H&T Group plc

(“H&T” or “the Group” or “the Company”)

Interim Condensed Financial Statements for the six months ended 30 June 2008

H&T ANNOUNCES STRONG GROWTH ACROSS ALL AREAS OF THE BUSINESS

H&T Group plc, which trades under the H&T Pawnbrokers brand, is the UK’s leading pawnbroking business by size of pledge book. The group today announces its interim results, for the period ended 30 June, 2008.

John Nichols, Chief Executive, commented: **“I am delighted to report another excellent set of results. Against wider perception, pawnbroking is not overall a cyclical business and the weaker economic climate is not necessarily a driver for our business. This ongoing strong performance has been the result of a successful overall strategy based on sustained growth in the established estate, along with investment in new stores. We continue to improve our offering and customer service levels and the 14.2% like-for-like increase in retail turnover that we have achieved in current high street conditions is testament to this. Our interim dividend of 2.0 pence is up by 25%.**
Whilst the Board is cautious about the impact of the current retail climate on our Christmas trading, we look forward to the rest of the year with confidence.”

FINANCIAL HIGHLIGHTS

- Gross profit up 33% to £17.0m
- Operating profit before exceptional items up 61% to £6.4m
- Profit Before Taxation and before exceptional items up 79% to £5.5m
- Profit Before Taxation and after exceptional items up 40% to £4.6m
- Adjusted basic EPS up 64% to 10.87 pence
- Basic EPS up 25% to 8.94 pence
- Pledge book increased 14% to £29.1 million
- Interim dividend declared of 2.0p per share (2007: 1.6p)

OPERATIONAL HIGHLIGHTS

- Strong growth across all revenue lines of the business
- Retail has shown a 14.2% increase in turnover on a like-for-like basis despite the difficult trading environment
- Four new stores opened in the first half of 2008 (taking the total number of stores to 93 at 30 June 08)
- Scrap activity has benefited from the high gold price and the success of gold purchasing

20 August 2008

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 strong trading and financial performance for the first six months of 2008 ("H1 2008") with continued double digit growth across all business segments:

- Gross profit for H1 2008 was £17.0 million compared with £12.8 million for the first six months of 2007 ("H1 2007"), an increase of 32.8%
- Earnings before interest, tax, depreciation and amortisation ("EBITDA") before exceptional items rose by 53.8% from £4.7 million in H1 2007 to £7.1 million in H1 2008
- Operating profit before exceptional items increased by 60.8% to £6.4 million in H1 2008 (H1 2007: £4.0 million)
- The Group has taken advantage of the high price of gold through its scrap activity

Pawnbroking activities, comprising Pawn Service Charge and Disposition, performed strongly over the first six months of 2008, with gross profit increasing by 35.8% on the equivalent period last year. The Pawn Service Charge benefited from growth in the pledge book while Disposition took advantage of retail demand and high scrap profit due to the relatively higher gold price. The Financial Services segment's gross profit increased by 13.4% between H1 2007 and H1 2008.

In line with the Group's growth strategy, H&T has continued to increase its store estate with four new stores opening in the first half of 2008 (H1 2007: two). Of these, two were greenfield stores and two were acquired stores. Since 30 June 2008, the Group has opened two additional stores. Taking into consideration these six new stores, at the date of this report, H&T operates through 95 stores across the United Kingdom.

In light of the high level of uncertainty as to the delivery from the third party developer of the new point of sale system, the Board has decided to provide against the carrying value of the project. This resulted in an exceptional loss of £0.9 million in H1 2008.

The Board remains of the view that the general economic climate is not necessarily a driver for H&T's business as the pawnbroking industry is not cyclical. The strong performance of the Group is the result of a successful overall strategy based on continued growth in the established estate along with investment in new stores.

The H&T Group directors have approved a 2.0 pence interim dividend (2007 interim - 1.6 pence). This will be payable on 13 October 2008 to all H&T shareholders on the register at the close of business on 12 September 2008.

