6 September 2012

EMPRESARIA GROUP PLC

Results for the six months ended 30 June 2012

Empresaria Group plc ("Empresaria" or the "Group"), the international, multi branded specialist recruitment group, with a focus on high-growth staffing markets, has delivered an improved overall performance in the first half of the year, compared to a loss for the same period last year.

Highlights

- Revenue decreased 4% to £97.8m (June 2011: £101.4m)
- Permanent revenue increased 13% and temporary staffing revenues decreased 5% year on year
- Net fee income (gross profit) increased 1% to £22.4m (June 2011: £22.2m)
- Net fee income diversified by geography (Continental Europe 38%, UK 35%, Rest of the World 27%)
- Operating profit of £1.8m (June 2011: loss of £1.4m)
- Adjusted* operating profit increased 6% to £1.8m (June 2011: £1.7m)
- Profit before tax of £1.4m (June 2011: loss of £1.9m)
- Good progress with the CGZP provision after agreeing the German social security liability to 2009
- Earnings per share# of 1.4p (June 2011: loss per share of 3.3p)
- Net debt unchanged at period end of £8.5m (June 2011: £8.5m)

* adjusted to exclude amortisation of intangible assets, exceptional items and movements in the fair values of options
# earnings per share is from continuing and discontinued operations

Chief Executive Joost Kreulen said:

"The Group has delivered an improved profit in the period, demonstrating the resilience of its businesses in difficult market conditions. Net fee income grew overall by 1%, despite a small fall in revenue and both operating profit and profit before tax were materially better than last year. The UK performance was stable overall and we have seen some particularly strong performances within the Asian region. In Europe operating profit increased against last year, although revenue declined.

The focus of the Group remains on improving operational performance. Changes are already underway in Headway, our German business, but this restructuring is going to impact short term profits negatively. Overall for the Group we expect performance improvements for the year as a whole, with profits slightly ahead of last year. We remain committed to strengthening the Group and identifying areas for growth and expansion."

- Ends –

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Full results announcement attached. The analyst presentation of these results will be available on 6 September 2012 on the Empresaria website: www.empresaria.com

Notes for editors:

- Empresaria Group plc (AIM: EMR; Sector: Support Services, Staffing) operates in 19 countries with over 800 internal staff.
- Empresaria Group plc applies a management equity philosophy and business model, with group company management teams holding significant equity in their own business.

Board statement

Performance

The Group generated net fee income (gross profit) of £22.4m, up 1% on 2011, despite a 4% drop in revenue to £97.8m (2011: £101.4m). Permanent revenue increased by 13%, driven mainly from the Asia-Pacific area, whilst temporary revenue declined by 5%. Overall, the temporary margin was slightly higher at 16.6% (2011: 16.5%). Operating profit was £1.8m, compared to a loss of £1.4m in 2011. Profit before tax was £1.4m, compared to a loss of £1.9m in the prior year period.

On an adjusted basis, excluding the impact of exceptional items, amortisation of intangible assets and fair value movements on options, both operating profit and profit before tax were up on the prior year period, by 4% and 17% respectively.

The Group's fastest growing region continues to be the Rest of the World, which accounted for 27% of Group net fee income (2011: 24%). Continental Europe remained the largest contributor to Group net fee income at 38% (2011: 41%). The UK contributed a static 35% of net fee income.

Earnings per share were 1.4p (2011: loss of 3.3p). On an adjusted basis, earnings per share grew 56% to 1.4p, reflecting both the improved profits and the benefits obtained from acquiring minority shares over the last year. The Group has continued to follow this strategy with further minority share purchases in 2012 for Headway, FastTrack, MediradiX and Bar 2.

The Group continued to focus on organic growth throughout the period, including opening a new office in Hong Kong for our LMA (financial services) brand. The Group's businesses in Singapore, opened last year, are developing well, although as expected are loss making in the first half. The financial services market has been generally weakened across the world and in both Singapore and Hong Kong our financial services facing brands have had to broaden their sector coverage to offset this market weakness. The new office opened in Australia has benefitted from a full year of operations and has delivered a break even result for the first half. The new branch in China, opened last year, has been merged into our existing business, having established an improved business model. The enlarged business has launched new desks covering the IT sector and has increased headcount.

