

Creating a bright future



Growing the value of your business

Condensed Interim Financial Statements 2009

Tarsus Group plc

Six months ended 30th June 2009



Condensed Interim
Financial Statements 2009

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Six months ended 30 June 2009



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CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

INTRODUCTION

The first half of 2009 has been another period of good progress for Tarsus, with a particularly positive performance from our Emerging Markets division. Our established products, backed by strong brand recognition, have shown their resilience in very challenging trading conditions.

Notwithstanding the economic downturn, exhibitions remain a vital business-to-business sales channel, facilitating the development of relationships between buyers and sellers. In an environment where expenditure is being closely controlled, exhibitions are continuing to increase their overall share of marketing budgets.

Tarsus is focussed on delivering the highest quality products to its customers. The strength of the Group's brands, combined with the "need to have" nature of exhibitions, is driving our financial performance. Over the last ten years the Group has developed through a combination of organic growth and targeted acquisitions in key business-to-business sectors and geographies. This strategy, which has been successfully implemented by a first class management team, has produced a portfolio of high quality, geographically diversified assets with nearly all profits being generated outside the UK.

FINANCIAL RESULTS

A record performance

First half Group revenue increased by 36% to £19.7 million (2008: £14.5 million), with underlying like-for-like growth of 5%.

Profit before tax was £0.4 million (2008: £0.2 million). Adjusted profit before tax was £1.7 million, an increase of almost 100% over the previous year (2008: £0.9 million).

Basic loss per share was 0.1p (2008: 0.1p) while adjusted earnings per share were 1.8p (2008: 0.8p).

Operating cash flow continued to be very strong with £3.4 million generated in the period (2008: £1.3 million). Operating cash conversion as a result was 196%, reflecting the difference in timing between cash collection and profit recognition of our large biennial events. This relationship has been exaggerated in the first half of the year where cash has been collected in advance for the large Labelexpo Europe and Dubai Airshow exhibitions.

CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

Debt & financing

On 30 June 2009, net debt stood at £34.8 million, in line with our expectations. The Group has agreed an adjustment to its future bank covenants to give additional flexibility and facilitate faster growth.

On 9 June 2009, the Group announced a recommended offer for the outstanding share capital of CapRegen plc that it did not already own, with the offer being declared unconditional following Court approval on 22 July. Tarsus has now incorporated CapRegen's investment portfolio within its own assets and since 22 July has used CapRegen's cash to reduce Group indebtedness by a net £3.2 million.

On 6 July 2009, the Group announced the successful placing of 3,076,923 new ordinary shares of 5 pence each, raising additional net cash of £2.7 million.

On 1 July 2009, the Group paid the final earn-out payment of \$5.7 million for the acquisition of F&E, our Dubai business. This is the last material earn-out payment owed by the Group for historical acquisitions.

The Directors have declared an interim dividend of 2.0p per share (2008: 2.0p). The interim dividend will be paid on 2 October 2009 to Shareholders on the Register of Members of the Company on 28 August 2009. We will continue to offer a scrip alternative.

OPERATING REVIEW

Summary of Results

£ million	USA			Europe			Emerging Markets		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Revenue	4.6	4.1	3.8	9.7	9.2	6.9	5.4	1.2	0.6
Adjusted profit before tax	1.4	1.3	1.2	1.0	1.3	0.8	0.7	(0.4)	0.1

United States

On a reported basis, US revenues increased by 12% in the first half, while adjusted profits before tax increased by 8%. On a like-for-like basis, revenues were 3% lower, while operating profits rose by 1%.

CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

Off-Price

Tarsus has been the owner and organiser of exhibitions for the Off-Price (discount) clothing and accessories industries in Las Vegas since 1999. These events are unique to the US and are part of Las Vegas Fashion Week. Each event attracts over 12,000 buyers and the exhibitions are supported by Off-Price Apparel, our premier trade magazine for the industry.

Against a background of a severely depressed retail environment in the US, the February Off-Price show produced a creditable performance with strong attendee numbers and buying activity. Lower US Dollar revenues were more than compensated for by the weakness of Sterling resulting in strong growth in reported revenues.

