

## Tarsus Group plc

### Interim results for the six months ended 30 June 2014

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 2014.

#### Financial highlights

Financial highlights - six months to 30 June			
	2014	2013	2012
Revenue (£'m)	23.1	26.0	19.2
Adjusted profit before tax* (£'m)	3.0	3.9	1.8
Profit/ (loss) before tax (£'m)	0.3	0.8	(0.2)
Adjusted EPS* (p)	1.5	2.6	1.0
EPS (p)	(1.1)	(0.9)	(1.0)
Operating Cash Flow (£'m)	1.9	8.9	(0.8)
Interim dividend per share (p)	2.4	2.3	2.2

- Like-for-like revenue up 9% on 2013 as adjusted for biennial exhibitions and acquisitions
- Adjusted\* profit before tax and EPS up significantly over the biennial cycle
- Interim dividend raised to 2.4p (2013: 2.3p)

#### Operational highlights

- Good strategic progress in the first half of year
- Strong performance from Emerging Markets
- Further brand replications launched into new territories
- Banking facilities extended to 2019 to support "Quickening the Pace" strategy

#### Outlook

- Forward bookings currently 9% ahead of 2013 (adjusted for biennial exhibitions)
- Promising outlook for larger events in second half, including Labelexpo Americas, Zuchex and MEBA
- Group remains confident of delivering a good performance in 2014 on a constant currency basis
- Bookings for major 2015 biennial events strongly ahead of previous editions

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

**"Tarsus has delivered a solid performance in what is the quietest six months for trading in our two-year cycle.**

**"We are continuing to progress our "Quickening the Pace" strategy which has seen us make a number of strategic acquisitions in the last year as well as accelerate launch activity as we seek to replicate some of our leading brands internationally.**

**"We have good visibility for 2014 as a whole and remain confident of a positive full**



biennial cycle.

Adjusted profit before tax was £3.0 million (2013: £3.9 million; 2012: £1.8 million), which compared with 2012 reflects strong revenue growth in the portfolio together with the enhanced operational gearing as a result of the move towards higher growth markets. The Group incurred exceptional costs of £0.2 million (2013: £0.4 million) in respect of completed and pending acquisitions. Profit before tax was £0.3 million (2013: £0.8 million).\*

Adjusted earnings per share were 1.5p (2013: 2.6p). Basic loss per share was 1.1p (2013: 0.9p).

An interim dividend of 2.4p per share (2013: 2.3p) has been declared and will be paid on 15 January 2015 to Shareholders on the Register on 5 December 2014. The Group will continue to offer a scrip alternative.

Operating cash inflow was £1.9 million (2013: inflow £8.9 million) which compares favorably with the £0.8 million outflow in 2012. Net debt at 30 June 2014 was £34.7 million (2013: £29.2 million). Tarsus has extended its existing £60m bank facility through to 2019 with improved terms. This extended bank facility is expected to provide the financial resources to support our “Quickening the Pace” strategy.

Note

\*The reconciliation of adjusted profit before tax is shown in note 6.

## Operating review

### Geographic Analysis

Emerging Markets - strong performances from Dubai and China

USA - growth in Off Price; transitional year for Medical

Europe - growth in France in a challenging market

	Emerging Markets			US			Europe		
£'m	2014	2013	2012	2014	2013	2012	2014	2013	2012
Revenue	11.1	12.3	7.3	6.8	8.3	7.8	5.3	5.5	4.1
Adjusted Profit before tax	2.8	3.3	1.5	2.0	2.6	2.4	0.3	(0.1)	(0.5)

### Emerging markets

In Dubai, Tarsus' education event GESS performed strongly with excellent visitor attendance and revenues up 37%. The Group's largest event in Dubai in 2014 is MEBA (Middle East Business Aviation) and forward bookings for this show are tracking ahead of its previous edition.

