15 February 2008

CELTIC plc

INTERIM RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2007

SUMMARY OF THE RESULTS

Operational Highlights

- Opening of the training centre at Lennoxtown
- Currently second in the Clydesdale Bank Premier League
- Qualification for the last 16 of the UEFA Champions League for the second successive year
- Continued participation in the Scottish Cup
- 16 home matches played at Celtic Park in the period (2006: 18)

Financial Highlights

- Group turnover decreased by 9.3% to £42.43m.
- Operating expenses increased by 1.5% to £32.52m.
- Profit from operations of £9.92m (2006: £14.76m).
- Profit before taxation of £10.07m (2006: £17.94m).
- Period end total net debt of £6.81m (2006: £15.02m).

For further information contact:

John Reid, Celtic plc	Tel: 0141 551 4235
Peter Lawwell, Celtic plc	Tel: 0141 551 4235
Iain Jamieson, Celtic plc	Tel: 0141 551 4235

Celtic plc

CHAIRMAN'S STATEMENT

I am pleased to report to you on Celtic plc's results for the six month period to 31 December 2007.

Last year's Annual Report outlined a highly successful year for Celtic both on and off the park with the twin achievement of a Scottish Premier League Championship and exceptional financial results. The challenge that sets the Club in terms of maintaining standards is a significant one. Even more so since the business environment for football clubs remains very challenging indeed. The twin pressures of producing immediate success and maintaining long-term sustainability are unremitting. There is ultimately no use buying the minutes at the expense of the hours. Planning success in both short and long-term is essential.

Sustaining Celtic's strength in the longer term requires a judicious mix of financial stability, scouting, coaching and youth development, sports science and sensible player trading. I believe that we are continuing to make satisfactory progress in all of these areas.

Turnover in the six months was £42.43m, down 9.3% on the same period's record high last year, principally due to 2 fewer home matches being played and not being Scotland's sole participant in the Champions League. Our merchandising revenues dipped, having had only 1 new strip launch, as opposed to 2 at a comparable stage last year , and reflecting the competitive marketplace in which we trade. However, our supporters have continued to demonstrate their commitment to the Club, with season ticket sales up year - on – year.

Operating costs increased by £476,000 (1.5%) to £32.52m attributable mainly to increases in football labour costs. The increase in our football costs demonstrates our continuing commitment to invest in the first team squad, scouting, sports science and in developing our youth players through the Academy. Following the end of last season we have invested more than £11m, before allowing for any proceeds from player trading, in the acquisition of football players to strengthen the first team squad, which has assisted in providing success at both domestic and European levels. It has also been particularly pleasing to see the new Lennoxtown Training Centre become fully operational, which has led to increased integration of our football operations.

Our retained profit for the period of £10.07m compares with £17.94m last year, again mainly due to the two fewer home games, a reduction in gains from player trading and not being Scotland's sole participant in the UCL. Strong cash generation places our total net debt at £6.81m against £15.02m at the same time last year. Looking forward, as with previous years trading performance in the remaining months of the financial year, with fewer home matches scheduled, will not be at the same level as that in the first 6 months.

Once again this year, our performance has been heavily influenced by participation in the UEFA Champions League. The Company continues to benefit financially and in football terms, having reached the last 16 for the second year in succession. Credit must go to Gordon Strachan and his team for keeping Celtic at the highest level in European football. As we go to print we look forward to our next European ties against Barcelona, another giant in terms of European football history. For the fans as much as the finances it is nights like this that make a season.

We continue to make good progress in the Scottish Cup, but, disappointingly, exited from the CIS Cup earlier than we would have liked. Winning the Clydesdale Bank Scottish Premier League remains our primary and immediate objective. This is no small task since it would entail winning a third championship victory in a row, a feat last accomplished under Jock Stein. With Celtic sitting in second place by a margin of only 4 points, there is all to play for. Your continued support will be vital in driving towards the end of the season and achieving the success that this Club and its fans deserve.

