Interim Report
2010

Dods (Group) PLC

formerly known as
Huveaux PLC

Quality Information | Intelligent Solutions

Dods operates in the Political Communications Market. We provide quality information and intelligent solutions to both the public and private sectors. Our purpose is to drive professional improvement through all media, enabling our customers to know more and perform better.

In the nine years since our formation we have established ourselves as the leading provider of:

- **Political information, and public affairs communications in the UK and European Union**
- **Learning and training to the UK public sector**

The Group currently employs 200 people and operates at the forefront of its selected markets in the UK, France and Belgium.

Contents

Interim Results for the six months ended 30 June 2010

Financial Highlights

- Revenue at **£7.9m** (2009: £11.3m)
- Revenue from retained business at **£6.3m** (2009: £7.2m) *
- EBITDA at a loss of **£0.3m** (2009: profit of £0.4m)**
- EBITDA from retained business at a loss of **£0.2m** (2009: profit of £0.1m)
- Normalised Loss before tax of **£0.6m** (2009: loss of £0.1m)***
- Loss before tax of **£1.6m** (2009: loss of £1.2m)
- Operating cash inflow **£0.3m** (2009: £0.8m)
- Final decision on dividend payment deferred pending the outcome of ongoing discussions re possible Offer

Operational Highlights

- **Successful disposal** of Education Division in March 2010
- **Strong performance** given cyclicality of trading and the timing of the UK General Election
- Coalition Government providing **significant opportunities** within Parliament portfolio
- Public Sector cuts having effect within Political Knowledge – but provides **opportunities going into 2011**
- **Strong balance sheet** with net cash and positive cash flow

Summary of Results

	Six months to 30 June 2010 Unaudited £'000	Six months to 30 June 2009 Unaudited £'000
Total Revenue	**7,853**	11,281
Revenue from Retained Business	**6,303**	7,219
EBITDA**	**(273)**	360
EBITDA from Retained Business	**(185)**	119
Normalised loss before tax***	**(593)**	(85)
Loss before tax	**(1,574)**	(1,244)
Loss per share (basic)	**(1.71)p**	(0.98)p

* Retained business is excluding the sold Education division.

** EBITDA is calculated as earnings before interest, tax, depreciation, amortisation of intangible assets acquired through business combinations, share based payments and non-trading items.

*** Normalised profit is stated before amortisation of intangible assets acquired through business combinations, share based payment charges, discontinued operations and non-trading items and related tax.

The Board believes that these measures provide additional guidance to the statutory measures of performance of the business. These measures are not defined under adopted IFRS and therefore may not be directly comparable with other companies' adjusted profit measures.

Non-trading items are items which, in management's judgement, need to be disclosed by virtue of size, incidence or nature. Such items are included within the income statement caption to which they relate and are separately disclosed either in the notes to the consolidated financial statements or on the face of the consolidated income statement.

Operating And Financial Review

Summary

"The disposal of the Education Division was reported in our Year End results in March 2010. Following this disposal the Group has continued to develop as the leading political communications company in the UK and the EU.

The UK General Election has led to fundamental changes in the political marketplace, with knock-on impacts across the portfolio. The new coalition has increased the demand for parliamentary information, while the Public Sector cuts have had a short term negative effect on our open courses training business. Our Government unit has benefited from the perception amongst our clients that there are increased opportunities created by the proposed "privatisation" of Civil Service functions. Dods is well placed to benefit from the significant changes in the procurement of learning and development services by Government in the medium term.

The Board is conscious of the challenges across its markets over the remainder of 2010 and the limited visibility prior to the outcome of the Comprehensive Spending Review on October 20th, but believe that the net short-term effect of the above will not materially affect the outcome of the Group for the full year in 2010. The opportunities for organic growth in the medium term significantly exceed the threats."

Group Performance

The first half of 2010 saw revenue of £7.9m (2009: £11.3m). The 2009 numbers include the Education Division, which was sold in March 2010. Excluding this business, retained revenue moved from £7.2m in 2009 to £6.3m in 2010.

Within revenue from retained businesses, the main factor behind the fall in revenue was the UK General Election. This both created a hiatus before the May Election (including purdah in the Civil Service), but also moved a significant number of events (including one Civil Service Live Regional event) and advertising campaigns into the second half of the year.

