FAIRPOINT.

Fairpoint Group plc

Interim Results for the six months ended 30 June 2011

13 September 2011

Fairpoint Group plc ("Fairpoint" or "the Group") today announces its interim results for the six months ended 30 June 2011

Summary

Since we updated the Market in May on negative trends in the IVA market and on our expected profit before tax for the current financial year, progress to the end of the first half year has been in line with our expectations. In this period the company made a break even (£0.0m) profit before tax adjusted for exceptional items and brand and other intangible amortisation (H1 FY 2010: £2.6million). We are confident in a return to material profits in the second half of the year and expect full year trading results to be in line with market consensus.

Highlights

- Profit before tax adjusted for exceptional items and brand and other intangible amortisation of £0.0m (H1 FY 2010: £2.6million)
- Revenue of £11.8million (H1 FY 2010: £13.9million)
- Exceptional costs of £1.7million (H1 FY 2010: £nil)
- Interim dividend of 1.75p (H1 FY 2010 1.5p)
- Our debt management profit before tax grew by 51% in H1 FY 2011 on H1 FY 2010, driven by earnings enhancing acquisition activity
- Our Financial Services segment grew revenues by 97% in H1 FY 2011 on H1 FY 2010

Our outlook for the remainder of 2011 is an overall return to profitability driven by;

- £1.4 million annualised reduction in the IVA cost base in the second quarter, with expected improvement in op margins in the second half
- Expected further cost improvements in our IVA business following implementation of a new IT system
- Continued acquisition of debt management cases some of which have been completed in early H2 FY 2011
- Rapid growth in our financial services segment in H2 FY2011
- Early results from these activities have been seen in strong profits from June onwards

Looking further forward we continue to progress our diversification strategy with the launch of our short term lending proof of concept in August.

We are in discussions with HMRC and creditor representatives over the refund of VAT charged on IVA services following a recent court ruling in a similar context. Management expects this to result in a cash payment to the Group in the range of £5million to £9 million, with a material proportion of this payment generating an exceptional gain in revenues and earnings, although the precise timing and quantum are currently uncertain.

Matthew Peacock, Chairman said:

"Against a tough market backdrop our operating cash flows from IVA and debt management cases remain resilient and this underpins our ability to continue to grow our debt businesses through acquisition as well as supporting a progressive dividend policy."

Chris Moat said:

"Our strategy of diversifying the business has continued and is increasing in pace and delivery. We are growing our debt management business, largely through acquisition and have now launched our lending business trial which we believe will provide a platform for growth through 2012".

FAIRPOINT.

Chief Executive Officers Report

A key part of the Group's strategy is to reduce its dependency on IVA income by growing other revenue streams. Progress is being made in this regard with revenues from non IVA sources at 26% for H1 FY 2011, up from 15% in H1 FY 2010. However, as one of the largest operators in the provision of IVAs, the Group continues to be susceptible to downward movements in market demand. As flagged in May the first half of 2011 was characterised by a significant reduction in IVA market volumes and average values. Overall in H1 FY 2011 compared with the same period in 2010, market IVA volumes fell by 9%.

In the period, falls in volume and average IVA fees contributed to an overall decline in the Group's IVA revenues and profits. IVA segment contribution was £2.1million in H1 FY 2011 falling by £3.1million year on year and being the major contributor to the reduction in Group Profit before tax adjusted for exceptional items and brand and other intangibles amortisation of £2.6million in the same period. This is in line with expectations set out in our May trading update.

In June we took action to reduce costs in the IVA segment and group overheads leading to expected savings of £1.4million on an annualised basis in the second half of the year.

The tough trading environment led to attractive acquisition opportunities as smaller providers suffered from lack of scale and resources. In the first half we purchased three debt management portfolios and immediately post the balance sheet date we completed the acquisition of a small IVA portfolio. Acquisitions in 2010 and 2011 have generated continued growth in our debt management segment in H1 FY 2011. DMP segment contribution to gross profits was £1.5million in H1 FY 2011 (H1 FY 2010: £1.0million). Since the half year we have added a further 2,000 cases to our debt management segment through acquisition which will provide further impetus to H2 FY 2011 and beyond.

In our financial services segment revenues continued to grow through new product offerings and strong customer take up. Revenues grew from £0.3million in H1 FY 2010 to £0.6million in H1 FY 2011. The main focus for the second half of the year will be the pilot and roll out of our short term lending business – loanextra.com. The costs of establishing this business have been born in the Financial Services segment, accounting for a small loss in this segment in spite of the contribution to gross profits growing to £0.2million year on year (H1 FY 2010: £0.1million).