Medical

Through the acquisition of MCII in 2006, Tarsus owns and manages global events in the field of anti-ageing and preventive medicine. These events comprise conferences, educational fellowships and exhibitions.

The major medical event in the first half was held in April in Orlando. Like the Las Vegas event in December 2008, there was some weakness in exhibitor revenues but the broad offering of the event meant that there was increased attendance by doctors at the educational and conference elements. Overall, in the first half MCII revenues rose 3% (in US Dollars), driven by higher margin educational content resulting in a strong increase in profitability.

The next two US events are, firstly, the August Off-Price show where current indications are that it is on track to be ahead of the February 2009 show and comparable with the August 2008 show – a testament to its defensive qualities. Secondly, the San Jose Anti-Aging medical event in September is also on track to be ahead of the comparable 2008 event, which was held in Washington DC.

Europe

France

The French exhibition market is the second largest in Europe, after Germany. Tarsus owns and manages a portfolio of exhibitions in five key sectors – IT, marketing, education, facilities management and clothing accessories and also publishes a portfolio of related trade directories.

CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

Our largest event in the period, the newly co-located IT and Services exhibitions in Paris in March, enjoyed strong visitor attendance and produced revenues on a combined basis ahead of 2008. The other key event was the Modamont clothing accessories show in February, which produced revenues marginally lower than the corresponding 2008 event.

Overall in the first half, Euro revenues in France increased by 2%. The restructuring carried out in 2008, with a consolidation into one office and a shift in the balance of personnel towards sales, contributed towards a strong underlying rise in profitability.

There are a number of important exhibitions in France in the second half including Modamont and Heavent (services to the events industry). While the Group still expects a robust performance, the recent trend in France has been for bookings to materialise later than previously with a corresponding reduction in forward visibility.

Labelexpo Europe

Tarsus owns the world's leading exhibitions for the Labeling industry through the long-established Labelexpo brand. Biennial exhibitions take place in Europe, the USA, China and India supported by Labels and Labeling, the world's leading related trade magazine.

There was one significant and successful European launch in the period – the Digital Label Summit – which was held in Barcelona in March. Looking forward, the key event in Europe in the second half is Labelexpo which returns to Brussels in September. It is the second largest exhibition in the Group's portfolio and is currently tracking to be a record event, well ahead of the 2007 edition.

UK

In the UK, Tarsus owns Tarsus Online Media which operates in the UK, USA, France and Germany with online products in the events, venues, gifts and online recruitment sectors.

Tarsus Online Media, which represents 4% of Group revenue, produced a strong result in 2008 but as a predominantly advertising-led business it struggled to make headway in the first half and revenues declined 17%.

Emerging Markets

There was a very strong performance from Emerging Markets, with US Dollar revenues up 29% on a like-for-like basis, comprising 28% of Group revenue in the first half.

CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

Following the acquisition of F&E in 2007, Tarsus owns the Dubai Airshow (one of the top three airshows in the world) and has been launching new exhibitions into the region. The Group also has a joint venture in China with a portfolio of 24 exhibitions and the travel event COTTM. The Labelexpo brand has been replicated into China, Latin America and India.

The principal driver was our Dubai business with a record performance from our Gulf Pack & Print exhibitions. Also of note were the successful launches of MRO (aircraft maintenance, repair and overhaul) and the Dubai Label Summit. Our educational exhibition, GESS, also had a successful second edition. Attendances were strong across the board.

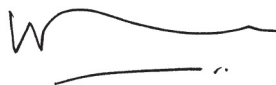
Looking forward, there are two key events in the second half. The Dubai Airshow, the Group's largest exhibition, takes place in November where revenues are tracking comfortably ahead of the 2007 edition. Labelexpo Asia takes place in Shanghai in early December and this event remains on course to be ahead of the 2007 edition and a record show.

OUTLOOK

Despite operating in an environment of very challenging trading conditions, Tarsus has performed well during the first half of the year. The Group continues to benefit from the considerable experience of a first class management and its consistent strategy of developing a high quality portfolio of market leading events.

