6 March 2013

Tarsus Group plc

Final results for year ended 31 December 2012

Quickening the Pace

Tarsus Group plc (LSE: TRS, "Tarsus" or "the Group"), the international business-to-business media group, announces its results for the year ended 31 December 2012.

During the year, Tarsus further strengthened its Emerging Market portfolio and achieved its "Project 50/13" target to derive 50% of revenues from Emerging Markets by 2013 a year early. Tarsus launched its "Quickening the Pace" strategy early in 2013 focusing on accelerating earnings per share growth.

Financial highlights

- Revenue up 18% to £51.5m vs. 2010
- Like-for-like revenues* up 13%
- Adjusted profit before tax* £14.8m (2010: £9.5m)
- Profit before tax £8.4m (2010: £5.3m)
- Adjusted earnings per share* 12.2p (2010: 10.4p)
- Earnings per share 5.6p (2010: 5.4p)
- Proposed final dividend of 4.6p, total for year up 8% to 6.8p (2011: 6.3p)
- Net debt £15.7m (2011: £13.7m)

Operational highlights

- Emerging Market portfolio expanded
  - Life Media (Turkey)
  - CYF (Turkey)
  - GZ Auto (China)
- Medical division continued to outperform expectations – revenues +20%
- Labelexpo Americas grew significantly – revenues +14%
- MEBA (Dubai) achieved a record result - revenues +21%
- New five year £45m bank facility agreed

Current trading and outlook

- Forward bookings for 2013, on a like-for-like basis, are currently 16% ahead of those for 2012 (as adjusted for biennials and acquisitions)
- Acquisition of 51% of Indonesian exhibition organiser, PT Infrastructure Asia agreed in January 2013 and completed last week
- GZ Auto (February 2013) record show with revenues up 23% on its previous edition
- Off-Price (February 2013) revenues up 6%
- Labelexpo Europe (September 2013) and Dubai Airshow (November 2013) both tracking well ahead of previous events

Financial Results

	2012	2011	2010
Revenue (£m)	51.5	61.7	43.6
Like-for-like* revenue growth	13%	8%	6%
Adjusted profit before tax* (£m)	14.8	16.8	9.5
Profit before tax (£m)	8.4	3.0	5.3
Adjusted EPS* (pence)	12.2	17.0	10.4
Dividend (pence)	6.8	6.3	6.0
Net Debt (£m)	15.7	13.7	28.6

Neville Buch, Chairman of Tarsus, commented:

"2012 was a landmark year with the early completion of Project 50/13. The next phase of our growth strategy – "Quickening the Pace" - will focus management on accelerating the Group's earnings growth by leveraging our high quality portfolio into fast growth markets alongside selective strategic acquisitions.

"We have made a good start to 2013 and are experiencing strong momentum and sales progress. We are increasingly confident we can deliver an excellent outcome for 2013 particularly as we are operating in growth markets".

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The Company will be hosting a presentation to analysts at 11.00am today at the offices of College Hill, The Registry, Royal Mint Court, London, EC3N 4QN. A webcast of the presentation will be made available on Tarsus's website (www.tarsus.com) from 9.30 am on 7 March 2013.

Glossary *

Adjusted profit before tax:
Profit before tax adjusted for exceptional items, share option charges / credits, amortisation charges, impairment of intangibles, profit / loss on disposal of intangibles and tangible fixed assets, profit on sale of subsidiary and unwinding of discount – contingent consideration.

Adjusted EPS:
Profit after tax attributable to equity shareholders adjusted for exceptional items, share option charges / credits, amortisation charges, impairment of intangibles, profit / loss on disposal of intangibles and tangible fixed assets, profit on sale of subsidiary and unwinding of discount – contingent consideration.

Like-for-like revenue:
Constant exchange rates adjusted for biennial events, excluding acquisitions impacting for the first time in 2012, prior year disposals and non-recurring products and items.

Strategic overview

2012 proved to be a major milestone for Tarsus, with the Group achieving its Project 50/13 target of deriving 50% of revenues from Emerging Markets by 2013 ahead of schedule. As a result, at the start of 2013 the Group launched its "Quickening the Pace" strategy.

Project 50/13 saw the organic development and acquisition of market leading products in the Emerging Markets and the US as well as the reduction in the Group's exposure to continental Europe. As part of 50/13, during the year the Group acquired interests in leading exhibition businesses in Turkey (Life Media and CYF) and China (GZ Auto).

The Group is now moving into the next phase of its growth strategy. The core focus of "Quickening the Pace" will be to accelerate earnings per share growth. This will be driven by a combination of the geographical replication of our major brands into fast growth economies; organic growth from the existing portfolio; tight cost control; and selective bolt-on acquisitions in the US and Emerging Markets.

"Quickening the Pace" will leverage fundamental changes underway in the world's economies, with growth in the US and selective Emerging Markets poised to further outpace the mature economies of the West. The exhibition markets in which Tarsus operates are now consolidating rapidly to the benefit of the companies that achieve early entry.

The Group is already delivering on its new strategic objectives, with the announcement in January 2013 that Tarsus has agreed to acquire 51% of Indonesian exhibition organiser PT Infrastructure Asia. The acquisition, which completed on 28 February 2013, will provide Tarsus with an important hub in the fast growing Indonesian exhibition market.

The Group intends to replicate its leading brands internationally, with editions of GZ Auto being launched into Indonesia and Turkey. Zuchex will also be launched into Kazakhstan.

Financial Results

Group revenues for the full year were strong at £51.5m (2011: £61.7m) and up 18% on a biennial basis (2010: £43.6m). Like-for-like revenue growth, excluding foreign exchange movements, increased by 13%.

Group adjusted profit before tax was £14.8m (2011: £16.8m) and up 56% on a biennial basis (2010: £9.5m). Net interest expense decreased to £1.2m (2011: £1.6m) reflecting our lower debt levels across 2012 together with the benefit of lower interest rates under the new banking facilities. Reported profit before tax was £8.4m (2011: £3.0m).

The Group incurred a number of one-off costs relating to acquisitions and the bank refinancing completed in August 2012. These costs, amounting to £2.2m, have been excluded from adjusted profits.

The adjusted tax charge of £2.2m (2011: £2.5m) represents 15% (2011: 15%) of the Group's adjusted profits before tax. The reported tax charge is £1.8m (2011: £2.1m). The Group continues to focus on tax efficiency and generates nearly all of its profits outside of the UK, including markets with significantly lower tax rates.

