

8 SEPTEMBER 2005



FDM GROUP PLC
(“FDM” or the “Group”)

UNAUDITED INTERIM RESULTS

FDM Group Plc, (LSE: FDMG), the IT Services provider, is pleased to announce its unaudited interim results for the half-year ended 30th June 2005.

Financial Highlights

- Sales increased by 4.2% on the comparable period last year to £16.4 million (H1 FY04: £15.8 million).
- Gross profit increased to £3.2 million (up 6.8% on the comparable period).
- Group adjusted operating profit* increased by 17.7% to £0.96 million (H1 FY04: £0.82 million).
- Adjusted profit before tax* of £0.94 million (H1 FY04: £0.82 million), an increase of 14.4%.
- Profit before tax of £0.4 million (H1 FY04: £0.8 million).
- Fully diluted earnings per share of 0.5p.
- Adjusted fully diluted earnings per share* of 3.2p.
- Interim dividend of 0.5p per share.
- Net cash position as at 30 June 2005 was £2.0 million.

*These adjustments are the adding back of float costs and UITF 17 share option charges

Operating Highlights

- Increase in Group gross profit margin to 19.6% (H1 FY04:19.1%) attributed to focus on the Group’s higher margin business model.
- Utilisation of Mounties during the period at 95% (94.5 % 2004).
- Contractors on billing increased by 10% over the 6 month period from 426 to 469 at 30th June 2005 and has continued to grow subsequently.
- Net operating profit margins, after adding back float costs and UITF 17 share option charges, increased to 5.7% (H1 FY04: 5.2%).
- Contracts signed with over 20 new clients, including Direct Line, ABN AMRO and SonyNet Services GmbH.
- Successful flotation on AIM in April 2005, raising £3.0 million (net) for the Company.

Rod Flavell, CEO of FDM, commented, “The Board and I are happy with the Group’s progress since flotation. The sectors in which we operate remain robust and our clients are continuing to develop systems using the technologies that FDM specialise in. Demand for our Mounties is strong and has contributed to a number of account wins this year. All in all we believe it has been a sound start to FDM’s life as a public company and we look forward to the future with confidence.”

High resolution images of FDM’s directors are available for the media to view and download free of charge from www.vismedia.co.uk

ENQUIRIES:**FDM Group Plc****Tel: 0870 060 3100**

Rod Flavell, Chief Executive Officer

Julian Divett, Chief Operating Officer

Noble & Company Limited**Tel: 0207 763 2200**

Nick Naylor

Nick Athanas

ICIS**Tel: 0207 651 8688**

Archie Berens

Caroline Evans-Jones

About FDM

FDM Group Plc (LSE: FDMG) is an International IT services provider with three business units: IT Staffing; IT Professional Services; and IT Training. The Group provides IT services across five business sectors: financial services; systems integrators and software houses; telecommunications and broadband; media; and the public sector, with approximately 120 clients. As well as supplying freelance IT contractors to its clients, FDM Group trains, certifies and places its own employed consultants (known as "Mounties") with clients. This differentiates the Company from the majority of its competitors in the IT staffing market who rely on a shared database of IT freelance contractors. The Mounties generate higher gross profit margins for FDM Group than freelance IT contractors, thus allowing the Company to generate gross margins higher than the industry average. The Company specialises in JAVA programming skills, one of the standard technologies behind the Internet. The total worldwide JAVA market is currently estimated to be \$100 billion sales a year, with an additional \$110 billion in related IT spending. The Company floated on AIM on 7th April 2005.

For further information, please visit the Company website at: www.fdmgroup.com

CHAIRMAN'S & CEO'S REVIEW

We are delighted to present the Group's first interim results since its flotation on AIM in April 2005. These results cover the period from 1st January 2005 to 30th June 2005 and clearly reflect the benefits of our strategy to focus on profitable growth through the selective bidding for higher margin business.

Results

Trading conditions experienced by the Group have continued to improve and we have increased our group sales and profits during the six month period. Group sales for the half-year increased 4.2% to £16.44 million and our focus on higher margin business saw our gross profit margin percentage improve to 19.6% (H1 FY04: 19.1%). Net profit operating margin (before float costs and UITF 17 share option charges) rose to 5.7% (H1 FY04: 5.2%).

