contents

management statement

The Group's trading results are ahead of the board's expectations at the time of the trading update provided on 26 April 2007: Ineum Consulting's inaugural contribution to the first half results showed significant like-for-like growth and Proudfoot Consulting performed slightly better than in the second half of last year; Parson Consulting's results were mixed.

The results for the six months ended 30 June 2007 are summarised as follows:

	Unaudited Six months ended 30 June 2007 £'000	*Unaudited Six months ended 30 June 2006 £'000*	*Audited Year ended 31 Dec 2006 £'000*
Revenue			
Ineum Consulting	**40,481**	–	*23,709*
Parson Consulting	**21,382**	*15,687*	*34,301*
Proudfoot Consulting	**38,203**	*51,656*	*88,658*
Salzer Consulting	**473**	–	*222*
	100,539	*67,343*	*146,890*
Underlying profit/(loss) from operations *			
Ineum Consulting	**4,584**	–	*2,780*
Parson Consulting	**(827)**	(1,857)	*(2,108)*
Proudfoot Consulting	**6,591**	8,431	*15,575*
Salzer Consulting	**(189)**	–	*(91)*
	10,159	6,574	16,156

*before non-recurring items and acquired intangible asset amortisation. In 2007, these comprise of £1,277,000 integration costs and £603,000 amortisation of acquired intangible assets (six months ended 30 June 2006: release of a £335,000 surplus provision).

Group results

Revenue for the six months ended 30 June 2007 was up by 49% compared with the first half of 2006.

Ineum Consulting joined the Group on 1 September 2006. The aggregate revenue of the entities acquired grew by 27% to £49.9 million (2006 first half pre-acquisition revenue: £39.3 million). The acquired financial management business is now operating as Parson Consulting and the revenue has been split in the above table in line with the reorganised operating structure.

The performance of Parson Consulting continued to be mixed. Overall the like-for-like revenue declined by 9% compared with the first half of last year due to a shortfall in the US business. There was 8% revenue growth in Europe and the rest of the world which now accounts for 72% of the Parson Consulting business.

Proudfoot Consulting's revenue increased slightly compared with the second half of last year but, as previously anticipated, declined by 26% compared with the exceptionally strong first half of last year.

Sterling's strength against the US dollar adversely impacted the reported revenue by approximately £3.7 million compared with the first half of 2006.

management statement

(continued)

In the period, 27% of Group revenue was attributable to the Americas (six months ended 30 June 2006: 53%). American revenues decreased by 26% compared with the corresponding period of 2006. Of that decrease, seven percentage points are accounted for by currency translation. Europe's share of revenue was 68% (six months ended 30 June 2006: 36%) with reported revenues 180% up compared with the corresponding period of 2006 reflecting the acquisition of Ineum; on a like-for-like basis, the revenue increased by 15%. Approximately 5% (six months ended 30 June 2006: 10%) of Group revenue is earned outside the Americas and Europe.

The Group's gross margin continued to be well managed and was 50% (six months ended 30 June 2006: 51%).

Selling and underlying administrative costs increased due to the acquisitions of Ineum and Salzer. There were one-off integration costs, associated with the acquisitions, of £1.3 million which have been incurred in line with the estimate in the Ineum prospectus and substantially comprise technology, people reorganisation, legal and travel costs. The remaining non-recurring costs to be incurred in the second half will be less than £0.5 million.

The underlying profit from operations before exceptional items and the amortisation of acquired intangible assets rose by 55% to £10.2 million (six months ended 30 June 2006: £6.6 million). Including those items, profit from operations increased by 20% to £8.3 million (six months ended 30 June 2006: £6.9 million).

Net finance costs increased by £1.2 million to £0.8 million, reflecting the debt taken on to finance the acquisition and operations of Ineum Consulting. The profit before tax was little changed at £7.5 million (2006: £7.3 million).

The tax charge on pre-tax profits is 31% compared with 28% for the first half of 2006. This includes four percentage points in respect of deferred tax that is required to be charged in respect of tax deductions for goodwill but will not become payable unless consulting businesses are sold. The underlying tax rate of 27% is below the statutory rate of tax due to the utilisation of brought forward losses that the Group has not previously been able to recognise as deferred tax assets.

The consultancies

Ineum Consulting has performed ahead of expectations at the time of its acquisition. It made an underlying operating profit of £4.6 million in the first half. All sectors have performed well with particularly strong results from the public and financial sectors. Ineum Consulting continues to invest in the expansion of its offerings outside France. The margin for Ineum Consulting remained little changed on the increased revenue due to the growth in the public sector which commands lower fee rates than the private sector.

