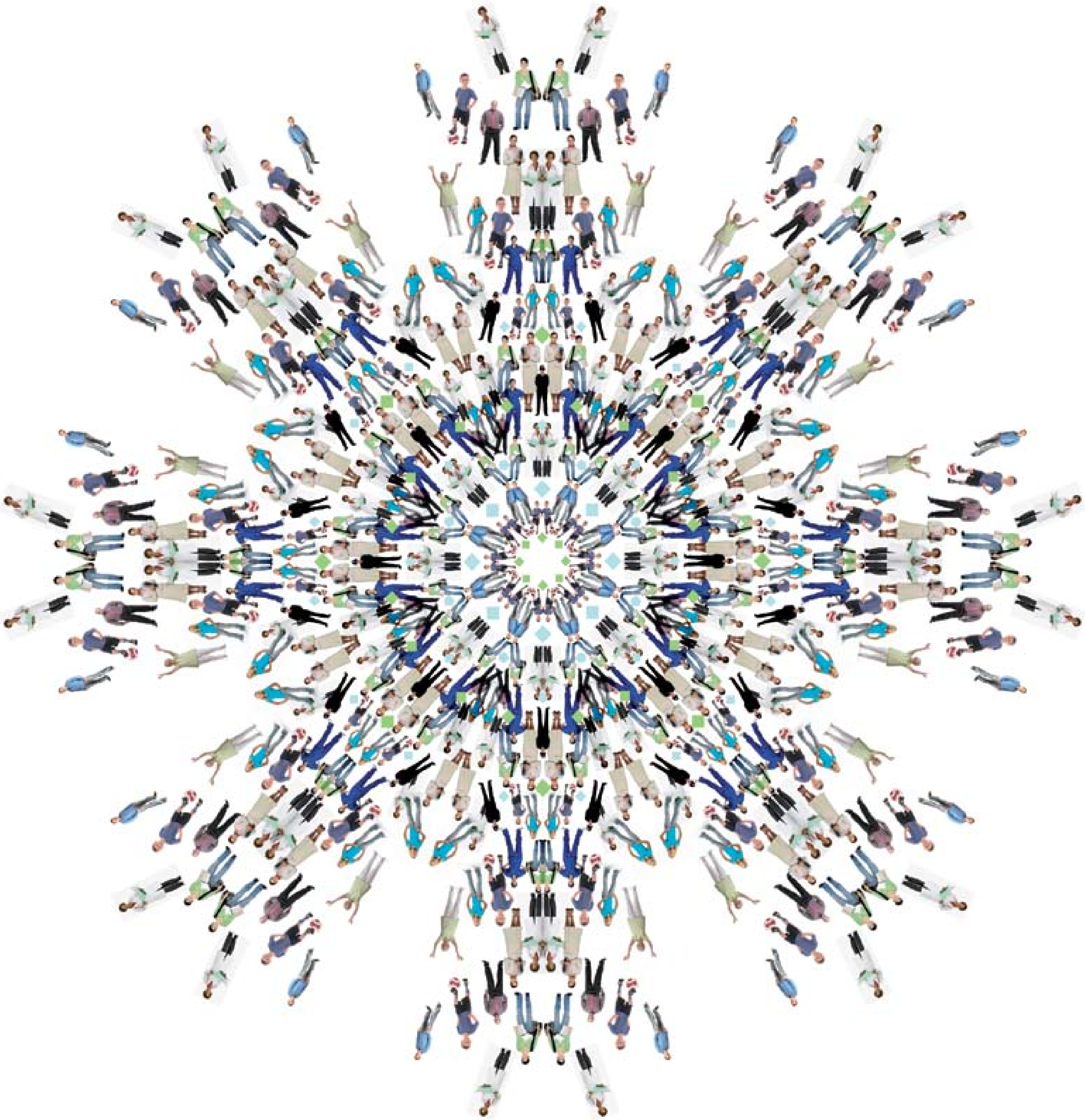

TRIBAL

Tribal Group plc

Half year results for the six months ended 30 June 2008

Tribal Group plc
Half year results for the six months ended 30 June 2008

"Further encouraging improvement in performance with profit before tax and earnings significantly ahead of the corresponding period last year."
Strone Macpherson, Chairman

Highlights

Six months to 30 June 2008 compared to pro forma six months to 30 June 2007

- Revenue growth of 9% to £113.3m (2007: £103.8m)
- Adjusted operating profit up 10% to £9.5m (2007: £8.6m)
- Adjusted profit before tax up 38% to £9.1m (2007: £6.6m)
- Adjusted diluted EPS up 37% to 7.4p (2007: 5.4p)
- Interim dividend of 1.7p
- Acquisition of 72% of HELM Corporation completed for £15.1m
- Net debt £7.3m (2007: £8.8m)

Financial summary

Normalised results

	Six months ended 30 June 2008	Pro forma six months ended 30 June 2007	
Turnover	**£143.6m**	£127.1m	+13%
Revenue	**£113.3m**	£103.8m	+9%
Adjusted operating profit	**£9.5m**	£8.6m	+10%
Adjusted operating margins	**8.4%**	8.3%	
Adjusted profit before tax	**£9.1m**	£6.6m	+38%
Adjusted diluted earnings per share	**7.4p**	5.4p	+37%
Operating profit to cash conversion	**207%**	180%	

Note: Following the change in year end from March to December, we have included like-for-like comparisons between the six months ended 30 June 2008 and the unaudited pro forma six months ended 30 June 2007 to assist with analysis and comparison. The adjusted operating profit excludes intangible asset amortisation of £0.2m (2007: £0.2m). The adjusted profit before tax and diluted earnings per share also exclude the financial instrument credit of £0.2m (2007: credit of £0.1m).

Statutory results

	Six months ended 30 June 2008	Six months ended 30 September 2007
Turnover	**£143.6m**	£120.4m
Revenue	**£113.3m**	£97.1m
Operating profit/(loss)	**£9.3m**	(£3.4m)
Profit/(loss) before tax	**£9.1m**	(£3.8m)
Profit/(loss) after tax	**£6.6m**	(£5.6m)
Basic earnings/(loss) per share	**7.4p**	(6.9)p

Note: Both the normalised and statutory results are for continuing operations only and so exclude the discontinued operations of Mercury Health.

Chairman's statement

The six month period to 30 June 2008 has seen a further encouraging improvement in performance with profit before tax and earnings significantly ahead of the corresponding period last year. The change in year end to 31 December has brought a much improved balance to our financial performance between the first and second halves of the year.

We were pleased by the level of growth in adjusted operating profit (10%) which, combined with a significant reduction in interest costs, resulted in adjusted profit before tax increasing by 38% and adjusted diluted earnings per share by 37%.