H&T Group plc

Operational review

Pawnbroking:

- Pawnbroking activities contributed £15.1 million (H1 2007: £11.1 million) or 89% of the Group gross profit in H1 2008 (H1 2007: 87%).
- The Group's pledge book increased by 14.3% to £29.2 million at 30 June 2008 (£25.6 million at 30 June 2007).
- Pawn Service Charge rose to £10.0 million in H1 2008, an increase of 18.5% on H1 2007 (£8.4 million).
- Disposition combines contributions from both the retail and scrap operations. Although the general trading environment on the high street proved challenging for retailers, H&T's trading remained strong with turnover in the first half of 2008 increasing by 30.7% on H1 2007 (14.2% on a like-for-like basis). The retail gross profit margin also rose from 45.6% in H1 2007 to 47.8% in H1 2008. This translated in an increase in retail gross profit of 37.2%, from £2.0 million in H1 2007 to £2.7 million in H1 2008. Scrap gross profit reached £2.4 million in H1 2008 (H1 2007: £0.7 million). This £1.7 million increase is the result of the rise in the price of gold (£1.0 million) and higher volume of scrap (£0.7 million) driven by the success of gold purchasing.

Financial Services:

- In H1 2008, the Group Financial Services activities contributed £1.9 million (H1 2007: £1.7 million) or 11% of the Group's gross profit (H1 2007: 13%).
- The cheque cashing and pay day advance gross profit increased from £1.6 million in H1 2007 to £1.8 million in H1 2008, an increase of 14.6%. The majority of this growth was driven by the pay day advance product while cheque cashing has been facing strong competition in a shrinking market. Bad debt as a percentage of turnover in H1 2008 remains comparable to the level recorded in the second half of 2007.
- In view of the current economic and credit outlook, at the beginning of 2008 the Group decided on a cautious approach as regards new customers to KwikLoan, the Group's unsecured loan product. As a result, its loan book remained flat at £0.5 million between 31 December 2007 and 30 June 2008. This strategy does not alter the potential foreseen by the Board in this product.

Update on new point of sale development

As noted in the 2007 annual report and accounts, the development of the new point of sale system has taken longer than originally anticipated and was expected to be fully rolled out by late summer 2008.
The company developing this new system has indicated that it intends to make it available for User Acceptance Testing in September 2008. However, the failure of this company to deliver the new system on agreed dates and the significant delays to date have brought a high level of uncertainty to the project and the Board has consequently concluded that a provision against the carrying value of the asset is necessary. Since the contract is for a fixed price, no further cash outflow is foreseen and all the acquired hardware will be used. The Board is currently exploring alternative options should the software provider fail in its delivery. However, the current point of sale systems remain reliable and continue to support the business.

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Strategy update

H&T's growth strategy is based on two streams. Each of them is progressing well, at least in line with the Board's expectations.

1/ Expand geographical footprint

As the Board highlighted in previous communications, the timing and nature of acquisitions depends on the availability of appropriate opportunities. The high price of gold has benefited not only H&T but also the rest of the industry, frequently resulting in unrealistic valuations from potential vendors. As a result, progress on business acquisitions has been slower than originally anticipated. Despite this, in February 2008 the Group managed to acquire two stores (H1 2007: one) in the North of England (in Darlington and Wallsend) and is pursuing other opportunities.

During H1 2008, the Group opened two greenfield stores (H1 2007: one) in Cosham and Kilmarnock. Since 30 June 2008, H&T has opened two further stores taking the total number of stores to 95. The Group has secured leases on four locations and is in final negotiations on a number of others. Subject to planning consent, the Board expects to have in excess of 100 stores trading by the end of 2008.

2/ Develop and establish new products and services

In 2005 and 2006, H&T opened two trial stores under the "Get>Go" brand focussing on the cheque cashing market with a contemporary financial services image. This trial was aimed at providing the Group with a brand that could be used in the event of acquiring cheque cashing activities. Due to H&T's success with stores focussing primarily on pawnbroking and jewellery retail and the shortage in cheque cashing store acquisition opportunities, the Board has decided to end this trial and rebrand these two stores "H&T Pawnbrokers". The Group anticipates that the turnover from the current services offered should remain unchanged and the stores profitability should be increased by the development of pawnbroking and the introduction of jewellery retail.

The strategy introduced in 2007 to directly purchase gold and jewellery through all of H&T's stores has proved a success. While direct purchasing allows a more efficient use of capital, its main benefit has been to attract new customers into the stores.

We continue to trial and explore new products and services responding to the demand of our customer base.

