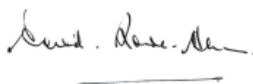




Arden Partners plc
Interim Report 2007



“We are very pleased with the progress Arden has continued to make since our last results. The business has continued to develop in line with our growth strategy and, with a good start to the second half in both primary and secondary income together with an encouraging pipeline, the Board is confident of delivering another successful year.”



Sir David Rowe-Ham


Chairman

2 July 2007

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Highlights

-  Turnover **Increase of 12%**
-  Underlying profit before tax* **Increase of 11%**
-  Interim dividend **Declared 2.2 pence per share**

	Six months ended 30 April 2007 Unaudited £'000	Six months ended 30 April 2006 Audited (restated) £'000	Year ended 31 October 2006 Audited £'000
Financial			
Turnover	£8.4m	£7.5m	£14.3m
Underlying profit before tax*	£3.0m	£2.7m	£3.8m
Profit before tax	£2.6m	£2.6m	£4.0m
Underlying earnings per share**			
Basic	8.7p	8.1p	11.0p
Diluted	8.3p	8.1p	10.5p
Earnings per share:			
Basic	7.3p	8.1p	13.6p
Diluted	7.0p	8.1p	13.0p
Dividend per ordinary share	2.2p	1.75p	3.55p

* Profit before tax as adjusted to remove the effect of share based payments (FRS 20) and exceptional costs.

** Earnings as adjusted for the after-tax effect of share based payments (FRS 20) and exceptional costs.

Chief Executive's Statement

I am delighted to report another good set of results for Arden Partners. Our performance remains strong with an increase in turnover of 12% and an increase in underlying profit before tax and exceptionals of 11% over the corresponding period last year. In the first half the Company has managed to continue the progress made since its IPO on AIM last year and I am pleased with the contributions made by each of our business streams.

Results and dividend

During the six months ended 30 April 2007, turnover has increased by 12% to £8.4m (2006: £7.5m) and underlying profit before tax (before exceptional costs) rose by 11% to £3.0m (2006: £2.7m). Underlying basic earnings per share (before exceptional costs) were 8.7p (2006: 8.1p).

During the period, the company incurred exceptional costs of £318,000 in relation to professional fees incurred in relation to a potential acquisition which was terminated as terms could not be agreed.

Net assets have increased to £9.2m (2006: £4.6m) including cash balances of £5.3m.

The Board has declared an interim dividend of 2.2p (2006: 1.75p). The dividend will be payable on 4 October 2007 to all shareholders on the register at 14 September 2007.

Equities Division

Income from research, sales and trading has continued to grow with turnover improving by 9% from £3.2m to £3.5m. We are also continuing to see incremental growth resulting from "unbundling". This is testament to the quality of our sales and execution capability and the excellence of our research product.

We will continue to invest in electronic trading systems which should allow the business to gain additional market share.

Corporate Finance Division

The corporate finance team has had another busy six months focussed mainly on secondary

placings. In total, the team has worked on eleven transactions with a total value of some £216m, generating fees totalling £4.4m (2006: £3.6m). Of these, two were primary fundraisings, six were secondary and the remainder related to M&A activities. The Board believes that the split of activities underlines the quality of the corporate base and the objective remains to win new corporate clients.

An encouraging pipeline shows a good spread of transactions due to be completed in the second six months. One significant fundraising, a secondary placing of £21m for Hardy Oil & Gas, has already been completed.

Staff

Our staff contribute greatly to the success of the business and we are grateful for their hard work ethic.

In an environment where remuneration packages have continued to rise, the recruitment of staff has remained challenging. Despite this, the business has attracted a number of quality individuals and will continue to do so. The Company is proposing to implement a new Long Term Incentive Plan to assist in the recruitment process and documentation setting out the full details of the plan will be sent to shareholders.

We will continue to reward our staff on a performance basis focussed strongly on delivering shareholder value.

