HALF YEAR REPORT

for the half year ended 30 September 2011

Summary

	2011	2010
	£'000	£'000
Revenue	**86,709**	103,793
Profit before tax	**241**	917
Adjusted profit before tax *	**370**	917
	p	p
Basic earnings per share	**6.4**	27.1
Adjusted earnings per share *	**10.9**	27.1
Interim dividend per share	**5.0**	5.0

* Adjusted for non-underlying items

Highlights

- Company continues to trade profitably despite weak market conditions
- Operating expenses before non-underlying items down by £2.7m compared to first half last year
- Inventory levels down by £3.1m in the half year
- Land Rover redevelopment on time and on budget - January 2012 opening
- Disposal programme of seven non-core operations now completed
- Closure of Peugeot in Sevenoaks and sale of freehold property realising £1.75m
- Dividend maintained at 5.0p

The Chief Executive, Simon Caffyn, commented:

"This is a transformational time for Caffyns as we continue our drive to represent premium and premium-volume franchises. As such, we are making necessary changes to our business which, underpinned by a strong balance sheet, means we are well placed to take advantage of improvements in market conditions in the longer term and deliver value to all shareholders."

Enquiries:

Caffyns plc	Simon Caffyn, Chief Executive Mark Harrison, Finance Director	Tel:	01323 730201
The HeadLand Consultancy	Tom Gough	Tel:	0207 367 5228

Summary

In the six months to 30 September 2011 revenue has reduced to £86.7m compared with £103.8m in the same period last year, following the sale or closure of seven non-core operations which accounted for £12.3m of the reduction. The Group has continued to trade profitably although at levels below the previous year and reports a profit before tax and underlying items of £370,000 (2010: £917,000). Losses of £129,000 arose from closure costs at our Sevenoaks site, offset partially by a gain on sale of the freehold property, and are reported as non-underlying items.

Adjusted earnings per share are 10.9p (2010: 27.1p).

Operating Review

New and Used Cars

Over the half year period, total UK new car registrations fell by 2.9%. Within this, the private and small business sector in which we operate fell by 11%. However, our new unit sales are down by 4.6% on a like for like basis.

Our premium and premium-volume franchises performed well in a difficult market and new car margins have strengthened.

Used car unit sales are down 8.9% on a like for like basis and margins have been reduced due to competitive pressure. The reduction in unit sales is largely due to disruption caused by redevelopment work at our Land Rover dealership and structural reorganisation in our Volvo and Ford business in Brighton, without which unit sales would have been down 2.9%. Meanwhile, data from Experian for the period shows used car sales down 2.0%.

Aftersales

The decline of the new car market over the last three years has led to a consequential decline in the number of one to three year old cars in circulation. We are pleased to have retained market share but our aftersales revenue fell by 3.3% on a like for like basis as compared to 2010 levels.

The emphasis placed on customer satisfaction supported by our central customer relationship management team has helped to maintain customer retention despite strong competition from independent garages.

Overheads

Operating expenses before non-underlying items reduced by £2.7m as compared to those incurred in the first half of the previous year.

Working Capital

Inventory levels in the half year period reduced by £3.1m and debtors by a further £0.5m.

Operations

The new and larger showroom for Land Rover at Lewes is nearing completion in January and the business is returning to expected levels of profitability for our second half of the year. In Ashford we are proposing to close our bodyshop allowing us to expand our representation with Skoda and increase our used car sales on this site. Our Tonbridge Skoda dealership has been relocated alongside our Vauxhall business in the larger Tunbridge Wells site increasing the effectiveness and efficiency of the site.

Property

Capital expenditure in the six months was £1.3m (2010: £0.4m), predominantly on the new showroom at our Lewes Land Rover dealership. In April 2011 we announced the sale of our premises in Sevenoaks for which we received funds of £1.75m in the following month.

We currently have four vacant freehold properties for potential sale, namely those in Upperton Road Eastbourne, Hailsham, Goring-by-sea and Preston Road, Brighton. The planning appeal against the refusal for change of use of our Preston Road site is currently being considered and we now await the outcome of the appeal. We have leased our former used car site in Goring to Tesco Stores Limited with effect from 7 November 2011 at a rent of £68,000 per annum. It is intended that this site will now be offered for sale.

The Upperton Road and Hailsham properties have been marketed and we are in discussions with interested parties. The short leasehold property in Tonbridge is now vacant following the transfer of Skoda to Tunbridge Wells. This site is also being marketed.