Tarsus' position in China has been strengthened by the acquisition in April 2014 of SIUF, Asia's leading underwear show. The first edition under Tarsus ownership, held in May 2014, performed strongly and slightly ahead of management expectations. Hope, the

Group's Central China operation has continued to perform well with revenues significantly ahead of 2013. As previously reported GZ Auto, held in February 2014, was behind the previous edition. Forward bookings for 2015 are encouraging but we are exploring repositioning this exhibition for the future.

Trading in Turkey was in line with our cautious expectations for the first half. The largest event Ideal Homex in April 2014 showed good year-on-year growth. The outlook for the Group's larger 2014 events in the second half: Zuchex, Sign (both September 2014) and the Flower Show (November 2014), is good.

The Group's presence in Turkey was reinforced in February 2014 with the acquisition of Komatek, Turkey's largest construction equipment show. This adds critical mass to the Group's construction events in both Turkey and Indonesia.

In Mexico, the Group established a joint venture ("JV") with EJ Krause in late 2013. There was a strong performance at Expo Manufactura, the country's premier metalworking/manufacturing exhibition which took place in March 2014. The outlook for Plastimagen in November 2014 is also promising and as part of our "Quickening the Pace" strategy, the JV plans to launch three further shows in 2015, replicating Tarsus brands into Mexico.

## **USA**

The February 2014 Off Price show in Las Vegas was a strong event, with good visitor growth. Bookings for the August 2014 edition of the exhibition are ahead of the 2013 edition.

The Medical business held its established medical event, the Anti-aging congress in Orlando in May 2014, producing a record edition. The Cardiometabolic Health Congress (acquired in February 2014) will be held in October 2014 and the event is progressing in line with our expectations.

The Medical business is undergoing a transitional period as the Group extends its reach to address a broader medical practitioner market. As part of this the division launched the Medical Metabolic Institute (MMI) in February 2014 and successfully held the first MMI event in June 2014 in Miami.

The introduction of Obama care in January has caused uncertainty for doctors and delayed investments. In the medium term this should be a positive driver for the preventative medicine market as doctors seek to diversify their practices. During this transitional period we expect the educational revenues to be lower than 2013, whilst we lay the foundations to ensure future growth from this business.

The Group's largest event in the US in 2014 is Labelexpo Americas in September where a record edition is expected.

## **Europe**

Like-for-like sales in France were slightly ahead of 2013 but with the largest exhibitions taking place in the second half of the year against a backdrop of a difficult macroeconomic environment, the Group remains cautious for the full year outlook.

## **Outlook**

The Group's "Quickening the Pace" strategy is gaining momentum. We have seen good levels of organic growth supplemented by brand replications and selective acquisitions.

Trading in even years is heavily weighted towards the second half of the year. The outlook for the second half of 2014 is good, with bookings for the Group's larger shows including Labelexpo Americas, Zuchex and MEBA, comfortably ahead of previous editions. Forward bookings across the portfolio as a whole are currently 9% ahead of 2013 on a like-for-like basis, adjusting for acquisitions and biennial events.

Owing to the incidence of large biennial exhibitions within the portfolio, profits generated in even years are typically smaller than those generated in odd years. Adjusting for this biennial effect, the Group remains confident of delivering a good performance in 2014 on a constant currency basis.

Forward bookings for the larger biennial events in 2015 are tracking well ahead of their previous editions.

N D Buch  
Chairman  
30 July 2014

J D Emslie  
Group Managing Director

## **INDEPENDENT REVIEW REPORT TO TARSUS GROUP PLC**

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 which comprises the Condensed Consolidated Interim Income Statement, Condensed Consolidated Interim Statement of Comprehensive Income, Condensed Consolidated Interim Statement of Financial Position, Condensed Consolidated Interim Statement of Changes in Equity, the Condensed Consolidated Interim Statement of Cash Flows and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

