



13 September 2010

Christie Group plc
Interim Results for the six months ended 30 June 2010

Christie Group plc ('Christie' or the 'Group'), the leading provider of Professional Business Services and Stock & Inventory Systems & Services to the leisure, retail and care markets, is pleased to announce its Interim Results for the six months ended 30 June 2010.

Key points:

Christie Group has returned to profitability

Professional Business Services revenues up 11% on H1 2009

UK transactional revenues up 16% on H1 2009

Operating costs in the Professional Business Services division reduced by a further 11%

Stock & Inventory Services division continuing to win new business and pipelines are building

Commenting on the results, David Rugg, Chief Executive of Christie Group said:

"We are delighted to have returned to profitability despite the ongoing challenges faced by the property services sector in the current economy. Our strategy of swift cost reduction and ongoing cost control, allied with a determination to protect and develop our range of services, has enabled us to restore the business to a position of equilibrium after a difficult two-year period.

"We remain cautious but energised by what lies ahead, with our commitment to delivering market-leading services undiminished and our expectations for the second half optimistic. Our markets remain open for business."

Enquiries:

David Rugg
Chief Executive
Christie Group plc

020 7227 0707

Russell Cook / Carl Holmes
Charles Stanley Securities
Nominated Adviser

020 7149 6000

Tom Cooper
Winningtons

0797 122 1972
tom.cooper@winningtons.co.uk

Notes to Editors

Christie Group plc (CTG.L.), quoted on AIM, is a leading professional business services group with 37 offices across the UK, Europe and Canada, catering to its specialist markets in the leisure, retail and care sectors.

Christie Group operates its two complementary business divisions: Professional Business Services (PBS) and Stock & Inventory Systems & Services (SISS). These divisions trade under the brand names: PBS – Christie + Co, Christie Finance, Christie Insurance and Pinders: SISS – Orridge, Venners and Vennersys.

Tracing its origins back to 1846, the Group has a long-established reputation for offering essential services to client companies in agency, valuation services, investment, consultancy, project management, multi-functional trading systems and on-line ticketing services, stock audit and inventory management. The diversity of these services is intended to provide a natural balance to the Group's core agency business.

For more information, please go to www.christiegroup.com

CHAIRMAN'S STATEMENT

Turnover for the period to 30 June was £25.2m (2009: £25.2m). While revenues remained consistent year on year, previous cost reduction strategies resulted in a further 9% decrease in operating costs for the period to £24.9m (2009: £27.5m before exceptionals), enabling us to report a return to profit from continuing operations for the first time since June 2008. This turnaround reflects the decisive management action that has been taken to re-shape the business during a period of great change. Crucially, the cost reductions have been achieved without any detriment to our infrastructure or our ability to provide the full range of services that we offer and have provided the foundation on which to restore the Group to a profitable position and prepare for growth.

Operating profit for the period of £0.3m represented a £2.6m swing from the £2.3m operating loss before exceptionals recorded for the six months to 30 June 2009 and a £1.7m enhancement of our operating result in the second half of 2009, providing a clear indication of the ongoing turnaround that is under way. As a result of the recent growth, our cash has reduced and receivables have increased correspondingly.

Professional Business Services Division

Revenue for the division was £13.5m (2009: £12.2m), a growth of 11% on the same period last year. This was achieved despite a reduction in operating costs of 11% to £12.9m (2009: £14.6m), as pipelines have continued to grow and instruction volumes increased. The resultant operating profit of £0.5m (2009: £2.4m loss before exceptionals) is testament to an excellent first-half performance in what remains a very tough environment.

We operate in sectors which generate good underlying earnings, giving worthwhile earnings to operators and good returns to lenders who carry out adequate due diligence and have sensible lending practices. The Group has a lot to offer in maintaining these best practices through its depth of knowledge in its specialist areas of agency, advisory and valuation services, which operate throughout the UK and continental Europe.

In each trade sector we have experienced increasing activity in sales of distressed businesses starting with the smaller units. Transactional revenues in the UK have increased 16% year on year. We have increasingly been called on to provide a variety of consultancy and advisory services to the banking sector, providing operational advice and rationalisation strategies to maximise asset values in our specialist sectors. We expect to see continuing growth in bank-led restructuring advice throughout the remainder of 2010 and beyond.

The valuation work that we undertake has seen a shift in the market whereby instructions are increasingly issued directly by lenders as opposed to buyers. We continue to develop our relationships with all key partners and have recently strengthened our presence in Scotland as we continue to look for new opportunities and increased geographical coverage.

