H&T Group plc

("H&T" or "the Group" or "the Company")

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2010

H&T ANNOUNCES STRONG RESULTS

H&T Group plc, which trades under the H&T Pawnbrokers brand, today announces its interim results, for the period ended 30 June, 2010.

John Nichols, Chief Executive, commented: ***"I am pleased to report another strong set of results for the Group with profit before tax of £14.5m for the first six months of 2010. Gross profit has risen 67.8% year on year, driven predominantly by increased gold purchasing volumes and the delivery of one-off working capital improvements. As a result the Group has significantly reduced its net debt from £42.3m as at 31 December 2009 to £30.4m as at 30 June 2010.***

Our core pawnbroking business experienced continued growth in lending in H1 2010, and as a result the Group has experienced solid like for like improvements in interest collections. I am also encouraged by a robust retail sales performance, with a strong second quarter providing a good trend into the second half of the year.

With continued favourable market conditions in H1 2010, the store expansion programme has continued with the addition of 6 new stores taking the total estate to 128 stores. In addition the Group had 56 Gold Bar retail mall units in operation at 30 June 2010.

On the basis of the current gold price we believe that the full year result is likely to be above the top end of market expectations. The Board however remains mindful of the economic climate and the sustainability of gold purchasing volumes.

The Board has approved an interim dividend of 3.50 pence which includes a 1.00 pence special dividend in light of these results."

FINANCIAL HIGHLIGHTS

- Profit before tax up 70.6% to £14.5m (H1 2009: £8.5m)
- Profit before tax, pre fair value hedge accounting, up 94.9% to £15.2m (H1 2009: £7.8m)
- Working capital improvements contributed £4.9m pre-tax profit in H1 10
- Net debt reduced to £30.4m (31 Dec 2009: £42.3m)
- Pledge book increased by 9.7% to £37.3m (H1 2009: £34.0m)
- Basic EPS up 79.2% to 29.37 pence (30 June 2009: 16.39 pence)

OPERATIONAL HIGHLIGHTS

- Six new stores opened taking the total estate to 128 as at 30 June 2010 (H1 2009: 108 stores); two additional stores opened post 30 June and provisional lease terms are agreed on a further two stores
- Launched on-line pawnbroking operations under the H&T brand
- The Group's new jewellery centre and new information technology system has improved capacity, distribution capabilities and cash flow within the business

H&T Group plc

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H&T Group plc

Report of the Chief Executive Officer and Finance Director

H&T Group plc is pleased to report record results for the six months to 30 June 2010. Profit before tax has risen 70.6% to £14.5m (H1 09: £8.5m) and gross profits have increased by 67.8% to £37.1m (H1 2009: £22.1), driven predominantly by a significant year on year increase in gold purchasing volumes and continued expansion in the store estate. Working capital improvements have also contributed £4.9m to gross profits in the period.

Increased public awareness of gold purchasing has expanded the size of this market and presented the opportunity for the Group to rollout its Gold Bar retail mall units. H&T's Gold Bar operation remains a flexible and profitable operation and currently has 45 units in operation. The store estate also continues to experience gold purchasing volumes at levels higher than historical averages.

The Group is pleased to report not only record gold purchasing profits, but also continued growth in lending in its core pawnbroking business. The Group's pledge book stands at £37.3m as at 30 June 2010 (30 June 2009: £34.0m).

Despite both the challenging current economic conditions and the higher average price of gold, the Group has delivered a robust retail sales performance. Improved management information resulting from the Group's new I.T. systems, combined with improved distribution capabilities as a result of the relocation of the Group's jewellery centre have also led to a better sales / stock mix and increased stock control. The Group continues to focus on retail as an important revenue stream as it can act as a valuable means of disposition in the event of a fall in the gold price.

Partly as a result of gold purchasing profits and the period's working capital contribution, the Group has been able to significantly reduce its debt balance in the last six months, despite the continued new store expansion. Net debt of £42.3m at 31 December 2009 has been reduced to £30.4m as at 30 June 2010.

In the six months to 30 June 2010 the Group has opened 6 additional greenfield sites (H1 2009: 3), taking the total estate to 128 stores as at 30 June 2010, (H1 2009: 108 stores). Since 30 June 2010, H&T has opened 2 further stores and agreed provisional terms for a further 2 stores. In addition, the Group has purchased the assets of a small online pawnbroker for a total consideration of £80,000.

