RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

March 2012

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Management Consulting Group PLC

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Commercial highlights

Commercial highlights

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Kurt Salmon

- Good result for the year, delivering double digit revenue growth and improved margin in an uncertain economic environment
- Strong cash generation helped to nearly halve net debt, to below 1x EBITDA
- Increasing proportion of overall Group revenues delivered in emerging markets
- Acquisition of retail consulting business in China
- New £85m banking facility in place which runs to 2016
- Share awards to key staff to improve alignment with shareholder value creation

Revenue by geography

Global business

The Group is present in the important markets across the globe

95% of MCG's revenues were derived from outside the UK

18% of 2011 revenues related to client projects outside North America and Western Europe

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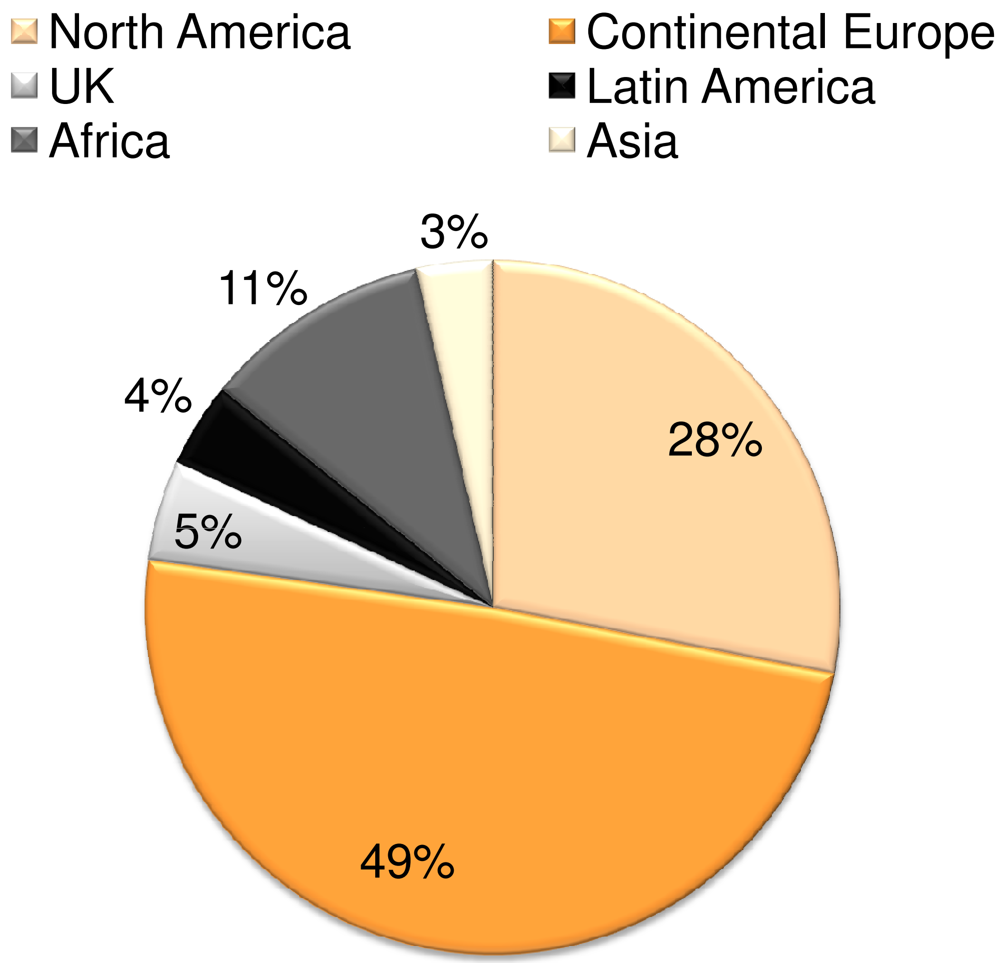
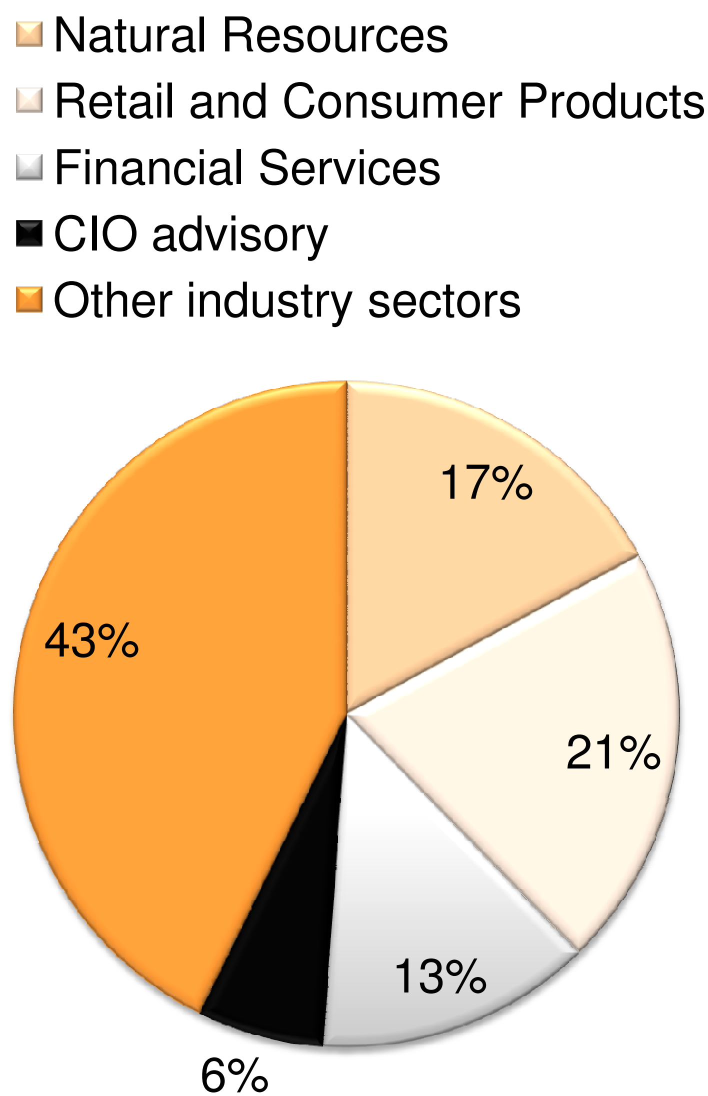