Our finance brokerage business has increased the fees derived from our own agency's transactions as well as growing its externally sourced business, outperforming the general trend. It has delivered an increased income derived from brokering deals associated with the government's Enterprise Finance Guarantee Scheme demonstrating the resilience of demand in our sectors from both first-time and repeat purchasers.

Our insurance brokerage business continues to experience a very competitive environment with downward pressure on premiums being offset by our ability to continue to win new clients through our expertise in sourcing the most competitively priced protection products available.

Stock & Inventory Systems & Services Division

Revenue for the division fell 10% to £11.7m (2009: £13.0m) as clients opted to reduce and defer their stocktaking requirements and the process of securing new business has been protracted. Reduced operating costs resulted in first half operating profits of £0.04m (2009: £0.2m).

A record pipeline has been tempered by slow gestation, but we have seen an increase in live event stocktaking and we continue to add new stock audit customers such as Hilton Hotels, Merchant Inns and S&N Retail.

Our UK retail stocktaking business continues to strengthen and has won a number of new clients including Dunhill, Pets At Home and Poundland. Costs in our mainland European retail stocktaking operation were higher than anticipated as restructuring continued but with this now completed we are anticipating a stronger second half with enquiries at an all-time high.

We continue to expand the visitor attraction user base. First half additions include Knowsley Safari Park and Woburn Abbey, both of which will be using the VENPoS application suite extensively, including the comprehensive new e-commerce platform, VENPoS Online.

Outlook

I must give fulsome praise to the management and the management actions which have achieved the Group's swing back into profit. It is also time to single out those who work in our I.T. departments and have added so much to the business; for example, giving us the ability to open new offices with a much lighter touch as we were able to do with our new advisory and transactional operation, which has recently opened in Vienna. We are confident that by retaining and adding to our excellent team of professionals we will remain at the forefront of a steady recovery.

Your Directors have not declared an Interim dividend at this relatively early stage of the recovery, but we remain committed to reviewing the dividend strategy in light of the full year's results. As I reported in my statement to shareholders at the AGM in June, our trading has been in line with our expectations. We are optimistic that this recovery will continue.

Philip Gwyn

Chairman

Consolidated interim statement of comprehensive income

		Half year to 30 June 2010 £'000 (Unaudited)	Half year to 30 June 2009 £'000 (Unaudited)	Year ended 31 December 2009 £'000
	Note			
Revenue	4	25,235	25,186	47,067
Employee benefit expenses		(17,539)	(20,058)	(36,676)
		7,696	5,128	10,391
Depreciation and amortisation		(253)	(444)	(707)
Other operating expenses		(7,095)	(7,407)	(13,338)
Operating profit/(loss)	4	348	(2,723)	(3,654)
Finance costs		(144)	(70)	(148)
Finance income		79	81	101
Total finance (charge)/credit		(65)	11	(47)
Profit/(loss) before tax		283	(2,712)	(3,701)
Taxation	5	(79)	1,331	1,752
Profit/(loss) for the period after tax		204	(1,381)	(1,949)
Other comprehensive (losses)/income:				
Exchange differences on translating foreign operations		(85)	(241)	(5)
Actuarial losses on defined benefit pension plans		-	(72)	(144)
Income tax relating to components of other comprehensive income		-	20	40
Other comprehensive losses for the period, net of tax		(85)	(293)	(109)
Total comprehensive income/(losses) for the period		119	(1,674)	(2,058)
Earnings per share - pence				
Profit/(loss) attributable to the equity holders of the Company				
- Basic	6	0.82	(5.59)	(8.30)
- Fully diluted	6	0.82	(5.59)	(8.30)

All results stated above are attributable to continuing operations.

Consolidated interim statement of changes in shareholders' equity

	Share capital £'000	Fair value and other reserves £'000	Cumulative translation adjustments £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2009	505	2,931	481	(1,066)	2,851
Loss for the period after tax	-	-	-	(1,381)	(1,381)
Exchange differences on translating foreign operations	-	-	(241)	-	(241)
Actuarial losses on defined benefit pension plans	-	-	-	(72)	(72)
Income tax relating to components of other comprehensive losses	-	-	-	20	20
Total comprehensive losses for the period	-	-	(241)	(1,433)	(1,674)
Movement in respect of employee share scheme	-	493	-	(409)	84
Employee share option scheme: - value of services provided	-	40	-	-	40
Balance at 30 June 2009	505	3,464	240	(2,908)	1,301
Balance at 1 January 2009	505	2,931	481	(1,066)	2,851
Loss for the year after tax	-	-	-	(1,949)	(1,949)
Exchange differences on translating foreign operations	-	-	(5)	-	(5)
Actuarial losses on defined benefit pension plans	-	-	-	(144)	(144)
Income tax relating to components of other comprehensive losses	-	-	-	40	40
Total comprehensive losses for the year	-	-	(5)	(2,053)	(2,058)
Movement in respect of employee share scheme	-	83	-	-	83
Employee share option scheme: -value of services provided	-	92	-	-	92
Balance at 31 December 2009	505	3,106	476	(3,119)	968
Profit for the period after tax	-	-	-	204	204
Exchange differences on translating foreign operations	-	-	(85)	-	(85)
Total comprehensive (losses) / profits for the period	-	-	(85)	204	119
Movement in respect of employee share scheme	-	410	-	(410)	-
Employee share option scheme: - value of services provided	-	44	-	-	44
Balance at 30 June 2010	505	3,560	391	(3,325)	1,131

