

The Mission Marketing Group plc

Interim results for the six months to 30 June 2007

**Continued strong organic growth and successful integration of acquisitions means benefits of buy and build strategy are coming through
Organic profit growth of 19% is 4 times adspend forecast***

The Mission Marketing Group plc ("TMMG, themission®"), the national marketing communications and advertising group, today announces interim results for the six months ended 30 June 2007.

As we have added in the period under review two new companies to themission, we have used proforma figures allowing direct year-on-year comparison with the comparable interim period for 2006.

Highlights

- Turnover: £39.7m, proforma £45.9m (2006: £13.0m, proforma £42.3m) up 9%
- Operating profit: £4.0m, proforma £4.7m (2006: £1.0m, proforma £4.1m) up 15%
- Profit before tax: £3.0m, proforma £3.8m (2006: £0.7m, proforma £3.2m) up 19%
- Diluted EPS: 7.73 pence, proforma 9.27 pence (2006: 1.92 pence, proforma 7.65 pence) up 21%
- First interim dividend of 0.36 pence per share declared – reflects confidence in the prospects for the Group
- Cash flow from operating activities of £3.1m and cash balance of £8.0m (2006: £3.0m cash net of loan notes)
- Organic growth driven by leveraging additional services across the Group's existing clients, a good new business performance and continued expansion of digital capabilities
- Acquisition strategy being actively implemented through the acquisitions of April-Six and BDW in March 2007 – both companies successfully integrated and synergy benefits coming through as planned
- Strong start to the second half with current trading in line with the Board's expectations

Commenting on the results Iain Ferguson, CEO, said:

"themission® has reported a good financial performance in the first half. We have delivered above industry organic growth by successfully implementing our stated strategy of combining good organic growth with selective acquisitions. The acquisitions of April Six and BDW have extended our geographical reach, brought new services to the Group and moved us into new markets.

The second half has started well with trading in line with our expectations. The acquired businesses have already been successfully integrated and the benefits are coming through as planned. This, coupled with the continued growth in digital and new business wins, makes us confident of delivering a good financial performance in 2007."

* **Source: Carat Adspend forecast anticipates 4.1% growth in 2007 in the UK**

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themission® is a national marketing communications and advertising group with 10 offices across the UK. The Group specialises in providing national and international clients with award winning marketing, advertising and business communications. Group members include April-Six, Bray Leino, Big Communications, Fuse Digital, thinkBDW and Story UK. themission® employs over 550 staff nationally and is listed on AIM (TMMG).

Chief Executive's Statement

Overview and strategy

The Mission Marketing Group plc ("themission", "TMMG") has delivered another excellent set of results in the first half of 2007. The results are based on a combination of strong organic growth and the successful integration of acquired businesses. On a like-for-like basis, using proforma figures allowing direct year-on-year comparison with the comparable interim period for 2006, operating profit increased by 15% while adjusted profit before tax grew by 19%. Reflecting our confidence in the future prospects of themission, the board has declared an interim dividend of 0.36 pence per share.

The Group's continued success demonstrates the benefits of building a network of fully integrated businesses specialising in the provision of the award winning advertising and marketing services required by our national and international clients. We have grown considerably faster than the marketing services sector, which demonstrates the strength of our business model at a time when clients are increasingly focused on the return they get on their marketing and advertising investment.

The two businesses acquired in the first half have added some £21m of annualised turnover to the Group and each offers a specific opportunity to add new services and markets. Having structured the Group at the time of our IPO last year to make and support acquisitions, we have already integrated these businesses successfully.

The Group's strategy is to acquire and leverage proven businesses located largely outside high-cost central London that provide marketing and communications services to national and international brands. This strategy is delivering a number of clear benefits:

- Clients receive fully integrated, on-line and off-line campaigns from agencies where functional silos do not exist;
- Service levels are being enhanced by the provision of new expertise from around the group;
- Margins are improved by locating our agencies outside traditional high-cost locations;
- We can attract and develop excellent people who, enabled by broadband technologies, enjoy reduced cost and increased quality of life; and
- Our acquisition pipeline is strong and we have identified a number of potential partners, with very specific and relevant expertise, who match our target profile.

Our strategy reflects that pursued by many of the most successful clients in multiple markets and geographies. Lower cost locations, high penetration of technology to drive efficiencies and the ability to invest in people and skills to deliver future growth and profit.

We see this strategy as the right approach at the right time and believe it has the ability to deliver long-term benefits for TMMG shareholders.

Results

Turnover for the six month period was £39.7m, operating profit was £4.0m and diluted EPS was 7.73 pence. The comparative period includes only the two and a half months of trading (13 April to 30 June 2006) for the newly formed Group following its admission to the AIM market. To provide meaningful information, we have provided proforma financials for the full six months to 30 June 2007 and comparatives for the first six months and full year of 2006, as if the Group had existed in its current form throughout those periods.

On this basis, as shown at the end of this interim report, turnover grew by 9% to £45.9m (2006: £42.3m). This increase in volume led to gross profits increasing by 11% to £17.2m (2006: 15.4m). Operating profit rose by some 15% to £4.7m (2006: £4.1m).

Net interest payable amounted to £925,000. Proforma comparatives also include net interest payable of £925,000 to reflect the interest charge associated with a comparable level of debt. As a result the proforma pre-tax profit grew by 19%, and earnings and EPS grew by a slightly higher 21% (identical tax rates pre IFRS interest charges and number of shares assumptions for the periods). The profit before taxation was £3.8m (2006: £3.2m).

The interim statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and these statements do not constitute a set of statutory financial statements. Comparative amounts have been restated.

Dividends

The Board has a progressive dividend policy and is pleased to meet its commitment to extending its dividends to both the full and half year by declaring its first interim dividend of 0.36 pence per share. This will be paid on 23 October 2007 to those shareholders on the register at 5 October 2007. No interim dividend was awarded in 2006 for the two and a half months of trading. The main focus of the Group in the short term remains delivering growth in earnings through well planned organic growth and selective acquisitions.

