

Arden Partners plc
("Arden" or the "Company")

Preliminary results for the year ended 31 October 2007

Arden Partners plc (AIM: ARDN), the institutional stockbroking company, today announces preliminary results for the year ended 31 October 2007.

Financial highlights

- Turnover increased by 18% to £16.8 million (2006: £14.3 million)
- Underlying profit before tax* increased by 18% to £5.5 million (2006: £4.7 million)
- Profit after tax increased by 35% to £3.5 million (2006: £2.6 million)
- Underlying basic earnings per share** increased by 13% to 15.4p (2006: 13.6p)
- Final dividend proposed in respect of the year ended 31 October 2007 of 4.5p per ordinary share

* Profit before tax as adjusted for the effect of share based payments (FRS 20) and exceptional costs

** Underlying earnings as adjusted for the after-tax effect of share based payments and exceptional costs (see note 4 to the Consolidated Financial Statements)

Operational highlights

- £205 million raised for clients in 2007 (2006: £137 million)
- 22 transactions completed during the period, comprising 3 IPOs, 12 Secondary fundraisings, 1 pre-IPO, and 6 M&A based transactions
- Corporate brokership clients increased by 9% to 36 (2006: 33)

Commenting on the results and Arden's outlook, Sir David Rowe-Ham, Chairman, said:

"I am delighted to report that the Company continues to meet its objectives in growing the business and has achieved a record year. In the light of these strong results the Board has decided to recommend an increase in the anticipated final dividend.

The market is facing difficult times and to have achieved these results under such circumstances speaks volumes for the underlying quality of Arden's business model. Small cap markets in particular have become more difficult as risk aversion has increased amongst investors who have become more selective. I am pleased that we have made a good start to the current financial year and trading to date has given the Board confidence that the Company can grow in challenging conditions."

Arden Partners plc

Jonathan Keeling- Chief Executive Officer
Trevor Norris- Group Finance Director
Tony Bartlett- Non Executive Director

0207 398 1630

Altium

Sam Fuller

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Mark Edwards
Nick Melson

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Chairman's Statement

I am delighted to report that the Company continues to meet its objectives in growing the business and has achieved a record year. In the light of these strong results the Board has decided to recommend an increase in the anticipated final dividend.

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Since my last statement there have been a number of personnel changes not least the appointment of Jonathan Keeling as Chief Executive Officer (CEO). Tony Bartlett stepped down in early January in a scheduled move having fully met his objectives for the Company. I offer him our sincere thanks for his leadership skills whilst CEO and we are delighted that he will be remaining on the Board in a non-executive capacity. Jonathan has been involved with the Company since its inception and I am positive that he will lead continued growth and that he can look forward to the support of all.

We have seen some consolidation moves within our industry and uncertain market conditions will dictate more of the same. The Board will continue to be alert to potential opportunities that arise.

Finally, I would like to say thank you to our staff and our many clients for their contribution in making this another successful year.

Sir David Rowe-Ham
Chairman

Operational and Financial Review

Introduction

This has been our first full year as a Public Limited Company and we are pleased to have delivered significant success across each area of our business and to have delivered a record year. This continues the trend since the inception of the business some six years ago. Arden continues to attract new institutional and corporate clients and this remains our strategy for future growth. We have also continued to develop our research-led philosophy and we remain confident that this model minimises business risk in difficult and challenging markets.

Financial Review

For the year ended 31 October 2007, turnover rose by 18% to £16.8 million (2006: £14.3 million). Profit before tax increased by 27% to £5.2 million (2006: £4.1 million). Underlying profit before tax increased by 18% to £5.5 million (2006: £4.7 million). Exceptional items in 2007 of £318,000 as reported in our interim release in July relates to costs associated with a potential acquisition which was terminated. Operating profit is stated after charging a provision of £500,000 (2006: £Nil) against certain investments held in the Balance Sheet.