Consolidated interim statement of financial position

		At 30 June 2010 £'000 (Unaudited)	At 30 June 2009 £'000 (Unaudited)	At 31 December 2009 £'000
	Note			
Assets				
Non-current assets				
Intangible assets – Goodwill		1,011	1,011	1,011
Intangible assets – Other		158	56	138
Property, plant and equipment		659	1,063	749
Deferred tax assets		2,988	2,572	3,067
Available-for-sale financial assets		300	381	300
Other receivables		904	1,192	1,192
		6,020	6,275	6,457
Current assets				
Inventories		1	-	1
Trade and other receivables		9,545	10,230	8,524
Cash and cash equivalents	10	2,760	3,073	3,536
		12,306	13,303	12,061
Total assets		18,326	19,578	18,518
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	7	505	505	505
Fair value and other reserves		3,560	3,464	3,106
Cumulative translation reserve		391	240	476
Retained earnings		(3,325)	(2,908)	(3,119)
Total equity		1,131	1,301	968
Liabilities				
Non-current liabilities				
Retirement benefit obligations	8	3,565	3,379	3,594
Provisions		1,967	1,981	1,720
		5,532	5,360	5,314
Current liabilities				
Trade and other payables		8,165	9,967	8,631
Borrowings		3,211	2,324	2,694
Provisions		287	626	911
		11,663	12,917	12,236
Total liabilities		17,195	18,277	17,550
Total equity and liabilities		18,326	19,578	18,518

These consolidated interim financial statements have been approved for issue by the Board of Directors on 10 September 2010.

Consolidated interim statement of cash flows

		Half year to 30 June 2010 £'000 (Unaudited)	Half year to 30 June 2009 £'000 (Unaudited)	Year to 31 December 2009 £'000
	Note			
Cash flow from operating activities				
Cash used in operations	9	(1,016)	(1,914)	(2,176)
Interest paid		(234)	(70)	(148)
Tax received		-	1,299	1,384
Net cash used in operating activities		(1,250)	(685)	(940)
Cash flow from investing activities				
Purchase of property, plant and equipment (PPE)		(159)	(82)	(80)
Proceeds from sale of PPE		9	-	5
Intangible assets expenditure		(39)	(24)	(59)
Proceeds on disposal of available-for-sale financial asset		-	-	141
Interest received		169	81	101
Net cash (used in)/generated from investing activities		(20)	(25)	108
Cash flow from financing activities				
Net payments to the ESOP		-	-	201
Proceeds from invoice discounting		182	3	181
Payments of finance lease liabilities		-	(3)	(6)
Net cash generated from financing activities		182	-	376
Net decrease in net cash		(1,088)	(710)	(456)
Cash and cash equivalents at beginning of period		1,723	2,328	2,328
Exchange losses on Euro bank accounts		(23)	(163)	(149)
Cash and cash equivalents at end of period	10	612	1,455	1,723

Notes to the consolidated interim financial statements

1. General information

Christie Group plc is the parent undertaking of a group of companies covering a range of related activities. These fall into two divisions – Professional Business Services and Stock & Inventory Systems & Services. Professional Business Services principally covers business valuation, consultancy and agency, mortgage and insurance services, and business appraisal. Stock & Inventory Systems & Services covers stock audit and counting, compliance and food safety audits and inventory preparation and valuation, hospitality and cinema software.

2. Basis of preparation

The interim financial information in this report has been prepared using accounting policies consistent with IFRS as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 December 2010.

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009. Taxes on income/(losses) in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

During the period the Group adopted IFRS3 Business Combinations (revised) and IAS 27 Consolidated and Separate Financial Statements (revised). IFRS 3 (revised) and IAS 27 (revised) will be applied to all future business combinations. However, the revised standards do not affect the accounting treatment of business combinations entered into before 1 January 2010.