Adjusted earnings per share were 12.2p (2011: 17.0p). On a biennial basis adjusted earnings per share were up from 10.4p in 2010. Basic earnings per share for 2012 were 5.6p (2011: 0.3p).

The Group generated £12.2m (2011: £11.8m) of cash from operations, an increase of 11% against 2010, the biennial comparative year (2010: £11.0m).

Acquisition costs during the year were partially offset by both a strong operational cash generation and the proceeds of a placing. The Group's net debt at 31 December 2012 was £15.7m (2011: £13.7m).

The Board is proposing a final dividend of 4.6p per share, bringing the total for the year to 6.8p per share (2011: 6.3p per share), up 8%.

The final dividend, subject to shareholder approval, will be paid on 10 July 2013 to Shareholders on the Register of Members on 31 May 2013. A scrip dividend will continue to be offered as an alternative.

Operating Review

Acquisitions

In 2012, Tarsus made three key acquisitions as part of its Project 50/13 strategy to derive 50% of revenues from Emerging Markets by 2013.

30 March 2012: acquired 70% of LifeMedia Fuarcilik A.Ş. ("Life Media"), one of the largest independent exhibition businesses in Turkey, for an estimated total consideration of £18m. The Life Media acquisition was part funded by the successful placing of 8,086,228 new ordinary shares of 5 pence each at a placing price of 135.0p per share which raised approximately £10.6m net of expenses.

6 November 2012: acquired, through its subsidiary IFO, 70% of CYF Fuarcılık A.Ş. ("CYF"), for an estimated total consideration of £3m.

These acquisitions were a key component in the realisation of the Project 50/13 strategy with Turkey representing an important market for the Group as it rapidly transitions toward becoming a commercial hub for the Balkans, Central Asia, the Middle East and Europe. Both businesses have now been fully integrated into the Group.

17 December 2012: completed the acquisition of 50% of the China International Automotive Aftermarket Industry and Tuning (Guangzhou) Trade Fair ("GZ Auto") and other associated business assets for an estimated total consideration of £11m.

The acquisition of GZ Auto provides Tarsus with exposure to the rapidly growing automotive industry in China. The first GZ Auto event held under Tarsus ownership was in February 2013 and was a record event with revenues up 23%.

Emerging Markets

(£m)	2012	2011	2010
Biennial revenue	4.4	16.2	3.8
Annual revenue	14.2	5.0	3.7
Total revenue	18.6	21.2	7.5
Adjusted profit before tax	5.4	7.2	0.6

Turkey

IFO held REW (the Recycling, Environment Technologies and Waste Management International Fair) in June 2012, the second edition of the event under Tarsus's ownership, achieving revenue growth of 19%.

The first Life Media exhibition held under Tarsus ownership, Ideal Home, was held in April 2012 and performed strongly, with revenues up 50% on the 2011 edition. Zuchex, Life Media's largest housewares event, was held in September and produced an excellent performance with revenues increasing 16% over the previous iteration.

CYF held its first event under Tarsus's ownership, Eurasia Plant Fair, in December and increased revenues by 36%.

Dubai

The Group's events in Dubai grew well with a notable performance from *GESS* (education) with revenues up 15%.

MEBA (Middle East Business Aviation), the biennial business jet exhibition, was held in December 2012 at the new Al Maktoum International Airport at Dubai World Central, which will host the 2013 Dubai Air Show. MEBA achieved record results with revenues increasing 21% and visitors up 22% over the previous edition.

China

Hope, the Group's Chinese joint venture, exceeded expectations in 2012 with revenues up 37%. This growth was driven primarily by the strong performance of the medical equipment portfolio in Central China.

The South China Label Show took place in December 2012 in Guangzhou, achieving critical mass with revenues up 51% on its previous edition.

India

Labelexpo India was held in October 2012 with revenues well up on its previous 2010 edition, as demand for labels is driven higher by rising personal consumption in emerging economies.

US

(£m)	**2012**	**2011**	**2010**
Biennial revenue	4.8	-	4.4
Annual revenue	17.8	16.2	14.3
Total revenue	22.6	16.2	18.7
Adjusted profit before tax	11.0	7.6	8.7

Labelexpo America took place in September 2012 in Chicago and performed very well, with revenues up 14% on the previous 2010 event.

The February 2012 and August 2012 Off-Price shows in Las Vegas performed well, with revenues up 7% and 3% respectively.

The Medical division continued its excellent growth, ahead of the Board's expectations, with revenues increasing by 20%. This was driven by our education programmes, including those delivered online. The online programmes were launched two years ago and their revenues have now overtaken those from the physical programmes. This includes a growing proportion of international sales primarily from the Middle East and Asia. The May 2012 and December 2012 events both achieved record results.

Europe

(£m)	**2012**	**2011**	**2010**
Biennial revenue	-	8.8	-
Annual revenue	10.3	15.5	17.4
Total revenue	10.3	24.3	17.4
Adjusted profit before tax	1.1	5.1	2.9

Trading in the Group's French business ended the year in line with Board expectations. The events and education exhibitions performed better than their 2011 editions and a number of smaller new exhibitions were successfully launched during the year partially offsetting a weaker performance from this division's IT events where trading conditions remained challenging. The results for prior years include the revenues of Modamont, which was disposed of in December 2011.

Outlook

Following the completion of Project 50/13, Tarsus expects more than 50% of Group revenue in 2013 to be generated from Emerging Markets. The Group is seeing strong bookings in Turkey, China and from its largest biennial events - the Dubai Airshow and Labelexpo Europe. Good growth is also expected from the Group's US portfolio, which features the Off-Price and Medical brands.

Owing to the incidence of the large biennial events within the portfolio, profits generated in odd years are typically larger than those generated in even years.

The GZ Auto event was held in February 2013 and was a record edition with revenues up 23%. Tarsus intends to replicate this event in Istanbul and Indonesia in 2014 as well as domestically in the current year.

The move to a new venue for the 2013 Dubai Airshow has facilitated a broadening of the Group's offering for that show. Tarsus continues to invest to drive strong organic growth from the show that serves the world's fastest growing aerospace region. Sales for the 2013 exhibition are currently substantially ahead of the previous edition.

Off-Price was held in Las Vegas in February 2013 with revenues up 6% on the previous edition.

The French business is tracking in line with the Board's expectations although the Group remains vigilant given the current macroeconomic uncertainty in Europe.

Forward bookings for 2013, on a like-for-like basis, are currently 16% ahead of those for 2012 (as adjusted for biennials and acquisitions).

