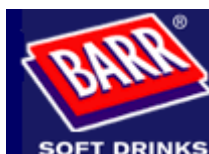


**A.G.BARR p.l.c.**



**INTERIM RESULTS**

A.G.BARR p.l.c. the soft drinks group announces its interim results today for the 6 months ended 28<sup>th</sup> July 2007.

**Key Points**

- Profit on ordinary activities before tax and exceptional items increased by **8.0%** to **£10.13 million** (2006 – £9.38 million).
- Total turnover including Strathmore versus the comparable period was up **7.9%** at **£77.9 million** (2006 – £72.2 million).
- Combined IRN-BRU and Diet IRN-BRU brands grew revenue by **2%** and gained further market share in England.
- Atherton factory closure completed.
- Exclusive UK franchise agreement signed with Rockstar Inc energy drinks – the fastest growing significant energy drink in the US.
- Interim dividend increased by **0.75p** to **11.00p** per share (2006 – 10.25p).

Commenting on the results Chief Executive, Roger White, said:

*"Despite the extremely poor weather experienced across the UK in the period from May to July, we have continued to deliver consistent sales growth and at the same time maintained our strategy of investing behind our brands and further developing our portfolio.*

*Operationally in the period we have commissioned our new can line at Cumbernauld and delivered the closure of our Atherton site.*

*As well as rising input costs, there is huge competition for market share however, given the changes we have already made and our plans for the balance of the year, we anticipate meeting our expectations for the full year."*

For more information, please contact:

**A.G.Barr** Tel: 01236 852400  
Roger White, Chief Executive  
Iain Greenock, Finance Director

**Buchanan Communications** Tel: 020 7466 5000  
Tim Thompson / Nicola Cronk / Susanna Gale

## **Interim Statement**

Profit on ordinary activities before taxation for the six months to 28th July, 2007 was, excluding exceptional items, £10.1m – an increase of 8.0% compared with the same period last year. Turnover increased by 7.9% to £77.9m including Strathmore which we acquired in June 2006; underlying sales increased by 2.3% on a like-for-like basis.

The total soft drinks market, although buoyant in our first quarter, has been significantly impacted by the exceptionally wet weather experienced during May, June and July. Over the full six months the U.K. soft drinks market as reported by Nielsen grew by 1% in value but was 5% down in volume terms. This first half market performance masks the comparative effect of the weather in the last three months particularly in July when the market was 19% behind in value and 25% behind in total soft drinks volume.

Combined sales revenue for IRN-BRU and Diet IRN-BRU was 2% up on last year. However, IRN-BRU 32 was down on the same period last year as it suffered from comparison with the exceptionally strong launch phase which saw significant customer pipeline fill and consumer trial. IRN-BRU and Diet IRN-BRU have performed particularly well in market share terms in the second quarter and specifically in July demonstrating both the resilience of the brand to difficult market conditions and our stated intent of increasing promotional focus on IRN-BRU in the summer months.

During the course of the first six months we have refreshed the IRN-BRU packaging design as well as running a number of new pieces of creative advertising. In July we announced the exciting sponsorship deal with the Scottish Football League which sees the creation of IRN-BRU League Divisions 1, 2 & 3 in Scotland and gives IRN-BRU and A.G.BARR an excellent opportunity to work with the Scottish Football League, its Clubs and local communities across Scotland.

The relaunch of 'new original' Tizer has continued to gather momentum with sales value increasing by 3% despite poor weather. This increase in sales has been achieved through a combination of regaining previously lost listings and a very encouraging overall performance in the impulse channel.

The Strathmore brand has now been launched into the impulse channel and we have recently commenced our first Strathmore brand advertising, including TV, posters and PR. The impulse launch is progressing well; however the water category has been hit hard by the poor weather across the last three months which has of course impacted our performance. During the recent floods in the west of England Strathmore was able to help the flood victims with significant donations of bottled water.

As a consequence of our focus on the Strathmore brand and the increasingly competitive nature of the water category we have chosen to scale back our Findlays business. The production site at Pitcox will now focus on the filling of 19 litre water containers for which demand continues to expand. A small number of redundancies resulted from this decision.

Overall the development of our portfolio is continuing to plan. Orangina had a strong performance in the period with revenue up by 23% and our regional brands driven by specific activity with the 'BARR flavours range' also experienced good growth.