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Trading outlook

The Board is pleased with the overall trading performance of the Group and does not see the overall business as cyclical or benefiting from the credit crunch.

The pawnbroking business has continued to show steady positive growth while the scrap activity is taking advantage of the high price of gold. The Board has decided to protect a proportion of its current scrap margin and intends to enter into a gold forward selling contract for 2009 and 2010.

As stated at the time of the 2007 interim results, seasonality within the business means that the second half of the year tends to make a larger contribution to the full year result than the first half. However, the extent of the impact of seasonality is affected by retail sentiment particularly during the Christmas period. Although the business has shown strong retail growth in the first half of the year, the Board remains cautious about the current and future high street trading conditions which could impact the retail revenue in the second half of 2008 (23.4% of total gross profit in H2 2007). However, any retail downturn would be partially offset by the capacity of the Group to scrap any retail stock at a profit.

The remaining Group activities have good prospects for organic growth which will be supplemented by further branch openings in the second half of the year.

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Financial review

Turnover and gross profit

Turnover for the first six months of 2008 amounted to £24.1 million compared with £17.3 million for the corresponding period in 2007; a 39.3% increase driven by strong growth across all of the Group's activities. The combination of growth in Pawn Service Charge and financial services along with the increase in both turnover and gross margins in retail and scrap resulted in H1 2008 total gross profit of £17.0 million, an increase of 32.8% on H1 2007 (£12.8 million).

Other direct expenses and administrative expenses

The Other direct expenses comprising all expenses associated with the operation of stores and collection centre were £7.4 million in H1 2008 compared with £6.3 million in H1 2007. This 17.4% increase was primarily driven by the development of 14 stores opened in H2 2007 and H1 2008. The Group's administrative expenses before exceptional items increased from £2.5 million in H1 2007 to £3.2 million in H1 2008.

Operating profit

The Group recorded an operating profit before exceptional items of £6.4 million in H1 2008 compared with £4.0 million in H1 2007 (60.8% increase). Earnings before interest, taxation, depreciation, amortisation and exceptional items (EBITDA before exceptional items as defined in note 3) increased by 53.8% between H1 2007 (£4.6 million) and H1 2008 (£7.1 million).

Exceptional items

The Board decided to impair the carrying value of its new point of sale system resulting in an exceptional loss of £0.9 million in H1 2008.
The Group disposed of a freehold property in H1 2007 resulting in an exceptional gain of £0.2 million.

Finance costs and similar charges

Finance costs decreased by £0.1 million from £1.4 million in H1 2007 to £1.3 million in H1 2008.

Under IFRS, movements in the fair value of the Group's interest rate swap are recognised in the income statement. As a result, the Group's recorded changes in the fair value of the instrument amounting to income of £0.3 million in H1 2008 compared with income of £0.5 million in H1 2007.

Financial review (continued)

Profit before taxation

The Group recorded a profit before taxation of £4.6 million in H1 2008 compared with £3.3 million in H1 2007. In H1 2008, the Group incurred a £0.9 million exceptional loss (H1 2007: £0.2 million exceptional profit). Profit before taxation, fair value hedge accounting and exceptional items in H1 2008 was £5.2 million compared with £2.6 million in H1 2007. Profit before taxation and exceptional items in H1 2008 was £5.5 million compared with £3.1 million in H1 2007.

Earnings per share

Basic earnings per share rose by 25.0% to 8.94 pence in H1 2008 compared with 7.15 pence in H1 2007. After adjusting for exceptional items, adjusted basic earnings per share for H1 2008 were 10.87 pence compared with 6.64 pence in H1 2007. Basic and diluted earnings per share are very similar due to the negligible impact of share options.

Debt structure

The Group repaid £1.0 million of senior debt (facility A) in H1 2008 (H1 2007: £0.75 million). Net debt (before unamortised debt issue costs) was £34.4 million at 30 June 2008 compared with £32.2 million at 31 December 2007. The increase in borrowings principally reflects an increase in the revolving credit facility which is secured on the Group pledge book. The Group has in place bank borrowings until May 2011 and a hedging agreement fixing the interest rate on £35.0 million of banking debt until 30 June 2009.