The directors have approved an interim dividend of 3.50 pence (2009 interim: 2.50 pence). In light of the results, the 3.50 pence includes a 1.00 pence special dividend. This will be payable on 15 October 2010 to all shareholders on the register at the close of business on 17 September 2010.

H&T Group plc

Business review

Pawn Service Charge and Pawnbroking Scrap:

- Pawnbroking activities, excluding retail, contributed £17.9m (H1 2009: £12.6m) or 48.3% of the Group's gross profit (H1 2009: 57.0%).
- As at 30 June 2010, the balance of the Group's pledge book was £37.3m, an increase of 9.7% from the balance of £34.0m as at 30 June 2009. As disclosed in the Group's 2009 annual report the pledge balance at 31 December 2009 had been affected by delayed auctions, and the underlying pledge balance for comparison purposes as at 31 December 2009 is estimated at £36.2m.
- The Pawn Service Charge ("PSC") comprises predominantly of interest earned from the pledge book and surplus auction proceeds. Of the £11.5m total PSC (H1 2009: £11.6m), the interest collected accounted for £11.4m (H1 2009: £10.3m). Hence the fall in headline PSC of £0.1m has been impacted by exceptional auction proceeds accounted for in H1 2009 and detracts from a solid underlying performance, whereby the Group has delivered strong like for like growth in the interest earned from the pledge book. The Group experienced continued lending growth with an average loan of £147 (H1 2009: £132).
- Pawnbroking Scrap gross profits of £6.4m (H1 2009: £1.0m) were boosted by the realisation of profits from the delayed 2009 auctions. Of the total working capital contribution of £4.9m, £2.1m has been realised within Pawnbroking Scrap in H1 10.

Retail:

- Jewellery retail also performed strongly in the period. Retail turnover increased by 22% to £8.6m (H1 2009: £7.1 m). On a like-for-like basis, retail turnover was flat year on year, which given the challenging high street retail environment and the underlying price and therefore affordability of gold, is a pleasing result. The retail sales trend leading into H2 2010 is positive and again demonstrates the excellent value proposition offered by the Group. Retail gross profits increased by 10.3% to £4.0m (H1 2009: £3.6m).

Gold Purchasing:

- In H1 2010, the Group's gold purchasing operations contributed £12.6m (H1 2009: £3.3m) or 33.9% of the Group's gross profit (H1 2009: 15.0%).
- Year-on-year, the Group has experienced a dramatic increase in gold purchasing volumes, driven by heightened public awareness as a result of extensive marketing campaigns by postal gold competitors, and by the Group's initiative to roll out its Gold Bar estate. Active management of the Gold Bar estate has occurred throughout the year with the Group with 16 closures and 18 openings, clearly demonstrating the flexible nature under which this operation is run. As at 19 August, the Group has 45 Gold Bar units.
- The Group's margin on gold purchasing was 36.8%, down from 47.9% in H1 2009, reflecting higher prices paid for gold.
- Within Gold Purchasing profits in H1 2010, the Board estimate that working capital improvements have contributed a one-off £2.8m to gross profits, and that £0.2m is due to the higher average gold price, as typically the higher gold price has been offset by increased rates paid for purchasing gold.

Financial services:

- In H1 2010, the Group's financial services activities contributed £2.6m (H1 2009: £2.6 m) or 7.0% of the Group's gross profit (H1 2009: 11.7%).
- Commission earned from third party cheque cashing continues to decline, affected by both the current economic climate and the gradual withdrawal of cheques from the banking system. To counter this decline the Group is currently seeking to grow its PDA product and is involved in a project to access a more sophisticated credit scoring model to widen acceptance criteria while maintaining the current debt performance.
- The Group's loan book of its unsecured product, KwikLoan, increased by 20% to £0.6m (H1 2009: £0.5m)

H&T Group plc

Trading outlook

The Board believes that the overall trading performance of the Group will result in full year profits being above the top end of current market expectations on the basis of the current gold price. The Group continues to hold good prospects for organic growth as the store estate is still relatively immature, with currently only 14.7% of the Group's pledge book being accounted for by the 53 greenfield sites added to the estate between 2005 and 2010. As determined by market conditions, future growth is also likely to be driven via expansion of the Group's geographical footprint, either via the development of greenfield sites or potentially acquisitions.