Operating cash flow was very strong, which supported the financing of acquisitions made during the period. At 30 June 2008, our net debt was £7.3m.

We have been encouraged by the level of demand for our services across all our principal markets. Both our consulting and support services business streams recorded significant increases in profits. Profits in our education business fell slightly, compared to this time last year, because of particularly strong software sales in the first quarter of last year and planned investments this year in new services and increased business development activity.

Following the change in year end, we have reviewed our dividend policy and expect to pay an interim dividend equal to approximately 40% of the anticipated total dividend. The interim dividend in respect of the six months ended 30 June 2008 will be 1.7p.

Strategic priorities

We continue to focus on the successful implementation of the strategic priorities that we established following our review last year:

- driving collaboration across Tribal in order to develop integrated solutions for our clients
- investing in new areas of opportunity such as health commissioning
- exporting our skills and capabilities into overseas markets
- identifying acquisitions that will strengthen or complement our existing service offering
- attracting and recruiting high quality people.

We have commenced the search for new independent non-executive directors. We have been pleased by the interest shown in the Group and expect to confirm our appointments in the coming months.

Prospects

We are encouraged by current trading. While conditions in the wider economy have clearly deteriorated in recent months, we believe that our core business of working with a broad range of organisations to support the delivery of public services in the UK and, increasingly, overseas should prove resilient. We have secured a wide range of important contract wins and the level of committed income is good. Our clients continue to seek solutions that will improve quality, efficiency and, importantly, value for money. The pipeline of opportunities is improving and the Board is confident about Tribal's prospects for the remainder of 2008 and beyond.

Strone Macpherson
Chairman

19 August 2008

Chief executive's statement

Tribal provides a range of consultancy, support and delivery services focused on improving the delivery of public services. Our broad offering combines professional and technical expertise with an in-depth understanding of our chosen markets. We work in partnership with our clients to support their objectives of raising the quality and efficiency of public services.

We have seen good demand for our services during the period and we are encouraged by the continuing flow of opportunities to grow and develop our business, both in the UK and internationally.

Financial results

We are pleased to report a strong set of results for the six months ended 30 June 2008. The Group's revenue from continuing operations for the period was up 9% at £113.3m (2007: £103.8m). Operating profit* increased by 10% to £9.5m (2007: £8.6m) and the operating margin* improved to 8.4% (2007: 8.3%). The increase in operating profit* was achieved despite an increase in share option costs of £0.4m. The underlying improvement in operating profit*, excluding share option costs, was 15%.

Profit before tax* was up 38% at £9.1m (2007: £6.6m) and the diluted earnings per share* increased by 37% to 7.4p (2007: 5.4p). The statutory profit before tax was £9.1m (six months ended 30 September 2007: loss of £3.8m) and basic earnings per share for continuing operations were 7.4p (six months ended 30 September 2007: loss of 6.9p).

During the six months ended 30 June 2008, the Group generated an excellent operating cash flow from continuing operations of £19.6m (2007: £15.5m), with an operating profit* to cash conversion of 207% (2007: 180%). Net debt at 30 June 2008 was £7.3m, representing gearing of 4%. We have committed bank facilities of £40m that run until 2012.

* The operating profit, operating margin, profit before tax and diluted earnings per share are stated before intangible asset amortisation of £0.2m (2007: £0.2m) and, in the case of profit before tax and diluted earnings per share, financial instrument credit of £0.2m (2007: credit of £0.1m). We have reviewed the presentation of adjusted earnings and no longer adjust for share option costs. Prior period figures have been amended accordingly.

Dividend

Following the change in our year end and the more even balance between our first and second halves of the year, it is our intention to pay an interim dividend that is approximately equal to 40% of the total dividend for the year. In respect of the six months ended 30 June 2008, the Board is proposing an interim dividend of 1.7p. This will be paid on 24 October 2008 to shareholders on the register at 26 September 2008.

Markets

Our core markets, in particular education and health, remain government priorities and, whilst there will be stricter budgetary controls over many areas of the public sector, the commitment to raise quality and improve value for money will be an important driver of growth for our consultancy, support and delivery services.

Our public sector clients face significant reform agendas and increasing pressures to improve performance and develop more integrated solutions to address the key issues of public policy. Our ability to combine deep domain expertise with a broad service offering positions us well to support our clients' objectives.

In the six months ended 30 June 2008, 96% of our revenue was from the public sector. Our principal markets were education 49%, central government 16%, health 13%, housing and regeneration 11%, and local government 7%.

Overseas work comprised less than 1% of our revenue during the period. However, we expect that figure to increase during the second half of the year as we develop our international activities following the acquisition of HELM Corporation.

Operating review

Segmental operating profit and operating profit margin figures for the six months ended 30 June 2008 and six months ended 30 June 2007 are stated in accordance with the business segment information in note 3 to the financial information.

Education

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000
Revenue	**50,527**	45,523
Operating profit	**7,483**	7,961
Operating profit margin	**14.8%**	17.5%

Our education business saw an increase in revenue of 11% to £50.5m (2007: £45.5m) during the six month period ended 30 June 2008. Operating profit was £7.5m (2007: £8m) and the operating margin was 14.8% (2007: 17.5%).

The anticipated fall in operating margin was as a result of two principal factors: first, a reduced contribution from higher margin activities, in particular software products, in comparison to the very high levels recorded in the first quarter of last year; second, planned investment in new products and services and increased business development activity. Our expectation is that operating margins in the second half of the year will be broadly similar to those achieved in the first six months.

Tribal continues to build its reputation as a leading provider of a wide range of services that support the delivery of education and learning in early years, schools, further education (FE), higher education (HE) and workplace settings. Our expertise in key government policy areas places us in a strong position to respond to the drive for cross-department working and we have secured several important contracts with the Department for Children, Schools and Families (DCSF) and the Department for Innovation, Universities and Skills (DIUS) and their supporting agencies.

The Government remains committed to a range of important policy initiatives and we expect to continue playing a significant role in providing support services in areas such as workforce training and development, school improvement, employability and welfare to work.

Learning and publishing

Our learning and publishing business remains a 'partner of choice' in respect of the Government's *Skills for Life* and *Family Learning* initiatives, where contract extensions valued at £2.8m have been secured during the period from the Quality Improvement Agency (QIA).

Our work on employee skills training continues to grow with new contracts from the Learning and Skills Council (LSC) to deliver *Train to Gain* and from McDonald's to support their innovative pilot apprenticeship programme. Our work with Ford Motor Company has been recognised with a Business in the Community award for excellence and innovation.