Parson Consulting's performance remained weak in North America. Overall there was an operating loss of £0.8 million, down from a loss of £1.9 million in the first half of last year. It is however too soon to see an improvement in trading associated with the recent investment in people in the US. The businesses outside the US made solid progress with a particularly strong contribution from the merged French business.

Proudfoot Consulting revenues declined in the period, resulting in an operating profit of £6.6 million (2006 first half: £8.4 million). This result was expected due to the exceptionally strong first half last year where a number of large client engagements came to a natural end. Both the European and American businesses were adversely affected.

The Brazilian business, which opened last year, has grown well and is already profitable. The margin for Proudfoot Consulting remained little changed on the reduced revenue.

Salzer Consulting made a small underlying operating loss of £0.2 million. In line with the strategy for its development, we are investing in expanding its resources to meet client demand.

Earnings per share

The basic earnings per share for the six months ended 30 June 2007 decreased by 34% to 1.9 pence compared with 2.9 pence in the corresponding period last year. Excluding the impact of non-recurring items and the amortisation of intangible assets, the earnings per share were little changed at 2.6 pence compared with 2.7 pence in the first half of last year. The acquisition of Ineum enhanced earnings by approximately 22% before the amortisation of intangibles but the overall earnings advancement was held back by the reduction in Proudfoot's operating profit.

Dividend

In the light of the increase in the Group's size and increased diversity of consulting offerings, the board is pleased to re-commence the payment of an interim dividend. It is our intention in future to target an interim dividend of approximately one third of the previous final dividend. Accordingly, a dividend of 0.33 pence per share will be paid on 22 October 2007 to shareholders on the register on 21 September 2007.

Balance sheet

The Group's net debt was £28.8 million compared with net cash of £23.5 million at 30 June 2006. The overall level of net debt is the same as at the year end reflecting the absorption of working capital resulting from the growth of Ineum Consulting and the seasonality of the Group's cash flows.

Progress has been made in improving Ineum's working capital management with a net inflow in the period from the better management of receivables.

The deficit related to the closed defined benefit pension and medical plans decreased substantially from £6.1 million at 30 June 2006 to £2.9 million at 30 June 2007 as a result of cash contributions, the investment performance and the weaker US dollar compared with Sterling.

Strategic direction

Our strategic focus is unchanged. We are building a Group comprising a series of consultancies with particular specialisations in different geographies. The diversification of the offerings in 2006 has added to the strength and decreased the risks of the Group from service line and geographical perspectives. Each of the consulting businesses currently comprising the Group have excellent medium term prospects.

Ineum Consulting added new depth to our consulting offerings, enabling clients to select a Group consultancy that has deep industry expertise. Its core domestic market is France and this has resulted in a bias in the Group's revenue towards Europe. It remains our desire to build a Group with a reasonably even balance of business between North America and Europe. The integration of Ineum has progressed well and slightly ahead of our timetable; it is now fully integrated into the Group as one of the core consultancies.

management statement

(continued)

In the second half of the year, the Group commenced a start-up operation, Viaduct Consulting, which provides commercial due diligence, initially serving the European market. This is in response to an identified gap in the market place for independent commercial due diligence. Its revenue and profit contribution in the current year will be immaterial.

The co-ordination of major client relationships across the consultancies continues to increase through the global accounts programme, as does engagement specific co-operation, allowing us to bring a broad range of deep expertise to our clients.

Going forward we will continue to expand the geographical overlap of the businesses to maximise the benefit that comes from our existing infrastructure. We will also expand our offerings organically and by acquisitions commensurate with the market opportunities and the absorption of prior acquisitions into the Group. Whilst size in itself is not a measure of success, the diversification of risk that comes with size and the wider product offerings are important aspects of future success.

Outlook

As anticipated, the Group's order book is solidly ahead of its position at the beginning of the year and at the same time last year. On a like-for-like basis, taking account of the impact of acquisitions, the current order book is significantly higher in both Ineum Consulting and Proudfoot Consulting and marginally higher in Parson Consulting. The pipelines of work are good.

Work to be won in the remainder of the year is, as usual, a key determinant of the outcome for the year as a whole and so it is premature to comment specifically on the likely results for the current calendar year. Nevertheless, we remain confident that the Group will show good progress in 2007.

Dr Rolf Stomberg

Chairman

Kevin Parry

Chief Executive

13 August 2007

independent review report

by Deloitte & Touche LLP to Management Consulting Group PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30 June 2007 which comprises the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 7. 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 Financial Services Authority which require that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with the guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. 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 months ended 30 June 2007.

