4 February 2013

Murgitroyd Group PLC ("Murgitroyd" or "the Group")
Unaudited Interim Results for the six months ended 30 November 2012

Murgitroyd (AIM: MUR), the European Patent and Trade Mark Attorney group, is pleased to announce its unaudited interim results for the six months ended 30 November 2012.

Highlights

- Trend of consistent growth in profits continued resulting in another record result
- Gross profit (turnover excluding disbursements) up 2% to £10.6 million (2011: £10.4 million)
- Gross margin up to 60% (2011: 58%) reflecting a sales mix in the period with lower levels of disbursements
- Profit before income tax up 3% to £2.27 million (2011: £2.21 million)
- Basic EPS up 7.9% to 18.68p (2011: 17.32p)
- Proposed interim dividend of 3.75p per share (2011: 3.5p per share)
- Continued investment in business development, systems and people

Ian Murgitroyd, Group Chairman, commented:

"I am pleased to report that Murgitroyd has again delivered good growth in the first half of the financial year. Increased activity is reflected in a rise in both profitability and earnings per share for the twelfth consecutive interim period. While Revenue is down 2%, the more meaningful gross profit (revenue net of disbursements) is up 2%. We remain confident in Murgitroyd's ability to progress in the current macro-economic climate, and the Group continues to invest in both direct business development activities that will generate sustainable new business, as well as in its systems and people."

For further information, please contact:

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Notes to Editors

Murgitroyd Group PLC, the holding company of Murgitroyd & Company Limited ("Murgitroyd & Company"), a European Patent and Trade Mark Attorney practice, was floated on AIM on 30 November 2001. The practice has European offices in Aberdeen, Belfast, Dublin, Edinburgh, Glasgow, Helsinki, London (two), Milan, Munich, Newcastle, Nice and York, and Sales Offices in Durham, North Carolina and San Francisco, California. Murgitroyd Group PLC specialises in the provision of Intellectual Property services, including filing, prosecuting, litigating, licensing, assigning and renewing Patents, Trade Marks and Designs, advising on Copyright and generally assisting clients with the management of their Intellectual Property. Patent services span the major sectors of the global economy including engineering, electronics, chemistry and biotechnology with clients ranging from large multi-national corporations to individual inventors and both in-house and external Patent Attorneys. The practice services major Trade Mark clients from the personal care, clothing, food and drinks, tobacco, pharmaceuticals, chemicals and oil industries together with service sector, sport and entertainment and retail industry clients. Trade Mark services are also provided to other private practice Trade Mark Attorneys.

Murgitroyd Group PLC
Chairman's Statement

Financial and operating review

The Group has continued to make good progress during the first half against what was a particularly strong comparative period last year. For the six months ended 30 November 2012, although revenue (the Group's fee income including recharged disbursements) declined by 2% to £17.6 million (2011: £18.0 million), the more meaningful measure of gross profit (the Group's net fee income) grew 2% to £10.6 million (2011: £10.4 million) with the gross margin percentage also increasing to 60% (six months ended 30 November 2010: 58%).

The combination of increases in gross profit and gross margin percentage, and lower headline sales, resulted from a changed sales mix. During the period, work instructed by clients involved lower levels of disbursements, costs that represent cost of sales and are passed on within turnover, leading to the increased gross margin percentage. In contrast, revenue in the comparative period included a higher proportion of recharged invoices from other Attorneys instructed by Murgitroyd in countries where the Group does not have offices.

Profit before income tax increased by 3% to £2.27 million (2011: £2.21 million) and basic earnings per share were up 7.9% to 18.68p (2011: 17.32p). The growth in earnings per share was stronger than the increase in pre-tax profits due to a continuing positive impact of falling UK Corporation Tax rates.

Interest charges for the six months under review were down by 29.3% to £41,000 compared to the same period last year (2011: £58,000), as debt continued to be paid down and interest rates remained low. Net debt as at 30 November 2012 stood at £3.18 million (30 November 2011: £4.25 million). The Group continues to trade comfortably within its trading and cash flow banking covenants.