Our concentration on controlling overheads has resulted in an increase in underlying operating margin to 33% (2006: 31%). Basic earnings per share increased by 27% to 14.0p from 11.0p and diluted earnings by 24% to 13.0p from 10.5p. Underlying basic earnings per share (having adjusted for the effects of share based payments and exceptional items) increased by 13% to 15.4p from 13.6p and underlying diluted earnings per share increased by 10% to 14.3p from 13.0p.

As the Chairman has stated, we are delighted by the performance of the Group in what has been difficult market conditions and where across our industry a number of Initial Public Offerings ("IPOs") have been either aborted or delayed. During the year we completed twenty-two transactions of which three were IPOs, twelve were secondary fundraising with the remainder being M&A and pre-IPO based transactions. In total we raised over £205 million for our clients.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 October 2007

	Note	2007 £'000	2006 £'000
Turnover	2	16,774	14,274
Administrative expenses		(12,071)	(10,392)
Operating profit		4,703	3,882
Interest receivable and similar income		461	206
Interest payable and similar charges		(3)	(38)
Profit on ordinary activities before taxation		5,161	4,050
Taxation on profit on ordinary activities		(1,704)	(1,489)
Profit on ordinary activities after taxation		3,457	2,561
Earnings per share			
Basic	4	14.0	11.0p
Diluted	4	13.0	10.5p

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 October 2007

	2007 £'000	2006 £'000
Profit for the financial year and total recognised gains and losses for the financial year	3,457	2,561
Prior year adjustment – preference share dividend	-	(337)
Total gains and losses recognised since last Financial Statements	3,457	2,224

CONSOLIDATED BALANCE SHEET

At 31 October 2007

	2007 £'000	2007 £'000	2006 £'000	2006 £'000
Fixed assets				
Tangible assets		512		388
Current assets				
Long market making positions and similar investments	2,009		1,800	
<i>Market debtors</i>	6,114		6,094	
<i>Other debtors</i>	3,639		1,075	
Debtors	9,753		7,169	
Cash at bank and in hand	7,855		8,260	
	19,617		17,229	
Creditors: amounts falling due within one year	(9,798)		(9,828)	
Net current assets		9,819		7,401
Total assets less current liabilities		10,331		7,789
Capital and reserves				
Called up share capital		2,470		2,470
Share premium account		2,646		2,646
Employee Benefit Trust Reserve		(200)		(200)
Profit and loss account		5,415		2,873
Shareholders' funds		10,331		7,789

COMPANY BALANCE SHEET

At 31 October 2007

	2007 £'000	2007 £'000	2006 £'000	2006 £'000
Fixed assets				
Tangible assets		512		388
Fixed asset investments		-		-
		512		388
Current assets				
Long market making positions and similar investments	2,009		1,800	
<i>Market debtors</i>	6,114		6,094	
<i>Other debtors</i>	3,639		1,075	
Debtors	9,753		7,169	
Cash at bank and in hand	7,855		8,260	
	19,617		17,229	
Creditors: amounts falling due within one year	(9,798)		(9,828)	
Net current assets		9,819		7,401
Total assets less current liabilities		10,331		7,789
Capital and reserves				
Called up share capital		2,470		2,470
Share premium account		2,646		2,646
Employee Benefit Trust reserve		(200)		(200)
Profit and loss account		5,415		2,873
Shareholders' funds		10,331		7,789

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 October 2007

	2007 £'000	2006 £'000
Net cash inflow from trading results	2,339	4,218
Exceptional cash flow items	(318)	(613)
Net cash inflow from operating activities	2,021	3,605
Returns on investments and servicing of finance	458	(176)
Taxation	(1,575)	(1,800)
Capital expenditure and financial investment	(360)	(315)
Dividends paid (equity)	(949)	(400)
Cash inflow before use of liquid resources and financing	(405)	914
Management of liquid resources	(1,393)	1,026
Financing	-	1,731
Increase in cash	(1,798)	3,671

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) Basis of preparation

The Group financial statements have been prepared under the historical cost convention and are in accordance with applicable UK accounting standards. In preparing these financial statements the Group has used the accounting policies adopted in the April 2007 interim financial statements.

