Tasty plc

Chairman's statement

I am pleased to report on the Group's half year results for the 26 weeks ended on 29 June 2008.

Results

Turnover for the 26 weeks ended 29 June 2008 was £3,716,000 (2007 - £2,439,000). Turnover has increased by more than 52% reflecting new openings and maturing units. The profit before pre-opening costs of £107,000 (2007 – £92,000) and redundancy costs of £50,000 (2007 – nil) was £65,000 (2007 – loss £45,000). The overall loss before tax for the period was £92,000 (2007 – £137,000). A reduction in operating loss has been achieved by wage cost management and increased buying power offsetting food cost increases across the sector. The allocation of various costs between cost of sales and administrative expenses was changed at year ended 30 December 2007 in order to fall in line with general industry practice without affecting our underlying results and the comparative figures for the 26 weeks ended 1 July 2007 shown in this report have been adjusted accordingly. On this basis, cost of sales for the period were £3,449,000 (2007 – 2,311,000) and total administrative expenses were £422,000 (2007 - £336,000). The results have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS").

Basic and diluted loss per share for the period was 0.29p (2007 – 0.51p).

Cash flows and financing

During the period we incurred capital expenditure of £1,786,000 (2007 - £2,806,000), predominantly on the fit-out of new restaurants. Overall, the net cash outflow prior to financing flows was £1,393,000 (2007 - £3,032,000) and as at 29 June 2008 the Group had net cash balances of £1,986,000 (2007 - £3,702,000).

Outlook

During the first six months of 2008, we opened two new restaurants bringing the number of restaurants at the period end to ten and we will be opening a further restaurant later on this month under the Italian themed 'Wildwood' brand. Further new openings will be dependent on the cash resources available to the Group.

Despite the continuing challenging economic conditions, we continue to trade in line with expectations for 2008 and the average spend at the restaurants means the business should be well positioned for the economic conditions ahead.

K Lassman
Chairman
Tasty plc

8 September 2008

Consolidated Income Statement
(unaudited)

	26 weeks ended 29 June 2008 £'000	26 weeks ended 1 July 2007 '£'000	52 weeks ended 30 December 2007 £'000
Revenue	**3,716**	2,439	5,437
Cost of sales	**(3,449)**	(2,311)	(5,531)
Gross profit/(loss)	**267**	128	(94)
Administrative expenses	**(422)**	(336)	(1,434)
Other operating expenses	**-**	-	(1,604)
Operating profit/(loss) excluding pre-opening costs and non trading items	**2**	(116)	(659)
Pre-opening costs	**(107)**	(92)	(279)
Disposal and impairment of property, plant and equipment	**-**	-	(2,194)
Redundancy costs	**(50)**	-	-
Operating loss	**(155)**	(208)	(3,132)
Finance Income	**63**	71	151
(Loss) before taxation	**(92)**	(137)	(2,981)
Income tax expense	**-**	**-**	134
(Loss) for the period attributable to equity shareholders	**(92)**	(137)	(2,847)
(Loss) per share – basic and diluted	**(0.29p)**	(0.51p)	(10.20p)

Consolidated Statement of Changes in Equity
(unaudited)

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 31 December 2006	2,601	3,732	992	(525)	6,800
Changes in equity for 26 weeks ended 1 July 2007					
Loss for the period	-		-	(137)	(137)
Total recognised income and expense for the period	-	-	-	(137)	(137)
Issue of share capital (net of £70,000 issue costs)	273	2,685	-	-	2,958
Equity share options granted	-	-	-	8	8
Balance at 1 July 2007	2,874	6,417	992	(654)	9,629
Changes in equity for 26 weeks ended 30 December 2007					
Loss for the period	-	-	-	(2,710)	(2,710)
Tax on items taken directly to equity	-	-	-	-	-
Total recognised income and expense for the period	-	-	-	(2,710)	(2,710)
Issue of share capital (net of £99,000 issue costs)	243	1,817	-	-	2,060
Equity share options granted	-		-	15	15
Balance at 30 December 2007	3,117	8,234	992	(3,349)	8,994
Changes in equity for 26 weeks ended 29 June 2008					
Loss for the period	-		-	(92)	(92)
Total recognised income and expense for the period	-	-	-	(92)	(92)
Issue of share capital	-	-	-	-	-
Equity share options granted	-	-	-	-	-
	3,117	8,234	992	(3,441)	8,902

Consolidated Balance Sheet

(unaudited)	29 June 2008 £'000	1 July 2007 £'000	30 December 2007 £'000
Non-current assets			
Intangible assets	**10**	10	10
Property, plant and equipment	**6,648**	4,850	5,230
Pre-paid operating lease charges	**1,134**	1,229	1,103
Deferred tax asset	**250**	116	250
Other receivables	**241**	197	196
	8,283	6,402	6,789
Current assets			
Inventories	**220**	105	172
Pre-paid operating lease charges	**50**	46	48
Trade and other receivables	**759**	746	503
Cash and cash equivalents	**1,986**	3,702	3,379
	3,015	4,599	4,102
Total assets	**11,298**	11,001	10,891
Non current liabilities			
Accruals for lease incentives	**(249)**	(138)	(219)
Current liabilities			
Trade and other payables	**(2,147)**	(1,234)	(1,678)
Total liabilities	**(2,396)**	(1,372)	(1,897)
Net assets	**8,902**	9,629	8,994
Capital and reserves attributable to equity shareholders			
Share capital	**3,117**	2,874	3,117
Share premium	**8,234**	6,417	8,234
Merger reserve	**992**	992	992
Retained earnings	**(3,441)**	(654)	(3,349)
Equity	**8,902**	9,629	8,994