Return On Capital Employed (ROCE)

ROCE, defined as profit before tax excluding exceptional items, interest receivable, finance costs and movement in fair value of interest swap as a proportion of net current assets and tangible and intangible fixed assets (excluding goodwill), increased from 9.6% in H1 2007 to 12.8% in H1 2008.

Dividends

On 19 August 2008, the directors approved a 2.0 pence interim dividend (1.6 pence interim dividend in 2007) payable on 13 October 2008, an increase of 25% on the prior period interim dividend. This dividend has not been provided for in these interim financial statements. In May 2008, the Group paid a 3.4 pence final dividend for the 2007 financial year results.

H&T Group plc

Interim Condensed Financial Statements

Unaudited condensed consolidated income statement
For the 6 months ended 30 June 2008

	Note	6 months ended 30 June 2008			6 months ended 30 June 2007		
		Before Exceptional Items Unaudited £'000	Exceptional Items (Note 4) Unaudited £'000	Total Unaudited £'000	Before Exceptional Items Unaudited £'000	Exceptional Items (Note 4) Unaudited £'000	Total Unaudited £'000
Revenue		24,065	-	24,065	17,269	-	17,269
Cost of sales		(7,054)	-	(7,054)	(4,459)	-	(4,459)
Gross profit		**17,011**	**-**	**17,011**	**12,810**	**-**	**12,810**
Other direct expenses		(7,401)	-	(7,401)	(6,303)	-	(6,303)
Administrative expenses	**4**	(3,206)	(940)	(4,146)	(2,524)	-	(2,524)
Operating profit	**3**	**6,404**	**(940)**	**5,464**	**3,983**	**-**	**3,983**
Investment revenues		38	-	38	8	-	8
Other gains	**4**	**-**	-	-	-	196	196
Finance costs	**7**	(1,265)	-	(1,265)	(1,409)	-	(1,409)
Movement in fair value of interest rate swap		316	-	316	481	-	481
Profit before taxation		**5,493**	**(940)**	**4,553**	**3,063**	**196**	**3,259**
Tax on profit	**5**	(1,680)	263	(1,417)	(947)	(36)	(983)
Profit for the period		**3,813**	**(677)**	**3,136**	**2,116**	**160**	**2,276**

	Note	6 months ended 30 June 2008 Pence	6 months ended 30 June 2007 Pence
Earnings per ordinary share - basic	**6**	8.94	7.15
Earnings per ordinary share - diluted	**6**	8.93	7.14

All results derive from continuing operations.

The consolidated income statement for the 12 months ended 31 December 2007 is provided in note 2.

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Unaudited condensed consolidated statement of changes in equity
For the 6 months ended 30 June 2008

	Note	6 months ended 30 June 2008 Unaudited £'000	6 months ended 30 June 2007 Unaudited £'000	12 months ended 31 December 2007 Audited £'000
Opening total equity		30,345	19,606	19,606
Profit for the period		3,136	2,276	5,079
Total income for the period		3,136	2,276	5,079
Issue of share capital	**8**	2	7,344	7,344
Share issue costs	**8**	-	(282)	(282)
Share option credit taken directly to equity		66	45	105
Dividends paid	**11**	(1,190)	(945)	(1,507)
Closing total equity		**32,359**	**28,044**	**30,345**

H&T Group plc

Unaudited condensed consolidated balance sheet
At 30 June 2008

	Note	At 30 June 2008 Unaudited £'000	At 30 June 2007 Unaudited £'000	At 31 December 2007 Audited £'000
Non-current assets				
Goodwill	**9**	16,453	15,300	16,415
Other intangible assets	**10**	957	1,216	1,480
Property, plant and equipment		6,847	5,594	6,093
		24,257	22,110	23,988
Current assets				
Inventories		9,993	6,290	6,720
Trade and other receivables		38,697	33,198	36,105
Cash and cash equivalents		1,941	1,368	1,966
Derivative financial instruments		298	614	-
		50,929	41,470	44,791
Total assets		75,186	63,580	68,779
Current liabilities				
Trade and other payables		(4,649)	(3,227)	(3,322)
Current tax liabilities		(2,276)	(857)	(1,193)
Borrowings		(1,772)	(2,860)	(1,766)
Derivative financial instruments		-	-	(18)
		(8,697)	(6,944)	(6,299)
Net current assets		**42,232**	**34,526**	**38,492**
Non-current liabilities				
Borrowings		(33,912)	(28,034)	(31,651)
Deferred tax liabilities		(107)	(463)	(365)
Provisions		(111)	(95)	(119)
		(34,130)	(28,592)	(32,135)
Total liabilities		(42,827)	(35,536)	(38,434)
Net assets		**32,359**	**28,044**	**30,345**
EQUITY				
Share capital	**8**	1,754	1,754	1,754
Share premium account	**8**	23,996	23,994	23,994
Retained earnings		6,609	2,296	4,597
Total equity		**32,359**	**28,044**	**30,345**

