

PENNA CONSULTING PLC
("Penna" or "the Group")

Interim Results for the six months ended 30 September 2008

STRONG RESULTS

11 November 2008

Penna Consulting Plc (PNA:AIM), the international human resources consulting group, today announces its unaudited interim results for the six months ended 30 September 2008.

FINANCIAL HIGHLIGHTS

- Revenue increased 29% to £28.9m (2007: £22.5m)
- Profits before tax quadrupled to £2.1m (2007: £0.5m)
- Fully diluted earnings per share (EPS) quadrupled to 6p (2007: 1.4p)
- Strong balance sheet with net cash of £5m and no debt
- Interim dividend 2p per share (2007 : nil)

Commenting on the results and outlook, Stephen Rowlinson, chairman, said:

"I am very pleased to report some excellent results for the first half of the year. Performance has exceeded expectations and the interim dividend expected to be 1 pence per share will now be doubled to 2 pence per share.

We are focussed on increasing shareholder value and are optimistic about the future. All indications are that our Career Transition division, which accounts for 59% of the Group's net revenues, will experience further major expansion in the demand for its services in the coming months and years and we expect this to drive continuing growth of Penna's scale and profitability."

ENDS

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About Penna (www.penna.com)

Penna Consulting plc is a one of the largest HR consulting groups in the UK, and provides a range of HR consultancy services to companies across a range of sectors: Services include Recruitment Communications, Executive Recruitment, Executive Interim, Board and Executive Coaching, Leadership and Performance Consulting and Career Transition. Penna was placed 29th in The Sunday Times 100 Best Companies to Work For in 2008.

Penna Consulting Plc

Chairman's Statement

I am very pleased to report some excellent results for the first half of the year. Revenue is up 29% to £28.9m (2007:£22.4m) and net revenue is up 27% to £19.1m (2007:£15.0m). Profits before tax have more than quadrupled to £2.1m (2007:£0.5m) and earnings per share are 6.0 pence compared to 1.4 pence for the first half and to 5.5 pence for the full 2007/08 year.

Penna's businesses are cash generative and our balance sheet is strong. Net assets are £20.8m (2007:£18.2m). Net tangible assets are £6.7m (2007:£4.2m) and net cash at mid year was £5.0m (2007:£0.9m). Your Board believes that in the current credit environment our strong cash position and lack of any need for bank finance is a major competitive advantage.

In the Annual Report published in June 2008 I noted the Board's recommendation of a 2 pence dividend in respect of 2007/8 and our expectation that the Board would be able to recommend a 1 pence interim and 2 pence final dividend for the current year. The Group's performance has, in the event, exceeded our expectations and we are therefore pleased to declare an interim dividend of 2 pence per share which will be payable on 4 March 2009 to shareholders on the register on 6 February 2009.

Net Revenue *

	Six months to 30 Sept 2008 £'000	Six months to 30 Sept 2007 £'000	Change on Prior period %
Career Transition	11,301	8,111	+39%
Executive Recruitment	1,843	1,842	0%
Executive Interim	1,659	1,411	+18%
Recruitment Communications	587	384	+53%
Board & Executive Coaching	989	997	0%
Leadership & Performance Consulting	2,713	2,247	+21%
Total Net Revenue	19,092	14,992	+27%
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Total Revenue	28,894	22,419	+29%

* Revenue less pass through costs

Operational Review

Our core business – Career Transition – grew steadily through the 2007/08 financial year and the rate of growth accelerated as we entered the current year. Net revenue in the period under review grew by 39% compared to the six months to September 2007. As I noted in my statement at the AGM on 25 September 2008 these high volumes are the result of reorganisation decisions forced onto our client companies by the international financial crisis. Our Career Transition teams provide outstanding levels of service and support to our clients' ex-employees as they confront the challenge of unexpected and possibly unwelcome changes of career.

In parallel with the very strong performance of Career Transition our other divisions have performed well and together their net revenues are 20% ahead of last year in the UK and 13% ahead overall.

In the UK our Executive Recruitment net revenues have grown by 40% demonstrating the benefits of focussing on senior level public sector recruitment. Recruitment Communications had another period of very rapid growth and achieved a 53% advance in net revenues. Executive Interim continues to expand market share and net revenue grew by 18% to £1.7m in the period. Board and Executive Coaching maintained its revenues during the period and Leadership and Performance Consulting achieved net revenues to £2.7m, an increase of 21% on the same period last year.