The Group's results overall show an improved performance over the prior year period. This demonstrates the resilience of the Group and the benefit from our diversification strategy, given the difficult conditions in some of our sectors and markets. The focus for the remainder of the year is on developing the existing businesses, to improve their operational performance and ensure they have a platform for sustainable growth in profit.

Operations

UK

Revenue in the period increased by 4% to £33.7m (2011: £32.5m), with net fee income rising by 1% to £7.9m (2011: £7.8m). Permanent recruitment revenues were the same as in the prior year period with the increase in revenue derived from temporary recruitment, predominantly in the Construction sector. Temporary gross margin was in line with the prior year period. Adjusted operating profit was up to £1.1m (2011: £1.0m). The financial services brands had mixed fortunes, with a strong result in the insurance sector but significant declines in the banking and financial services sector, resulting in lower profits than the prior year for this sector overall.

Continental Europe

Revenue in the period decreased by 14% to £43.3m (2011: £50.1m) although net fee income reduced by only 6% to £8.5m (2011: £9.0m) helped by an improved temporary margin. Adjusted operating profit improved to £0.2m (2011: £0.1m) helped by cost savings.

The decline in this geography's net fee income was predominantly due to reducing numbers of temporary workers experienced in Headway throughout the first quarter. By the half year these worker numbers had stabilised and, in the second half, are showing signs of improvement. The new management team are focussing the business towards higher skilled workers, with an expected lower volume of sales but improved margins. The temporary margin for the first half was circa 0.5% better than last year and costs have been reduced significantly, helping to offset the lower net fee income. However, the German business is undergoing a restructuring project over this year which, whilst expected to have a positive impact on future performance, is likely to impact short term profits negatively. In addition, in November 2012 there is going to be an increase in the equal pay rates in Germany which may impact margins. Overall therefore, full year profits in Headway are likely to be lower than the prior year.

The CGZP provision is £1.4m at the half year (31 December 2011: £1.7m; 30 June 2011: £3.0m). Following the successful conclusion of the German social security department audits, the liability for the years to 2009 has been finalised, allowing a £0.1m release to the income statement. We have also settled a number of worker claims for a small value and no new claims have been made in the period. The Board believe this provision covers all future liability.

In the Baltic region, our healthcare business enjoyed growth in net fee income, helped by a significant one-off "temp to perm" fee and an improvement in the temporary margin, although the average temporary worker numbers are down on the prior year. A new managing director started in August 2012.

The specialist businesses in Czech Republic and Slovakia continued to turn around operating losses from 2011 into a break even position this year.

Rest of the World

Revenue in the period increased by 11% to £20.8m (2011: £18.8m) and net fee income increased by 11% to £6.0m (2011: £5.4m). However, there was a decline in adjusted operating profit of 17% to £0.5m (2011: £0.6m) as a result of specific operational issues in our Chilean business.

The Asia Pacific region has performed strongly, with revenue growth of 17% over the prior year period. Adjusted operating profit also increased, despite the investment in the new offices in Singapore and Hong Kong. In Japan we have seen a good improvement in profit over 2011, which had been impacted by the earthquake last March. Whilst the Japanese economy remains fragile following this disaster, our businesses have grown both revenue and profit and are well placed for the second half of the year. Our executive search brand Monroe, operating across South-East Asia, has seen strong growth in Indonesia, Thailand and the Philippines. Profits at our training business in Indonesia were down at the half year, due to the phasing of training being provided and an investment in new sales staff in the year. However, the sales pipeline for the second half shows a good improvement over the first half.

In Chile the decision to exit from an unprofitable major contract resulted in transitional losses in the first half. Despite this, the business has been working throughout the year to diversify its client base and has already secured new clients which are expected to bring worker numbers back to historic levels by the end of the year.