The Group has adopted UTIF17 (Accounting for Employee Share Options). This has resulted in a charge of £40,000 being incurred during the period (H1 FY04:Nil)

Net assets increased to £5.3 million and our net cash position at 30 June 2005 was £2.025 million.

Admission to AIM

On 7th April 2005, following a successful placing, FDM's shares started trading on AIM. The Board is particularly pleased with the interest shown by major institutional investors, and we welcome all our new shareholders, along with those who have purchased shares subsequently.

The Group raised £3.5 million before expenses through the placing of 4.5 million new shares with institutional investors at 78p per share. The net proceeds from our flotation are being used to strengthen our balance sheet and will continue to be used to invest in the further development and organic growth of the Group.

Operations

All aspects of our business have continued to show improvements. Companies operating in our major market, financial services, have continued to invest in JAVA based systems, an area of key strength for FDM. During the six months ended 30 June 2005, financial services accounted for 36.6% of our turnover, systems integrators - 32.8%, telecoms - 9.8%, media - 14.4% and the public sector - 0.6%.

Our three trading divisions, IT Staffing, Professional Services and Training have experienced good trading conditions in the first half of the year. Competition remains fierce in the UK but our distinctive Mountie consultant model remains popular with our clients and utilisation of our 104 permanent IT consultants remained high at 95%. During the six months ended 30 June 2005, the Group signed contracts with over 20 new clients including Direct Line, The One Account, ABN AMRO and Mitsubishi Securities.

IT Staffing

UK – The IT contract staffing market in the UK has continued to grow, steadily, during H1 2005. Many companies are investing in the development of their IT systems using the JAVA and Microsoft .NET tools on these projects.

Competition for consultants with these technologies is pushing rates up and creating niche skill shortages. Clients' Preferred Supplier Lists are under pressure to meet these needs inside very tight fiscal parameters.

As a specialist supplier, FDM's business opportunities remains positive and because of our unique Mountie proposition demand for our services has lead to a number of new customer wins e.g. JPMorgan, ACE, the NHS and UBS.

Europe

Our Benelux and German operations are primarily focused on our Resource Solution Services. Our European Division has seen gross profit margins increase by 2.8% and net operating profits by 4.5% (compared to H1 04). A number of new contracts have been secured with SonyNet Services and JP Morgan.

USA

Our staffing operation in the USA has seen turnover and operating profit grow by over 100%. Major customer wins with EDS and Credit Suisse First Boston have highlighted the continued recovery of this Division. Management has consolidated on the gains made in 2004 by replacing lower margin contracts with higher margin deals.

IT Professional Services

The Professional Services division has started the year well winning new contracts in the banking sector, coupled with our on-going IT support and consultancy services with existing clients. Two of its new clients, ABN AMRO and Direct Line will continue to provide on-going business during the second half of 2005.

IT Training

With a solid operational start to the year, the IT training team will be looking to consolidate on their work to date and develop new accounts to complement existing business with Deloitte and Oracle.

Academy

The two training streams – JAVA and Application Testing have continued to produce well qualified employees to enhance our workforce. We have supplemented our capability with the development of the .NET course and our first trainees will graduate in September 2005. Already our clients have indicated keen interest in the .NET Mounties and we anticipate strong demand in the second half of this year.

Market

The market for our services remains robust. The UK market is currently experiencing strong demand for IT contractors with JAVA and .NET skills. Large IT end-users that rely on Preferred Suppliers Lists (PSL) to fill their contract needs are experiencing recruitment supply pressures in these niche skills which are pushing up contract rates. FDM does not participate in the low margin

PSL environment as this has a detrimental effect on our gross margins. We expect to see continued demand for our group services during the second half the year, coupled with an improvement in billing rates.

Employees & Shareholders

Our employees are our major asset and we would like to thank them for their continuing hard work during a year when the unusual demands of a flotation have brought the best out of a tightly knit team. The Board would also like to thank all our shareholders for their continued support.

Dividend

An interim dividend of 0.5 pence per share will be paid on 14th October 2005 to shareholders on the register on 16th September 2005. This is FDM's maiden interim dividend as an AIM listed company and is being paid in accordance with the dividend policy set out in the Admission Document published at time of the flotation.