Pensions

The defined benefit pension scheme liability increased by £1.4m to £6.9m, at 30 September 2011. Although the liabilities fell by £2.1m between 31 March 2011 and 30 September 2011 the scheme's assets fell by £3.5m as a result of the recent turmoil in the financial markets.

The Directors of Caffyns have very little control over the key assumptions required by the accounting standards in the valuation calculations. Following the closure of the defined benefit scheme with effect from 1 April 2010, the Board continues to review options to reduce the cost of operating the scheme and any actions which can be taken to reduce the deficit.

Dividend

The Board has decided to maintain the interim dividend at 5.0p per Ordinary Share. This will be paid on 13 January 2012 to shareholders on the register at close of business on 16 December 2011.

Appointment of Non-Executive Director and Chairman Elect

As previously announced on 25 October 2011, Richard Wright was appointed as a non-executive director of the Company with effect from 1 November 2011 and will take over as Chairman following the planned retirement of Brian Birkenhead at the 2012 Annual General Meeting.

Richard Wright has previously held senior executive roles with the Ford Motor Company including Director, European Operations at Jaguar Cars Limited, Director of Sales, Ford Motor Company Limited and President/Managing Director of Ford Belgium NV. He is currently Chairman of API Group plc and is on the Advisory Board of Warwick Business School, University of Warwick. He is the former Chair of the Board of National Savings and Investments.

Current Trading and Outlook

Our first half year trading period has coincided with a marked downturn in general retail demand and consumer discretionary spending which has impacted our business and the retail motor industry as a whole. The outlook for the rest of our trading year remains both challenging and uncertain.

The emphasis remains on careful stock management and the retention of aftersales customers. Costs have been cut further and we continue to review all areas of the business to identify any inefficiencies. The sourcing of good used car stock is being improved to maintain enquiry levels and to return gross profit margins to higher levels. Our aftersales systems have been enhanced to aid retention of our customers and to help them to manage their service and repair costs through the use of service plans.

Our strategy remains to focus on representing premium and premium-volume franchises which have proven more resilient in poor economic conditions. The closure of our non-core loss making businesses is freeing up capital to invest in our strategic operations to deliver bigger scale businesses with greater profit opportunity. Despite today's difficult trading environment, as a result of our substantial restructuring together with our strong balance sheet, we are well placed in the longer term to take advantage of any available opportunities.

Simon G M Caffyn
Chief Executive

Condensed Consolidated Income Statement

for the half year ended 30 September 2011

	Note	Before non-underlying	Non-underlying (note 3)	Total	Total Half year to 30 September 2010	Year ended 31 March 2011 Before non-underlying	Year ended 31 March 2011 Total
		£'000	£'000	£'000	£'000	£'000	£'000
Revenue		**85,510**	**1,199**	**86,709**	103,793	199,829	201,467
Cost of sales		**(74,005)**	**(1,290)**	**(75,295)**	(89,055)	(171,736)	(173,486)
Gross profit/(loss)		**11,505**	**(91)**	**11,414**	14,738	28,093	27,981
Operating expenses		**(10,718)**	**(482)**	**(11,200)**	(13,397)	(25,782)	(26,994)
Operating profit/(loss) before non-underlying items		**787**	**(573)**	**214**	1,341	2,311	987
Other income – net gains on disposal of fixed assets	3	**-**	**444**	**444**	-	-	157
Operating profit/(loss)		**787**	**(129)**	**658**	1,341	2,311	1,144
Finance expense	4	**(534)**	**-**	**(534)**	(571)	(1,168)	(1,168)
Net finance income on pension scheme		**117**	**-**	**117**	147	292	292
Net finance costs		**(417)**	**-**	**(417)**	(424)	(876)	(876)
Profit/(loss) before taxation		**370**	**(129)**	**241**	917	1,435	268
Income tax (expense)/credit	5	**(67)**	**4**	**(63)**	(145)	(267)	(50)
Profit/(loss) for the period from continuing operations		**303**	**(125)**	**178**	772	1,168	218
Continuing operations earnings per share							
Basic	6			**6.4p**	27.1p		7.7p
Diluted	6			**6.2p**	26.1p		7.4p

Condensed Consolidated Statement of Comprehensive Income

for the half year ended 30 September 2011

	Half year to 30 September 2011 £'000	Half year to 30 September 2010 £'000	Year to 31 March 2011 £'000
Profit for the period	**178**	772	218
Other comprehensive income			
Actuarial (losses)/gain recognised in defined benefit pension scheme	**(1,619)**	(382)	465
Deferred tax on actuarial losses/(gain)	**405**	107	(121)
Other comprehensive income, net of tax	**(1,214)**	(275)	344
Total comprehensive income for the period	**(1,036)**	497	562