H&T Group plc

Unaudited condensed consolidated cash flow statement
For the 6 months ended 30 June 2008

	Note	6 months ended 30 June 2008 Unaudited £'000	6 months ended 30 June 2007 Unaudited £'000	12 months ended 31 December 2007 Audited £'000
Cash flows from operating activities				
Profit for the period		3,136	2,276	5,079
Adjustments for:				
Investment revenues		(38)	(8)	(35)
Other gains and losses		-	(196)	(201)
Finance costs		1,265	1,409	2,706
Movement in fair value of interest rate swap		(316)	(481)	151
Movement in provision		(8)	95	119
Income tax expense		1,417	983	2,284
Depreciation of property, plant and equipment		661	623	1,260
Amortisation of intangible assets		83	41	107
Provision for impairment of EPOS intangible assets		940	-	-
Share based payment expense		66	44	105
Loss/(profit) on disposal of fixed assets		48	(8)	(8)
Operating cash flows before movements in working capital		7,254	4,778	11,567
Increase in inventories		(3,013)	(1,772)	(2,073)
Increase in receivables		(2,393)	(898)	(3,203)
Increase/(decrease) in payables		692	(290)	39
Cash generated from operations		2,540	1,818	6,330
Income taxes paid		(239)	(158)	(1,221)
Interest paid		(1,148)	(1,287)	(2,462)
Net cash from operating activities		1,153	373	2,647
Investing activities				
Interest received		38	8	35
Proceeds on disposal of property, plant and equipment		-	260	267
Purchases of property, plant and equipment		(1,151)	(1,018)	(2,155)
Purchase of intangible assets		(417)	(3)	(242)
Acquisition of trade and assets of businesses	**9**	(610)	(1,377)	(3,550)
Net cash used in investing activities		(2,140)	(2,130)	(5,645)
Financing activities				
Dividends paid	**11**	(1,190)	(945)	(1,507)
Net increase/(repayments) in borrowings		2,150	(5,100)	(2,700)
Proceeds on issue of shares		2	7,344	7,344
Share issue costs		-	(282)	(282)
Net cash from financing activities		962	1,017	2,856
Net decrease in cash and cash equivalents		(25)	(740)	(142)
Cash and cash equivalents at beginning of period		1,966	2,108	2,108
Cash and cash equivalents at end of period		1,941	1,368	1,966

Unaudited notes to the condensed interim financial statements

Note 1 Basis of preparation

The interim financial statements of the Group for the 6 months ended 30 June 2008, which are unaudited, have been prepared in accordance with the accounting policies set out in the annual report and accounts for the year ended 31 December 2007. The following IFRS International Accounting Standards ('IAS'), amendments and International Financial Reporting Interpretation Committee ('IFRIC') interpretations have become effective for the period beginning 1 January 2008:

- IFRIC 12 – *Service Concession Arrangements*
- IFRIC 14 – *IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

These new standards and interpretations have not impacted the Group's accounting policies.

The financial information contained in the interim report does not constitute statutory accounts for the purposes of section 240 of the Companies Act 1985. The financial information for the year ended 31 December 2007 is based on the statutory accounts for the year ended 31 December 2007. A copy of the statutory accounts for the year 31 December 2007, has been delivered to the Registrar of Companies and contained an unqualified auditors' report which made no statement under sections 237(2) or (3) of the Companies Act 1985.

As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "Interim financial reporting"- therefore it is not fully in compliance with IFRS.

