**Tarsus Group plc**

**Interim results for the six months ended 30 June 2016**

**Strong buyer growth and confidence in full year outlook**

Tarsus Group plc ('Tarsus', the 'Group' or 'Company'), the international business-to-business media group, announces its results for the six months ended 30 June 2016.

Tarsus continued to execute its "Quickening the Pace" strategy which is focused on accelerating the pace of financial returns to shareholders. The Group made good progress in strengthening, investing in and scaling up its portfolio of events, resulting in organic revenue and buyer growth across the portfolio of 11% and 7% respectively.

## Financial highlights

| Financial highlights - six months to 30 June | | | |
|---|---|---|---|
| | **2016** | **2015*** | **2014*** |
| **Revenue (£'m)** | 27.0 | 29.0 | 18.7 |
| **Adjusted profit before tax* (£'m)** | 4.0 | 5.1 | 3.1 |
| **Profit/ (loss) before tax (£'m)** | (3.1) | (2.2) | 0.5 |
| **Adjusted EPS* (p)** | 2.8 | 3.1 | 1.6 |
| **EPS (p)** | (3.1) | (3.0) | (1.1) |
| **Interim dividend per share (p)** | 2.7 | 2.5 | 2.4 |

- Like-for-like revenue* up 11% on 2015
- Adjusted profit before tax* and adjusted EPS* up 26% and 75% respectively over the biennial cycle demonstrating success of the Quickening the Pace Strategy
- Interim dividend up 8% to 2.7p (2015: 2.5p)

## Operational highlights

- Strong performance from Emerging Markets continues
- Solid growth in the US with improving revenues in Medical division
- Buyer growth across portfolio of 7%
- Continuing momentum in replication launches

## Strategic highlights

- Buy-in of minority interest – Life Media (Turkey)
- Expansion in South East Asia – PEP (Philippines)

## Outlook

- Promising outlook for larger events in second half
- Group remains confident of delivering a strong performance in 2016 - forward bookings for the full year currently 10% ahead on a like-for-like basis
- Strong forward bookings for larger biennials in 2017

**Douglas Emslie,** Group Managing Director, said:

**"Trading across our business has been encouraging in the first half of 2016. The long-term investment we are continuing to make in our portfolio is delivering industry leading attendee growth and we are making good progress with replicating events across our markets. These developments are strengthening the Group's prospects for future organic growth and are key elements of our "Quickening the Pace" strategy.**

**"Forward bookings for the current year are 10% ahead and we are expecting strong editions of the larger shows – notably Labelexpo Americas - in the busier second half. Forward bookings for our larger biennial events in 2017 remain positive.**

**"The Group is mindful of the global macroeconomic background and geopolitical risk but is confident of delivering a strong performance for the year as a whole."**

**For further information contact:**

**Tarsus Group plc:**

Douglas Emslie, Group Managing Director 020 8846 2700
Dan O'Brien, Group Finance Director

**IR Focus**

Neville Harris 07909 976044

The Group will be hosting a presentation to analysts at 11.30am today at the offices of Investec Bank plc, 2 Gresham Street, London EC2V 7QP. A webcast of the presentation will be available on Tarsus's website (www.tarsus.com) from 9.30am on 28 July 2016.

*Definitions can be found in note 17 to the financial statements

**Overview**

Following the reshaping of the Group's portfolio over the past five years, the bulk of our revenues over the two-year cycle is now derived from the US and a carefully targeted selection of Emerging Markets – Turkey, Dubai, China, South East Asia and Mexico – the majority of which generate revenues in US Dollars. This has been achieved through the acquisition of a number of strongly branded assets across our chosen markets alongside the disposal of our lower growth domestic European assets. Our acquisitions - which in their own right have produced good returns on investment – have enabled the Group to achieve increased scale in a number of markets and geographic areas. Greater scale and reach both enhance the Group's ability to invest for the future and launch replications of successful brands. This further supports the individual brand's ecosystem, increasing the level of future organic growth and beneficially leveraging the Group's core infrastructure. These strategic initiatives lie at the heart of the Group's "Quickening the Pace" strategy.

In addition, the Group's scale, flexibility, speed and willingness to work with entrepreneurs to develop their businesses in partnership is becoming increasingly attractive not only to vendors of businesses but other brand owners. Tarsus is working in partnership with EJ Krause and DMG (through the Big 5 construction series) in Indonesia. These Global Brand Partnerships bring together third party brands with our established infrastructure, local expertise and marketing capability enabling us to launch brands quickly and efficiently.

**Financial review**

Group revenue for the period was £27.0m (2015: £29.0m). Adjusting for acquisitions and biennial events, the Group achieved underlying organic revenue growth of 11% in the period.

Adjusted profit before tax was £4.0m (2015: £5.1m; 2014: £3.1m), reflecting strong revenue growth in the portfolio as a result of the move towards higher growth markets. The Group incurred exceptional costs of £0.8m (2015: £0.7m) in respect of completed and pending corporate transactions. The Group also incurred an amortisation charge of £2.5m (2015: £1.8m). Other adjusting items are set out in note 6 to the financial statements below. Loss before tax was £3.1m (2015: £2.2m).