The Group generated £1.3million of cash from underlying operations in H1 FY 2011. During the period we reinvested £1.2million in debt management acquisitions and paid £1.1million in dividend payments.

Our outlook for cash flow over the second half is strong driven by:

- Improved margins through the benefits of £1.4million in annualised cost savings
- Seasonal improvements in IVA revenues as H1 cases begin to contribute and marketing investment falls towards the final quarter
- Contribution from DMP acquisitions in H1
- Rapid growth in our financial services segment driven in part by PPI reclaim activity

In addition we expect the resolution of our claim to refund VAT charged erroneously on IVA services since June 2007 to have a beneficial impact on cash and earnings, although the exact timing and value of any exceptional gain have yet to be confirmed.

This cash outlook, even allowing for acquisitions supports an interim dividend of 1.75p per share.

FAIRPOINT.

Finance Director's Report

Group revenues were £11.8million in H1 FY 2011 (H1 FY 2010: £13.9million), with the decrease driven by performance in the IVA segment.

Debt Management segment results reflect acquisition activity from 2010 with the benefits of further 2011 acquisitions only feeding through in the latter months of H1 FY2011. Our strategy is successfully growing our book of cases and cases acquired in H2 FY 2011 will provide further impetus.

The actions to reduce the cost base of the company taken in the last month of the period should help to restore gross margins in the second half, having seen in the first half of the year headwinds in IVA contributing to a fall from 44% to 28%.

Overheads grew slightly in the period to £3.3million (H1 FY 2010 £3.2million) as we invested in our short term lending pilot and we absorbed Moneyextra overheads of £0.2million (H1 FY 2010 £nil).

Moneyextra trading performance has so far not met our expectations in the year to date, however management consider its place as a channel within our marketing strategy is becoming more important. With wider product diversification particularly in lending, we expect that volumes and resultant revenue streams will underpin the future value of Moneyextra.

We will review the progress of these initiatives at the year end to assess the risk of impairment to the net carrying value of £2.1 million representing the brand and goodwill recognised on acquisition of the business, net of deferred earn-out liabilities.

VAT

On 21 July 2011 HMRC indicated that it would not appeal the decision taken in "HMRC vs Paymex" on 22 June 2011 which ruled that fees for services within IVA's charged by Paymex should be treated as exempt from VAT.

The Group submitted a VAT refund claim to HMRC based upon the Paymex ruling, on 31 August 2011. Our claim relates to net VAT payments since 1 June 2007 amounting to approximately £9million.

The potential repayment by HMRC of VAT will result in cash being distributed to creditors through IVA cases as additional realisations and to the Group as fee income. Management expect that these exceptional fees will be material although there remains uncertainty as to the timing and value of any future revenue benefit. The final outcome is currently subject to ongoing discussions with HMRC and creditor's representatives

The impact of the decision on future revenues and costs is also subject to discussion with creditor's representatives. At this point the Group anticipates that the revised VAT and fee arrangements will be broadly neutral to future earnings.

Exceptional items

The Group incurred costs of £1.5million impairing the carrying value of its outgoing IVA IT infrastructure and a further £0.2million on reorganisation costs as indicated in the preliminary statement and subsequent May trading update. Some additional reorganisation costs are expected in H2 FY 2011.

The loss after tax was £1.6 million compared to a profit of £1.7 million in the equivalent period last year.

FAIRPOINT.

	6 months to June 11 £'m	6 months to June 10 £'m
Headline Profit and Loss		
Revenue	11.8	13.9
Gross Profit	3.3	6.1
Adjusted Profit Before Tax	0.0	2.6
(Loss)/Profit After Tax from continuing operations	(1.6)	1.7

Selected Segmental information	6 months to June 11 £'m	6 months to June 10 £'m
Revenue		
IVA	8.7	11.8
Financial Services	0.6	0.3
Debt Management	2.5	1.8
	11.8	13.9
Contribution		
IVA	2.1	5.2
Financial Services	0.2	0.1
Debt Management	1.5	1.0
Total Group Contribution	3.8	6.3
Overheads	(3.3)	(3.2)
Interest, depreciation and amortisation	(0.5)	(0.5)
Adjusted Profit Before Tax	0.0	2.6

Volumes	6 months to June 11 No.	6 months to June 10 No.
New Customers		
IVA Services	3,005	4,053
Financial Services	12,175	12,055
Debt Management	3,984	6,013
	19,164	22,121
Existing Customers		
IVA Services	22,818	22,389
Debt Management	14,780	11,158
	37,598	33,547

FAIRPOINT.

