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Management Consulting Group PLC
11 August 2008

Financial results for the six months ended 30 June 2008

Management Consulting Group PLC ('MCG' or 'the Group'), the international management consultancy group, today announces its results for the six months ended 30 June 2008

Key points

- Revenue up 67% on last year to £167.9m (2007: £100.5m)*
- Underlying profit from operations up 49% to £15.2m (2007: £10.2m)
- Loss from operations £23.7m (2007: £8.3m profit)
- Underlying EPS up 8% to 2.8 pence (2007: 2.6 pence)
- Basic EPS -7.2 pence (2007: 1.9 pence)
- Interim dividend up 21% to 0.4 pence per share (2007: 0.33 pence)
- Net debt £78.9m (2007: £28.8m)
- Business restructured for better client focus

* Kurt Salmon Associates was acquired on 12 October 2007. CBH Consulting was acquired on 6 September 2007.
** The term 'underlying' is used to describe profits before non-recurring items, the amortisation of acquired intangible assets and the impairment of acquired goodwill.

Alan Barber: Executive Chairman
MCG has undergone a great deal of change during the first six months of 2008 and has emerged as a more balanced client focused business with two distinct business streams: Consultancy Practices and Operational Consulting. The Group's trading has shown considerable progress and resilience in difficult trading conditions although the overall result is tempered by the operating loss in parts of Parson Consulting. Plans have been announced to rectify this. The strong growth in the order book has been maintained throughout the period and the Board is viewing the second half of the year with increasing confidence as this trend continues.

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An analyst briefing will be held today at 9.30am at the offices of N M Rothschild & Sons, 1 King William Street, London EC4N 7AR.

Notes to editors:
Management Consulting Group PLC is an umbrella organisation for a diverse range of professional service offerings. It is now aligned under two separate groups - Consultancy Practices and Operational Consulting. Consultancy Practices offers strategic and business management consultancy services and comprises Ineum Consulting, Kurt Salmon Associates, Parson Consulting, Salzer Consulting and Viaduct Consulting. Operational Consulting comprises the operational and financial management consultancy business, Proudfoot Consulting. This structure has created two clear and distinct business streams to provide a firm foundation for delivering profitable growth and enhanced shareholder value.

Forward looking statements:
This interim announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of Management Consulting Group PLC. 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 these forward-looking statements and forecasts. The forward-looking statements are based on the directors' current views and information known to them at 11 August 2008. The directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Nothing in this announcement should be construed as a profit forecast.

Chairman’s statement

New organisational structure
Management Consulting Group PLC (“MCG” or “The Group”) has undergone a great deal of change during the first six months of 2008 and has emerged as a more balanced client-focused business with a reduced risk profile and two clear and distinct business streams:

- Consultancy Practices – this group comprises the industry-led and specialised consultancies offering strategic and business management consultancy services. It is made up of Ineum Consulting, Kurt Salmon Associates, Parson Consulting, Salzer Consulting and Viaduct Consulting, and is led by Miguel de Fontenay.
- Operational Consulting – this group comprises the operational and financial management consulting business, Proudfoot Consulting, and remains under the leadership of Luiz Carvalho.

To ensure effective management of the new organisation, the leadership roles within the senior management of MCG have been redefined. On 19 February 2008, Rolf Stomberg, Chairman and Kevin Parry, Chief Executive, stood down from the Board. On the same day I was appointed Executive Chairman and continue to have overall executive responsibility for the Group.

On 19 March 2008 Luiz Carvalho, Miguel de Fontenay and Mark Wietecha joined the Board as Executive Directors. On 23 April 2008 Mark Wietecha was appointed Deputy Chairman and Luiz Carvalho and Miguel de Fontenay appointed Managing Directors of MCG. On 19 February 2008 Craig Smith, Group Finance Director, announced his resignation but on 23 April 2008 I was delighted to announce that he had agreed to withdraw this and would continue in that role.