Adjusted earnings per share were 2.8p (2015: 3.1p). Basic loss per share was 3.1p (2015: 3.0p).

An interim dividend of 2.7p per share (2015: 2.5p) has been declared and will be paid on 13 January 2017 to Shareholders on the Register on 2 December 2016. The Group will continue to offer a scrip alternative.

Operating cash inflow was £1.1m (2015: inflow £9.5m). Owing to the timing of the Group's events for this year, working capital inflows are also expected to be second half weighted. Net debt at 30 June 2016 increased to £57.3 million (2015: £43.5m) driven primarily by acquisitions and deferred consideration payments. At the period end, gearing stood at 2.0x net debt:EBITDA which is in line with the Group's target of 1.5-2.0x. Tarsus has bank facilities of £75m to 2020 providing the financial resources to support our strategic development.

**Corporate activity**

In line with the strategy outlined at the Group's Final Results in March 2016, in which we indicated we will look to buy in a number of outstanding minority interests, the Group has purchased the remaining 30% equity interest in Life Media (Zuchex) in accordance with the terms of the original acquisition agreement.

Tarsus furthered its strategic development in South East Asia through the acquisition of 51% of PEP in the Philippines. PEP, organisers of WOFEX (World Food Expo) which runs annually in August and is the country's largest food trade show, links strongly with the Group's food interests in Myanmar and Cambodia and substantially increases sector scale. Following the purchase of 50% of AMB in 2015 which accelerated our strategic development in South East Asia, the Group's industry focus in the region is now concentrated on the Food, Automotive and Infrastructure sectors.

**Operating review**

**Geographic breakdown of results**

| | Emerging Markets | | | US | | | Europe | | |
|---|---|---|---|---|---|---|---|---|---|
| **£'m** | **2016** | **2015** | **2014** | **2016** | **2015** | **2014** | **2016** | **2015** | **2014** |
| **Revenue** | 14.0 | 17.7 | 11.1 | 11.8 | 9.7 | 6.7 | 1.2 | 1.6 | 0.9 |
| **Adjusted Profit before tax** | 3.8 | 4.9 | 2.8 | 2.9 | 2.6 | 2.0 | 0.0 | (0.1) | 0.4 |

**Emerging markets**

Trading in Turkey, which constitutes some 11% of Group revenues on an annual basis, continued to be good in the first half and there was a particularly strong performance from Ideal Homex - the largest first half event. The outlook for this division's larger events in the second half - Zuchex, Sign and the Flower Show - is also good. We are mindful of the political situation in Turkey and continue to monitor developments closely. Whilst some 90% of our customers in Turkey are domestic and continue to grow well, we have tempered our growth expectations for international customers.

In Dubai, Tarsus' education event GESS performed well with buyer attendance up 18%. GESS is one of the key brands being replicated into other markets. In the first half of 2016, the second edition of the event took place in Mexico City with buyer attendance up 9% and in the second half of 2016 the second edition in Indonesia looks promising. Our aerospace events, AIME and MRO, also performed well.

In China, the Group's exhibitions focus predominantly on the internal Chinese market which is benefiting from strong growth in consumer spending as the Chinese economy transitions. AAITF (auto), SIUF (underwear), Labelexpo Asia and medical equipment all fall into this category. Additionally, in terms of geography, Tarsus is focused on the key growth areas of Shanghai, Shenzhen and central China. The Group remains optimistic about opportunities in China and will seek to expand its presence there.

In the first half, SIUF, Asia's largest underwear show, demonstrated good progress over the 2015 edition with buyer growth of 13%. AAITF showed good growth in its second edition in its new venue in Shenzhen with revenue returning to previous levels. Hope, the Group's Central China division continued to perform well with revenues ahead of 2015.

In South East Asia, the majority of events take place in the second half of 2016. Following the acquisition of PEP, the Group is now the largest international organiser in the Philippines covering three core sectors of food, auto and infrastructure. The launch of an infrastructure show in Manila in 2017 will increase the Group's scale in the Philippines. South East Asia is a key area of focus for Tarsus and, in the medium-term, the Group expects its revenues from this region to double and comprise some 10% of Group revenues.

In Mexico, Plastimagen (plastics) and Expo Manufactura (metalworking/manufacturing), performed in line with expectations.

**USA**

The work undertaken in 2014 and 2015 to reposition, diversify and scale up the Medical Division is beginning to gain traction with revenues up 5% in the period. With this division now addressing all four pillars of preventative medicine, revenues are growing and attendances are rising underpinned by continuing portfolio investment. Further growth will be achieved through a combination of launching new events across the different therapeutic areas combined with an educational offering that is increasingly targeting the mainstream medical market.