Revenue by industry sector

Sector strengths

The Group has sector strengths in natural resources, retail and consumer products and financial services

Industry expertise and long terms client relationships deliver high levels of repeat work



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Financial highlights

Financial highlights

Significantly improved results

- Revenue up 12% to £302.6m (2010: £270.4m)
- Operating profit up 42% to £25.5m (2010: £18.0m)
- Underlying* operating profit up 22% to £28.3m (2010: £23.3m)
- Underlying* operating margin higher at 9.4% (2010: 8.6%)
- Profit for the year increased by 78% to £16.4m (2010: £9.2m)
- Cash generated by operations increased by 90% to £32.5m (2010: £17.1m)
- Net debt reduced by 48% to £28.2m (2010: £54.4m)
- Underlying* EPS up 9% to 3.8p (2010: 3.5p). Basic EPS up 54% to 3.7p (2010: 2.4p)
- Total dividend increased 67% to 0.75p per share (2010: 0.45p per share)

The term 'underlying' is defined as: 'before non-recurring items, the amortisation of acquired intangible assets and the impairment of acquired goodwill from continuing operations'.

Financial performance

Profit and loss account

Increase in revenue and operating profit

	2011 £m	2010 £m
Revenue	**302.6**	**270.4**
Underlying EBITDA	**30.2**	**26.5**
Underlying operating profit	**28.3**	**23.3**
Amortisation of intangibles	(2.6)	(2.7)
Non-recurring items	(0.2)	(2.6)
Operating profit	**25.5**	**18.0**
Net interest cost	(2.3)	(3.7)
Profit before tax	**23.2**	**14.3**
Tax expense	(6.7)	(5.1)
Profit for the period	**16.4**	**9.2**

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Cash flow and debt

Strong cash generation from operations

Net debt has nearly halved

	2011 £m	2010 £m
Operating profit	**25.5**	**18.0**
Depreciation and amortisation	4.6	5.7
Share award charge	1.7	(1.3)
Additional pension funding	(2.8)	-
(+)/- net working capital/other items	3.5	(5.3)
Cash generated/(absorbed) by operations	**32.5**	**17.1**
Equity issue/share purchases	9.0	23.6
Acquisition	(1.5)	-
Capital expenditure	(2.6)	(2.1)
Net interest paid	(2.5)	(2.4)
Taxes paid	(6.2)	(6.7)
Dividends paid	(2.0)	-
Exchange differences	(0.5)	(0.4)
Reduction in net debt	**26.2**	**29.1**
Net debt at beginning of year	**(54.4)**	**(83.5)**
Net debt at end of year	**(28.2)**	**(54.4)**

Net assets

Increase in net assets

	2011 £m	2010 £m
Intangible assets	274.3	276.9
Tangible assets	3.1	2.9
Investments	2.9	3.2
Deferred tax asset	18.6	19.1
Trade and other receivables	72.8	76.5
Cash and cash equivalents	19.8	25.7
Total assets	**391.5**	**404.3**
Borrowings	(47.9)	(80.1)
Other payables	(125.7)	(122.7)
Retirement benefit obligation	(23.2)	(25.7)
Total liabilities	**(196.8)**	**(228.5)**
Net assets	**194.7**	**175.8**

