

Company Carlisle Group Limited
TIDM CXG
Headline Interim Results

CARLISLE GROUP ANNOUNCES INTERIM RESULTS FOR THE SIX MONTHS ENDED 30th SEPTEMBER 2007

Belize City, Belize, 15th November, 2007 Carlisle Group Limited (London: CXG) (the 'Company' or 'Carlisle')

Interim results for the six months ended 30th September 2007

Carlisle Group Limited, a leading provider of staffing and outsourced people-related services, reported turnover for the quarter ended 30th September 2007 of £100.2m (2006 - £91.8m) and operating profit of £1.8m (2006 - £1.7m). Net profit for the quarter amounted to £1.3m (2006 - £1.5m) and diluted earnings per share amounted to 5.4 pence (2006 – 6.1 pence).

For the six months ended 30th September 2007, turnover was £195.6m (2006 - £178.6m) and operating profit was £2.9m (2006 - £2.4m). Net profit for the six month period was £2.2m (2006 - £2.5m) and diluted earnings per share was 9.1 pence (2006 – 10.1 pence).

Richard Bradford, Chief Executive, said:

“The results for both the quarter and the half year to date highlight the overall progress being made within the Group. Operating profits have increased by more than 20% over last year’s first half despite the ongoing cost of investment in organic growth and the one-time costs relating to the recently announced cash shell dividend.

There is an improving trend in the performance and ratios in Staffing Services whilst the Support Services operations have produced another stable contribution in the quarter”.

Staffing Services

Turnover for the quarter ended 30th September 2007 was £69.5m (2006 - £67.2m), with operating profit of £1.0m (2006 - £0.6m). For the six month period, turnover was £138.4m (2006 - £132.4m) with operating profit of £1.8m (2006 - £0.9m).

Strong sector growth has been enjoyed in a number of brands, particularly in Technical markets, Accounting, Legal, Aviation and Managed Solutions. Investment has continued in fee earning staff in the key growth markets and a total of 50 further staff have been added since April. The targeted increase in permanent fee income has continued to show progress. Permanent fees now represent 8% of Staffing Services sales in the half year to date compared with 5.1% for the same period last year.

As well as investment in new fee earners within the supply brands the division has incurred costs in larger contracts. These contracts provide some certainty of future income but can be dilutive to earnings during the implementation phase. The Managed Solutions business has successfully renewed contracts with both KPMG and Ernst & Young in the quarter whilst implementing the previously announced contract gain with Friends Provident in August.

A new contract has been won with the UK Healthcare Commission and CSCI principally based in London and Newcastle Upon Tyne commencing in November. Furthermore, a new contract

has been awarded due to commence in 2008, for a three year period, with Jet Aviation. This principally involves Engineering and Aviation specialists provided internationally through the S.Com brand.

Support Services

Turnover for the quarter ended 30th September, 2007 was £30.7m (2006 - £24.6m), with operating profit of £1.3m (2006 - £1.4m) from the three business segments that, in aggregate, comprise the Support Services division. For the six month period, turnover was £57.2m (2006 - £46.2m) with operating profit of £2.0m (2006 - £2.1m). Profitability did not grow due to a combination of implementation costs of new contract wins in Security Services and retailer cost reduction initiatives which impacted gross margins in the Retail Support Services operations.

Within the regulated services businesses, the quarter and the year to date show a significant uplift in revenue which is yet to be reflected in profitability. In UK security services, in particular, new contract gains have incurred start-up costs which have impacted short-term earnings in a sector where margins and profitability remain tight. Events services has enjoyed a successful and busy summer, especially boosted by a presence at major cricket matches throughout the UK.

In Retail Support Services, the quarter and year to date continue to show the increasing scale of the merchandising and store support activities. All services remain in demand and revenue growth continues although this is not matched by profit growth as margin pressures remain. The order book of retail projects in the third quarter looks strong.