We have once again adapted our school ranges to meet further legislative changes. We expect the new St Clements range to do well in both schools and the impulse channel in the second half of the year. The St Clements brand now features new juice and smoothie products which are currently in the launch phase in addition to the existing fruit-based products range.

Across the industry input costs continue to rise especially in commodity related areas such as glass, plastic, aluminium and juices. Gross margins have been protected in the period by a combination of cost control measures and the increased use of risk management tools across a number of our more volatile input price areas. We expect gross margins will be under further pressure in the second half but anticipate our cost-cutting actions, in tandem with our current purchasing position, should counteract much of this pressure during the current year.

Last year saw very significant operational changes across the business and the first six months of this year has seen no reduction in the pace of our change programme. We have installed and commissioned our new high speed can line at Cumbernauld and carried out a number of significant line improvements at the Mansfield site. This activity has, although later than planned, allowed for the closure of our Atherton factory. The last can was produced on 28th June, 2007 and our thanks go to everyone at that site who worked effectively and efficiently until the closure. We are currently clearing and making good the premises in advance of establishing the optimum marketing plan for the site.

The new warehouse operations at Cumbernauld continue to settle in and good progress is being made across all fronts towards meeting our previously indicated savings plans.

We are pleased to announce that A.G.BARR has signed an exclusive U.K. franchise agreement with Rockstar Inc energy drinks. The Rockstar brand is in the top three energy drink brands in the USA and we are working with them towards what will be an exciting launch into the U.K. during the second half of our financial year. The energy category continues to give good growth opportunities and Rockstar with its unique image, brand and product proposition will sit well in our existing portfolio.

Given the increase in underlying profit and the continued satisfactory financial position of the company your directors have declared an interim dividend of 11.00p per share, payable on 26th October, 2007. This is a 7.3% increase on the interim dividend paid last year.

Turnover to date, in the second half of the year has been impacted by the continued poor weather but remains ahead of the prior year.

Market conditions across all channels in the soft drinks category are expected to be hugely competitive as individual companies fight for market share. Despite the pressure of rising input costs and assuming market conditions do not markedly weaken we remain confident that, in the period, the changes we have already made plus our ongoing plans should allow us to meet our expectations for the full year.

W R G Barr  
**CHAIRMAN**

R A White  
**CHIEF EXECUTIVE**

**A.G.BARR p.l.c**  
**Consolidated Income Statement**

	Notes	<b>6 months ended 28.07.07 £000</b>	6 months ended 29.07.06 £000	Year ended 27.01.07 £000
<b>Revenue</b>		<b>77,883</b>	72,184	141,876
Cost of sales		<b>37,351</b>	33,584	71,453
<b>Gross profit</b>		<b>40,532</b>	38,600	70,423
Net operating expenses		<b>30,593</b>	29,736	52,089
<b>Operating profit before exceptional items</b>		<b>9,939</b>	8,864	18,334
<b>Exceptional items</b>				
Restructuring costs	4	<b>107</b>	-	5,076
Gain on disposal		-	(819)	(2,315)
<b>Exceptional items</b>		<b>107</b>	(819)	2,761
<b>Operating profit</b>		<b>9,832</b>	9,683	15,573
Finance income		<b>435</b>	669	1,158
Finance costs		<b>(241)</b>	(154)	(377)
<b>Profit on ordinary activities before tax</b>		<b>10,026</b>	10,198	16,354
Tax on profit on ordinary activities	5	<b>2,594</b>	3,059	3,163
<b>Profit attributable to equity shareholders</b>		<b>7,432</b>	7,139	13,191
<b>Basic earnings per share</b>				
		<b>39.22 p</b>	37.70 p	69.65 p
<b>Fully diluted earnings per share</b>				
		<b>38.53 p</b>	36.68 p	68.15 p
<b>Dividend per share paid</b>				
		<b>24.75 p</b>	22.00 p	32.25 p
<b>Dividend paid (£'000)</b>				
		<b>4,673</b>	4,143	6,077
<b>Dividend per share proposed</b>				
		<b>11.00 p</b>	10.25 p	24.75 p
<b>Dividend proposed (£'000)</b>				
		<b>2,141</b>	1,995	4,817