Consolidated Cash Flow

(unaudited)	**26 weeks ended 29 June 2008 £'000**	26 weeks ended 1 July 2007 £'000	52 weeks ended 31 December 2007 £'000
Net cash (outflow)/inflow from operating activities			
(Loss) for the period before taxation	**(92)**	(137)	(2,981)
Adjustments for			
Depreciation	**179**	227	309
Amortisation	**-**	1	1
Impairment losses	**-**	-	590
Loss on sale of property, plant and equipment	**-**	-	1.604
Equity settled share-based payment expense	**-**	8	23
Finance income	**(63)**	(71)	(151)
Net cash (outflow)/inflow from operating activities before changes in working capital	**24**	28	(605)
Increase in trade and other receivables	**(381)**	(428)	(1,128)
Increase in inventories	**(48)**	(22)	(90)
Increase in trade and other payables	**735**	125	696
Cash generated from operations	**330**	(297)	(1,127)
Investing activities			
Purchase of property, plant and equipment	**(1,786)**	(2,803)	(4,535)
Purchase of intangible assets	**-**	(3)	(4)
Sale of property, plant and equipment	**-**	-	100
Interest received	**63**	71	151
Net cash outflow from investment activities	**(1,723)**	(2,735)	(4,288)
Net cash inflow from financing			
Issue of share capital	**-**	2,958	5,018
Net (decrease) in cash and cash equivalents	**(1,393)**	(74)	(397)
Cash and equivalents at beginning of period	**3,379**	3,776	3,776
Cash and equivalents at end of period	**1,986**	3,702	3,379

Notes to the financial statements

1 General information

Tasty plc ("Tasty") is a public limited company ("the Group") incorporated in the United Kingdom under the Companies Act 1985 (registration number 5826464). The Company is domiciled in the United Kingdom and its registered address is 19 Cavendish Square London W1A 2AW. The Company's ordinary shares are traded on the Alternative Investment Market ("AIM"). Copies of this Interim Report or the Annual Report and Accounts may be obtained from the above address or on the investor relations section of the Company's website at www.dimt.co.uk.

2 Basis of accounting

Tasty plc ("Tasty"') has prepared its results under International Financial Reporting Standards and International Financial Reporting Council "IFRIC" interpretations as adopted by the European Union ("IFRS"). Tasty adopted IFRS with effect from 1 January 2007.

These standards remain subject to ongoing amendment and/or interpretation and are, therefore, still subject to change. Accordingly, information contained in these interim financial statements may need to be updated for subsequent amendments to IFRS or for new standards issued after the balance sheet date.

The basis of preparation and accounting policies followed in the interim report are the same as those set out in the annual report and accounts for the year ended 31 December 2007. As permitted this interim report has not been prepared in accordance with IAS 34 "Interim Financial Reporting".

This statement does not comprise statutory accounts as defined in Section 240 of the Companies Act 1985. Statutory financial statements for the year ended 30 December 2007, on which the auditors gave an unqualified opinion, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their reports and did not include a statement under section 237 (2) or (3) of the Companies Act 1985, have been filed with the Registrar of Companies. The results for the 26 weeks to 29 June 2008 and 1 July 2007 are unaudited.

The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The consolidated accounts incorporate the financial statements of Tasty plc and its subsidiary, Took Us A Long Time Limited made up to the relevant period end.

As part of the IFRS conversion process, though not a requirement of IFRS, the Group changed its accounting policy in respect of allocation of costs between cost of sales and administrative expenses in the 30 December 2007 accounts.

The presentation of various costs such as rent and rates and other direct occupancy expenses together with marketing and other operational costs and depreciation of the Group's assets have been reallocated in arriving at the loss from operations. Costs which were previously treated as administrative expenses have been reclassified as cost of sales. The prior period comparatives for the 26 weeks to 1 July 2007 have been restated as a result. This is in order that the Group falls into line with the common way of reporting in the industry and has had no affect on the underlying performance of the business.

The effect on the comparative figure has been to increase cost of sales and decrease administrative expenses by £811,000. Comparative turnover for the 26 weeks to 1 July 2007 has also been reduced by £245,000 due to a reclassification of sales from the central kitchen.

3 Income tax expense

The taxation charge for the 26 weeks ended 29 June 2008 has been calculated by applying the estimated effective tax rate for the period ending 28 December 2008

	unaudited 26 weeks to 29 June 2008 £'000	unaudited 26 weeks to 1 July 2007 £'000	52 weeks to 30 December 2007 £'000
UK corporation tax			
Current tax credit on (Loss) for the period	**-**	-	-
Deferred taxation			
Increase in recoverable deferred tax asset	**-**	-	(134)
Total income tax expense/(credit)	**-**	-	(134)

4 Earnings per share

	unaudited 26 weeks to 29 June 2008 Pence	unaudited 26 weeks to 1 July 2007 Pence	52 weeks to 30 December 2007 Pence
Loss per share	**(0.29)**	(0.51)	(10.20)

Basic and diluted earnings per share are the same as there is no dilution. The share options outstanding in the periods have not been included in the calculation of the loss per share as they are anti-dilutive. Options are only taken into account when their effect is to reduce basic earnings per share or increase basic loss per share. Since the Group has made a loss in the current and prior periods the effect of taking into account potential ordinary shares would nearly always be to reduce the basic loss per share.

Earnings per share has been calculated using the numbers shown below:-

	unaudited 26 weeks to 1 July 2007 £'000	unaudited 26 weeks to 1 July 2007 £'000	52 weeks to 30 December 2007 £'000
(Loss) for the period	**(92)**	(137)	(2847)
	Number	Number	Number
Weighted average number of ordinary shares in issue	**31,170**	26,581	27,911