Finance

Net borrowing at the period end was unchanged at £8.5m (June 2011: £8.5m), including an increase in with-recourse invoice financing of £1.0m (previously structured as non-recourse financing and so offset against trade debtors). On a gross basis (including the non-recourse invoice financing), the overall net borrowing at the half year increased to £16.9m (June 2011: £15.4m). This debt figure was slightly higher than expected, primarily due to increased debtor days and contract exit costs in Chile. Local procedures have been strengthened in Chile to improve the debtor days in the second half of the year.

Cash generated from operations in the period was £1.1m (2011: deficit of £0.3m). After accounting for tax and interest there was a small deficit on free cash flow (being net cash from operating activities) of £0.2m (2011: deficit of £1.7m). Cash outflow included £1.4m on the acquisition of minority shares, £0.4m on dividends to minority shareholders and £0.3m on capital expenditure. There was cash inflow on business disposals of £0.2m, which included £0.1m of final deferred consideration on the disposal of ACI in August 2011. There was also a £1.1m cash outflow on working capital.

Headway in Germany accounted for the majority of the acquisitions of minority shares and dividends to minority shareholders representing £1.3m of the expenditure. A further £0.4m related to the purchase of 14.5% of the shares in Bar 2 Limited and dividends payable to the minority shareholders.

As announced on 13 July 2012, the Group acquired the final 5.7% of the shares held by minority shareholders in FastTrack for £0.3m. In line with our management equity philosophy we intend to arrange second generation equity for the senior management team at FastTrack to incentivise them to further develop and grow the company. Second generation equity typically has a threshold profit figure, below which the minority shareholders do not share in the profits of the company.

We announced on 15 August 2012 the acquisition of a further 26.7% shareholding from the former managing director of the MediradiX businesses, with Empresaria now owning 86.7% of these companies.

Dividend

In line with previous years, the Board is not recommending the payment of an interim dividend for the six months ended 30 June 2012 (2011: nil).

Prospects

In Germany cost reductions and other actions by the new management are improving operational performance, but full recovery will take longer than originally anticipated and in the short term we expect to see a reduction in profit.

The UK is in a stable position but economic conditions overall remain challenging.

Asia is performing well and we expect an improved result from Chile in the second half of the year.

Overall for the Group we expect performance improvements for the year as a whole, with profits being slightly ahead of the prior year.

5 September 2012

Condensed consolidated income statement
Six months ended 30 June 2012

	Notes	**6 months to 30 June 2012**	6 months to 30 June 2011	Year to 31 December 2011
		Unaudited	Unaudited	
		£m	£m	£m
Revenue		**97.8**	101.4	208.9
Cost of sales		**(75.4)**	(79.2)	(162.0)
Gross profit		**22.4**	22.2	46.9
Administrative costs		**(20.6)**	(20.5)	(41.6)
Operating profit before exceptional items and intangible amortisation		**1.8**	1.7	5.3
Exceptional provisions	11	**0.1**	(3.0)	(2.2)
Intangible amortisation		**(0.1)**	(0.1)	(0.3)
Operating profit		**1.8**	(1.4)	2.8
Finance income	4	**-**	0.5	0.6
Finance costs	4	**(0.4)**	(1.0)	(1.5)
Profit before tax		**1.4**	(1.9)	1.9
Income tax	7	**(0.5)**	0.5	(1.1)
Profit for the period from continuing operations		**0.9**	(1.4)	0.8
Discontinued operations				
Loss for the period from discontinued operations		**-**	(0.2)	(0.4)
Profit for the period		**0.9**	(1.6)	0.4
Attributable to:				
Equity holders of the parent		**0.6**	(1.5)	(0.1)
Non-controlling interest		**0.3**	(0.1)	0.5
		0.9	(1.6)	0.4
Earnings per share :				
From continuing operations				
Basic and diluted (pence)	6	**1.4**	(2.7)	0.6
Adjusted (pence)	6	**1.4**	1.2	4.1
From continuing and discontinued operations				
Basic and diluted (pence)	6	**1.4**	(3.3)	(0.4)
Adjusted (pence)	6	**1.4**	0.9	4.0

Condensed consolidated statement of comprehensive Income
Six months ended 30 June 2012