The Board currently has four non-executive directors: Baroness Janet Cohen, Stephen Ferriss, J P Bolduc and Andrew Simon. It is seeking to appoint additional independent non-executive directors to ensure compliance with the Combined Code and to reflect the geographical diversity of MCG. Search processes have commenced and appointments will take place in the coming months.

The new organisational structure was developed following a consultation process that solicited the views of many internal and external stakeholders of MCG. As a result of this new structure and the management changes the Board believes that MCG is well positioned to deliver growth and value to all shareholders.

Strategic review
The strategy of MCG will remain to grow its existing operations, principally organically but supported by selected add-on acquisitions. Throughout, the clear emphasis will be to deliver growth in shareholder value by improving margins while, at the same time, investing for organic expansion. A review of the business to determine the details of this strategy, given its new organisational structure, is currently underway, led by Miguel de Fontenay. The results of this review will be published this autumn.

Group results
The Group's trading results are in line with the Board's expectations at the time of the trading update issued on 30 June 2008. MCG has shown considerable progress and resilience in difficult trading conditions, although the overall result is tempered somewhat by the underlying operating loss in parts of Parson Consulting. The Board has already announced plans to rectify this situation.

Revenue £'000

	Unaudited six months ended 30 June 2008 £'000	Unaudited six months ended 30 June 2007 £'000
Ineum Consulting	**57,448**	40,481
Kurt Salmon Associates	**41,726**	—
Parson Consulting	**21,329**	21,382
Salzer Consulting	**1,219**	473
Viaduct Consulting	**297**	—
Total Consulting Practices	**122,019**	62,336
Proudfoot Consulting	**45,904**	38,203
Total Operational Consulting	**45,904**	38,203
Total MCG	**167,923**	100,539

Underlying operating profit/(loss) £'000

	Unaudited six months ended 30 June 2008 £'000	Unaudited six months ended 30 June 2007 £'000
Ineum Consulting	**6,123**	4,584
Kurt Salmon Associates	**4,018**	—
Parson Consulting	**(1,368)**	(827)
Salzer Consulting	**46**	(189)
Viaduct Consulting	**(97)**	—
Total Consulting Practices	**8,722**	3,568
Proudfoot Consulting	**6,444**	6,591
Total Operational Consulting	**6,444**	6,591
Total MCG	**15,166**	10,159

Note:
Kurt Salmon Associates was acquired on 12 October 2007. CBH Consulting was acquired on 6 September 2007. It was merged with Parson Consulting in December 2007 and its 2007 post-acquisition results of £1.9m revenue and £0.1m underlying operating profit are included in the Parson Consulting results above.

Revenue for the six months to June 2008 was £167.9m. This represented an increase on the first half of 2007 of 67.1%. Excluding the effects of exchange and acquisitions the like-for-like organic growth of the business was approximately 15%.

Underlying operating profit increased by 49.0% from £10.2m during the first half of 2007 to £15.2m in the first half of 2008. This gives an underlying operating profit margin of 9.1% (2007: 10.1%). The underlying operating margin would have been 10.9% if the results for the US and UK businesses of Parson Consulting were excluded. The loss from operations after taking into account the non-recurring costs and the amortisation of acquired intangibles was £23.7m (2007: £8.3m profit).

The strength of the Euro compared to Sterling had a positive effect on the Group's results during 2008. If translated at equivalent 2007 exchange rates revenue would have been £156.6m and underlying operating profit £14.1m.

Group results continued
Non-recurring items charged during the period amounted to £11.0m (2007: £1.3m). These items comprised £2.3m relating to the integration of the businesses acquired during 2007, £2.5m relating to the general meeting called by shareholders in February 2008 and the resulting departure of the Chief Executive and an additional charge of £6.2m relating to the restructuring of the business subsequent to the general meeting. Included in this is a Group-wide initiative to rationalise office space and reduce the Group's rental cost burden. Ultimately the Group expects to move out of a dozen offices worldwide and save approximately £2m per annum in property and associated salary costs. In addition the Group has identified other cost savings which will be outlined at the time of the strategic review announcement.