We have also been successful in tendering for contracts worth up to £5.8m to deliver employability programmes for the LSC. We have recently signed a major new contract with the QIA to improve the quality of teaching in the FE sector as part of the Science, Technology, Engineering and Mathematics (STEM) programme. This three-year programme is worth over £3m in the first year.

We have seen a flow of opportunities from the Middle East and are developing proposals to support school assessment in Saudi Arabia. We have also been successful in the initial stage of bidding for the *Offender Learning and Skills* programme.

Software

Our software business is a leading supplier of student and institutional management information systems, with significant market shares in FE, HE and work-based learning. Recent wins include a £3.1m contract with the DCSF to manage an information system for parents and providers, and a £1.2m contract to develop an adult social care placement portal for Skills for Care. We won major contracts in HE with Sheffield Hallam and Kingston universities, and with Coleg Gwent, the largest FE college in Wales. In work-based learning, we secured a contract for an online learning tracking system for Jaguar and Land Rover's apprenticeship programme. An integrated solution developed jointly by our software and regeneration teams secured our appointment to create a regional e-procurement portal for One NorthEast regional development agency.

Our children's services management information systems are helping local authorities to deliver more efficient, integrated services as required by the Government's *Children's Plan*. Our developers also provide innovative technology solutions for key Tribal contracts and clients, including the National Centre for Excellence in the Teaching of Mathematics and the National Science Learning Centre.

Our pipeline of international work has increased and we are currently exploring opportunities in several different markets.

Services

In services, we continue to provide a high quality service inspecting a third of England's secondary schools on behalf of Ofsted. We have been invited to participate in the initial stage of the bidding process for the new inspections contracts which will operate from September 2009. In FE, the QIA has awarded us the Improvement Advisory Service contract for a further two years at an annual value of £1.5m.

Raising the quality of provision in schools is at the heart of government policy and we were pleased to be appointed preferred bidder for a contract initially worth £1m to deliver the *Greater Manchester Challenge*. The programme focuses on improving the performance, quality and achievements of 30 secondary schools across 10 local authorities and there is the potential for us to provide a range of additional services and to support a further 30 schools. This will place Tribal in an ideal position to support the Government's National Challenge programme, which is designed to raise achievement across the 638 secondary schools which are failing to hit the benchmark for GCSE performance. The Government has committed £420m to this programme over the next three years.

We are the transformation advisers to Catalyst Lend Lease, one of two bidders for the Salford City Council Building Schools for the Future (BSF) programme. We are also advising six local authorities on transformation through innovation in education and Information and Communication Technologies (ICT), including the Royal Borough of Kensington and Chelsea and Kirklees Council.

Consulting

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000
Revenue	**37,467**	35,247
Operating profit	**3,318**	2,604
Operating profit margin	**8.9%**	7.4%

We have seen further improvement in the performance of our consulting business during the six months ended 30 June 2008, with revenue increasing by 6% to £37.5m (2007: £35.2m) and operating profit increasing by 27% to £3.3m (2007: £2.6m). Operating margins rose to 8.9% (2007: 7.4%) as a result of a tighter focus on pricing and our delivery model and a reduction in overheads.

Health

Our core health business returned a strong performance in the first half of the year. Tribal's health informatics team won important contracts with NHS Connecting for Health supporting the national programme for IT, with a total value of around £2m.

We have expanded our service planning and performance improvement business and our health planning team is having a successful year as a result of broadening our client base and services across the UK and overseas. New business wins include a £1.1m assignment to support a hospital reconfiguration programme for Sandwell and West Birmingham Hospitals NHS Trust over the next two years.

We have continued to invest in our health commissioning business and have been shortlisted on a number of contracts on the Department of Health's Framework for procuring External Support of Commissioning (FESC). We believe that we are well-placed to deliver our growth objectives in this key area of government policy.

We are also seeing a growing number of opportunities to develop our core health consulting business. In particular, we believe we are well-positioned to support implementation of the major changes set out in Lord Darzi's *NHS Next Stage Review*, published on 30 June 2008. In addition, we see significant potential to increase the amount of work undertaken overseas as governments around the world invest in developing their healthcare systems.

Housing, regeneration and local government

During the period, we transferred our local government consulting activity into an expanded housing, regeneration and local government business. In July, we acquired a niche local government strategy consultancy which will be integrated with our existing practice. The combined business will increasingly allow us to provide end to end solutions from strategy through to implementation and provides us with a significant presence in the market at a time when local authorities are going through a period of intense change.

Our housing and regeneration business performed well during the period and overall demand for our service remains good. We continue to work with the Housing Corporation on the development of the role of the new regulator, the Tenant Services Authority. In Wales, our recent work with Merthyr Tydfil County Borough Council means that our multidisciplinary teams have now advised on 90% of all stock transfers in the Principality. We continue to be a leading adviser on new delivery structures for housing-led regeneration, working on substantial contracts with English Partnerships and a number of local authorities. Whilst the general housing market in the UK is experiencing serious difficulties, we continue to see a good flow of opportunities to provide consulting services to our social housing clients.

The master planning and urban design team we acquired in February has won a number of projects that will draw in expertise from across Tribal, for example, an urban extension in Hampshire that will include housing, community facilities, health centres and schools. We also secured a major research contract looking at the role of housing in supporting future economic growth in four of the North of England's city regions.

We have completed a series of tourism-based master plans for four historic towns on the Red Sea coast of Saudi Arabia for the Royal Commission for Tourism. Work continues on preparing long-term strategic master plans for the cities of Najaf and Kirkuk in Iraq.

Central government

In the first half of the year, our central government business experienced significant growth in revenue and profit. There has been further development of key accounts with the Department for Environment, Food and Rural Affairs, Home Office, UK Border Agency, Ministry of Justice, Department for Business Enterprise and Regulatory Reform (BERR) and Foreign and Commonwealth Office.

New business wins include a major contract to support the specification and procurement of communications networks for the UK government. We have also been awarded a three-year, multi-million pound contract by DCSF to help schools across England and Wales improve their delivery of value for money.

We are continuing to see opportunities to provide a wide range of consulting services including leadership training, IT strategy, corporate status reviews, restructuring, commissioning and procurement. We are actively developing links into other areas of the public sector where Tribal can provide an integrated offering combining specific process skills and capabilities with specialist domain knowledge.

Tribal HELM

In June 2008, we completed the acquisition of a 72% shareholding in the HELM Corporation Limited, now Tribal HELM Corporation Limited (Tribal HELM), for £15.1m. Tribal HELM is a leading consulting business providing financial and management consultancy services to the public sector in the UK and internationally. The acquisition represents an important step in Tribal's strategy of growing its business internationally, developing its UK consultancy offering and increasing the levels of committed income. Approximately 60% of Tribal HELM's revenue is generated outside the UK and much of its international work is associated with long-term development projects that provide high levels of revenue visibility.