Outlook

The business has continued to develop in line with its growth strategy and, with a good start to the second half in both primary and secondary income together with an encouraging pipeline, the Board is confident of delivering another successful year.



Tony Bartlett
Chief Executive
2 July 2007

Consolidated Profit and Loss Account

For the six months ended 30 April 2007

	Note	Six months ended 30 April 2007 Unaudited £'000	Six months ended 30 April 2006 Audited (restated) £'000	Year ended 31 October 2006 Audited £'000
Turnover	2	8,434	7,530	14,274
Administrative expenses	3	(5,951)	(4,937)	(10,392)
Operating profit		2,483	2,593	3,882
Interest receivable and similar income		184	95	206
Interest payable and similar charges		(6)	(37)	(38)
Profit on ordinary activities before taxation		2,661	2,651	4,050
Taxation on profit on ordinary activities		(850)	(800)	(1,489)
Profit on ordinary activities after taxation		1,811	1,851	2,561
Earnings per share				
Basic	4	7.3p	8.1p	11.0p
Diluted	4	7.0p	8.1p	10.5p

Note - All results are in respect of continuing activities

Consolidated Balance Sheet

At 30 April 2007

	Note	At 30 April 2007 Unaudited £'000	At 30 April 2006 Audited (restated) £'000	At 31 October 2006 Audited £'000
Fixed assets				
Tangible assets		443	300	388
Current assets				
Long market making positions and similar investments		3,655	2,365	1,800
<i>Market debtors</i>		11,075	4,550	6,094
<i>Pledged assets</i>		882	–	–
<i>Other debtors</i>		2,080	1,293	1,075
Debtors		14,037	5,843	7,169
Cash at bank and in hand		5,289	4,793	8,260
		22,981	13,001	17,229
Creditors:				
amounts falling due within one year		(14,252)	(8,670)	(9,828)
Net current assets		8,729	4,331	7,401
Total assets less current liabilities		9,172	4,631	7,789
Capital and reserves				
Called up share capital		2,470	1,365	2,470
Share premium account		2,646	20	2,646
Employee Benefit Trust Reserve		(200)	(200)	(200)
Capital Redemption Reserve		–	900	–
Profit and loss account		4,256	2,546	2,873
Shareholders' funds	6	9,172	4,631	7,789

**Consolidated Cash Flow Statement**

For the six months ended 30 April 2007

	Note	Six months ended 30 April 2007 Unaudited £'000	Six months ended 30 April 2006 Audited (restated) £'000	Year ended 31 October 2006 Audited £'000
Cash flows from operating activities	7	(1,532)	699	4,218
Exceptional cash flow		(318)	-	(613)
Net cash flow from operating activities		(1,850)	699	3,605
Returns on investments and servicing of finance		157	(280)	(176)
Taxation		(676)	-	(1,800)
Capital expenditure and financial investment		(157)	(141)	(315)
Dividends paid (equity)		(445)	-	(400)
Cash flow before use of liquid resources and financing		(2,971)	278	914
Management of liquid resources		160	(16)	1,026
Financing		-	(1,100)	1,731
(Decrease)/Increase in cash		(2,811)	(838)	3,671

Notes to the Interim Statements

1) Accounting Policies

The consolidated interim financial statements have been prepared in accordance with the accounting policies within the annual report for the year ended 31 October 2006, except that the Group has adopted the following policy in respect of stock loans:

- The Group enters stock borrowing arrangements with certain institutions which are entered into on a collateralised basis with cash advanced as collateral. Under such arrangements a security is purchased with a commitment to return it at a future date at an agreed price. The securities purchased are not recognised on the balance sheet and the transaction is treated as a secured loan made for the purchase price. Where cash has been used to effect the purchase, the purchase is recorded as a pledged asset on the balance sheet.