In response to the continuing uncertain economic climate Murgitroyd also successfully kept administrative operating costs under control, thus facilitating continuing investment in key areas such as business development, people, IT systems and the expansion of our office network to underpin service delivery.

Our aim remains to win and retain clients, providing them with the highest standard of service at competitive prices.

Murgitroyd operated fifteen offices in eight countries worldwide during the period and we continue to develop our global network. We have relocated into our expanded premises in Munich during the period and have recruited two further Attorneys for this growing office in the second half. This brings the number of Attorneys in our Munich office to five.

We are also looking to recruit additional Attorneys into our recently opened office in central London. The office primarily serves as a client service centre along with other such centres in the Group's Glasgow head office, and Munich. It complements our long-established presence in the Croydon area of south London.

Under the European Union's recent Agreement on a Unified Patent Court ("UPC"), London and Munich will each be home to a section of the central division of the UPC. The Court's third location, and the seat of its central division, will be in Paris. Although the Courts cannot open for business until 2014 at the earliest, the exact date depending upon ratification of the Agreement by a number of countries, we will consider how best to service our clients' needs in Paris in the course of this year.

During the period we continued to see an increase in business generated from the US, where Murgitroyd has two offices, with a rise in sales from US clients of 9.5%.

The market

The markets in which Murgitroyd operates continued to display structural growth.

Statistics available from the European Community Trade Mark Office ("OHIM"), based in Alicante, show a good increase in Community Trade Mark applications in 2012, up nearly 3% on the number of applications in 2011, a year that had seen the previous record high number of filings.

The European Patent Office ("EPO") published its preliminary filing statistics for 2012 on 17 January 2013. These reported an annual increase of 5.7% in European Patent applications, to 258,000 applications, setting a new record. Of these, 63% came from applicants based outside Europe, with 24.7% of filings coming from the US. In the same year, the EPO published 65,700 granted patents, 5.8% more than the year before (2011: 62,115).

Both OHIM's and the EPO's statistics are used as bellwethers for the market for new filings for Intellectual Property Rights and are considered good indicators of wider market conditions.

People

We would like to take this opportunity to thank all our staff for their continued hard work and commitment to the Group in a challenging macro-economic climate.

Staff numbers were almost unchanged reflecting continuing efficiencies. At 30 November 2012 the Group employed 245 staff (30 November 2011: 244). Of this total headcount, qualified Attorney numbers increased from 64 to 67. Also included in the total staff complement are the first four individuals recruited to the Group's intern programme. Starting with us in the period, and based in offices across the Group's UK network, the interns have already made valuable contributions in both professional and support areas of the business.

Share price

During the period, the middle market share price fluctuated between 316p and 480p. The current middle market price is 460p.

Dividend

The Board is proposing an interim dividend of 3.75p per share (2011: 3.5p) that will be paid on 14 March 2013 to shareholders on the register at 15 February 2013 and will have an ex-dividend date of 13 February 2013. It will also, subject to trading results, the availability of distributable reserves and economic outlook, recommend a final dividend.

Outlook

Murgitroyd has again demonstrated solid growth and reported record interim pre-tax profits. Despite being confident in our prospects we are however not complacent given the current economic environment and therefore remain cautious. Cost control must continue to be a key focus for the Board as we continue to develop the business by investing in growth opportunities. The Board remains confident that Murgitroyd can deliver long term growth and value to shareholders. Current trading is in line with market expectations.

Ian G Murgitroyd
Chairman

4 February 2013

This interim announcement was approved by the Board of Directors on 4 February 2013.