Tribal HELM's overseas experience and strong relationships with major international donor organisations, such as the World Bank, European Union and the Department for International Development, will open up new markets for Tribal's existing services. The integration of the business is proceeding according to plan and a number of joint working opportunities have already been identified.

Support services

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000
Revenue	**26,182**	24,977
Operating profit	**1,945**	1,436
Operating profit margin	**7.4%**	5.7%

The overall performance of our support services business in the six months ended 30 June 2008 was good, with revenue increasing by 5% to £26.2m (2007: £25m) and operating profit improving by 35% to £1.9m (2007: £1.4m). The operating margin increased to 7.4% (2007: 5.7%).

Architectural design

Our architectural design business performed excellently in the first half of the year and secured record levels of work, including HealthVision Swansea – the largest hospital project to date to be procured on the Designed for Life: Building for Wales Framework – with an overall budget of £300m.

The pipeline remains strong with major opportunities including the £650m Partnering Scotland healthcare framework, where we have been shortlisted, and a number of contract opportunities across health, education and science.

We see opportunities for growth across the healthcare sector, particularly in primary care and mental health. We are a leading provider to the FE sector and see opportunities to expand in the schools market. Work starts on site in January 2009 on the first nine schools to receive renovation and rebuilding work through the Liverpool City Council BSF programme and we are the final bidder in the next wave of the London Borough of Tower Hamlets BSF programme.

Our expansion plans have seen the opening of a new office in Belfast and the extension of our business in South Africa. International opportunities are increasing and form an important element of our growth strategy.

Communications

Our communications business performed well in the period and has a strong pipeline for the remainder of 2008. In July, we were named 'Number One Public Sector Consultancy' by public relations magazine *PR Week*. We are diversifying both our services and our client base. Organic growth from existing client accounts continues to be strong and we have won work in new markets, for example, healthcare commissioning. Other wins include a contract with DCSF to raise awareness of educational options for 14-19 year olds and the promotion of the *Enterprising Britain* competition on behalf of Make Your Mark and BERR.

Our offices in Edinburgh, Belfast and Cardiff are performing well. We have made several appointments of key staff that will enable us to maximise the potential for growth within the devolved government markets.

Resourcing

Our resourcing business continues to operate in a challenging public sector recruitment market but has performed ahead of plan in the first half of the year. Our public sector clients are closely controlling advertising spend but we have been very encouraged by the increased spending of our large NHS client portfolio and the level of new business wins in the period, which included the London Borough of Southwark, the Children and Family Court Advisory Support Service, Oxford University and Northamptonshire County Council.

Although the senior job market remains difficult, we have retained our market share in executive search and selection by focusing on core strengths in local government, improving win rates and increasing fee levels. We are also making positive inroads into new markets such as health and central government.

Wins for our recruitment process outsourcing business included two London boroughs, and we secured two large contracts to design and build regional recruitment portals for public sector partnerships in the West Midlands and the North East.

The growth in integrated contracts requiring a package of resourcing services provides new opportunities, particularly in central government. Overall, our bidding activity remains high.

People

Tribal employs over 2,200 staff and has over 1,000 associates. Our success is the direct result of their hard work and commitment. I would like to thank them for their dedication to our clients and their loyalty to Tribal and our values.

We have continued to strengthen the senior management team across the Group. In particular, we have appointed Andy Field as chief operating officer and Stephen Harris as Tribal's international development director. These new roles are designed to support our growing business in the UK and abroad. We have also appointed Matthew Swindells, formerly chief information officer of the NHS, to lead our health business and health strategy across Tribal.

As noted in the Chairman's statement, we are in the process of recruiting new, independent non-executive directors to join the Board.

Managing risks

As required under IAS 34 'Interim Financial Reporting' and the new UKLA Disclosure and Transparency Rules (DTR), the Board is providing a description of the principal risks and uncertainties for the remainder of the accounting period.

Tribal regularly reviews its corporate risk register and the Board considers risk assessment, identification of mitigating actions and internal controls to be fundamental to achieving the Group's strategic objectives. The principal risks that the Group will be managing are as follows:

- operational risks – competition, bidding processes, availability of skilled staff
- changes in government policy and spending
- reputational risk.

Our risk management policies are more fully documented in the Group's report and accounts for the nine months ended 31 December 2007.

Prospects

Despite the challenges in the wider economy and the continuing pressures on public sector spending, trading conditions have remained favourable across the Group. At 30 June 2008, our total committed income was £133m, up from £124m at the start of the year. The forward pipeline of opportunities remains encouraging.

We continue to invest in new products and services and to increase our business development activity, and we will be focusing on opportunities in the UK and overseas where our domain expertise and breadth of capability provide us with a competitive advantage. We remain committed to delivering our medium-term financial goals of double digit increases in revenue and a progressive improvement in margins. We continue to review acquisition opportunities that will strengthen or complement our current offering.

Trading across the Group continues to be in line with our expectations. The Board remains confident about the Group's prospects for the second half of the year and its ability to deliver further progress in 2009 and beyond.

P. Mart

Peter Martin
Chief Executive

19 August 2008

Condensed consolidated income statement

for the six months to 30 June 2008

	Note	**Six months ended 30 June 2008 £'000**	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Continuing operations					
Turnover		**143,643**	127,092	120,419	188,654
Direct agency costs		**(30,347)**	(23,321)	(23,330)	(35,355)
Revenue	3	**113,296**	103,771	97,089	153,299
Cost of sales		**(67,826)**	(58,903)	(57,953)	(92,266)
Gross profit		**45,470**	44,868	39,136	61,033
Administrative expenses before amortisation of IFRS 3 intangibles and goodwill impairment		**(35,972)**	(36,254)	(33,374)	(49,860)
Operating profit before amortisation of IFRS 3 intangibles and goodwill impairment	3	**9,498**	8,614	5,762	11,173
Amortisation IFRS 3 intangibles		**(171)**	(160)	(160)	(240)
Goodwill impairment		**-**	-	(9,000)	(9,000)
Total administrative expenses		**(36,143)**	(36,414)	(42,534)	(59,100)
Operating profit/(loss)		**9,327**	8,454	(3,398)	1,933
Investment revenues	4	**446**	527	919	1,119
Other gains and losses	5	**202**	81	(36)	(126)
Finance costs	6	**(914)**	(2,576)	(1,309)	(1,742)
Profit/(loss) before tax		**9,061**	6,486	(3,824)	1,184
Tax	7	**(2,471)**	(1,616)	(1,744)	(3,002)
Profit/(loss) after tax from continuing operations		**6,590**	4,870	(5,568)	(1,818)
Discontinued operations					
Profit from discontinued operations	8	**392**	24,488	27,254	27,254
Profit for the period		**6,982**	29,358	21,686	25,436
Attributable to:-					
Equity holders of the parent		**6,664**	28,968	21,412	25,034
Minority interest		**318**	390	274	402
		6,982	29,358	21,686	25,436