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	Year to 31 December 2011 £m
Exchange differences on translation of foreign operations	**(0.9)**	0.8	(1.0)
Net (expense) / income recognised directly in equity	**(0.9)**	0.8	(1.0)
Profit for the period	**0.9**	(1.6)	0.4
Total comprehensive expense for the period	**(0.0)**	(0.8)	(0.6)
Attributable to:			
Equity holders of the parent	**(0.3)**	(0.7)	(0.9)
Non-controlling interest	**0.3**	(0.1)	0.3
	(0.0)	(0.8)	(0.6)

Condensed consolidated balance sheet
As at 30 June 2012

	Notes	**30 June 2012 Unaudited £m**	30 June 2011 Unaudited £m	31 December 2011 £m
ASSETS				
Non-current assets				
Property, plant and equipment		**1.5**	1.8	1.7
Goodwill		**24.6**	26.6	25.1
Other intangible assets		**1.9**	2.4	2.2
Deferred tax assets		**1.4**	1.9	1.5
Call option asset		**0.2**	0.4	0.3
		29.6	33.1	30.8
Current assets				
Trade and other receivables	9	**30.2**	33.2	30.3
Cash and cash equivalents		**5.9**	7.9	6.0
		36.1	41.1	36.3
Total assets		**65.7**	74.2	67.1
LIABILITIES				
Current liabilities				
Trade and other payables	10	**22.7**	27.4	24.5
Current tax liabilities		**1.4**	1.4	2.0
Borrowings	8	**6.2**	7.4	3.0
Put option liability		**-**	0.6	-
		30.3	36.8	29.5
Non-current liabilities				
Borrowings	8	**8.2**	9.0	8.6
Other creditors		**-**	-	-
Deferred tax liabilities		**0.8**	0.7	0.8
Total non-current liabilities		**9.0**	9.7	9.4
Total liabilities		**39.3**	46.5	38.9
Net assets		**26.4**	27.7	28.2
EQUITY				
Share capital		**2.2**	2.2	2.2
Share premium account		**19.4**	19.4	19.4
Merger reserve		**1.5**	1.5	1.5
Retranslation reserve		**3.4**	4.5	4.0
Option reserve		**0.5**	(0.6)	0.8
Equity reserve		**(3.7)**	(2.4)	(2.4)
Other reserves		**(1.4)**	(0.2)	(1.1)
Retained earnings		**1.2**	-	0.3
Equity attributable to owners of the Company		**23.1**	24.4	24.7
Non-controlling interest		**3.3**	3.3	3.5
Total equity		**26.4**	27.7	28.2

Condensed consolidated statement of changes in equity
Six months ended 30 June 2012

	Share capital	Share premium account	Merger reserve	Retranslation reserve	Option reserve	Equity reserve	Other reserves	Retained earnings	Non-controlling interest	Total equity
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Balance at 31 December 2010	**2.2**	**19.4**	**1.5**	**4.1**	**(0.6)**	**(1.9)**	**(0.6)**	**1.5**	**3.6**	**29.2**
Loss for the period	-	-	-	-	-	-	-	(1.5)	(0.1)	(1.6)
Currency translation differences	-	-	-	0.4	-	-	0.4	-	-	0.8
Non-controlling interest acquired during the period	-	-	-	-	-	(0.5)	-	-	(0.1)	(0.6)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Balance at 30 June 2011 (Unaudited)	**2.2**	**19.4**	**1.5**	**4.5**	**(0.6)**	**(2.4)**	**(0.2)**	**-**	**3.3**	**27.7**
Balance at 31 December 2010	**2.2**	**19.4**	**1.5**	**4.1**	**(0.6)**	**(1.9)**	**(0.6)**	**1.5**	**3.6**	**29.2**
Profit for the year	-	-	-	-	-	-	-	(0.1)	0.5	0.4
Dividend	-	-	-	-	-	-	-	(0.2)	-	(0.2)
Currency translation differences	-	-	-	(0.8)	-	-	-	-	(0.2)	(1.0)
Disposal of subsidiary	-	-	-	0.7	-	-	(0.5)	-	0.1	0.3
Non-controlling interest acquired during the year	-	-	-	-	-	(0.5)	-	-	(0.4)	(0.9)
Movement in options	-	-	-	-	1.4	-	-	(0.9)	-	0.5
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(0.1)	(0.1)
Balance at 31 December 2011	**2.2**	**19.4**	**1.5**	**4.0**	**0.8**	**(2.4)**	**(1.1)**	**0.3**	**3.5**	**28.2**
Profit for the period	-	-	-	-	-	-	-	0.6	0.3	0.9
Currency translation differences	-	-	-	(0.6)	-	-	(0.3)	-	-	(0.9)
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-