Outside of the UK net revenues were 8% higher than the same period last year. Ireland saw very powerful demand for career transition and also its other services advanced by 31% resulting in overall growth of 49%. We did however experience a reduction in recruitment revenues in Paris during the period.

Outlook

The developed world has embarked on a period of major restructuring which will have profound effects on every branch of employment. Experience of previous periods of dislocation and recession suggest that many millions of people will be caught up in a process of change as some major sectors of employment decline and others develop and grow. This period may well last for three to four years and possibly for much longer.

Penna's mission is to facilitate fundamental changes in the world of work. Career Transition services are there to minimise the impact of events on individuals, to guide them through the process of identifying and evaluating many life and career alternatives and to assist them in finding new exciting roles capable of meeting their expectations.

All indications are that our Career Transition division, which accounts for 59% of the Group's net revenues, will experience further major expansion in the demand for its services in the coming months and years and we expect this to drive continuing growth of Penna's scale and profitability.

Our other divisions are showing great resilience and we expect them also to play a central role in these challenging times. Executive Interim, Board and Executive Coaching, Leadership and Performance Consulting, Executive Recruitment and Recruitment Communications – all provide services that are essential for our clients as they confront and overcome the challenge of recession and prepare for recovery.

Stephen Rowlinson
Chairman
11 November 2008

Penna Consulting Plc
Consolidated income statement
for the six months ended 30 September 2008 (unaudited)

	Notes	Six Months Ended 30 Sept 2008	Six Months Ended 30 Sept 2007	Year Ended 31 March 2008
		£'000	£'000	£'000
Continuing operations				
Revenue		28,894	22,419	49,067
Operating expenses		(26,817)	(21,858)	(47,065)
Operating profit		2,077	561	2,002
Finance net income/(costs)		62	(44)	(32)
Profit before tax		2,139	517	1,970
Tax	2	(600)	(156)	(592)
Profit for the period		1,539	361	1,378
Attributable to:				
Equity holders of the parent		1,539	361	1,378
Earnings per share				
Basic	3	6.1p	1.4p	5.5p
Diluted		6.0p	1.4p	5.5p

Penna Consulting Plc
Consolidated balance sheet
at 30 September 2008 (unaudited)

	30 Sept 2008 £'000	30 Sept 2007 £'000	31 March 2008 £'000
Non-current assets			
Goodwill	14,036	14,036	14,036
Tangibles	1,667	1,934	1,850
Intangibles – software	24	33	32
Deferred tax	24	77	24
	15,751	16,080	15,942
Current assets			
Trade receivables	10,748	9,601	11,271
Other current assets	2,290	1,809	1,788
Cash and short term deposits	5,149	2,156	2,961
	18,187	13,566	16,020
Total assets	33,938	29,646	31,962
Current liabilities			
Trade payables	2,303	1,295	2,368
Bank overdrafts and loans	-	900	-
Loan notes	111	343	111
Obligations under finance leases	42	96	88
Short term provisions	129	32	153
Corporation tax	753	165	154
Other creditors and accruals	9,434	8,232	9,406
	12,772	11,063	12,280
Non-current liabilities			
Obligations under finance leases	-	37	-
Long term provisions	390	311	351
	390	348	351
Total liabilities	13,162	11,411	12,631
Net assets	20,776	18,235	19,331
Capital and reserves			
Called up share capital	1,264	1,264	1,264
Share premium account	15,109	15,109	15,109
Merger reserve	10,170	10,170	10,170
Employee share option plan reserve	(397)	(397)	(397)
Foreign currency translation reserve	(120)	(13)	3
Retained loss	(5,250)	(7,898)	(6,818)
Total equity	20,776	18,235	19,331

Penna Consulting Plc
Consolidated statement of changes in equity
at 30 September 2008 (unaudited)

	Called up Share Capital £'000	Share Premium £'000	Merger reserve £'000	ESOP reserve £'000	Foreign Currency translation £'000	Retained loss £'000	Total equity £'000
At 1 April 2007	1,264	15,109	10,170	(397)	66	(8,263)	17,949
Share issue	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	(79)	-	(79)
Profit for the period	-	-	-	-	-	362	362
Share option credit	-	-	-	-	-	3	3
At 30 September 2007	1,264	15,109	10,170	(397)	(13)	(7,898)	18,235
Share issue	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	16	-	16
Profit for the period	-	-	-	-	-	1,016	1,016
Share option credit	-	-	-	-	-	64	64
At 31 March 2008	1,264	15,109	10,170	(397)	3	(6,818)	19,331
Share issue	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	(123)	-	(123)
Profit for the period	-	-	-	-	-	1,539	1,539
Share option credit	-	-	-	-	-	29	29
At 30 September 2008	1,264	15,109	10,170	(397)	(120)	(5,250)	20,776