Condensed consolidated income statement (continued)

for the six months to 30 June 2008

	Note	**Six months ended 30 June 2008**	Pro forma six months ended 30 June 2007	Six months ended 30 September 2007	Nine months ended 31 December 2007
Earnings/(loss) per share					
From continuing operations					
Basic	*9*	**7.4p**	5.3p	(6.9)p	(2.6)p
Diluted	*9*	**7.4p**	5.3p	(6.9)p	(2.6)p
Adjusted basic before amortisation of IFRS 3 intangibles, goodwill impairment and financial instrument (credit)/charge	*9*	**7.4p**	5.4p	3.9p	8.4p
Adjusted diluted before amortisation of IFRS 3 intangibles, goodwill impairment and financial instrument (credit)/charge	*9*	**7.4p**	5.4p	3.9p	8.4p
From continuing and discontinued operations					
Basic	*9*	**7.8p**	34.2p	25.3p	29.5p
Diluted	*9*	**7.8p**	34.2p	25.2p	29.5p
Adjusted basic before amortisation of IFRS 3 intangibles, goodwill impairment, profit on disposal of Mercury Health and financial instrument (credit)/charge	*9*	**7.8p**	6.0p	3.9p	8.4p
Adjusted diluted before amortisation of IFRS 3 intangibles, goodwill impairment, profit on disposal of Mercury Health and financial instrument (credit)/charge	*9*	**7.8p**	6.0p	3.9p	8.4p

Condensed consolidated balance sheet

at 30 June 2008

	Note	30 June 2008 £'000	30 June 2007 £'000	30 September 2007 £'000	31 December 2007 £'000
Non-current assets					
Goodwill	11	**202,869**	191,869	183,086	186,991
Other intangible assets	12	**6,990**	3,667	3,894	4,254
Property, plant and equipment		**8,423**	7,597	7,356	7,363
Investments		**187**	149	155	157
Deferred tax assets		**1,617**	779	1,429	1,389
Derivative financial instruments		**644**	928	461	178
		220,730	204,989	196,381	200,332
Current assets					
Inventories		**1,496**	676	1,508	1,055
Trade and other receivables	13	**65,585**	55,380	58,862	62,326
Amounts recoverable on contracts		**-**	220	288	63
Cash and cash equivalents	19	**22,222**	13,648	15,293	15,982
Collateralised cash		**-**	817	199	192
		89,303	70,741	76,150	79,618
Total assets		**310,033**	275,730	272,531	279,950
Current liabilities					
Trade and other payables	14	**(80,674)**	(60,431)	(63,590)	(67,418)
Tax liabilities		**(6,203)**	(3,261)	(4,942)	(5,400)
Obligations under finance leases		**(3)**	(6)	(5)	(3)
Bank loans and loan notes		**(662)**	(1,079)	(337)	(876)
Provisions	15	**(560)**	(450)	(706)	(577)
Shares to be issued		**-**	(489)	-	-
		(88,102)	(65,716)	(69,580)	(74,274)
Net current assets		**1,201**	5,025	6,570	5,344
Non-current liabilities					
Bank loans		**(28,896)**	(22,141)	(22,076)	(22,098)
Pension liabilities	16	**(1,052)**	(1,436)	(1,260)	(1,228)
Deferred tax liabilities		**(2,017)**	(296)	(1,260)	(1,108)
Obligations under finance leases		**-**	(2)	(2)	-
		(31,965)	(23,875)	(24,598)	(24,434)
Total liabilities		**(120,067)**	(89,591)	(94,178)	(98,708)
Net assets		**189,966**	186,139	178,353	181,242
Equity					
Share capital		**4,364**	4,236	4,239	4,239
Share premium account		**77,993**	74,682	74,750	74,750
Other reserves		**65,077**	67,831	67,714	64,582
Retained earnings		**40,810**	37,828	29,786	36,606
Equity attributable to equity holders of the parent	17	**188,244**	184,577	176,489	180,177
Minority interest		**1,722**	1,562	1,864	1,065
Total equity		**189,966**	186,139	178,353	181,242

Condensed consolidated statement of recognised income and expense

for the six months to 30 June 2008

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Actuarial loss on defined benefit plans	**-**	-	-	(7)
Transfer to cash flow hedge reserve	**264**	(89)	(48)	(241)
Deferred tax	**(74)**	27	10	67
Net income/(expense) recognised directly to equity	**190**	(62)	(38)	(181)
Profit for the period	**6,982**	29,358	21,686	25,436
Total recognised income and expense for the period	**7,172**	29,296	21,648	25,255
Attributable to:				
Equity holders of the parent	**6,854**	28,906	21,374	24,853
Minority interest	**318**	390	274	402
	7,172	29,296	21,648	25,255

Condensed consolidated cash flow statement

for the six months to 30 June 2008

	Note	**Six months ended 30 June 2008 £'000**	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Net cash from operating activities	*18*	**21,038**	18,979	1,854	8,808
Investing activities					
Interest received		**446**	1,659	919	992
Proceeds on disposal to minorities		**-**	137	159	159
Disposal of subsidiary		**-**	34,801	36,251	36,251
Proceeds on disposal of property, plant and equipment		**26**	185	236	113
Purchase of trading investments		**-**	-	(6)	(8)
Purchases of property, plant and equipment		**(1,203)**	(3,333)	(1,926)	(2,579)
Expenditure on product development		**(824)**	(960)	(942)	(1,657)
Acquisitions		**(20,158)**	(338)	(204)	(1,840)
Cash and cash equivalents acquired		**2,167**	-	-	-
Net cash (outflow)/inflow from investing activities		**(19,546)**	32,151	34,487	31,431
Financing activities					
Interest paid		**(819)**	(3,153)	(1,336)	(2,219)
Equity dividend paid		**(966)**	(880)	-	(2,031)
Dividends to minorities		**(197)**	(95)	(100)	(390)
Issue of shares		**-**	51	122	122
Repayment of borrowings		**(5,214)**	(54,293)	(53,966)	(53,974)
Repayments of obligations under finance leases		**-**	(23)	(1)	(5)
New bank loans		**11,752**	684	-	-
Movements in collateralised cash		**192**	165	750	757
Net cash from/(used in) financing activities		**4,748**	(57,544)	(54,531)	(57,740)
Net increase/(decrease) in cash and cash equivalents		**6,240**	(6,414)	(18,190)	(17,501)
Cash and cash equivalents at beginning of period		**15,982**	20,062	33,483	33,483
Cash and cash equivalents at end of period	*19*	**22,222**	13,648	15,293	15,982

Notes to the condensed consolidated financial information

for the six months to 30 June 2008

1 General information

The condensed consolidated financial information for the six months ended 30 June 2008 was approved by the Board of Directors on 19 August 2008.