Tarsus remains confident that momentum will accelerate in 2013 with the implementation of its "Quickening the Pace" strategy, focusing on brand replication, organic growth, cost control and carefully targeted acquisitions.

Neville Buch
Chairman

Douglas Emslie
Group Managing Director

Financing and Net Assets

The geographical composition of Tarsus' International event portfolio means that our revenues and profits are generated in a range of currencies, principally the US Dollar, the Euro and Sterling. In 2012 approximately 52% of our revenues were generated in US Dollars, 17% in Euros, 16% in Turkish Lira, 9% in Sterling and 7% in Chinese Renminbi. As a result, our Sterling translated trading results are significantly affected by any changes to the prevailing exchange rates during the year. The average exchange rates applicable for 2012 were:

- US$: 1.59 - a weakening against Sterling of 1% compared with 2011
- Euro: 1.22 - a weakening against Sterling of 6% compared with 2011
- Turkish Lira: 2.88 - a weakening against Sterling of 4% compared with 2011

2013 budgeted exchange rates are US$: 1.60, Euro: 1.25 and Turkish Lira: 2.85.

Cash flows

Tarsus continues to generate strong cash flows from its operations. The larger events typically have a positive working capital cycle and the business in general has a low capital investment requirement.

The biennial nature of the Group's event portfolio results in a decrease in working capital (excluding cash) in the years, including 2012, which do not include the two largest events. This occurs as deferred income relating to these events builds up in the Statement of Financial Position ahead of the events in the following year.

During 2012, the Group generated £12.2m of cash from operations (2011: £11.8m).

The key non-operating cash flows in 2012 included:

- Dividends paid of £5.7m
- Deferred consideration payments totalling £2.3m
- Tax and interest paid totalling £3.7m
- Acquisition of Life Media, CYF and GZ Auto £12.8m
- Net proceeds from issue of shares £11.0m

Net debt

The Group's funding objective is to ensure that the business has sufficient resources, secured on competitive terms, to meet its various financial commitments as they arise. It achieves this objective by actively monitoring its cash flows and requirements on both an historic and forward looking basis. The Group is cautious in its approach, applying appropriate sensitivities to both the quantum and timing of its projections.

Tarsus' external bank debt was refinanced in August 2012 and is a five year £45m multi-currency facility. Where foreign currency borrowings do exist they are hedged using forward currency contracts. At 31 December 2012 all borrowings were denominated in Sterling. The Group has entered into interest rate swaps to fix the interest rates payable under its banking facilities.

The Group's net debt was £15.7m at 31 December 2012 (31 December 2011: £13.7m).

Net Assets

As at 31 December 2012, the Group had net assets of £47.0m (31 December 2011: £42.4m).

Intangible assets

Intangible assets comprise goodwill, trademarks and customer lists. The carrying value of intangible assets at 31 December 2012 was £102.6m (31 December 2011: £86.2m).

Working capital

It is the Group's policy to recognise profits upon the completion of an event. Until completion, revenue and costs are held on the Statement of Financial Position. Included in net current liabilities as at 31 December 2012 is deferred income of £25.3m (2011: £17.8m). Prepaid event costs of £2.5m (2011: £1.6m) are included in trade and other receivables.

Acquisitions and disposals

On 30 March 2012 the Company acquired the 70 per cent of the issued share capital of Istanbul based LifeMedia Fuarcilik A.Ş. ('Life Media') one of the largest independent exhibition businesses in Turkey for an estimated total consideration of £18m in aggregate payable in cash.

On 6 November 2012 the Group acquired via IFO, its subsidiary, 70 per cent of the issued share capital of Istanbul based CYF Fuarcılık A.Ş. ('CYF'), representing a key bolt-on acquisition for the group's Turkish division, for an estimated total consideration of £3m in aggregate payable in cash.

On 17 December 2012 the Company acquired 50 per cent of GZ Auto, a major exhibition business in China focussed on the auto-aftermarket sector, for an estimated total consideration of £11m in aggregate payable in cash.

Post balance sheet events

On 16 January 2013 the Company announced that it had agreed to acquire 51% of Indonesian exhibition organiser PT Infrastructure Asia, for an initial cash consideration of £0.3m with total deferred payments of approximately £1.5m in aggregate during 2014 and 2015. The acquisition completed on 28 February 2013.

Key Performance Indicators

The Group measures its performance using a number of financial measures which are commented upon throughout the Operating Review. These financial measures principally include organic revenue growth, adjusted profit before tax, adjusted EPS and dividend per share.

The Group also focuses upon the geographical and divisional composition of its business, with the stated strategy of increasing the proportion of revenues from Emerging Markets and the US.

Dan O'Brien
Group Finance Director

CONSOLIDATED INCOME STATEMENT

	Note	Year to 31 December 2012 £'000	Year to 31 December 2011 £'000
Group revenue	2	51,538	61,697
Operating costs excluding exceptional items		(39,207)	(49,250)
Impairment loss		-	(8,408)
Exceptional operating costs	3	(2,244)	(1,403)
Total operating costs		(41,451)	(59,061)
Group operating profit	2,3	10,087	2,636
Profit on disposal of subsidiary		-	2,347
Interest payable and other financial expenses		(1,726)	(2,011)
Profit before taxation		8,361	2,972
Taxation expense	4	(1,809)	(2,075)
Profit for the financial year		6,552	897
Profit for the financial year attributable to equity shareholders of the parent company		5,196	255
Profit for the financial year attributable to non-controlling interests		1,356	642
		6,552	897

	Note	Year to 31 December 2012	Year to 31 December 2011
Earnings per share (pence)	6		
- basic		5.6	0.3
- diluted		5.6	0.3
		£'000	**£'000**
Dividends	5		
Equity - ordinary			
Final dividend paid		3,949	2,958
Interim dividend paid		1,800	1,479
		5,749	4,437

