

Contacts:
Alan Barber
Executive Chairman

Nick Stagg
Chief Executive

Craig Smith
Finance Director



Results for the half-year ended
30 June 2010

Important notice



This presentation is directed at and should be distributed only to the persons of the kind specified in the exemptions contained in articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001. Any person in receipt of this document who does not fall within the exemptions referred to above should return this document to Craig Smith, Finance Director, Management Consulting Group PLC, immediately and take no other action.

These presentation slides contain forward-looking statements and forecasts with respect to the financial condition, results of operations and businesses of Management Consulting Group PLC and its subsidiaries. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by those forward-looking statements and forecasts. Nothing in this announcement should be construed as a profit forecast.

Contents



- Commercial highlights
- Financial highlights
- Financial performance
 - Profit and loss
 - Net assets
 - Cash flow and debt
- Divisional performance
 - Alexander Proudfoot
 - Ineum Consulting
 - Kurt Salmon Associates
- Prospects

Commercial highlights



ALEXANDER PROUDFOOT
people • productivity • profitability

ineum ✨ ✨ ✨ ✨
consulting™

 **KURT SALMON ASSOCIATES**



- Creditable trading performance in unstable markets
- Excellent early-cycle recovery from Kurt Salmon Associates
- Solid performance from Ineum Consulting despite weakness in some sectors of French market
- Challenging first half for Alexander Proudfoot but strong order intake in July and good prospects for second half of year
- Merger between Ineum Consulting and Kurt Salmon Associates on track for launch in January 2011
- New Chief Executive, Nick Stagg, started 1 July 2010
- £25m raised in balance sheet refinancing brings on BlueGem as new strategic investor

Financial highlights

OPERATING PROFIT UP

Profit and margin increased despite lower revenue

- Revenue down 15% to £131.3m (2009: £155.1m)
- Underlying* operating profit up 3% to £12.4m (2009: £12.1m)
- Underlying operating margin up 21% to 9.4% (2009: 7.8%)
- Underlying earnings per share up 5% to 2.2p (2009: 2.1p)
- Interim dividend 0.15p per share (2009: 0.4p per share)

- Net debt down 6% to £74.8m (June 2009: £79.7m)
- £25m raised in June 2010 from firm placing, placing and open offer

*The term 'underlying' is defined as: 'before non-recurring items and the amortisation of acquired intangible assets'.

Profit and loss account

OPERATING MARGIN

Both underlying operating profit and operating margin increased despite the revenue shortfall

	H1 2010 £m	H1 2009 £m
Revenue	131.5	155.1
Underlying operating profit	12.4	12.1
Amortisation of intangibles	(1.4)	(1.4)
Non-recurring items	0.2	(6.8)
Operating profit	11.2	3.9
Net interest cost	(1.9)	(1.7)
Profit before tax	9.3	2.2
Tax expense	(2.8)	(2.2)
Profit for the period	6.5	0.0

Performance by division

IMPROVING TRENDS

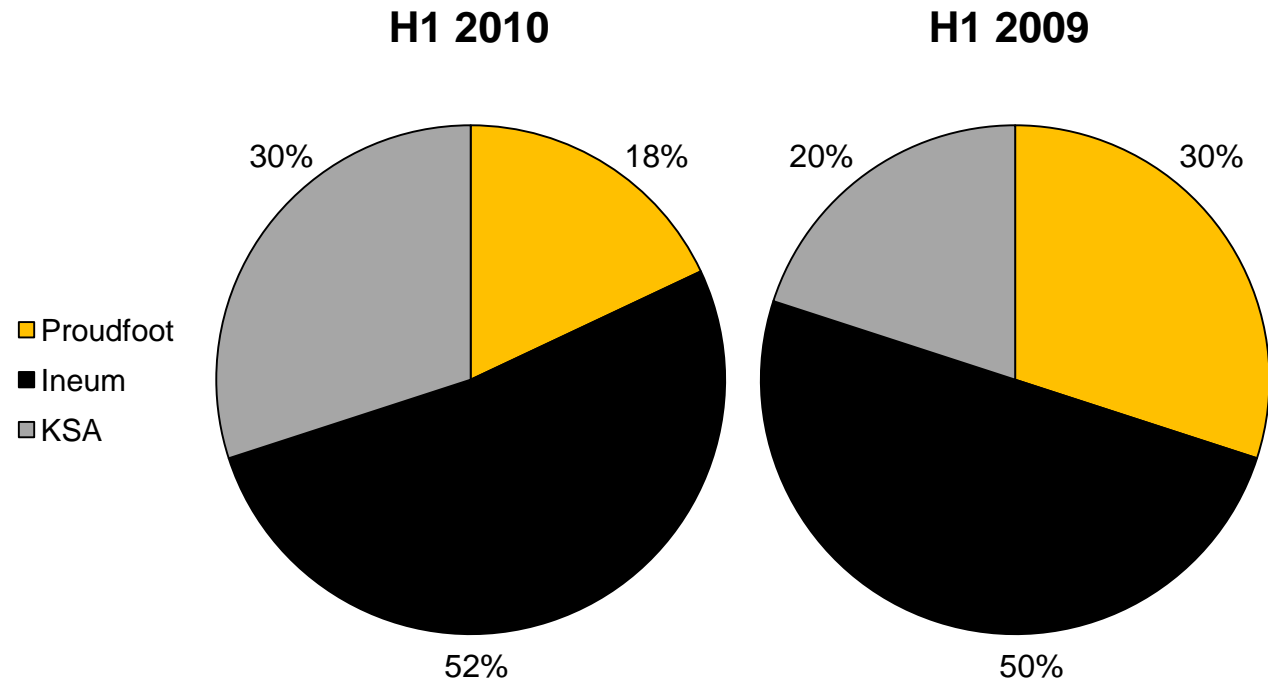
Both Ineum Consulting and Kurt Salmon Associates showed good progress on 2009