The information for the nine months ended 31 December 2007 does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985. A copy of the statutory accounts for the nine months ended 31 December 2007 has been filed with 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 Accounting policies

The condensed consolidated financial information for the six months ended 30 June 2008 has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) and in accordance with IAS 34 'Interim Financial Reporting'.

The same accounting policies, presentation and methods of computation are followed in the condensed consolidated financial information as applied in the Group's latest annual audited financial statements.

3 Segmental analysis

The Group is currently organised into three business segments – Consulting, Education and Support services.

Principal activities are as follows:

Consulting -	one of the largest consulting businesses operating in the public sector providing a broad range of management consultancy services.
Education -	one of the largest providers of education services to the public sector including software, managed services, school inspection services, consultancy, e-learning, benchmarking, publishing and training.
Support services -	support services businesses largely operate in the public sector providing a range of PR and communications, resourcing and architectural design services.

From 1 January 2008, the Group transferred certain business units between its business segments to realign with its revised reporting structure.

Accordingly, the business segment information for the nine months ended 31 December 2007 and the six months ended 30 September 2007 has been restated to reflect the transfers. As a result, there has been an adjustment to inter-segment sales.

Notes to the condensed consolidated financial information (continued)

3 Segmental analysis (continued)

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Revenue				
Consulting	**37,467**	35,247	31,041	49,035
Education	**50,527**	45,523	42,323	67,512
Support services	**26,182**	24,977	24,896	38,618
Inter segment	**(880)**	(1,976)	(1,171)	(1,866)
Continuing operations	**113,296**	103,771	97,089	153,299
Operating profit before amortisation of IFRS 3 intangibles and goodwill impairment				
Consulting	**3,318**	2,604	2,161	3,853
Education	**7,483**	7,961	4,698	8,899
Support services	**1,945**	1,436	2,004	2,878
Unallocated corporate expenses	**(3,248)**	(3,387)	(3,101)	(4,457)
Operating profit before amortisation of IFRS 3 intangibles and goodwill impairment	**9,498**	8,614	5,762	11,173
Amortisation of IFRS 3 intangibles	**(171)**	(160)	(160)	(240)
Goodwill impairment	**-**	-	(9,000)	(9,000)
Operating profit/(loss)	**9,327**	8,454	(3,398)	1,933

4 Investment revenues

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Interest on bank deposits	**302**	518	919	448
Other investment receivable	**144**	9	-	671
	446	527	919	1,119

5 Other gains and losses

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Change in the fair values of derivatives classified as held for trading	**296**	143	(126)	62
Hedge ineffectiveness in the cash flow hedge	**(94)**	(62)	90	(188)
	202	81	(36)	(126)

Notes to the condensed consolidated financial information (continued)

6 Finance costs

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Finance charges				
Interest on bank overdrafts and loans	**846**	2,524	1,260	1,666
Interest on loan notes	**18**	51	23	30
Interest on obligations under finance leases	**-**	1	-	1
Net finance cost of retirement benefit obligations	**1**	-	15	2
Total borrowing costs	**865**	2,576	1,298	1,699
Financial instruments				
Discounting charge for deferred consideration	**49**	-	11	43
	49	-	11	43
	914	2,576	1,309	1,742

7 Tax

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Continuing operations				
Current tax				
UK corporation tax	**3,144**	2,060	1,536	3,358
Adjustments in respect of prior periods	**(500)**	(363)	(8)	(517)
	2,644	1,697	1,528	2,841
Deferred tax				
Current year	**(173)**	(81)	216	161
Tax charge	**2,471**	1,616	1,744	3,002

8 Discontinued operations

The Group disposed of its healthcare delivery business, Mercury Health, to Care UK on 20 April 2007; its results are presented in this condensed half year financial information as discontinued operations.

In the six months ended 30 June 2008, we report a profit of £0.4m in the condensed consolidated income statement, this relates to a release of tax provisions arising from the closure of the March 2006 tax computations by HMRC.

Notes to the condensed consolidated financial information (continued)

9 Earnings per share

Earnings per share and diluted earnings per share are calculated by reference to a weighted average number of ordinary shares calculated as follows:

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Basic weighted average number of shares in issue	**84,927**	84,691	84,725	84,741
Employee share options	**61**	65	88	73
Weighted average number of diluted shares outstanding	**84,988**	84,756	84,813	84,814

Earnings and adjusted earnings

From continuing operations	**Six months ended 30 June 2008 £'000**	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Profit/(loss) after tax	**6,590**	4,870	(5,568)	(1,818)
Minority interest	**(318)**	(390)	(274)	(402)
Profit/(loss) for period	**6,272**	4,480	(5,842)	(2,220)
Goodwill impairment	**-**	-	9,000	9,000
Amortisation of IFRS 3 intangibles (net of tax)	**123**	115	115	173
Financial instrument (credit)/charge (net of tax)	**(145)**	(57)	36	133
Adjusted earnings	**6,250**	4,538	3,309	7,086

Earnings/(loss) per share from continuing operations

Basic earnings/(loss) per share	**7.4p**	5.3p	(6.9)p	(2.6)p
Diluted earnings/(loss) per share	**7.4p**	5.3p	(6.9)p	(2.6)p
Adjusted basic earnings per share before amortisation of IFRS 3 intangibles, goodwill impairment and financial instrument (credit)/charge	**7.4p**	5.4p	3.9p	8.4p
Adjusted diluted earnings per share before amortisation of IFRS 3 intangibles, goodwill impairment and financial instrument (credit)/charge	**7.4p**	5.4p	3.9p	8.4p

Notes to the condensed consolidated financial information (continued)

9 Earnings per share (continued)

Earnings and adjusted earnings

From continuing and discontinued operations	**Six months ended 30 June 2008 £'000**	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Profit for period	**6,664**	28,968	21,412	25,034
Goodwill impairment	**-**	-	9,000	9,000
Amortisation of IFRS 3 intangibles (net of tax)	**123**	115	115	173
Profit on disposal of Mercury Health	**-**	(23,917)	(27,217)	(27,217)
Financial instrument (credit)/charge (net of tax)	**(145)**	(57)	36	133
Adjusted earnings	**6,642**	5,109	3,346	7,123

