RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012

August 2012

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Management Consulting Group PLC

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Commercial highlights

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- Continued progress in parts of the business despite difficult trading conditions
- Good performance in North America and emerging markets
  - Alexander Proudfoot performing well in natural resources and emerging markets
  - Kurt Salmon progressing well in North America and Asia, European activities impacted by Eurozone crisis
- Emerging Market strategy delivering
  - Represents significant proportion of overall Group revenues
- Strengthened balance sheet, net debt reduced by 31% to 35.7m

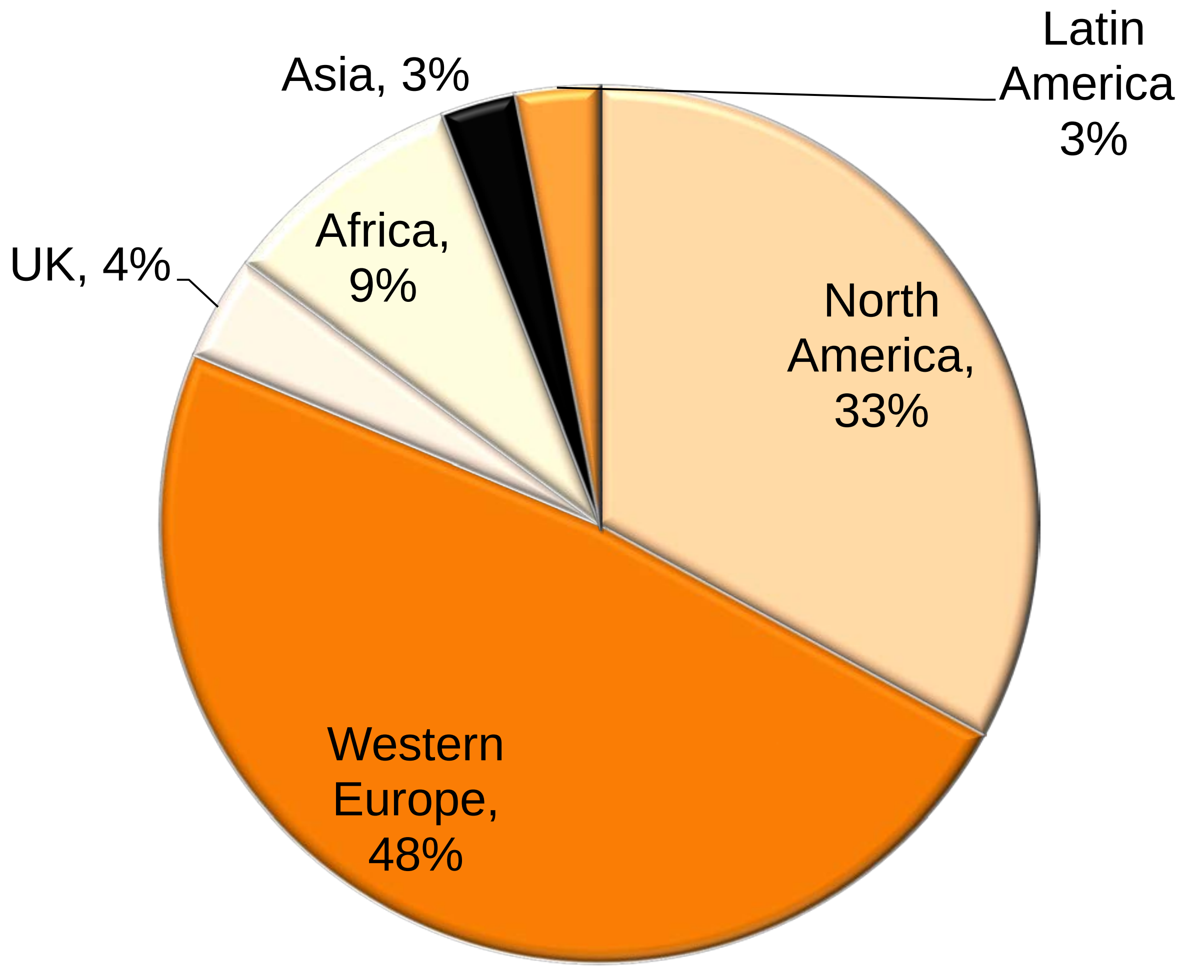
Revenue by geography

Global business

The Group is present in global markets

96% of MCG's revenues were delivered outside the UK

15% of H1 2012 revenues related to client projects delivered outside North America and Western Europe