EBITDA decreased from £0.4m to a loss of £0.3m in aggregate, and from £0.1m to a loss of £0.2m on the retained businesses. This reflects the movement of revenue into the second half of the year, as noted above.

The basic loss per share was 1.71 pence (2009: 0.98 pence).

Operating Review

Political Division

Revenue in the Political Division fell from £7.2m to £6.3m and EBITDA was at £0.3m (2009: £0.6m).

The cyclical nature of the Division was exacerbated in the first half of 2010 by the UK General Election. The hiatus before the Election was in line with our expectations, but created a slower first quarter than in previous years and delayed of a number of events until after the Election. While June did show a good pick-up in business across the portfolio, the bulk of Group revenue will again be reported in the second half of the year.

The underlying business continues to trade strongly, with a continued importance of the digitally distributed information products. The UK Monitoring and EU Monitoring products both continue to show high retention rates and good levels of new business. The UK product is 14% ahead of 2009 revenue, while the EU product shows 12% growth. In addition, 2010 has seen the launch of the new Dods People product (formerly dodonline) which has significantly better functionality and data. This has sold particularly well post-Election.

Within the Government portfolio, the effect of the Election is clear. In the first half of 2009, the portfolio included one Civil Service Live Regional event and 10 smaller events. In contrast, in 2010 the Regional event was moved to the end of the year and only 5 smaller events were held. In the second half of the year, the portfolio will see Civil Service Live, one Civil Service Live Regional event and a significant increase in smaller events. In addition, Dods will be running a significant event on the theme of outsourcing of Civil Service functions.

While the Political Knowledge portfolio showed 24% revenue growth in 2009, the Election in May resulted in a much quieter half year for the Westminster Briefings unit. This unit delivered revenues 50% lower than the equivalent period in 2009 – a combination of the lack of policy changes prior to the Election and purdah in the immediate run up to the Election. The increase in new policy initiatives post Election and the need for information pertaining to the new coalition government will show this trend reverse in the second half of the year. Our Westminster Explained training business has taken the brunt of the government department cuts.

The Parliament portfolio was also affected by the Election. The House Magazine had a quieter run up to the Election, but then had a very strong post-Election boost, including a very successful Photoguide to the new parliament. As with the Government portfolio, the Parliament portfolio ran about half the number of events in the first half of the year compared with the same period in 2009, but has a very strong events programme scheduled for the latter half of the year, a significant proportion of which are already contracted.

The European portfolio was unaffected by the Election – and showed 5% growth over the 2009 performance. All areas were strong, but the largest growth was in events where we now have a settled team – which delivered 10 events in the half year, compared with 5 in 2009.

Our French political business, Le Trombinoscope, publishes its main Directories in the second half of the year. The first half of the year is therefore relatively quiet in terms of revenue.

In 2009, Fenman was restructured with the DVD/Manual element of the business refocussed on DVDs and reduced in the size of its overhead. In the first half of 2009 there was a "sell off" of the older product, while in 2010 sales were greatly reduced, but with a higher margin. Training Journal has also been refocussed, with a recently re-launched website.

Since the end of the first half of the year, Civil Service Live was held at Olympia in London. Despite the uncertainty caused by the Public Sector cuts, the event was a great success – with the new government using it as a platform to present its plans to the Civil Service. Attendees included 20 new Ministers, including David Cameron, Vince Cable, Francis Maude, George Osborne and Nick Clegg. 2010 saw a development in that the Senior Civil Service itself ran events at the Exhibition, resulting in 1,800 attendees from the Senior Civil Service, approximately 50% of the universe. The Prime Minister's speech was broadcast live on News 24 and ITN.

Education Division (Discontinued)

The discontinued Education Division had first half revenues of £1.6m (2009: £4.1m) and EBITDA of a loss of £0.1m (2009: Profit of £0.2m).

The results are for the period up until the 19th March 2010 (and the full six months in 2009), the date on which the Division was sold to Harper Collins.

Operating and Financial Review continued

Financial Review

The sale of the Education Division allowed the Group to repay all of the outstanding debt with Bank of Scotland. At 30th June 2010, net cash in the Group amounted to £1.1m as compared with net debt of £8.6m as at 30th June 2009 and £6.6m as at 31st December 2009.

During the year the Group generated £0.3m of operating cash flows (2009: £0.8m) and increased the level of capital expenditure as part of a project to upgrade a number of the IT systems. The cash flow remains positive and the Group is in a robust financial position.