Condensed Consolidated Balance Sheet

at 30 September 2011

	30 September 2011 £'000	30 September 2010 £'000	31 March 2011 £'000
Non-current assets			
Property, plant and equipment	**27,192**	31,491	27,733
Investment property	**536**	-	536
Goodwill	**286**	286	286
Deferred tax asset	**268**	91	-
Total non-current assets	**28,282**	31,868	28,555
Current assets			
Inventories	**23,141**	24,557	26,269
Trade and other receivables	**5,543**	6,446	6,002
Cash and cash equivalents	**24**	31	54
Non-current assets held for sale	**2,704**	564	2,704
Total current assets	**31,412**	31,598	35,029
Total assets	**59,694**	63,466	63,584
Current liabilities			
Interest bearing loans and borrowings	**9,739**	3,053	3,128
Trade and other payables	**22,595**	23,890	28,180
Tax liabilities	**213**	253	213
Total current liabilities	**32,547**	27,196	31,521
Non-current liabilities			
Interest bearing loans and borrowings	**-**	8,000	5,000
Preference shares	**1,237**	1,237	1,237
Deferred tax liabilities	**-**	-	75
Retirement benefit obligations	**6,896**	6,548	5,481
Total non-current liabilities	**8,133**	15,785	11,793
Total liabilities	**40,680**	42,981	43,314
Net assets	**19,014**	20,485	20,270
Equity			
Share capital	**1,439**	1,439	1,439
Share premium account	**272**	272	272
Capital redemption reserve	**282**	282	282
Non-distributable reserve	**2,419**	2,901	2,419
Other reserve	**84**	104	72
Retained earnings	**14,518**	15,487	15,786
Total equity	**19,014**	20,485	20,270

Consolidated Statement of Changes in Equity

for the half year ended 30 September 2011

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2011	1,439	272	282	2,419	72	15,786	20,270
Total comprehensive income							
Profit for the period	-	-	-	-	-	178	178
Other comprehensive income						(1,214)	(1,214)
Total comprehensive income for the period	-	-	-	-	-	(1,036)	(1,036)
Transactions with owners:							
Dividends	-	-	-	-	-	(195)	(195)
Purchase of own shares	-	-	-	-	-	(37)	(37)
Share based payment	-	-	-	-	12	-	12
At 30 September 2011	**1,439**	**272**	**282**	**2,419**	**84**	**14,518**	**19,014**

for the half year ended 30 September 2010

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2010	1,439	272	282	2,901	72	15,309	20,275
Total comprehensive income							
Profit for the period	-	-	-	-	-	772	772
Other comprehensive income	-	-	-	-	-	(275)	(275)
Total comprehensive income for the period	-	-	-	-	-	497	497
Transactions with owners:							
Dividends	-	-	-	-	-	(142)	(142)
Purchase of own shares	-	-	-	-	-	(177)	(177)
Share based payment	-	-	-	-	32	-	32
At 30 September 2010	**1,439**	**272**	**282**	**2,901**	**104**	**15,487**	**20,485**

Consolidated Statement of Changes in Equity

for the year ended 31 March 2011

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Non-distributable reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2010	1,439	272	282	2,901	72	15,309	20,275
Total comprehensive income							
Profit for the period	-	-	-	-	-	218	218
Other comprehensive income	-	-	-	-	-	344	344
Realised surpluses on disposal of land and buildings	-	-	-	(482)	-	482	-
Total comprehensive income for the year	-	-	-	(482)	-	1,044	562
Transactions with owners:							
Dividends	-	-	-	-	-	(283)	(283)
Purchase of own shares	-	-	-	-	-	(284)	(284)
At 31 March 2011	**1,439**	**272**	**282**	**2,419**	**72**	**15,786**	**20,270**