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year to 31 December 2012	Year to 31 December 2011
	£'000	**£'000**
Profit for the financial year	6,552	897
Other comprehensive expense:		
Cash flow hedge reserve - movement in fair value	(125)	(309)
Foreign exchange translation differences	(2,631)	(2,325)
Tax effect of foreign exchange translation differences	461	269
Other comprehensive expense	(2,295)	(2,365)
Total comprehensive income/(expense) for the year	4,257	(1,468)
Attributable to:		
Equity shareholders of the parent company	2,901	(2,110)
Non-controlling interests	1,356	642
Total comprehensive income/(expense) for the year	4,257	(1,468)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2012 £'000	As at 31 December 2011 £'000
NON-CURRENT ASSETS			
Property, plant and equipment		1,424	1,461
Intangible assets		102,592	86,229
Investment in Joint Venture	8	11,058	-
Other investments		1	1
Deferred tax assets		1,122	290
		116,197	87,981
CURRENT ASSETS			
Trade and other receivables		22,679	16,844
Cash and cash equivalents		10,255	8,505
		32,934	25,349
CURRENT LIABILITIES			
Trade and other payables		(32,376)	(20,528)
Deferred income		(25,335)	(17,824)
Other interest bearing loans and borrowings		-	(2,250)
Liabilities for current tax		(2,299)	(2,579)
		(60,010)	(43,181)
NET CURRENT LIABILITIES		(27,076)	(17,832)
TOTAL ASSETS LESS CURRENT LIABILITIES		89,121	70,149
NON-CURRENT LIABILITIES			
Other payables		(12,645)	(4,393)
Deferred tax liability		(3,929)	(3,730)
Interest bearing loans and borrowings		(25,519)	(19,620)
		(42,093)	(27,743)
NET ASSETS		47,028	42,406
EQUITY			
Share capital		4,772	4,342
Share premium account		37,484	26,884
Other reserves		(7,398)	(5,103)
Retained earnings		9,387	15,371
Issued capital and reserves attributable to equity shareholders of the parent		44,245	41,494
NON-CONTROLLING INTERESTS		2,783	912
TOTAL EQUITY		47,028	42,406

The financial statements of Tarsus Group plc, registered number 101579 (Jersey), were approved by the board and authorised for issue on 6 March 2013 and signed on its behalf by:

J D Emslie
Group Managing Director

D P O'Brien
Group Finance Director

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year to 31 December 2012 £'000	Year to 31 December 2011 £'000
Cash flows from operating activities		
Profit for the year	6,552	897
Adjustments for:		
Depreciation	588	544
Amortisation & Impairment	3,296	13,834
Loss on disposal of intangible assets	-	320
Profit on disposal of tangible assets	-	(26)
Profit on disposal of subsidiary	-	(2,347)
Share option charge/(credit)	430	287
Taxation charge	1,809	2,075
Interest payable	1,726	2,011
Operating cash flow before changes in working capital	14,401	17,595
Increase in trade and other receivables	(5,791)	(3,544)
Increase/(decrease) in trade and other payables	3,608	(2,209)
Cash generated from operations	12,218	11,842
Interest paid	(1,347)	(1,896)
Income taxes paid	(2,314)	(720)
Net cash from operating activities	8,557	9,226
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	-	579
Acquisition of property, plant & equipment	(317)	(480)
Acquisition of intangible fixed assets	(731)	(123)
Acquisition of subsidiary - cash paid	(12,116)	(6,170)
Acquisition of joint venture - cash paid	(643)	-
Acquisition of subsidiary - cash acquired	1,289	644
Disposal of subsidiary – cash received	-	5,109
Disposal of subsidiary – cash disposed	-	(2,049)
Acquisition of other investments	-	(68)
Deferred and contingent consideration paid	(2,257)	(1,628)
Net cash outflow from investing activities	(14,775)	(4,186)
Cash flows from financing activities		
Drawdown/(repayment) of borrowings	4,000	(17,978)
Bank facility fees	(1,072)	-
Proceeds from the issue of share capital	11,366	16,270
Cost of share issue	(390)	(989)
Dividends paid to shareholders in parent company	(5,695)	(4,407)
Dividends paid to non-controlling interests in subsidiaries	-	(350)
Net cash outflow/ (inflow) from financing activities	8,209	(7,454)
Net increase/(decrease) in cash and cash equivalents	1,991	(2,414)
Opening cash and cash equivalents	8,505	10,968
Foreign exchange movements	(241)	(49)
Closing cash and cash equivalents	10,255	8,505

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Account £000	Share Premium Reserve £000	Reorgan-isation Reserve* £000 (Other Reserves)	Capital Redemption Reserve £000 (Other Reserves)	Fair Value Reserve £000 (Other Reserves)	Foreign Exchange Reserve £000 (Other Reserves)	Retained Earnings £000	Non-controlling interests Interests £000	Total £000
As at 1 January 2012	4,342	26,884	6,013	(443)	(295)	(10,378)	15,371	912	**42,406**
Recognised foreign exchange losses for the period	-	-	-	-	-	(2,631)	-	-	**(2,631)**
Tax effect of foreign exchange translation differences	-	-	-	-	-	461	-	-	**461**
Profit for the period:	-	-	-	-	-	-	-	-	**-**
– Attributable to equity shareholders	-	-	-	-	-	-	5,196	-	**5,196**
– Attributable to non-controlling interests	-	-	-	-	-	-	-	1,356	**1,356**
Cashflow hedge reserve	-	-	-	-	(125)	-	-	-	**(125)**
Total comprehensive income (expense) for the period	-	-	-	-	(125)	(2,170)	5,196	1,356	**4,257**
Scrip dividend	2	52	-	-	-	-	-	-	**54**
New share capital subscribed	428	10,938	-	-	-	-	-	-	**11,366**
Cost of shares issued	-	(390)	-	-	-	-	-	-	**(390)**
Share option charge	-	-	-	-	-	-	430	-	**430**
Movement in reserves relating to deferred tax	-	-	-	-	-	-	559	-	**559**
Dividend paid	-	-	-	-	-	-	(5,749)	-	**(5,749)**
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	**-**
Written Put/Call options over non-controlling interests	-	-	-	-	-	-	(6,420)	(329)	**(6,749)**
Non-controlling interests arising on acquisition	-	-	-	-	-	-	-	844	**844**
Net change in shareholders' funds	430	10,600	-	-	(125)	(2,170)	(5,984)	1,871	**4,622**
As at 31 December 2012	**4,772**	**37,484**	**6,013**	**(443)**	**(420)**	**(12,548)**	**9,387**	**2,783**	**47,028**

*The reorganisation reserve was created as a result of the Scheme of Arrangement effective from 26 November 2008. Tarsus Group Limited, previously Tarsus Group plc, registered in England and Wales under company number 2000544 entered into a "Share for Share" exchange on a one-for-one basis with Tarsus Group plc, registered in Jersey under company number 101579.