The Capital Reduction proposed in the accounts for the Year Ended 31 December 2009 was approved at the AGM in June 2010. The Capital Reduction was completed in July 2010.

Outlook

Dods' business has historically been heavily weighted to the second half, and this has been exacerbated by the General Election in May 2010. The coalition government has come through any initial uncertainty as to whether it would prove viable, and this has resulted in strong sales for the upcoming Party Conference season and significant bookings against other smaller events in the Parliament unit.

The Public Sector cuts have significantly affected all companies aligned to the Civil Service. Within Dods, the Political Knowledge business is adversely affected, particularly within the Open Courses business. Bookings on these courses are significantly down against prior trends. Nevertheless, other areas within the business are seeing benefits from the Public Sector cuts, particularly within the Government events where private sector companies are increasingly seeking direct access to the Civil Service so as to participate in the ongoing (and increasing) privatisation of the Civil Service.

This will influence the Dods business going into 2011, with significant opportunities both in terms of events addressing this issue and for Dods itself to participate in the outsourcing of services. The Government has recently announced the proposed outsourcing of a significant amount of the Learning & Development spending and Dods are already involved in the tender process which should complete in the first half of 2011.

As announced on the 5th July, the Company has received a number of approaches which may or may not result in an Offer being made for the Company. The decision to pay a dividend in 2010 was announced in the year end announcement in March. In the light of the intervening announcement and notwithstanding the completion of the Capital Reduction, the Board has decided to defer a final decision on the payment of a dividend pending the outcome of the ongoing discussions regarding a possible offer for the Company.

There can be no certainty either about the general economic climate or about the specific effects within the Public Sector, but the Dods' Board believes that these uncertainties will not materially affect the outcome of the Group for the full year.

Responsibility Statement of the Directors in Respect of the Half Year Report

We confirm that to the best of our knowledge:

1. the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

2. the interim management report includes a fair review of the information required by:
   (a) DTR 4.2.7R of the *Disclosure and Transparency Rules,* being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
   (b) DTR 4.2.8R of the *Disclosure and Transparency Rules,* being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board of Dods (Group) PLC

Rupert Levy
Group Finance Director

Consolidated Income Statement

	Note	**For the six months ended 30 June 2010 Unaudited £'000**	For the six months ended 30 June 2009 Unaudited and restated* £'000	For the year ended 31 December 2009 Audited £'000
Revenue	3	**6,303**	7,219	17,335
Cost of sales		**(4,606)**	(5,013)	(11,028)
Gross profit		**1,697**	2,206	6,307
Administrative expenses:				
Non-trading items	4	**(156)**	(131)	(178)
Amortisation of intangible assets acquired through business combinations		**(695)**	(781)	(1,349)
Net administrative expenses		**(2,113)**	(2,316)	(4,213)
Total administrative expenses		**(2,964)**	(3,228)	(5,740)
Operating (loss)/profit		**(1,267)**	(1,022)	567
Finance income		**13**	113	14
Financing costs		**(320)**	(335)	(569)
(Loss)/profit before tax		**(1,574)**	(1,244)	12
Income tax credit/(charge)	5	**174**	284	(59)
Loss after tax from continuing operations		**(1,400)**	(960)	(47)
Results from discontinued operations (net of tax)	9	**(1,195)**	(533)	(7,738)
Loss for the period		**(2,595)**	(1,493)	(7,785)
Loss per share				
Basic	6	**(1.71 p)**	(0.98 p)	(5.12 p)
Diluted	6	**(1.71 p)**	(0.98 p)	(5.12 p)

* restated to exclude discontinued operations (see note 9)

Consolidated Statement of Comprehensive Income

	For the six months ended 30 June 2010 Unaudited £'000	For the six months ended 30 June 2009 Unaudited £'000	For the year ended 31 December 2009 Audited £'000
Loss for the period	**(2,595)**	(1,493)	(7,785)
Exchange differences on translation of foreign operations	**(29)**	12	(3)
Other comprehensive loss for the period	**(29)**	12	(3)
Total comprehensive loss in the period attributable to equity holders of the parent company	**(2,624)**	(1,481)	(7,788)