Non-statutory accounts

These consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The financial information for the period ended 30 June 2010 set out in this interim report does not constitute the Group's statutory accounts for that period. The statutory accounts for the year ended 31 December 2009 have been delivered to the Registrar of Companies. The auditors reported on those accounts; their report was unqualified, did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis. The financial information for the 6 months ended 30 June 2010 and 30 June 2009 is unaudited.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are consistent with those applied to the consolidated financial statements for the year ended 31 December 2009.

4. Segment information

The Group is organised into two main business segments: Professional Business Services and Stock & Inventory Systems & Services.

The reportable segment results for the period ended 30 June 2010 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	13,541	11,746	921	26,208
Inter-segment revenue	(52)	-	(921)	(973)
Revenue	13,489	11,746	-	25,235
Operating profit / (loss)	540	46	(238)	348
Net finance charge				(65)
Profit before tax				283
Taxation				(79)
Profit for the period after tax				204

The reportable segment results for the period ended 30 June 2009 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	12,224	13,016	1,155	26,395
Inter-segment revenue	(54)	-	(1,155)	(1,209)
Revenue	12,170	13,016	-	25,186
Operating (loss)/profit before exceptional items	(2,434)	171	(34)	(2,297)
Exceptional items	(293)	(2)	(131)	(426)
Operating (loss)/profit after exceptional items	(2,727)	169	(165)	(2,723)
Net finance credit				11
Loss before tax				(2,712)
Taxation				1,331
Loss for the period after tax				(1,381)

The reportable segment results for the year ended 31 December 2009 are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Total gross segment revenue	23,370	23,801	2,226	49,397
Inter-segment revenue	(104)	-	(2,226)	(2,330)
Revenue	23,266	23,801	-	47,067
Operating profit / (loss)	(3,906)	470	(218)	(3,654)
Net finance charge				(47)
Loss before tax				(3,701)
Taxation				1,752
Loss for the period after tax				(1,949)

The Group is not reliant on any key customers.

Segment assets consist primarily of property, plant and equipment, intangible assets, inventories, receivables and operating cash. They exclude taxation.

The reportable segment assets at 30 June 2010 for the period then ended are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Assets	7,606	5,464	2,268	15,338
Deferred tax assets				2,988
				18,326

The reportable segment assets at 30 June 2009 for the period then ended are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Assets	8,295	6,707	2,004	17,006
Deferred tax assets				2,572
				19,578

The reportable segment assets at 31 December 2009 for the period then ended are as follows:

	Professional Business Services £'000	Stock & Inventory Systems & Services £'000	Other £'000	Group £'000
Assets	6,886	4,906	3,659	15,451
Deferred tax assets				3,067
				18,518

5. Taxation

The tax charge for the six months ended 30 June 2010 is based on an underlying tax rate (current year corporation and deferred tax as a percentage of pre tax losses) of 28% which includes the movement in the deferred tax asset relating to retirement benefit obligations.

The tax credit for the six months ended 30 June 2009 was based on an underlying tax rate of 18%. In addition to this tax credit, a further £834,000 was recognised in order to reflect the full effect of the £1,299,000 tax refund received during the period.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, which excludes the shares held in the Employee Share Ownership Plan (ESOP) trust.

	30 June 2010 £'000	30 June 2009 £'000	31 December 2009 £'000
Profit/(loss) from total operations attributable to equity holders of the Company	204	(1,381)	(1,949)

	30 June 2010 Thousands	30 June 2009 Thousands	31 December 2009 Thousands
Weighted average number of ordinary shares in issue	24,731	24,715	24,722
Adjustment for share options	14	-	1
Weighted average number of ordinary shares for diluted earnings per share	24,745	24,715	24,723

	30 June 2010 Pence	30 June 2009 Pence	31 December 2009 Pence
Basic earnings per share	0.82	(5.59)	(8.30)
Fully diluted earnings per share	0.82	(5.59)	(8.30)

Diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of potential dilutive ordinary shares: share options. The basic and diluted loss per share for both the period ended 30 June 2009 and year ended 31 December 2009 is the same, as the exercise of share options would reduce the loss per share and is, therefore, anti-dilutive.

The calculation is performed for the share options to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

7. Share capital

	30 June 2010		30 June 2009		31 December 2009	
Ordinary shares of 2p each	Number	£'000	Number	£'000	Number	£'000
Authorised:						
At 1 January, 30 June and 31 December	30,000,000	600	30,000,000	600	30,000,000	600
Allotted and fully paid:						
At beginning and end of period	25,263,551	505	25,263,551	505	25,263,551	505

The Company has one class of ordinary shares which carry no right to fixed income.