Review of Operations

The Group has been materially enlarged and since our IPO in April last year has seen annualised turnover grow from £5m to £85m. This is consistent with our stated aim at the time of the IPO to deliver both organic and acquisition growth.

In the first half of 2007 we announced the completion of two significant acquisitions, April-Six and BDW, both of which meet our stringent investment criteria. These acquisitions also give us new strength in dynamic and profitable industry sectors.

April-Six is a leader in providing marketing and communications campaigns to IT companies and their supply chains. April-Six operates both nationally and internationally for worldwide hardware and software manufacturers and providers including Seagate, Microsoft and Symantec.

BDW is one of the country's leading specialist property and real estate marketing agencies. BDW provides creative, marketing, media and technical services to some of the UK's most famous names in house building, property development and estate agency.

The integration process is a very important part of our business model and these acquisitions have been rapidly and successfully integrated into the Group. The process begins pre-acquisition so that before completion and without incurring external cost, systems, reporting and other standards are already aligned. Our system ensures that prospective Group companies are introduced to existing Group members to help ensure a smooth transition from vendor to subsidiary. Immediately after completion, face to face 'all staff' meetings provide a forum for ensuring clear understanding, at all levels, of the mission strategy, the role of the new company in delivering against that strategy, and the areas of focus which will leverage membership of the Group. Finally, new CEOs are appointed to the Executive Board which is the team tasked with managing the collective operation to deliver maximum performance in line with the Group's business plan.

Our operations are organised and reported under four areas of business.

Branding and Advertising (including Media)

Branding and Advertising is our largest segment and has had another strong first half. This business line includes TV and other mass-media advertising as well as our design and production activities across a wide range of direct marketing, print and other media platforms. Volumes in IT and Property for clients such as Seagate and Barratt are now adding significantly to our previous activity levels and mainstream advertising campaigns for brand leaders such as WKD, Wrigley's Extra, Ibuleve and Champion have produced good results.

Our agencies continue to enjoy strong recognition for our creativity and have again this year received multiple accolades including eight Golds at this year's Fresh awards.

Digital and On-line

Digital and on-line communications are continuing their dramatic growth trend. The explosion in affordable high-speed internet access and the rapid development of mobile phone and other media platforms has driven, and will continue to drive, client investment to reach consumers in fast, measurable, cost-effective ways. Our business has, accordingly, grown rapidly in these areas including on-line activities for clients such as Lucozade, Miele, and Price-Runner.

We have taken steps to add further talent to our management team at Fuse Digital and have also, at Bray Leino, recruited an entire on-line team of 20, from a competitor agency, as part of our continued investment in the segment. Also via Bray Leino, we have invested in a digital in-store marketing offer called i-blink. This delivers on-screen and experiential marketing activities to drive sales for clients such as Superdrug where i-blink is deployed as part of the new-format store roll-out.

We will continue to look for new ways to innovate and to help our clients derive maximum advantage from digital initiatives. The Group will also continue to explore acquisition and other opportunities to drive future growth in this area.

Public Relations

Public Relations has also had a good first six months – including the win of a first assignment from Innocent Drinks - and has benefited from its strength in management of environmental and green issues. This is an area in which we have deep expertise, already applied on behalf of major brands such as Ecover. As consumer awareness and their expectation of brands' environmental credentials continues to develop, we expect this specialist team to continue its strong performance.

Events and Learning

Events and Learning has had a somewhat mixed start to the year with a strong performance in Events offset by slower Government spending in Learning. We have initiated a plan to reduce overheads in this area whilst in parallel, enhancing the service offering and margin profile by moving to higher value learning programmes. The events business continues its growth in the fashion and luxury sectors for clients including Aquascutum and Timberland and in the pharmaceutical sector where it created a major launch event for Gardasil – the cervical cancer vaccine. The Events team has also been successful in providing new services to existing clients of Big Communications such as BT Rolatruc and Fruit of the Loom – both of whom ran major events earlier this year.

New Business

We have had a good start to the current year. New wins include Princes Foods at Big Communications, Ben & Jerry's, Sugar Puffs and Bradford & Bingley at Bray Leino, a first campaign for Innocent, digital wins including Mates, Ruby and Ed and Insurancewide.com. Across the Group, the focus remains on identifying opportunities to target growth sectors, service national and international brands and deliver to our clients effective, business-building ideas, time after time.

Corporate Governance

The Board recognise the importance of sound corporate governance and will, insofar as practicable given the Company's size and constitution of the Board, comply with the main provisions of the Combined Code: Principles of Corporate Governance and Code of Best Practice.

Current trading and outlook

The Group has enjoyed a good start to the current year with a strong first half following a successful 2006. Integration of new acquisitions has gone well with active collaboration between Group companies to offer clients new services. This, and new locations coming on stream, will enable new revenue streams which in turn will help fuel future growth.

the mission's growing strength in digital, on-line and environmental initiatives, coupled with our proven capability as a fast moving, multi-discipline, national Group means we are well positioned to continue to out-perform the marketing services sector.

The momentum seen in the first six months has continued into the second half and trading is in line with the Group's expectations. The benefits from acquisitions are coming through as planned and on 11th September we announced the acquisition of Story UK; a leading direct response, digital and communications agency. With new initiatives to drive continued growth in digital and encouraging new business momentum, the Board is confident of delivering a good financial performance in 2007.

Iain Ferguson
Chief Executive

**Consolidated Income Statement
for the 6 months ended 30 June 2007**

		6 months to 30 June 2007	2.5 months to 30 June 2006	8.5 months to 31 December 2006
	Note	Unaudited £'000	Restated* Unaudited £'000	Restated* Audited £'000
TURNOVER	2	39,687	12,985	37,468
Cost of sales		(24,654)	(8,308)	(22,417)
OPERATING INCOME		15,033	4,677	15,051
Operating expenses	3	(11,053)	(3,636)	(12,528)
OPERATING PROFIT		3,980	1,041	2,523
Investment income	4	183	82	281
Finance costs	4	(606)	(197)	(590)
IFRS interest charges	4	(529)	(215)	(404)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,028	711	1,810
Taxation	5	(1,146)	(297)	(749)
PROFIT FOR THE PERIOD		1,882	414	1,061
Basic earnings per share (pence)	7	7.77	2.05	5.16
Diluted earnings per share (pence)	7	7.73	1.92	4.92
Fully diluted earnings per share (pence)	7	6.61	1.75	4.44

The comparative figures in this statement cover the period from incorporation, 7 March 2006, and the trading period from 13 April 2006.