Balance Sheet and Cashflow	**June 2011 £m**	**June 2010 £m**
Shareholder funds	36.1	37.1
Net bank borrowings	7.2	4.2

Net bank borrowings rose to £7.2 million with the Group generating cash from operations of £1.3 million before investment of £1.2 million in debt management portfolios and the payment of £1.1 million in dividend payments during the period. The Group continues to actively manage its working capital and benefitted from slightly stronger than expected cash flows from IVA cases as the relatively benign UK economic environment continues to favour back book performance over new business acquisition.

The Directors have recommended the payment of an interim dividend of 1.75p per ordinary share in respect of the six month period to 30 June 2011 payable on 28 October 2011 to shareholders registered on 30 September 2011.

Outlook

For the second half of the year The Group expects:

To benefit from annualised cost reductions in excess of £1.4million and further seasonal reductions in marketing spend of £1.3 million

IVA revenues to grow in excess of £1.0 million on the first half driven by H1 2011 marketing, the acquisition in July of a 600 case portfolio and continued low breakage

Further debt management acquisitions by the Group, anticipated to help grow our customer numbers to over 16,000 and improve revenues by a further 15%. As at the end of August we had completed one further acquisition with customer numbers of 2,000

Our financial services business will focus on ensuring IVA and debt management customers can benefit from lenders changed policy regarding missold Payment Protection Insurance policies and aims to double revenues in the second half of the year with benefits flowing wholly to earnings.

Our short term lending business has now been launched, and we will in a position to roll out this initiative to the wider market in early 2012. The Group expects the trial to incur start up expenditures not exceeding £0.3million in the second half compared to £0.2million in the first half.

Further clarity on the value and timing of the VAT reclaim

Trading overall to be in line with market expectations

FAIRPOINT.

Enquiries:

Fairpoint Group plc

Chris Moat, Chief Executive Officer	0845 296 0100

Shore Capital (Nomad and Broker)

Pascal Keane	020 7408 4090
Edward Mansfield	020 7408 4090

Financial Dynamics

Paul Marriott	020 7269 7114
Laura Pope	020 7269 7243

Analyst presentation

There will be an analyst presentation to discuss the interim results at 11:00 today at Financial Dynamics, Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB. Those analysts wishing to attend are asked to contact Laura Pope at Financial Dynamics on +44 207 269 7243 or at .pope@fd.com.

FAIRPOINT.

FAIRPOINT GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

	Period from 1 January 11 to 30 June 11 Unaudited £'000	Period from 1 January 10 to 30 June 10 Unaudited £'000	Year ended 31 December 2010 Audited £'000
CONTINUING OPERATIONS			
Revenue	11,827	13,876	29,404
Cost of sales	(8,514)	(7,801)	(15,776)
GROSS PROFIT	**3,313**	**6,075**	**13,628**
Administrative expenses	(7,493)	(5,834)	(12,094)
Finance income - unwinding of discount on IVA Revenue	2,148	2,233	4,509
Finance Income - other	3	4	30
Finance cost	(122)	(104)	(227)
ADJUSTED PROFIT BEFORE TAX	**21**	**2,574**	**6,898**
Amortisation – brand and other intangibles	(423)	(200)	(515)
Exceptional restructuring costs	(1,749)	-	(537)
(LOSS)/PROFIT BEFORE TAX	**(2,151)**	**2,374**	**5,846**
Corporation tax credit/(charge)	501	(685)	(1,680)
(LOSS)/PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS	**(1,650)**	**1,689**	**4,166**
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	-	-	(154)
(LOSS)/PROFIT FOR THE PERIOD	**(1,650)**	**1,689**	**4,012**
Other comprehensive income:	-	-	-
Total comprehensive (loss)/income for the period	**(1,650)**	**1,689**	**4,012**
(Loss)/Earnings per ordinary share			
(Loss)/Profit from continuing operations	(3.78)	3.88	9.56
(Loss) from discontinued operations	-	-	(0.35)
Total (loss)/profit from operations	**(3.78)**	**3.88**	**9.21**
Diluted (loss)/earnings per ordinary share			
(Loss)/Profit from continuing operations	(3.78)	3.87	9.50
(Loss) from discontinued operations	-	-	(0.35)
Total (loss)/profit from operations	**(3.78)**	**3.87**	**9.15**

FAIRPOINT.