	Revenue		Operating profit		Operating margin	
	H1 2010 £m	H1 2009 £m	H1 2010 £m	H1 2009 £m	H1 2010 %	H1 2009 %
Proudfoot	23.9	46.3	(0.2)	8.4	(1%)	18%
Ineum	67.6	76.8	7.7	3.9	11%	5%
KSA	39.8	32.0	4.9	(0.2)	12%	(1%)
Total MCG	131.3	155.1	12.4	12.1	9%	8%

Revenue by division

GOOD SPREAD

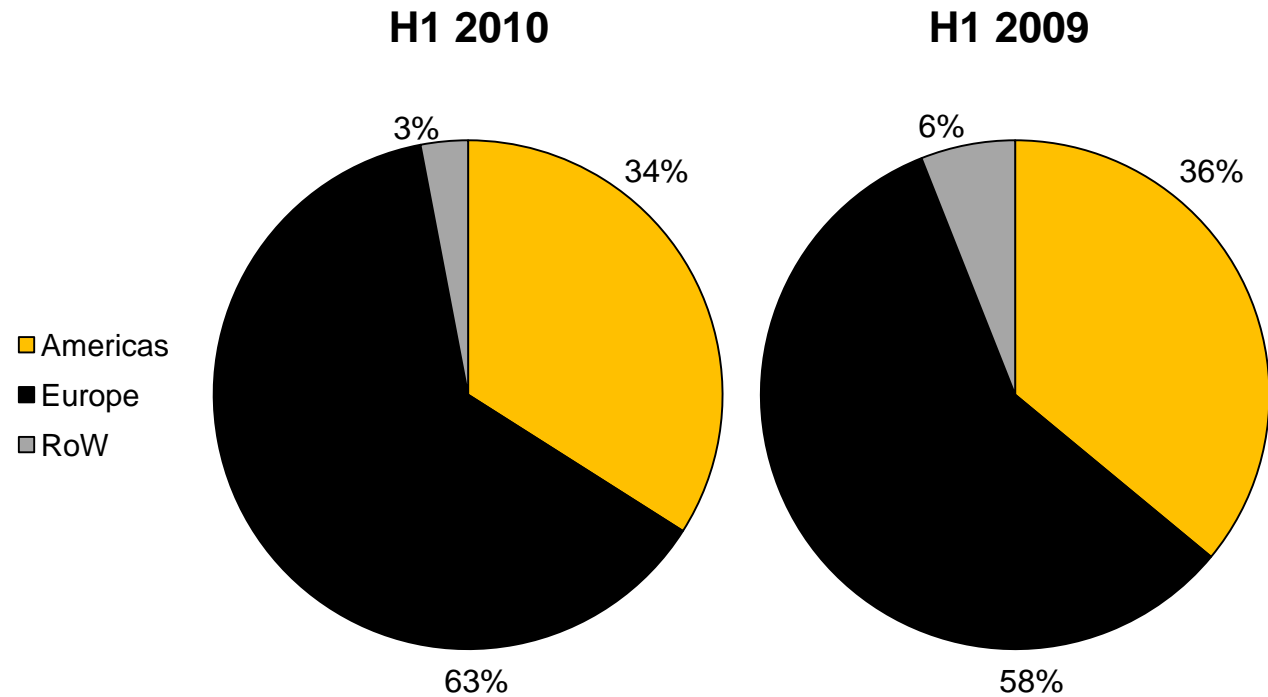
The Group has divisions of good size, well diversified by industry