*Restated under IFRS (see note 13)

**Consolidated Balance Sheet
as at 30 June 2007**

		As at 30 June 2007	As at 30 June 2006	As at 31 December 2006
	Note	Unaudited £'000	Restated* Unaudited £'000	Restated* Audited £'000
FIXED ASSETS				
Intangible assets	8	61,571	37,034	37,292
Investments	9	24	-	-
Property, plant and equipment		1,954	1,357	1,443
		63,549	38,391	38,735
CURRENT ASSETS				
Work in progress		891	184	237
Trade and other receivables	10	14,783	11,685	9,642
Cash and short term deposits		7,954	11,379	11,082
		23,628	23,248	20,961
CURRENT LIABILITIES				
Trade and other payables		(13,365)	(10,449)	(8,151)
Accruals		(1,936)	(2,394)	(1,347)
Corporation tax payable		(1,693)	(798)	(590)
Bank loans		(3,995)	-	(700)
Acquisition loan notes	11.1	(1,686)	(8,386)	(7,151)
Acquisition contingent payments	11.1	(122)	-	-
		(22,797)	(22,027)	(17,939)
NET CURRENT ASSETS		831	1,221	3,022
TOTAL ASSETS LESS CURRENT LIABILITIES		64,380	39,612	41,757
NON CURRENT LIABILITIES				
Bank loans		(14,732)	(8,000)	(7,300)
Acquisition loan notes	11.1	(1,007)	(1,881)	(1,923)
Acquisition contingent payments	11.1	(15,087)	(6,452)	(6,599)
Obligations under finance leases		-	-	(28)
Deferred tax liabilities		(81)	(45)	(45)
NET ASSETS		33,473	23,234	25,862
CAPITAL AND RESERVES				
Called up share capital		2,604	2,000	2,156
Share premium account		27,867	20,820	22,517
Staff remuneration reserve		274	-	128
Retained earnings		2,728	414	1,061
TOTAL EQUITY		33,473	23,234	25,862

*Restated under IFRS (see note 13)

**Consolidated Cash Flow Statement
for the 6 months ended 30 June 2007**

		6 months to 30 June 2007	2.5 months to 30 June 2006	8.5 months to 31 December 2006
	Note	Unaudited £'000	Unaudited £'000	Audited £'000
Operating cash flow	12	4,232	167	2,207
Net finance costs		(648)	(115)	(309)
Tax paid		(516)	(121)	(782)
Net cash inflow/(outflow) from operating activities		3,068	(69)	1,116
Investing activities				
Purchase of property, plant and equipment		(100)	(105)	(368)
Acquisition of subsidiaries		(13,148)	(2,436)	(2,436)
Net Cash acquired with subsidiaries		3,743	3,464	3,464
Acquisition of associate companies		(24)		
Net cash (outflow)/inflow from investing activities		(9,529)	923	660
Financing activities				
Dividend paid		(215)	-	-
Repayments of amounts borrowed		(7,151)	(11,095)	(12,331)
Movement in HP creditor		(28)	-	28
Receipts from long term loans		10,727	8,000	8,000
Receipts from issue of ordinary share capital		-	14,800	14,800
Financing and share issue costs		-	(1,180)	(1,191)
Net cash inflow from financing activities		3,333	10,525	9,306
(Decrease)/increase in cash and cash equivalents		(3,128)	11,379	11,082
Cash and cash equivalents at beginning of period		11,082	-	-
Cash and cash equivalents at end of period		7,954	11,379	11,082

**Consolidated Statement of Changes in Equity
for the 6 months ended 30 June 2007**

	Share capital £'000	Share premium £'000	Retained earnings £'000	Staff remuneration reserve £'000	Total £'000
Changes in equity					
At 7 March 2006 (incorporation)	-	-	-	-	-
New shares issued	2,000	20,820	-	-	22,820
Profit for the period	-	-	414	-	414
Dividends	-	-	-	-	-
At 30 June 2006	2,000	20,820	414	-	23,234
New shares issued	156	1,697	-	-	1,853
Credit for share option scheme	-	-	-	128	128
Profit for the period	-	-	647	-	647
Dividends	-	-	-	-	-
At 31 December 2006	2,156	22,517	1,061	128	25,862
New shares issued	448	5,350	-	-	5,798
Credit for share option scheme	-	-	-	146	146
Profit for the period	-	-	1,882	-	1,882
Dividends	-	-	(215)	-	(215)
At 30 June 2007	2,604	27,867	2,728	274	33,473

Notes to the unaudited Interim Report for the 6 months ended 30 June 2007

1. Accounting Policies

Basis of Preparation

The Financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) for the first time. The disclosures required by IFRS 1 concerning the transition from UK GAAP to IFRS are given in note 13. The Financial statements have also been prepared in accordance with IFRS adopted for use in the European Union and therefore comply with Article 4 of the EU IAS Regulation.

The next annual financial statements of the group to 31 December 2007 will be prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union.

The financial statements have been prepared on the historical cost basis.

Basis of Consolidation

The Group's financial statements consolidate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Any deficiency of the cost of acquisition below the fair value of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax. It comprises the amounts billed to clients in respect of the provision of marketing services in respect of fees, advertising, media, training and events.

Income Recognition

Income is taken on fee income in the period to which it relates. Project income is recognised in the period in which the project is worked on. For projects, which fall over the accounting year end, income is recognised to reflect the partial performance of the contractual obligations in accordance with UITF 40.