			Other Reserves						
	Share Capital Account £000	Share Premium Reserve £000	Reorgan-isation Reserve £000	Capital Redemption Reserve £000	Fair Value Reserve £000	Foreign Exchange Reserve £000	Retained Earnings £000	Non-controlling Interests £000	Total £000
At 1 January 2011	3,757	12,133	6,013	(443)	14	(8,322)	19,037	1,179	33,368
Recognised foreign exchange losses for the period	-	-	-	-	-	(2,325)	-	-	(2,325)
Tax effect of foreign exchange translation differences	-	-	-	-	-	269	-	-	269
Profit for the period:	-	-	-	-	-	-	-	-	-
– Attributable to equity shareholders	-	-	-	-	-	-	255	-	255
– Attributable to non-controlling	-	-	-	-	-	-	-	-	-
interests	-	-	-	-	-	-	-	642	642
Cashflow hedge	-	-	-	-	(309)	-	-	-	(309)
Total comprehensive income (expense) for the period	-	-	-	-	(309)	(2,056)	255	642	(1,468)
Scrip dividend	1	29	-	-	-	-	-	-	30
New share capital subscribed	584	15,711	-	-	-	-	-	-	16,295
Cost of shares issued	-	(989)	-	-	-	-	-	-	(989)
Share option charge	-	-	-	-	-	-	287	-	287
Movement in reserves relating to deferred tax	-	-	-	-	-	-	229	-	229
Dividend paid	-	-	-	-	-	-	(4,437)	-	(4,437)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(350)	(350)
Non-controlling interests arising on acquisition	-	-	-	-	-	-	-	513	513
Reduction in non-controlling interests on disposal of subsidiary	-	-	-	-	-	-	-	(1,072)	(1,072)
Net change in shareholders' funds	585	14,751	-	-	(309)	(2,056)	(3,666)	(267)	9,038
As at 31 December 2011	4,342	26,884	6,013	(443)	(295)	(10,378)	15,371	912	42,406

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The results for the year ended 31 December 2012 have been prepared using accounting policies and methods of computation consistent with those used in the Group's annual report for the year ended 31 December 2011 and to be adopted for the financial year ended 31 December 2013. The results have also been presented and prepared in a form consistent with that which will be adopted in the Group's annual report for the year ended 31 December 2012 and in accordance with the recognition and measurement requirements of International Financial Reporting Standards as adopted by the European Union.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2012 or 2011 but is derived from those accounts. Statutory accounts for 2011 have been delivered to the Jersey Financial Services Commission Companies Registry. Those for the year ended 31 December 2012 will be delivered following the Company's Annual General Meeting on 24 June 2013.

This financial information has been extracted from the Group's Annual Report and Accounts for the year ended 31 December 2012. The auditors have reported on these accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s.113B(3) or (4) Companies (Jersey) Law 1991 or equivalent preceding legislation. The Group intends to publish its 2012 Annual Report and Accounts in March 2013.

2. SEGMENTAL ANALYSIS

As at 31 December 2012, the Group was organised into three main segments – Europe, USA and Emerging Markets.

The main activities of all segments are the production of exhibitions supported by other media activities related to those exhibitions.

The following table sets out the revenue and profit information and certain asset and liability information for the Group's reportable segments:

			31 December 2012		
			Emerging	Central	
	Europe	USA	Markets	Costs	Group
Revenue by sector	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Group revenue	10,349	22,638	18,551	-	51,538
Profit/(Loss) from operating activities	1,112	10,952	5,395	(7,372)	10,087
Net financing costs	-	-	-	(1,726)	(1,726)
Profit/(Loss) before taxation	1,112	10,952	5,395	(9,098)	8,361
Exceptional costs	-	-	-	2,244	2,244
Share option charge	-	-	-	430	430
Amortisation charge	-	-	-	3,204	3,204
Unwinding of discount - contingent consideration	-	-	-	513	513
Adjusted profit/(Loss) before tax	1,112	10,952	5,395	(2,707)	14,752
Segment non-current assets	18,903	37,896	58,276	-	115,075
Segment current assets	10,642	4,839	17,453	-	32,934
	29,545	42,735	75,729	-	148,009
Deferred tax assets					1,122
Total assets					149,131
Segment liabilities	(40,210)	(14,912)	(40,753)	-	(95,875)
Liabilities for current tax					(2,299)
Deferred tax liabilities					(3,929)
Total liabilities					(102,103)

			31 December 2011		
			Emerging	**Central**	
	Europe	**USA**	**Markets**	**Costs**	**Group**
Revenue by sector	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Group revenue	24,323	16,207	21,167	-	61,697
Profit/(Loss) from operating activities	5,091	7,628	7,234	(17,317)	2,636
Profit on sale of subsidiary	-	-	-	2,347	2,347
Net financing costs	-	-	-	(2,011)	(2,011)
Profit/(Loss) before taxation	5,091	7,628	7,234	(16,981)	2,972
Exceptional costs	-	-	-	1,403	1,403
Share option charge	-	-	-	287	287
Amortisation charge	-	-	-	5,426	5,426
Impairment of tangibles	-	-	-	8,408	8,408
Loss on disposal of intangible assets	-	-	-	320	320
Profit on disposal of tangible assets	-	-	-	(26)	(26)
Profit on sale of subsidiary	-	-	-	(2,347)	(2,347)
Unwinding of discount - contingent consideration	-	-	-	364	364
Adjusted profit/(Loss) before tax	5,091	7,628	7,234	(3,146)	16,807
Segment non-current assets	20,745	40,357	26,589	-	87,691
Segment current assets	11,348	4,233	9,768	-	25,349
	32,093	44,590	36,357	-	113,040
Deferred tax assets					290
Total assets					113,330
Segment liabilities	(20,293)	(27,342)	(16,980)	-	(64,615)
Liabilities for current tax					(2,579)
Deferred tax liabilities					(3,730)
Total liabilities					(70,924)

3. PROFIT AND LOSS ANALYSIS

The following analysis illustrates the performance of the Group's activities and reconciles the Group's statutory profit to adjusted profits. Adjusted results are presented to provide an indication of underlying financial performance and to reflect how the business is managed and measured on a day-to-day basis. The adjusted profit before tax excludes exceptional costs, share option charges, amortisation and impairment charges, profit on sale of subsidiary, profit or loss on disposal of tangible and intangible assets and adjustments to contingent consideration.