The Medical Division has performed in line with our expectations in the first half with a steadily increasing number of events across the four therapeutic areas. PainWeek in particular has shown good progress with 22 events in the first half (2015:11). The South Beach Symposium, held in February 2016, also delivered a very solid performance.

The February 2016 Off Price (clothing) show in Las Vegas was another good event. Bookings for the August 2016 edition are in line with our expectations.

**Europe**

Following the sale of our French business in 2015, the size of our European business is much reduced with the main event – Labelexpo Europe – held in the second half of odd years.

The Additive Manufacturing show in Amsterdam at the end of June saw the Group’s first event for the B2B market from its 3D printing portfolio. The event had a strong attendance and was well received by exhibitors and is expected to be repeated in 2017.

**Outlook**

Revenues for the year as a whole are heavily second-half weighted owing to the timing of many of the Group's larger exhibitions. Overall bookings are 10% ahead of 2015 on a like-for-like basis and we are expecting strong editions of the larger shows – notably Labelexpo Americas - in the second half.

Given the revenue of the Group is predominantly in US Dollars Tarsus expects the recent weakness in Sterling, if it continues, to have a positive influence on future results starting in 2017. The Group is not expecting the recent referendum result in the UK on membership of the European Union to have a significant impact on trading, given our geographical diversification and lack of exposure to UK/EU trade.

The Group remains mindful of the global macroeconomic background and geopolitical risks but is confident of delivering a strong performance for the year as a whole. Bookings for our larger biennial events in 2017 remain positive.

Neville Buch
Chairman
27 July 2016

Douglas Emslie
Group Managing Director

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

| | | Period to 30 June 2016 Unaudited | | | Period to 30 June 2015 Unaudited | | |
|---|---|---|---|---|---|---|---|
| | Note | Headline | Adjusting items * | Reported | Headline | Adjusting items * | Reported |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| **Total Revenue** | | **26,954** | **-** | **26,954** | 33,973 | - | 33,973 |
| Less: Revenue from discontinued operations | | **-** | **-** | **-** | - | (4,924) | (4,924) |
| **Continuing Operations** | | | | | | | |
| **Group revenue** | 7 | **26,954** | **-** | **26,954** | 33,973 | (4,924) | 29,049 |
| Operating costs | | **(23,896)** | **(4,580)** | **(28,476)** | (28,248) | (601) | (28,849) |
| Share of profit of joint ventures | | **2,020** | **(591)** | **1,429** | 631 | (188) | 443 |
| **Group operating profit/(loss)** | | **5,078** | **(5,171)** | **(93)** | 6,356 | (5,713) | 643 |
| Net finance costs | | **(1,113)** | **(1,888)** | **(3,001)** | (903) | (1,920) | (2,823) |
| **Profit/(loss) before taxation** | | **3,965** | **(7,059)** | **(3,094)** | 5,453 | (7,633) | (2,180) |
| Tax on profit/(loss) on ordinary activities | 8 | **(604)** | **1,151** | **547** | (802) | 852 | 50 |
| **Profit/(loss) for the financial year from continuing operations** | | **3,361** | **(5,908)** | **(2,547)** | 4,651 | (6,781) | (2,130) |
| Profit/(loss) for the financial year from discontinued operations | | **-** | **-** | **-** | - | 250 | 250 |
| **Profit/(loss) for the financial period** | | **3,361** | **(5,908)** | **(2,547)** | 4,651 | (6,531) | (1,880) |
| Attributable to: | | | | | | | |
| Profit/(loss) for the financial period attributable to equity shareholders of the parent company | | **2,787** | **(5,908)** | **(3,121)** | 3,462 | (6,531) | (3,069) |
| Profit for the financial period attributable to non-controlling interests | | **574** | **-** | **574** | 1,189 | - | 1,189 |
| | | **3,361** | **(5,908)** | **(2,547)** | 4,651 | (6,531) | (1,880) |

| | Note | Headline | Reported | Headline | Reported |
|---|---|---|---|---|---|
| **Earnings per share (pence)** | 9 | | | | |
| - basic | | **2.8** | **(3.1)** | **3.4** | (3.0) |
| - diluted | | **2.7** | **(3.1)** | **3.4** | (3.0) |

* See note 6 for adjusting items

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

For the six months ended 30 June

| | Period to 30 June 2016 | Period to 30 June 2015 |
|---|---|---|
| | £000 Unaudited | £000 Unaudited |
| Loss for the financial period | (2,547) | (1,880) |
| Other comprehensive (income)/expense recognised directly in equity: | | |
| Cash flow hedge reserve - movement in fair value | (2,120) | 70 |
| Foreign exchange translation differences | 8,379 | (3,913) |
| Other comprehensive income/(expense) | 6,259 | (3,843) |
| Total comprehensive income/(expense) for the period | 3,712 | (5,723) |
| Attributable to: | | |
| Equity shareholders of the parent company | 3,138 | (6,912) |
| Non-controlling interests | 574 | 1,189 |
| Total comprehensive (expense)/income for the period | 3,712 | (5,723) |

Other comprehensive income relating to foreign exchange translation differences, fair value movements in cash flow hedges and the tax effects thereon may all subsequently be reclassified to profit and loss if certain conditions are met.