Revenue by geography

GLOBAL BUSINESS

The Group is present in all important markets across the globe



Non-recurring items

> NET CREDIT

The majority of non-recurring costs relate to the merger between Ineum Consulting and Kurt Salmon Associates

	H1 2010 £m	H1 2009 £m
Merger costs	1.1	
Legal provision release	(1.5)	
Parson US closure		1.7
Australia closure		1.5
Other	0.2	3.6
Total MCG	(0.2)	6.8

Underlying tax rate

> STEADY RATE

The Group made the majority of its profits in the US and France

	H1 2010		H1 2009	
	Profit £m	Tax £m	Profit £m	Tax £m
Declared profit before tax	9.3	(2.8)	2.2	(2.2)
Non-recurring items	(0.2)	(0.4)	6.8	(1.4)
Amortisation of intangibles	1.4		1.4	
Exceptional prior year item		(0.5)		
Adjusted profit before tax	10.5	(3.7)	10.4	(3.6)
Underlying tax rate		35%		35%

Earnings per share

IMPROVING EPS

Both measures of EPS showed an improvement on last year

	H1 2010		H1 2009	
	£m	pence	£m	pence
Profit for the period	6.5	2.0	0.0	0.0
Non-recurring items	(0.2)		6.8	
Tax credit on non-recurring	(0.4)		(1.4)	
Amortisation of intangibles	1.4		1.4	
Underlying earnings	7.3	2.2	6.8	2.1

Note: excluding the exceptional prior year tax credit from underlying earnings would reduce H1 2010 underlying EPS to 2.1p per share, level with 2009.

Net assets

EXCHANGE EFFECT

The vast majority of the Group's assets are held in currencies other than Sterling

	June 2010 £m	Dec 2009 £m	June 2009 £m
Intangible assets	275.8	286.7	275.5
Tangible assets	3.2	4.5	4.0
Deferred tax asset	17.5	17.9	17.9
Trade and other receivables	89.8	76.3	83.7
Cash and cash equivalents	19.0	24.0	20.8
Total assets	405.4	409.4	401.9
Borrowings	(93.8)	(107.5)	(100.5)
Other payables	(116.1)	(127.1)	(142.7)
Retirement benefit obligation	(28.7)	(23.3)	(18.0)
Total liabilities	(238.6)	(257.9)	(261.2)
Net assets	166.8	151.5	140.7

Cash flow and debt

> CAPITAL RAISED

£25m raised through firm placing, placing and open offer

	H1 2010 £m	H1 2009 £m	FY 2009 £m
Operating profit	11.2	3.9	9.6
Depreciation / amortisation	2.9	2.6	5.1
Other non-cash items	(1.0)	0.5	(0.3)
(+)/- net working capital	(22.3)	(24.0)	(27.9)
Cash absorbed by operations	(9.2)	(17.0)	(13.5)
Capital raised	25.0		
Reclassification from investments	(0.2)		3.8
Capital expenditure	(0.6)	(0.6)	(2.5)
Interest paid	(1.9)	(1.5)	(3.4)
Taxes paid	(4.5)	(2.2)	(5.0)
Dividends paid			(4.2)
Exchange difference	0.1	3.7	3.4
(+)/- in net debt	8.7	(17.6)	(21.4)
Net debt at beginning of period	(83.5)	(62.1)	(62.1)
Net debt at end of period	(74.8)	(79.7)	(83.5)