MURGITROYD GROUP PLC

Unaudited Condensed Consolidated Income Statement
For the six months ended 30 November 2012

	Six months ended 30 November 2012 £'000	Six months ended 30 November 2011 £'000	Year ended 31 May 2012 £'000
Revenue	**17,638**	18,005	35,699
Cost of sales	**(7,049)**	(7,614)	(14,836)
Gross profit	**10,589**	10,391	20,863
Administrative expenses (including property revaluation uplift of £30,000 in year ended 31 May 2012)	**(8,283)**	(8,126)	(16,325)
Operating profit before property revaluation uplift	**2,306**	2,265	4,508
Property revaluation uplift	**-**	-	30
Operating profit	**2,306**	2,265	4,538
Financial income	**2**	2	3
Financial expense	**(41)**	(58)	(112)
Profit before income tax	**2,267**	2,209	4,429
Income tax	**(658)**	(729)	(1,287)
Profit for the period attributable to equity holders of the parent	**1,609**	1,480	3,142
Earnings per share			
Basic	**18.68p**	17.32p	36.76p
Diluted	**18.33p**	16.88p	35.77p

MURGITROYD GROUP PLC

Unaudited Condensed Consolidated Balance Sheet
At 30 November 2012

	30 November 2012 £'000	30 November 2011 £'000	31 May 2012 £'000
Assets			
Non-current assets			
Property, plant and equipment	**2,185**	2,153	2,127
Intangible assets	**14,865**	14,828	14,827
Deferred tax asset	**73**	67	73
Total non-current assets	**17,123**	17,048	17,027
Current assets			
Work in progress	**747**	478	362
Trade and other receivables	**13,395**	13,416	13,176
Cash and cash equivalents	**969**	815	1,208
Total current assets	**15,111**	14,709	14,746
Total assets	**32,234**	31,757	31,773
Current liabilities			
Bank overdraft	**(314)**	(373)	(292)
Other interest-bearing loans and borrowings	**(1,119)**	(1,193)	(1,204)
Trade and other payables	**(5,569)**	(6,389)	(5,943)
Tax payable	**(227)**	(400)	(118)
Total current liabilities	**(7,229)**	(8,355)	(7,557)
Non-current liabilities			
Other interest-bearing loans and borrowings	**(2,384)**	(3,501)	(2,895)
Provisions for liabilities	**(55)**	(55)	(55)
Total non-current liabilities	**(2,439)**	(3,556)	(2,950)
Total liabilities	**(9,668)**	(11,911)	(10,507)
Net assets	**22,566**	19,846	21,266
Equity			
Share capital	**878**	854	855
Share premium	**3,067**	2,646	2,676
Merger reserve	**6,436**	6,436	6,436
Retained earnings	**12,185**	9,910	11,299
Total equity attributable to equity holders of the parent	**22,566**	19,846	21,266

MURGITROYD GROUP PLC

Unaudited Condensed Consolidated Statement of Cash Flows
For the six months ended 30 November 2012

	Six months ended 30 November 2012 £'000	Six months ended 30 November 2011 £'000	Year ended 31 May 2012 £'000
Cash flows from operating activities			
Profit for the period	**1,609**	1,480	3,142
Adjustments for:			
Depreciation	**104**	113	220
Amortisation	**5**	1	2
Loss on disposal of property, plant and equipment	**-**	-	1
Property revaluation surplus	**-**	-	(30)
Financing costs	**39**	56	109
Equity settled share-based payment expense	**12**	29	59
Income tax expense	**658**	729	1,287
	2,427	2,408	4,790
Increase in trade and other receivables	**(219)**	(844)	(604)
(Increase)/decrease in work in progress	**(385)**	267	383
Decrease in trade and other payables	**(374)**	(31)	(470)
Decrease in provision for liabilities	**-**	(10)	(10)
	1,449	1,790	4,089
Interest paid	**(41)**	(59)	(119)
Interest received	**2**	2	3
Income tax paid	**(549)**	(699)	(1,549)
Net cash from operating activities	**861**	1,034	2,424
Cash flows from investing activities			
Acquisition of property, plant and equipment	**(162)**	(111)	(163)
Acquisition of intangible assets	**(43)**	-	-
Net cash used in investing activities	**(205)**	(111)	(163)
Cash flows from financing activities			
Proceeds from exercise of share options	**414**	-	31
Repayment of borrowings	**(596)**	(593)	(1,189)
Dividends paid	**(735)**	(619)	(918)
Net cash used in financing activities	**(917)**	(1,212)	(2,076)
(Decrease)/increase in cash and cash equivalents	**(261)**	(289)	185
Cash and cash equivalents at start of period	**916**	731	731
Cash and cash equivalents at period end	**655**	442	916