Income is recognised on the following basis:

- Retainer fees are apportioned over the time period to which they relate.
- Project income is recognised by apportioning the fees billed or billable to the time period for which those fees were earned by relationship to the percentage of completeness of the project to which they relate.
- Media commission is recognised, when the advertising has been satisfactorily aired or placed.
- Unbilled costs relating to contracts for services are included at rechargeable value in accrued income.
- Unbilled costs relating to contracts for products are carried forward at the lower of cost and net realisable value with no profit recognition.
- Financial liabilities are released to income when the liability is extinguished.

Share-based payment Transactions

In accordance with IFRS 3 certain payments made to employees in respect of earn-out arrangements are required to be treated as remuneration within the income statement. These amounts are required to be charged to the income statement.

The Group has applied the requirements of IFRS 2 Share-based Payments. IFRS 2 has been applied to all grants of equity instruments.

Equity-settled share-based payments, such as share options, are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

Fair value is measured by use of a Black Scholes model on the grounds that there are no market related vesting conditions. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Market price on any given day is obtained from external publicly available sources.

Pension costs

Retirement benefits to employees are provided by defined contribution schemes that are funded by the Group and employees. Payments are made to pension trusts that are financially separate from the Group.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are reflected in the income statement accordingly.

Goodwill

Goodwill arising from the purchase of subsidiary undertakings, represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable asset, liabilities and contingent liabilities of the subsidiary acquired, and is capitalised in accordance with the requirements of IFRS 3. Future anticipated payments to vendors in respect of earn-outs are based on the Director's best estimates of these obligations. Earn-outs are dependent on the future performance of the relevant business and are reviewed annually. The deferred consideration is discounted to its fair value in accordance with IFRS 3 and IAS 39. The difference between the fair value of these liabilities and the actual amounts payable are charged to the income statement as notional finance costs over the life of the associated liability.

Property, plant and equipment

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful economic life, as follows:

Short leasehold property	Period of the lease
Motor vehicles	25% per annum
Fixtures, fittings and equipment	10-33% per annum
Computer	25-33% per annum

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Work in progress

Work in progress is stated at the lower of cost and net realisable value and includes the costs of direct materials and purchases, and the costs of direct labour. Net realisable value is based on estimated invoice value less further costs expected to be incurred to completion.

Deferred Consideration

The terms of an acquisition may provide that the value of the purchases consideration, which may be payable in cash, shares or other security at a future date, depends on uncertain future events, such as the future performance of the acquired company. Where it is not possible to estimate the amounts payable with any degree of certainty, the amounts recognised in the financial statements represent a reasonable estimate at the balance sheet date of the amounts expected to be paid. The deferred consideration is discounted to a fair value. The difference between the fair value of the liabilities and the actual amounts payable are charged to the income statement as notional finance costs calculated at annual rates of between 4.6% and 5.5% over the life of the associated liability. The rate used is the risk free rate applicable at the time of acquisition of the relevant entity. The Directors consider these rates to be reasonable in light of similar rates available on debt instruments.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. Issue costs are offset against the proceeds of such instruments.

Financial Liability and Equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group has only one class of share in existence.

Finance costs

Finance costs, which include interest, bank charges and the unwinding of the discount on deferred consideration, are recognised in the income statement in the year in which they are incurred.

Accounting estimates and judgements

The Group makes estimates and judgements concerning the future and the resulting estimates may, by definition, vary from the actual results. The Directors considered the critical accounting estimates and judgements used in the financial statements and concluded that the main areas of judgement are:

- Revenue recognition policies in respect of contracts which straddle the year end;
- Contingent deferred payments in respect of acquisitions
- Recognition and qualification of share based payments; and
- Valuation of intangible assets.

These estimates are based on historical experience and various other assumptions that management and the Board of Directors believe are reasonable under the circumstances and are discussed, to the extent necessary, in more detail in their respective notes.

2. Business segmentation

For management purposes the Group had five operating subsidiaries during the period, Bray Leino Limited, Big Communications Limited, Fuse Digital Limited, Bastin Day Westley Limited and April-Six Limited. These have been divided into five segments which form the basis of the Group's primary segmentation namely; Branding and Advertising, Media, Events and Learning, Public Relations and Digital.

	6 months to 30 June 2007 Unaudited £'000	2.5 months to 30 June 2006 Unaudited £'000	8.5 months to 31 December 2006 Audited £'000
Turnover			
Business segment			
Branding and Advertising	14,909	2,685	11,548
Media	16,851	6,845	15,026
Events and Learning	4,227	2,268	7,042
Public Relations	936	379	1,302
Digital and On-line	2,764	808	2,550
	39,687	12,985	37,468
Operating income			
Business segment			
Branding and Advertising	9,017	2,519	8,807
Media	1,372	483	1,052
Events and Learning	1,924	855	2,670
Public Relations	734	310	1,042
Digital and On-line	1,986	510	1,480
	15,033	4,677	15,051
Operating profit			
Business segment			
Branding and Advertising	2,919	70	1,365
Media	717	624	1,102
Events and Learning	413	292	456
Public Relations	64	64	94
Digital and On-line	619	245	509
	4,732	1,295	3,526
Central costs	(752)	(254)	(1,003)
	3,980	1,041	2,523

3. Operating expenses

The operating expenses of £11,052,500 include a non-cash charge of £145,850 for the options granted to employees in line with Financial Reporting Standard 20: "Share-based payments".

4. Investment income and Finance costs

	6 months to 30 June 2007 Unaudited £'000	2.5 months to 30 June 2006 Unaudited £'000	8.5 months to 31 December 2006 Audited £'000
Investment income:			
Interest receivable	183	82	281
Finance costs:			
on bank loans and overdrafts	(496)	(132)	(398)
on loan notes	(110)	(65)	(192)
	(606)	(197)	(590)
IFRS interest charges:			
Finance cost of deferred consideration	(304)	(95)	(284)
Bank arrangement fees	(225)	(120)	(120)
	(529)	(215)	(404)
Total net finance cost	(952)	(330)	(713)

All interest bearing loan notes were redeemed within the period.

5. Taxation

The taxation charge for the period ended 30 June 2007 has been based on an estimated effective tax rate on profit on ordinary activities prior to IFRS interest charges of 32% (30 June 2006: 32%).