Non-controlling interest acquired during the period	-	-	-	-	-	(1.3)	-	-	(0.1)	(1.4)
Movement in options	-	-	-	-	(0.3)	-	-	0.3	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	(0.4)	(0.4)
Balance at 30 June 2012 (Unaudited)	**2.2**	**19.4**	**1.5**	**3.4**	**0.5**	**(3.7)**	**(1.4)**	**1.2**	**3.3**	**26.4**

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium account" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Merger reserve” relates to premiums arising on shares issued subject to the provisions of section 612 “Merger relief” of the Companies Act 2006.
- "Retranslation reserve" represents the exchange differences arising from the translation of the financial statements of foreign subsidiaries.
- "Option reserve" relates to the initial recorded value of the liability relating to the put options held by non-controlling interests over the shares in the subsidiary companies net of the initial recorded value of the call options held by the Group over shares held by non-controlling interests.
- "Equity reserve" represents movement in equity due to acquisition of non-controlling interests under IFRS 3 (2008).
- "Other reserves” represents exchange differences on intercompany long-term receivables which are treated as a net investment in foreign operations.
- "Retained earnings" represents accumulated profits less distributions and income/expense recognised in equity from incorporation.

Condensed consolidated cash flow statement
Six months ended 30 June 2012

	6 months to 30 June 2012 Unaudited	6 months to 30 June 2011 Unaudited	Year to 31 December 2011
	£m	£m	£m
Profit/(loss) for the period	**0.9**	(1.6)	0.4
Adjustments for:			
Depreciation	**0.5**	0.4	0.8
Intangible amortisation	**0.1**	0.1	0.3
Taxation expense recognised in income statement	**0.5**	(0.5)	1.1
Exceptional provisions	**(0.1)**	3.0	2.2
Loss / (gain) on business disposal	**-**	0.1	0.4
Cash paid for exceptional items	**(0.1)**	-	-
Net finance charge	**0.4**	0.5	0.8
	2.2	2.0	6.0
(Decrease)/increase in invoice discounting	**(0.5)**	(1.7)	1.4
Decrease/(increase) in trade receivables	**0.9**	0.2	(1.9)
Decrease in trade payables	**(1.5)**	(0.8)	(1.6)
Cash generated from/(used by) operations	**1.1**	(0.3)	3.9
Interest paid	**(0.4)**	(0.5)	(0.9)
Income taxes paid	**(0.9)**	(0.9)	(1.8)
Net cash (used in)/from operating activities	**(0.2)**	(1.7)	1.2
Cash flows from investing activities			
Further shares acquired in existing subsidiaries	**(1.4)**	(0.6)	(1.3)
Business disposals	**0.2**	0.1	1.0
Purchase of property, plant and equipment and intangibles	**(0.3)**	(0.3)	(0.7)
Finance income	**-**	-	0.1
Net cash used in investing activities	**(1.5)**	(0.8)	(0.9)
Cash flows from financing activities			
(Decrease) / increase in borrowings	**2.7**	1.4	(2.4)
Proceeds from bank loan	**-**	2.4	2.4
Repayment of bank and other loan	**(0.5)**	(0.5)	(1.0)
Dividends paid to shareholders	**-**	-	(0.2)
Dividends paid to non-controlling interest in subsidiaries	**(0.4)**	(0.1)	(0.1)
Net cash from financing activities	**1.8**	**3.2**	**(1.3)**
Net increase/(decrease) in cash and cash equivalents	**0.1**	0.7	(1.0)
Effect of foreign exchange rate changes and disposal	**(0.2)**	0.1	(0.1)
Cash and cash equivalents at beginning of the period	**6.0**	7.1	7.1
Cash and cash equivalents at end of the period	**5.9**	7.9	6.0

Notes to the interim financial statements
Six months ended 30 June 2012

1. General information

Empresaria Group plc is the Group's ultimate parent company. It is incorporated and domiciled in Great Britain. The address of Empresaria Group plc's registered office is Old Church House, Sandy Lane, Crawley Down, Crawley, West Sussex, RH10 4HS, United Kingdom. Its shares are listed on AIM, a market of London Stock Exchange plc.

