>	<hr/>
Total recognised income and expense for the period	(1,084)	889
	<hr/>	<hr/>

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Notes	30 June 2008 £000 Unaudited	30 June 2007 £000 Unaudited	31 December 2007 £000 Audited
NON-CURRENT ASSETS				
Property, plant and equipment		948	529	627
Intangible assets	11	84,928	57,601	84,102
Interests in joint ventures		1,443	488	418
Other investments		1,010	534	760
Deferred tax assets		3,525	1,833	3,469
		91,854	60,985	89,376
CURRENT ASSETS				
Trade and other receivables		15,348	11,191	15,998
Cash and cash equivalents		1,400	877	2,981
		16,748	12,068	18,979
CURRENT LIABILITIES				
Trade and other payables		(9,179)	(7,325)	(15,402)
Deferred income		(17,660)	(13,586)	(11,738)
Provisions		-	(43)	-
Bank overdrafts		(3,763)	(2,275)	(141)
Interest bearing loans and borrowings		(6,512)	(3,261)	(7,431)
Liabilities for current tax		(1,324)	(1,578)	(2,124)
		(38,438)	(28,068)	(36,836)
NET CURRENT LIABILITIES		(21,690)	(16,000)	(17,857)
TOTAL ASSETS LESS CURRENT LIABILITIES		70,164	44,985	71,519
NON-CURRENT LIABILITIES				
Other payables		(4,896)	(2,960)	(6,122)
Deferred tax liability		(5,902)	(3,089)	(5,902)
Interest bearing loans and borrowings		(27,496)	(12,171)	(24,428)
		(38,294)	(18,220)	(36,452)
NET ASSETS		31,870	26,765	35,067
EQUITY				
Share capital	12	3,056	3,037	3,042
Share premium account	12	45,546	45,187	45,312
Reserves	12	(4,090)	(2,030)	(2,840)
Retained earnings	12	(13,071)	(19,689)	(11,005)
Issued capital and reserves attributable to equity holders of the parent		31,441	26,505	34,509
MINORITY INTEREST	12	429	260	558
TOTAL EQUITY		31,870	26,765	35,067

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

For the six months ended 30 June

	2008 £000	2007 £000
Cash flows from operating activities		
Profit for the period	166	588
Adjustments for:		
Depreciation	132	125
Amortisation	510	297
Loss on disposal of fixed assets	-	5
Share option charge	85	142
Share of operating profit in joint venture	(151)	(151)
Taxation charge	44	147
Net interest	748	550
Operating cashflow before changes in working capital and provisions	1,534	1,703
Increase/(decrease) in trade and other receivables	196	(54)
(Increase)/decrease in current trade and other payables	(432)	2,038
Cash generated from operations	1,298	3,687
Interest paid	(793)	(593)
Income taxes paid	(393)	(1,647)
Net cash from operating activities	112	1,447
Cash flows from investing activities		
Interest received	3	3
Acquisition of property, plant and equipment	(391)	(76)
Acquisition of intangible fixed assets	(75)	(710)
Acquisition of investments	(904)	(469)
Deferred and contingent consideration paid	(2,779)	(402)
Net cash outflow from investing activities	(4,146)	(1,654)
Cash flows from financing activities		
Repayment of borrowings	(1,477)	(614)
Proceeds from the issue of share capital	135	719
Cost of share issue	-	(14)
Dividends paid to shareholders of parent company	(2,017)	(1,398)
Dividends paid to minority shareholders in subsidiary companies	(316)	-
Net cash outflow from financing activities	(3,675)	(1,307)
Net decrease in cash and cash equivalents	(7,709)	(1,514)
Opening cash and cash equivalents	2,840	505
Effect of exchange rate fluctuations on cash held	381	(389)
Closing cash and cash equivalents	(4,488)	(1,398)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Tarsus Group plc (the “Company”) is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2008 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in jointly controlled entities.

The consolidated financial statements of the Group as at and for the year ended 31 December 2007 are available upon request from the Company’s registered office at Metro Building, 1 Butterwick, London W6 8DL.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34 *Interim Financial Reporting*. They do not constitute the Group’s statutory accounts within the meaning of Section 240 of the Companies Act 1985.

The interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2007 which were prepared under International Financial Reporting Standards and have been reported on by the Company’s auditors and delivered to the Registrar of Companies. The auditors’ report was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

The interim financial statements were approved by a duly appointed and authorised committee of the Board of Directors on 31 July 2008. The interim financial statements are unaudited but have been reviewed by the auditors as set out in their report.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2007.

4. ESTIMATES

The preparation of consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2007.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

5. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2007.

6. PROFIT AND LOSS ANALYSIS

The following analysis illustrates the performance of the Group's activities, and reconciles the Group's profit, as shown in the interim income statement, to adjusted profits. Adjusted profit is presented to provide a better indication of overall financial performance and to reflect how the business is managed and measured on a day-to-day basis. The adjusted profit excludes share option charges, amortisation of intangible assets, and taxation on joint ventures.