The Group is also seeking to develop its on-line offering, whether in pawnbroking, retail or financial services, and is seeking to increase its ability to lend on higher value, specialist items.

The gold purchasing market in its current form is still relatively immature**.** While Q2 2010 volumes were below those experienced in Q1 2010, volumes have remained reasonably steady throughout the second quarter and remain materially above historic averages. The Board reiterate however that it remains difficult to predict future gold purchasing volumes and margins.

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Interim Condensed Financial Statements

Unaudited statement of comprehensive income
For the 6 months ended 30 June 2010

	Note	6 months ended 30 June 2010 Total Unaudited £'000	6 months ended 30 June 2009 Total Unaudited £'000	12 months ended 31 Dec 2009 Total Unaudited £'000
Revenue		70,991	30,845	83,975
Cost of sales		(33,901)	(8,743)	(32,808)
Gross profit		**37, 090**	**22,102**	**51,167**
Other direct expenses		(14,814)	(9,861)	(23,138)
Administrative expenses		(5,370)	(3,145)	(6,999)
Operating profit	3	**16,906**	**9,096**	**21,030**
Investment revenues		2	1	1
Finance costs	5	(1,664)	(1,276)	(2,746)
Movement in fair value of interest rate swap		(763)	665	227
Profit before taxation		**14,481**	**8,486**	**18,512**
Tax on profit	6	(4,073)	(2,694)	(5,168)
Total comprehensive income for the period		**10,408**	**5,792**	**13,344**
		Pence	**Pence**	**Pence**
Earnings per ordinary share - basic	7	**29.37**	16.39	37.75
Earnings per ordinary share - diluted	7	**29.12**	16.35	37.54

All results derive from continuing operations.

The consolidated income statement for the 12 months ended 31 December 2009 is provided in note 2.

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Unaudited condensed consolidated statement of changes in equity
For the 6 months ended 30 June 2010

	Note	6 months ended 30 June 2010 Unaudited £'000	6 months ended 30 June 2009 Unaudited £'000	12 months ended 31 December 2009 Audited £'000
Opening total equity		47,055	35,748	35,748
Total comprehensive income for the period		10,408	5,792	13,344
Issue of share capital		130	-	89
Share option credit taken directly to equity		100	140	348
Dividends paid	9	(1,985)	(1,551)	(2,474)
Employee Benefit Trust shares		-	-	-
Closing total equity		**55,708**	**40,129**	**47,055**

H&T Group plc

Unaudited condensed consolidated balance sheet
At 30 June 2010

	Note	At 30 June 2010 Unaudited £'000	At 30 June 2009 Unaudited £'000	At 31 December 2009 Audited £'000
Non-current assets				
Goodwill		16,806	16,806	16,806
Other intangible assets		915	1,110	1,046
Property, plant and equipment		10,653	8,585	9,614
Deferred tax assets		1,238	-	500
		29,612	26,501	27,966
Current assets				
Inventories		21,211	17,092	23,029
Trade and other receivables		50,491	43,917	48,632
Cash and cash equivalents		2,631	1,714	2,221
		74,333	62,723	73,882
Total assets		103,945	89,224	101,848
Current liabilities				
Trade and other payables		(8,836)	(5,296)	(6,926)
Current tax liabilities		(4,927)	(2,372)	(3,148)
Borrowings		-	(3,311)	-
Derivative financial instruments		(1,201)	-	(438)
		(14,964)	(10,979)	(10,512)
Net current assets		**59,369**	**51,744**	**63,370**
Non-current liabilities				
Borrowings	4	(33,000)	(37,832)	(44,113)
Deferred tax liabilities		-	(155)	-
Provisions		(273)	(129)	(168)
		(33,273)	(38,116)	(44,281)
Total liabilities		(48,237)	(49,095)	(54,793)
Net assets		**55,708**	**40,129**	**47,055**
EQUITY				
Share capital	8	1,773	1,767	1,770
Share premium account		24,209	23,996	24,082
Employee Benefit Trust share reserve		(13)	(13)	(13)
Retained earnings		29,739	14,379	21,216
Total equity attributable to equity holders of the parent		**55,708**	**40,129**	**47,055**

H&T Group plc

Unaudited condensed consolidated cash flow statement
For the 6 months ended 30 June 2010