Note 2 Consolidated income statement for the year ended 31 December 2007

	Note	Before Exceptional Items Audited £'000	Exceptional Items (Note 4) Audited £'000	Total Audited £'000
Continuing operations				
Revenue		38,363	-	38,363
Cost of sales		(10,699)	-	(10,699)
Gross profit		27,664	-	27,664
Other direct expenses		(12,844)	-	(12,844)
Administrative expenses		(4,836)	-	(4,836)
Operating profit		**9,984**	**-**	**9,984**
Investment revenues		35	-	35
Other gains and losses	**4**	-	201	201
Finance costs	**7**	(2,706)	-	(2,706)
Movement in fair value of interest rate swap		(151)	-	(151)
Profit before taxation		**7,162**	**201**	**7,363**
Tax on profit	**5**	(2,232)	(52)	(2,284)
Profit for the financial year		**4,930**	**149**	**5,079**
				Pence
Earnings per ordinary share - basic	**6**			15.17
Earnings per ordinary share - diluted	**6**			15.14

H&T Group plc

Notes to the condensed interim financial statements (continued)

Note 3 Operating profit and EBITDA

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 2008
Unaudited

	Before exceptional items £'000	Exceptional items (note 4) £'000	Total £'000
Operating profit	6,404	(940)	5,464
Depreciation	661	-	661
Amortisation	83	-	83
EBITDA	7,148	(940)	6,208

6 months ended 30 June 2007
Unaudited

	Before exceptional items £'000	Exceptional items (note 4) £'000	Total £'000
Operating profit	3,983	-	3,983
Depreciation	623	-	623
Amortisation	41	-	41
EBITDA	4,647	-	4,647

Year ended 31 December 2007
Audited

	Before exceptional items £'000	Exceptional items (note 4) £'000	Total £'000
Operating profit	9,984	-	9,984
Depreciation	1,261	-	1,261
Amortisation	107	-	107
EBITDA	11,352	-	11,352

Note 4 Exceptional items

During the first 6 months of 2008, in view of the high level of uncertainty related to the development of the new point of sale system, the Group impaired its new point of sale system intangible asset incurring a loss of £940,000 as a result. The impact on taxation of this item is a credit of £263,000.
During the first 6 months of 2007, the Group disposed of one freehold property generating a profit of £196,000 (year ended 31 December 2007: £201,000). The impact on taxation of this item is a charge of £36,000 (year ended 31 December 2007: charge of £52,000). There were no such disposals in the current period.

Notes to the condensed interim financial statements (continued)

Note 5 Taxation

The taxation charge for the 6 months ended 30 June 2008 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 2008. The underlying effective full year tax charge is estimated to be 31.1% (6 months ended 30 June 2007: 30.2% and year ended 31 December 2007: 31.0%).

Note 6 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.

The directors also present an adjusted earnings per share as the directors consider that it reflects the Group results on a comparable basis once non recurring items are taken into consideration. All the adjustments made to the non-adjusted earnings per share in arriving at adjusted earnings per share are for exceptional items disclosed separately on the face of the consolidated income statement. Other than for the adjusting items, the calculation is the same as for the statutory per share amounts.

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 2008			Unaudited 6 months ended 30 June 2007			Audited Year ended 31 December 2007		
	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	3,136	35,086,641	8.94	2,276	31,863,607	7.15	5,079	33,487,898	15.17
Effect of dilutive securities									
Options	-	24,013	(0.01)	-	57,538	(0.01)	-	64,573	(0.03)
Earnings per share diluted	3,136	35,110,654	8.93	2,276	31,921,145	7.14	5,079	33,552,471	15.14
Earnings per share - basic	3,136	35,086,641	8.94	2,276	31,863,607	7.15	5,079	33,487,898	15.17
Intangible impairment	940	-	2.68	-	-	-	-	-	-
Fixed assets disposal	-	-	-	(196)	-	(0.62)	(201)	-	(0.60)
Tax adjustment	(263)	-	(0.75)	36	-	0.11	52	-	0.15
Adjusted earnings per share - basic	3,813	35,086,641	10.87	2,116	31,863,607	6.64	4,930	33,487,898	14.72
Effect of dilutive securities									
Options	-	24,013	(0.01)	-	57,538	(0.01)	-	64,573	(0.03)
Adjusted earnings per share - diluted	3,813	35,110,654	10.86	2,116	31,921,145	6.63	4,930	33,552,471	14.69

Notes to the condensed interim financial statements (continued)