Deloitte & Touche LLP
Chartered Accountants
London

13 August 2007

group income statement

Six months ended 30 June 2007	note	**Unaudited Six months ended 30 June 2007 £'000**	*Unaudited Six months ended 30 June 2006 £'000*	*Audited Year ended 31 Dec 2006 £'000*
Continuing operations				
Revenue	3	**100,539**	*67,343*	*146,890*
Cost of sales		**(50,287)**	*(32,697)*	*(73,415)*
Gross profit		**50,252**	*34,646*	*73,475*
Selling costs		**(23,990)**	*(19,370)*	*(40,169)*
Administrative expenses – underlying		**(16,103)**	*(8,702)*	*(17,150)*
Profit from operations before non-recurring expenses and amortisation of acquired intangibles		**10,159**	*6,574*	*16,156*
Administrative (expenses)/income – non-recurring		**(1,277)**	*335*	*(1,765)*
Profit from operations before amortisation of acquired intangibles		**8,882**	*6,909*	*14,391*
Administrative expenses – amortisation of acquired intangibles		**(603)**	*–*	*(943)*
Total administrative expenses		**(17,983)**	*(8,367)*	*(19,858)*
Profit from operations	3	**8,279**	*6,909*	*13,448*
Investment income		**459**	*531*	*1,176*
Finance costs		**(1,271)**	*(125)*	*(1,276)*
Profit before tax		**7,467**	*7,315*	*13,348*
Tax expense	5	**(2,318)**	*(2,014)*	*(4,598)*
Profit for the period		**5,149**	*5,301*	*8,750*
Earnings per share – pence				
From continuing operations				
Basic	6	**1.9**	*2.9*	*4.1*
Diluted	6	**1.9**	*2.8*	*4.1*
Basic – excluding amortisation of acquired intangibles and non-recurring items	6	**2.6**	2.7	*5.4*

group statement of recognised income and expense

Six months ended 30 June 2007	**Unaudited Six months ended 30 June 2007 £'000**	*Unaudited Six months ended 30 June 2006 £'000*	*Audited Year ended 31 Dec 2006 £'000*
Exchange differences on translation of foreign operations	**(1,178)**	*(3,261)*	*(4,904)*
Actuarial gains on defined benefit pension fund and medical schemes	**1,783**	*3,734*	*3,284*
Tax on items taken directly to equity	**101**	*449*	*600*
Net income/(expense) recognised directly in equity	**706**	*922*	*(1,020)*
Profit for the period	**5,149**	*5,301*	*8,750*
Total recognised income and expense for the period	**5,855**	*6,223*	*7,730*

group balance sheet

as at 30 June 2007	Unaudited 30 June 2007 £'000	*Unaudited 30 June 2006 £'000*	*Audited 31 Dec 2006 £'000*
Non-current assets			
Intangible asset	**161,804**	*67,419*	*162,546*
Property, plant and equipment	**2,261**	*1,460*	*2,294*
Deferred income tax assets	**3,345**	*1,258*	*3,597*
Total non-current assets	**167,410**	*70,137*	*168,437*
Current assets			
Trade and other receivables	**44,447**	*12,979*	*46,800*
Cash and cash equivalents	**9,640**	*23,484*	*10,278*
Total current assets	**54,087**	*36,463*	*57,078*
Total assets	**221,497**	*106,600*	*225,515*
Current liabilities			
Borrowings	**(17,287)**	*–*	*(14,792)*
Trade and other payables	**(48,346)**	*(27,056)*	*(54,103)*
Current tax liabilities	**(7,308)**	*(3,915)*	*(5,728)*
Total current liabilities	**(72,941)**	*(30,971)*	*(74,623)*
Net current (liabilities)/assets	**(18,854)**	*5,492*	*(17,545)*
Non-current liabilities			
Borrowings	**(21,182)**	*–*	*(24,255)*
Retirement benefit obligation	**(2,857)**	*(6,146)*	*(5,411)*
Non-current tax liabilities	**(7,572)**	*(5,294)*	*(7,711)*
Long-term provisions	**(757)**	*(476)*	*(829)*
Non-current accruals	**(425)**	*(480)*	*(497)*
Total non-current liabilities	**(32,793)**	*(12,396)*	*(38,703)*
Total liabilities	**(105,734)**	*(43,367)*	*(113,326)*
Net assets	**115,763**	*63,233*	*112,189*
Equity			
Share capital	**67,775**	*47,488*	*67,735*
Share premium account	**38,189**	*38,151*	*38,163*
Merger reserve	**32,513**	*5,683*	*32,513*
Shares to be issued	**–**	*46*	*46*
Share compensation reserve	**1,225**	*1,133*	*1,492*
Own shares held by employee share trust	**(1,296)**	*(1,270)*	*(1,270)*
Translation reserve	**(6,339)**	*(3,518)*	*(5,161)*
Other reserves	**7,064**	*7,064*	*7,064*
Retained earnings	**(23,368)**	*(31,544)*	*(28,393)*
Total equity	**115,763**	*63,233*	*112,189*