We also hope that the strengthening of the squad that has taken place during the January transfer window will enhance our prospects both on and off the field. Our strategy continues to be the strengthening of the first team squad within our financial constraints, and to invest in the long term in the coaching, scouting and Academy facilities of the Club. In addition, we endeavour to maximise all revenue streams open to us and manage our cost base appropriately.

In closing, I wish to pay tribute once again to my predecessor as Chairman, Brian Quinn, who retired at the AGM in November 2007. The contribution he has made to the success of the Club has been enormous. I wish Brian, his family and all Celtic supporters a prosperous and successful year.

John Reid
Chairman

14 February 2008

Celtic plc

INDEPENDENT REVIEW REPORT

INDEPENDENT REVIEW REPORT TO CELTIC PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2007 which comprises the Consolidated Income Statement, Group Statement of Changes in Equity, Group Balance Sheet, Group Cashflow Statement and the related notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared using accounting policies consistent with those to be applied in the next annual financial statements.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2007 is not prepared, in all material respects, in accordance with the AIM Rules of the London Stock Exchange.

PKF (UK) LLP
Glasgow
14 February 2008

Celtic plc

CONSOLIDATED INCOME STATEMENT

	Note	6 months to 31 December 2007 Unaudited Operations excluding player trading £000	6 months to 31 December 2007 Unaudited Player Trading £000	6months to 31 December 2007 Unaudited Total £000	6months to 31 December 2006 Unaudited and Restated Total £000	12 months to 30 June 2007 Restated Total £000
GROUP REVENUE	2	42,434	-	42,434	46,796	75,237
OPERATING EXPENSES		(32,515)	-	(32,515)	(32,039)	(59,283)
PROFIT FROM OPERATIONS		9,919	-	9,919	14,757	15,954
AMORTISATION OF INTANGIBLE FIXED ASSETS			(3,106)	(3,106)	(2,891)	(5,865)
COSTS OF FIRST TEAM SQUAD RATIONALISATION AND IMPAIRMENT		-	-	-	-	(2,879)
OPERATING PROFIT / (LOSS)		9,919	(3,106)	6,813	11,866	7,210
PROFIT ON DISPOSAL OF INTANGIBLE FIXED ASSETS		-	4,121	4,121	7,120	9,397
LOSS ON DISPOSAL OF TANGIBLE FIXED ASSETS		(168)	-	(168)	(258)	(339)
PROFIT BEFORE FINANCIAL EXPENSES AND TAXATION		9,751	1,015	10,766	18,728	16,268
FINANCIAL EXPENSES:	3					
BANK LOANS AND OVERDRAFT				(395)	(416)	(484)
NON EQUITY DIVIDENDS				(305)	(372)	(744)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				10,066	17,940	15,040
TAX CHARGE ON ORDINARY ACTIVITIES	4			-	-	-
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE PARENT				10,066	17,940	15,040
RETAINED PROFIT FOR THE PERIOD				10,066	17,940	15,040
BASIC EARNINGS PER ORDINARY SHARE	5			11.74p	22.11p	18.53p
DILUTED EARNINGS PER SHARE	5			7.76p	10.95p	11.48p