Note 7 Finance costs

	6 months ended 30 June 2008 Unaudited £'000	6 months ended 30 June 2007 Unaudited £'000	Year ended 31 December 2007 Audited £'000
Interest payable on bank loans and overdraft	1,135	1,265	2,451
Other interest	13	22	11
Amortisation of debt issue costs	117	122	244
Total finance costs	**1,265**	**1,409**	**2,706**

Note 8 Share capital

	At 30 June 2008 Unaudited £	At 30 June 2007 Unaudited £	At 31 December 2007 Audited £
Authorised			
(Ordinary Shares of £0.05 each)			
£ Sterling	2,098,500	2,098,500	2,098,500
Number	41,970,000	41,970,000	41,970,000
Allotted, called up and fully paid			
(Ordinary Shares of £0.05 each)			
£ Sterling	1,754,350	1,754,285	1,754,285
Number	35,087,005	35,085,706	35,085,706

The reconciliation of the movement in the share capital and the share premium account is set out below:

	Share capital Unaudited £'000	Share premium account Unaudited £'000
At 1 January 2007	1,574	17,112
Issue of share capital	180	7,164
Share issue costs	-	(282)
At 30 June 2007 and at 31 December 2007	1,754	23,994
Issue of share capital	-	2
At 30 June 2008	1,754	23,996

Notes to the condensed interim financial statements (continued)

Note 9 Business combination

The Group made the following acquisitions during the period:

	Acquisition 1	Acquisition 2	Total 6 months ended 30 June 2008	Total 6 months ended 30 June 2007	Total 12 months ended 31 December 2007
			Unaudited	Unaudited	Audited
	£'000	£'000	£'000	£'000	£'000
Assets acquired:					
Intangible assets	92	4	96	249	541
Property, plant and equipment	15	-	15	15	50
Retail stock	261	-	261	281	410
Debtors	143	56	199	431	1,033
Cash	7	-	7	18	51
Total assets acquired	518	60	578	994	2,085
Consideration:					
Cash	557	60	617	1,395	3,601
Total consideration	557	60	617	1,395	3,601
Goodwill	**39**	**-**	**39**	**401**	**1,516**

The amounts reported above represent the book and fair value of assets acquired, other than for intangible assets which have been valued by the Group under a discounted cash flow approach. The Group will present further disclosures with respect to the acquisition as required by IFRS3, "Business Combinations", in the financial statements for the year ending 31 December 2008.

Notes to the condensed interim financial statements (continued)

Note 10 Other intangible assets

Other tangible assets	Software	Customer relationship	Total
	£'000	**£'000**	**£'000**
Cost			
At 1 January 2007	1,750	163	1,913
Additions	204	-	204
Acquired on acquisition of trade and assets	-	249	249
At 30 June 2007	**1,954**	**412**	**2,366**
Additions	38	-	38
Acquired on acquisition of trade and assets	-	292	292
At 31 December 2007	**1,992**	**704**	**2,696**
Additions	417	-	417
Reclassification	(13)	-	(13)
Acquired on acquisition of trade and assets	-	96	96
At 30 June 2008	**2,396**	**800**	**3,196**
Amortisation and impairment charges			
At 1 January 2007	1,100	9	1,109
Charge for the period	17	24	41
At 30 June 2007	**1,117**	**33**	**1,150**
Charge for the period	6	60	66
At 31 December 2007	**1,123**	**93**	**1,216**
Charge for the period	6	77	83
Provision for impairment	940	-	940
At 30 June 2008	**2,069**	**170**	**2,239**
Carrying amount			
At 30 June 2008	**327**	**630**	**957**
At 31 December 2007	869	611	1,480
At 30 June 2007	837	379	1,216

Notes to the condensed interim financial statements (continued)

Note 11 Dividends

On 19 August 2008, the H&T directors approved a 2.0 pence interim dividend per share (30 June 2007: 1.6 pence) which equates to a dividend payment of £702,000 (30 June 2007: £563,000). The dividend will be paid on 13 October 2008 to H&T shareholders on the share register at the close of business on 12 September 2008 and has not been provided for in the 2008 interim results.

On 15 May 2008, the H&T shareholders approved the payment of a 3.4pence final dividend per share for 2007 which equates to a dividend payment of £1,190,000 (2006: £945,000). The dividend was paid on the 4 June 2008.