Amortisation of acquired intangibles was £1.1m (2007: £0.6m). An impairment of goodwill amounting to £26.7m (2007: nil) was recorded relating to the Parson Consulting business.

The total interest charge for the period was £2.1m (2007: £0.8m) reflecting the increased debt taken on during the second half of 2007 to finance the acquisition and operations of Kurt Salmon Associates and CBH Consulting and the working capital cycle of the Group which shows the majority of cash expenditure during the first half of each year.

The underlying tax charge on profit before tax was 32%, the same as for the whole of 2007. The actual tax charge reflects the release of the deferred tax liability relating to the impairment of Parson Consulting goodwill and the tax credit relating to the non-recurring costs. The difference between the actual tax charge and the effective cash tax rate was insignificant. For the whole of 2007 the effective cash tax rate was 28%.

Consultancy Practices Group
The first half of 2008 saw the creation and launch of the Consultancy Practices Group. The aim of this group is to leverage the specialist industry-based knowledge and the horizontal, functional expertise of its component consultancies to develop offerings for its clients based on strategic and business management consultancy services. The business performed well in the first half of 2008, led by strong growth by Ineum Consulting, particularly in its French market. Kurt Salmon Associates traded solidly, buoyed by some large contract wins early in the year from North American retail clients but adversely affected by slower than expected trading from its Chinese subsidiary. Parson Consulting was in line with expectations in France and Australia but weak in the US and the UK. Plans for this business are discussed in more detail below. Salzer Consulting continued its strong growth, more than doubling its revenue for the same period in 2007. Viaduct Consulting achieved its first significant revenues during the period. The Consultancy Practices Group is in the process of developing its combined strategy and will publish this in the autumn.

Parson Consulting
Parson Consulting has underperformed financially in recent years and was loss making again in the first half of 2008. The Parson Consulting UK and US businesses combined accounted for £2.0m of underlying operating loss on revenue of £9.5m (2007: £1.5m underlying operating loss on revenue of £11.4m). The new management of the Group is taking the earliest opportunity to reorganise this business. Before the end of 2008 appropriate elements of the Parson business worldwide will be absorbed into the rest of the Group's consultancies and the Parson brand will be discontinued, thus ensuring that any future losses from this business cease to impact the profitability of the Group as a whole. There will be no disruption to existing client service. Indeed the future offering to clients will be enhanced as the consultancy services to chief financial officers will be marketed across each of the industry sector offerings of the Consultancy Practices Group. Further details will be published in the autumn as part of the strategic review.

As a result an impairment of the goodwill relating to the Parson Consulting business of £26.7m is recognised in the results for the first half of 2008.

Operational Consulting Group
The newly formed Operational Consulting Group that trades under the brand-name of Proudfoot Consulting showed good progress in 2008. Revenue was 20.2% higher than for the comparative period in 2007. Operating profit was 2.2% below last year reflecting the less favourable geographical mix of the business in the first half of 2008. Particularly praiseworthy were the performance of the South African business, which benefited from continued project wins and good business in the mining sector, and the major contracts won in June, two of which had fees totalling over $17m. The Proudfoot order book continues to prosper with the 'cost cutting' type of project which is in high demand in the current tough economic climate, particularly in the US. The second half of the year should show increased margins arising from a higher proportion of North American business.

Earnings per share
Basic EPS was -7.2p (2007: 1.9p). The reduction reflects the higher level of non-recurring costs and the impairment of Parson Consulting goodwill.

Underlying EPS was 2.8p (2007: 2.6p). The increase is due to the net effect of the increased underlying earnings and the higher number of shares in issue following the acquisitions during the second half of 2007.