As was highlighted in our pre-close trading update on 1st July, the Group's results are heavily weighted towards the second half of the year when the majority of its exhibitions occur. Revenues for Tarsus's two largest exhibitions, the Dubai Airshow in November and Labelexpo Europe in September remain comfortably ahead of the comparable events in 2007.

Group contracted revenues for 2009 stand at 86% (2008: 82%) of our internal projections for the full year. Trading continues to be in line with the Board's expectations and we anticipate a very satisfactory outcome for 2009.



Neville Buch
Chairman



Douglas Emslie
Group Managing Director

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 2009 which comprises the Condensed Consolidated Interim Income Statement, Condensed Consolidated Interim Statement of Comprehensive Income, Condensed Consolidated Interim Statement of Financial Position, Condensed Consolidated Interim Statement of Changes in Equity, Condensed Consolidated Interim Statement of Cash Flows 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 2009 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
28 July 2009
London, UK

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

	Notes	2009 £000	2008 £000
Profit for the financial period		276	166
Other comprehensive income:			
Foreign exchange translation differences	13	(9,504)	(1,468)
Revaluation of trade investment		118	218
Other comprehensive income		(9,386)	(1,250)
Total comprehensive expense for the period		(9,110)	(1,084)
Attributable to:			
Equity holders of the parent company		(9,439)	(1,271)
Minority interest		329	187
Total comprehensive expense for the period		(9,110)	(1,084)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Notes	30 June 2009 £000 Unaudited	30 June 2008 £000 Unaudited	31 December 2008 £000 Audited
NON-CURRENT ASSETS				
Property, plant and equipment		1,108	948	1,221
Intangible assets	11	96,729	84,928	107,036
Interests in joint ventures		706	1,443	1,832
Other investments		1,051	1,010	849
Deferred tax assets		1,845	3,525	1,897
		101,439	91,854	112,835
CURRENT ASSETS				
Trade and other receivables		13,794	15,348	25,165
Cash and cash equivalents		8,540	1,400	7,692
		22,334	16,748	32,857
CURRENT LIABILITIES				
Trade and other payables		(20,621)	(9,179)	(29,395)
Deferred income		(23,788)	(17,660)	(23,259)
Bank overdrafts		-	(3,763)	-
Interest bearing loans and borrowings		(7,076)	(6,512)	(7,074)
Liabilities for current tax		(2,303)	(1,324)	(1,751)
		(53,788)	(38,438)	(61,479)
NET CURRENT LIABILITIES		(31,454)	(21,690)	(28,622)
TOTAL ASSETS LESS CURRENT LIABILITIES		69,985	70,164	84,213
NON-CURRENT LIABILITIES				
Other payables		(5,308)	(4,896)	(5,443)
Deferred tax liability		(4,591)	(5,902)	(5,046)
Interest bearing loans and borrowings		(32,208)	(27,496)	(34,581)
		(42,107)	(38,294)	(45,070)
NET ASSETS		27,878	31,870	39,143
EQUITY				
Share capital		3,111	3,056	3,095
Share premium account		172	45,546	-
Reserves		(2,391)	(4,090)	6,995
Retained earnings		25,915	(13,071)	28,311
Issued capital and reserves attributable to equity holders of the parent		26,807	31,441	38,401
MINORITY INTEREST		1,071	429	742
TOTAL EQUITY		27,878	31,870	39,143