The condensed set of financial statements has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements. The Group does not anticipate any change in these accounting policies for the year ended 31 December 2012. While the financial figures included in this half-yearly report have been computed in accordance with IFRSs applicable to interim periods, this half-yearly report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The information for the year ended 31 December 2011 has been derived from audited statutory accounts for the year ended 31 December 2011. The information for the year ended 31 December 2011 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. The interim financial information for 2012 and 2011 has been neither audited nor reviewed.

These interim financial statements were approved for issue by the Board of Directors on 5 September 2012.

2. Accounting estimates and judgements

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of income, expense, assets and liabilities. The significant estimates and judgements made by management were consistent with those applied to the consolidated financial statements for the year ended 31 December 2011.

3. Segment analysis

The revenue and profit before taxation are attributable to the Group's one principal activity, the provision of staffing and recruitment services, and can be analysed by geographic segment as follows. The Group's reportable segments are business units based in different geographic regions. Each unit is managed separately with local management responsible for determining local strategy.

Information reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance is based on profit or loss from operations before amortisation of intangible assets, exceptional items and movements in the fair values of put and call options.

The analysis of the Group's business by geographical origin is set out below:

Six months to 30 June 2012	UK	Continental Europe	Rest of the World	**Total**
Unaudited	£m	£m	£m	**£m**
Revenue	33.7	43.3	20.8	**97.8**
Gross profit	7.9	8.5	6.0	**22.4**
Adjusted operating profit*	1.1	0.2	0.5	**1.8**

Operating profit	1.1	0.3	0.4	**1.8**

Six months to 30 June 2011	UK	Continental Europe	Rest of the World	Total
Unaudited	£m	£m	£m	£m
Revenue	32.5	50.1	18.8	101.4
Gross profit	7.8	9.0	5.4	22.2
Adjusted operating profit*	1.0	0.1	0.6	1.7
Operating profit	1.0	(3.0)	0.6	(1.4)

Year ended 31 December 2011	UK	Continental Europe	Rest of the World	Total
	£m	£m	£m	£m
Revenue	67.0	102.7	39.2	208.9
Gross profit	16.0	19.7	11.2	46.9
Adjusted operating profit*	2.0	2.2	1.1	5.3
Operating profit	2.0	0.1	0.7	2.8

* Adjusted operating profit represents operating profit before exceptional items and intangible amortisation.

4. Finance income and cost

	6 months to 30 June 2012	6 months to 30 June 2011	Year to 31 December 2011
	Unaudited	Unaudited	
	£m	£m	£m
Finance income			
Bank interest receivable	**-**	-	0.1
Movement in put option liability	**-**	0.5	0.5
	-	0.5	0.6
Finance cost			
On amounts payable on invoice discounters	**(0.1)**	(0.1)	(0.2)
Bank loans and overdrafts	**(0.3)**	(0.4)	(0.7)
Movement in call option assets	**-**	(0.5)	(0.6)
	(0.4)	(1.0)	(1.5)
Net finance cost	**(0.4)**	**(0.5)**	**(0.9)**

5. Reconciliation of Adjusted profit before tax to Profit before tax

	6 months to 30 June 2012	6 months to 30 June 2011	Year to 31 December 2011
	Unaudited	Unaudited	
	£m	£m	£m
Profit before tax	**1.4**	(1.9)	1.9

Amortisation of intangibles	**0.1**	0.1	0.3
Movement in put option liability	**-**	(0.5)	(0.5)
Movement in call option assets	**-**	0.5	0.6
Exceptional provision	**(0.1)**	3.0	2.2
Adjusted profit before tax	**1.4**	**1.2**	**4.5**

6. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the average number of shares in issue during the period. Based on current trading conditions, the Directors are of the opinion that there would be no dilution to the earnings per share figure resulting from subsidiary minority shareholders trading up. A reconciliation of the earnings and weighted average number of shares used in the calculations are set out below.