group cash flow statement

Six months ended 30 June 2007	note	**Six months ended 30 June 2007 £'000**	*Six months ended 30 June 2006 £'000*	*Year ended 31 Dec 2006 £'000*
Net cash from operating activities	7	**4,784**	*5,690*	*(1,954)*
Investing activities				
Net interest received		**297**	*442*	*1,013*
Acquisitions of subsidiaries, net of cash and overdrafts acquired		**(204)**	*–*	*(44,932)*
Purchases of property, plant and equipment		**(597)**	*(403)*	*(1,202)*
Purchases of intangible assets		**(510)**	*(1,193)*	*(1,363)*
Net cash used in investing activities		**(1,014)**	*(1,154)*	*(46,484)*
Financing activities				
Dividends paid	4	**(2,667)**	*(1,486)*	*(1,486)*
Interest paid		**(1,272)**	*–*	*–*
Net (repayment of)/proceeds from borrowings		**(523)**	*–*	*39,009*
Refinancing of acquired borrowings by term debt		**–**	*–*	*(15,211)*
Proceeds from issue of shares		**13**	*120*	*282*
Net cash (used in)/raised by financing activities		**(4,449)**	*(1,366)*	*22,594*
Net (decrease)/increase in cash and cash equivalents		**(679)**	*3,170*	*(25,844)*
Cash and cash equivalents at beginning of period		**10,278**	*21,555*	*21,555*
Net impact of new borrowings and refinancing		**–**	*–*	*14,792*
Effect of foreign exchange rate changes		**41**	*(1,241)*	*(225)*
Cash and cash equivalents at end of period		**9,640**	*23,484*	*10,278*

notes

1. General information

The information for the year ended 31 December 2006 does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified pursuant to Section 235 of the Companies Act 1985 and did not contain a statement under Section 237 (2) or (3) of that Act.

2. Significant accounting policies

(a) Basis of preparation

The interim report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS).

The interim report was approved by the board on 13 August 2007.

(b) Accounting policies

The accounting policies and methods of computation applied by the Group in the interim report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006. The Group's consolidated financial statements for the year ended 31 December 2006 are available on our website: www.mcgplc.com.

3. Segmental information

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

Income statement

Six months ended 30 June 2007
(Unaudited)

	Americas £'000	Europe £'000	Rest of World £'000	Consolidated £'000
Revenue				
External sales	**26,723**	**68,669**	**5,147**	**100,539**
Profit from operations before acquisition integration costs, depreciation and amortisation of acquired intangibles	**2,955**	**7,592**	**512**	**11,059**
Amortisation of acquired intangibles	**–**	**(603)**	**–**	**(603)**
Depreciation and other amortisation	**(164)**	**(697)**	**(39)**	**(900)**
Profit from operations before non-recurring items	**2,791**	**6,292**	**473**	**9,556**
Acquisition integration costs	**–**	**(1,247)**	**(30)**	**(1,277)**
Profit from operations	**2,791**	**5,045**	**443**	**8,279**
Finance costs (net)				**(812)**
Profit before tax				**7,467**
Tax expense				**(2,318)**
Profit for the period				**5,149**

Six months ended 30 June 2006
(Unaudited)

	Americas £'000	*Europe £'000*	*Rest of World £'000*	*Consolidated £'000*
Revenue				
External sales	*35,935*	*24,552*	*6,856*	*67,343*
Profit/(loss) from operations before release of indemnity provision, acquisition integration costs, depreciation and amortisation of acquired intangibles	*4,856*	*2,629*	*(325)*	*7,160*
Amortisation of acquired intangibles	*–*	*–*	*–*	*–*
Depreciation and other amortisation	*(348)*	*(218)*	*(20)*	*(586)*
Profit/(loss) from operations before non-recurring items	*4,508*	*2,411*	*(345)*	*6,574*
Release of indemnity provision	*–*	*–*	*335*	*335*
Profit/(loss) from operations	*4,508*	*2,411*	*(10)*	*6,909*
Investment income (net)				*406*
Profit before tax				*7,315*
Tax expense				*(2,014)*
Profit for the period				*5,301*