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This press release is available at the Company's website: www.carlislegroup.co.uk

Background Information

Carlisle Group is a leading provider of staffing and outsourced people-related services, with more than 17,000 people deployed at any one time across all working environments. The Staffing Services division provides temporary and permanent staff recruitment services and solutions through a number of market specific brands. Carlisle Managed Solutions is a recruitment outsourcing business that delivers tailored solutions to manage a client's resourcing needs. The Support Services division provides a range of outsourced services including Cleaning, Security and Event Services and Retail merchandising and support services.

Consolidated Income Statements (Unaudited)

	3 months ended	3 months ended	6 months ended	6 months ended
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	£'m	£'m	£'m	£'m
Revenue	100.2	91.8	195.6	178.6

Cost of sales	(80.5)	(75.1)	(157.9)	(146.1)
Gross profit	19.7	16.7	37.7	32.5
Administrative expenses	(17.9)	(15.0)	(34.8)	(30.1)
Operating profit	1.8	1.7	2.9	2.4
Profit on disposal of subsidiary undertaking	-	-	-	0.5
Financial expenses	(0.3)	(0.2)	(0.5)	(0.4)
Profit before taxation	1.5	1.5	2.4	2.5
Taxation	(0.2)	-	(0.2)	-
Net profit for the period	1.3	1.5	2.2	2.5

Earnings per ordinary share (in pence)

Basic	5.6p	6.2p	9.5p	10.4p
Diluted	5.4p	6.1p	9.1p	10.1p

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the three month period of 23,011,000 (2006 - 24,067,000) and diluted number of shares of 24,086,000 (2006 - 24,791,000). The weighted average number of shares in issue during the six month period was 23,047,000 (2006 - 24,067,000) and diluted number of shares was 24,123,000 (2006 - 24,791,000).

Consolidated Statements of Changes in Equity (Unaudited)

	Share capital	Other reserves	Cumulative translation adjustments	Retained earnings	Total Equity
	£'m	£'m	£'m	£'m	£'m
Balance at 1 April 2006	2.4	91.2	-	(25.6)	68.0
Net profit for the period	-	-	-	2.5	2.5
Currency translation differences	-	-	(0.3)	-	(0.3)
Equity share incentives	-	-	-	-	-

			0.2		0.2
Balance at 30 September 2006	2.4	91.4	(0.3)	(23.1)	70.4
Balance at 1 April 2007	2.4	90.6	(0.4)	(20.3)	72.3
Net profit for the period	-	-	-	2.2	2.2
Currency translation differences	-	-	(0.1)	-	(0.1)
Equity share incentives	-	0.2	-	-	0.2
Purchase of own shares	-	(0.1)	-	-	(0.1)
Balance at 30 September 2007	2.4	90.7	(0.5)	(18.1)	74.5

Consolidated Balance Sheets (Unaudited)

	30 Sept 2007	31 March 2007
	£'m	£'m
ASSETS		
Non-current assets		
Property, plant and equipment	4.3	4.3
Goodwill	57.2	57.2
Other intangible assets	1.2	1.2
Other non-current assets	0.3	0.3
Total non-current assets	63.0	63.0
Current assets		
Trade receivables	54.5	47.7
Prepayments and accrued income	16.1	14.0
Other current assets	0.2	0.2
Cash and cash equivalents	4.3	2.1
Total current assets	75.1	64.0
Total assets	138.1	127.0
LIABILITIES		
Current liabilities		
Trade payables	8.2	7.6
Other tax and social security	12.4	11.7
Accruals and deferred income	26.3	27.8
Financial liabilities - amounts due under invoice discount facility	14.2	5.0
Financial liabilities – obligations under finance leases	0.2	0.3
Income tax payable	0.7	0.6
Total current liabilities	62.0	53.0

Non-current liabilities

Other payables	1.3	1.3
Financial liabilities – obligations under finance leases	0.3	0.4
Total non-current liabilities	1.6	1.7

Total liabilities	63.6	54.7
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Equity