6. Dividends

	6 months to 30 June 2007 Unaudited £'000	2.5 months to 30 June 2006 Unaudited £'000	8.5 months to 31 December 2006 Audited £'000
Amounts recognised as distributions to equity holders in the period (approved):			
Full year dividend for the period ended 31 December 2006 of 1.0 pence per share	215	-	-
Amounts not recognised as distributions to equity holders in the period (declared):			
Full year dividend for the period ended 31 December 2006 of 1.0 pence per share	-	-	215
Interim dividend for the 6 months ended 30 June 2007 of 0.36 pence per share	94	-	-
	94	-	215

The proposed interim dividend was approved by the Board on 25 September 2007 and has not been included as a liability as at 30 June 2007. The dividend will be paid on 23 October 2007 to those shareholders on the register at 5 October 2007.

7. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data, determined in accordance with the provisions of IAS33: "Earnings per Share".

	6 months to 30 June 2007 Unaudited £'000	2.5 months to 30 June 2006 Unaudited £'000	8.5 months to 31 December 2006 Audited £'000
Earnings			
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the parent	1,882	414	1,061
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	24,223,833	20,165,289	20,567,372
Dilutive effect of securities:			
Shares to be issued subject to performance achieved within the period	-	1,375,620	994,274
Share options	120,000	38,254	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	24,343,833	21,579,163	21,561,646
Dilutive effect of securities:			
Dilutive effect of expected contingent additional consideration shares	4,114,771	2,066,116	2,325,851
Weighted average number of ordinary shares for the purpose of fully diluted earnings per share	28,458,604	23,645,279	23,887,497

Basic earnings per share includes shares to be issued subject only to time as if they had been issued at the beginning of the period.

Diluted earnings per share includes the Bray Leino deferred initial consideration shares to be issued, weighted from the date of acquisition which was at the beginning of the period, subject to performance achieved within the period. The additional consideration shares included in non current liabilities have not been included in the diluted earnings per share because the conditions for their issue had not been met in the period. Options issued are included in diluted earnings per share to the extent that the market price is above the exercise price in accordance with IAS33.

Fully diluted earnings per share includes the contingent Bray Leino, BDW and April-Six additional consideration shares, at a level that the Board estimate will be payable, weighted from the date of acquisition, as if they had been issued at the share price at the end of the period.

8. Goodwill

	£'000
At 7 March 2006	-
Recognised on acquisition of subsidiaries	37,034
Adjustment to consideration and net assets	-
At 30 June 2006	37,034
Recognised on acquisition of subsidiaries	-
Adjustment to consideration and net assets	258
At 31 December 2006	37,292
Recognised on acquisition of subsidiaries (see note 9)	24,082
Adjustment to consideration and net assets	197
At 30 June 2007	61,571

The adjustments to consideration relate to changes in the estimated deferred consideration in the earn-out period under the terms of the relevant sale and purchase agreement.

In accordance with the Group's accounting policies, an annual impairment test is applied to the carrying value of goodwill. Goodwill is not amortised.

Goodwill is comprised of the following substantial components:

	30 June 2007 Unaudited £'000	30 June 2006 Unaudited £'000	31 December 2006 Audited £'000
The Mission Marketing Holdings Ltd	-	1,106	1,106
Big Communications Ltd/Fuse Digital Ltd	9,126	7,838	7,965
Bray Leino Ltd	28,363	28,090	28,221
April-Six Ltd	14,307	-	-
Bastin Day Westley Ltd	9,394	-	-
The Driver Is Ltd	381	-	-
	61,571	37,034	37,292

The Mission Marketing Holdings Limited has been made non-trading and the goodwill previously held in it as owner of Big Communications Limited and Fuse Digital Limited has been reallocated to those companies.

9. Investments in associates

	30 June 2007 £'000	30 June 2006 £'000	31 December 2006 £'000
Investment in shares in iblink Limited	24	-	-

Investments in associates consists of a 40% holding in the share capital of iblink Limited, which has been incorporated into these financial statements using the equity method of accounting. As at 30 June 2007, the entity has not yet materially traded.

10. Trade and other receivables

An allowance has been made for estimated irrecoverable amounts of £165,235 (30 June 2006: £63,260 and 31 December 2006: £136,181).

11. Acquisitions

11.1 Acquisition loan notes and acquisition contingent payments

The terms of an acquisition may provide that the value of the purchase consideration, which may be payable in cash or shares or other securities at a future date, depends on uncertain future events such as the future performance of the acquired company. The directors estimate that the liability for payments that may be due are as follows:

	Initial Consideration Loan Notes £'000	Additional Consideration Loan Notes £'000	Shares to be issued £'000	Total £'000
Less than one year	1,686	61	61	1,808
Between one and two years	827	4,479	2,352	7,658
Between two and three years	180	4,128	4,128	8,436
	2,693	8,668	6,541	17,902

11.2 Acquisition of April-Six Limited

On 21 March 2007, The Group acquired the whole issued shared capital of April-Six Limited. The fair value of the consideration given for the acquisition was £15,973,520. An initial payment of £6,793,864 was satisfied by cash on completion. Costs relating to the acquisition amounted to £432,473.

Contingent consideration of £7,774,000 is dependent on the profitability of April-Six Limited for the 3 years to 16 March 2010. The Group has provided for contingent consideration of £5,722,000 to date. This has been discounted to a net present value of £4,928,783, with the resulting discounting charge of £793,217 to be taken through the income statement over the earnout period. Up to 50 percent of this contingent consideration is payable in the form of shares at the option of The Mission Marketing Group Plc.

The fair value of the net assets acquired was £1,666,264, resulting in goodwill of £14,307,256 which has been capitalised as an intangible asset.

