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For immediate release

23 January 2012

RSM Tenon Group PLC
(the “Company”, the “Group” or “RSM Tenon”)

Trading update, funding position and Board changes

Current trading

Since the announcement made at our Annual General Meeting on 13 December 2011, we have won a number of significant new appointments and have a good pipeline in many of our service lines. General activity has been maintained at similar levels to last year. However, there is increased sensitivity to and pressure on pricing and transaction-based activities remain behind our expectations in a difficult economic environment.

We currently expect to report that revenue in the six months to 31 December 2011 was approximately 10 per cent lower than in the corresponding period in the previous year. Due to the proportion of costs that are fixed, we expect that we will record a loss before tax (and before amortisation of acquired intangibles, deferred consideration interest and exceptional items) and the magnitude of this loss will be quantified once we complete the interim accounts and associated auditor’s review. Pricing and similar underlying trading effects account for approximately half of the revenue decline with the balance arising from updated accounting estimates and matters noted below.

We have reported previously that the majority of our revenues and profits arise in the second half of the year and that trading patterns have exacerbated this effect in the current financial year. We are currently working on a review of expected performance for the remainder of the current financial year. Although that review is not yet complete, we currently expect that revenue for the second half of the financial year will be comparable to that generated in the second half of the financial year ended on 30 June 2011. As noted below, the Board intends to instigate the necessary actions to improve the Company’s financial performance.

To allow the Company to complete the various reviews noted above, the Company advises that it will now announce its interim results on Wednesday 29 February 2012.

Accounting adjustments

Following the appointment of Adrian Gardner as Chief Financial Officer on 18 October 2011, we have been carrying out a comprehensive review of our financial reporting. When complete, this review may lead us to make some non-cash restatements to our accounts for the year ended 30 June 2011 as a prior year adjustment and to incur certain additional non-recurring, non-cash charges in the six months to 31 December 2011 that were outside of our earlier expectations.

Funding position

The Company currently operates within its banking facilities although, as previously noted, headroom remains limited. The Company confirms that it is actively engaged in constructive discussions with its sole lending bank due to the forthcoming expiry of certain banking facilities.

Board changes

The Company also announces that Bob Morton and Andy Raynor have stepped down from their positions as Chairman and Chief Executive Officer respectively with immediate effect. Adrian Martin, currently the Company's Deputy Chairman and senior independent (non-executive) director, has been appointed Executive Chairman. Michael Findlay has been appointed Deputy Chairman and will perform the role of senior independent director. Andy Raynor has also stepped down from the Board. Bob Morton will remain on the board as a non-executive director.

It has also been agreed that Jeremy Newman will join the Company as a consultant, specifically to assist the Board and management in developing and implementing a strategic plan to improve significantly the performance and financial position of the Company. Until September 2011, Jeremy was Global CEO of BDO International Limited. Prior to this, he served as Managing Partner of BDO LLP from 2001 until 2008.

The Nomination Committee will commence a search process for a new chief executive, involving both internal and external candidates.

Adrian Martin, Executive Chairman, said: "The Company's performance is clearly disappointing and my immediate priority is to instigate and execute the necessary actions to improve profitability and cash generation. RSM Tenon has a strong market position and client base, as well as dedicated and loyal employees. The Board remains confident of the future prospects for the Company and that a successful turnaround can be delivered."

A conference call will be held for investors at 9.30am GMT on 23 January 2012. For those that wish to join the call, the dial in details are as follows:

Dial in number: +44 (0) 1452 555 566
Conference ID: 45879640

Disclaimer:

Statements that look forward in time or that express the Company's beliefs, expectations or estimates about future prospects and strategy of the Group are forward looking statements. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. These risks include, but are not limited to, general economic and market conditions as well as risks associated with the financial and professional services sector and those connected to financial and equity markets. Many of these risks and uncertainties relate to factors either beyond RSM Tenon's control or which cannot be estimated precisely, such as future market conditions and the behaviour of the market participants. Actual outcomes and results may therefore differ materially from any outcomes or results expressed or implied by any such forward-looking statements.

Any forward looking statements speak only as of the date they are made and RSM Tenon gives no undertaking to update forward looking statements to reflect any changes in its expectations with regard thereto or any changes to events, conditions or circumstances on which any such statement is based.

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RSM Tenon Group PLC

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Notes to Editors

Jeremy Newman spent 33 years at BDO, joining the firm from College in 1978. He was made a partner in 1986 and then elected as Managing Partner of the UK Member Firm of BDO, BDO LLP (then known as BDO Stoy Hayward), for two terms, from 2001 – 2008. He then went on to be Chief Executive of BDO International Limited, the fifth largest global accounting network, from 2008 until he retired in September 2011.

During his time as Managing Partner at BDO Stoy Hayward, the firm was restructured from being a federal firm with 33 offices in some 25 different partnerships to become a single national partnership with 15 offices. The firm achieved record levels of fee income (£343m), profits (£66m) and staff numbers (3,072).

The firm won numerous awards including the Accountancy Age 'Global Firm of the Year' in 2006. BDO UK was widely regarded as one of the UK's leading employers - winning the Accountancy Age 'Employer of the Year' award an unprecedented three times as well as featuring in The Sunday Times Top 100 UK Employers, the Financial Times UK Best Places to Work and The Times Top 50 Places for Women to Work.

During his tenure as Chief Executive at BDO International Limited, he developed and implemented many initiatives to help transform BDO from a relatively loose network to a stronger network better able to compete with the four largest global accounting networks that dominate the profession.