	2012 £000	2011 £000
Group revenue	51,538	61,697
Operating costs	(41,451)	(59,061)
Group operating profit	10,087	2,636
Gain on sale of subsidiary	-	2,347
Net interest	(1,726)	(2,011)
Profit before taxation	8,361	2,972
Add back:		
Exceptional costs	2,244	1,403
Share option charge	430	287
Amortisation charge (excluding amounts charged to costs of sale)	3,204	5,426
Impairment of intangibles	-	8,408
Loss on disposal of intangible fixed assets	-	320
Loss/(Profit) on disposal of tangible fixed assets	-	(26)
Profit on sale of subsidiary	-	(2,347)
Unwinding of discount – contingent consideration	513	364
Adjusted profit before tax	**14,752**	**16,807**
Tax thereon	(2,191)	(2,490)
Adjusted profit after tax	**12,561**	**14,317**

In 2012, the Group incurred exceptional one-off costs resulting from acquisition costs or potential acquisition costs (£1.4 million) and from bank re-financing (£0.8m).

4. INCOME TAX EXPENSE

	2012 £'000	2011 £'000
Corporation tax:		
Overseas tax on profits for the period	2,077	1,392
Adjustments to overseas corporation tax in respect of previous periods	24	9
Current tax charge for the period	2,101	1,401
Deferred tax:		
Origination and reversal of temporary differences	(472)	715
Adjustment in respect of previous periods (tax losses recognised)	2	-
Adjustments in respect of previous periods (temporary difference recognised)	178	(41)
Total deferred tax	(292)	674
Tax charge for the year	1,809	2,075

The tax charge below differs from the tax at the effective rate on the profit for the year. The differences are explained below:

	2012 £'000	2011 £'000
Profit before taxation	8,361	2,972
Tax on profit on ordinary activities at 25% (2011 - 25%)	2,090	743
Effects of:		
Expenses not deductible	344	3,778
Current period (profits)/ losses unrecognised	(287)	396
Utilisation of brought forward losses unrecognised	(30)	(338)
Effect of tax rates in overseas jurisdictions	(339)	(1,922)
Under/(over) provision in respect of prior periods	204	(222)
Current period debit for current and historic exposures	309	-
Current period credit for intangible assets	(482)	(360)
Tax on profit on ordinary activities	1,809	2,075

	2012 £'000	2011 £'000
Current tax on exercised employee share options	106	-
Current and deferred tax on foreign exchange on loans, investments and intangibles	461	269
Deferred tax on intangible assets/ goodwill	(198)	207
Deferred tax on unexercised employee share options	651	22
Tax charge/ (credit) recognised directly in equity or other comprehensive income	1,020	498

5. DIVIDENDS

	2012 £000	2011 £000
Dividend paid in cash or scrip		
2011/2010 final dividend (4.2p/ 4.0p per share)	3,949	2,958
2011/2010 interim dividend (2.1p/ 2.0p per share)	1,800	1,479
	5,749	4,437
Dividend paid and proposed post year end		
2012/2011 interim dividend paid (2.2p/ 2.1p per share)	2,089	1,798
2012/2011 final dividend proposed (4.6p/ 4.2p per share)	4,376	3,598
	6,465	5,396

An interim dividend of 2.2p per share (2011: 2.1p) was paid on 18 January 2013 to shareholders on the Register of Members of the Company on 7 December 2012.

The directors announced the proposed final dividend for 2012, of 4.6p per share, on 6 March 2013. Subject to approval at the Annual General Meeting on 24 June 2013, the proposed date of payment is 10 July 2013 to Shareholders on the Register of Members on 31 May 2013.

Dividends are recognised as a liability in the period in which they are appropriately authorised and are no longer at the discretion of the entity.

6. EARNINGS PER SHARE

	2012 Pence	2011 Pence
Basic earnings per share	5.6	0.3
Diluted earnings per share	5.6	0.3
Adjusted earnings per share	12.2	17.0
Adjusted diluted earnings per share	12.1	16.7

Basic earnings per share
Basic earnings per share has been calculated on profit after tax attributable to ordinary shareholders for the year of £5,196,241 (2011:£254,517) and 92,034,460 (2011: 80,609,355) ordinary shares, being the weighted average number of shares in issue during the year.

Diluted earnings per share
Diluted earnings per share has been calculated on profit after tax attributable to ordinary shareholders for the year of £5,196,241 (2011: £254,517) and 92,707,056 (2011: 81,950,292) ordinary shares, being the diluted weighted average number of shares in issue during the year calculated as follows:

Weighted average number of ordinary shares (diluted):

	2012	2011
Weighted average number of ordinary shares	92,034,460	80,609,355
Dilutive effect of share options	672,596	1,340,937
Weighted average number of ordinary shares (diluted)	92,707,056	81,950,292

Dilutive and anti-dilutive share options were determined using the average closing price for the period. The average share price used was 161.23 pence.

Adjusted earnings per share
Adjusted earnings per share is calculated using profit after tax attributable to equity shareholders, adjusted for exceptional costs, share option charges, amortisation charges, impairment of tangibles, profit and loss on disposal of tangible and intangible assets, profit on disposal of subsidiary undertakings and adjustments to contingent consideration of £11.2million (2011: £13.7 million) and 92,034,460 (2011: 80,609,355) ordinary shares, being the weighted average number of shares in issue during the year. Details of the calculation of adjusted profit after tax are set out in note 3.

Adjusted diluted earnings per share
Adjusted diluted earnings per share is calculated using profit after tax attributable to equity shareholders, adjusted for exceptional costs, share option charges, amortisation charges, impairment of tangibles, profit and loss on disposal of tangible and intangible assets, profit on disposal of subsidiary undertakings and adjustments to contingent consideration of £11.2 million (2011: £13.7 million) and 92,707,056 (2011: 81,950,292) ordinary shares, being the diluted weighted average number of shares in issue during the year. Details of the calculation of adjusted profit after tax are set out in note 3.

7. ACQUISITION OF SUBSIDIARY

(i) On 30 March 2012, the Group acquired 70% of the share capital of Life Media Fuarcilik A.S. ("Life Media"), an exhibition business.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group, in respect of this acquisition:

	Life Media Carrying value	**Adjustments**	**Fair value**
	£'000	**£'000**	**£'000**
Property, plant and equipment	176	-	176
Other intangibles	-	1,949	1,949
Trade and other receivables	1,743	-	1,743
Cash and cash equivalents	1,202	-	1,202
Trade and other payables	(2,707)	-	(2,707)
Deferred tax asset	115	-	115
Deferred tax liability	-	(390)	(390)
	529	1,559	2,088
Non-controlling interest (30%)			(626)
Net assets acquired			1,462
Goodwill arising on acquisition			17,143
			18,605
Consideration paid and costs incurred:			
Satisfied in cash			10,738
Stamp duty paid			112
Contingent consideration (less than one year)			7,755
Total consideration incurred			18,605
Consideration paid in cash			10,738
Cash acquired			(1,202)
Total net cash outflow			9,536

The values used in accounting for the identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and are therefore provisional in nature at the balance sheet date. If necessary, adjustments will be made to these carrying values and the related goodwill, within 12 months of the acquisition date. The non-controlling interest is measured as their proportionate share of the fair value of the net assets.