	Book Value	Fair Value	Fair value
	£'000	adjustments	£'000
		£'000	
Net assets acquired			
Fixed assets	280	-	280
Trade and other receivables	1,190	-	1,190
Cash and cash equivalents	1,172	-	1,172
Trade and other payables	(959)	-	(959)
Deferred taxation liability	(17)	-	(17)
			<u>1,666</u>
Goodwill			<u>14,307</u>
Total consideration			<u>15,973</u>
Satisfied by:			
Cash			6,794
Shares issued			3,818
Loan notes issued			-
Deferred contingent consideration			4,929
Acquisition costs			<u>432</u>
			<u>15,973</u>

The goodwill arising on the acquisition is attributable to the anticipated profitability of the Company and the anticipated future operating synergies from the combination.

Management carried out a review to assess whether any intangible assets relating to brand names, customer relationships and contractual arrangements were acquired as part of the transaction. Management concluded that no value could be ascribed to these intangible assets on the basis that other intangibles and goodwill cannot be separately valued, due to the nature of the intangible assets in question.

11.3 Acquisition of Bastin Day Westley Limited ("BDW")

On 9 March 2007, The Group acquired the whole issued shared capital of Bastin Day Westley Limited. The fair value of the consideration given for the acquisition was £11,610,122. An initial payment of £5,293,892 was satisfied by cash on completion. Costs relating to the acquisition amounted to £432,473.

Contingent consideration of £7,900,000 is dependent on the profitability of Bastin Day Westley Limited for the 3 years to 14 March 2010. The Group has provided for contingent consideration of £3,694,000 to date. This has been discounted to a net present value of £3,181,916, with the resulting discounting charge of £512,084 to be taken through the income statement over the earnout period. Up to 50 percent of this contingent consideration is payable in the form of shares at the option of The Mission Marketing Group Plc.

The fair value of the net assets acquired was £2,216,344 resulting in goodwill of £9,393,778 which has been capitalised as an intangible asset.

	Book Value	Fair Value	Fair value
	£'000	adjustments	£'000
	£'000	£'000	£'000
Net assets acquired			
Fixed assets	251	-	251
Inventory	10	-	10
Trade and other receivables	3,021	-	3,021
Cash and cash equivalents	2,571	-	2,571
Trade and other payables	(3,618)	-	(3,618)
Deferred taxation liability	(19)	-	(19)
			<u>2,216</u>
Goodwill			<u>9,394</u>
Total consideration			<u>11,610</u>
Satisfied by:			
Cash			5,294
Shares issued			1,980
Loan notes issued			572
Deferred initial consideration			150
Deferred contingent consideration			3,182
Acquisition costs			<u>432</u>
			<u>11,610</u>

The goodwill arising on the acquisition is attributable to the anticipated profitability of the Company and the anticipated future operating synergies from the combination.

Management carried out a review to assess whether any intangible assets relating to brand names, customer relationships and contractual arrangements were acquired as part of the transaction. Management concluded that no value could be ascribed to these intangible assets on the basis that other intangibles and goodwill cannot be separately valued, due to the nature of the intangible assets in question.

11.4 Acquisition of The Driver Is Limited ("TDI")

On 6 February 2007, The Group acquired the whole issued shared capital of TDI. The fair value of the consideration given for the acquisition was £439,732. An initial payment of £185,000 was satisfied by cash on completion. Costs relating to the acquisition amounted to £11,041.

Contingent consideration of £350,000 is dependent on the profitability of TDI for the 3 years to 31 December 2009. The Group has provided for contingent consideration of £260,000 to date. This has been discounted to a net present value of £243,691, with the resulting discounting charge of £16,309 to be taken thorough the income statement over the earnout period.

The fair value of the net assets acquired was £59,191, resulting in goodwill of £380,541 which has been capitalised as an intangible asset.

	Book Value	Fair Value	Fair value
	£'000	adjustments	£'000
		£'000	£'000
Net assets acquired			
Fixed assets	80	-	80
Trade and other receivables	14	-	14
Trade and other payables	(35)	-	(35)
			<u>59</u>
Goodwill			<u>381</u>
Total consideration			<u>440</u>
Satisfied by:			
Cash			185
Deferred contingent consideration			244
Acquisition costs			<u>11</u>
			<u>440</u>

The goodwill arising on the acquisition is attributable to the anticipated profitability of the Company and the anticipated future operating synergies from the combination.

Management carried out a review to assess whether any intangible assets relating to brand names, customer relationships and contractual arrangements were acquired as part of the transaction. Management concluded that no value could be ascribed to these intangible assets on the basis that other intangibles and goodwill cannot be separately valued, due to the nature of the intangible assets in question.

12. Notes to the consolidated cash flow statement

Reconciliation of operating income to operating cash flow

	6 months to 30 June 2007 Unaudited £'000	2.5 months to 30 June 2006 Unaudited £'000	8.5 months to 31 December 2006 Audited £'000
Operating profit	3,980	1,041	2,523
Depreciation charges	199	71	248
Non cash charge for share options	146	38	128
(Increase)/decrease in receivables	(915)	(550)	1,320
Increase in work in progress	(644)	(45)	(98)
Increase/(Decrease) in payables	1,466	(388)	(1,914)
Operating cash flow	4,232	167	2,207

13. Explanation of transition to IFRSs

This is the first period for which the Group has presented its financial statements under IFRS. The following disclosures are required in the year of transition. The last financial statements under UK GAAP were for the year ended 31 December 2006 and the date of transition to IFRS was therefore 7 March 2006 (incorporation).