	Note	6 months ended 30 June 2010 Unaudited £'000	6 months ended 30 June 2009 Unaudited £'000	12 months ended 31 December 2009 Audited £'000
Cash flows from operating activities				
Profit for the period		10,408	5,792	13,344
Adjustments for:				
Investment revenues		(2)	(1)	(1)
Finance costs		1,664	1,276	2,746
Movement in fair value of interest rate swap		763	(665)	(227)
Movement in provisions		105	54	93
Income tax expense		4,073	2,695	5,168
Depreciation of property, plant and equipment		1,148	891	1,936
Amortisation of intangible assets		132	92	181
Share based payment expense		144	140	238
Loss on disposal of fixed assets		96	47	144
Operating cash inflows before movements in working capital		18,531	10,321	23,622
Decrease/(increase) in inventories		1,818	(6,362)	(12,299)
Increase in receivables		(1,859)	(2,377)	(7,092)
Increase in payables		1,551	77	1,885
Cash generated from operations		20,041	1,659	6,116
Income taxes paid		(3,076)	(2,547)	(4,759)
				(600)
Interest paid		(1,088)	(1,170)	(2,183)
Net cash used in/(from) operating activities		15,877	(2,058)	(1,426)
Investing activities				
Interest received		2	1	1
Purchases of property, plant and equipment		(2,114)	(1,767)	(4,001)
Purchase of intangible assets		-	(30)	(56)
Net cash used in investing activities		(2,112)	(1,796)	(4,056)
Financing activities				
Dividends paid	9	(1,985)	(1,551)	(2,474)
Proceeds on issue of shares		130	-	89
Net increase / (decrease) in borrowings		(11,500)	4,375	7,344
Net cash from financing activities		(13,355)	2,824	4,959
Net increase / (decrease) in cash and cash equivalents		410	(1,030)	(523)
Cash and cash equivalents at beginning of period		2,221	2,744	2,744
Cash and cash equivalents at end of period		**2,631**	**1,714**	**2,221**

Unaudited notes to the condensed interim financial statements
For the 6 months ended 30 June 2010

Note 1 Basis of preparation

The interim financial statements of the Group for the six months ended 30 June 2010, which are unaudited, have been prepared in accordance with the International Financial Reporting Standards ('IFRS') accounting policies adopted by the Group and set out in the annual report and accounts for the year ended 31 December 2009. The Group does not anticipate any change in these accounting policies for the year ended 31 December 2010. As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "*Interim financial reporting*". While the financial figures included in this preliminary interim earnings announcement have been computed in accordance with IFRSs applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as that term is defined in IFRSs.

The financial information contained in the interim report also does not constitute statutory accounts for the purposes of section 434 of the Companies Act 2006. The financial information for the year ended 31 December 2009 is based on the statutory accounts for the year ended 31 December 2009. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

After conducting a further review of the Group's forecasts of earnings and cash over the next twelve months and after making appropriate enquiries as considered necessary, the directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half yearly condensed financial statements.

Note 2 Segmental Reporting

Revenue **6 months ended 30 June 2010** **Unaudited**	**6 months ended** **30 June 2010** **Unaudited**	**6 months ended** **30 June 2009** **Unaudited**	**Year ended 31** **December 2009** **Audited**
	Total **£'000**	**Total** **£'000**	**Total** **£'000**
Pawn Service Charge	11,516	11,599	22,318
Retail	8,636	7,085	16,409
Pawnbroking Scrap	14,000	2,680	6,260
Gold Purchasing	34,244	6,901	33,923
Cheque Cashing	2,364	2,442	4,799
Other Financial Services	231	137	266
Total Revenue	70,991	30,845	83,975

Gross Profit **6 months ended 30 June 2010** **Unaudited**	**6 months ended** **30 June 2010** **Unaudited**	**6 months ended** **30 June 2009** **Unaudited**	**Year ended 31** **December 2009** **Audited**
	Total **£'000**	**Total** **£'000**	**Total** **£'000**
Pawn Service Charge	11,516	11,599	22,318
Retail	3,980	3,608	8,118
Pawnbroking Scrap	6,413	1,009	2,147
Gold Purchasing	12,586	3,306	13,519
Cheque Cashing	2,364	2,442	4,799
Other Financial Services	231	137	266
Total Gross Profit	37,090	22,102	51,167

Unaudited notes to the condensed interim financial statements (continued)
For the 6 months ended 30 June 2010

Note 3 Operating profit and EBITBA

EBITDA

The Board considers EBITDA as a key measure of the Group's financial performance and is a key analysis of the operating profit of the Group.