### **Directors' responsibilities**

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

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

### **Our responsibility**

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

### **Scope of review**

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

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## **Deloitte LLP**

Chartered Accountants and Statutory Auditor

London, United Kingdom

30 July 2014

## CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT

	Note	Period to 30 June 2014 £000 Unaudited	Period to 30 June 2013 £000 Unaudited
<b>Group revenue</b>	7	23,148	26,016
Total operating costs		(22,099)	(25,094)
Share of profit of joint ventures		693	1,294
<b>Group operating profit</b>		1,742	2,216
Net finance costs		(1,425)	(1,452)
<b>Profit before taxation</b>		317	764
Taxation expense	8	(286)	(693)
<b>Profit for the financial period</b>		31	71
(Loss) for the financial period attributable to equity shareholders of the parent company		(1,057)	(833)
Profit for the financial period attributable to non-controlling interests		1,088	904
		31	71
	Note	Period to 30 June 2014	Period to 30 June 2013
<b>Earnings per share (pence)</b>	9		
- basic		(1.1)	(0.9)
- diluted		(1.1)	(0.9)

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June

	<b>Period to 30 June 2014 £000 Unaudited</b>	<b>Period to 30 June 2013 £000 Unaudited</b>
Profit for the financial period	31	71
Other comprehensive expense recognised directly in equity:		
Cash flow hedge reserve - movement in fair value	22	338
Foreign exchange translation differences	(2,685)	3,112
Other comprehensive (expense)/income	(2,663)	3,450
Total comprehensive (expense)/income for the period	(2,632)	3,521
Attributable to:		
Equity shareholders of the parent company	(3,720)	2,617
Non-controlling interests	1,088	904
Total comprehensive (expense)/income for the period	(2,632)	3,521

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	Period to 30 June 2014	Period to 30 June 2013	At 31 December 2013
		£000 Unaudited	£000 Unaudited	£000 Unaudited
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		1,169	1,365	1,239
Intangible assets	10	111,923	112,531	97,967
Investment in Joint Ventures		16,088	12,365	15,432
Other investments		1	1	1
Deferred tax assets		2,631	684	2,703
		<u>131,812</u>	<u>126,946</u>	<u>117,342</u>
<b>CURRENT ASSETS</b>				
Trade and other receivables		31,044	23,735	25,030
Cash and cash equivalents		8,554	8,031	12,142
		39,598	31,766	37,172
<b>CURRENT LIABILITIES</b>				
Trade and other payables		(22,044)	(18,982)	(26,336)
Deferred income		(29,982)	(31,363)	(18,384)
Provisions		-	-	(73)
Liabilities for current tax		(3,311)	(908)	(3,964)
		<u>(55,337)</u>	<u>(51,253)</u>	<u>(48,757)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(15,739)</u>	<u>(19,487)</u>	<u>(11,585)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>116,073</u>	<u>107,459</u>	<u>105,757</u>
<b>NON-CURRENT LIABILITIES</b>				
Other payables		(27,740)	(21,534)	(19,286)
Deferred tax liabilities		(5,855)	(5,354)	(4,449)
Interest bearing loans and borrowings		(44,200)	(38,025)	(41,800)
		<u>(77,795)</u>	<u>(64,913)</u>	<u>(65,535)</u>
<b>NET ASSETS</b>		<u>38,278</u>	<u>42,546</u>	<u>40,222</u>
<b>EQUITY</b>				
Share capital	15	5,052	4,794	4,797
Share premium account		47,303	37,614	37,689
Other reserves		(17,526)	(3,942)	(14,862)
Retained earnings		(1,136)	765	8,767
Issued capital and reserves attributable to equity shareholders of the parent		<u>33,693</u>	<u>39,231</u>	<u>36,391</u>
<b>NON-CONTROLLING INTERESTS</b>		4,585	3,315	3,831
<b>TOTAL EQUITY</b>		<u>38,278</u>	<u>42,546</u>	<u>40,222</u>

The financial statements of Tarsus Group plc, registered number 101579 (Jersey), were approved by the board and authorised for issue on 30 July 2014 and signed on its behalf by:

J D Emslie  
Group Managing Director

D P O'Brien  
Group Finance Director

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	Period to 30 June 2014 Unaudited	Period to 30 June 2013 Unaudited
	£000	£000
<b>Cash flows from operating activities</b>		
Profit for the period	31	71
Adjustments for:		
Depreciation	227	284
Amortisation & impairment	1,822	1,911
Loss on disposal of intangible assets	-	7
Loss on disposal of tangible assets	2	1
Share option charge	551	507
Taxation charge	286	693
Interest payable	1,425	1,452
Share of profit from joint ventures	(693)	(1,294)
	<hr/>	<hr/>
<b>Operating cash flow before changes in working capital</b>	3,651	3,632
(Increase)/decrease in trade and other receivables	(5,902)	58
Increase in trade and other payables	4,133	5,257
	<hr/>	<hr/>
<b>Cash generated from operations</b>	1,882	8,947
Interest paid	(640)	(541)
Income taxes paid	(847)	(1,358)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	395	7,048
<b>Cash flows from investing activities</b>		
Proceeds from sale of tangible fixed assets	14	64
Acquisition of property, plant & equipment	(142)	(268)
Acquisition of intangible fixed assets	(303)	(27)
Acquisition of subsidiaries - cash paid	(10,610)	(372)
Acquisition of subsidiaries - cash acquired	196	4
Sale of French minority	833	-
Deferred and contingent consideration paid	(2,161)	(18,229)
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	(12,173)	(18,828)
<b>Cash flows from financing activities</b>		
Drawdown of borrowings	2,400	11,488
Proceeds from the issue of share capital	10,065	145
Cost of share issue	(388)	(38)
Dividends paid to shareholders in parent company	(2,144)	(2,025)
Dividends paid to non-controlling interests in subsidiaries	(1,092)	(542)
	<hr/>	<hr/>
<b>Net cash inflow from financing activities</b>	8,841	9,028
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(2,937)	(2,752)
Opening cash and cash equivalents	12,142	10,255
Foreign exchange movements	(651)	528
	<hr/>	<hr/>
<b>Closing cash and cash equivalents</b>	8,554	8,031
	<hr/> <hr/>	<hr/> <hr/>

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent								Total £000
	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	
<b>As at 1 January 2014</b>	4,797	37,689	6,013	(443)	92	(20,523)	8,766	3,831	<b>40,222</b>
Recognised foreign exchange losses for the period	-	2	1	-	-	(2,688)	-	-	<b>(2,685)</b>
(Loss)/Profit for the period:									
– Attributable to equity shareholders	-	-	-	-	-	-	(1,057)	-	<b>(1,057)</b>
– Attributable to non-controlling interests	-	-	-	-	-	-	-	1,088	<b>1,088</b>
Cashflow hedge reserve	-	-	-	-	22	-	-	-	<b>22</b>
Total comprehensive income (expense) for the period	-	2	1	-	22	(2,688)	(1,057)	1,088	<b>(2,632)</b>
Scrip dividend	1	62	-	-	-	-	-	-	<b>63</b>
New share capital subscribed	258	9,550	-	-	-	-	-	-	<b>9,808</b>
Cost of shares issued	(4)	-	-	-	-	-	-	-	<b>(4)</b>
Share option charge	-	-	-	-	-	-	551	-	<b>551</b>
Movement in reserves relating to deferred tax	-	-	-	-	-	-	(540)	-	<b>(540)</b>
Dividend paid	-	-	-	-	-	-	(2,208)	-	<b>(2,208)</b>
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(1,094)	<b>(1,094)</b>
Written Put options over non-controlling interests	-	-	-	-	-	-	(6,795)	-	<b>(6,795)</b>
Non-controlling interests arising on acquisition	-	-	-	-	-	-	147	760	<b>907</b>
Net change in shareholders' funds	255	9,614	1	-	22	(2,688)	(9,902)	754	<b>(1,944)</b>
<b>Period to 30 June 2014</b>	<b>5,052</b>	<b>47,303</b>	<b>6,014</b>	<b>(443)</b>	<b>114</b>	<b>(23,211)</b>	<b>(1,136)</b>	<b>4,585</b>	<b>38,278</b>

\*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.