FAIRPOINT GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	As at 30 June 2011 Unaudited £'000	As at 30 June 2010 Unaudited £'000	As at 31 December 2010 Audited £'000
ASSETS			
Non current assets			
Property, plant and equipment	1,503	1,688	1,604
Goodwill	13,882	11,972	13,882
Brand and other intangible assets	6,649	4,268	5,756
Software development	655	1,772	2,083
Total non current assets	**22,689**	**19,700**	**23,325**
Current assets			
Trade and other receivables	24,580	24,897	26,373
Other current assets	1,375	1,388	920
Cash and cash equivalents	1,266	802	978
Total current assets	**27,221**	**27,087**	**28,271**
Total assets	**49,910**	**46,787**	**51,596**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	436	436	436
Share premium account	528	528	528
ESOP share reserve	(517)	(510)	(517)
Merger reserve	11,842	11,842	11,842
Other reserves	254	254	254
Retained earnings	23,594	24,584	26,277
Total equity attributable to equity holders of the parent	**36,137**	**37,134**	**38,820**
Non current liabilities			
Bank borrowings	8,500	5,000	6,000
Other borrowings	1,086	232	1,141
Deferred tax liabilities	914	1,030	1,316
	10,500	**6,262**	**8,457**
Current liabilities			
Trade and other payables	2,946	2,328	3,239
Current tax liabilities	223	1,010	977
Short-term borrowings	104	53	103
	3,273	3,391	4,319
Total liabilities	**13,773**	**9,653**	**12,776**
Total equity and liabilities	**49,910**	**46,787**	**51,596**

The interim financial statements were approved by the board of directors on 12 September 2011

FAIRPOINT.

FAIRPOINT GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

	Share Capital	Share Premium Account	Merger Reserve	Other Reserves	Treasury Share Reserve	Retainec Earning
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2010	**429**	**18**	**11,842**	**254**	**-**	**23,709**
Changes in equity for the six months ended 30 June 2010 :						
Share issues	7	510	-	-	(510)	-
Total comprehensive income for the period	-	-	-	-	-	1,689
Dividends	-	-	-	-	-	(864)
Share based payment expense	-	-	-	-	-	50
Balance at 30 June 2010	**436**	**528**	**11,842**	**254**	**(510)**	**24,584**
Changes in equity for the six months ended 31 Dec 2010 :						
Total comprehensive income for the period	-	-	-	-	-	2,323
Share issues	-	-	-	-	(7)	-
Dividends	-	-	-	-	-	(648)
Share based payment expense	-	-	-	-	-	18
Balance at 31 December 2010	**436**	**528**	**11,842**	**254**	**(517)**	**26,277**
Changes in equity for the six months ended 30 June 2011 :						
Total comprehensive loss for the period	-	-	-	-	-	(1,650)
Share based payment expense	-	-	-	-	-	18
Dividends	-	-	-	-	-	(1,051)
Balance at 30 June 2011	**436**	**528**	**11,842**	**254**	**(517)**	**23,594**

FAIRPOINT GROUP PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
PERIOD FROM 1 JANUARY 2011 TO 30 JUNE 2011

	Period from January 11 to 30 June 11 Unaudited	Period from 1 January 10 to 30 June 10 Unaudited	Year ended 31 December 2010 Audited
Cash flows from continuing operating activities	**£'000**	**£'000**	**£'000**
(Loss)/Profit on continuing operations before tax	(2,151)	2,374	5,846
Share based payments charge	18	50	68
Depreciation of property, plant and equipment	204	230	421
Amortisation of intangible assets and development expenditure	613	429	997
Loss on disposal of non current assets	1,456	-	31
Interest received	(3)	(4)	(30)
Interest expense	122	104	227
Cash flows from discontinued operations	-	-	(154)
Decrease/(Increase) in trade and other receivables	1,338	84	(911)
Increase/(Decrease) in trade and other payables	(293)	261	(548)
Cash generated from operations	**1,304**	**3,528**	**5,947**
Interest paid	(122)	(104)	(198)
Corporation taxes paid	(655)	(441)	(1,551)
Net cash generated from operating activities	**527**	**2,983**	**4,198**
Cash flows from investing activities			
Purchase of property, plant and equipment (PPE)	(103)	(315)	(453)
Interest received	3	4	30
Purchase of debt management books	(1,240)	(577)	(693)
Acquisition of subsidiaries	-	(629)	(1,308)
Purchase of other intangible assets	(294)	(301)	(799)
Net cash (absorbed by) investing activities	**(1,634)**	**(1,818)**	**(3,223)**
Cash flows from financing activities			
Equity dividends paid	(1,051)	(864)	(1,512)
Receipt/(Payment) of long-term borrowings	2,500	(300)	733
Payment of finance lease liabilities	(54)	(31)	(50)
Net cash generated from/ (absorbed by) financing activities	**1,395**	**(1,195)**	**(829)**
Net change in cash and cash equivalents	288	(30)	146
Cash and cash equivalents at start of period	978	832	832
Cash and cash equivalents at end of period	**1,266**	**802**	**978**

FAIRPOINT.