**A.G.BARR p.l.c.****Consolidated Statement of Recognised Income and Expense**

		<b>6 months ended 28.07.07 £000</b>	Restated 6 months ended 29.07.06 £000	Year ended 27.01.07 £000
	<b>Notes</b>			
Actuarial loss recognised on defined benefit pension plans		-	-	(907)
Deferred tax recognised directly in equity	2,5	<b>334</b>	210	366
<b>Net income recognised directly in equity</b>		<b>334</b>	210	(541)
Profit for the period		<b>7,432</b>	7,139	13,191
<b>Total recognised income and expense for the period</b>		<b>7,766</b>	7,349	12,650
<b>Attributable to equity shareholders</b>		<b>7,766</b>	7,349	12,650

**A.G.BARR p.l.c.**  
**Consolidated Balance Sheet**

	Notes	As at 28.07.07 £000	Restated As at 29.07.06 £000	As at 27.01.07 £000
<b>Non-current assets</b>				
Intangible assets	6	10,368	9,951	9,742
Property, plant and equipment	7	55,202	46,373	52,278
Deferred tax assets		774	657	699
		<b>66,344</b>	56,981	62,719
<b>Current assets</b>				
Inventories		13,236	9,521	11,409
Trade and other receivables		32,804	34,912	25,406
Cash at bank		12,963	23,079	19,097
		<b>59,003</b>	67,512	55,912
<b>Total assets</b>		<b>125,347</b>	124,493	118,631
<b>Current liabilities</b>				
Trade and other payables		33,304	37,146	28,776
Provisions	8	788	-	2,262
Current tax		1,739	2,912	59
		<b>35,831</b>	40,058	31,097
<b>Non-current liabilities</b>				
Deferred income		73	74	73
Retirement benefit obligations	9	15,240	16,025	16,084
		<b>15,313</b>	16,099	16,157
<b>Capital and reserves attributable to equity shareholders</b>				
Called up share capital	10	4,865	4,865	4,865
Share premium account	10	905	905	905
Own shares held	10	(4,391)	(3,976)	(4,439)
Share options reserve	10	1,921	1,645	1,923
Retained earnings	10	70,903	64,897	68,123
		<b>74,203</b>	68,336	71,377
<b>Total equity and liabilities</b>		<b>125,347</b>	124,493	118,631

**A.G.BARR p.l.c.**  
**Consolidated Cash Flow Statement**

	<b>6 months ended 28.07.07 £000</b>	6 months ended 29.07.06 £000	Year ended 27.01.07 £000
<b>Operating activities</b>			
Profit on ordinary activities before tax	<b>10,026</b>	10,198	16,354
Adjustments for			
Interest receivable	<b>(435)</b>	(669)	(1,158)
Interest payable	<b>241</b>	154	377
Depreciation of property, plant and equipment	<b>3,312</b>	2,705	5,654
Impairment of plant	<b>-</b>	-	300
Amortisation of intangible assets	<b>117</b>	-	160
Share options costs	<b>163</b>	181	359
Gain on sale of property, plant and equipment	<b>(24)</b>	(1,761)	(1,485)
Government grants written back	<b>-</b>	(537)	(538)
<b>Operating cash flows before movements in working capital</b>	<b>13,400</b>	10,271	20,023
Increase in inventories	<b>(1,827)</b>	(1,247)	(1,727)
Increase in receivables	<b>(7,398)</b>	(12,769)	(1,893)
Increase in payables and provisions	<b>3,351</b>	14,540	6,212
Decrease in retirement benefit obligations	<b>(844)</b>	(223)	(1,071)
<b>Cash generated by operations</b>	<b>6,682</b>	10,572	21,544
Tax on profit paid	<b>(655)</b>	(1,667)	(4,786)
<b>Net cash from operating activities</b>	<b>6,027</b>	8,905	16,758
<b>Investing activities</b>			
Acquisition of subsidiary	<b>-</b>	(15,347)	(15,537)
Acquisition of intangible assets	<b>(743)</b>	-	-
Proceeds on sale of property, plant and equipment	<b>767</b>	6,597	6,760
Purchase of property, plant and equipment	<b>(6,968)</b>	(4,865)	(14,501)
Interest received	<b>435</b>	669	1,158
<b>Net cash used in investing activities</b>	<b>(6,509)</b>	(12,946)	(22,120)
<b>Financing activities</b>			
Purchase of own shares	<b>(802)</b>	(523)	(1,052)
Sale of own shares	<b>64</b>	528	553
Interest paid	<b>(241)</b>	(154)	(377)
Dividends paid	<b>(4,673)</b>	(4,143)	(6,077)
<b>Net cash used in financing activities</b>	<b>(5,652)</b>	(4,292)	(6,953)
<b>Net decrease in cash and cash equivalents</b>	<b>(6,134)</b>	(8,333)	(12,315)
<b>Cash and cash equivalents at beginning of period</b>	<b>19,097</b>	31,412	31,412
<b>Cash and cash equivalents at end of period</b>	<b>12,963</b>	23,079	19,097