Celtic plc

GROUP BALANCE SHEET

	Notes	31 December 2007 Unaudited £000	31 December 2006 Unaudited and Restated £000	30 June 2007 Restated £000
NON-CURRENT ASSETS				
Property plant and equipment		56,860	51,799	55,861
Intangible assets	6	10,847	10,651	12,990
		67,707	62,450	68,851
CURRENT ASSETS				
Inventories		2,696	2,184	3,383
Receivables	7	7,527	11,150	7,997
Cash at bank and in hand		8,366	1,056	7,006
		18,589	14,390	18,386
TOTAL ASSETS		86,296	76,840	87,237
LIABILITIES				
NON-CURRENT LIABILITIES	8			
Interest bearing loans		(12,000)	(12,000)	(12,000)
Debt element of non-equity share capital		(3,026)	(3,026)	(3,112)
Deferred income		(825)	(1,156)	(1,230)
		(15,851)	(16,182)	(16,342)
CURRENT LIABILITIES				
Other Loans		(154)	(158)	(158)
Trade and other payables		(3,264)	(3,273)	(10,999)
Accruals		(6,160)	(5,153)	(6,447)
Deferred income		(11,187)	(8,502)	(13,244)
Other financial liabilities		(2,808)	(3,944)	(3,318)
		(23,573)	(21,030)	(34,166)
TOTAL LIABILITIES		(39,424)	(37,212)	(50,508)
NET ASSETS		46,872	39,628	36,729
EQUITY				
Issued capital	9	24,112	23,451	23,452
Other reserve		21,222	21,222	21,222
Share premium		14,205	14,129	14,129
Capital redemption reserve		2,777	2,540	2,440
Retained earnings		(15,437)	(21,714)	(24,514)
TOTAL EQUITY SHAREHOLDERS' FUNDS		46,872	39,628	36,729

Approved by the Board on 14 February 2008

Celtic plc

GROUP STATEMENT OF CHANGES IN EQUITY

	Share Capital	Other Reserve	Share Premium	Capital redemption reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
EQUITY SHAREHOLDERS' FUNDS AS AT 1 JULY 2006	23,450	21,222	14,089	1,739	(38,403)	22,097
Share capital issued	1	-	40	-	-	41
Convertible Preferred Ordinary Share Participating Dividend	-	-	-	-	(450)	(450)
Transfer to Capital Redemption Reserve	-	-	-	801	(801)	-
Profit for the period	-	-	-	-	17,940	17,940
EQUITY SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2006	23,451	21,222	14,129	2,540	(21,714)	39,628
Share capital issued	1	-		-	-	1
Transfer from Capital Redemption Reserve	-	-	-	(100)	100	-
Loss for the period	-	-	-	-	(2,900)	(2,900)
EQUITY SHAREHOLDERS' FUNDS AS AT 30 JUNE 2007	23,452	21,222	14,129	2,440	(24,514)	36,729
Share capital issued	1	-	76	-	-	77
Transfer to Capital Redemption Reserve	659	-	-	337	(996)	-
Profit for the period	-	-	-	-	10,066	10,066
EQUITY SHAREHOLDERS' FUNDS AS AT 31 DECEMBER 2007	24,112	21,222	14,205	2,777	(15,444)	46,872

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GROUP CASH FLOW STATEMENT

	Note	6 months to 31 December 2007 Unaudited	6 months to 31 December 2006 Unaudited and Restated	12 months to 30 June 2007 Restated
		£000	£000	£000
Cash flows from operating activities				
Profit before tax		10,066	17,940	15,040
Depreciation		979	972	1,708
Amortisation		3,106	2,891	5,865
Impairment of intangible fixed assets		-	-	2,663
Profit on disposal of intangible fixed assets		(4,121)	(7,120)	(9,397)
Loss on disposal of tangible fixed assets		168	258	339
Interest expense		700	788	1,228
Decrease / (increase) in inventories		687	(283)	(1,482)
(Increase) / decrease in receivables		(1,265)	(2,545)	987
Decrease in payables and deferred income		(1,203)	(4,605)	1,089
Cash generated from operations		9,117	8,296	18,040
Interest paid		(395)	(416)	(484)
Net cash flow from operating activities - A		8,722	7,880	17,556
Cash flows from investing activities				
Purchase of tangible fixed assets		(2,994)	(3,459)	(7,069)
Purchase of intangible fixed assets		(8,480)	(8,784)	(10,959)
Proceeds from sale of intangible fixed assets		5,934	3,915	5,974
Net cash used in investing activities - B		(5,540)	(8,328)	(12,054)
Cash flows from financing activities				
Repayment of debt		(887)	(889)	(889)
Dividends paid		(935)	(521)	(521)
Net cash (used) / generated in financing activities - C		(1,822)	(1,410)	(1,410)
Net increase / (decrease) in cash equivalents A+B+C		1,360	(1,858)	4,092
Cash and cash equivalents at 1 July		7,006	2,914	2,914
Cash and cash equivalents at period end	10	8,366	1,056	7,006