	Attributable to equity holders of the parent								Total £000
	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	
<b>As at 1 January 2013</b>	4,772	37,484	6,013	(443)	(420)	(12,548)	9,387	2,783	<b>47,028</b>
Recognised foreign exchange losses for the period	-	-	-	-	-	3,118	(6)	-	<b>3,112</b>
Tax effect of foreign exchange translation differences	-	-	-	-	-	-	-	-	-
Profit for the period:									
– Attributable to equity shareholders	-	-	-	-	-	-	(833)	-	<b>(833)</b>
– Attributable to non-controlling interests	-	-	-	-	-	-	-	904	<b>904</b>
Cashflow hedge	-	-	-	-	338	-	-	-	<b>338</b>
Total comprehensive income (expense) for the period	-	-	-	-	338	3,118	(839)	904	<b>3,521</b>
Scrip dividend	1	45	-	-	-	-	-	-	<b>46</b>
New share capital subscribed	21	123	-	-	-	-	-	-	<b>144</b>
Cost of shares issued	-	(38)	-	-	-	-	-	-	<b>(38)</b>
Share option charge	-	-	-	-	-	-	203	-	<b>203</b>
Movement in reserves relating to deferred tax	-	-	-	-	-	-	42	-	<b>42</b>
Dividend paid	-	-	-	-	-	-	(2,072)	-	<b>(2,072)</b>
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(542)	<b>(542)</b>
Written Put options over non-controlling interests	-	-	-	-	-	-	(5,956)	-	<b>(5,956)</b>
Non-controlling interests arising on acquisition	-	-	-	-	-	-	-	170	<b>170</b>
Net change in shareholders' funds	22	130	-	-	338	3,118	(8,622)	532	<b>(4,482)</b>
<b>Period to 30 June 2013</b>	<b>4,794</b>	<b>37,614</b>	<b>6,013</b>	<b>(443)</b>	<b>(82)</b>	<b>(9,430)</b>	<b>765</b>	<b>3,315</b>	<b>42,546</b>

## **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 2014 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 2013 are available upon request from the Company Secretary at 17 Upper Pembroke Street, Dublin 2, Ireland.

In July 2014 the Group renegotiated their borrowing facilities. The new facility will extend until July 2019. 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 2013 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 30 July 2014.

### **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 2013.

### **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 2013.

### **5. FINANCIAL RISK MANAGEMENT**

The Group’s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2013.

## 6. PROFIT AND LOSS ANALYSIS

The following analysis illustrates the performance of the Group's activities, and reconciles the Group's profit as shown in the condensed consolidated interim income statement, to adjusted profits. Adjusted profit is 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 of intangible assets and unwinding of discount charges.

	Six months to 30 June 2014 £000 Unaudited	Six months to 30 June 2013 £000 Unaudited
	<hr/>	<hr/>
Profit for the financial period after taxation	31	71
Add back:		
Taxation charge	286	693
	<hr/>	<hr/>
	317	764
Add back:		
Exceptional costs *	194	376
Share option charge	551	507
Amortisation charge (excluding amounts charged to costs of sale)	1,312	1,498
Loss on disposal of tangible fixed assets	1	1
Loss on disposal of intangible fixed assets	-	7
Unwinding of discount	628	769
<b>Adjusted profit before tax</b>	<hr/> <b>3,003</b>	<hr/> <b>3,922</b>
Tax thereon	(481)	(588)
<b>Adjusted profit after tax</b>	<hr/> <b>2,522</b> <hr/>	<hr/> <b>3,333</b> <hr/>

\*In 2014, the Group incurred exceptional one-off costs resulting from acquisition costs or potential acquisition costs.