Consolidated Statement of Financial Position

	Note	**As at 30 June 2010 Unaudited £'000**	As at 30 June 2009 Unaudited £'000	As at 31 December 2009 Audited £'000
Goodwill	7	**18,906**	22,847	18,906
Intangible assets	8	**15,166**	29,702	15,720
Property, plant and equipment		**121**	307	132
Non-current assets		**34,193**	52,856	34,758
Inventories		**138**	2,424	123
Trade and other receivables		**3,600**	4,553	2,797
Derivative financial instruments		**–**	–	35
Cash		**1,131**	54	428
Assets classified as held for sale		**–**	–	10,733
Current assets		**4,869**	7,031	14,116
Interest bearing loans and borrowings		**–**	(2,130)	(2,130)
Income tax payable		**(154)**	(81)	(311)
Trade and other payables		**(5,594)**	(6,721)	(4,077)
Liabilities classified as held for sale		**–**	–	(1,359)
Current liabilities		**(5,748)**	(8,932)	(7,877)
Net current (liabilities)/assets		**(879)**	(1,901)	6,239
Total assets less current liabilities		**33,314**	50,955	40,997
Interest bearing loans and borrowings		**–**	(6,477)	(4,880)
Deferred tax liability		**(2,428)**	(4,654)	(2,601)
Non current liabilities		**(2,428)**	(11,131)	(7,481)
Net assets		**30,886**	39,824	33,516
Equity attributable to equity holders of parent				
Issued capital		**15,200**	15,200	15,200
Share premium		**30,816**	30,816	30,816
Other reserves		**409**	409	409
Retained loss		**(15,510)**	(6,589)	(12,927)
Translation reserve		**(29)**	(12)	18
Total equity		**30,886**	39,824	33,516

Consolidated Statement of Changes In Equity

	Unaudited Share capital £'000	Unaudited Share premium £'000	Unaudited Merger reserve £'000	Unaudited Retained earnings £'000	Unaudited Translation reserve £'000	**Unaudited Total Shareholders' funds £'000**
At 1 January 2009	15,200	30,816	409	(5,117)	21	**41,329**
Total comprehensive loss						
Loss for the year	–	–	–	(7,785)	–	**(7,785)**
Other comprehensive loss						
Currency translation difference	–	–	–	–	(3)	**(3)**
Share based payment charge	–	–	–	(25)	–	**(25)**
At 1 January 2010	15,200	30,816	409	(12,927)	18	**41,329**
Total comprehensive loss						
Loss for the year	–	–	–	(2,595)	–	**(2,595)**
Other comprehensive loss						
Currency translation difference	–	–	–	18	(47)	**(29)**
Share based payment charge	–	–	–	(6)	–	**(6)**
At 30 June 2010	**15,200**	**30,816**	**409**	**(15,510)**	**(29)**	**30,886**

The company obtained court approval on 14 July 2010 to cancel the share premium account. This will be reflected in the financial statements for the year ending 31 December 2010.

Consolidated Statement of Cash Flows

	Note	**For the six months ended 30 June 2009 Unaudited £'000**	For the six months ended 30 June 2009 Unaudited and restated* £'000	For the year ended 31 December 2009 Audited and restated* £'000
Cash flows from operating activities				
Loss for the period		**(2,595)**	(1,493)	(7,785)
Depreciation of property, plant and equipment		**54**	58	109
Amortisation of intangible assets acquired through business combinations		**695**	781	1,349
Amortisation of other intangible assets		**173**	169	355
Results from discontinued operations		**1,195**	533	7,738
Share based payments charges		**–**	–	(12)
Net finance costs		**307**	221	555
Income tax (credit)/charge		**(174)**	(188)	59
Cash flow relating to restructuring provisions		**–**	–	(178)
Operating cash flows before movements in working capital		**(345)**	81	2,190
Change in inventories		**(22)**	54	100
Change in receivables		**(1,084)**	(303)	730
Change in payables		**1,904**	1,098	815
Cash generated by operations		**453**	930	3,835
Income tax paid		**(156)**	(159)	(408)
Net cash from operating activities		**297**	771	3,427
Cash flows from investing activities				
Interest and similar income received		**13**	112	14
Proceeds from sale of property, plant and equipment		**–**	–	5
Acquisition of property, plant and equipment		**(99)**	(12)	(70)
Acquisition of other intangible assets		**(258)**	(97)	(262)
Net cash (used in)/provided by investing activities		**(344)**	3	(313)
Cash flows from financing activities				
Interest and similar expenses paid		**(304)**	(663)	(684)
Repayment of borrowings		**(7,010)**	(533)	(2,130)
Net cash used in financing activities		**(7,314)**	(1,196)	(2,814)
Net (decrease)/increase in cash and cash equivalents in continuing operations		**(7,361)**	(422)	300
Opening cash and cash equivalents		**(369)**	(676)	(676)
Effect of exchange rate fluctuations on cash held		**(17)**	86	7
Closing cash and cash equivalents in continuing operations		**(7,747)**	(1,012)	(369)
Cash flows from discontinued operations				
Net cash (decrease)/increase from operating activities		**(718)**	822	1,031
Net cash used in investing activities		**8,799**	(528)	(1,006)
Net increase in cash		**8,081**	294	25
Opening cash and cash equivalents		**797**	772	772
Closing cash and cash equivalents in discontinued operations		**8,878**	1,066	797
Closing cash	10	**1,131**	54	428