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NOTES TO THE FINANCIAL STATEMENTS

1. The annual financial statements of the Group to 30 June 2008 will require to be prepared in accordance with International Financial Reporting Standards as adopted for use in the EU ("IFRS"). This Interim Report, comprising the Consolidated Income Statement, Group Balance Sheet, Group Statement of Changes in Equity, Group Cash Flow Statement and accompanying notes, has been prepared in accordance with the recognition and measurement criteria of IFRS and the AIM rules save that the Group has elected not to adopt IAS34, Interim Reports. These IFRS interim financial statements do not include all the information required for full IFRS annual financial statements.

   The interim results do not constitute the statutory accounts within the meaning of s240 of the Companies Act 1985. The financial information in this report for the six months to 31 December 2007 and to 31 December 2006 has not been audited. The comparative figures for the year ended 30 June 2007 are extracted from the Group's audited financial statements for that period as filed with the Registrar of Companies and restated for IFRS. It does not constitute the financial statements for that period. Those accounts received an unqualified audit report which did not contain any statement under sections 237 (2) or (3) of the Companies Act 1988.

   The auditors have reviewed this Interim Report and their report is set out on page 3.

   The accounts for the interim period have been prepared in accordance with the policies which the Group will adopt for its 2008 annual accounts.

2. Revenue – Segmental Information

	6 months to 31 December 2007 Unaudited £000	6 months to 31 December 2006 Unaudited and Restated £000	12 months to 30 June 2007 Restated £000
Revenue comprised:			
Professional football	19,593	21,560	34,345
Multimedia & sponsorship	12,850	14,138	23,199
Merchandising	7,739	8,692	13,367
Stadium enterprises	1,253	1,414	2,679
Youth development	999	992	1,647
	42,434	46,796	75,237
Number of home games	16	18	28

The above segmental information reflects the primary segments, which are the business segments of the group. There are no secondary, geographical segments.

3. Financial Expenses

Payable as follows on:	6 months to 31 December 2007 Unaudited £000	6 months to 31 December 2006 Unaudited and Restated £000	12 months to 30 June 2007 Restated £000
Bank Loans and Overdraft	395	416	484
Non-Equity Shares	305	372	744
Total	700	788	1,228

4. Taxation

After taking account of unutilised tax losses brought forward, together with the projected performance for the next six months, no provision for taxation is required.

5. Earnings per Share

Basic earnings per share has been calculated by dividing the earnings for the period by the weighted average number of Ordinary Shares in issue 85,726,487 (2006: 81,126,084). Diluted earnings per share as at 31 December 2007 has been calculated by dividing the earnings for the period by the weighted average number of Ordinary Shares, Preference Shares and Convertible Preferred Ordinary Shares in issue, assuming conversion at the balance sheet date, and the full exercise of outstanding share purchase options, if dilutive. As at December 2007, December 2006 and June 2007 no account was taken of potential conversion of share purchase options, as these potential Ordinary Shares were not considered to be dilutive under the definitions of the applicable accounting standards.

6. Intangible Assets

	6 months to 31 December 2007 Unaudited	6 months to 31 December 2006 Unaudited and Restated	12 months to 30 June 2007 Restated
Cost	£000	£000	£000
At 1 July	28,982	23,530	23,530
Additions	1,039	6,318	14,439
Disposals	(4,067)	(2,195)	(8,987)
At period end	25,954	27,653	28,982
Amortisation			
At 1 July	15,992	15,937	15,937
Charge for the period	3,106	2,891	5,865
Provision for impairment	-	-	2,663
Disposals	(3,991)	(1,826)	(8,473)
At period end	15,107	17,002	15,992
Net Book Value at period end	10,847	10,651	12,990

7. Receivables

The decrease in the level of receivables from 31 December 2006 of £3.62m to £7.53m is primarily a result of a reduction in amounts receivable in respect of player transfers and TV and other trading revenues largely as a result of Celtic not being Scotland's sole participant in Champions League European football this season.