Covenant compliance

TWO COVENANTS

The Group remains covenant compliant

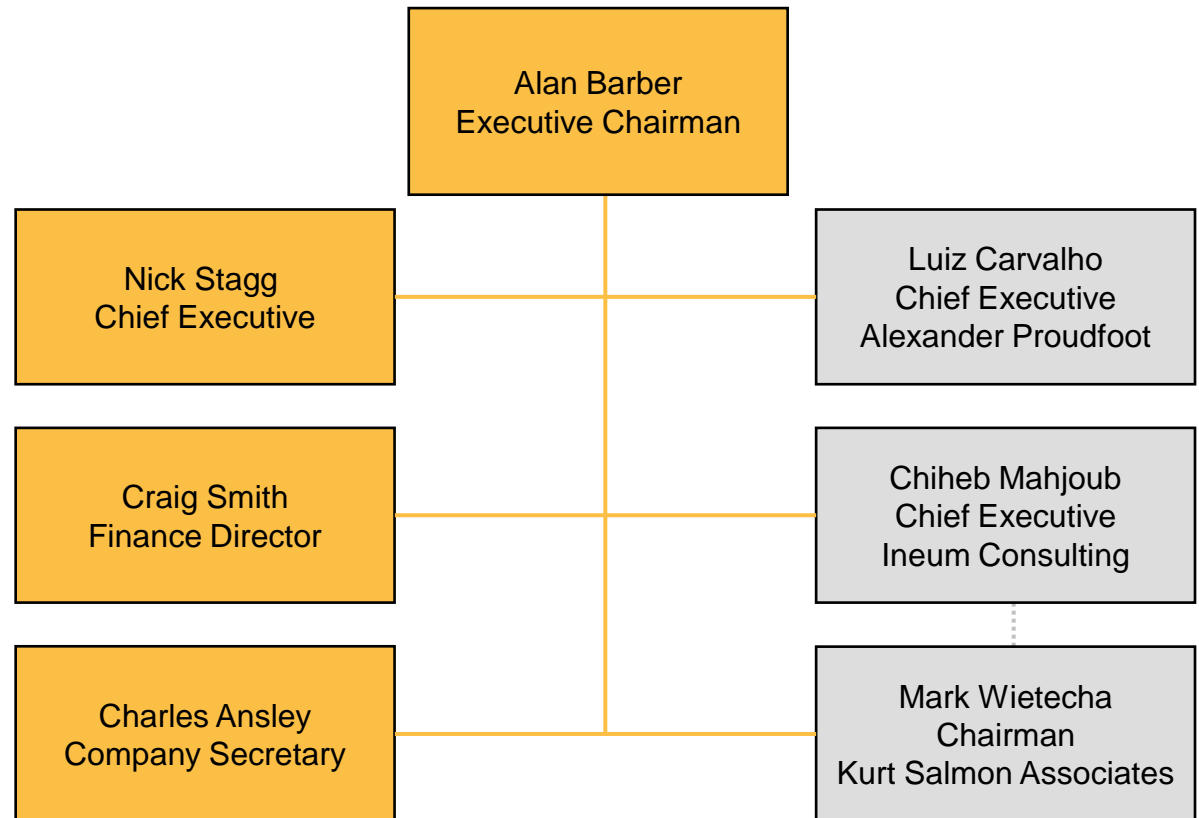
	June 2010* £m	Dec 2009 £m	June 2009 £m
Net debt	74.8	83.5	79.7
Annualised EBITDA	30.5	31.8	37.3
Net debt / EBITDA ratio	2.4	2.6	2.1
Annualised EBITDA	30.5	31.8	37.3
Annualised interest cost	2.7	2.5	2.6
Interest cover ratio	11.2	12.7	14.4

*Facility headroom was £42.9m at June 2010

Organisational structure

THREE TRADING DIVISIONS

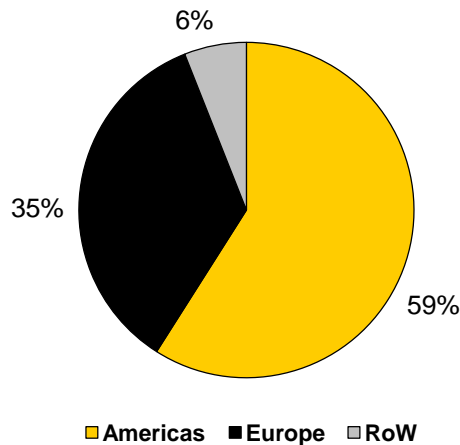
Merger between Ineum and KSA almost complete





- Revenue £23.9m (2009: £46.3m)
- Operating loss £0.2m (2009: £8.4m profit)
- Operating margin -1% (2009: 18%)

H1 2010 revenue

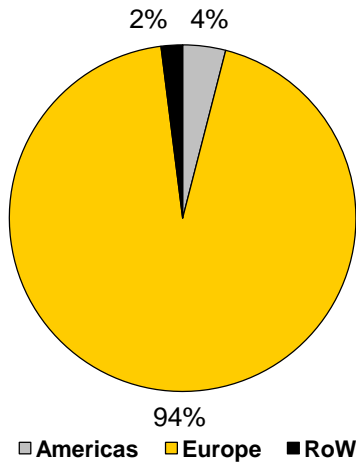


- Challenging first half with low order book carried into year from 2009
- Encouraging levels of interest in first half – better than at any stage of 2009
- US recovering faster than Europe
- Four large contracts signed in July 2010
- Order book now higher than at any point since December 2008



- Revenue £68.3m (2009: £86.8m)
- Operating profit £7.7m (2009: £3.9m)
- Operating margin 11% (2009: 5%)