FAIRPOINT GROUP PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2011

1. BASIS OF PREPARATION

The financial information presented in this documentation has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations that are expected to be applicable for the year ending 31 December 2011.

These are subject to ongoing review and endorsement by the European Commission, and possible amendment by the International Accounting Standards Board (IASB), and are therefore subject to possible change.

The financial information in this statement relating to the six months ended 30 June 2011 and the six months ended 30 June 2010 has neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board. The financial information for the periods ended 30 June 2011 and 31 December 2010 does not constitute the full statutory accounts for those periods. The Annual Report and Financial Statements for 2010 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for 2010 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

2. SEGMENT INFORMATION

For management purposes, the Group is organised into three operating divisions; Individual Voluntary Arrangements (IVA), Debt Management and Financial Services. These divisions are the basis on which the group is structured and managed, based on its principal services provided. They are managed separately because each business requires different marketing strategies. These segments are summarised as follows:

- IVA consists primarily of Group companies Debt Free Direct Limited and Clear Start UK Limited, our core debt solution brands. The primary product offering of these brands is an Individual Voluntary Arrangement (IVA) which consists of a managed payment plan providing both interest and capital forgiveness and results in a consumer being debt free within five years of the agreement commencing.

- Debt Management consists primarily of the group company Lawrence Charlton Limited, the trading brand used to provide Debt Management Plans (DMP's) for consumers. Debt Management Plans are generally suitable for consumers who can repay their debts in full, if they are provided with some relief on the rate at which interest accrues on their debts. They could take 15 years to complete and offer consumers a fixed repayment discipline as well as third party management of creditors.

Financial Services that we provide fall into two distinct categories:
- Refinancing Solutions – We provide a range of secured finance solutions, from mortgages through to loans that are appropriate for consumers who have an ability to meet their debt obligations, subject to reorganising their finances.

- Value Added Services – A wide range of solutions fall under this category. All of them have the primary objective of making the core debt solution work smoothly. Examples include products such as prepaid bank cards and utility switching services.

Measurement of operating segment profit and assets

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. The Group evaluates performance on the basis of adjusted (for brand amortisation and exceptional restructuring costs) profit/(loss) before taxation from continuing operations. Segment assets exclude tax assets and assets used primarily for corporate purposes.

Segment information about these reportable segments is presented below.

FAIRPOINT.

2. SEGMENT INFORMATION (CONTINUED)

Period ended 30 June 2011

	Continuing Operations				
	IVA £'000	**Debt Management £'000**	**Financial Services £'000**	**Unallocated**	**Total £'000**
Total external revenue	8,706	2,535	586	-	11,827
Total inter-segment revenue	-	-	-	-	-
Total revenue	**8,706**	**2,535**	**586**	**-**	**11,827**
Total operating profit/(loss)	(4,805)	862	(237)	-	(4,180)
Finance income – unwinding of discount on IVA revenue	2,148	-	-	-	2,148
Finance expense	-	-	-	(122)	(122)
Finance income – other	-	-	-	3	3
Adjusted profit/(loss) before taxation from continuing operations	**(720)**	**1097**	**(237)**	**(119)**	**21**
Brand and other intangibles amortisation	(188)	(235)	-	-	(423)
Exceptional restructuring costs	(1,749)	-	-	-	(1,749)
Profit/(loss) before taxation from continuing operations	**(2,657)**	**862**	**(237)**	**(119)**	**(2,151)**
Taxation	-	-	-	501	501
Profit/(loss) for the year from continuing operations	**(2,657)**	**862**	**(237)**	**382**	**(1,650)**
Total comprehensive(loss)/income for the year	**(2,657)**	**862**	**(237)**	**382**	**(1,650)**
Reportable segment assets	43,304	6,086	520	-	49,910
Capital additions	311	1,303	23	-	1,637
Depreciation and amortisation	2,029	235	9	-	2,273

FAIRPOINT.