From continuing and discontinued operations

The calculation of the basic and diluted earnings per share is based on the following data:

	6 months to 30 June 2012 Unaudited £m	6 months to 30 June 2011 Unaudited £m	Year to 31 December 2011 £m
Earnings			
Earnings/(loss) attributable to equity holders of the parent	**0.6**	(1.5)	(0.1)
Adjustments:			
Exceptional provisions	**(0.1)**	3.0	2.2
Loss on business disposal	**-**	0.1	0.4
Movement in put option liability	**0.0**	(0.5)	(0.5)
Movement in call option asset	**-**	0.5	0.6
Amortisation of intangible assets	**0.1**	0.1	0.3
Tax on exceptional items and intangible amortisation	**0.0**	(0.3)	(0.6)
Non-controlling interest in intangible amortisation and exceptional items	**(0.0)**	(1.0)	(0.5)
Earnings for the purpose of adjusted earnings per share	**0.6**	0.4	1.8
Number of shares			
Weighted average number of shares - basic	**44.6**	44.6	44.6
Weighted average number of shares - diluted	**44.8**	44.6	44.6
Earnings/(loss) per share			
Basic and diluted	**1.4**	(3.3)	(0.4)
Adjusted earnings per share	**1.4**	0.9	4.0

From continuing operations

Earnings			
Earnings/(loss) attributable to equity holders of the parent	**0.6**	(1.5)	(0.1)
Adjustments to exclude loss from discontinued operations	**-**	0.2	0.4
Earnings/(loss) from continuing operations for the purpose of basic and diluted earnings per share	**0.6**	(1.3)	0.3

Adjustments :			
Exceptional provisions	**(0.1)**	3.0	2.2
Movement in put option liability	**-**	(0.5)	(0.5)
Movement in call option asset	**-**	0.5	0.6
Amortisation of intangible assets	**-**	0.1	0.3
Tax on exceptional items and intangible amortisation	**0.1**	(0.3)	(0.6)
Non-controlling interest in intangible amortisation and exceptional items	**-**	(1.0)	(0.5)
Earnings for the purpose of adjusted earnings per share	**0.6**	0.5	1.8
Number of shares			
Weighted average number of shares- basic	**44.6**	44.6	44.6
Weighted average number of shares- diluted	**44.8**	44.6	44.6
Earnings/(loss) per share			
Basic and diluted	**1.4**	(2.7)	0.6
Adjusted earnings per share	**1.4**	1.2	4.1

7. Taxation

The tax charge for the six month period is £0.5m, representing an effective tax rate of 35%. For the six months ended 30 June 2011 there was a tax credit of £0.5m and for the year ended 31 December 2011 there was a tax charge of £1.1m. The tax charge for the period represents the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

8. Net borrowings

a) Borrowings	**30 June 2012 Unaudited £m**	30 June 2011 Unaudited £m	31 December 2011 £m
Current			
Bank overdrafts	**4.0**	5.5	1.3
Amounts related to invoice financing	**1.3**	0.6	0.2
Current portion of bank loans	**0.9**	1.3	1.0
Other loan creditors	**-**	-	0.5
	6.2	7.4	3.0
Non-current			
Bank loans	**8.2**	9.0	8.6
Other loan creditors	**-**	-	-
	8.2	9.0	8.6
Total financial liabilities	**14.4**	16.4	11.6

b) Movement in net borrowings	**30 June 2012 Unaudited £m**	30 June 2011 Unaudited £m	31 December 2011 £m
Net borrowings at beginning of period	**(5.6)**	(6.1)	(6.1)