8. Non – Current Liabilities

Non-current liabilities reflect long-term bank loans of £12.0m (2006: £12.0m) drawn down at the end of the period as part of the Company's bank facility of £36.0m and £3.03m (2006: £3.03m) as a result of the reallocation of non-equity share capital from equity to debt following the introduction of IAS 32 and £0.82m (2006: £1.15m) of deferred income.

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NOTES TO THE FINANCIAL STATEMENTS

9. Share Capital

	Authorised 31 December		Allotted, called up and fully paid 31 December			
	2007	2006	2007	2007	2006	2006
	No 000	No 000	No 000	£000	No 000	£000
Equity						
Ordinary Shares of 1p each	211,701	211,701	88,495	885	81,181	812
Deferred Shares of 1p each	438,603	100,362	438,603	4,386	100,362	1,004
Non-equity						
Convertible Preferred Ordinary Shares of £1 each	20,000	20,000	14,558	14,558	18,012	18,012
Convertible Cumulative Preference Shares of 60p each	19,299	19,299	16,799	10,079	16,799	10,080
Less reallocated to debt under IAS 32	-	-	-	(5,796)	-	(6,457)
	689,603	351,362	558,455	24,112	216,354	23,451

10. Analysis of Net Debt

The reconciliation of the movement in cash and cash equivalents per the Cash Flow Statement to net debt is as follows:

	31 December 2007 £000	31 December 2006 £000	30 June 2007 £000
Bank Loan	12,000	12,000	12,000
Other Loans	154	158	158
Debt element of non – equity share capital	3,026	3,914	4,013
Cash and cash equivalents	(8,366)	(1,056)	(7,006)
Net debt at period end	6,814	15,016	9,165

11. Transition to International Financial Reporting Standards ('IFRS')

As stated in note 1, the annual financial statements for the year ending 30 June 2008 will be prepared in accordance with IFRS. IFRS 1 'First time adoption of IFRS' requires the presentation of the effect of adopting IFRS on figures previously reported under UK GAAP. The reconciliations required are at the level of Equity Shareholders' Funds and Profit for the period.

As an AIM-listed company in the UK, Celtic adopted the UK GAAP equivalent of those International Standards which had a financial effect on Celtic's published financial information in the year ended 30 June 2006. Therefore, at 1 July 2006, 31 December 2006 and 30 June 2007, and for the financial periods ended on those dates, there is no financial effect of adopting IFRS on the previously reported UK GAAP figures. No reconciliations are therefore presented.

12. TRANSFER FEES PAYABLE / RECEIVABLE

Under the terms of certain contracts in respect of the transfer of player registrations, additional amounts will be payable/receivable by the Company if specific future conditions are met. As at 31 December 2007 amounts in respect of such contracts could result in an amount payable of £2.35m of which £0.89m could arise within one year, and amounts receivable of £2.25m of which £1.40m could arise within one year.

13. POST BALANCE SHEET EVENTS

Following 31 December 2007, Celtic acquired the registrations of Andreas Hinkel, Koki Mizuno, Barry Robson and Ben Hutchinson and released the registrations of Teddy Bjarnason, Jiri Jarosik, and Maceij Zurawski. In addition, the contract of Artur Boruc was extended until 31 May 2011 and the loan registration of Georgios Samaras was acquired until the end of the season.

Celtic plc

Directors

Dr John Reid (Chairman)*
Peter T Lawwell (Chief Executive)
Eric J Riley (Financial)
Tom E Allison *
Dermot F Desmond*
Ian Livingston*
Brian J McBride*
Brian D H Wilson *

Secretary

Robert M Howat

Directors of the Celtic Football and Athletic Company Limited

Peter T Lawwell
Eric J Riley
Kevin Sweeney*
John S Keane*
Michael A McDonald*

* Independent Non-Executive Director

Secretary

Robert M Howat

Football Manager

Gordon Strachan