PARK GROUP PLC

('Park' or 'the Company')

INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2008

2 December 2008

Summary	**Half Year to 30.09.08 £'000**	Half Year to 30.09.07 £'000	Year to 31.03.08 £'000
Revenue	**32,344**	31,295	225,069
(Loss)/profit before taxation from continuing operations	**(3,237)**	(3,910)	5,161
(Loss)/profit attributable to equity holders	**(2,320)**	(3,398)	4,707
Dividend per share	**0.44p**	0.40p	1.20p
(Loss)/earnings per share	**(1.41)p**	(2.06)p	2.85p

Introduction

Park Group plc was founded in 1967 as a supplier of Christmas hampers. Today it is a fast growing services business supplying agent and internet driven services focussed on the cash savings, corporate and consumer incentive voucher markets. The company is a leader in its field with a strong sales and service culture utilising internet technology to broaden its product offering to its very large customer base. Park's business is generally seasonal and the first half of the year is traditionally loss making with the bulk of annual revenues generated in the second half.

Key points:

Financial

- Loss before taxation improved over 17 per cent to £3.2 million (2007: loss £3.9 million)
- Interest income increased by 41 per cent to £1.8 million (2007: £1.2 million).
- Interim dividend raised 10 per cent to 0.44 pence (net) per share (2007: 0.4 pence).
- Total cash balances significantly greater than last year, peaking at £124.0 million (2007: £95.8 million)

Operational

- Christmas 2008 orders are 15 per cent above last year's level
- Average order values increased by five per cent to £374 from £355 last year
- Further major retailers have joined our High Street, Love2shop voucher
- Increased investment in new web sites to drive consumer and corporate sales
- Continued growth of our online business

Peter Johnson, Chairman of Park Group plc, commented:

'The second half of the year has started well and revenues are significantly ahead of the same time last year. With management's continued focus on innovative marketing, customer service and efficiency, coupled with cost savings from increased use of the internet, we look forward to delivering another good set of results at the full year.'

Enquiries:

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CHAIRMAN'S STATEMENT

I am pleased and encouraged to report that we have delivered a good set of results against a backdrop of a weakening economy and a much tighter credit market. Our low risk strategy has served us well and ensured that today our balance sheet has no bank debt and the business is cash generative, thus we have been able to avoid exposure to the well publicised 'credit crunch'. The Park savings model provides an attractive way for families to budget for Christmas in difficult economic climates.

Trading results

Park's business is seasonal and the first half of the year is traditionally loss making with the bulk of annual revenues generated in the second half. Revenue on continuing operations for the six months to 30 September 2008 increased by 3 per cent to £32.3 million (2007: £31.3 million). The loss before taxation in the period improved by over 17 per cent to £3.2 million (2007: loss £3.9million). Finance income increased by 41 per cent to £1.8 million (2007: £1.2 million) reflecting the combination of higher cash balances and interest rates. Total cash balances have been significantly greater than last year and peaked 29 per cent higher at £124.0 million. The Company was cash positive throughout the period.

The Board has maintained its progressive policy and declared an interim dividend of 0.44 pence (net) per share, an uplift of 10 per cent over the dividend of 0.4 pence (net) declared for the same period last year; it will be paid on 8 April 2009 to shareholders on the register on 6 March 2009. This payment demonstrates the Board's confidence in the business and when added to the final dividend of 0.8 pence (net), declared last June, represents a yield of approximately 9 per cent on a share price of 13.75 pence.

Operational review

Our Christmas savings business, which represents over 60 per cent of total annual revenue, delivered a strong performance in the period under review. The number of agents trading for Christmas 2008 has increased to 104,000 from 94,000 last year with customer numbers growing to 434,000 from 398,000. Customer order values have risen five per cent to an average of £374 from £355 last year. Total orders for Christmas 2008 are substantially complete and are currently 15 per cent above last year's actual, while looking further forward, early orders for Christmas 2009 are well above the comparable figure at this time last year.

Our Corporate vouchers operation delivered a good result in the first half with total sales up two per cent over the same period last year to £ 28.5 million (2007: £ 28.0 million). This business sells its own vouchers and those of well known and leading retailers. The vouchers are used by corporate customers in a number of different ways but principally as part of incentive and reward schemes where revenue increased by ten per cent to £ 22.4 million (2007: £ 20.4 million). The strong performance in the incentive market was particularly pleasing and outweighed the lower volumes in the credit and bingo markets.

The successful re-launch last year of www.highstreetvouchers.com, our on-line voucher shop, has generated a healthy 117 per cent growth in revenue year on year to £1.3 million (2007: £0.6 million). This online business, which sells vouchers direct to consumers, is beginning to demonstrate exciting growth potential, albeit from a low base. Financially this is a lower cost, higher margin operation than our other routes to market as it utilises existing systems and does not involve paying commissions.