Contingent consideration relates to payments to vendors, payable after completion, that are dependent on the outcome of future events. This contingent consideration is dependent on the future financial performances of the various exhibitions, conferences and publications acquired during 2012. No material change is expected to this amount.

From the date of acquisition to 31 December 2012, the business has contributed £5.7 million to Group revenue and £3.7 million to profit before tax. If the acquisition had occurred on 1 January 2012, the business would have contributed £6.6 million to Group revenue and £3.6 million to profit before tax.

Goodwill of £17.1 million, recognised on this acquisition, relates to certain assets that cannot be separately identified. These items include sector knowledge and the anticipated future profitability that the Group can bring to the business acquired.

Acquisition related costs, which have been included in operating costs, amounted to £0.4 million.

As part of the acquisition of Life Media, a put and call option has been put in place by the Vendor for the further 30% of the shares of the business in 2017. The fair value of the put options are £5.8 million.

ii) On 6 November 2012, the Group acquired 52.5% of the share capital of CYF Fuarcilik A.S. ("CYF"), an exhibition business.

The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group, in respect of this acquisition:

	CYF Carrying value	**Adjustments**	**Fair value**
	£'000	**£'000**	**£'000**
Property, plant and equipment	44	-	44
Other intangibles	-	353	353
Trade and other receivables	515	-	515
Cash and cash equivalents	87	-	87
Trade and other payables	(537)	-	(537)
Deferred tax liability	-	(71)	(71)
	109	282	391
Non-controlling interest (47.5%)			(185)
Net assets acquired			206
Goodwill arising on acquisition			2,606
			2,812
Consideration paid and costs incurred:			
Satisfied in cash			1,412
Contingent consideration (less than 1 year)			1,134
Contingent consideration (greater than 1 year)			266
Total consideration incurred			2,812
Consideration paid in cash			1,412
Cash acquired			(87)
Total net cash outflow			1,325

The values used in accounting for the identifiable assets and liabilities and related contingent consideration of this acquisition are estimates and are therefore provisional in nature at the balance sheet date. If necessary, adjustments will be made to these carrying values and the related goodwill, within 12 months of the acquisition date. The non-controlling interest is measured as their proportionate share of the fair value of the net assets.

Contingent consideration relates to payments to vendors, payable after completion, that are dependent on the outcome of future events. This contingent consideration is dependent on the future financial performances of the various exhibitions, conferences and publications acquired during 2012. No material change is expected to this amount.

From the date of acquisition to 31 December 2012, the business has contributed £0.7 million to Group revenue and £0.4 million to profit before tax. If the acquisition had occurred on 1 January 2012, the business would have contributed £1.0 million to Group revenue and £0.4 million to profit before tax.

Goodwill of £2.6 million, recognised on this acquisition, relates to certain assets that cannot be separately identified. These items include sector knowledge and the anticipated future profitability that the Group can bring to the business acquired.

Acquisition related costs, which have been included in operating costs, amounted to £0.2 million.

As part of the acquisition of CYF, a put and call option was put in place by the Vendor for a further 30% of the shares of the business. These can be exercised between 2016-2018. The fair value of the put options are £1.3 million.

8. INVESTMENT IN JOINT VENTURES

On 17 December 2012 the Group acquired 50 per cent of the share capital of Tarsus Jiuzhou Exhibitions and Convention Company Ltd ("G Z Auto"), a company incorporated in China. G Z Auto is a joint venture with Jiuzhou Media & Advertising Company Ltd. The Group investment of RMB112 million represents the Group's share of the joint venture's net assets as at 31 December 2012, its accounting reference date.

The investment of £11,058,000 as shown in the balance sheet represents the Group's 50 per cent share of the assets and liabilities as at 31 December 2012. As at the year end, G Z Auto has no reported revenue.

	Carrying value £'000	Adjustments £'000	Fair value £'000
Other intangibles	-	1,070	1,070
Trade and other debtors	106	-	106
Cash and cash equivalents	87	-	87
Trade and other payables	(143)	-	(143)
	-	(214)	(214)
Net assets acquired	50	856	906
Goodwill arising on acquisition			10,152
			11,058
Consideration paid and costs incurred:			
Satisfied in cash			643
Contingent consideration (less than 1 year)			10,415
Total consideration and costs incurred			11,058
Consideration paid in cash			643
Total net cash outflow			643

9. GOING CONCERN

After considering the current financial projections of the Group and taking into account the cash needs of the business and availability of funds, the Directors have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they continue to adopt a "going concern" basis in preparing this Statement of Annual Results.

10. PRINCIPAL RISKS AND UNCERTAINTIES

Tarsus' events and exhibitions business may be adversely affected by incidents which curtail travel, such as terrorist attacks, higher oil prices or health pandemics

Tarsus' exhibitions businesses contribute in excess of 90% of the Group's revenue. Visitors travel to these shows from around the world. Any incident that curtails travel, such as the 11 September 2001 terrorist attacks in the US, may have an impact on the running of the relevant event and may, therefore, affect reported revenues.

The Group operates in a highly competitive environment that is subject to rapid change and the Company must continue to invest and adapt to remain competitive

The Group's business-to-business publishing and media businesses operate in highly competitive markets that continue to change in response to technological innovation and other factors. The Company cannot predict with certainty the changes that may occur and affect the competitiveness of its business. In particular, the means of delivering products and services may be subject to rapid technological changes. The Company cannot predict whether technological innovations will, in the future, make some of the Group's products or services, particularly those printed in traditional formats, wholly or partially obsolete. If this were to occur, the Group may be required to invest resources to adapt further to the changing competitive environment.

Expansion into new geographic regions subjects the Group to new operating risks

As a result of acquisitions and organic growth, the Group has operations in many geographic regions such as China, India, the United Arab Emirates, Turkey, Indonesia and South East Asia as well as Latin America. Whilst the Group conducts its business on a global scale, growth in these regions presents logistical and management challenges due to different business cultures, laws and languages. This may result in incremental operational risks for the Group.

The ability of the Company to implement and execute its strategic plans depends on its ability to attract and retain the key management personnel required

The Group operates in a number of industry segments in which there is intense competition for experienced and highly qualified individuals. The Group cannot predict the future availability of suitably experienced and qualified people; it places significant emphasis on developing and retaining management talent. Accordingly, the Group has and will continue to implement a number of incentive schemes, to attract and motivate key senior managers. There can be no certainty that such retention policies and incentive plans will be successful in allowing the Company to attract and retain the right calibre of key management personnel.