EBITDA is defined as Earnings Before Interest, Taxation, Depreciation and Amortisation. It is calculated by adding back depreciation and amortisation to the operating profit as follows:

6 months ended 30 June 2010 Unaudited	**6 months ended 30 June 2010 Unaudited**	**6 months ended 30 June 2009 Unaudited**	**Year ended 31 December 2009 Audited**
	Total £'000	**Total £'000**	**Total £'000**
Operating profit	16,906	9,096	21,030
Depreciation	1,148	891	1,937
Amortisation	132	92	180
EBITDA	18,186	10,079	23,147

Unaudited notes to the condensed interim financial statements (continued)
For the 6 months ended 30 June 2010

Note 4 Borrowings

	6 months ended 30 June 2010 Unaudited £'000	6 months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Audited £'000
Secured borrowing at amortised cost			
Bank loans	33,000	40,000	44,500
Unamortised issue costs	-	(388)	(537)
Total borrowings	33,000	39,612	43,963
Short term portion of bank loan	-	2,000	-
Unamortised issue costs	-	(220)	(150)
Amount due for settlement within one year	-	1,780	(150)
Long term portion of bank loan	33,000	38,000	44,500
Unamortised issue costs	-	(168)	(387)
Amount due for settlement after more than one year	33,000	37,832	44,113

Note 5 Finance costs

	6 months ended 30 June 2010 Unaudited £'000	6 months ended 30 June 2009 Unaudited £'000	Year ended 31 December 2009 Audited £'000
Interest payable on bank loans and overdraft	1,123	1,151	2,181
Other interest	4	13	2
Amortisation of debt issue costs	-	112	193
Write off of loan issue costs	537	-	370
Total finance costs	1,664	1,276	2,746

Note 6 Tax on profit

The taxation charge for the 6 months ended 30 June 2010 has been calculated by reference to the expected effective corporation tax and deferred tax rates for the full financial year to end on 31 December 2010. The underlying effective full year tax charge is estimated to be 28.1% (year ended 31 December 2009: 27.9%).

Unaudited notes to the condensed interim financial statements (continued)
For the 6 months ended 30 June 2010

Note 7 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. With respect to the Group these represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period.

Reconciliations of the earnings per ordinary share and weighted average number of shares used in the calculations are set out below:

	Unaudited 6 months ended 30 June 2010			Unaudited 6 months ended 30 June 2009			Audited Year ended 31 December 2009		
	Earnings £'000	Weighted average number of shares	Per-share amount pence	Earnings £'000	Weighted average number of shares	Per-share amount pence	Earnings £'000	Weighted average number of shares	Per-share amount pence
Earnings per share - basic	10,408	35,439,612	29.37	5,792	35,339,190	16.39	13,344	35,345,702	37.75
Effect of dilutive securities									
Options	-	298,193	(0.25)	-	80,657	(0.04)	-	201,909	(0.21)
Earnings per share diluted	10,408	35,737,805	29.12	5,792	35,419,847	16.35	13,344	35,547,611	37.54

Unaudited notes to the condensed interim financial statements (continued)
For the 6 months ended 30 June 2010

Note 8 Share capital

	At 30 June 2010 Unaudited	At 30 June 2009 Unaudited	At 31 December 2009 Audited
Allotted, called up and fully paid (Ordinary Shares of £0.05 each)			
£'000 Sterling	1,773	1,767	1,770
Number	35,461,168	35,339,190	35,390,164

Note 9 Dividends

On 19 August 2010, the directors approved a 3.50 pence interim dividend (30 June 2009: 2.5 pence) which equates to a dividend payment of £1,242,000 (30 June 2009: £883,000). This dividend includes a 1.00 pence special dividend. The dividend will be paid on 15 October 2010 to shareholders on the share register at the close of business on 17 September 2010 and has not been provided for in the 2010 interim results.

On 20 May 2010, the shareholders approved the payment of a 5.6 pence final dividend for 2009 which equates to a dividend payment of £1,985,000 (2009: £1,551,000). The dividend was paid on the 2 June 2010.