	Six months to 30 June 2008 £000	Six months to 30 June 2007 £000
Profit for the financial period after taxation	166	588
Add back:		
Taxation charge	44	147
	<hr/> 210	<hr/> 735
Add back:		
Charge for share options	85	142
Amortisation charge	510	297
Taxation on joint ventures	77	51
Adjusted profit before tax	<hr/> 882	<hr/> 1,225

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

7. SEGMENTAL ANALYSIS

Primary segment

As at 30 June 2008, the Group is organised into three main business segments – Europe, USA and Emerging Markets. These segments are the basis on which the Group reports its primary segment information.

The main activities of all segments are the production of exhibitions, conferences, magazines, directories, and online media.

The following table sets out the revenue and profit information and certain assets and liability information for the Group’s geographical segments:

	Six months ended 30 June 2008				
	Europe £000	USA £000	Emerging Markets £000	Central costs £000	Group £000
Revenue	9,164	4,064	1,238	-	14,466
Profit/(loss) from operating activities	1,029	1,322	(381)	(1,163)	807
Net financing costs	-	-	-	(748)	(748)
Share of profit from joint ventures	151	-	-	-	151
Profit/(loss) before tax	1,180	1,322	(381)	(1,911)	210
Amortisation of intangible assets	-	-	-	510	510
Cost of share options	-	-	-	85	85
Taxation on joint ventures	77	-	-	-	77
Adjusted profit before tax*	1,257	1,322	(381)	(1,316)	882

	Six months ended 30 June 2007				
	Europe £000	USA £000	Emerging Markets £000	Central costs £000	Group £000
Revenue	6,944	3,811	575	-	11,330
Profit/(loss) from operating activities	582	1,240	85	(773)	1,134
Net financing costs	-	-	-	(550)	(550)
Share of profit from joint ventures	151	-	-	-	151
Profit/(loss) before tax	733	1,240	85	(1,323)	735
Amortisation of intangible assets	-	-	-	297	297
Cost of share options	-	-	-	142	142
Taxation on joint ventures	51	-	-	-	51
Adjusted profit before tax*	784	1,240	85	(884)	1,225

* Adjusted profit before tax represents Group profit before tax excluding share option charges, amortisation of intangible assets and taxation on joint ventures. This is the same measure as given in note 6.

The increase of £1,025,000 in “Interests in joint Ventures” is due, primarily, to the acquisition of 50% of the share capital of Hubei Hope Exhibition Company Ltd. This asset is held within the Emerging Markets segment of the Group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

8. REVENUE AND COST RECOGNITION

Revenue and cost on events are recognised when an event is completed. Most of the Group's major 2008 exhibitions take place in the second half of the year. Revenue for future events of £17,660,000 is included in current liabilities, £11,068,000 of which relates to events to occur in 2008 and the balance to events in 2009.

9. INCOME TAX EXPENSE

The taxation charge for the six months ended 30 June 2008 is based on the estimated effective tax rate of 21% (2007: 20%) for the year ending 31 December 2008.

10. EARNINGS PER SHARE

	Six months to 30 June 2008	Six months to 30 June 2007
Basic (loss)/earnings per share (pence)	(0.1)	0.9
Diluted (loss)/earnings per share (pence)	(0.1)	0.9
Adjusted earnings per share (pence)	0.8	1.5
Adjusted diluted earnings per share (pence)	0.8	1.5

Basic earnings per share

The basic earnings per share has been calculated on the loss after tax attributable to ordinary shareholders for the six months of £21,000 (June 2007: Profit of £554,000) and 60,942,618 (June 2007: 59,424,000) ordinary shares being the weighted average number of shares in issue during the period.

Diluted earnings per share

The diluted earnings per share has been calculated on the loss after tax attributable to ordinary shareholders for the six months of £21,000 (June 2007: Profit of £554,000) and 62,020,537 (June 2007: 61,127,165) ordinary shares being the diluted weighted average number of shares in issue during the period.

Adjusted earnings per share

The adjusted earnings per share has been calculated on profits after tax attributable to ordinary shareholders, adjusted to add back share option charges, amortisation of intangible assets and taxation on joint ventures of £510,000 (June 2007: £905,000) and 60,942,618 (June 2007: 59,424,293) ordinary shares being the weighted average number of shares in issue during the period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

10. EARNINGS PER SHARE (CONTINUED)

Adjusted diluted earnings per share

The adjusted diluted earnings per share has been calculated on profits after tax attributable to ordinary shareholders, adjusted to add back share option charges, amortisation of intangible assets and taxation on joint ventures of £510,000 (June 2007: £905,000) and 62,020,537 (June 2007: 61,127,165) ordinary shares being the diluted weighted average number of shares in issue during the period.

