

TOUCH GROUP PLC
(‘Touch’ or ‘the Group’)

Unaudited Interim Report for the Six Months Ended 30 June 2007

Touch Group plc, the international business-to-business publishing group, today announces its unaudited interim results for the six-month period ended 30 June 2007.

Highlights

- Establishment of new Medical Communications Team
- Signed agreement with the British Medical Journal Publishing Group
- Reduced operating loss £263,000 (2006: £1,982,000)
- Sales contracts up 38% for the comparable period
- Orders carried forward – at the reporting date £1,187,000 (2006: £246,000)

Chairman’s Statement

It is with pleasure that I report on our continuing progress during the first half of the year, which has seen a number of important steps towards achieving our goal of becoming a market leading business-to-business publishing company, highly accredited within our specialised fields and capable of producing world class journals.

Core Business Development

Working towards these goals the story of the first half of 2007 has been one of continuing improvement and refinement of our publishing product mix. By working in partnership with major advertisers as well as professional and governing bodies, we have been successful in establishing our newly implemented long-term, large-scale and robust business model.

We are now working with our clients from the point at which they allocate their spending budgets, which sees us receive far greater commitments from them, as well as giving us greater assurances and visibility of our sales revenues. In order to leverage these opportunities and to ensure we maximise the spend per customer we receive, we carefully aligned our product mix with our sales campaign management team, and it is now upon this secure publishing platform that we are able to capitalise on our position.

This realignment has resulted in most of our contracts having longer lead-times. As a result we have already established a strong and growing forward order book. Our forward contracted orders at the reporting date total £1,187,000 whilst at the same time last year the figure was £246,000.

All domestic issues have been settled relating to property, people and shared services with Touch Local. By the end of October 2007 we will have reconfigured our accommodation and personnel servicing obligations, completely disengaging Touch Group plc from Touch Local. This will result in further £165,000 of savings on an annualised basis going forward.

Central to our business proposition is the quality of our journals and in line with our intentions laid out at the time of the Group restructuring, we have continued to focus on the pharmaceutical, healthcare and energy sectors. As a result of our continuing attention to these sectors we are building up an enviable reputation for a highly motivated in-house editorial team endowed with excellent product knowledge and a highly competitive level of accumulated experience in the application of Best Practice publishing processes.

From a branding perspective a redesign across all our 2007 titles has succeeded in elevating our ‘Touch Briefings’ brand and, coupled with our superior content, has given us a significant competitive advantage over other print publishers. The market response to this has been overwhelming and customer feedback has demonstrated to us the success of this exercise.

We have continued to develop our newly established online products transforming their content, design and technical underpinning. Consequently we are receiving the attention of a number of the major pharmaceutical companies interested in site sponsorship, which we service through our Key Account Team.

Elsewhere in the business our growing portfolio of bespoke publications continues to be embraced by major blue chip companies and to date all our existing clients have agreed to new and bigger bespoke productions for 2008.

Accordingly during the period we have been successful in continuing the development of Touch Briefings into a recognised advertising channel, which our clients increasingly contract for ahead of time. Whilst this new business model has a greater appetite for capital to support longer lead times this move from one-off sales to long-term relationship account management across the business and its product mix has contributed significantly to securing the future business potential of Touch Briefings and gives us great confidence in both its stability and growth potential for the future.

Medical Communications Team

During the period we were successful in establishing a new Medical Communications Team in the Group to support the activities of our core editorial team. In doing this we have now established an in-house team of researchers and medical writers capable of delivering leading-edge content across all our publishing products for both print and online. Already in the period we have seen that the standard of quality that is resulting from this has emanated in a marked increase of our reprints business and the advent of inbound sales.

British Medical Journal ('BMJ') Publishing Group Ltd Distribution Agreement

As an example of our fast increasing status within our industry, we were successful in the period in entering into an agreement with the BMJ Publishing Group Ltd (wholly owned subsidiary of the British Medical Association), which involves an exchange of links, shared distribution channels and mutual promotion. This is a good indication of our professionalism and integrity. Other repeat media partnerships with leading professional organisations have been negotiated during the period, securing stability of distribution for our clients. Better processes for the tracking and reporting of responses are resulting in growing retention for our printed and electronic titles.

Overall

In the first half of 2007 we have continued to hone our business model. From an operational stand point, our publication schedule is now fixed, recurring and unchanging into 2008 which enables us to better plan content, increase forward sales bookings and enhance supply stability both internally and in our markets. Overall this gives us greater control of our business enabling us to better allocate resources and more efficiently deliver our products. We are continuing to invest in our people, our content, and our IT infrastructure.