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Other reserves							Minority interest	Total
	Share capital	Share premium account	Reorgan-isation reserve	Capital redemption reserve	Fair value reserve	Foreign exchange reserve	Retained earnings		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
As at 30 June 2009:									
Recognised foreign exchange losses for the period	-	-	-	-	-	(9,504)	-	-	(9,504)
Revaluation of trade investment	-	-	-	-	118	-	-	-	118
Total income and expense recognised directly in equity	-	-	-	-	118	(9,504)	-	-	(9,386)
Loss attributable to shareholders	-	-	-	-	-	-	(53)	-	(53)
Total recognised income and expense	-	-	-	-	118	(9,504)	(53)	-	(9,439)
Scrip dividend	7	100	-	-	-	-	-	-	107
New share capital subscribed	9	72	-	-	-	-	-	-	81
Share option charge	-	-	-	-	-	-	101	-	101
Dividend paid	-	-	-	-	-	-	(2,444)	-	(2,444)
Minority interest for the period	-	-	-	-	-	-	-	329	329
Net change in shareholder's funds	16	172	-	-	118	(9,504)	(2,396)	329	(11,265)
Opening equity shareholder's funds	3,095	-	6,013	(443)	43	1,382	28,311	742	39,143
Closing equity shareholders funds	3,111	172	6,013	(443)	161	(8,122)	25,915	1,071	27,878
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 recognised directly in equity	-	-	-	-	218	(1,468)	-	-	(1,250)
Loss attributable to shareholders	-	-	-	-	-	-	(21)	-	(21)
Total recognised 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
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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six months ended 30 June

	2009 £000	2008 £000
Cash flows from operating activities		
Profit for the period	276	166
Adjustments for:		
Depreciation	255	132
Amortisation	1,143	510
Share option charge	101	85
Share of operating profit in joint venture	(138)	(228)
Taxation charge – joint venture	43	77
Taxation charge – other	150	44
Net interest	637	748
Operating cash flow before changes in working capital and provisions	2,467	1,534
Decrease in trade and other receivables	10,490	196
Decrease in current trade and other payables	(9,593)	(432)
Cash generated from operations	3,364	1,298
Interest paid	(266)	(793)
Income taxes received/(paid)	1,109	(393)
Net cash from operating activities	4,207	112
Cash flows from investing activities		
Interest received	1	3
Acquisition of property, plant and equipment	(183)	(391)
Acquisition of intangible assets	(66)	(75)
Acquisition of other investments	(85)	(904)
Deferred and contingent consideration paid	(1,872)	(2,779)
Net cash outflow from investing activities	(2,205)	(4,146)
Cash flows from financing activities		
Drawdown/(repayment) of borrowings	1,748	(1,477)
Proceeds from the issue of share capital	81	135
Dividends paid to shareholders of parent company	(2,210)	(2,017)
Dividends paid to minority shareholders in subsidiary companies	–	(316)
Net cash outflow from financing activities	(381)	(3,675)
Net increase/(decrease) in cash and cash equivalents	1,621	(7,709)
Opening cash and cash equivalents	7,692	2,840
Effect of exchange rate fluctuations on cash held	(773)	381
Closing cash and cash equivalents	8,540	(4,488)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Tarsus Group plc (the “Company”) is a company incorporated in Jersey and resident in Ireland. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2009 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 2008 are available upon request 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 Standard (IFRS) IAS 34 *Interim Financial Reporting*. They do not constitute the Group’s statutory accounts within the meaning of Section 435 of the Companies Act 2006.

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 2008 which were prepared under International Financial Reporting Standards, as adopted by the European Union, and have been reported on by the Company’s auditors. The auditors’ report was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial statements were approved by a duly appointed and authorised committee of the Board of Directors on 28 July 2009. The interim financial statements are unaudited but have been reviewed by the auditors as set out in their report.

The Group has adopted IAS 1 (Revised) – Presentation of Financial Statements and IFRS 8 – Operating Segments, for the first time in these Interim Financial Statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim 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 2008.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

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 2008.

5. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2008.

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 condensed consolidated 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 2009 £000	Six months to 30 June 2008 £000
Profit for the financial period after taxation	276	166
Add back:		
Taxation charge	150	44
	<hr/> 426	<hr/> 210
Add back:		
Charge for share options	101	85
Amortisation charge	1,143	510
Taxation on joint ventures	43	77
Adjusted profit before tax	<hr/> 1,713	<hr/> 882

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

7. SEGMENTAL ANALYSIS

As at 30 June 2009, the Group is organised into three main operating segments – Europe, USA and Emerging Markets. These segments are the basis on which the Group reports its segment information for management purposes.