Dividend
In view of the successful trading performance in the first half of 2008, the Board is declaring an interim dividend of 0.40p per share; an increase of 21.2% compared to the 2007 interim dividend of 0.33p per share. This is in line with Group policy to declare an interim dividend of around a third of the total for the year. This will be paid on 21 October 2008 to shareholders on the register on 19 September 2008.

Balance sheet
The Group's net debt was in line with Group expectations and the natural working capital cycle of the business at £78.9m at 30 June 2008. This compares to £28.8m at 30 June 2007, prior to the acquisitions of Kurt Salmon Associates and CBH Consulting, and £60.9m at 31 December 2007. The cash outflow during the first half of each year is expected as the majority of bonus payments are made during this period. In addition, during the first six months of 2008 the Euro strengthened against Sterling, leading to an increase in the net debt of £2.6m. Also there was an unanticipated cash cost resulting from the general meeting called by shareholders and the departure of the Chief Executive. Cash flow generated by the consultancies continued strongly and significant headroom remains in each of the covenants relating to the debt facility negotiated during 2007.

The net post-retirement obligations liability has risen from £2.9m at 30 June 2007 to £8.6m at 30 June 2008. The increase in the liability arises from a defined benefit obligation in Germany acquired with Kurt Salmon Associates, offset by payments into the closed US defined benefit scheme and the investment performance of the scheme.

Outlook
The Group's business performed robustly throughout the first half of 2008 and management has taken steps to stem the losses from Parson Consulting. The strong growth in the order book has been maintained throughout the period, particularly enhanced recently by some large contracts won by Proudfoot Consulting and the Board is viewing the second half of the year with increasing confidence as this trend continues.

However, the Board remains mindful of the prevailing economic climate and continues to monitor it closely. It remains committed to the creation of shareholder value and looks forward to sharing the results of its strategic review in the autumn.

Alan Barber
Executive Chairman

Directors' responsibility statement

The following statement, which should be read in conjunction with the report of Deloitte & Touche LLP, is made with a view to distinguishing the respective responsibilities of the directors and review accountants in relation to the half-year report.

The directors are responsible for preparing the half-year report. The directors are required to prepare the half-year report for the Group in accordance with International Financial Reporting Standard 34, Interim Financial Reporting. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They have responsibility for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors' confirm that to the best of their knowledge:

(a) 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 issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4R;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R; and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R.

Appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of this half-year report and applicable accounting standards have been followed. These policies and standards, for which the directors accept responsibility, have been discussed with the review accountants.

The directors, having prepared the half-year report, have requested the reporting accountants to review the half-year report in accordance with relevant legal and regulatory requirements and have requested the reporting accountants to take whatever steps and to undertake whatever inspections they consider appropriate for the purpose of giving their report.

The Chairman's Statement on pages 2 to 6 contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of the Group. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may 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 these forward-looking statements and forecasts. The forward-looking statements are based on the directors' current views and information known to them at 8 August 2008. The directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Nothing in this report should be construed as a profit forecast.

Independent review report to Management Consulting 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 2008 which comprises the Group income statement, the Group statement of recognised income and expense, the Group balance sheet, the Group cash flow statement and the related notes 1 to 7. 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 2410 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 them 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 Services 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 2008 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 Services Authority.

Deloitte & Touche LLP
Chartered Accountants and Registered Auditor
London, UK
8 August 2008