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

| | Note | At 30 June 2016 £000 Unaudited | At 30 June 2015 £000 Unaudited | At 31 December 2015 £000 Audited |
|---|---|---|---|---|
| **NON-CURRENT ASSETS** | | | | |
| Property, plant and equipment | | 958 | 1,333 | 904 |
| Intangible assets | 10 | 139,309 | 129,681 | 127,127 |
| Investment in Joint Ventures | | 25,123 | 15,385 | 23,595 |
| Other investments | | 1 | 1 | 1 |
| Deferred tax assets | | - | 3,000 | 2,503 |
| | | 165,391 | 149,400 | 154,130 |
| **CURRENT ASSETS** | | | | |
| Trade and other receivables | | 33,148 | 32,187 | 29,709 |
| Cash and cash equivalents | | 8,708 | 13,128 | 10,693 |
| | | 41,856 | 45,315 | 40,402 |
| **CURRENT LIABILITIES** | | | | |
| Trade and other payables | | (18,211) | (18,359) | (27,536) |
| Deferred income | | (37,143) | (37,722) | (24,135) |
| Provisions | | - | - | (200) |
| Liabilities for current tax | | - | (2,839) | (1,510) |
| | | (55,354) | (58,920) | (53,381) |
| **NET CURRENT LIABILITIES** | | (13,498) | (13,605) | (12,979) |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | 151,893 | 135,795 | 141,151 |
| **NON-CURRENT LIABILITIES** | | | | |
| Other payables | | (42,946) | (43,955) | (38,364) |
| Deferred tax liabilities | | (9,168) | (7,308) | (8,505) |
| Interest bearing loans and borrowings | | (63,500) | (56,800) | (54,350) |
| | | (115,614) | (108,063) | (101,219) |
| **NET ASSETS** | | 36,279 | 27,732 | 39,932 |
| **EQUITY** | | | | |
| Share capital | | 5,117 | 5,082 | 5,091 |
| Share premium account | | 49,164 | 47,981 | 48,280 |
| Other reserves | | (9,632) | (17,637) | (15,891) |
| Retained earnings | | (11,832) | (13,289) | (1,972) |
| Issued capital and reserves attributable to equity shareholders of the parent | | 32,817 | 22,137 | 35,508 |
| **NON-CONTROLLING INTERESTS** | | 3,462 | 5,595 | 4,424 |
| **TOTAL EQUITY** | | 36,279 | 27,732 | 39,932 |

The financial statements of Tarsus Group plc, registered number 101579 (Jersey), were approved by the board and authorised for issue on 27 July 2016 and signed on its behalf by:

Douglas Emslie
Group Managing Director

Daniel O'Brien
Group Finance Director

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

| | Period to 30 June 2016 Unaudited £000 | Period to 30 June 2015 Unaudited £000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| (Loss) / profit for the period | (2,547) | (1,880) |
| Adjustments for: | | |
| Depreciation | 176 | 259 |
| Amortisation & impairment | 3,225 | 4,295 |
| Other gains / (losses) | 185 | (595) |
| Loss on disposal of intangible assets | 1 | - |
| Loss on disposal of tangible assets | (4) | 20 |
| Share option charge | 1,099 | 955 |
| Taxation charge | (547) | (51) |
| Interest payable | 3,001 | 2,823 |
| Share of profit from joint ventures | (1,429) | (443) |
| Dividends received from joint venture company | - | 975 |
| **Operating cash flow before changes in working capital** | 3,160 | 6,358 |
| (Increase)/ decrease in trade and other receivables | (1,749) | 458 |
| (Decrease)/ increase in trade and other payables | (278) | 2,690 |
| **Cash generated from operations** | 1,133 | 9,506 |
| Interest paid | (1,199) | (1,010) |
| Income taxes paid | (206) | (1,330) |
| **Net cash from operating activities** | (272) | 7,166 |
| **Cash flows from investing activities** | | |
| Proceeds from sale of tangible fixed assets | 2 | 18 |
| Acquisition of property, plant & equipment | (45) | (334) |
| Acquisition of intangible fixed assets | (502) | (646) |
| Acquisition of subsidiaries - cash paid | (3,244) | (1,871) |
| Sale of French business | 1,171 | - |
| Deferred and contingent consideration paid | (4,979) | (5,433) |
| **Net cash outflow from investing activities** | (7,597) | (8,266) |
| **Cash flows from financing activities** | | |
| Drawdown of borrowings | 9,150 | 5,671 |
| Share purchases for share based payments | (1,078) | (999) |
| Dividends paid to shareholders in parent company | (2,516) | (2,348) |
| Dividends paid to non-controlling interests in subsidiaries | (435) | (1,053) |
| **Net cash inflow from financing activities** | 5,121 | 1,271 |
| Net (decrease)/increase in cash and cash equivalents | (2,748) | 171 |
| Opening cash and cash equivalents | 10,693 | 12,347 |
| Foreign exchange movements | 763 | 610 |
| **Closing cash and cash equivalents** | 8,708 | 13,128 |