2. SEGMENT INFORMATION (CONTINUED)

Period ended 30 June 2010

	Continuing Operations				
	IVA	**Debt Management**	**Financial Services**	**Unallocated**	**Total**
	£'000	**£'000**	**£'000**		**£'000**
Total external revenue	11,792	1,787	297	-	13,876
Total inter-segment revenue	-	-	-	-	-
Total revenue	**11,792**	**1,787**	**297**		**13,876**
Total operating (loss)/ profit	(354)	571	24	-	241
Finance income – unwinding of discount on IVA revenue	2,233	-	-	-	2,233
Finance expense	-	-	-	(104)	(104)
Finance income – other	-	-	-	4	4
Adjusted profit/(loss) before taxation from continuing operations	**2,065**	**585**	**24**	**(100)**	**2,574**
Brand and other intangibles amortisation	(186)	(14)	-	-	(200)
Profit/(loss) before taxation from continuing operations	**1,879**	**571**	**24**	**(100)**	**2,374**
Taxation	-	-	-	(685)	(685)
Profit/(loss) for the year from continuing operations	**1,879**	**571**	**24**	**(785)**	**1,689**
Total comprehensive income/(loss) for the year	**1,879**	**571**	**24**	**(785)**	**1,689**
Reportable segment assets	41,583	4,810	387	-	46,780
Capital additions	556	1,505	-	-	2,061
Depreciation and amortisation	630	25	4	-	659

2. SEGMENT INFORMATION (CONTINUED)

Year ended 31 December 2010

	Continuing Operations				
	IVA	**Debt Management**	**Financial Services**	**Unallocated**	**Total**
	£'000	**£'000**	**£'000**		**£'000**
Total external revenue	24,270	4,062	1,072	-	29,404
Total inter-segment revenue	-	-	-	-	-
Total revenue	**24,270**	**4,062**	**1,072**	**-**	**29,404**
Total operating profit/(loss)	856	1,295	(617)	-	1,534
Finance income – unwinding of discount on IVA revenue	4,509	-	-	-	4,509
Finance expense	-	-	-	(227)	(227)
Finance income – other	-	-	-	30	30
Adjusted profit/loss before taxation from continuing operations	**5,878**	**1,505**	**(288)**	**(197)**	**6,898**
Brand and other intangibles amortisation	(378)	(137)	-	-	(515)
Exceptional restructuring costs	(135)	(73)	(329)	-	(537)
Profit/(loss) before taxation from continuing operations	**5,365**	**1,295**	**(617)**	**(197)**	**5,846**
Taxation	-	-	-	(1,680)	(1,680)
Profit/(loss) for the year from continuing operations	**5,365**	**1,295**	**(617)**	**(1,877)**	**4,166**
Loss for the year from discontinued operations	-	-	(154)	-	(154)
Total comprehensive income/(loss) for the year	**5,365**	**1,295**	**(771)**	**(1,877)**	**4,012**
Reportable segment assets	40,847	6,456	4,293	-	51,596
Capital additions	995	2,214	3,267	-	6,476
Depreciation and amortisation	(1,259)	(182)	(7)	-	(1,448)

The group's operations are located wholly within the United Kingdom.

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables and cash.

Unallocated expenses comprise finance costs and finance income – other.
Capital expenditure comprises additions to property, plant and equipment and intangible assets.

FAIRPOINT.

3. CORPORATION TAX CREDIT/(CHARGE)

Interim period corporation tax is accrued based on the estimated average annual effective corporation tax rate of 26.5% (6 months ended 30 June 2010: 28%)

4. EARNINGS PER SHARE

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

	Period from 1 January 11 to 30 June 11	Period from 1 January 10 to 30 June 10	Year ended 31 December 2010
	£'000	£'000	£'000
Numerator			
Continuing operations			
(Loss)/Profit for the period - used in basic and diluted EPS	(1,650)	1,689	4,166
Discontinuing operations			
Loss for the period - used in basic and diluted EPS	-	-	(154)
Total operations			
(Loss)/Profit for the period - used in basic and diluted EPS	(1,650)	1,689	4,012
Denominator			
Weighted average number of shares used in basic EPS	43,609,346	43,535,877	43,585,058
Effects of:			
- other share options	-	93,116	250,132
Weighted average number of shares used in diluted EPS	43,609,346	43,628,993	43,835,190

5. DIVIDENDS

During the interim period, a dividend of 2.5p per share was paid (6 months ended 30 June 2010: 2p)

6. INTERIM REPORT

A copy of this report is available on the Company's website at .fairpoint.co.uk .