Group income statement for the six months ended 30 June 2008

	Note	**Unaudited Six months ended 30 June 2008 £'000**	Unaudited Six months ended 30 June 2007 £'000
Continuing operations			
Revenue	3	**167,923**	100,539
Cost of sales		**(90,857)**	(50,287)
Gross profit		**77,066**	50,252
Administrative expenses – underlying		**(61,900)**	(40,093)
Profit from operations before non-recurring expenses and amortisation of acquired intangibles		**15,166**	10,159
Administrative expenses – non-recurring impairment		**(26,695)**	—
Administrative expenses – non-recurring other		**(10,996)**	(1,277)
(Loss)/profit from operations before amortization of acquired intangibles		**(22,525)**	8,882
Administrative expenses – amortisation of acquired intangibles		**(1,147)**	(603)
Total administrative expenses		**100,738**	41,973
(Loss)/profit from operations	3	**(23,672)**	8,279
Investment income		**343**	459
Finance costs		**(2,404)**	(1,271)
(Loss)/profit before tax		**(25,733)**	7,467
Tax	5	**2,223**	(2,318)
(Loss)/profit for the period		**(23,510)**	5,149
Earnings per share – pence			
From continuing operations			
Basic	6	**(7.2)**	1.9
Diluted	6	**(7.2)**	1.9
Basic – excluding amortisation of acquired intangibles and non-recurring items	6	**2.8**	2.6

Group statement of recognised income and expense for the six months ended 30 June 2008

	Unaudited Six months ended 30 June 2008 £'000	Unaudited Six months ended 30 June 2007 £'000
Exchange differences on translation of foreign operations	**9,642**	(1,178)
Actuarial (losses)/gains on defined benefit obligations	**(1,299)**	1,783
Loss on available for sale investments	**(145)**	—
Tax on items taken directly to equity	**(216)**	101
Net income recognised directly in equity	**7,982**	706
(Loss)/profit for the period	**(23,510)**	5,149
Total recognised income and expense for the period attributable to equity holders of the parent	**(15,528)**	5,855

Group balance sheet as at 30 June 2008

	Note	**Unaudited 30 June 2008 £'000**	Audited 31 Dec 2007 £'000
Non-current assets			
Intangible assets		**240,798**	256,107
Property, plant and equipment		**4,004**	3,572
Financial assets		**6,692**	6,650
Deferred income tax assets		**15,653**	15,014
Total non-current assets		**267,147**	281,343
Current assets			
Trade and other receivables		**88,868**	74,075
Cash and cash equivalents	7	**18,779**	20,895
Total current assets		**107,647**	94,970
Total assets		**374,794**	376,313
Current liabilities			
Financial liabilities		**(42,832)**	(29,205)
Trade and other payables		**(99,266)**	(100,842)
Current tax liabilities		**(8,503)**	(7,670)
Total current liabilities		**(150,601)**	(137,717)
Net current liabilities		**(42,954)**	(42,747)
Non-current liabilities			
Financial liabilities		**(54,749)**	(52,619)
Retirement benefit obligation		**(8,554)**	(7,752)
Non-current tax liabilities		**(8,952)**	(11,748)
Long-term provisions		**(9,944)**	(7,465)
Total non-current liabilities		**(82,199)**	(79,584)
Total liabilities		**(232,800)**	(217,301)
Net assets		**141,994**	159,012
Equity			
Share capital		**82,588**	82,225
Share premium account		**48,943**	48,894
Merger reserve		**32,513**	32,513
Share compensation reserve		**3,571**	2,952
Own shares held by employee share trust		**(1,296)**	(1,296)
Translation reserve		**13,538**	3,896
Other reserves		**6,894**	7,038
Retained earnings		**(44,757)**	(17,210)
Total equity attributable to equity holders of the parent		**141,994**	159,012

Craig H Smith
Director
8 August 2008

Group cash flow statement six months ended 30 June 2008

	Note	**Six months ended 30 June 2008 £'000**	Six months ended 30 June 2007 £'000
Net cash from operating activities	7	**(8,128)**	4,784
Investing activities			
Net interest received		**343**	297
Acquisitions of subsidiaries, net of cash and overdrafts acquired		**—**	(204)
Purchases of property, plant and equipment		**(1,324)**	(597)
Purchases of intangible assets		**(500)**	(510)
Disposal of tangible fixed assets		**61**	—
Disposal of investment securities		**226**	—
Net cash used in investing activities		**(1,194)**	(1,014)
Financing activities			
Dividends paid	4	**(2,522)**	(2,667)
Interest paid		**(1,722)**	(1,272)
Proceeds from borrowings		**15,757**	—
Repayment of borrowings		**—**	(523)
Proceeds from issue of shares		**412**	13
Net cash raised by/(used in) financing activities		**11,925**	(4,449)
Net increase/(decrease) in cash and cash equivalents		**2,603**	(679)
Cash and cash equivalents at beginning of period		**20,895**	10,278
Effect of foreign exchange rate changes		**(4,719)**	41
Cash and cash equivalents at end of period		**18,779**	9,640