13.1 Reconciliation of Equity at 31 December 2006 (date of last UK GAAP financial statements)

		UK GAAP As previously reported	Effect of transition to IFRSs	IFRSs
	Note	£'000	£'000	£'000
FIXED ASSETS				
Intangible assets	a, d	38,315	(1,023)	37,292
Property, plant and equipment		1,443	-	1,443
		<u>39,758</u>	<u>(1,023)</u>	<u>38,735</u>
CURRENT ASSETS				
Work in progress		237	-	237
Trade and other receivables		9,642	-	9,642
Cash and short term deposits		11,082	-	11,082
		<u>20,961</u>	<u>-</u>	<u>20,961</u>
CURRENT LIABILITIES				
Trade and other payables	d	(7,971)	(180)	(8,151)
Accruals		(1,347)	-	(1,347)
Corporation tax payable		(590)	-	(590)
Bank loans		(700)	-	(700)
Acquisition loan notes		(7,151)	-	(7,151)
		<u>(17,759)</u>	<u>(180)</u>	<u>(17,939)</u>
NET CURRENT ASSETS				
		<u>3,202</u>	<u>(180)</u>	<u>3,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>42,960</u>	<u>(1,203)</u>	<u>41,757</u>
NON CURRENT LIABILITIES				
Bank loans		(7,300)	-	(7,300)
Acquisition loan notes	b	(2,047)	124	(1,923)
Acquisition contingent payments	c	(7,274)	675	(6,599)
Obligations under finance leases		(28)	-	(28)
Deferred tax liabilities		(45)	-	(45)
		<u>(16,694)</u>	<u>799</u>	<u>(15,895)</u>
NET ASSETS				
		<u>26,266</u>	<u>(404)</u>	<u>25,862</u>
CAPITAL AND RESERVES				
Called up share capital		2,156	-	2,156
Share premium account		22,517	-	22,517
Staff remuneration reserve		128	-	128
Retained earnings		1,465	(404)	1,061
TOTAL EQUITY		<u>26,266</u>	<u>(404)</u>	<u>25,862</u>

Note		31 December 2006
	Total equity previously reported under UK GAAP	26,266
a	Decrease in Goodwill as a result of adjustment to deferred consideration component of cost of acquisition to present value at acquisition date	(1,203)
b	Adjustment to outstanding deferred consideration acquisition loan notes to present value	124
c	Adjustment to outstanding deferred consideration acquisition contingent payments to present value	675
d	Adjustment to reverse media accrual writebacks previously recognised under UK GAAP	
	- Increase in Goodwill	180
	- Increase in Trade and other payables	(180)
	Total adjustment to equity	<u>(404)</u>
	Total equity IFRSs	<u>25,862</u>

13.2 Reconciliation of Equity at 30 June 2006

	Note	UK GAAP As previously reported £'000	Effect of transition to IFRSs £'000	IFRSs £'000
FIXED ASSETS				
Intangible assets	a, d	38,057	(1,023)	37,034
Property, plant and equipment		1,357	-	1,357
		<u>39,414</u>	<u>(1,023)</u>	<u>38,391</u>
CURRENT ASSETS				
Work in progress		184	-	184
Trade and other receivables		11,685	-	11,685
Cash and short term deposits		11,379	-	11,379
		<u>23,248</u>	<u>-</u>	<u>23,248</u>
CURRENT LIABILITIES				
Trade and other payables	d	(10,269)	(180)	(10,449)
Accruals		(2,394)	-	(2,394)
Corporation tax payable		(798)	-	(798)
Acquisition loan notes		(8,386)	-	(8,386)
		<u>(21,847)</u>	<u>(180)</u>	<u>(22,027)</u>
NET CURRENT ASSETS				
		<u>1,401</u>	<u>(180)</u>	<u>1,221</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		<u>40,815</u>	<u>(1,203)</u>	<u>39,612</u>
NON CURRENT LIABILITIES				
Bank loans		(8,000)	-	(8,000)
Acquisition loan notes	b	(2,047)	166	(1,881)
Acquisition contingent payments	c	(7,274)	822	(6,452)
Deferred tax liabilities		(45)	-	(45)
		<u>(17,366)</u>	<u>988</u>	<u>(16,378)</u>
NET ASSETS				
		<u>23,449</u>	<u>(215)</u>	<u>23,234</u>

CAPITAL AND RESERVES

Called up share capital	2,000	-	2,000
Share premium account	20,820	-	20,820
Retained earnings	629	(215)	414
TOTAL EQUITY	23,449	(215)	23,234

Note		31 December 2006
	Total equity previously reported under UK GAAP	23,449
a	Decrease in Goodwill as a result of adjustment to deferred consideration component of cost of acquisition to present value at acquisition date	(1,203)
b	Adjustment to outstanding deferred consideration acquisition loan notes to present value	166
c	Adjustment to outstanding deferred consideration acquisition contingent payments to present value	822
d	Adjustment to reverse media accrual writebacks previously recognised under UK GAAP	
	- Increase in Goodwill	180
	- Increase in Trade and other payables	(180)
	Total adjustment to equity	(215)
	Total equity IFRSs	<u>23,234</u>

13.3 Reconciliation of Profit or Loss for the 8.5 months to 31 December 2006

	UK GAAP		IFRSs
	As	Effect of	
	previously	transition	
Note	reported	to IFRSs	
	£'000	£'000	£'000
Turnover	37,468	-	37,468
Cost of sales	(22,417)	-	(22,417)
Operating Income	15,051	-	15,051
Operating expenses	(12,528)	-	(12,528)
Operating profit	2,523	-	2,523
Investment income	281	-	281
Finance cost	(590)	-	(590)
IFRS interest charges	-	(404)	(404)
Profit before tax	2,214	(404)	(1,810)
Tax expense	(749)	-	(749)
Profit for the period	1,465	(404)	1,061

a, b

Note	Operating profit	Profit on Ordinary Activities before taxation	Profit for the period
	£'000	£'000	£'000
	2,523	2,214	1,465
a	-	(284)	(284)
b	-	(120)	(120)
	-	(404)	(404)
	<u>2,523</u>	<u>1,810</u>	<u>1,061</u>

13.4 Reconciliation of Profit or Loss for the 2.5 months to 30 June 2006

Note	UK GAAP As previously reported £'000	Effect of transition to IFRSs £'000	IFRSs £'000
Turnover	12,985	-	12,985
Cost of sales	(8,308)	-	(8,308)
Operating Income	4,677	-	4,677
Operating expenses	(3,636)	-	(3,636)
Operating profit	1,041	-	1,041
Investment income	82	-	82
Finance cost	(197)	-	(197)
IFRS interest charges	-	(215)	(215)
Profit before tax	926	(215)	(711)
Tax expense	(297)	-	(297)
Profit for the period	<u>629</u>	<u>(215)</u>	<u>414</u>

Note	Operating profit	Profit on Ordinary Activities before taxation	Profit for the period
	£'000	£'000	£'000
	1,041	926	629
a	-	(95)	(95)
b	-	(120)	(120)
	-	(215)	(215)
	1,041	711	414

14. Leave pay accrual

No liability or expense has been recognised relating to untaken leave for any of the periods presented. The Group has a policy of not allowing days to be carried forward from one year to the next, unless in exceptional circumstances. In addition, no payment is made in lieu of untaken leave which is not carried forward. As a result, there is no material liability relating to untaken leave at year end. An accounting policy of not recognising a liability for untaken leave in the interim figures has therefore been adopted, as any effect on the income statement at the first half year reverses itself in the second half of the year. Were the Group to recognise a liability for the full cost of untaken leave at 30 June 2007, the effect on the income statement would be an expense of £257,560 (30 June 2006: £109,540).