* restated to exclude discontinued operations (see note 9). The restatement of the cash flow statement for the year ended 31 December 2009 for discontinued cash flows has not been audited.

Notes to the Accounts 30 June 2010

1 Statement of Accounting Policies

The interim financial statements have been prepared in accordance with the recognition and measurement principles of IFRSs as adopted by the EU, applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2009.

Basis of preparation

The Board continuously assesses and monitors the key risks of the business. Despite the current uncertainty in the global economy, the key risks that could affect the Group's medium term performance, and the factors which mitigate these risks, have not significantly changed from those set out in the Group's Annual Report for 2009. The Operating Review includes consideration of uncertainties affecting the Group in the remaining six months of the year. The Board has reviewed forecasts, including forecasts adjusted for significantly worse economic conditions, and remains satisfied with the Group's funding and liquidity position. On the basis of its forecasts, both base case and stressed, and available facilities, the Board has concluded that the going concern basis of preparation continues to be appropriate.

Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or that meets the criteria to be classified as held for sale. Discontinued operations are presented in the income statement (including the comparative period) analysing the post-tax profit or loss of the discontinued operation.

2 Statement of compliance

These Condensed Consolidated Financial Statements are prepared in accordance with IAS 34: Interim Financial Reporting as endorsed and adopted for use in the European Union and Disclosure and Transparency Rules (DTR) of the Financial Services Authority. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Consolidated Financial Statements of the Group as at and for the year ended 31 December 2009. The comparative figures for the financial year ended 31 December 2009 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

3 Segment information

Segment information is presented in respect of the Group's operating segments. The operating segments have been identified on the basis of internal reports about the components of the Group that are regularly reviewed by the "chief operating decision maker" to allocate resources to the segments and to assess their performance.

	Six months ended 30 June 2010 Unaudited £'000	Six months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Unaudited £'000
Revenue			
Political			
Political	**4,364**	4,465	12,066
Learning	**1,939**	2,754	5,269
	6,303	7,219	17,335
Education (discontinued)	**1,550**	4,062	7,951

3 Segment information (continued)

	Six months ended 30 June 2010 Unaudited £'000	Six months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Unaudited £'000
Total revenue	**7,853**	11,281	25,286
Revenue			
United Kingdom	**6,445**	9,958	21,196
Continental Europe and rest of the world	**1,408**	1,323	4,090
	7,853	11,281	25,286
EBITDA from operations*			
Political			
Political	**128**	61	3,329
Learning	**178**	547	116
	306	608	3,445
Head Office	**(491)**	(489)	(900)
EBITDA from continuing operations	**(185)**	119	2,545
Education (discontinued)	**(88)**	241	1,223
Total EBITDA	**(273)**	360	3,768

*EBITDA is defined by the Directors as being earnings before interest, tax, depreciation, amortisation of intangible assets acquired through business combinations, and non-trading items.

A reconciliation between EBITDA and operating profit is shown in Schedule A.

4 Non-trading items

	Six months ended 30 June 2010 Unaudited £'000	Six months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Audited £'000
Redundancy and people related costs	**156**	131	178
	156	131	178

5 Taxation

The taxation charge for the six months ended 30 June 2010 is based on the expected annual tax rate.