Financial Comparatives

The financial information set out in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

The comparatives for the full year ended 31 October 2006 are not the Company's full statutory accounts for that year. 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 and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

2) Turnover

	Six months ended 30 April 2007 Unaudited £'000	Six months ended 30 April 2006 Audited (restated) £'000	Year ended 31 October 2006 Audited £'000
Commission and market making	3,523	3,235	6,082
Corporate finance and retainers	4,911	4,295	8,192
Total turnover	8,434	7,530	14,274

Notes to the Interim Statements continued

3) Administrative expenses

	Six months ended 30 April 2007 Unaudited £'000	Six months ended 30 April 2006 Audited (restated) £'000	Year ended 31 October 2006 Audited £'000
Staff costs	3,662	3,184	6,485
Overheads	1,971	1,753	3,294
Staff and overhead costs	5,633	4,937	9,779
Exceptional items	318	–	613
Total administrative costs	5,951	4,937	10,392

Note: staff costs include a charge of £17,000 (Interim 2006: £Nil, Final 2006: £17,000) for share based payments (FRS 20).

4) Earnings per share

Basic earnings per share is calculated on profit after tax of £1,811,000 (2006: £1,851,000) and 24,701,872 (2006 restated: 22,850,020) being the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share takes account of the weighted average number of outstanding share options being 1,077,998 (2006: Nil) where the exercise price was less than the average price of the shares during the period.

Underlying basic earnings per share of 8.7p (2006: 8.1p) and the underlying diluted earnings per share of 8.3p (2006: 8.1p) for the six months ended 30 April 2007 is calculated on profit after tax of £2,146,000 (2006: £1,851,000) being the profit after tax, adjusted for the post tax impact of exceptional costs of £318,000 (2006; £Nil) and FRS 20 costs of £17,000 (2006: £Nil).

Notes to the Interim Statements continued

5) Dividends

	Six months ended 30 April 2007 Unaudited £'000	Six months ended 30 April 2006 Audited (restated) £'000	Year ended 31 October 2006 Audited £'000
Final dividend year ended 31 October 2006	445	–	–
Interim dividend year ended 31 October 2006	–	–	400
Distribution to equity shareholders	445	–	400

The Board has declared an interim dividend of 2.2p (2006: 1.75p). The dividend will be payable on 4 October 2007 to all shareholders on the register at 14 September 2007.

6) Reconciliation of movement in shareholders' funds

	Share capital £'000	Share premium £'000	Employee benefit trust reserve £'000	Profit and loss account £'000	Total £'000
Attributable to equity holders at 31 October 2006	2,470	2,646	(200)	2,873	7,789
Profit after tax	–	–	–	1,811	1,811
Share based payments	–	–	–	17	17
Dividends paid	-	-	-	(445)	(445)
Attributable to equity holders at 30 April 2007	2,470	2,646	(200)	4,256	9,172

Notes to the Interim Statements continued

7) Reconciliation of operating profit to net cash flow from operating activities

	Six months ended 30 April 2007 Unaudited £'000	Six months ended 30 April 2006 Audited (restated) £'000	Year ended 31 October 2006 Audited £'000
Operating profit	2,483	2,593	3,882
Exceptional costs	318	–	613
	2,801	2,593	4,495
Depreciation of tangible fixed assets	101	60	145
Movement in long market making positions and similar investments	(1,855)	(1,617)	(1,052)
Movement in debtors	(6,847)	510	(801)
Movement in creditors	4,251	(847)	1,414
Share based payments	17	–	17
Cash flows from operating activities	(1,532)	699	4,218

Independent Review Report

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 April 2007 which comprises the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and the related notes. 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. Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market or and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Review work performed

We conducted our review in accordance with 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 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 April 2007.

BDO STOY HAYWARD LLP

Chartered Accountants

Birmingham
29 June 2007

Corporate Information

Directors

Sir David Rowe-Ham – Chairman
Tony Bartlett – Chief Executive Officer
Jonathan Keeling – Executive Director
Trevor Norris – Group Finance Director
Philip Dayer – Non Executive Director
Grahame Whateley – Non Executive Director

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