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 for the Group's operating segments:

	Six months ended 30 June 2009				Group £000
	Europe £000	USA £000	Emerging Markets £000	Central costs £000	
Revenue	9,682	4,583	5,433	–	19,698
Profit/(loss) from operating activities	866	1,394	693	(1,985)	968
Net financing costs	–	–	–	(637)	(637)
Share of profit from joint ventures	95	–	–	–	95
Profit/(loss) before tax	961	1,394	693	(2,622)	426
Amortisation of intangible assets	–	–	–	1,143	1,143
Cost of share options	–	–	–	101	101
Taxation on joint ventures	43	–	–	–	43
Adjusted profit before tax*	1,004	1,394	693	(1,378)	1,713

	Six months ended 30 June 2008				Group £000
	Europe £000	USA £000	Emerging Markets £000	Central costs £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

* 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.

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 2009 exhibitions take place in the second half of the year. Revenue for future events of £23,788,071 is included in current liabilities, £21,595,847 of which relates to events to occur in 2009 and the balance to events in 2010.

9. INCOME TAX EXPENSE

The taxation charge for the six months ended 30 June 2009 is based upon the estimated effective tax rate of 17% on underlying profit before tax (2008: 21%) for the year ending 31 December 2009.

10. EARNINGS PER SHARE

	Six months to 30 June 2009	Six months to 30 June 2008
Basic loss per share (pence)	(0.1)	(0.1)
Diluted loss per share (pence)	(0.1)	(0.1)
Adjusted earnings per share (pence)	1.8	0.8
Adjusted diluted earnings per share (pence)	1.8	0.8

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 £53,000 (June 2008: Loss of £21,000) and 61,948,231 (June 2008: 60,942,618) 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 £53,000 (June 2008: Loss of £21,000) and 61,966,493 (June 2008: 62,020,537) ordinary shares being the diluted 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 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 £1,093,000 (June 2008: £510,000) and 61,948,231 (June 2008: 60,942,618) ordinary shares being the weighted average number of shares in issue during the period.

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 £1,093,000 (June 2008: £510,000) and 61,966,493 (June 2008: 62,020,537) 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 2009	Six months to 30 June 2008
Weighted average number of ordinary shares	61,948,231	60,942,618
Effect of share options	18,262	1,077,919
Weighted average number of ordinary shares (diluted)	<u>61,966,493</u>	<u>62,020,537</u>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

11. INTANGIBLE FIXED ASSETS

	Goodwill £000	Trademarks and Lists £000	Total £000
Cost:			
At 1 January 2009	87,727	22,524	110,251
Acquisitions	1,075	–	1,075
Additions	66	–	66
Disposals	(178)	–	(178)
Adjustments to contingent consideration	(1,095)	–	(1,095)
Foreign exchange adjustments	(6,803)	(2,376)	(9,179)
	<hr/>	<hr/>	<hr/>
At 30 June 2009	80,792	20,148	100,940
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Amortisation:			
At 1 January 2009	–	3,215	3,215
Amortisation charge	–	1,143	1,143
Foreign exchange adjustments	–	(147)	(147)
	<hr/>	<hr/>	<hr/>
At 30 June 2009	–	4,211	4,211
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book values:			
At 30 June 2009	80,792	15,937	96,729
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2008	87,727	19,309	107,036
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

12. DIVIDENDS

The following dividends were paid and proposed by the Group:

For the six months ended 30 June

	2009 £000	2008 £000
Dividend paid		
2008/2007 final dividend (4.0p/3.5p per share)	2,444	2,130
	<hr/> <hr/>	<hr/> <hr/>
Dividend proposed		
Dividend proposed in the period (2.0p/2.0p per share)	1,306	1,223
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

13. FOREIGN EXCHANGE TRANSLATION DIFFERENCES

Other Comprehensive Income includes foreign exchange translation differences of £9.5 million (2008: £1.5 million) relating to the retranslation of foreign currency denominated net assets, including goodwill.

14. 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 2009, no share options were issued.

15. RELATED PARTIES

As at 30 June 2009, directors of the company controlled 16.0% (31 December 2008: 16.6%) of the voting shares of the company.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONTINUED)

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, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rule, 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 last Annual Report and Accounts to 31 December 2008. 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

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