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

| | 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 |
|---|---|---|---|---|---|---|---|---|---|
| | | | Attributable to equity holders of the parent | | | | | | |
| **As at 1 January 2016** | 5,091 | 48,280 | 6,013 | (443) | (1,080) | (20,381) | (1,972) | 4,424 | **39,932** |
| Recognised foreign exchange losses for the period | - | - | - | - | - | 8,379 | - | - | **8,379** |
| (Loss)/Profit for the period: | | | | | | | | | |
| – Attributable to equity shareholders | - | - | - | - | - | - | (3,121) | - | **(3,121)** |
| – Attributable to non-controlling interests | - | - | - | - | - | - | - | 574 | **574** |
| Cashflow hedge reserve | - | - | - | - | (2,120) | - | - | - | **(2,120)** |
| Total comprehensive income (expense) for the period | - | - | - | - | (2,120) | 8,379 | (3,121) | 574 | **3,712** |
| Scrip dividend | 1 | 14 | - | - | - | - | - | - | **15** |
| New share capital subscribed | 25 | 870 | - | - | - | - | - | - | **895** |
| Cost of shares issued | - | - | - | - | - | - | - | - | **-** |
| Share option charge | - | - | - | - | - | - | 940 | - | **940** |
| Movement in reserves relating to deferred tax | - | - | - | - | - | - | (2,763) | - | **(2,763)** |
| Other movements in reserves | - | - | - | - | - | - | (2,216) | - | **(2,216)** |
| Dividend paid | - | - | - | - | - | - | (2,540) | - | **(2,540)** |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | (435) | **(435)** |
| Written Put options over non-controlling interests | - | - | - | - | - | - | (1,261) | - | **(1,261)** |
| Acquisition of non-controlling interests | - | - | - | - | - | - | 1,101 | (1,101) | **-** |
| Net change in shareholders' funds | 26 | 884 | - | - | (2,120) | 8,379 | (9,860) | (962) | **(3,653)** |
| **As at 30 June 2016** | **5,117** | **49,164** | **6,013** | **(443)** | **(3,200)** | **(12,002)** | **(11,832)** | **3,462** | **36,279** |

| | 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 Interest s £000 | Total £000 |
|---|---|---|---|---|---|---|---|---|---|
| | | | Attributable to equity holders of the parent | | | | | | |
| **As at 1 January 2015** | 5,060 | 47,424 | 6,013 | (443) | (818) | (18,546) | (6,601) | 5,444 | 37,533 |
| Recognised foreign exchange losses for the period | - | - | - | - | - | (3,913) | - | - | (3,913) |
| Profit for the period: | | | | | | | | | |
| – Attributable to equity shareholders | - | - | - | - | - | - | (3,069) | - | (3,069) |
| – Attributable to non-controlling interests | - | - | - | - | - | - | - | 1,189 | 1,189 |
| Cashflow hedge reserve | - | - | - | - | 70 | - | - | - | 70 |
| Total comprehensive income (expense) for the period | - | - | - | - | 70 | (3,913) | (3,069) | 1,189 | (5,723) |
| Scrip dividend | 2 | 67 | - | - | - | - | - | - | 69 |
| New share capital subscribed | 20 | 490 | - | - | - | - | - | - | 510 |
| Share option charge | - | - | - | - | - | - | 798 | - | 798 |
| Movement in reserves relating to deferred tax | - | - | - | - | - | - | 161 | - | 161 |
| Other movements in reserves | - | - | - | - | - | - | (2,162) | - | (2,162) |
| Dividend paid | - | - | - | - | - | - | (2,416) | - | (2,416) |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | (1,038) | (1,038) |
| Net change in shareholders' funds | 22 | 557 | - | - | 70 | (3,913) | (6,688) | 151 | (9,801) |
| **As at 30 June 2015** | **5,082** | **47,981** | **6,013** | **(443)** | **(748)** | **(22,459)** | **(13,289)** | **5,595** | **27,732** |

## 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 financial statements of the Company as at and for the six months ended 30 June 2016 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 2015 are available upon request from the Company Secretary at 77 Sir John Rogerson’s Quay, Dublin 2, Ireland.

Having reviewed the Group’s liquid resources, borrowing facilities and cash flow forecasts, the directors believe that the Group has adequate resources to continue as a going concern for the foreseeable future.

### 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.

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 2015 which were prepared under International Financial Reporting Standards, as adopted by the European Union, and have been reported on by the Company’s auditor. The auditor report was unqualified.

The financial statements of Tarsus Group plc, registered number 101579 (Jersey), were approved by the board and authorised for issue on 27 July 2016.