## 7. SEGMENTAL ANALYSIS

As at 30 June 2014, 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:

Revenue by sector	30 June 2014 Unaudited				
	Emerging Markets	USA	Europe	Central Costs	Group
	£000	£000	£000	£000	£000
Group revenue	11,063	6,749	5,336	-	23,148
Profit/(loss) from operating activities	2,770	2,048	298	(3,374)	1,742
Net financing costs	-	-	-	(1,425)	(1,425)
Profit/(loss) before taxation	2,770	2,048	298	(4,799)	317
Exceptional costs	-	-	-	194	194
Share option charge	-	-	-	551	551
Amortisation charge	-	-	-	1,312	1,312
Loss on disposal of assets	-	-	-	1	1
Unwinding of discount - contingent consideration	-	-	-	628	628
<b>Adjusted profit/(loss) before tax</b>	<b>2,770</b>	<b>2,048</b>	<b>298</b>	<b>(2,113)</b>	<b>3,003</b>

Revenue by sector	30 June 2013 Unaudited				
	Emerging Markets	USA	Europe	Central Costs	Group
	£000	£000	£000	£000	£000
Group revenue	12,301	8,254	5,461	-	26,016
Profit/(loss) from operating activities	3,342	2,561	(108)	(3,579)	2,216
Net financing costs	-	-	-	(1,452)	(1,452)
Profit/(loss) before taxation	3,342	2,561	(108)	(5,031)	764
Exceptional costs	-	-	-	376	376
Share option charge	-	-	-	507	507
Amortisation charge	-	-	-	1,498	1,498
Loss on disposal of intangible assets	-	-	-	8	8
Unwinding of discount - contingent consideration	-	-	-	769	769
<b>Adjusted profit/(loss) before tax</b>	<b>3,342</b>	<b>2,561</b>	<b>(108)</b>	<b>(1,873)</b>	<b>3,922</b>

Total assets within Emerging Markets have significantly increased due to the acquisition of SADA on 05 February 2014 and SIUF on 18 March 2014. The segmental analysis of total assets is as follows:

	<b>Total assets Unaudited</b>			
	<b>Emerging Markets</b>	<b>USA</b>	<b>Europe</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 30 June 2014	87,691	53,529	30,190	171,410
<hr/>				
	<b>Total assets Unaudited</b>			
	<b>Emerging Markets</b>	<b>USA</b>	<b>Europe</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
30 June 2013	79,429	48,588	30,695	158,712
<hr/>				
	<b>Total assets audited</b>			
	<b>Emerging Markets</b>	<b>USA</b>	<b>Europe</b>	<b>Group</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 31 December 2013	79,228	45,390	29,896	154,514

## 8. TAXATION CHARGE

The taxation charge for the six months ended 30 June 2014 is based upon the estimated effective tax rate of 15.9% on adjusted profit before tax (2013: 15.4%) for the year ending 31 December 2014.

## 9. EARNINGS PER SHARE

	<b>Six months to 30 June 2014</b>	<b>Six months to 30 June 2013</b>
	<b>Pence</b>	<b>Pence</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Basic earnings per share	(1.1)	(0.9)
Diluted earnings per share	(1.1)	(0.9)
Adjusted earnings per share	1.5	2.6
Adjusted diluted earnings per share	1.4	2.5

### Basic earnings per share

Basic earnings per share has been calculated on loss after tax attributable to ordinary shareholders for the six months of £1,056,620 (June 2013 loss: £833,000) and 98,387,303 (June 2013: 94,539,919) 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 £1,056,620 (June 2013 loss: £833,000) and 99,625,372 (June 2013: 95,776,435) 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 profit 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 2014 Unaudited	Six months to 30 June 2013 Unaudited
Weighted average number of ordinary shares	98,387,303	94,539,919
Dilutive effect of share options	1,238,069	1,236,516
Weighted average number of ordinary shares (diluted)	<u>99,625,372</u>	<u>95,776,435</u>