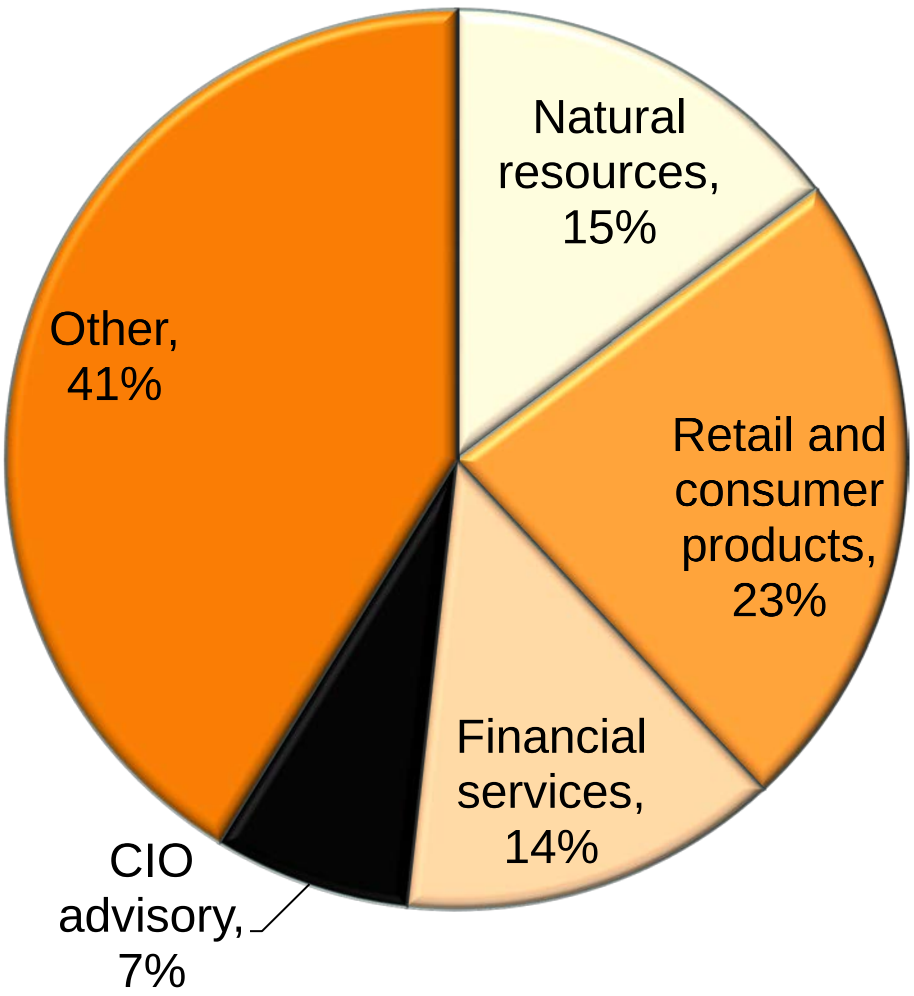


Revenue by industry sector

Sector strengths

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

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



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Financial overview

Financial overview

Mixed H1 performance due to tough trading environment…

…but strong underlying financial position and healthy balance sheet

- Revenue 6% lower at £146.8m (H1 2011: £155.6m)
- Underlying* operating profit 23% lower at £11.8m (H1 2011: £15.3m)
- Underlying* operating profit margin lower at 8.0% (H1 2011: 9.9%)
- Profit for the half year of £4.7m (H1 2011: £9.1m)
- Net debt reduced by 31% to £35.7m (June 2011: £51.7m)
- Underlying basic earnings per share decreased to 1.3p (H1 2011: 2.4p)
- Interim dividend increased to 0.23p per share (2011: 0.2p)

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

Financial performance

Profit and loss account

- **Revenue is in line with H2 2011 but some margin erosion**

	H1 2012 £m	H1 2011 £m	H2 2011 £m
Revenue	**146.8**	**155.6**	**147.0**
Underlying EBITDA	**13.0**	**16.4**	**13.8**
Underlying operating profit	**11.8**	**15.3**	**13.0**
Amortisation of intangibles	(1.2)	(1.3)	**(1.3)**
Non-recurring items	(1.0)	(0.3)	**0.1**
Operating profit	**9.5**	**13.7**	**11.8**
Net interest cost	(1.3)	(1.2)	**(1.1)**
Profit before tax	**8.2**	**12.5**	**10.7**
Tax expense	(3.5)	(3.4)	**(3.3)**
Profit for the period	**4.7**	**9.1**	**7.3**

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Cash flow and debt

Net debt is 31% lower than at the previous half year

The Group typically generates cash in the second half of the year as a result of the timing of annual bonus payments

	H1 2012 £m	H1 2011 £m	FY 2011 £m
Operating profit	**9.5**	**13.7**	**25.5**
Depreciation and amortisation	2.4	2.4	4.6
Share award charge	1.4	0.8	1.7
(Increase)/decrease in net working capital	(14.7)	(8.0)	3.5
Cash (absorbed)/generated by operations	**(1.4)**	**8.9**	**32.5**
Equity issue/share purchases	0.6	(0.3)	9.0
Acquisition	(0.2)	-	(1.5)
Capital expenditure	(2.0)	(0.8)	(2.6)
Interest paid	(1.0)	(1.4)	(2.5)
Taxes paid	(4.5)	(2.2)	(6.2)
Dividends paid	(0.9)	(0.7)	(2.0)
Exchange difference	1.9	(0.8)	(0.5)
(+)/- in net debt	**(7.5)**	**2.7**	**26.2**
Net debt at beginning of period	**(28.2)**	**(54.4)**	**(54.4)**
Net debt at end of period	**(35.7)**	**(51.7)**	**(28.2)**