Investment in own shares

The Group has established an Employee Share Ownership Plan (ESOP) trust in order to meet its future contingent obligations under the Group's share option schemes. The ESOP purchases shares in the market for distribution at a later date in accordance with the terms of the Group's share option schemes. The rights to dividend on the shares held have been waived.

At 30 June 2010 advances by the Group to the ESOP to finance the purchase of ordinary shares were £1,582,000 (30 June 2009: £2,069,000; 31 December 2009: £1,869,000). The market value at 30 June 2010 of the ordinary shares held in the ESOP was £205,000 (30 June 2009: £181,000; 31 December 2009: £258,000). The investment in own shares represents 533,000 shares (30 June 2009: 533,000; 31 December 2009: 533,000) with a nominal value of 2p each.

8. Retirement benefit obligations

The Group operates two defined benefit schemes (closed to new members) providing pensions on final pensionable pay. The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

When a member retires, the pension and any spouse's pension is either secured by an annuity contract or paid from the managed fund. Assets of the schemes are reduced by the purchase price of any annuity purchase and the benefits no longer regarded as liabilities of the scheme.

The amounts recognised in the statement of comprehensive income and the movement in the liability recognised in the statement of financial position have been based on the forecast position for the year to 31 December 2010 after adjusting for the actual contributions to be paid in the period.

The movement in the liability recognised in the statement of financial position is as follows:

	Half year to 30 June 2010 £'000	Half year to 30 June 2009 £'000	Year ended 31 December 2009 £'000
Beginning of the period	3,594	3,225	3,225
Expenses included in the employee benefit expense	399	569	1,116
Contributions paid	(428)	(415)	(747)
End of the period	3,565	3,379	3,594

The amounts recognised in the statement of comprehensive income are as follows:

	Half year to 30 June 2010 £'000	Half year to 30 June 2009 £'000	Year ended 31 December 2009 £'000
Current service cost	363	393	795
Interest cost	988	988	1,958
Expected return on plan assets	(1,016)	(884)	(1,781)
Payments to crystallise obligations	64	-	-
Net actuarial loss recognised in the year	-	72	144
Total included in employee benefit expenses	399	569	1,116

The principal actuarial assumptions used were as follows:

	Half year to 30 June 2010	Half year to 30 June 2009	Year ended 31 December 2009
	%	%	%
Discount rate	5.8	5.8	5.8
Inflation rate	3.5	3.5	3.5
Expected return on plan assets	6.2 – 7.6	6.2 – 7.6	6.2 – 7.6
Future salary increases	3.5 – 3.6	3.5 – 3.6	3.5 – 3.6
Future pension increases	3.0 – 3.5	3.0 – 3.5	3.0 – 3.5

Assumptions regarding future mortality experience were consistent with those disclosed in the financial statements for the year ended 31 December 2009.

9. Note to the cash flow statement

Cash used in operations

	Half year to 30 June 2010	Half year to 30 June 2009	Year to 31 December 2009
	£'000	£'000	£'000
Continuing operations			
Profit/(loss) for the period	204	(1,381)	(1,949)
Adjustments for:			
- Taxation	79	(1,331)	(1,752)
- Finance costs/(credits)	65	(11)	47
- Depreciation	237	416	641
- Amortisation of intangible assets	16	28	66
- Loss on sale of property, plant and equipment	3	-	5
- Loss on sale of intangible assets	3	-	-
- Foreign currency translation	(61)	73	30
- (Decrease)/increase in provision for other liabilities and charges	(378)	297	321
- Movement in available-for-sale financial asset	-	(81)	(141)
- Movement in share option charge	44	40	92
- Movement in retirement benefit obligation	(29)	82	225
- Decrease/(increase) in non-current other receivables	288	-	(84)
Changes in working capital (excluding the effects of exchange differences on consolidation):			
- (Increase)/decrease in inventories	-	-	(1)
- (Increase)/decrease in trade and other receivables	(1,021)	(724)	982
- Increase/(decrease) in trade and other payables	(466)	678	(658)
Cash used in continuing operations	(1,016)	(1,914)	(2,176)

10. Cash and cash equivalents

Cash, cash and cash equivalents and bank overdrafts include the following for the purposes of the cashflow statement:

	Half year to 30 June 2010	Half year to 30 June 2009	Year to 31 December 2009
	£'000	£'000	£'000
Cash and cash equivalents	2,760	3,073	3,536
Bank overdrafts	(2,148)	(1,618)	(1,813)
	612	1,455	1,723

11. Publication of Interim Report

The 2010 Interim Accounts are available on the Company's website www.christiegroup.com