## 10. INTANGIBLE FIXED ASSETS

	Goodwill £000 Unaudited	Trademarks, lists and other £000 Unaudited	Total £000 Unaudited
<b>COST</b>			
As at 1 January 2014	91,622	40,932	132,554
Additions through business acquisition	13,405	4,088	17,493
Additions	302	303	605
Foreign exchange	(2,221)	(1,225)	(3,446)
At 30 June 2014	<u>103,108</u>	<u>44,098</u>	<u>147,206</u>
<b>AMORTISATION</b>			
As at 1 January 2014	11,701	22,886	34,587
Charge for the year	-	1,822	1,822
Foreign exchange	(432)	(694)	(1,126)
At 30 June 2014	<u>11,269</u>	<u>24,014</u>	<u>35,283</u>
<b>NET BOOK VALUE</b>			
At 30 June 2014	<u>91,839</u>	<u>20,084</u>	<u>111,923</u>
At 31 December 2013	<u>79,921</u>	<u>18,046</u>	<u>97,967</u>
At 30 June 2013	<u>90,016</u>	<u>22,515</u>	<u>112,531</u>

## 11. ACQUISITIONS

The Group completed three acquisitions during the first half of 2014, in line with the Group's "Quickening the Pace" strategy.

Effective date	Name	Type of business	Percentage acquired
07 February 2014	Cardiometabolic Health Congress ("CMHC")	Exhibition business	100%

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 2014:

	CMHC £000	Adjustments £000	Fair value £000
Property, plant and equipment	8	-	8
Other intangibles	-	2,365	2,365
Trade and other receivables	255	-	255
Cash and cash equivalents	-	-	-
Trade and other payables	(354)	-	(354)
Deferred tax asset	-	-	-
Deferred tax liability	-	(473)	(473)
<b>Net assets acquired</b>	<b>(91)</b>	<b>1,892</b>	<b>1,801</b>
Goodwill arising on acquisition			6,736
			<b>8,537</b>
<b>Consideration paid and costs incurred:</b>			
Satisfied in cash			5,743
Deferred consideration (less than one year)			1,947
Deferred consideration (greater than one year)			847
<b>Total consideration incurred</b>			<b>8,537</b>
Consideration paid in cash			5,743
Cash acquired			-
<b>Total net cash outflow</b>			<b>5,743</b>

From the date of acquisition to 30 June 2014, the acquisition has contributed £nil of revenue to the Group.

Goodwill of £6.7 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 £48,000 in respect of the acquisition, which were expensed.

Effective date	Name	Type of business	Percentage acquired
05 February 2014	Sada Uzmanhk Fuarlari A.S. ("Sada")	Exhibition business	60%

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 2014:

	Sada £000	Adjustments £000	Fair value £000
Property, plant and equipment	2	-	2
Other intangibles	-	560	560
Trade and other receivables	71	-	71
Cash and cash equivalents	74	-	74
Trade and other payables	(22)	-	(22)
Deferred tax asset	-	-	-
Deferred tax liability	-	(112)	(112)
	125	448	573
Non-controlling interest 40%			(229)
<b>Net assets acquired</b>			344
Goodwill arising on acquisition			1,401
			1,745
<b>Consideration paid and costs incurred:</b>			
Satisfied in cash			1,407
Stamp duty paid			81
Contingent consideration (less than one year)			-
Contingent consideration (greater than one year)			257
<b>Total consideration incurred</b>			1,745
Consideration paid in cash			1,407
Cash acquired			(74)
<b>Total net cash outflow</b>			1,333

Tarsus and the vendor hold put options over the remaining 40% of the shares of the business, exercisable from now until 2019 and enforceable by either party, with consideration payables based on a multiple of annualised EBIT in the relevant year. The group has recognised a liability for this in accordance with IAS 32, "Financial Instruments", with a corresponding debit in equity.