## **Notes to the Accounts**

### **1. Basis of preparation**

These interim financial statements do not constitute statutory accounts and are unaudited.

The condensed financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with IAS 34 Interim Financial Reporting.

A copy of this report is distributed to all registered shareholders of the company and is available for members of the public upon application to the Company Secretary at Westfield House, 4 Mollins Road, Cumbernauld G68 9HD and on our corporate website at [www.agbarr.co.uk](http://www.agbarr.co.uk).

The statutory financial statements for the year to 27th January, 2007 have been filed with the Registrar and a copy may be obtained from Companies House. These have been audited and contained an unqualified audit opinion and did not contain a statement under Section 237(2) or Section 237(3) of the Companies Act 1985.

### **2. Accounting policies**

This condensed consolidated interim financial statements for the half-year ended 28th July, 2007 have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority and with IAS 34 as adopted by the European Union. These condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year to 27th January, 2007, which have been prepared in accordance with IFRSs as adopted by the European Union. The accounting policies adopted are consistent with those followed in the preparation of the group's annual financial statements for the year ended 27th January, 2007.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ending 26th January, 2008.

- IFRIC 7 Applying the restatement approach under IAS 29, effective for annual periods beginning on or after 1st March, 2006. This interpretation is not relevant for the group.
- IFRIC 8 Scope of IFRS 2, effective for annual periods beginning on or after 1st May, 2006. This interpretation has not had any impact on the recognition of share-based payments in the group.
- IFRIC 9 Re-assessment of embedded derivatives, effective for annual periods beginning on or after 1st June, 2006. This interpretation has not had any impact on the re-assessment of embedded derivatives as the group already assessed if embedded derivative should be separated using principles consistent with IFRIC 9.
- IFRIC 10 Interims and impairment, effective for annual periods beginning on or after 1st November, 2006. This interpretation has not had any impact on the timing or recognition of impairment losses as the group already accounted for such amounts using principles consistent with IFRIC 10.
- IFRS 7 Financial instruments: Disclosures, effective for annual periods beginning on or after 1st January, 2007. IAS 1 Amendments to capital disclosures, effective for annual periods beginning on or after 1st January, 2007. IFRS 4 Insurance contracts, revised implementation guidance, effective when an entity adopts IFRS 7. As this interim report contains only condensed financial statements, and as there are no material financial instrument related transactions in the period, full IFRS 7 disclosure is not required at this stage. The full IFRS 7 disclosure, including the sensitivity analysis to market risk and capital disclosures required by the amendment of IAS 1, will be given in the annual financial statements.

**Change of accounting policies**

As detailed in the financial statements for the year to 27th January, 2007 the group changed its accounting policy for deferred tax.

The change in policy has had no impact on the income statement but has affected the figures presented in the balance sheet and in the statement of recognised income and expense (SoRIE).

The impact on the balance sheet as at 29th July, 2006 has been as follows:

<u>Change in accounting policy for deferred tax</u>	<u>£000</u>
Decrease in deferred tax asset	(5,216)
Decrease in deferred tax liability	5,216

The impact on the SoRIE is as follows:

<u>Change in accounting policy for deferred tax recognised in the SoRIE</u>	<u>£000</u>
Increase in total recognised income	210

**Change in estimate**

As explained in the financial statements for the year to 27th January, 2007 the group carried out a formal review of its accrual for customer volume rebates. As a result of the review the level of the accrual was increased by £610,000 at 28th July, 2007.

### 3. Segment information

The group's primary basis of segmentation is by geography. For management purposes, the group is currently organised into one business segment being the manufacture, sale and distribution of soft drinks.