MURGITROYD GROUP PLC

Unaudited Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 November 2012

	Six months ended 30 November 2012 £'000	Six months ended 30 November 2011 £'000	Year ended 31 May 2012 £'000
Opening total equity	**21,266**	18,956	18,956
Profit for the period	**1,609**	1,480	3,142
Dividends	**(735)**	(619)	(918)
Share based payments	**12**	29	59
Deferred tax on share options	**-**	-	(4)
Share options exercised	**414**	-	31
Closing total equity	**22,566**	19,846	21,266

NOTES:

1 Basis of preparation

Murgitroyd Group PLC ("the Group") is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Group for the six months ended 30 November 2012 comprise those of Murgitroyd Group PLC and its subsidiaries (together referred to as "the Group").

The interim statement is prepared applying the recognition and measurement requirements of IFRSs as adopted by the EU. The Group has elected not to prepare the interim statement in accordance with IAS 34 as adopted by the EU.

The interim statement does not include all the information required for full annual financial statements and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 May 2012 which were prepared in accordance with IFRS as adopted by the EU.

The preparation of the interim statement requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results differ from these estimates. The accounting policies applied by the Group in this interim statement are the same as those applied in its financial statements as at and for the year ended 31 May 2012. The following amendment to existing standards was effective for the first time in the financial period commencing on 1 June 2012 but did not have a material impact on the condensed interim statement of the Group.

Deferred Tax: Recovery of Underlying Assets – Amendment to IAS 12 introduces an exception to the current measurement principles of deferred tax assets and liabilities arising from investment property measured using the fair value model in accordance with IAS 40 Investment Property. The exception also applies to investment properties acquired in a business combination accounted for in accordance with IFRS 3 Business Combinations provided the acquirer subsequently measure these assets applying the fair value model.

The comparative figures for the financial year ended 31 May 2012 are not the Group's statutory accounts for that financial year. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The interim statement was approved by the Board of Directors on 4 February 2013.

2 Taxation

A charge for taxation has been included at the effective rate likely to be applied to the UK result for the full year to 31 May 2013. Deferred tax is recognised at 23%.

3 Earnings per share

The earnings per share of Murgitroyd Group PLC are calculated by reference to the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during each period, as follows:

	Six months ended 30 November 2012 £'000	Six months ended 30 November 2011 £'000	Year ended 31 May 2012 £'000
Profit for the period attributable to equity holders of the parent	1,609	1,480	3,142
Basic weighted average number of shares	8,613,681	8,540,563	8,544,971
Diluted weighted average number of shares	8,775,469	8,765,890	8,781,927
Basic earnings per share	18.68p	17.32p	36.76p
Diluted earnings per share	18.33p	16.88p	35.77p

4 Dividend

The Board is proposing an interim dividend of 3.75p per share (30 November 2011: 3.5p) that will be paid on 14 March 2013 to shareholders on the register at 15 February 2013 and will have an ex-dividend date of 13 February 2013. It will also, subject to trading results, the availability of distributable reserves and economic outlook, recommend a final dividend.

Copies of this announcement and the full interim statement will be available, free of charge for a period of one month, from the Group's Nominated Adviser:

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Independent review report to Murgitroyd Group PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly report for the six months ended 30 November 2012 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Statement of Cash Flows, the Condensed Consolidated Statement of Changes in Equity 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 November 2012 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.

B Marks
for and on behalf of KPMG Audit Plc
Chartered Accountants

4 February 2013