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 performance of the exhibition occurring in 2015 and 2017.

From the date of acquisition to 30 June 2014, the acquisition has contributed £nil of revenue to the Group.

Goodwill of £1.4 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 £25,000 in respect of the acquisition, which were expensed.

Effective date	Name	Type of business	Percentage acquired
18 March 2014	Shenzhen Shengshi Jiuzhou Exhibition Co. Ltd ("SIUF")	Exhibition business	50%

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 2014:

	SIUF £000	Adjustments £000	Fair value £000
Property, plant and equipment	-	-	-
Other intangibles	-	1,185	1,185
Trade and other receivables	565	-	565
Cash and cash equivalents	122	-	122
Trade and other payables	(555)	-	(555)
Deferred tax asset	-	-	-
Deferred tax liability	-	(237)	(237)
	132	948	1,080
Non-controlling interest 50%			(540)
<b>Net assets acquired</b>			540
Goodwill arising on acquisition			5,370
			5,910
<b>Consideration paid and costs incurred:</b>			
Satisfied in cash			3,070
Stamp & other costs			-
Contingent consideration (less than one year)			2,340
Contingent consideration (greater than one year)			500
<b>Total consideration incurred</b>			5,910
Consideration paid in cash			3,070
Cash acquired			(122)
<b>Total net cash outflow</b>			2,948

Tarsus holds enforceable put options over a further 20% of the shares of the business, exercisable until May 2015, with consideration payables based on a multiple of EBIT in the relevant year. Tarsus and the vendors hold put options over this 20%, if not already exercised by Tarsus, from the lapse date above for a further 12 months. Tarsus and the vendor hold a final put option for 30% of the shares of the business, exercisable until 2022. Each option has consideration payables based on a multiple of EBIT in the relevant year. The group has recognised a liability for this in accordance with IAS 32, "Financial Instruments", with a corresponding debit in equity.

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 performance of the exhibitions occurring in 2015.

From the date of acquisition to 30 June 2014, the acquisition has contributed £2.5 million of revenue to the Group.

Goodwill of £5.4 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 £56,000 in respect of the acquisition.

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 performance of the various exhibitions, conferences and publications acquired during 2014 and 2015.

## 12. DIVIDENDS

The following dividends were paid and proposed by the Group:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Dividend paid in current period in cash or scrip</b>		
2013/2012 interim dividend (2.1p per share)	2,144	2,025
	<hr/>	<hr/>
	<u>2,144</u>	<u>2,025</u>
<b>Dividend paid and proposed post period end</b>		
2013 final dividend paid 5.0p per share (2012: 4.6p per share)	4,989	4,376
Dividend proposed in the period 2.4p per share (2013: 2.3p per share)	2,361	2,205
	<hr/>	<hr/>
	<u>7,350</u>	<u>6,581</u>

## 13. FOREIGN EXCHANGE TRANSLATION DIFFERENCES

Other Comprehensive Income includes foreign exchange translation losses of £2.7 million (June 2013: gains of £3.1 million) relating to the retranslation of foreign currency denominated net assets, including goodwill.

## 14. RELATED PARTIES

As at 30 June 2014, directors of the company controlled 10.2% (31 December 2013: 10.6%) of the voting shares of the company.

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

## 15. ISSUE OF SHARE CAPITAL

On 13 February 2014, the Group announced the successful completion of the placing of 5,000,000 new ordinary shares of nominal value of 5p each raising £10m in total and £9.7 million net of expenses.

## 16. POST BALANCE SHEET EVENTS

Since 30 June 2014, the Group has agreed to acquire 60% of the 3D Print Show Limited, which has a current portfolio of market leading annual events in London, Paris and New York.

## 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 2013 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.

Full details of the risks and uncertainties are detailed in the Directors' Report of the 2013 accounts.

J D Emslie  
Group Managing Director  
30 July 2014

D P O'Brien  
Group Finance Director