Net increase/(decrease) in cash and cash equivalents	**0.1**	0.7	(1.1)
(Increase)/decrease in loans	**(1.7)**	(3.3)	1.0
(Increase)/decrease in invoice financing	**(1.1)**	0.2	0.2
On disposal of business	**-**	-	0.4
Currency translation differences	**(0.2)**	-	-
Net borrowings at end of period	**(8.5)**	(8.5)	(5.6)

c) Analysis of net borrowings	**30 June 2012 Unaudited £m**	30 June 2011 Unaudited £m	31 December 2011 £m
Financial liabilities – borrowings	**(14.4)**	(16.4)	(11.6)
Cash and cash equivalents	**5.9**	7.9	6.0
As at end of period	**(8.5)**	(8.5)	(5.6)

The bank loans include a revolving credit facility and two term loans which expire in 2013 and 2016. These bank loans are secured by a first fixed charge over all book and other debts given by the Company and certain of its subsidiaries. Interest rates vary over the term of the loans. In 2012, the applicable interest rates were 2.0% over LIBOR for the revolving credit facility and 2.0% over base rate for the term loans. The interest rate on the UK bank overdrafts was fixed in 2012 at a rate of 2.5% above base rate.

The amounts above for invoice financing represent with-recourse facilities. The Group also has non-recourse invoice financing which is offset against trade receivables. The total amount at 30 June 2012 was £8.4m (30 June 2011: £6.9m; 31 December 2011; £10.1m).

9. Trade and other receivables

	30 June 2012 Unaudited £m	30 June 2011 Unaudited £m	31 December 2011 £m
Trade receivables	**24.1**	27.6	25.9
Less provision for impairment of trade receivables	**(0.2)**	(0.2)	(0.3)
Net trade receivables	**23.9**	27.4	25.6
Prepayments and accrued income	**4.1**	3.7	1.9
Deferred and contingent consideration	**0.1**	-	-
Other receivables	**2.1**	2.1	2.8
	30.2	33.2	30.3

10. Trade and other payables

	30 June 2012 Unaudited £m	30 June 2011 Unaudited £m	31 December 2011 £m
Trade payables	**1.3**	1.6	1.4
Other tax and social security	**5.8**	8.0	6.2
Other payables	**4.7**	4.7	5.4

Accruals	**9.2**	9.8	9.2
Exceptional provisions	**1.7**	3.0	2.2
Deferred and contingent consideration	**-**	0.3	0.1
	22.7	27.4	24.5

11. Exceptional provisions

	30 June 2012 Unaudited £m	30 June 2011 Unaudited £m	31 December 2011 £m
Provision against potential retrospective pay claims and social security liability in Germany	**1.4**	3.0	1.7
Provision for social security in Finland	**0.3**	-	0.3
Provision for contract dispute in India	**-**	-	0.2
	1.7	3.0	2.2

12. Post balance sheet events

On 13 July 2012 the Group acquired the final 5.7% of shares held by minority shareholders in FastTrack Management Services (London) Limited for £0.3m, which is now held 100% by the Group. The total consideration is up to £282,000, with an initial consideration of £254,000 and a deferred consideration of up to £28,000, payable in 2013 and contingent on certain performance criteria being met. The consideration was paid in cash.

On 15 August 2012 the Group announced that pursuant to a shareholders' agreement originally entered into on 18 July 2008, it has acquired a further 26.7 per cent. of the issued shares of each of MediradiX Oy (Finland) and MediradiX OÜ (Estonia). The Group now holds 86.7 per cent. of the shares of both these companies. The Company has paid aggregate cash consideration of EUR 0.1m to the vendor for the shares although this amount remains subject to possible final adjustment.

13. Going concern

The Group’s activities are funded by a combination of long-term equity capital, term loans, a revolving credit facility, short-term invoice discounting and bank overdraft facilities. The day to day operations are funded by cash generated from trading and invoice discounting facilities. The Board has reviewed the Group’s profit and cash flow projections and applied sensitivities to the underlying assumptions. These projections suggest that the Group will meet its obligations as they fall due with the use of existing facilities.

The majority of the Group’s overdraft facilities fall due for renewal at the end of January each year and, based on informal discussions the Board has had with its lenders, has no reason to believe that these facilities will not continue to be available to the Group for the foreseeable future.