Notes to the Accounts continued

6 Normalised (loss)/profit attributable to shareholders post tax

	Six months ended 30 June 2010 Unaudited £'000	Six months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Audited £'000
Loss attributable to shareholders	**(2,595)**	(1,493)	(7,785)
Add: results of discontinued operations	**1,195**	533	7,738
Add: non-trading items net of tax	**112**	94	128
Add: amortisation of intangible assets acquired through business combinations	**695**	781	1,349
Less: share based payment credit	**–**	–	(12)
Adjusted (loss)/profit attributable to shareholders	**(593)**	(85)	1,418
	Shares	Shares	Shares
Weighted average number of shares			
In issue during the year – basic	**151,998,453**	151,998,453	151,998,453
Dilutive potential ordinary shares	**–**	–	–
In issue during the year – diluted	**151,998,453**	151,998,453	151,998,453
Loss per share – basic (pence)	**(1.71)**	(0.98)	(5.12)
Loss per share – diluted (pence)	**(1.71)**	(0.98)	(5.12)
Normalised (loss)/earnings per share before non-trading items and amortisation of intangible assets acquired through business combinations (pence)	**(0.39)**	(0.06)	0.93

7 Goodwill

	Six months ended 30 June 2010 Unaudited £'000	Six months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Audited £'000
Cost & Net book value			
Opening balance	**18,906**	22,847	22,847
Impairment	**–**	–	(3,941)
Closing balance	**18,906**	22,847	18,906

8 Intangible fixed assets

	Six months ended 30 June 2010 Unaudited £'000	Six months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Audited £'000
Intangible assets acquired through business combinations			
Cost			
Opening balance	**22,612**	37,129	37,129
Impairment	**–**	–	(6,732)
Transferred to held for sale	**–**	–	(7,785)
Closing balance	**22,612**	37,129	22,612
Amortisation			
Opening balance	**7,408**	8,293	8,293
Charge for the period	**695**	1,281	2,352
Impairment	**–**	–	(1,502)
Transferred to held for sale	**–**	–	(1,735)
Closing balance	**8,103**	9,574	7,408
Net book value			
Opening balance	**15,204**	28,836	28,836
Closing balance	**14,509**	27,555	15,204
Other intangible assets			
Net book value			
Opening balance	**516**	2,188	2,188
Closing balance	**657**	2,147	516
Net intangible assets			
Opening balance	**15,720**	31,024	31,024
Closing balance	**15,166**	29,702	15,720

Other intangible assets comprise IT software and plate costs for revision guide materials.

Notes to the Accounts continued

9 Discontinued operations

Discontinued operations relates to the results of the Education Division, which was sold on 19 March 2010. The Education Division included Letts Educational Ltd, Leckie & Leckie Ltd and the division Lonsdale which was held within Dods (Group) PLC. Results attributable to this business were as follows:

	Six months ended 30 June 2010 Unaudited £'000	Six months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Audited £'000
Revenue	**1,549**	4,062	7,951
Cost of sales	**(1,109)**	(2,354)	(4,452)
Gross profit	**440**	1,708	3,499
Non-trading items	**–**	(227)	(398)
Amortisation of intangible assets acquired through business combinations	**–**	(500)	(1,003)
Impairment of goodwill and intangible assets	**–**	–	(9,171)
Other administrative expenses	**(560)**	(1,514)	(2,382)
Operating loss	**(120)**	(533)	(9,455)
Net finance costs	**–**	–	2
Loss before tax	**(120)**	(533)	(9,453)
Related income tax	**–**	–	84
Deferred tax credit arising from intangible assets impaired	**–**	–	1,631
Loss on sale of discontinued operations (net of tax)	**(1,075)**	–	–
Loss for the period	**(1,195)**	(533)	(7,738)

10 Analysis of net debt

	At 1 January 2010 £'000	Cash flow £'000	Non-cash movements £'000	Exchange movement £'000	At 30 June 2010 £'000
Cash at bank and in hand	428	720	–	(17)	**1,131**
Debt due within one year	(2,130)	7,010	(4,880)	–	–
Debt due after one year	(4,880)	–	4,880	–	–
	(6,582)	**7,730**	**–**	**(17)**	**1,131**

Schedule A

Reconciliation between operating profit and non-statutory measure

The following tables reconcile operating profit as stated above to EBITDA, a non-statutory measure which the Directors believe is the most appropriate measure in assessing the performance of the Group.