We now have a coordinated and highly motivated management team with real depth leading the way towards growth, expansion and profitability.

VINCENT ISAACS
EXECUTIVE CHAIRMAN

26 September 2007

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CONSOLIDATED INCOME STATEMENT

	Unaudited Six months ended 30 June 2007	Unaudited Six months ended 30 June 2006 (Restated)	Unaudited Year ended 31 December 2006 (Restated)
Note	£ 000s	£ 000s	£ 000s
REVENUE	3		
Continuing operations	2,551	2,800	5,824
Discontinued operations	-	1,811	3,280
	<u>2,551</u>	<u>4,611</u>	<u>9,104</u>
Cost of sales	<u>(1,533)</u>	<u>(2,846)</u>	<u>(5,725)</u>
GROSS PROFIT	1,018	1,765	3,379
Administrative expenses	<u>(1,160)</u>	<u>(3,046)</u>	<u>(5,782)</u>
Administrative expenses – investment impairment	<u>(121)</u>	<u>(701)</u>	<u>(2,774)</u>
	<u>(1,281)</u>	<u>(3,747)</u>	<u>(8,556)</u>
OPERATING LOSS	3		
Continuing operations	<u>(263)</u>	<u>(1,499)</u>	<u>(4,267)</u>
Discontinued operations	-	(483)	(910)
	<u>(263)</u>	<u>(1,982)</u>	<u>(5,177)</u>
Profit on part disposal of subsidiary	4	-	4,378
LOSS ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES	(263)	(1,982)	(799)
Finance income	26	12	42
Finance costs	<u>(40)</u>	<u>(4)</u>	<u>(33)</u>
LOSS BEFORE TAXATION	(277)	(1,974)	(790)
Income tax expense	-	-	-
LOSS AFTER TAXATION	(277)	(1,974)	(790)
Continuing operations	<u>(277)</u>	<u>(1,491)</u>	<u>(4,258)</u>
Discontinued operations	-	(483)	3,468
LOSS FOR THE PERIOD	(277)	<u>(1,974)</u>	<u>(790)</u>
LOSS PER SHARE	5	Pence	Pence
From continuing operations:			
Basic	<u>(0.25)</u>	(2.13)	(5.77)
Diluted	<u>(0.25)</u>	(2.13)	(5.77)
From continued and discontinued operations:			
Basic	<u>(0.25)</u>	(2.81)	(1.07)
Diluted	<u>(0.25)</u>	(2.81)	(1.07)

CONSOLIDATED BALANCE SHEET

	Unaudited As at 30 June 2007	Unaudited As at 30 June 2006 (Restated)	Unaudited As at 31 December 2006
Note	£ 000s	£ 000s	£ 000s
NON-CURRENT ASSETS			
Goodwill	-	498	-
Other intangible assets	306	794	313
Property, plant and equipment	492	558	536
Investments	3,721	540	3,842
	<u>4,519</u>	<u>2,390</u>	<u>4,691</u>
CURRENT ASSETS			
Inventories	194	79	100
Trade and other receivables	2,790	3,879	2,849
Cash and cash equivalents	568	298	1,695
	<u>3,552</u>	<u>4,256</u>	<u>4,644</u>
CURRENT LIABILITIES			
Trade and other payables	<u>(2,027)</u>	<u>(3,722)</u>	<u>(2,637)</u>
NET CURRENT ASSETS	1,525	534	2,007
NON-CURRENT LIABILITIES	(500)	(6)	(650)
NET ASSETS	3 <u>5,544</u>	<u>2,918</u>	<u>6,048</u>
EQUITY			
Issued share capital	1,112	752	1,112
Share premium account	3,922	2,539	3,922
Other reserve	300	6,536	300
Own shares held by ESOT	-	(20)	-
Retained earnings / (loss)	210	(6,889)	714
TOTAL EQUITY	<u>5,544</u>	<u>2,918</u>	<u>6,048</u>

CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six months ended 30 June 2007 £ 000s	Unaudited Six months ended 30 June 2006 (Restated) £ 000s	Unaudited Year ended 31 December 2006 (Restated) £ 000s
Net cash outflow from operating activities			
Operating loss for the period	(263)	(1,982)	(5,177)
Depreciation of property, plant and equipment	49	129	110
Amortisation of intangible assets	7	20	178
Investment impairment	121	701	2,774
Share based payments	(229)	79	(62)
Net cash outflow from operating activities before movements in working capital	(315)	(1,053)	(2,177)
Change in inventories	(94)	88	68
Change in receivables	59	(488)	(743)
Change in payables	(718)	30	441
Cash used by operations	(1,068)	(1,423)	(2,411)
Interest received	26	12	42
Interest and similar expenses paid	(40)	(4)	(33)
Net cash used by operations	(1,082)	(1,415)	(2,402)
Cash flow from investing activities			
Disposal of discontinued operation	-	-	71
Acquisition of plant, property and equipment	(3)	(84)	(65)
Acquisition of intangible assets	-	(36)	(161)
Net cash used in investing activities	(3)	(120)	(155)
Financing activities			
Proceeds from issue of share capital	-	674	2,473
Payment of transaction costs	-	(10)	(65)
Repayment of borrowings	(25)	-	-
New loans acquired	-	-	700
Capital lease repayments	(17)	-	(25)
Net cash from financing activities	(42)	664	3,083
Net (decrease) / increase in cash and cash equivalents	(1,127)	(871)	526
Cash and cash equivalents at beginning of period	1,695	1,169	1,169
Cash and cash equivalents at period end	568	298	1,695

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below, have, unless otherwise stated, been applied consistently to all periods presented in these Group financial statements and in preparing an opening IFRS balance sheet as at 1 January 2006.

Basis of accounting

The consolidated financial statements of Touch Group plc have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ('adopted IFRS').

The unaudited financial information presented in this document has been prepared on the basis of the expected accounting policies which the Group will comply with in the accounts to 31 December 2007 and on the basis of all International Financial Reporting Standards ('IFRS'), including International Accounting Standards ('IAS') and interpretations issued by the International Accounting Standards Board ('IASB') and its committees, as adopted by the EU. These are subject to ongoing amendment by the IASB and subsequent endorsement by the European Commission and are therefore subject to possible change. As a result, information contained within this document will require updating for any subsequent amendment to IFRS required for first time adoption or those new standards that the Group may elect to adopt early.

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules.

IFRS 1 exemptions

IFRS 1 'First time adoption of International Financial Reporting Standards' sets out procedures that the Group must follow when IFRS is adopted for the first time as the basis for preparing Group consolidated financial statements. It provides a number of exemptions that are available on first time adoption to assist companies in the transition to reporting under adopted IFRS. The following exemptions have been taken:

- Business combinations prior to 1 January 2006 have not been restated to comply with IFRS 3 'Business Combinations'

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the group controlled by Touch Group plc and its subsidiaries (the 'Group'). Control is achieved where the Group has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or sold are included in the consolidated financial statements from the date control commences to the date control ceases, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies used into line with those used by the Group.

All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation represents the excess of cost of acquisition over the group's interest in the fair value of identifiable assets and liabilities acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill, which is recognised as an asset is reviewed for impairment annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRSs has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition – sales of goods

Revenue in respect of advertising services and editorial sponsorship is recognised on publication.

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue Recognition – sales of services

Revenue in respect of online advertising and subscriptions is recognised on a straight-line basis over the period of subscription. Any unrecognised constituent is carried within current liabilities as deferred revenue.

Barter transactions

Turnover and costs in respect of barter transactions for advertising are recognised only where there is persuasive evidence of the value at which, if it had not been exchanged, the advertising would have been sold for cash in a similar transaction.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks of ownership to the lessee. All other leases are classified as operating leases and are charged to the income statement on a straight-line basis over the period of the lease.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Intangible assets

Intangible assets acquired by the Group are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over their useful lives in accordance with IAS 38 'Intangible Assets'. Assets are amortised over their estimated useful lives or 20 years, whichever is the shorter. A review is carried out at each financial year end and with changes in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' considered if necessary.

Property, plant and equipment

Depreciation is provided to write off the cost less estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold improvements	over the remaining life of the lease
Plant, vehicles and equipment	3-7 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets, or where shorter, the term of the relevant lease.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories – work in progress

Inventories are stated at the lower of cost and net realisable value. Work in progress consists of costs incurred relating to unpublished material and deferred revenue at the period end.

Financial instruments

Financial assets and liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Bank borrowings:

Interest bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and incremental costs directly attributable to the issue, are accounted for on an accruals basis as part of finance expenses in the income statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period that they arise.

Share based payment

The Group issues equity-settled share-based payments to certain employees. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

Fair value is measured using the Black Scholes model.

Investments

Fixed asset investments are shown at cost less provision for impairment.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

2. NATURE OF INFORMATION

The interim accounts for the six months ended 30 June 2007 and the comparative figures for the six months ended 30 June 2006 are not audited by the Company's auditors. The comparative figures for the twelve months ended 31 December 2006 are not the Company's statutory accounts within the meaning of Section 240 of the Companies Act 1985 but are abridged from such accounts and then restated under IFRS.