Earnings per share from continuing and discontinued operations

Basic earnings per share	**7.8p**	34.2p	25.3p	29.5p
Diluted earnings per share	**7.8p**	34.2p	25.2p	29.5p
Adjusted basic earnings per share before amortisation of IFRS 3 intangibles, goodwill impairment and financial instrument (credit)/charge	**7.8p**	6.0p	3.9p	8.4p
Adjusted diluted earnings per share before amortisation of IFRS 3 intangibles, goodwill impairment and financial instrument (credit)/charge	**7.8p**	6.0p	3.9p	8.4p

10 Dividends

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Amounts recognised as distributions to equity holders in the period:				
Final dividend for the year ended 31 March 2007 of 2.42 pence per share	**-**	-	2,031	2,031
Interim dividend for the year ended 31 March 2007 of 1.05 pence per share	**-**	880	-	-
Interim dividend for the nine months ended 31 December 2007 of 1.15 pence per share	**966**	-	-	-
Final dividend for the nine months ended 31 December 2007 of 1.8 pence per share	**1,511**	-	-	-
	2,477	880	2,031	2,031

The Board has declared an interim dividend of 1.7 pence per share (2007: 1.15 pence per share), which will absorb £1.5m (2007: £1m).

The interim dividend was approved by the Board on 19 August 2008 and has not been included as a liability as at 30 June 2008. The dividend is payable on 24 October 2008 to ordinary shareholders who are on the register on 26 September 2008. The shares will be quoted ex-dividend on 24 September 2008.

Notes to the condensed consolidated financial information (continued)

11 Goodwill

	£'000
Cost	
At 31 December 2007	238,122
Additions – including minority interests	14,969
Revision to prior periods	909
At 30 June 2008	254,000
Accumulated impairment losses	
At 31 December 2007 and 30 June 2008	51,131
Net book value	
At 30 June 2008	**202,869**
At 31 December 2007	186,991

Additions to goodwill during the period relates primarily to the acquisition of HELM Corporation but also includes two small acquisitions (£1m) and the purchase of minority interests (£1m).

Revision to prior periods relates to a change in estimate of the likely final settlement of deferred consideration due on the acquisition of the remainder of the share capital in Sportsvine Holdings Limited.

12 Other intangible assets

	Business combinations £'000	Development costs £'000	Business systems £'000	Total £'000
Cost				
At 31 December 2007	2,204	4,954	1,452	8,610
Additions	2,939	311	439	3,689
Disposals	-	(398)	-	(398)
At 30 June 2008	5,143	4,867	1,891	11,901
Amortisation				
At 31 December 2007	1,198	2,813	345	4,356
Charge for the period	171	647	135	953
Disposals	-	(398)	-	(398)
At 30 June 2008	1,369	3,062	480	4,911
Carrying amount				
At 30 June 2008	**3,774**	**1,805**	**1,411**	**6,990**
At 31 December 2007	1,006	2,141	1,107	4,254

Additions to business combinations during the period relates primarily to the acquisition of HELM Corporation but also includes two small acquisitions of £0.2m.

13 Trade and other receivables

	30 June 2008 £'000	30 June 2007 £'000	30 September 2007 £'000	31 December 2007 £'000
Trade receivables	**42,363**	33,991	34,747	45,658
Other receivables	**788**	1,026	575	400
Prepayments and accrued income	**22,434**	20,363	23,540	16,268
	65,585	55,380	58,862	62,326

Notes to the condensed consolidated financial information (continued)

14 Trade and other payables

	30 June 2008 £'000	30 June 2007 £'000	30 September 2007 £'000	31 December 2007 £'000
Trade payables	**20,031**	17,154	16,495	18,441
Other taxation and social security	**7,734**	8,266	8,402	8,603
Other payables	**12,087**	6,463	7,653	6,306
Accruals and deferred income	**40,675**	28,548	30,494	31,114
Deferred cash consideration	**147**	-	546	2,954
	80,674	60,431	63,590	67,418

15 Provisions

As at 30 June 2008, there were provisions of £560,000 (30 September 2007: £706,000; 31 December 2007: £577,000). Provisions represent an estimate of the cost of settling potential litigation claims. These claims are expected to be resolved within one year and are therefore shown within current liabilities. Further details are contained in note 22.

16 Defined benefit schemes

One of the Group's subsidiary undertakings, Tribal Technology Limited, participates in the TfL Pension Fund. Another subsidiary, SDP Regeneration Services 2 Limited, participates in the LPFA Pension Fund. Both are defined benefit arrangements.

The net pension liability has not been recalculated at 30 June 2008. There have been fluctuations in the financial markets since 31 December 2007 but the net effect on the liability is not considered to be material. The Group has however made total additional contributions of £0.2m in the period to fund the existing pension deficit.

This amount has been recognised in the condensed consolidated balance sheet.

17 Movements in equity

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Recognised income and expense for the period	**6,854**	28,906	21,374	24,853
Dividends payable/paid	**(2,477)**	(880)	(2,031)	(2,031)
	4,377	28,026	19,343	22,822
Shares issued	**3,368**	51	122	122
Share option exercises	**-**	-	-	(70)
Own shares disposed	**-**	122	122	183
Credit/(debit) in relation to share based payment	**322**	(52)	271	489
Opening equity	**180,177**	156,430	156,631	156,631
	188,244	184,577	176,489	180,177

Notes to the condensed consolidated financial information (continued)

18 Note to the cash flow statement

Reconciliation of operating profit to operating cash flows

	Six months ended 30 June 2008 £'000	Pro forma six months ended 30 June 2007 £'000	Six months ended 30 September 2007 £'000	Nine months ended 31 December 2007 £'000
Operating profit/(loss) from continuing operations	**9,327**	8,454	(3,398)	1,933
Depreciation of property, plant and equipment	**1,482**	2,100	1,493	2,296
Amortisation of other intangible assets	**953**	855	834	1,275
Impairment of goodwill	**-**	-	9,000	9,000
Net pension charge	**(42)**	(112)	(27)	(215)
Gain on disposal of property, plant and equipment	**(26)**	(109)	(87)	(92)
Gain on sale of investments	**-**	(68)	(68)	(68)
Share based payments	**322**	(52)	271	489
Operating cash flows before movements in working capital	**12,016**	11,068	8,018	14,618
Decrease/(increase) in amounts recoverable on contracts	**63**	25	(21)	256
Increase in inventories	**(441)**	(1,655)	(475)	(26)
Decrease/(increase) in receivables	**22**	(4,186)	(2,442)	(5,519)
Increase/(decrease) in payables	**11,771**	14,607	(4,153)	(437)
(Decrease)/increase in provisions	**(17)**	-	256	127
Net cash from operating activities before tax	**23,414**	19,859	1,183	9,019
Tax (paid)/repaid	**(2,376)**	(880)	671	(211)
Net cash from operating activities	**21,038**	18,979	1,854	8,808