Penna Consulting Plc
Consolidated group cash flow statement
for the six months ended 30 September 2008 (unaudited)

	Note	Six Months Ended 30 Sept 2008 £'000	Six Months Ended 30 Sept 2007 £'000	Year Ended 31 March 2008 £'000
Cash flows from operating activities				
Cash generated/(used) by operations	5a	2,240	(73)	2,497
Tax (paid)/refunded		(1)	1	(393)
Interest received/(paid) – bank interest		69	(44)	(17)
Net cash generated/(used) by operating activities		2,308	(116)	2,087
Cash flows used in investing activities				
Net purchase of property, plant and equipment		(67)	(209)	(415)
Net cash used in investing activities		(67)	(209)	(415)
Cash flows used in financing activities				
Interest paid – finance leases		(7)	(9)	(15)
Repayment of finance leases		(46)	(40)	(94)
Repayment of loan notes		-	(88)	(320)
Bank loan repaid		-	(600)	(1,500)
Net cash used in financing activities		(53)	(737)	(1,929)
Net increase/(decrease) in cash and cash equivalents		2,188	(1,062)	(257)
Cash and cash equivalents at start of period		2,961	3,218	3,218
Cash and cash equivalents at end of period	5b	5,149	2,156	2,961

Penna Consulting Plc
Notes to the interim financial statements
for the six months ended 30 September 2008 (unaudited)

1. Accounting policies

The consolidated interim financial statements are for the six months ended 30 September 2008. They have been prepared under the historical cost convention using accounting policies that are consistent with current International Financial Reporting Standards (IFRS). The interim financial statements have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

2. Taxation

Taxation has been provided for at 28% (2007: 30%) for the UK and appropriate rates for overseas earnings.

3. Earnings per share

The calculation of basic and diluted earnings per share are based on the following amounts:

	Six months ended 30 Sept 2008	Six months ended 30 Sept 2007	Year ended 31 March 2008
Earnings			
Profit from continuing operations (£'000)	1,539	361	1,378
Profit for the period (£'000)	1,539	361	1,378
Number of shares			
Weighted average number of Shares	25,173,348	25,173,348	25,173,348
Dilution effect of share option Schemes *	515,572	-	14,495
Diluted weighted average number of Shares	25,688,920	25,173,348	25,187,843
Earnings per share:			
Basic	6.1p	1.4p	5.5p
Diluted	6.0p	1.4p	5.5p

* The dilution effect of share option schemes arises from options granted under the Penna Executive Share Option Scheme, the Penna Consulting Long Term Incentive Plan 2007 (LTIP) and the Share Save Scheme. Further details of these schemes are set out in Note 30 the Report and Accounts 2008.

4. Dividends

An interim dividend of 2 pence per ordinary share (2007: nil) is proposed for the six months ended 30 September 2008.

Penna Consulting Plc
Notes to the interim financial statements (continued)
for the six months ended 30 September 2008 (unaudited)

5a. Reconciliation of operating profit to net cash flow from operating activities	Six Months Ended 30 Sept 2008 £'000	Six Months Ended 30 Sept 2007 £'000	Year Ended 31 March 2008 £'000
Operating profit	2,077	561	2,002
Adjustments for:			
Depreciation	258	264	532
Share option expense	29	3	67
Changes in working capital:			
Decrease/(increase) in trade and other receivables	21	451	(1,187)
(Decrease)/increase in trade and other payables	(145)	(1,352)	1,161
Surplus property provision reversed	-	-	(78)
Cash generated/(used) by operations	2,240	(73)	2,497

5b. Cash and cash equivalents	At 30 Sept 2008 £'000	At 30 Sept 2007 £'000	At 31 March 2008 £'000
Cash and cash equivalents are made up as follows:			
Net cash	5,038	2,045	2,850
Cash on restricted deposit	111	111	111
Cash and cash equivalents	5,149	2,156	2,961

6. Nature of the financial information

The financial information set out in this document does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 31 March 2008, on which the auditors gave an unqualified audit report, have been delivered to the Registrar of Companies and copies of the Interim Report can be obtained from our Registered Office at 3rd Floor, St Mary's Court, 20 St Mary at Hill, London EC3R 8EE.

The Board of Directors approved the Interim Report on 11 November 2008. The financial information in respect of the six months to 30 September 2008 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.