The financial statements for the twelve months ended 31 December 2006 as previously stated (under UK GAAP) have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors on such accounts was unqualified and did not contain any statement under Sections 237(2) or 237(3) of the Companies Act 1985.

3. BUSINESS AND GEOGRAPHICAL SEGMENTS

The revenue and operating loss of the Group are analysed between continuing and discontinued operations. The directors consider that the business operates within one business segment, that of multimedia marketing.

Continuing and discontinued operations		Unaudited Six months ended 30 June 2007	Unaudited Six months ended 30 June 2006 (Restated)	Unaudited Year ended 31 December 2006 (Restated)
	Note	£ 000s	£ 000s	£ 000s
Continuing Operations				
Turnover		2,551	2,800	5,824
Cost of sales		(1,533)	(1,821)	(3,777)
Gross profit		1,018	979	2,047
Administrative expenses		(1,281)	(2,478)	(6,314)
Operating loss		(263)	(1,499)	(4,267)
Discontinued Operations				
Turnover		-	1,811	3,280
Cost of sales		-	(1,025)	(1,948)
Gross profit		-	786	1,332
Administrative expenses		-	(1,269)	(2,242)
Operating loss		-	(483)	(910)

Included within administrative expenses is an investment impairment charge of £121,000 (2006 - £701,000). This impairment is to write down the book value of the investment in MediaZest plc shares to the price as at 30th June 2007.

In the year ended 31 December 2006, the continuing administrative expenses include an investment impairment of £899,000 for the write down in book value of the MediaZest plc shares and £1,875,000 for the impairment relating to the Group's investment in Touch Local.

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

3. BUSINESS AND GEOGRAPHICAL SEGMENTS (continued)

Geographical segments		Unaudited Six months ended 30 June 2007 £ 000s	Unaudited Six months ended 30 June 2006 (Restated) £ 000s	Unaudited Year ended 31 December 2006 (Restated) £ 000s
Turnover by destination				
United Kingdom	a	352	1,975	3,843
Rest of Europe		718	756	1,754
US		1,333	1,810	3,269
Rest of World		148	70	238
		<u>2,551</u>	<u>4,611</u>	<u>9,104</u>
Turnover by origin – all United Kingdom		2,551	4,611	9,104
Operating loss by origin – all United Kingdom		(263)	(1,982)	(5,177)
Net assets by origin – all United Kingdom		5,544	2,918	6,048

(a) All comparative discontinued turnover is derived in the United Kingdom.

4. PROFIT ON DISPOSAL OF SUBSIDIARIES

There were no exceptional items in the six months to 30 June 2007, nor the six months to 30 June 2006. The profit on part disposal of the Touch Local business is reflected in the full year results to 31 December 2006.

5. LOSS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Unaudited Six months ended 30 June 2007 £ 000s	Unaudited Six months ended 30 June 2006 (Restated) £ 000s	Unaudited Year ended 31 December 2006 (Restated) £ 000s
Loss from continuing and discontinued operations:			
Loss for the purposes of basic and diluted earnings per share	(277)	(1,974)	(790)
Loss from continuing operations:			
Loss for the purposes of basic and diluted earnings per share	(277)	(1,491)	(4,258)
Number of shares:	Number	Number	Number
Weighted average number of shares for the purposes of basic earnings per share	111,191,921	70,132,546	73,782,537
Effect of dilutive potential ordinary shares - share options	-	-	-
Weighted average number of shares for the purposes of diluted earnings per share	<u>111,191,921</u>	<u>70,132,546</u>	<u>73,782,537</u>

The denominators used are the same as those detailed above for both basic and diluted earnings per share from continued and discontinued operations

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

6. RECONCILIATION OF COMPARATIVE TO PREVIOUSLY REPORTED INFORMATION

Touch Group plc reported under UK GAAP in its previously published financial statements for the year ended 31 December 2006 and the six months ended 30 June 2006. The following analysis provides a reconciliation of the loss as reported under UK GAAP during the year ended 31 December 2006 and the loss reported under IFRS in these statements; there is no change to net assets. There is also a reconciliation of the loss and net assets under UK GAAP to IFRS at the comparative interim date, being 30 June 2006.

In all cases, adjustments relate to the requirement under IFRS 3 “Business Combinations” that goodwill not be amortised. Given the transitional exemption adopted (see note 1), there are no adjustments prior to 1 January 2006.