4. Dividends

	Unaudited 2007 £'000	*Audited 2006 £'000*
Amounts recognised as distributions to equity holders in the period:		
Final dividend in respect of the year ended 31 December 2006 of 1.0p (2005: 0.8p) per share	**2,667**	*1,486*

Dividends are not payable on shares held in the employee share trust which has waived its entitlement to dividends. The amount of the dividend waived in 2007 (in respect of the year ended 31 December 2006) was £42,000 (2006: £34,000). An interim dividend of 0.33 pence per share will be paid on 22 October 2007 to shareholders on the register on 21 September 2007.

5. Taxation

The effective tax charge for the half year is 31% (30 June 2006: 28%), based on profit before tax. The tax charge includes four percentage points in respect of deferred tax. The underlying tax rate of 27% is below the statutory rate due to the utilisation of brought forward losses. Of the total tax charge, £0.2 million arises within the UK (2006: £0.2 million) and £2.1 million overseas (2006: £1.8 million).

6. Earnings per share

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

	Unaudited Six months ended 30 June 2007 £'000	*Unaudited Six months ended 30 June 2006 £'000*	*Audited Year ended 31 Dec 2006 £'000*
Earnings			
Earnings for the purposes of basic earnings per share and diluted earnings per share being net profit attributable to equity holders of the parent	**5,149**	*5,301*	*8,750*
Amortisation of acquired intangibles	**603**	*–*	*943*
Non-recurring items	**1,277**	*(335)*	*1,765*
Earnings for purpose of basic earnings per share excluding amortisation of acquired intangibles and non-recurring items	**7,029**	*4,966*	*11,458*
Number of shares	**Number (million)**	*Number (million)*	*Number (million)*
Weighted average number of ordinary shares for the purposes of basic earnings per share and basic excluding amortisation of acquired intangibles and non-recurring items	**266.8**	*185.5*	*212.5*
Effect of dilutive potential ordinary shares:			
– Share options	**0.8**	*1.5*	*1.3*
– Long term incentive plan	**–**	*0.2*	*0.2*
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**267.6**	*187.2*	*214.0*
	Pence	*Pence*	*Pence*
Basic earnings per share	**1.9**	*2.9*	*4.1*
Diluted earnings per share	**1.9**	*2.8*	*4.1*
Basic – excluding amortisation of acquired intangibles and non-recurring items	**2.6**	*2.7*	*5.4*

The average share price for the six months ended 30 June 2007 was 48.3 pence (30 June 2006: 57.3 pence and 31 December 2006: 54.3 pence).

7. Notes to the cash flow statement

	Unaudited Six months ended 30 June 2007 £'000	Unaudited Six months ended 30 June 2006 £'000	Audited Year ended 31 Dec 2006 £'000
Profit from operations	**8,279**	*6,909*	*13,448*
Adjustments for:			
Depreciation of property, plant and equipment	**570**	*386*	*1,000*
Amortisation of intangible assets	**933**	*200*	*1,790*
Loss on disposal of plant and equipment	**9**	*–*	*79*
Adjustment for pension funding	**(530)**	*(1,235)*	*(2,008)*
Adjustment for share options charge	**375**	*444*	*804*
Decrease in provisions	**(72)**	*(395)*	*(493)*
Operating cash flows before movements in working capital	**9,564**	*6,309*	*14,620*
Decrease/(Increase) in receivables	**3,019**	*1,912*	*(6,447)*
Decrease in payables	**(5,953)**	*(1,429)*	*(5,858)*
Cash generated by operations	**6,630**	*6,792*	*2,315*
Income taxes paid	**(1,846)**	*(1,102)*	*(4,269)*
Net cash from operating activities	**4,784**	*5,690*	*(1,954)*

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

contacts for
investors and clients

www.mcgplc.com

Investor relations

The Group welcomes contact with its shareholders.

Enquiries should be directed to:

Kevin Parry	*Chief Executive*	(kparry@mcgplc.com)
Craig Smith	*Finance Director*	(chsmith@mcgplc.com)
	London office	+44 (0) 20 7710 5000

Operational contacts

We welcome clients introduced by shareholders. Shareholders wishing to provide introductions to potential clients should contact Kevin Parry or Craig Smith (see contact details above).

Administrative matters

Administrative matters should be directed to:

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

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