### 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 2015.

### 4. ESTIMATES

The preparation of consolidation interim financial statements requires management to make judgements, 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 2015.

### 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 end for the year ended 31 December 2015.

## 6. ADJUSTING ITEMS

The following analysis details the adjusting items in the consolidated interim income statement. Adjusted profit is prepared 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 and impairment of intangible assets, movements in fair value measurement of unsettled derivatives and unwinding of discount charges.

| | Six months to 30 June 2016 £000 Unaudited | Six months to 30 June 2015 £000 Unaudited |
|---|---|---|
| **Operating items:** | | |
| Revenue from discontinued operations | - | 4,924 |
| Operating costs: | | |
| Operating costs from discontinued operations | - | (4,674) |
| Exceptional debit * | 813 | 861 |
| Changes in fair value of put/call and contingent consideration | (636) | (177) |
| Movement in fair value of unsettled fx derivatives | 816 | - |
| Share option charge | 1,099 | 955 |
| Amortisation charge (excluding amounts charged to costs of sale) | 2,493 | 1,816 |
| (Profit)/loss on disposal of tangible fixed assets | (5) | 20 |
| Impairment | - | 1,800 |
| Total adjusting items in operating costs | 4,580 | 601 |
| Tax on joint venture profits | 591 | 188 |
| Total adjusting items in operating profit | 5,171 | 5,713 |
| Finance item - Unwinding of discount | 1,888 | 1,920 |
| Adjusting items before tax | 7,059 | 7,633 |
| Taxation: | | |
| Tax on joint venture profits | (591) | (188) |
| Tax relating to adjusting items | (560) | (664) |
| | (1,151) | (852) |
| Discontinued operations | - | (250) |
| **Total adjusting items** | 5,908 | 6,531 |

*In 2016, the Group incurred exceptional one-off costs resulting from acquisition costs or potential acquisition costs of £0.8m.

In 2015, adjusting items would have reduced by £305,000 if discontinued operations were excluded which would reduce adjusted profit before tax to £5,147,000, adjusted profit after tax to £4,346,000 and EPS to 3.1p.

## 7. SEGMENTAL ANALYSIS

As at 30 June 2016, 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 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 and certain asset and liability information for the Group's reportable segments:

| | 30 June 2016 Unaudited | | | | |
|---|---|---|---|---|---|
| | **Emerging Markets** | **USA** | **Europe** | **Central Costs** | **Group** |
| **Revenue by sector** | **£000** | **£000** | **£000** | **£000** | **£000** |
| Group revenue | 13,963 | 11,770 | 1,221 | - | 26,954 |
| Profit/(loss) from operating activities | 3,824 | 2,851 | (46) | (6,722) | (93) |
| Net financing costs | - | - | - | (3,001) | (3,001) |
| Profit/(loss) before taxation | 3,824 | 2,851 | (46) | (9,723) | (3,094) |
| Adjusting items - see note 6 | - | - | - | 7,059 | 7,059 |
| **Adjusted profit/(loss) before tax** | 3,824 | 2,851 | (46) | (2,664) | 3,965 |
| Segment non-current assets | 80,834 | 74,983 | 9,574 | | 165,391 |
| Segment current assets | 23,008 | 9,794 | 9,054 | | 41,856 |
| | 103,842 | 84,777 | 18,628 | - | 207,247 |
| Deferred tax assets | | | | | - |
| **Total assets** | | | | | 207,247 |
| Segment liabilities | (50,775) | (30,799) | (80,226) | | (161,800) |
| Liabilities for current tax | | | | | - |
| Deferred tax liabilities | | | | | (9,168) |
| **Total liabilities** | | | | | (170,968) |

## 7. SEGMENTAL ANALYSIS (CONTINUED)

| | | | 30 June 2015 Unaudited | | |
|---|---|---|---|---|---|
| | **Emerging Markets** | **USA** | **Europe** | **Central Costs** | **Group** |
| **Revenue by sector** | **£000** | **£000** | **£000** | **£000** | **£000** |
| **Total Revenue** | **17,728** | **9,715** | **6,530** | **-** | **33,973** |
| Less: Revenue from discontinued operations | **-** | **-** | **(4,924)** | **-** | **(4,924)** |
| Group revenue | 17,728 | 9,715 | 1,606 | - | 29,049 |
| Profit/(loss) from operating activities | 4,890 | 2,551 | (142) | (6,656) | 643 |
| Net financing costs | - | - | - | (2,823) | (2,823) |
| Profit/(loss) before taxation | 4,890 | 2,551 | (142) | (9,479) | (2,180) |
| Adjusting items - see note 6 | - | - | - | 7,383 | 7,383 |
| Adjusted profit from discontinued operations | - | - | 305 | (55) | 250 |
| **Adjusted profit/(loss) before tax** | 4,890 | 2,551 | 163 | (2,151) | 5,453 |
| Segment non-current assets | 65,777 | 65,422 | 15,201 | | 146,400 |
| Segment current assets | 19,151 | 9,974 | 16,190 | | 45,315 |
| | 84,928 | 75,396 | 31,391 | - | 191,715 |
| Deferred tax assets | | | | | 3,000 |
| **Total assets** | | | | | 194,715 |
| Segment liabilities | (49,455) | (25,246) | (82,135) | - | (156,836) |
| Liabilities for current tax | | | | | (2,839) |
| Deferred tax liabilities | | | | | (7,308) |
| **Total liabilities** | | | | | (166,983) |

## 8. TAXATION CHARGE

The taxation charge for the six months ended 30 June 2016 is based upon the estimated effective tax rate of 15.2% on adjusted profit before tax (2015: 14.7%) for the year ending 31 December 2015.