Net cash from operating activities before tax can be analysed as follows:	**£'000**	£'000	£'000	£'000
Continuing operations (excluding restricted cash)	**19,637**	15,486	2,408	11,016
Increase in restricted cash	**3,777**	1,834	907	135
Discontinued operations	**-**	2,539	(2,132)	(2,132)
	23,414	19,859	1,183	9,019

19 Analysis of net debt

	30 June 2008 £'000	30 June 2007 £'000	30 September 2007 £'000	31 December 2007 £'000
Non restricted cash	**15,203**	10,161	11,278	12,740
Restricted cash	**7,019**	3,487	4,015	3,242
Cash at bank and in hand	**22,222**	13,648	15,293	15,982
Cash collateralised	**-**	817	199	192
Gross cash	**22,222**	14,465	15,492	16,174
Short term loans	**(662)**	(1,079)	(337)	(876)
Syndicated bank facility (net of bank arrangement fees)	**(28,896)**	(22,141)	(22,076)	(22,098)
Finance leases	**(3)**	(8)	(7)	(3)
Gross debt	**(29,561)**	(23,228)	(22,420)	(22,977)
Net debt	**(7,339)**	(8,763)	(6,928)	(6,803)

Restricted funds represent funds restricted in use by the relevant commercial terms of certain trading contracts.

Notes to the condensed consolidated financial information (continued)

20 Acquisitions

On 13 June 2008 the Group acquired 72% of the HELM Corporation Limited for a total consideration of £16.7m satisfied by £13.3m in cash and £3.4m by way of 2,507,582 new Tribal shares. The number of Tribal shares issued was determined by the average mid-market price for the eight days preceding 12 June 2008, being the last practicable date before completion. The transaction has been accounted for in accordance with IFRS 3 'Business Combinations'.

Net assets acquired were:

	Book value £'000	Fair value adjustments £'000	Fair value £'000
Intangible assets	-	2,784	2,784
Property, plant and equipment	1,515	(155)	1,360
Investments	30	-	30
Debtors	2,935	(250)	2,685
Cash	2,167	-	2,167
Creditors	(3,142)	(224)	(3,366)
Deferred tax	-	(780)	(780)
Book/fair value of net assets	3,505	1,375	4,880
Net assets acquired			4,120
Goodwill			12,977
Total consideration			17,097
Satisfied by:			
Shares			3,368
Cash			11,752
Cash for cash			1,564
Purchase consideration			16,684
Directly attributable costs			413
Total consideration			17,097

The provisional fair value adjustments represent changes to bring the accounting policies in line with those of the Group.

In accordance with the sale and purchase agreement, the net assets acquired represent 100% of the cash balance of £2,167,000 and 72% of the fair values of the remaining net assets.

Intangible assets were recognised primarily in respect of customer contracts and relationships. Goodwill arising on acquisition is attributable to the underlying profitability of the company, expected profitability arising from new business, anticipated future operating synergies arising from assimilation into the Group and the value attributed to the skilled workforce which does not meet the criteria for recognition as a separate intangible asset.

In the six months ended 30 June 2008, Tribal HELM contributed £634,000 to gross revenue and £103,000 to operating profit.

During the period there have been a number of other immaterial acquisitions as well as the purchase of minority interests.

If the acquisition of Tribal HELM had been completed on the first day of the financial year, group revenues for the period would have been £120.5m and group profit attributable to equity holders of the parent would have been £7.3m.

Notes to the condensed consolidated financial information (continued)

21 Post balance sheet event

On 2 July 2008, the Group acquired the entire share capital of RSe Consulting Limited for a maximum total consideration of £2.6m. £1.6m was paid in cash on that date with the balance of the consideration, subject to the future performance of that business, deferred until March 2009.

The net assets at 30 June 2008 had a book value of £0.8m. The fair value of these assets has not yet been finalised. The excess of consideration paid over net assets acquired has not yet been allocated between goodwill and separately identifiable intangible assets.

22 Contingent liabilities

As reported at December 2007, the Group has received notification of potential claims, as set out below. In all cases the claims are being investigated by our lawyers and are being robustly contested as to both liability and quantum. The principal claims are:

- breach of contract arising out of the provision of services to a further education college;
- breach of contract relating to the design of a new college.

A provision of £560,000 (30 September 2007: £706,000, 31 December 2007: £577,000) has been made for defending the potential claims, where appropriate.

These claims are expected to be resolved within one year and are therefore shown within current liabilities. However, it is possible that these claims may take longer to resolve, or the Group may not be promptly notified that the claim has been dropped. The claim may be settled at amounts higher or lower than that provided depending on the outcome of commercial or legal arguments. The provision made is management's best estimate of the Group's liability based on past experience, commercial judgement and legal advice. There is no expected reimbursement for any economic outflow that may be required.

Responsibility statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with IAS 34;

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the accounting period); and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Peter J Martin
Chief Executive

Simon M Lawton
Group Finance Director

19 August 2008

Independent review report to Tribal 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 condensed income statement, the condensed balance sheet, the condensed statement of recognised income and expense, the condensed cash flow statement and related notes 1 to 22. 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 group 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 Kingdoms' 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

Deloitte & Touche LLP
Chartered Accountants and Registered Auditor
Bristol, United Kingdom

19 August 2008

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Company information

Tribal Group plc
87–91 Newman Street
London W1T 3EY

T: 0207 323 7110

Priory Court
Poulton
Cirencester GL7 5JB

T: 01285 886020
E: info@tribalgroup.co.uk
website: www.tribalgroup.co.uk

Company secretary
Richard H Collins

Registered office
87-91 Newman Street
London W1T 3EY

Stockbroker and joint financial adviser
RBS Hoare Govett Limited
250 Bishopsgate
London EC2M 4AA

Joint financial adviser
N M Rothschild & Sons Limited
New Court
St Swithin's Lane
London EC4P 4DU

Principal bankers
Bank of Scotland plc
PO Box 208
21 Prince Street
Bristol BS99 7JG

Auditors
Deloitte & Touche LLP
3 Rivergate
Temple Quay
Bristol BS1 6GD

Solicitors
Osborne Clarke
2 Temple Back East
Temple Quay
Bristol BS1 6EG

Registrars
Capita Registrars
PO Box 1269
Huddersfield
HD1 9UT

Company's registered number
4128850

Place of incorporation
Registered in England and Wales