The group operates predominantly in the U.K., with some worldwide customers. The directors are of the opinion that the group has two reportable geographic segments as defined by IAS 14 Segment Reporting.

#### Geographic segments

	Total revenue £000	Inter- segment revenue £000	External revenue £000	Profit attributable to equity shareholders		
				£000	£000	£000
<b>28th July, 2007</b>						
<b>U.K.</b>	<b>77,546</b>	<b>111</b>	<b>77,435</b>	<b>15,235</b>	-	-
<b>Worldwide</b>	<b>448</b>	-	<b>448</b>	<b>166</b>	-	-
<b>Consolidated</b>	<b>77,994</b>	<b>111</b>	<b>77,883</b>	<b>15,401</b>	-	-
29th July, 2006						
U.K.	71,854	153	71,701	-	14,092	-
Worldwide	483	-	483	-	124	-
Consolidated	72,337	153	72,184	-	14,216	-
27th January, 2007						
U.K.	141,332	232	141,100	-	-	29,011
Worldwide	776	-	776	-	-	197
Consolidated	142,108	232	141,876	-	-	29,208
<b>Result</b>				<b>15,401</b>	14,216	29,208
Unallocated corporate expenses				<b>5,462</b>	5,352	10,874
Exceptional items				<b>107</b>	(819)	2,761
Operating profit				<b>9,832</b>	9,683	15,573
Finance income				<b>435</b>	669	1,158
Finance costs				<b>(241)</b>	(154)	(377)
Profit before tax				<b>10,026</b>	10,198	16,354
Tax				<b>2,594</b>	3,059	3,163
Profit for the period				<b>7,432</b>	7,139	13,191

### 4. Exceptional items

During the six months to 28th July, 2007 the group incurred redundancy costs in relation to its Pitcox site totalling £60,000.

A further £47,000 of exceptional costs were incurred in relocating assets to the Cumbernauld production site from the Atherton factory site which ceased production during the period.

In the six months to 29th July, 2006 an exceptional gain of £2,274,000 arose on the sale of the Scottish distribution sites. This gain was reduced by £1,455,000 of redundancy costs relating to the site closures and re-organisation of the sales and logistics facilities.

## 5. Tax charge

The interim period tax charge is accrued based on the estimated average annual effective income tax rate of 28% (six months ended 29th July, 2006: 30%)

The tax charge for the period includes the reversal of the deferred tax assets and deferred tax liabilities recognised in the balance sheet at 27th January, 2007. The assets and liabilities at that date were calculated using a corporation tax rate of 30%, the effective tax rate at the time of signing the financial statements.

The effect of the changes enacted in the Finance Act 2007 was to reduce the deferred tax liability provided at 27th January, 2007 by £27,000. This decrease in the deferred tax liability has increased profit for the year by £5,000 and increased other recognised gains by £22,000.

The deferred tax asset provided at 27th January, 2007 has been reduced by £326,000 as a result of the Finance Act 2007. This decrease in the deferred tax asset has increased profit for the year by £93,000 and decreased other recognised gains by £422,000.

## 6. Intangible assets

During the period to 28th July, 2007 the group purchased the water rights for a natural mineral water spring at a cost of £742,000. This cost has been treated as an intangible asset in line with IAS 38 Intangible assets.

## 7. Property, plant and equipment

	<b>6 months ended 28.07.07 £000</b>	6 months ended 29.07.06 £000	Year ended 27.01.07 £000
At 27th January, 2007	<b>52,278</b>	42,335	42,335
Additions	<b>6,979</b>	5,388	14,980
Assets acquired through business combinations	-	5,255	5,255
Disposals	<b>(743)</b>	(3,900)	(4,338)
Depreciation	<b>(3,312)</b>	(2,705)	(5,654)
Impairment of plant	-	-	(300)
At 28th July, 2007	<b>55,202</b>	46,373	52,278

The closing balance includes £784,000 (29th July, 2006: £11,359,000; 27th January, 2007: £3,090,000) of assets under construction.