Board Appointment

We are delighted to have appointed Jonathan Wright as non-executive Director on 1st January 2005. An active search for another non-executive Director is underway, with the objective of strengthening the Board and complementing the experience of the executive Directors.

Outlook

We are pleased with the progress that we are making in the current year. This is encouraging and we expect to continue to grow from this established base and view the future with confidence.

We are an international company focused on supporting global businesses as they roll-out JAVA technology. Our unique Mountie model is also being expanded with the addition of new technology streams for Microsoft .NET and Application Testing to take advantage of the growth in this area of the market. We believe that FDM has significant scope to grow this high margin business through the rest of 2005 and into 2006.

With an improving market for our services, we will continue to invest in our higher margin generating services in the second half of the year.

BRIAN DIVETT
CHAIRMAN

ROD FLAVELL
CHIEF EXECUTIVE

8th September 2005

FDM Group Plc
Consolidated Profit and Loss Account
For the Six months ended 30 June 2005

Notes

| | | Unaudited Six Months ended 30 June 2005 £'000 | Unaudited Six Months ended 30 June 2004 £'000 | Restated Year ended 31 December 2004 £'000 |
|--|---|--|---|--|
| Turnover from continuing operations | 2 | 16,438 | 15,778 | 32,971 |
| Cost of Sales | | (13,224) | (12,769) | (26,692) |
| Gross Profit | | 3,214 | 3,009 | 6,279 |
| Administration Expenses excluding exceptional costs | | (2,290) | (2,190) | (4,486) |
| Exceptional float costs | 4 | (497) | | |
| Other Income | | | | 15 |
| Operating Profit After Exceptionals | | 427 | 819 | 1,808 |
| Interest Payable | | (27) | | (3) |
| Profit Before Tax | | 400 | 819 | 1,805 |
| Taxation | 5 | (289) | (266) | (590) |
| Profit After Tax | | 111 | 553 | 1,215 |
| Dividends (As restated for 2004) | | (298) | (297) | (297) |
| Retained Profit for Period | | (187) | 256 | 918 |
| Basic earnings per share (in pence) | | 0.5p | 2.3p | 5.0p |
| Diluted earnings per share (in pence) | | 0.5p | 2.3p | 5.0p |
| Adjusted Basic earnings per share (in pence)* | | 3.2p | 2.3p | 5.0p |
| Adjusted Diluted earnings per share (in pence)* | | 3.2p | 2.3p | 5.0p |

* These adjustments are the adding back of float costs (see note 4) and the UITF 17 Accounting for Employee Share Schemes charge (see note 3).

FDM Group Plc
Consolidated Balance Sheet
For the Six months ended 30 June 2005

| | Unaudited Six Months ended 30 June 2005 £'000 | Unaudited Six Months ended 30 June 2004 £'000 | Restated Year ended 31 December 2004 £'000 |
|--------------------------------------|--|--|---|
| Fixed Assets | | | |
| Tangible Assets | 229 | 225 | 237 |
| Intangible Assets | 11 | 17 | 11 |
| | 240 | 242 | 248 |
| Current Assets | | | |
| Debtors | 7,354 | 6,986 | 6,498 |
| Cash at Bank and in hand | 2,206 | 258 | 1,536 |
| | 9,560 | 7,244 | 8,034 |
| Creditors: Falling due within 1 year | (4,500) | (3,905) | (4,645) |
| Net Current Assets | 5,060 | 3,339 | 3,389 |
| Creditors due after 1 year | | | (1,600) |
| Net Assets | 5,300 | 3,581 | 2,037 |
| Share Capital | 188 | 250 | 188 |
| Capital Redemption Reserve | 62 | | 62 |
| Share Premium | 3378 | | |
| Profit & Loss Account | 1672 | 3331 | 1787 |
| Equity Shareholders Funds | 5,300 | 3,581 | 2,037 |