Notes

1. General information
The information for the six months ended 30 June 2008 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. A copy of the statutory accounts for the period ended 31 December 2007 has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under Section 237 (2) or (3) of the Companies Act 1985.

2. Significant accounting policies
(a) Basis of preparation
The set of condensed financial statements included in this half-yearly report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", and was approved by the Board on 10 August 2008.

(b) Accounting policies
The accounting policies and methods of computation applied by the Group in the half-year report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2007. The Group's annual financial statements for the year ended 31 December 2007 were prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and are available on our website: **www.mcgplc.com**.

Principal risks and uncertainties
The Group has operating and financial policies and procedures designed to maximise shareholder value within a defined risk management framework.

The key risks to which the business is exposed are reviewed regularly by senior management and the Board as a whole.

The major risks the business faces are related to the demand for consultancy services in each of the markets and sectors in which the Group operates; maintaining and extending our client base: attracting and retaining talented employees; and not using our intellectual capital to full advantage.

These risks are managed by anticipating consultancy trends; identifying new markets and sectors in which the Group might operate; maximising staff utilisation; having remuneration policies which reward performance and promote continued employment with the Group; and maintaining a comprehensive knowledge management system. The implications of the changes to the Board composition which occurred in 2008 have been considered and are not believed to have had any significant impact on the Group's risk profile.

Potential contractual liabilities arising from client engagements are managed through careful control of contractual conditions and appropriate insurance arrangements. There is no material outstanding litigation against the Group, of which the directors are aware, which is not covered by insurance, or provided for in the financial statements.

3. Segmental information

The Group operates in three geographical areas – North America, Europe and Rest of the World. The following is an analysis of the revenue and results for the period, analysed by geographic segment, the Group's primary basis of segmentation:

Income statement

	Six months ended 30 June 2008 (unaudited)			
	Americas £'000	**Europe £'000**	**Rest of World £'000**	**Consolidated £'000**
Revenue	**60,393**	**95,824**	**11,705**	**167,923**
Profit from operations before non-recurring expenses and amortisation of acquired intangibles	**6,538**	**7,656**	**972**	**15,166**
Amortisation of acquired intangibles	**(455)**	**(692)**	**—**	**(1,147)**
Profit from operations before non-recurring items	**6,083**	**6,964**	**972**	**14,019**
Non recurring expenses	**(32,638)**	**(5,003)**	**(50)**	**(37,691)**
(Loss)/profit from operations	**(26,555)**	**1,961**	**922**	**(23,672)**
Finance cost (net)				**(2,061)**
Loss before tax				**(25,733)**
Tax				**2,223**
Loss for the period				**(23,510)**

	Six months ended 30 June 2007 (unaudited)			
	Americas £'000	Europe £'000	Rest of World £'000	Consolidated £'000
Revenue				
External sales	26,723	68,669	5,147	100,539
Profit/(loss) from operations before release of indemnity provision, acquisition integration costs, depreciation and amortisation of acquired intangibles	2,791	6,895	473	10,159
Amortisation of acquired intangibles	—	(603)	—	(603)
Profit/(loss) from operations before non-recurring items	2,791	6,292	473	9,556
Acquisition integration costs	—	(1,247)	(30)	(1,277)
Profit from operations	2,791	5,045	443	8,279
Finance costs (net)				(812)
Profit before tax				7,467
Tax				(2,318)
Profit for the period				5,149

4. Dividends

	Unaudited six months ended 30 June 2008 £'000	Unaudited six months ended 30 June 2007 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend in respect of the year ended 31 December 2007 of 1.15p (2006: 1.0p) per share	**2,657**	2,667

Dividends are not payable on shares held in the employee share trusts which have waived their entitlement to dividends. The amount of the dividend waived in 2008 (in respect of the year ended 31 December 2007) was £40,000 (2007: £42,000). An interim dividend of 0.40p per share (2007: 0.33p per share) will be paid on 21 October 2008 to shareholders on the register on 19 September 2008.