Called up share capital	2.4	2.4
Other reserves	90.7	90.6
Cumulative translation adjustments	(0.5)	(0.4)
Retained earnings (deficit)	(18.1)	(20.3)
Equity shareholders' funds	74.5	72.3
Equity minority interests	-	-
Total equity	74.5	72.3

Total equity and liabilities	138.1	127.0
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Consolidated Cash Flow Statements (Unaudited)

	6 months ended 30 Sept 2007 £'m	6 months Ended 30 Sept 2006 £'m
Cash flows from operating activities		
Cash used in operations	(5.3)	(2.8)
Interest paid	(0.4)	(0.4)
Tax paid	(0.1)	-
Net cash used in operating activities	(5.8)	(3.2)
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	(0.1)	-
Purchase of property, plant & equipment - net	(0.9)	(0.9)
Purchase of intangibles	(0.2)	(0.3)
Disposal of subsidiary, net of cash disposed	0.3	0.4
Net cash used in investing activities	(0.9)	(0.8)
Cash flows from financing activities		
Net movement in short term borrowings	9.2	4.8
Capital element of finance lease repayments	(0.2)	(0.2)
Purchase of own shares	(0.1)	-
Net cash generated from financing activities	8.9	4.6

Exchange effect on cash and cash equivalents	-	(0.1)
Net increase in cash and cash equivalents	2.2	0.5
Cash and cash equivalents at beginning of the period	2.1	1.2
Cash and cash equivalents at end of the period	4.3	1.7

Notes to the unaudited interim consolidated information

1. Basis of preparation

This statement of Carlisle Group Limited and subsidiaries interim results has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use by the European Union. The financial information presented herein has been prepared in accordance with the accounting policies expected to be used in preparing the Company's annual report and accounts for the year ending 31 March 2008. The Company's annual report and accounts for the year ended 31 March 2007 were prepared in accordance with UK GAAP. Details of the Company's transition from UK GAAP to IFRS are set out in the Company's interim results announcement dated 14th September 2007.

The preparation of financial information in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates and judgements are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

2. Financial information

The financial information does not constitute statutory accounts within the meaning of Section 240 of the UK Companies Act 1985.

3. Segmental information	3 months	3 months	6 months	6 months
	ended	ended	ended	Ended
	30 Sept 2007	30 Sept 2006	30 Sept 2007	30 Sept 2006
	£'m	£'m	£'m	£'m
Revenue				
Staffing services	69.5	67.2	138.4	132.4
Cleaning and Support services	8.5	9.5	17.1	19.2
Retail Support services	10.0	6.7	17.0	10.8
Security services	12.2	8.4	23.1	16.2
Support services	30.7	24.6	57.2	46.2
Revenue	100.2	91.8	195.6	178.6
Operating profit				
Staffing services	1.0	0.6	1.8	0.9
Cleaning and Support services	0.7	0.5	1.2	1.1
Retail Support services	0.6	0.8	0.8	1.0
Security services	-	0.1	-	-
Support services	1.3	1.4	2.0	2.1

Corporate expenses	(0.5)	(0.3)	(0.9)	(0.6)
Operating profit	1.8	1.7	2.9	2.4
Profit on disposal of subsidiary undertaking	-	-	-	0.5
Net financial expenses	(0.3)	(0.2)	(0.5)	(0.4)
Profit before taxation	1.5	1.5	2.4	2.5

4. Cash generated from operations	6 months	6 months
	ended	Ended
	30 Sept 2007	30 Sept 2006
	£'m	£'m
Net profit for the period	2.2	2.5
Adjustments for:		
taxation	0.2	-
depreciation and amortisation	1.1	1.2
profit on disposal of subsidiary undertaking	-	(0.5)
interest paid	0.5	0.4
share based payment expense	0.2	0.2
Changes in working capital		
trade and other receivables	(9.5)	(6.2)
trade and other payables	-	(0.4)
Cash used in operations	(5.3)	(2.8)

END