FDM Group Plc
Operating Profit to Net Cash flow from Operating Activities
For the Six months ended 30 June 2005

| | Unaudited Six Months ended 30 June 2005 £'000 | Unaudited Six Months ended 30 June 2004 £'000 | Audited Year ended 31 December 2004 £'000 |
|--|--|--|---|
| Operating Profit from continuing activities | 427 | 819 | 1808 |
| Depreciation | 48 | 56 | 111 |
| Loss on sale of fixed assets | 1 | 1 | 5 |
| UITF17 Charge | 40 | | |
| Increase in debtors | (902) | (2,087) | (1,704) |
| Increase in creditors | 764 | 427 | 637 |
| Net cashflow from continuing operating activities | 378 | (784) | 857 |
| Returns on Investment and servicing of finance | | | |
| Interest paid | (48) | - | (17) |
| Interest received | 21 | - | 14 |
| Equity dividends paid | (698) | (197) | 103 |
| Taxation | (445) | (246) | (155) |
| Capital expenditure & Financial Investment | | | |
| Disposal of own shares held | 58 | | |
| Purchase of fixed assets | (41) | (87) | (148) |
| Sale of fixed assets | - | - | - |
| Cash flow before management of liquid resources and financing | (775) | (1,314) | 654 |
| Financing | 1,578 | (3) | (339) |
| Increase/(decrease) in cash in period | 803 | (1,317) | 315 |

FDM Group Plc
Reconciliation of net cash flow to movement in net funds
For the Six months ended 30 June 2005

| | Unaudited Six Months ended 30 June 2005 £'000 | Unaudited Six Months ended 30 June 2004 £'000 | Audited Year ended 31 December 2004 £'000 |
|--|--|--|---|
| Increase/(decrease) in cash in period | 803 | (1,317) | 315 |
| Loan repaid/(advanced) | 1,800 | - | (1,800) |
| Repayment of finance leases | - | 3 | 3 |
| Change in net debt | 2,603 | (1,314) | (1,482) |
| Translation differences | (18) | (10) | 6 |
| Movement in net funds in period | 2,585 | (1,324) | (1,476) |
| Net funds at start of period | (560) | 916 | 916 |
| Net funds at end of period | 2,025 | (408) | (560) |

Notes to the Interim Report

1. Basis of Preparation

The financial information contained herein does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The interim report has been prepared using the same accounting policies as for the financial statements for the year ended 31st December 2004, except for a change in accounting policy for dividends in accordance with FRS21 Post Balance Sheet Events. The comparative figures for the year ended 31st December 2004 are not the company's statutory accounts for that financial year. These amounts have been extracted from those financial statements and restated on adoption of FRS21 Post Balance Sheet Events, which is applicable for the first time. The statutory accounts (prior to the restatement) have been reported on by the company's auditors and delivered to the registrar of companies. The report of the auditors did not contain statements under section 237(2) or (3) of the Companies Act 1985.

2. Segmental Information -Turnover

| | Unaudited Six Months ended 30 June 2005 £'000 | Unaudited Six Months ended 30 June 2004 £'000 | Audited Year ended 31 December 2004 £'000 |
|---------|--|--|--|
| UK | 12,998 | 12,756 | 26,734 |
| Europe | 2,471 | 2,539 | 5,145 |
| America | 969 | 483 | 1,092 |
| | 16,438 | 15,778 | 32,971 |

3. Administration Expenses

In accordance with UITF 17 Accounting for Employee Share Schemes, a charge of £40K has been made to Administration Expenses for period ended June 2005.

4. Exceptional Charges

The profit and loss for the period ended 30th June 2005 includes exceptional Administration Expenses of £497K relating to the costs associated with the flotation of the Group on the Alternative Investment Market of the London Stock Exchange.

5. Taxation

The tax charge for the half year has been based on the estimated effective tax rate for the full year.

6. Dividends

The Directors have recommended an interim dividend of 0.5p per share to be paid on (insert day) October 2005 to shareholders on the register on 14th September 2005.

7. Earnings per share

Earnings per share have been calculated using the weighted average number of shares in issue during the period 20,550,011 (June 2004 24,375,000). The diluted earnings per share is based on 20,559,092 (June 2004: 24,375,000) and reflects the potential exercise of share options granted.

8. Circulation to Shareholders

Copies of the interim statement will be sent to shareholders with further copies available from the Company Secretary, FDM Group Plc, 2nd Floor Lanchester House, Trafalgar Place, Brighton, East Sussex. BN1 4FL.