We have continued to expand internet sales across the group with a rapidly increasing number of our customers preferring the convenience, flexibility and functionality this offers. New order taking and processing systems have been introduced progressively to give customers the opportunity to place and amend their orders online at any time. This enhanced service has led to a reduction in overheads and head count while improving the speed and efficiency of the ordering process. Electronic systems have also enabled customers to use modern means of payment, thus enhancing financial efficiency. Our new email management system has helped to improve customer service, last year we dealt with over 65,000 varied enquiries and queries, which were answered, on average, within ten hours.

Outlook

The second half has started well and revenues are significantly ahead of the same time last year. We are a company with no bank debt; the seasonality of our principal business drives major movements in our cash position during the year but cash balances are always positive. The economic environment is uncertain but we are confident that Park, with its large and loyal customer base and broadening spread of operations, is very well placed for the future. Management’s focus on innovative marketing, customer service and efficiency, coupled with cost savings from increased use of the internet, should ensure that we deliver another good set of results at the full year.

Peter Johnson
Chairman
2 December 2008

PARK GROUP PLC

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR TO 30 SEPTEMBER 2008

	Half Year to 30.09.08 £'000	Half Year to 30.09.07 £'000	Year to 31.03.08 £'000
Continuing operations			
Revenue	**32,344**	31,295	225,069
Cost of sales	**(33,288)**	(32,307)	(211,205)
Gross (loss)/profit	**(944)**	(1,012)	13,864
Distribution costs	**(153)**	(224)	(2,409)
Administrative expenses	**(3,894)**	(3,915)	(8,964)
Operating (loss)/profit	**(4,991)**	(5,151)	2,491
Finance income	**1,754**	1,242	2,688
Finance costs	**-**	(1)	(18)
(Loss)/profit before taxation	**(3,237)**	(3,910)	5,161
Taxation	**917**	1,096	(1,475)
(Loss)/profit from continuing operations	**(2,320)**	(2,814)	3,686
Discontinued operations			
(Loss)/profit from discontinued operations after taxation	**-**	(584)	1,021
(Loss)/profit for the period attributable to equity holders of the parent	**(2,320)**	(3,398)	4,707
(Loss)/earnings per share (see note 4)			
- basic – continuing operations	**(1.41)p**	(1.70)p	2.23p
- basic - total	**(1.41)p**	(2.06)p	2.85p
- diluted – continuing operations	**(1.40)p**	(1.70)p	2.22p
- diluted - total	**(1.40)p**	(2.05)p	2.84p

PARK GROUP PLC

UNAUDITED STATEMENT OF RECOGNISED INCOME AND EXPENSE FOR THE HALF YEAR TO 30 SEPTEMBER 2008

	Half Year to 30.09.08 £'000	Half Year to 30.09.07 £'000	Year to 31.03.08 £'000
(Loss)/profit for the period	**(2,320)**	(3,398)	4,707
Actuarial losses on defined benefit pension scheme	**-**	-	(306)
Deferred tax on actuarial losses on defined benefit pension scheme	**-**	-	86
Net losses not recognised in income statement	**-**	-	(220)
Total recognised (expense)/income for the period attributable to equity holders of the parent	**(2,320)**	(3,398)	4,487

PARK GROUP PLC

UNAUDITED GROUP BALANCE SHEET

	As at 30.09.08 £'000	As at 30.09.07 £'000	As at 31.03.08 £'000
Assets			
Non-current assets			
Goodwill	**1,513**	1,513	1,513
Other intangible assets	**1,097**	1,317	1,079
Investments	**2**	2	2
Investment property	**279**	277	279
Property, plant and equipment	**4,135**	4,482	4,324
Deferred tax assets	**1,357**	1,744	1,248
	8,383	9,335	8,445
Current assets			
Inventories	**7,022**	8,055	1,028
Loans and receivables	**26**	301	187
Trade and other receivables	**5,719**	9,212	6,115
Current tax assets	**717**	1,468	673
Cash and cash equivalents	**18,733**	4,038	5,430
Monies held in trust	**84,328**	72,835	17,336
Assets held for sale	**725**	700	700
	117,270	96,609	31,469
Total assets	**125,653**	105,944	39,914
Liabilities			
Current liabilities			
Trade and other payables	**(135,093)**	(117,701)	(44,526)
Current tax liabilities	-	(280)	-
Provisions	**(22,464)**	(23,906)	(23,708)
	(157,557)	(141,887)	(68,234)
Non-current liabilities			
Retirement benefit obligation	**(2,659)**	(2,252)	(2,623)
	(2,659)	(2,252)	(2,623)
Total liabilities	**(160,216)**	(144,139)	(70,857)
Net liabilities	**(34,563)**	(38,195)	(30,943)
Shareholders' equity			
Share capital	**3,301**	3,301	3,301
Share premium account	**1,070**	1,070	1,070
Retained earnings	**(38,934)**	(42,566)	(35,314)
Total equity attributable to equity holders of the parent	**(34,563)**	(38,195)	(30,943)