Net assets

No significant change in net assets

Most of the Group's assets and liabilities are held in currencies other than Sterling

	June 2012 £m	Dec 2011 £m
Intangible assets	268.1	274.3
Tangible assets	2.7	3.1
Investments	2.6	2.9
Deferred tax asset	18.5	18.6
Trade and other receivables	77.4	72.8
Cash and cash equivalents	12.4	19.8
Total assets	**381.7**	**391.5**
Borrowings	(48.1)	(47.9)
Other payables	(118.3)	(125.6)
Retirement benefit obligation	(24.6)	(23.2)
Total liabilities	**(191.0)**	**(196.7)**
Net assets	**190.7**	**194.7**

Non-recurring items

Restructuring in H1 to offset impact of Eurozone weakness

Restructuring costs principally relate to some Kurt Salmon redundancies

	H1 2012 £m	H1 2011 £m
Restructuring costs	(1.0)	-
Kurt Salmon merger related costs	-	(1.8)
Legal provision release	-	1.5
	(1.0)	**(0.3)**

Underlying tax rate

Tax rate reflects H1 revenue mix

H1 2011 underlying tax rate benefitted from adjustments relating to prior years

	H1 2012		H1 2011	
	Profit £m	Tax £m	Profit £m	Tax £m
Reported profit before tax	**8.2**	**(3.5)**	**12.5**	**(3.4)**
Non-recurring items	1.0	(0.4)	0.3	(0.3)
Amortisation of intangibles	1.2	(0.4)	1.3	-
Adjusted profit before tax	**10.4**	**(4.3)**	**14.1**	**(3.7)**
Underlying tax rate		**41%**		**26%**

Earnings per share

Reflects lower profits

Some dilutive effect versus comparative as a result of warrants exercised in 2011

	H1 2011 £m	H1 2011 £m
Underlying profit after interest	10.5	14.1
Underlying tax charge	(4.3)	(3.7)
Underlying earnings	**6.2**	**10.4**
Weighted average share capital	485.8m	436.3m
Underlying basic EPS	**1.3p**	**2.4p**
Basic EPS	**1.0p**	**2.1p**

Divisional performance

Performance by division

Solid H1 Alexander Proudfoot performance

European arm of Kurt Salmon impacted by Eurozone weakness

	Revenue		Operating profit		Operating margin	
	H1 2012 £m	**H1 2011 £m**	**H1 2012 £m**	**H1 2011 £m**	**H1 2012 %**	**H1 2011 %**
Alexander Proudfoot	44.3	44.4	5.2	5.8	*11.8%*	*13.2%*
Kurt Salmon	102.5	111.2	6.6	9.5	*6.5%*	*8.6%*
Total MCG	**146.8**	**155.6**	**11.8**	**15.3**	***8.0%***	***9.9%***

Alexander Proudfoot

	H1 2012 £m	H1 2011 £m	H2 2011 £m
Revenue	44.3	44.4	42.6
Operating profit	5.2	5.8	5.8
Operating profit %	*11.8%*	*13.2%*	*13.6%*

- Revenues are broadly in line with the run rate over the previous twelve months
- Business continued to benefit from strong demand in natural resources sector
- Growing opportunities in emerging markets
- Successful H1 in Brazilian and South African business units
- New Latin American business unit established in Chile and making good progress
  - Slightly weaker margin in part reflects investment in new business unit
- Encouraging prospects - healthy order book and pipeline

Kurt Salmon

	H1 2012 £m	H1 2011 £m	H2 2011 £m
Revenue	102.5	111.2	104.4
Operating profit	6.6	9.5	7.3
Operating profit %	*6.5%*	*8.6%*	*6.9%*

- Revenue broadly in line with previous six months, and slightly higher on a constant currency basis
- Encouraging performance in North American business and in Asia
- Slower than expected start to the year as a result of extended Eurozone weakness has affected margins
- No exposure to high risk Southern European economies
- Measures in place to minimise continuing impact of Eurozone weakness on activity levels
  - Restructuring certain practices and adjustments to headcount
- Selective investment in attractive economies with good growth prospects
- Stable demand in key markets for Kurt Salmon services

Prospects

Prospects

Diverse business model protects against Eurozone weakness

Opportunities for growth in stronger economies

- MCG has a well balanced and diverse international business and will focus on margins in existing businesses and growth opportunities in stronger market sectors and geographies
- Industry sector focus provides opportunities to exploit different growth drivers in financial services, retail and consumer goods, and natural resources
- Eurozone uncertainty is expected to continue, but MCG's businesses are focused on stronger French and German economies, with no exposure to Southern Europe
- Action is being taken to manage resources to reflect expected activity levels in the second half and protect margins
- The Group remains profitable and cash generative, with a healthy order book and project pipeline and well established long term client relationships
- Well placed to take advantage of opportunities in markets and sectors with attractive growth prospects

Appendices

Alexander Proudfoot

ALEXANDER PROUDFOOT
people • productivity • profitability

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

Kurt Salmon

Kurt Salmon

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