Fluctuations in exchange rates may affect the reported results

The Group is exposed to movements in foreign exchange rates against Sterling for trading transactions and the translation of the net assets and income statements of overseas operations. The principal exposure is to the US Dollar and Euro exchange rates, which form the basis of pricing for the Group's customers.

Any increase in effective tax rates may adversely affect operating results

The Group operates in multiple jurisdictions and its profits are taxed pursuant to the tax laws of such jurisdictions. If the Group's effective tax rate increases in a future period, its operating results in general will be adversely impacted, and specifically its net profit and earnings per share will decrease. The Group's effective tax rate may be affected by changes in or interpretations of tax laws in any given jurisdiction, utilisation of net operating losses and tax credit carry forwards, changes in geographical allocation of income and expense, and changes in management's assessment of matters such as the ability to realise deferred tax assets. The Group's effective tax rates in a given fiscal year reflect a variety of factors that may not be present in any succeeding fiscal year or years. As a result, the Group's effective tax rate may increase in future periods.

There are inherent risks and uncertainties in connection with the Group's acquisition strategy

The Group will seek and effect appropriate acquisitions across various geographic regions, consequently exposing the Company to inherent risks and uncertainties associated with such acquisitions. The risks associated with such a strategy include the availability of suitable acquisitions, obtaining regulatory approval for any acquisition, and assimilating and integrating acquired companies into the Group. In addition, potential difficulties inherent in mergers and acquisitions may adversely affect the results of an acquisition. These include delays in implementation or unexpected costs or liabilities, as well as the risk of failing to realise operating benefits or synergies from completed transactions. Nor can there be any certainty that the benefits of acquisitions and strategic investments, including synergies, increased cash flows and other operational benefits, will be realised.

Economic and financial uncertainty

Recent turmoil in the financial, debt and commodities markets has had a significant adverse impact on certain sectors of the economy, in particular property, retail, banking and financial services. Although, at present, the wider effect of such events is unclear, there is a significant risk that there will be a negative impact on businesses in other sectors (including the Company's business) and the wider economy. This may include, inter alia, difficulty of access to, or higher cost of, debt or equity financing, general economic weakness, restrained fiscal expenditure, higher taxes and inflationary pressures. Over the medium term (being longer than one year) this may impact the Group's revenues and margins and ultimately its earnings and share price.

Risks relating to the Company's ordinary shares

The trading price of the Company's ordinary shares may be volatile and subject to wide fluctuations. The share price may fluctuate as a result of a wide variety of factors, including further issues of shares, the operating and share price performance of other companies in the industry and markets in which the Group operates; speculation about the business of the Group in the press, media or the investment community; the publication of research reports by analysts; and general market conditions.

Changes to data protection and privacy legislation could have an adverse impact on the Group's business

The operations of the Group will be required to comply with growing levels of data protection and privacy legislation governing increasing areas of its businesses. The need to comply with data protection legislation can affect the business in a number of ways including, for example, making it more difficult to grow and maintain marketing data and also through potential litigation relating to the alleged misuse of personal data. Whilst the Company will continue to monitor these requirements and, through legal reviews, operational reviews and staff training, maintain awareness of the need for compliance in this area, material or significant changes to laws with which the Group currently complies could have an impact on the Group's performance, financial condition or business prospects.

Breaches of the Group's data security systems or other unauthorised access to its databases, intellectual property or information could adversely affect its businesses and operations

The Group has valuable databases and intellectual property and, as part of its businesses, provides its customers with access to database information such as treatises, journals and publications as well as other data. There are persons who may try to breach the Group's data security systems or gain other unauthorised access to its databases in order to misappropriate such information for potentially fraudulent purposes. Due to the rapid change in the nature of these threats to the Group's databases, intellectual property and other information, it may be unable to anticipate or protect against the threat of breaches of data security or other unauthorised access. Such breaches could damage the Group's reputation and expose it to a risk of loss or litigation and possible liability, as well as increase the likelihood of more extensive governmental regulation of these activities in a way that could adversely affect this aspect of the Group's business. Legal actions against the Group could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group depends on financial, accounting, management and other information and support IT systems

The Company has established and maintains such adequate procedures, systems and controls as the Board considers to be appropriate. The efficient operation and management of the Group depends on the proper operation and performance of those financial, accounting, management and other information and support IT systems, some of which are supplied by third parties. A significant performance failure of any such system could lead to loss of control over critical business information and/or systems and, while the Group does have normal disaster recovery planning, such a system performance failure could adversely impact the ability of the Group to operate effectively or to fulfil its contractual obligations, which may in turn lead to lost revenue and profitability and/or incur significant consequential and remedial costs.

Legal and regulatory developments

The Group operates within a number of different jurisdictions and is subject to various legal and regulatory regimes, including those covering taxation, employment, environmental and health and safety matters. Future global political, legal or regulatory developments affecting the activities carried out by the Group and the arena in which its businesses operate may impact on the Group's ability to operate profitably in the affected jurisdictions. Any failure to comply with applicable legal and regulatory requirements, may result in a financial loss or restriction on the Group's ability to operate its business.

11. RESPONSIBILITY STATEMENT OF THE DIRECTORS

To the best of the knowledge of the Directors (whose names and functions are set out below), the preliminary announcement which has been prepared using accounting policies and methods of computation consistent with those used in the Group's annual report for the year ended 31 December 2011 and to be adopted for the financial year ended 31 December 2012, gives a true and fair view of the assets, liabilities, financial position and profit for the Company and the undertakings included in the consolidation taken as a whole; and

Pursuant to Disclosure and Transparency Rules, Chapter 4, the Directors' Report of the Company's annual report will include a fair review of the development and performance of the business and the position of the Company, and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties faced by the business.

Neville Buch	Executive Chairman
Douglas Emslie	Group Managing Director
Dan O'Brien	Group Finance Director
Roger Pellow	Director Labels Group
Gary Marshall	Chief Executive Officer Asia
Hugh Scrimgeour	Non Executive Director
Robert Ware	Non Executive Director
Paul Keenan	Non Executive Director

The Annual General Meeting will be held at the Parknasilla Room, Radisson BLU Hotel Dublin Airport, Dublin, Ireland on 24 June 2013 at 11.00am.

A copy of this report will also be available on the Group's website at www.tarsus.com.