Weighted average number of ordinary shares (diluted):

	Six months to 30 June 2008	Six months to 30 June 2007
Weighted average number of ordinary shares	60,942,618	59,424,293
Effect of share options	1,077,919	1,702,872
Weighted average number of ordinary shares (diluted)	<u>62,020,537</u>	<u>61,127,165</u>

Actual shares in issue at 31 July 2008: 61,127,576

11. INTANGIBLE FIXED ASSETS

	Goodwill £000	Trademarks and Lists £000	Total £000
Cost:			
At 1 January 2008	66,314	18,679	84,993
Additions	30	-	30
Foreign exchange adjustments	1,306	-	1,306
At 30 June 2008	<u>67,650</u>	<u>18,679</u>	<u>86,329</u>
Amortisation:			
At 1 January 2008	-	891	891
Amortisation charge	-	510	510
At 30 June 2008	<u>-</u>	<u>1,401</u>	<u>1,401</u>
Net book values:			
At 30 June 2008	<u>67,650</u>	<u>17,278</u>	<u>84,928</u>
At 31 December 2007	<u>66,314</u>	<u>17,788</u>	<u>84,102</u>

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(CONTINUED)**

12. RECONCILIATION OF MOVEMENTS IN EQUITY

Other reserves

	Share capital £000	Share premium account £000	Capital redemption reserve £000	Fair value reserve £000	Foreign exchange reserve £000	Retained earnings £000	Minority interest £000	Total £000
As at 30 June 2008:								
Recognised foreign exchange losses for the period	-	-	-	-	(1,468)	-	-	(1,468)
Revaluation of trade investment	-	-	-	218	-	-	-	218
Total income and expense recognized directly in equity	-	-	-	218	(1,468)	-	-	(1,250)
Profit attributable to shareholders	-	-	-	-	-	(21)	-	(21)
Total recognized income and expense	-	-	-	218	(1,468)	(21)	-	(1,271)
Scrip dividend	3	110	-	-	-	-	-	113
New share capital subscribed	11	124	-	-	-	-	-	135
Share option charge	-	-	-	-	-	85	-	85
Movement in deferred tax	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(2,130)	-	(2,130)
Dividend paid to minority interests	-	-	-	-	-	-	(316)	(316)
Minority interest profit for the period	-	-	-	-	-	-	187	187
Net change in shareholders' funds	14	234	-	218	(1,468)	(2,066)	(129)	(3,197)
Opening equity shareholders' funds	3,042	45,312	(443)	39	(2,436)	(11,005)	558	35,067
Closing equity shareholders' funds	3,056	45,546	(443)	257	(3,904)	(13,071)	429	31,870
As at 30 June 2007:								
Recognised foreign exchange profits for the period	-	-	-	-	301	-	-	301
Profit attributable to shareholders	-	-	-	-	-	554	-	554
Total recognized income and expense	-	-	-	-	301	554	-	855
Scrip dividend	5	221	-	-	-	-	-	226
New share capital subscribed	87	632	-	-	-	-	-	719
Cost of shares issued	-	(14)	-	-	-	-	-	(14)
Share option charge	-	-	-	-	-	142	-	142
Movement in deferred tax	-	-	-	-	-	(865)	-	(865)
Dividend paid	-	-	-	-	-	(1,623)	-	(1,623)
Minority interest profit for the period	-	-	-	-	-	-	34	34
Net change in shareholders' funds	92	839	-	-	301	(1,792)	34	(526)
Opening equity shareholders' funds	2,945	44,348	(443)	-	(1,888)	(17,897)	226	27,291
Closing equity shareholders' funds	3,037	45,187	(443)	-	(1,587)	(19,689)	260	26,765

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

12. RECONCILIATION OF MOVEMENTS IN EQUITY (CONTINUED)

DIVIDENDS

The following dividends were paid and proposed by the Group:

For the six months ended 30 June

	2008	2007
	£000	£000
Dividend paid		
2007/2006 final dividend (3.5p/2.75p per share)	2,130	1,325
Dividend proposed		
Dividend proposed in the period (2.0p/1.5p per share)	1,223	912

13. SHARE BASED PAYMENTS

The Group's management awards share options to directors and employees, from time to time, on a discretionary basis. During the six months ended 30 June 2008, no share options were issued.

14. RELATED PARTIES

Directors of the company control 16.6% (31 December 2007: 21.7%) of the voting shares of the company. The reduction is attributable to shares previously held in a family trust established by Neville Buch being transferred to his adult children.

Executive officers also participate in the Group's share option programme.

INDEPENDENT REVIEW REPORT TO TARSUS GROUP plc

We have been engaged by the company to review the condensed set of financial statements in the half yearly financial report for the six months ended 30 June 2008 which comprises the Condensed Consolidated Interim Income Statement, Condensed Consolidated Interim Statement of Recognised Income and Expense, Condensed Consolidated Interim Balance Sheet, Condensed Consolidated Interim Cash Flow Statement and the related notes. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the interim set of financial statements in the half yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half yearly financial report for the six months ended 30 June 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PKF (UK) LLP

31 July 2008

London, UK

RESPONSIBILITY STATEMENT OF THE DIRECTORS' IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- the interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Principal risks and uncertainties

The board consider the principal risks and uncertainties relating to the Group for the next six months to be the same as detailed in our latest Annual Report and Accounts to 31 December 2007. Full details of the risks and uncertainties are detailed in the Business and Financial Review section of those accounts.

The principal risks to the business are:-

- Economic factors affecting customer confidence
- Loss of customers
- Key management losses

Neville Buch
Chairman

Douglas Emslie
Group Managing Director