Non-recurring items

Minimal net impact

Restructuring costs principally relate to the completion of the Kurt Salmon merger

	2011 £m	2010 £m
Kurt Salmon merger	(4.4)	(2.3)
Property rationalisation	(1.1)	(2.2)
Other restructuring	-	(1.1)
Acquisition costs	(0.2)	-
Legal provision release	5.5	3.0
	(0.2)	**(2.6)**

Underlying tax rate

Consistent with 2010

	Profit £m	Tax £m	Profit £m	Tax £m
Declared profit before tax	**23.2**	**(6.7)**	**14.3**	**(5.1)**
Non-recurring items	0.2	(1.7)	2.6	(1.1)
Amortisation of intangibles	2.6	(1.0)	2.7	(1.0)
Adjusted profit before tax	**26.0**	**(9.4)**	**19.6**	**(7.2)**
Underlying tax rate	**-**	**36%**	**-**	**36%**

Earnings per share

Improved EPS despite dilutive impact of capital raising

Dilution impact is a 0.6p reduction

	2011		2010	
	£m	pence	£m	pence
Profit for the period/basic EPS	**16.4**	**3.7**	**9.2**	**2.4**
Non-recurring items	0.2	-	2.6	-
Amortisation of intangibles	2.6	-	2.7	-
Tax on non-recurring and intangibles	(2.6)	-	(1.1)	-
Underlying earnings/EPS	**16.6**	**3.8**	**13.4**	**3.5**

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Divisional performance

Performance by division

Strong recovery in Alexander Proudfoot in H2 2010 has continued

Revenue growth in Kurt Salmon, but slightly reduced margin reflects share award costs and weaker H2 2011 from continued investment

	Revenue		Operating profit		Operating margin	
	2011 £m	2010 £m	2011 £m	2010 £m	2011 %	2010 %
Proudfoot	87.0	62.2	11.6	4.9	*13.3%*	*7.9%*
Kurt Salmon	215.6	208.2	16.8	18.4	*7.8%*	*8.8%*
Total MCG	**302.6**	**270.4**	**28.3**	**23.3**	***9.4%***	***8.6%***

Alexander Proudfoot

	2011 £m	2010 £m
Revenue	87.0	62.2
Op. profit	11.6	4.9
Op. margin %	*13.3%*	*7.9%*
Employees	302	293

- Strong recovery from second half of 2010 was sustained in 2011
- 40% year on year revenue growth, and significant margin improvement
- Benefited from strong demand from natural resources clients
- Increasing proportion of work delivered in emerging markets
- Strong order book and pipeline at the end of 2011
- Promising start to 2012

Kurt Salmon

	2011 £m	2010 £m
Revenue	215.6	208.2
Op. profit	16.8	18.4
Op. margin %	*7.8%*	*8.8%*
Employees	1,420	1,362

- Overall revenue growth of 4% reflects strength in core European and US markets
- Some reduction in margin year on year, partly attributable to share award costs in 2011 and continuing investment
- Benefits of merger of KSA and Ineum are being realised
- Continuing investment to drive future profitable growth
- Expansion in China through acquisition and continuing focus on opportunities in emerging economies
- Strong order book and pipeline at the end of 2011
- Promising start to 2012 in spite of weak growth signals in European markets

Prospects

Prospects

Positive momentum

- Alexander Proudfoot continues to benefit from demand in natural resources sector and growth in emerging markets
- Kurt Salmon has a strong position in its core markets in Europe and North America
- Eurozone uncertainty is unhelpful, but MCG's businesses are focused on stronger French and German economies, with no exposure to Southern Europe
- MCG will focus on opportunities in growing markets, including in emerging economies
- Industry sector focus provides opportunities to exploit different growth drivers in financial services, retail and consumer goods, and natural resources
- Pipeline is encouraging at this stage of the year and we have made a promising start to 2012

Appendices

Alexander Proudfoot

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- Operational improvement business
  - Revenue / productivity increase and cost reduction
  - Works across all industries – natural resources, manufacturing, services
- Global operations
  - Headquartered in Atlanta, offices in North America, Europe, South Africa and Brazil
- Direct sell, mainly to CEOs
  - Average project size in excess of £2m
  - Order book visibility generally 4-6 months
  - c300 employees
- Major competitors include Celerant, Highland Group and AT Kearney

Kurt Salmon

- Management consultancy business
  - Strategy, process improvement, systems design
  - Provides industry specific services to both private and public sectors
- International operations, core markets are in France and the US
  - Headquartered in Paris and New York, offices in US, Europe, Japan and China
- Relationship sell to CXOs
  - Average project size around £300k
  - Formal order book visibility generally 2-4 months (public sector is longer), but clients are long standing and repeat work is the norm
  - c1,400 employees
- Major competitors include Accenture, McKinsey, Oliver Wyman, Bain and Booz Allan