15. Post balance sheet events

The Group announced the acquisition of Story UK Limited on 11 September 2007. An initial payment of £6.9m was made on completion on 14 September 2007, payable as to £2.8m in TMMG shares and £4.1m in cash and loan notes. The maximum consideration including the performance related additional consideration payable in March 2011 is £13.5m.

16. Availability of the Interim Report

Copies of the Interim Report are available from the Company's registered office at Garden House, 57-59 Long Acre, London, WC 2E 9JL and on the Group's website, www.themission.co.uk

INDEPENDENT REVIEW REPORT TO THE MISSION MARKETING GROUP PLC

Introduction

We have been instructed by the Company to review the financial information for the six month period ended 30 June 2007 which comprises the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash flow Statement, Consolidated Statement of Changes in Equity and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 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 interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the AIM market which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

International Financial Reporting Standard

As disclosed in note 1, the next annual financial statements of the group will be prepared in accordance with International Financial Reporting Standards as adopted for use in the EU. Accordingly, the interim report has been prepared in accordance with the recognition and measurement criteria of IFRS and the disclosure requirements of the Listing Rules of the AIM market.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six month period ended 30 June 2007.

141 Wardour Street
London
W1F 0UT

25 September 2006

Kingston Smith LLP
Chartered Accountants and Registered Auditors

**Proforma Consolidated Income Statement
for the six months ended 30 June 2007**

The interim financial statements for the six month period ended 30 June 2007 includes a full six month trading period, whereas the comparative period to 30 June 2006 covers only a two and a half month trading period. In addition, the Group acquired April-Six Limited and Bastin Day Westley Limited in March 2007, and the Group is presenting its financial statements under IFRS for the first time.

As a result of the aforementioned factors, comparison of the interim results does not reflect the underlying organic growth of the Group. A comparable proforma financial statement has therefore been prepared. Proforma figures for both the current period ended 30 June and the comparative period include all current trading units for the full six months ended 30 June. Similarly, the proforma figures for the year ended 31 December 2006 include all current trading units for the full twelve months ended 31 December 2006. This gives a representative picture of the underlying trading performance of the Group, the comparisons representing purely organic growth.

	6 months to 30 June 2007 Unaudited	% growth	6 months to 30 June 2006 Unaudited	Year to 31 Dec 2006 Unaudited
	£'000		£'000	£'000
TURNOVER	45,931	+9%	42,296	78,247
Cost of sales	(28,703)	+7%	(26,829)	(48,315)
OPERATING INCOME	17,228	+11%	15,467	29,932
Operating expenses	(12,489)	+10%	(11,350)	(23,277)
OPERATING PROFIT	4,739	+15%	4,117	6,655
Investment income	63		63	63
Finance costs	(459)		(459)	(1,193)
IFRS interest charge	(529)		(529)	(947)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3,814	+19%	3,192	4,578
Taxation	(1,390)		(1,191)	(1,768)
PROFIT FOR THE PERIOD	2,424	+21%	2,001	2,810
Basic earnings per share (pence)	9.31	+21%	7.69	10.80
Diluted earnings per share (pence)	9.27	+21%	7.65	10.75
Fully diluted earnings per share (pence)	7.63	+21%	6.30	8.85

The current level of interest costs and IFRS interest charges has been applied to all periods presented to reflect the costs associated with the current size of the Group and the current levels of debt. A tax rate of 32% has been applied to profit before IFRS interest charges for all interim periods presented. In calculating the earnings per share, the proforma number of shares was calculated and has been used for all three periods, (Basic: 26,036,411, Diluted: 26,156,411, Fully diluted: 31,772,037).

Segmentation Note

For management purposes the Group had five operating subsidiaries during the period, Bray Leino Limited, Big Communications Limited, Fuse Digital Limited, Bastin Day Westley Limited and April-Six Limited. These have been divided into five segments which form the basis of the Group's primary segmentation namely; Branding and Advertising, Media, Events and Learning, Public Relations and Digital. The Group's operations are all based in the UK and substantially all the Group's business is executed in the UK.

	6 months to 30 June 2007 Unaudited £'000	% growth	6 months to 30 June 2006 Unaudited £'000	Year to 31 December 2006 Unaudited £'000
Turnover				
Business segment				
Branding and Advertising	17,171	+11%	15,462	29,058
Media	20,433	+11%	18,354	32,414
Events and Learning	4,227	-22%	5,442	10,216
Public Relations	936	+26%	740	1,663
Digital and On-line	3,164	+38%	2,298	4,896
	45,931	+9%	42,296	78,247
Operating income				
Business segment				
Branding and Advertising	10,679	+9%	9,834	19,167
Media	1,608	+12%	1,432	2,468
Events and Learning	1,924	-8%	2,096	3,911
Public Relations	734	+29%	568	1,300
Digital and On-line	2,283	+49%	1,537	3,087
	17,228	+11%	15,467	29,932
Operating profit				
Business segment				
Branding and Advertising	3,516	+14%	3,092	5,388
Media	759	+36%	557	1,016
Events and Learning	413	-27%	565	773
Public Relations	64	+49%	43	73
Digital and On-line	739	+40%	528	1,026
	5,491	+15%	4,785	8,276
Central costs	(752)	+13%	(668)	(1,621)
	4,739	+15%	4,117	6,655