PARK GROUP PLC

UNAUDITED GROUP CASH FLOW STATEMENT

	Half Year to 30.09.08 £'000	Half Year to 30.09.07 £'000	Year to 31.03.08 £'000
Cash flows from operating activities (note 5)			
Cash generated from/(used in) operations	**12,667**	(7,694)	(6,944)
Interest received	**1,475**	927	2,614
Interest paid	**-**	(1)	(18)
Tax received/(paid)	**764**	(97)	(98)
Net cash generated from/(used in) operating activities	**14,906**	(6,865)	(4,446)
Cash flows from investing activities			
Proceeds from sale of non core property	**-**	128	128
Proceeds from sale of property, plant and equipment	**-**	-	11
Purchase of property, plant and equipment	**(88)**	(219)	(376)
Purchase of intangible assets	**(192)**	(27)	(98)
Cash acquired from business combinations	**(25)**	-	-
Net cash used in investing activities	**(305)**	(118)	(335)
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	**-**	-	-
Dividends paid to shareholders	**(1,298)**	(1,171)	(1,981)
Net cash used in financing activities	**(1,298)**	(1,171)	(1,981)
Net increase/(decrease) in cash and cash equivalents	**13,303**	(8,154)	(6,762)
Cash and cash equivalents at beginning of period	**5,430**	12,192	12,192
Cash and cash equivalents at end of period	**18,733**	4,038	5,430
Cash and cash equivalents comprise:			
Cash	**18,733**	4,038	5,430

PARK GROUP PLC

UNAUDITED SEGMENTAL REPORTING FOR THE HALF YEAR TO 30 SEPTEMBER 2008

	Half Year to 30.09.08 £'000	Half Year to 30.09.07 £'000	Year to 31.03.08 £'000
Continuing operations			
Revenue			
Christmas Savings	**3,890**	3,302	143,450
Corporate Vouchers	**28,454**	27,993	81,619
External revenue	**32,344**	31,295	225,069
Christmas Savings	**-**	-	-
Corporate Vouchers	**2,418**	1,389	101,846
Elimination	**(2,418)**	(1,389)	(101,846)
Inter-segment revenue	**-**	-	-
Christmas Savings	**3,890**	3,302	143,450
Corporate Vouchers	**30,872**	29,382	183,465
Elimination	**(2,418)**	(1,389)	(101,846)
Total revenue	**32,344**	31,295	225,069
Results			
Christmas Savings	**(3,859)**	(4,126)	691
Corporate Vouchers	**(461)**	(355)	3,438
Unallocated	**(671)**	(670)	(1,638)
(Loss)/profit before interest	**(4,991)**	(5,151)	2,491

Note: Elimination of revenue represents intra-group sales of vouchers, sold by the Corporate Voucher business to the Christmas Savings business.

NOTES TO THE ACCOUNTS

(1) Basis of preparation

The financial information in this interim report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and the AIM rules of the London Stock Exchange and on the basis of the accounting policies described in Park Group plc's Annual Report & Accounts for the year ended 31 March 2008. These accounting policies have been based on the current standards and interpretations expected to be effective at 31 March 2009. The group does not expect there to be a significant impact on the results from standards, amendments or interpretations which are available for early adoption but which have not yet been adopted.

The financial statements have been prepared under the historical cost convention, as modified by the accounting for financial instruments at fair value. In addition this interim financial report does not comply with IAS34 Interim Financial Reporting, which is not currently required to be applied under AIM Rules.

The directors are of the opinion that the financial information should be prepared on a going concern basis, in the light of current trading and the forecast positive cash balances for the forseeable future.

The financial information included in this interim financial report for the six months ended 30 September 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985 and is unaudited, but subject to a review opinion. The comparative figures for 2007 were also subject to a review opinion. A copy of the group's statutory accounts for the year ended 31 March 2008, on which the auditors gave an unqualified opinion and did not make a statement under section 237 of the Companies Act 1985, has been filed with the Registrar of Companies.