## 9. EARNINGS PER SHARE

| | Six months to 30 June 2016 Pence Unaudited | Six months to 30 June 2015 Pence Unaudited |
|---|---|---|
| Basic earnings per share | (3.1) | (3.0) |
| Diluted earnings per share | (3.1) | (3.0) |
| Adjusted earnings per share | 2.8 | 3.4 |
| Adjusted diluted earnings per share | 2.7 | 3.4 |

**Basic earnings per share**
Basic earnings per share has been calculated on loss after tax attributable to ordinary shareholders for the six months of £3,121,652 (June 2015 loss: £3,069,045) and 101,365,693 (June 2015: 101,216,711) ordinary shares, being the weighted average number of shares in issue during the period.

**Diluted earnings per share**
Diluted earnings per share has been calculated on loss after tax attributable to ordinary shareholders for the six months of £3,121,652 (June 2015 loss: £3,069,045) and 101,516,395 (June 2015: 101,656,130) ordinary shares, being the diluted weighted average number of shares in issue during the period.

**Adjusted earnings per share**
Adjusted earnings per share is calculated using adjusted profit after tax as reconciled in note 6 and the weighted average number of ordinary shares (as below) in issue in the year.

**Adjusted diluted earnings per share**
Adjusted diluted earnings per share is calculated using loss after tax as reconciled in note 6 and the weighted average number of diluted ordinary shares (as below) in issue in the year.

**Weighted average number of ordinary shares (diluted):**

| | Six months to 30 June 2016 Unaudited | Six months to 30 June 2015 Unaudited |
|---|---|---|
| Weighted average number of ordinary shares | 101,365,693 | 101,216,717 |
| Dilutive effect of share options | 150,702 | 439,413 |
| Weighted average number of ordinary shares (diluted) | 101,516,395 | 101,656,130 |

## 10. INTANGIBLE FIXED ASSETS

| | Goodwill | Trademarks, lists and other | Total |
|---|---|---|---|
| | £000 Unaudited | £000 Unaudited | £000 Unaudited |
| **COST** | | | |
| As at 1 January 2016 | 101,723 | 56,020 | 157,743 |
| Additions through business acquisition | 462 | 1,348 | 1,810 |
| Additions | - | 502 | 502 |
| Disposals | - | (555) | (555) |
| Foreign exchange | 10,381 | 6,048 | 16,429 |
| At 30 June 2016 | 112,566 | 63,363 | 175,929 |
| **AMORTISATION** | | | |
| As at 1 January 2016 | 133 | 30,483 | 30,616 |
| Charge for the year | - | 3,225 | 3,225 |
| Disposals | - | (555) | (555) |
| Foreign exchange | 8 | 3,326 | 3,334 |
| At 30 June 2016 | 141 | 36,479 | 36,620 |
| **NET BOOK VALUE** | | | |
| At 30 June 2016 | 112,425 | 26,884 | 139,309 |
| At 31 December 2015 | 101,590 | 25,537 | 127,127 |
| At 30 June 2015 | 104,864 | 24,817 | 129,681 |

## 11. FINANCIAL INSTRUMENTS

The carrying value of all financial instruments held in the Statement of Financial Position equals their fair value.

**Liabilities at fair value**

| | **30 June 2016 £000** | **Level 1 £000** | **Level 2 £000** | **Level 3 £000** |
|---|---|---|---|---|
| Interest rate swaps | (3,200) | - | (3,200) | - |
| Forward contracts | (816) | - | (816) | - |
| Contingent consideration | (21,141) | - | - | (21,141) |
| Put and call option liabilities | (21,965) | - | - | (21,965) |
| | (47,122) | - | (4,016) | (43,106) |

| | **30 June 2015 £000** | **Level 1 £000** | **Level 2 £000** | **Level 3 £000** |
|---|---|---|---|---|
| Interest rate swaps | (748) | - | (748) | - |
| Forward contracts | - | - | - | - |
| Contingent consideration | (20,501) | - | - | (20,501) |
| Put and call option liabilities | (20,290) | - | - | (20,290) |
| | (41,539) | - | (748) | (40,791) |

| | **31 December 2015 £000** | **Level 1 £000** | **Level 2 £000** | **Level 3 £000** |
|---|---|---|---|---|
| Interest rate swaps | (1,080) | - | (1,080) | - |
| Forward contracts | - | - | - | - |
| Contingent consideration | (23,428) | - | - | (23,428) |
| Put and call option liabilities | (18,816) | - | - | (18,816) |
| | (43,324) | - | (1,080) | (42,244) |

Level 1 – fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair values measured using indicative market valuations provided by banks for the identifiable asset of liability.