H1 2010 revenue

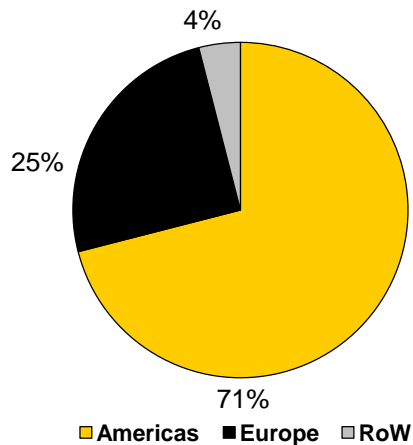


- Solid recovery in financial services sector internationally
- New York office has booked its two largest contracts
- Weaker performance in some areas of French economy, particularly manufacturing and smaller companies
- Merger with Kurt Salmon Associates progressing well



- Revenue £39.1m (2009: £32.0m)
- Operating profit £4.9m (2009: £0.2m loss)
- Operating margin 12% (2009: -1%)

H1 2010 revenue

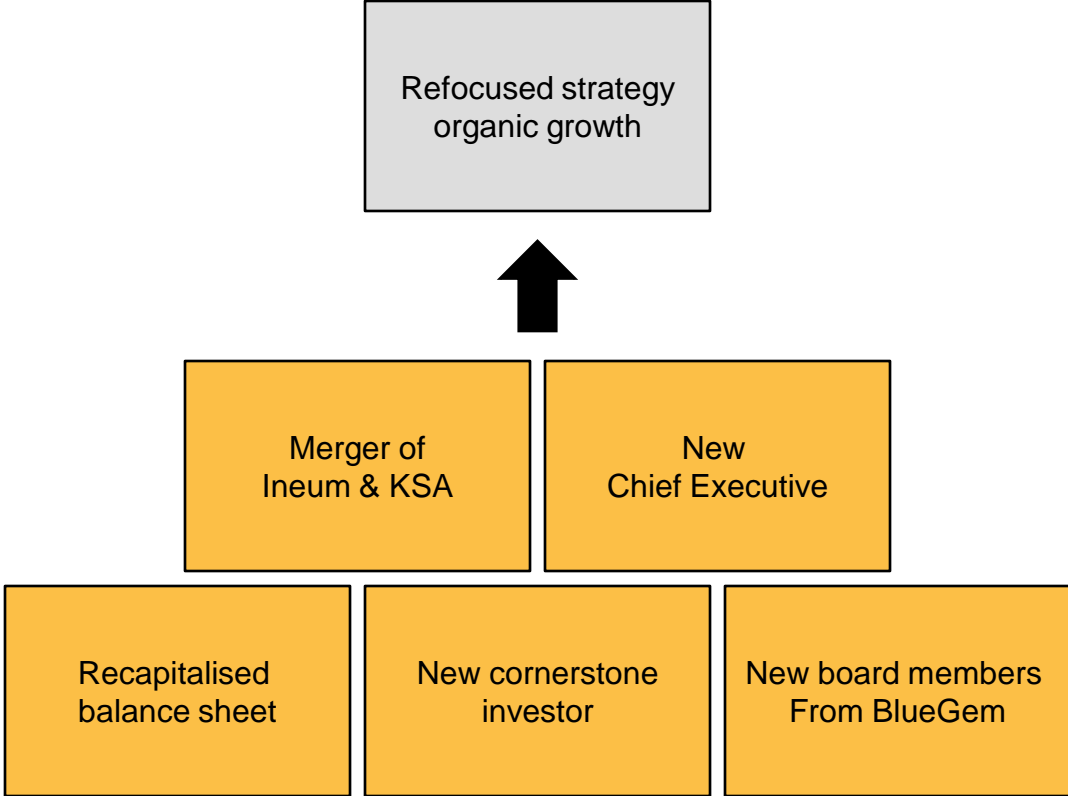


- Very strong early-cycle recovery in consumer products sector
- US health care sector benefiting from political stability and better credit availability
- Strong order book implies that trend will continue throughout year
- Merger with Ineum Consulting progressing well

Prospects – building blocks

REFOCUSED STRATEGY

MCG will concentrate on an organic growth strategy



Prospects

EASING ECONOMY

MCG is well positioned to take advantage of the economic upturn as it arises

- Improved investment proposition due to balance sheet refinancing, new cornerstone investor, new Chief Executive and refocused strategy
- Merger of Ineum Consulting and Kurt Salmon Associates will create a stronger, more global consultancy business
- New business signed in July by Alexander Proudfoot indicates a recovery in this business
- US appears to be recovering from economic problems faster than Europe

- Blocks now in place on which to build the future development of the Group as economies in the Group's major markets begin to stabilise