5. Taxation

The effective tax rate for the half year is (9%) (30 June 2007: 31%), based on loss before tax. After adjusting for the impact of the non-recurring items the underlying tax rate is 32% (2007: 27%). Of the total tax credit, £nil arises within the UK (2007: £0.2m charge) and £2.2m overseas (2007: £2.1m charge).

6. Earnings per share

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

	Unaudited six months ended 30 June 2008 £'000	Unaudited Six months ended 30 June 2007 £'000
Earnings		
Earnings for the purposes of basic earnings per share and diluted earnings per share being net profit attributable to equity holders of the parent	**(23,510)**	5,149
Amortisation of acquired intangibles	**1,147**	603
Non-recurring items	**37,691**	1,277
Exceptional tax credit	**(6,374)**	—
Earnings for purpose of basic earnings per share excluding amortisation of acquired intangibles and non-recurring items	**8,954**	7,029

	Number (million)	Number (million)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share and basic excluding amortisation of acquired intangibles and non-recurring items	**325.1**	266.8
Effect of dilutive potential ordinary shares:		
– share options	**—**	0.8
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**325.1**	267.6

	Pence	Pence
Basic earnings per share	**(7.2)**	1.9
Diluted earnings per share	**(7.2)**	1.9
Basic – excluding amortisation of acquired intangibles and non-recurring items	**2.8**	2.6

The average share price for the six months ended 30 June 2008 was 34.5p (30 June 2007: 48.3p).

7. Notes to the cash flow statement

	Unaudited Six months ended 30 June 2008 £'000	Unaudited Six months ended 30 June 2007 £'000
(Loss)/profit from operations	**(23,672)**	8,279
Adjustments for:		
Depreciation of property, plant and equipment	**1,088**	570
Amortisation of intangible assets	**1,473**	933
Impairment charge	**26,695**	—
Loss on disposal of plant and equipment	**—**	9
Adjustment for pension funding	**(450)**	(530)
Adjustment for share options charge	**(619)**	375
Increase/(decrease) in provisions	**2,027**	(72)
Operating cash flows before movements in working capital	**6,542**	9,564
(Increase)/decrease in receivables	**(11,619)**	3,019
(Decrease) in payables	**(2,377)**	(5,953)
Cash (used in)/generated by operations	**(7,454)**	6,630
Income taxes paid	**(674)**	(1,846)
Net cash from operating activities	**(8,128)**	4,784

Cash and cash equivalents comprise cash at bank and short-term deposits with a maturity of three months or less.

During the half year the Company issued ordinary shares for total cash consideration of £412,000 (2007: £13,000) and the Group sold investment securities for cash consideration of £226,000 (2007: £nil).

Contacts for investors and clients

Investor relations
The Group welcomes contact with its shareholders.
Enquiries should be directed to:

Alan Barber	Executive Chairman London office	abarber@mcgplc.com +44 (0) 20 7710 5000
Craig Smith	Finance Director London office	chsmith@mcgplc.com +44 (0) 20 7710 5000

Operational contacts
We welcome clients introduced by shareholders. Shareholders wishing to provide introductions to potential clients should contact Alan Barber or Craig Smith (see contact details above).

Administrative matters
Administrative matters should be directed to:

Charles Ansley	Company Secretary London office	cansley@mcgplc.com +44 (0) 20 7710 5000

Additionally, we encourage shareholders to register for copies of corporate communications on our investor relations website at **www.mcgplc.com**.