EBITDA is defined by the Directors as being earnings before interest, tax, depreciation, amortisation of assets acquired through business combinations, and non-trading items.

Six months ended 30 June 2010	Operating (loss)/profit £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items £'000	**EBITDA £'000**
Political					
Political	(817)	216	581	148	**128**
Learning	50	6	114	8	**178**
	(767)	222	695	156	**306**
Head Office	(500)	9	–	–	**(491)**
Result from continuing operations	(1,267)	231	695	156	**(185)**
Education (discontinued)	(120)	32	–	–	**(88)**
Group total	(1,387)	263	695	156	**(273)**

Year ended 31 December 2009	Operating profit/(loss) £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items £'000	**EBITDA £'000**
Political					
Political	1,663	430	1,219	17	**3,329**
Learning	(107)	17	130	76	**116**
	1,556	447	1,349	93	**3,445**
Head Office	(989)	16	-	73	**(900)**
Result from continuing operations	567	463	1,349	166	**2,545**
Education (discontinued)	(9,455)	119	10,174	385	**1,223**
Group total	(8,888)	582	11,523	551	**3,768**

Six months ended 30 June 2009	Operating (loss)/profit £'000	Depreciation* £'000	Amortisation of intangible assets £'000	Non-trading items £'000	**EBITDA £'000**
Political					
Political	(804)	210	627	28	**61**
Learning	330	10	154	53	**547**
	(474)	220	781	81	**608**
Head Office	(548)	8	–	51	**(489)**
Result from continuing operations	1,022)	228	781	132	**119**
Education (discontinued)	(533)	48	500	226	**241**
Group total	(1,555)	276	1,281	358	**360**

*including amortisation of software shown within intangibles.

Shareholder Information

Company Registrar
Equiniti provide a range of shareholder information on-line. You can check your holding and find practical help on transferring shares and updating your personal details at www.sharereview.co.uk. Equiniti may also be contacted on 0871 384 2639 (calls to this number are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary), or by writing to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Share Dealing Service
An internet and telephone share dealing service is operated by the Company's registrar, Equiniti, enabling shareholders to buy and sell Dods (Group) PLC Ordinary shares on the London Stock Exchange. Shareholders who are interested in using these services should visit www.sharereview.co.uk or telephone +44 (0) 845 603 737.

Unsolicited Mail
The Company is required by law to make its share register available upon request to the public and organisations which may use it as a mailing list resulting in shareholders receiving unsolicited mail. Shareholders wishing to limit the receipt of such mail should write to the Mailing Preference Service, DMA House, 70 Margaret Street, London W1W 8SS.

ShareGift
Shareholders, who hold only a small number of shares, where dealing costs make it uneconomic to sell them, may wish to consider donating them to charity though ShareGift, a registered charity administered by The Orr Mackintosh Foundation. The relevant share transfer form can be obtained from their website www.sharegift.org or by writing to ShareGift, 5 Lower Grosvenor Place, London SW1W 0EJ, or by telephoning +44 (0)20 7828 1151.

Dividend Payments to Mandated Accounts
Where shareholders have given instruction for future dividends to be paid directly to a bank or building society account, this is done via the Bankers Automated Clearing System (BACS). This facility provides an immediate access to funds, without the inconvenience of waiting for postal delivery or having personally to visit a bank.

Directory, Secretary and Advisors

Directors
Gerry Murray (Chief Executive Officer)
Rupert Levy (Group Finance Director)
Kevin Hand (Non-Executive Chairman)
Richard Flaye (Non-Executive Director)

Secretary
Rupert Levy

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Dods is a public limited company registered in England No. 04267888. Its Ordinary shares are listed on the Alternative Investment Market (AIM) (ticker DODS.L).

Dods (Group) PLC is the parent company of the Dods Group of companies. Unless otherwise stated, the text in this Interim Report does not distinguish between the activities and operations of the parent company and those of its subsidiary undertakings.

This is the Interim Report of Dods (Group) PLC for the six month period ended 30 June 2010 and complies with UK legislation and regulations. It is also available on the Company's website: www.dodsgroupplc.com

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Cautionary Statement
The purpose of this Interim Report is to provide information to the members of the Company.
The Interim Report contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve risk and uncertainty, since future events and circumstances can cause results and developments to differ from those anticipated. Nothing in this Annual Report should be construed as a profit forecast.

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