The financial information on the Group set out above does not constitute statutory accounts within the meaning of section 240 of the Companies Act 1985. Information relating to the year ended 31 October 2006 is derived from the statutory accounts for that year, which have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include any matters to which the auditors drew attention by way of emphasis of matter without qualifying the audit report, and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The financial information above has been derived from the audited financial statements of Arden Partners plc for the year ended 31 October 2007. The financial information does not constitute the Group's full financial statements for the year ended 31 October 2007. The statutory accounts for 2007 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

2) Turnover

Turnover is wholly attributable to the principal activity of the Group and arises solely within the United Kingdom.

	2007 £'000	2006 £'000
Commission and market making	7,396	6,082
Corporate finance	9,378	8,192
	16,774	14,274

The Directors are of the opinion that there are only two revenue streams and that business resources can not be readily allocated to revenue streams for the purposes of deriving either profit or net assets.

3) Employees

Staff costs (including Directors) of the Company and Group consist of:

	2007 £'000	2006 £'000
Wages and salaries	3,568	2,881
Incentive payments	2,373	2,267
Share-based payments	34	17
Social security costs	737	655
Other pension costs	408	313
	7,120	6,133

The average number of employees (including Directors) during the year in the Company and the Group was 50 (2006: 44) of which 43 (2006: 37) are front-office and the remainder are administration.

4) Earnings per Share

In addition to the basic earnings per share, underlying earnings per share has been shown because the Directors consider that this gives a more meaningful indication of the underlying performance of the Group. Where applicable, all adjustments are stated after taking into consideration the appropriate tax treatment.

	Year ended 31 October 2007		Year ended 31 October 2006	
	Pence per Share	Numerator £'000	Pence per Share	Numerator £'000
Basic Earnings	14.0	3,457	11.0	2,561
Add: FRS 20 share-based payments	0.1	34	-	17
Add: Aborted acquisition costs	1.3	318	-	-
Add: FRS 25 flotation costs	-	-	2.6	613
Underlying Basic Earnings	15.4	3,809	13.6	3,191

Diluted Earnings	13.0	3,457	10.5	2,561
Add: FRS 20 share-based payments	0.1	34	-	17
Add: Aborted acquisition costs	1.2	318	-	-
Add: FRS 25 flotation costs	-	-	2.5	613
Underlying Diluted Earnings	14.3	3,809	13.0	3,191

	Number	Number
Denominator		
Weighted average number of shares in issue for Basic Earnings calculation	24,701,872	23,382,745
Weighted average dilution for outstanding share options	1,941,819	1,098,373
Weighted average number for Diluted Earnings calculation	26,643,691	24,481,118

Notes

- 1) On 21 September 2007, 800,000 options were issued under the auspice of the Arden Partners Share Plan 2007 (a long-term incentive plan). 750,000 of these have performance targets which began on 1 November 2007 and which therefore have an effective exercise date beyond 31 October 2010. Accordingly, these options have been excluded from the weighted average calculation for diluted earnings and no FRS 20 charge is made to the Profit and Loss Account.
- 2) These accounts include a £500,000 provision for a permanent diminution against current asset investments. Should earnings per share be adjusted to take account of this adjustment basic and diluted earnings figures would be as follows:

	Year ended 31 October 2007		Year ended 31 October 2006	
	Pence per Share	Numerator £'000	Pence per Share	Numerator £'000
Underlying Basic Earnings per above	15.4	3,809	13.6	3,191
Add: After tax effect for the provision for permanent diminution in current asset investments	1.4	350	-	-
Underlying Basic Earnings having adjusted for provision for permanent diminution	16.8	4,159	13.6	3,191
Diluted Earnings per above	14.3	3,809	13.0	3,191
Add: After tax effect for the provision for permanent diminution in current asset investments	1.3	350	-	-
Underlying Diluted Earnings having adjusted for provision for permanent diminution	15.6	4,159	13.0	3,191

5) Annual Report & Accounts

Copies of the 2007 Report and Accounts will be posted to shareholders in due course. Copies will also be sent to the AIM team and will be available from the Company's registered office.