Condensed Consolidated Cash Flow Statement

for the half year ended 30 September 2011

	Half year to 30 September 2011 £'000	Half year to 30 September 2010 £'000	Year to 31 March 2011 £'000
Cash flows from operating activities			
Profit before taxation	**241**	917	268
Adjustments for:			
Net finance expense	**417**	424	876
Depreciation and amortisation	**493**	585	1,144
Change in retirement benefit obligations	**(87)**	(45)	(120)
Gain on disposal of property, plant and equipment	**(444)**	-	(157)
Share-based payments	**12**	32	-
Decrease/(increase) in inventories	**3,128**	(2,525)	(4,237)
Decrease in trade and other receivables	**459**	1,659	1,773
(Decrease)/increase in payables	**(5,586)**	(1,305)	3,033
Cash (absorbed)/generated by operations	**(1,367)**	(258)	2,580
Income taxes	**-**	-	(7)
Interest paid	**(534)**	(571)	(1,168)
Net cash (used in)/from operating activities	**(1,901)**	(829)	1,405
Investing activities			
Proceeds on disposal of property, plant and equipment	**1,812**	2	1,668
Purchases of property, plant and equipment	**(1,320)**	(395)	(1,099)
Net cash used in investing activities	**492**	(393)	569
Financing activities			
Purchase of own shares	**(37)**	(177)	(284)
Dividends paid to shareholders	**(195)**	(142)	(283)
Payment of capital element of finance lease rentals	**-**	(2)	(5)
Net cash used in financing activities	**(232)**	(321)	(572)
Net (decrease)/ increase in cash and cash equivalents	**(1,641)**	(1,543)	1,402
Cash and cash equivalents at beginning of period	**(74)**	(1,476)	(1,476)
Cash and cash equivalents at end of period	**(1,715)**	(3,019)	(74)

Notes to the Set of Financial Information

for the half year ended 30 September 2011

1. GENERAL INFORMATION

Caffyns plc is a company domiciled in the United Kingdom. The address of the registered office is Saffrons Rooms, Meads Road, Eastbourne BN20 7DR.

These condensed consolidated interim financial statements for the half year to 30 September 2011 and similarly for the half year to 30 September 2010 are unaudited. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 March 2011.

The figures for the year ended 31 March 2011 have been extracted from the statutory accounts, filed with the Registrar of Companies on which the auditors gave an unqualified opinion and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

These statements have been reviewed by the Company's auditors and a copy of their review report is set out at the end of these statements.

These consolidated interim financial statements were approved by the Directors on 25 November 2011.

2. ACCOUNTING POLICIES

The annual financial statements of Caffyns plc are prepared in accordance with IFRSs as adopted by the European Union. The set of financial statements included in this half yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union. This interim financial report has been prepared under the historical cost convention as modified by the fair value accounting of defined benefit schemes and share based payment transactions. As required by the Disclosure and Transparency Rules of the Financial Services Authority, this set of financial statements has been prepared in accordance with the accounting policies set out in the Annual Report for the year ended 31 March 2011.

There are a number of accounting standards that have become effective in the current period. However, there is no material impact upon the financial statements.

Segmental reporting

Based upon the management information reported to the group's chief operating decision maker, the Chief Executive, in the opinion of the directors, the Company only has the one reportable segment. There are no major customers amounting to 10% or more of the group's revenue. All revenue and non-current assets derive from, or are based in, the United Kingdom.

Basis of preparation: Going concern

The Group has available bank facilities comprising revolving credit facilities of £8m and overdraft facilities of £10m. The revolving credit facilities are due for renewal in May 2012 and are shown in the balance sheet at 30 September 2011 as a current liability within interest bearing loans and borrowings. Discussions with the Company's bankers are well advanced and the board is confident that the facilities will be renewed on satisfactory terms in advance of the expiration of the current facilities. After making enquiries and considering the current operating environment, the Directors have a reasonable expectation that the Group will have sufficient resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing this Interim Management Report.

3. NON-UNDERLYING ITEMS

	Half year to 30 September 2011 £'000	Half year to 30 September 2010 £'000	Year to 31 March 2011 £'000
Net profit on disposal of property, plant and equipment	**444**	-	157
Losses incurred on closed businesses	**(347)**	-	(1,171)
Redundancy costs	**(226)**	-	(153)
	(129)	-	(1,167)

4. FINANCE EXPENSE

	Half year to 30 September 2011 £'000	Half year to 30 September 2010 £'000	Year to 31 March 2011 £'000
Interest payable on bank borrowings	**194**	235	469
Vehicle stocking plan interest	**217**	191	407
Financing costs amortised	**72**	94	190
Preference dividends	**51**	51	102
Total finance costs	**534**	571	1,168

5. TAXATION

	Half year to 30 September 2011 £'000	Half year to 30 September 2010 £'000	Year to 31 March 2011 £'000
Current UK corporation tax			
Charge for the period	**-**	33	-
Deferred tax			
Origination and reversal of timing differences	**110**	150	67
Adjustment for change in rate of corporation tax	**(47)**	(38)	(79)
Adjustments recognised in the period for deferred tax of prior periods	**-**	-	62
Total	**63**	112	50
Total tax charged in the Income Statement	**63**	145	50
The tax charge/(credit) arises as follows:			
On normal trading	**67**	145	267
Non-underlying	**(4)**	-	(217)
Total	**63**	145	50

Taxation for the half year has been provided at the effective rate of taxation of 26% (2010 – 16%) expected to apply to the whole year on ordinary trading. Tax on non-underlying items is provided at the actual rate applicable. The UK corporation tax rate reduction from 26% to 25% has been enacted and will be effective from 1 April 2012. This will reduce the company's future current tax charge accordingly. The effect on the deferred tax balance at 30 September 2011 was to increase the deferred tax asset by £47,000.

6. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period. Shares held in employee share trusts are treated as cancelled for the purposes of this calculation. The calculation of diluted earnings per share is based on the basic earnings per share, adjusted to allow for the issue of shares and the post tax effect of dividends and/or interest, on the assumed conversion of all dilutive options and other dilutive potential ordinary shares. Reconciliations of the earnings and the weighted average number of shares used in the calculations are set out below.

Basic	**Half year to 30 September 2011 £'000**	Half year to 30 September 2010 £'000	Year to 31 March 2011 £'000
Profit before tax	**241**	917	268
Taxation	**(63)**	(145)	(50)
Earnings	**178**	772	218
Earnings per share	**6.4p**	27.1p	7.7p
Diluted earnings per share	**6.2p**	26.1p	7.4p
Adjusted			
Profit before tax	**241**	917	268
Adjustment: Non-underlying items (note 3)	**129**	-	1,167
Adjusted profit before tax	**370**	917	1,435
Taxation	**(67)**	(145)	(267)
Adjusted earnings	**303**	772	1,168
Basic earnings per share	**10.9p**	27.1p	41.4p
Diluted earnings per share	**10.5p**	26.1p	39.9p

The number of fully paid ordinary shares in issue at the period end was 2,781,706 (2010: 2,814,685). The weighted average shares in issue for the purposes of the earnings per share calculation were 2,785,553 (2010: 2,845,335). The shares awarded under the Long-Term Incentive Plan are not dilutive under the terms of IAS 33, but the shares granted under the Company's SAYE scheme are dilutive. The weighted average number of dilutive shares under option at fair value was 102,348 (2010: 113,049) giving a total diluted weighted average number of shares of 2,887,901 (2010: 2,958,384).

7. DIVIDENDS

Ordinary shares of 50p each

The interim dividend proposed at the rate of 5.0p per share (2010: 5.0p) is payable on 13 January 2012 to shareholders on the register at the close of business on 16 December 2011. The shares will be marked ex-dividend on 14 December 2011.

Preference shares

Preference dividends have been paid in October 2011. The next preference dividends are payable in April 2012. The cost of the preference dividends has been included within finance costs.

8. PENSIONS

The net liability for defined benefit obligations has increased from £5,481,000 at 31 March 2011 to £6,896,000 at 30 September 2011. The increase of £1,415,000 comprises contributions of £102,000 plus the net credit to the income statement of £102,000 and a net actuarial loss charged to Reserves of £1,619,000. The net actuarial loss has arisen principally due to the change in value of the assets held over the period. The main assumptions subject to change are the discount rate 5.5% (31 March 2011 – 5.5%) and the rate of increase in inflation at 2.9 % (31 March 2011 – 3.4 %).

9. RELATED PARTY TRANSACTIONS

There have been no new related party transactions that have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the Group during that period and there have been no material changes in the related party transactions described in the last annual report that could do so.

10. RISKS AND UNCERTAINTIES

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Board believes these risks and uncertainties to be consistent with those disclosed in our latest annual report, including general economic factors, their impact on the Group's defined benefit pension scheme, liquidity and financing, manufacturers' dependency and stability, used car prices and regulatory compliance.

11. RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a) the Interim financial statements have been prepared in accordance with IAS34 'Interim Financial Reporting';

b) the Interim financial statements include a fair review of the information required by DTR 4.2.7R of the Disclosure and Transparency Rules (indication of important events during the first six months and their impact on the set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year); and

c) the Interim financial statements include a fair review of the information required by DTR 4.2.8R of the Disclosure and Transparency Rules (disclosure of related parties' transactions and changes therein).

By order of the Board

S G M Caffyn
Chief Executive

M S Harrison
Finance Director

25 November 2011

INDEPENDENT REVIEW REPORT

to Caffyns plc

Introduction

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 30 September 2011 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity 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 guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the Company those matters we are required to state to them in a review 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 conclusion we have formed.

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 Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

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 in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

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 30 September 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Grant Thornton UK LLP
Registered Auditor and
Chartered Accountants
London
25 November 2011