Level 3 – fair values using inputs or liabilities that are not based on observable market data. These are measured by using the latest management forecasts and using a country specific WACC rate to discount to the present value.

## 12. ACQUISITIONS

The Group completed one acquisition during the first half of 2016, in line with the Group's "Quickening the Pace" strategy.

| Effective date | Name | Type of business | Percentage acquired |
|---|---|---|---|
| 27 April 2016 | PEP | Exhibition business | 51% |

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 the acquisition made during 2016:

| | PEP | Adjustments | Fair value |
|---|---|---|---|
| | £000 | £000 | £000 |
| Other intangibles | - | 1,348 | 1,348 |
| Current liabilities | (68) | - | (68) |
| Deferred tax asset | - | 20 | 20 |
| **Net assets acquired** | (68) | 1,368 | 1,300 |
| Goodwill arising on acquisition | | | 462 |
| | | | 1,762 |
| **Consideration paid and costs incurred:** | | | |
| Satisfied in cash | | | 1,220 |
| Deferred consideration (greater than one year) | | | 542 |
| **Total consideration incurred** | | | 1,762 |
| Consideration paid in cash | | | 1,220 |
| **Total net cash outflow** | | | 1,220 |

From the date of acquisition to 30 June 2016, the acquisition has contributed £nil of revenue to the Group.

Goodwill of £0.5 million, recognised on this acquisition, relates to certain assets that cannot be separated and reliably measured. These items include sector knowledge, customer loyalty and the anticipated future profitability that the Group can bring to the business acquired.

The Group incurred transaction costs of £103,000 in respect of the acquisition, which were expensed.

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.

## 13. DIVIDENDS

The following dividends were paid and proposed by the Group:

| | 2016<br>£000<br>Unaudited | 2015<br>£000<br>Unaudited |
|---|---|---|
| **Dividend paid in current period in cash or scrip** | | |
| 2015 interim dividend (2.5p per share) | 2,540 | 2,416 |
| | 2,540 | 2,416 |
| **Dividend paid and proposed post period end** | | |
| 2015 final dividend paid 5.9p per share (2014: 5.4p per share) | 5,998 | 5,468 |
| Dividend proposed in the period 2.7p per share (2015: 2.4p per share) | 2,737 | 2,517 |
| | 8,735 | 7,985 |

## 14. FOREIGN EXCHANGE TRANSLATION DIFFERENCES

Other Comprehensive Income includes foreign exchange translation gains of £8.4 million (June 2015: losses of £3.9 million) relating to the retranslation of foreign currency denominated net assets, including goodwill.

## 15. RELATED PARTIES

As at 30 June 2016, directors of the company controlled 10.4% (31 December 2015: 10.1%) of the voting shares of the company.

Executive officers also participate in the Group's share plans.

## 16. POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events.

## 17. DEFINITIONS

2015 and 2014 are stated on a continuing basis, excluding the results of the French business disposed of during 2015.

Organic revenues are on a constant currency basis and after adjusting for the impact of acquisitions, disposals and biennials.

Forward bookings:
Committed orders for future events, adjusted for biennials.

Like-for-like revenue:
Constant exchange rates adjusted for biennial events, excluding acquisitions impacting for the first time in 2016, prior year disposals and non-recurring products and items.

Adjusted profit before tax:
Profit before tax adjusted for exceptional items, share option charges / credits, movements in fair value measurement of derivatives, unsettled amortisation charges, impairment of intangibles, profit / loss on disposal of intangibles and tangible fixed assets, profit on sale of subsidiary and unwinding of discount for contingent consideration. See note 6.

## 17. DEFINITIONS (CONTINUED)

Adjusted EPS:
Profit after tax attributable to equity shareholders adjusted for exceptional items, share option charges / credits, movements in fair value measurement of unsettled derivatives, 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. See note 9.

Adjusted operating cash:
Cash from operations adjusted for non-operating items and disposals.

**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 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) DTR4.2.8R 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 details in our last Annual Report and Accounts to 31 December 2015 and include:

- Economic and financial uncertainties;
- Events and exhibitions may be adversely affected by incidents which can curtail travel;
- Expansion into new geographic regions subjects the group to new operating risks;
- Fluctuation in exchange rates may affect the reported results;
- The ability to implement and execute strategic plans depends on the ability to attract and retain key management.

The impact of “Brexit” has been considered and has not resulted in a change to these risks.

Full details of the risks and uncertainties are detailed in the Directors’ Report of the 2015 accounts.

Douglas Emslie
Group Managing Director
27 July 2016

Daniel O’Brien
Group Finance Director