## 8. Provisions

	<b>6 months ended 28.07.07 £000</b>	6 months ended 29.07.06 £000	Year ended 27.01.07 £000
At 27th January, 2007	<b>2,262</b>	-	-
Provision made during period	-	-	2,262
Provision utilised during period	<b>(1,474)</b>	-	-
Amount reversed during period	-	-	-
At 28th July, 2007	<b>788</b>	-	2,262

The provision represents the expected restructuring costs for the closure of the Atherton site.

## 9. Retirement benefit obligations

The retirement benefit obligations have continued to be accounted for under the actuarial assumptions made at 27th January, 2007, which is considered appropriate at 28th July, 2007.

**10. Capital and reserves attributable to equity shareholders**

	<b>Own shares held £000</b>	<b>Share options reserve £000</b>	<b>Retained earnings £000</b>
At 27th January, 2007	<b>(4,439)</b>	<b>1,923</b>	<b>68,123</b>
Own shares purchased	<b>(802)</b>	-	-
Proceeds of share option exercise	<b>64</b>	-	-
Recognition of share-based payment costs	-	<b>163</b>	-
Release of shares on share award	<b>308</b>	-	-
Transfer of reserve on share award	<b>478</b>	<b>(194)</b>	<b>(284)</b>
Tax on items taken directly to equity	-	<b>29</b>	<b>305</b>
Profit for the period	-	-	<b>7,432</b>
Dividends paid	-	-	<b>(4,673)</b>
At 28th July, 2007	<b>(4,391)</b>	<b>1,921</b>	<b>70,903</b>
At 28th January, 2006	(4,298)	1,416	62,056
Own shares purchased	(523)	-	-
Proceeds of share option exercise	528	-	-
Recognition of share-based payment costs	-	181	-
Transfer of reserve on share award	317	(162)	(155)
Tax on items taken directly to equity	-	210	-
Profit for the period	-	-	7,139
Dividends paid	-	-	(4,143)
At 29th July, 2006	(3,976)	1,645	64,897

The shares held in the company were purchased to meet future requirements of the company's employee share schemes. These shares are held in trust.

During the six months to 28th July, 2007 the trusts purchased 62,154 (29th July, 2006: 52,214) shares. The total amount paid to acquire the shares has been deducted from shareholders' equity and classified as Own shares held. 99,020 shares (29th July, 2006: 115,703 shares) were released from the company's employee share schemes during the same period. The related weighted average share price at the time of exercise was £12.93 per share (29th July, 2006: £9.89)

The £308,000 release of shares on share award relates to the release of shares awarded under a share award scheme which had a grant date before 7th November, 2002. This award is not accounted for under IFRS through the exemption provided by IFRS 1 First-time Adoption of International Financial Reporting Standards

There has been no change to the issued share capital or the share premium account in any of the periods presented.

**11. Contingencies and commitments**

	<b>As at 28.07.07 £000</b>	As at 29.07.06 £000	As at 27.01.07 £000
Commitments for the acquisition of property, plant and equipment	<b>901</b>	5,155	4,685

**12. Post Balance Sheet events**

The interim dividend of 11.00p per shares was approved by the board on 25th September, 2007 and will be paid to shareholders on 26th October, 2007.

The ex-div and record dates will be 3rd October, 2007 and 5th October, 2007 respectively.

**13. Related party disclosures**

Transactions between the company and its subsidiaries, which are related companies, have been eliminated on consolidation.

The group's retirement benefit plans are administered by an independent third party service provider. During the six months the service provider charged the group £227,000 (29th July, 2006: £213,000) for administration services in respect of the retirement benefit plans. At 28th July, 2007 a nil balance (27th January, 2007: nil) was outstanding to the service provider.

**Statement of directors' responsibilities**

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The current directors of A.G.BARR p.l.c. are as listed in the annual report for the year to 27th January, 2007.

By order of the board

R.A. White  
Chief Executive  
25th September, 2007

I.F. Greenock  
Finance Director  
25th September, 2007

## **INDEPENDENT REVIEW REPORT TO A.G.BARR p.l.c**

### **Introduction**

We have been instructed by the company to review the financial information for the six months ended 28th July, 2007 which comprises consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of recognised income and expense. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, therefore in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority.

The accounting policies are consistent with those that the directors intend to use in the next annual financial statements.

### **Review work performed**

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the U.K. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly, we do not express an audit opinion on the financial information.

### **Review conclusion**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 28th July, 2007.

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25th September, 2007