(2) Discontinued Operations

	Half year to 30.09.08 £'000	Half year to 30.09.07 £'000	Year to 31.03.08 £'000
Revenue	-	569	708
Expenses	-	(1,434)	(1,415)
Loss before taxation	-	(865)	(707)
Taxation	-	281	1,728
(Loss)/profit from discontinued operations	-	(584)	1,021

Discontinued operations comprise the result of our Cash Reserve and Imagine Finance businesses.

Cash flows from discontinued operations

	Half year to 30.09.08 £'000	Half year to 30.09.07 £'000	Year to 31.03.08 £'000
Net cash flows from operating activities	**151**	1,741	(160)
Net cash flows from investing activities	-	-	-
Net cash flows from financing activities	-	-	-
	151	1,741	(160)

(3) Taxation
The taxation credit for the six months to 30 September 2008 has been calculated using an overall effective tax rate of 28.3 per cent (half year to 30 September 2007 – 28.0 per cent).

(4) Earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding 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.

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

	Half year to 30.09.08 £'000	Half year to 30.09.07 £'000	Year to 31.03.08 £'000
Earnings			
(Loss)/earnings after tax – continuing operations	**(2,320)**	(2,814)	3,686
(Loss)/earnings from discontinued operations	**-**	(584)	1,021
Total (loss)/earnings for period	**(2,320)**	(3,398)	4,707

	Half year to 30.09.08	Half year to 30.09.07	Year to 31.03.08
Weighted average number of shares			
Basic eps – weighted average number of shares	**165,064,410**	165,064,410	165,064,410
Diluting effect of employee share options	**376,250**	674,946	622,260
Diluted eps – weighted average number of shares	**165,440,660**	165,739,356	165,686,670

	Half year to 30.09.08	Half year to 30.09.07	Year to 31.03.08
Basic (loss)/earnings per share			
Weighted average number of shares in issue	**165,064,410**	165,064,410	165,064,410
Continuing operations (pence)	**(1.41)**	(1.70)	2.23
Discontinued operations (pence)	**-**	(0.36)	0.62
Total (pence)	**(1.41)**	(2.06)	2.85

	Half year to 30.09.08	Half year to 30.09.07	Year to 31.03.08
Diluted (loss)/earnings per share			
Weighted average number of shares in issue	**165,440,660**	165,739,356	165,686,670
Continuing operations (pence)	**(1.40)**	(1.70)	2.22
Discontinued operations (pence)	**-**	(0.35)	0.62
Total (pence)	**(1.40)**	(2.05)	2.84

(5) Reconciliation of net (loss)/profit to net cash inflow/(outflow) from operating activities:

	Half year to 30.09.08 £'000	Half year to 30.09.07 £'000	Year to 31.03.08 £'000
Net (loss)/profit	**(2,320)**	(3,398)	4,707
Adjustments for:			
Tax on continuing operations	**(917)**	(1,096)	1,475
Tax on discontinued operations	**-**	(281)	(1,728)
Interest income	**(1,754)**	(1,242)	(2,688)
Interest expense	**-**	1	18
Depreciation and amortisation	**443**	640	1,245
Profit on sale of other assets held for sale	**-**	(21)	(13)
Profit on sale of property, plant and equipment	**-**	-	(1)
Decrease in loans and receivables	**161**	1,081	1,195
Increase in inventories	**(5,994)**	(7,608)	(581)
Decrease/(increase) in trade and other receivables	**683**	(2,952)	(124)
Increase in trade and other payables	**90,545**	78,155	5,131
(Decrease)/increase in provisions	**(1,244)**	1,829	1,631
Increase in monies held in trust	**(66,993)**	(72,835)	(17,336)
Increase in retirement benefit obligation	**36**	6	71
Share-based payments	**21**	27	54
Net cash inflows/(outflows) from operating activities	**12,667**	(7,694)	(6,944)

(6) Approval
This statement was approved by the board on 1 December 2008.

(7) Reports
A copy of this announcement will be available on the Company's website from today www.parkgroup.co.uk and will be mailed to shareholders on 5 January 2009. Copies will also be available for members of the public at the company's registered office – Valley Road, Birkenhead CH41 7ED and also at the offices of the company's registrars, Computershare Investor Services PLC, P O Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH.

Independent review report to Park Group plc

Introduction

We have been engaged by Park Group plc ("the Company") to review the condensed set of financial statements in the half-yearly report for the six months ended 30 September 2008 which comprises income statement, statement of recognised income and expenses, balance sheet, cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly report in accordance with the AIM Rules.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly report has been prepared in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the six months ended 30 September 2008 is not prepared, in all material respects, in accordance with the recognition and measurement requirements of IFRSs as adopted by the EU and the AIM Rules.

KPMG Audit Plc
Chartered Accountants
Liverpool
1 December 2008