<i>Reconciliation of loss at 31 December 2006</i>	Previous UK GAAP £ 000s	Effect of IFRS £ 000s	IFRS £ 000s
REVENUE			
Continuing operations	5,824	-	5,824
Discontinued operations	3,280	-	3,280
	9,104	-	9,104
Cost of sales	(5,725)	-	(5,725)
GROSS PROFIT	3,379	-	3,379
Administrative expenses	(5,810)	28	(5,782)
Administrative expenses – investment impairment	(2,774)	-	(2,774)
	(8,584)	28	(8,556)
OPERATING LOSS			
Continuing operations	(4,267)	-	(4,267)
Discontinued operations	(938)	28	(910)
	(5,205)	28	(5,177)
Profit on part disposal of subsidiary	4,406	(28)	4,378
LOSS ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES	(799)	-	(799)
Finance income	42	-	42
Finance costs	(33)	-	(33)
LOSS BEFORE TAXATION	(790)	-	(790)
Income tax expense	-	-	-
LOSS AFTER TAXATION	(790)	-	(790)
Continuing operations	(4,258)	-	(4,258)
Discontinued operations	3,468	-	3,468
LOSS FOR THE PERIOD	(790)	-	(790)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

6. RECONCILIATION OF COMPARATIVE TO PREVIOUSLY REPORTED INFORMATION (continued)

<i>Reconciliation of loss at 30 June 2006</i>	Previous UK GAAP £ 000s	Effect of IFRS £ 000s	IFRS £ 000s
REVENUE			
Continuing operations	2,800	-	2,800
Discontinued operations	1,811	-	1,811
	<hr/> 4,611	<hr/> -	<hr/> 4,611
Cost of sales	(2,846)	-	(2,846)
	<hr/> 1,765	<hr/> -	<hr/> 1,765
GROSS PROFIT			
Administrative expenses	(3,063)	17	(3,046)
Administrative expenses – investment impairment	(701)	-	(701)
	<hr/> (3,764)	<hr/> 17	<hr/> (3,747)
OPERATING LOSS			
Continuing operations	(1,499)	-	(1,499)
Discontinued operations	(500)	17	(483)
	<hr/> (1,999)	<hr/> 17	<hr/> (1,982)
Profit on part disposal of subsidiary	-	-	-
LOSS ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES	<hr/> (1,999)	<hr/> 17	<hr/> (1,982)
Finance income	12	-	12
Finance costs	(4)	-	(4)
LOSS BEFORE TAXATION	<hr/> (1,991)	<hr/> 17	<hr/> (1,974)
Income tax expense	-	-	-
LOSS AFTER TAXATION	<hr/> (1,991)	<hr/> 17	<hr/> (1,971)
Continuing operations	(1,491)	-	(1,491)
Discontinued operations	(500)	17	(483)
LOSS FOR THE PERIOD	<hr/> (1,991)	<hr/> 17	<hr/> (1,974)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

6. RECONCILIATION OF COMPARATIVE TO PREVIOUSLY REPORTED INFORMATION (continued)

<i>Reconciliation of equity at 30 June 2006</i>	Previous UK GAAP £ 000s	Effect of IFRS £ 000s	IFRS £ 000s
NON-CURRENT ASSETS			
Goodwill	481	17	498
Other intangible assets	794	-	794
Property, plant and equipment	558	-	558
Investments	540	-	540
	<u>2,373</u>	<u>17</u>	<u>2,390</u>
CURRENT ASSETS			
Inventories	79	-	79
Trade and other receivables	3,879	-	3,879
Cash and cash equivalents	298	-	298
TOTAL ASSETS	<u>4,256</u>	<u>-</u>	<u>4,256</u>
CURRENT LIABILITIES			
Trade and other payables	<u>(3,722)</u>	<u>-</u>	<u>(3,722)</u>
NET CURRENT ASSETS	534	-	534
NON-CURRENT LIABILITIES			
	<u>(6)</u>	<u>-</u>	<u>(6)</u>
NET ASSETS	<u>2,901</u>	<u>17</u>	<u>2,918</u>
EQUITY			
Issued share capital	752	-	752
Share premium account	2,539	-	2,539
Other reserve	6,536	-	6,536
Own shares held by ESOT	(20)	-	(20)
Retained earnings loss	(6,906)	17	(6,889)
TOTAL EQUITY	<u>2,901</u>	<u>17</u>	<u>2,918</u>

7. AVAILABILITY OF ACCOUNTS

Copies of these interim results are available from Touch Group plc, Cardinal Tower, 12 Farringdon Road, London, EC1M 3NN. Alternatively a downloadable version is available from the following web address:
www.touchbriefings.com/announcements.htm.