



26 November 2008

SPEEDY HIRE Plc

INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2008

Speedy is the UK's largest provider of tools and equipment for hire

FINANCIAL HIGHLIGHTS

Six months to 30 September	Unaudited 2008	Unaudited 2007	Change
Revenues	£256.2m	£209.5m	+22.3%
EBITDA*	£71.2m	£59.9m	+18.9%
Profit Before Tax*	£23.8m	£22.9m	+3.9%
Operating Margin*	12.8%	14.0%	-1.2ppts
Basic Earnings per Share	28.03p	28.70p	-2.3%
Earnings per Share*	34.32p	35.60p	-3.6%
Dividend per Share	6.4p	6.4p	n/c
Return on Capital (operating)*	13.1%	16.3%	-3.2ppts
Total Equity	£247.4m	£231.2m	+£16.2m
Net Debt	£276.8m	£248.7m	+£28.1m
Gearing	111.9%	107.5%	+4.4ppts

* pre amortisation and exceptional integration costs

Overview

- Resilient performance maintained across the Group.
- Mixed trading conditions depending on end markets: infrastructure and utilities strong, general construction weaker to due to lack of confidence and capital.
- Revenues from top 50 clients up 36% in the period.
- Business with non-construction clients is progressing well and now accounts for over 30% of Group revenues.

Financial

- Maintained interim dividend.
- Adjusted PBT of £23.8m (2007: £22.9m).
- Operating cash flow up 22.6% to £68.9m.
- Net debt reduced from June 2008 by £17.9m to £276.8m. Forecast by year end to be below opening position of £255.6m.

Cost Reduction

- High operational flexibility.
- Programme in place to realise £24.4m annualised cost savings.
- Further plan being launched to deliver an additional £18m of savings.
- Annual capex to be reduced to c.£75m to reflect reduced activity levels.
- Tight cash control.

Outlook

"In these uncertain times we have erred on the side of caution, taking action on costs and spending in response to the more challenging environment. Our strategic focus remains to align ourselves more closely with the UK's major construction and industrial Groups and I believe the 36% increase in turnover from the 50 largest of these businesses confirms that this is the correct strategy.

"Notwithstanding a circa 6% shortfall in revenues in October relative to our expectations, the positive impact of cost reduction measures and ongoing cost flexibility, together with reduced interest rates,

leads us to maintain our expectations for the current financial year, subject to no further deterioration in the market. However, given difficult economic conditions, we remain cautious in our outlook, and will not have sufficient certainty on our position until we are through to the other side of the traditional Christmas shutdown in the construction industry.

“Our breadth of activities, servicing a broad base of clients in a number of diverse markets, together with our past investment in our hire fleet, our people and our infrastructure will stand us in good stead to face whatever difficulties lie ahead. The Board is confident that the right steps are being taken to deal with the current situation, which it believes is likely to persist for some time. Our approach has been to take action in the short term to ensure that your business is positioned well to take advantage of the opportunities that will present themselves as more normal times return.”

David Wallis - Chairman

For further information:

Speedy Hire Plc

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There will be an analysts' meeting and conference call at 10.00am today. The presentation slides to accompany the conference call will be available at www.speedyhire.plc.uk from 10.00am this morning. A replay facility for this call will be available from Speedy Hire's website. For conference call details please contact Sarah Hughes, Hudson Sandler on 020 7796 4133 or shughes@hudsonsandler.com.

CHAIRMAN'S STATEMENT

Financial Performance

It has been a very challenging six months for your Company in what is generally recognised as being a period of unprecedented economic turmoil. This has resulted in a difficult trading environment, but I am pleased to report a satisfactory outcome for the period to 30 September, 2008 which is summarised in the table below.

Six months to 30 September	Unaudited 2008	Unaudited 2007	Change
Revenues	£256.2m	£209.5m	+22.3%
EBITDA*	£71.2m	£59.9m	+18.9%
Profit Before Tax*	£23.8m	£22.9m	+3.9%
Operating Margin*	12.8%	14.0%	-1.2ppts
Basic Earnings per Share	28.03p	28.70p	-2.3%
Earnings per Share*	34.32p	35.60p	-3.6%
Dividend per Share	6.4p	6.4p	n/c
Return on Capital (operating)*	13.1%	16.3%	-3.2ppts
Total Equity	£247.4m	£231.2m	+£16.2m
Net Debt	£276.8m	£248.7m	+£28.1m
Gearing	111.9%	107.5%	+4.4ppts

*pre amortisation and exceptional integration costs

The current economic situation has had a significant impact upon the wider construction market, through reduced activity and cancellation of planned and projected spending. As a result, the forward visibility of construction activity is a lot less certain than it has been traditionally.

In view of this, your Board has decided to pay an interim dividend of 6.4 pence per share, unchanged from last year. The Board remains committed to a progressive dividend policy, but considers that holding the interim dividend at this stage is prudent in the current uncertain trading environment. The dividend will be paid on 23 January, 2009, to those shareholders on the register on 9 January, 2009.

Trading

Our clients are experiencing very different conditions, depending upon the particular markets which they serve. On the one hand, infrastructure spending by Government and regulated industries remains strong. The Group's 50 largest clients are most active in these areas and they now account for approximately 30% of Group revenues. Our business with these major clients has progressed extremely well, producing a 36% increase year on year, with activity around the London Olympics starting to make an impact.

Our business with non-construction clients, such as those in the industrial, energy and water sectors, has also progressed well and now accounts for over 30% of the Group's revenues. We have recently secured new long-term service agreements with ExxonMobil, Southern Electrical Contracting (a division of Scottish and Southern Energy) and a number of framework agreements with the water utilities and their partners. These are significant contracts which add to our roster of secured term agreements.

On the other hand, there has been a severe contraction in general construction activity, which is primarily funded by the private sector. Projects in areas of commercial, retail, housebuilding and secondary residential, such as home extensions and refurbishment, have all but disappeared. Private clients cannot access capital, cannot afford the cost of capital or are unwilling to take the risk on their capital. As a result, the confidence and ability of both contractors and consumers to finance these projects is lacking. The impact on the Group has been a significant decline in revenues from smaller and medium sized customers.

Whilst we remain confident about the medium and long term prospects of the business, we have to respond to the short term situation. Therefore, in order to manage the business in this more challenging trading environment, specific cost management plans have been put in place. Operating costs are being reduced to ensure that they are at a level commensurate with a lower level of activity. Further details are set out in the Business & Financial Review. These actions demonstrate the

operational flexibility of our business and are set to realise annualised cost savings of £24.4m, of which £16.1m will flow in the current financial year.

We will continue to take early action to manage our cost base in line with future trading expectations. Plans are therefore being developed to deliver a further £18m of annualised savings, which will primarily benefit the next financial year.

As part of this process, we have accelerated plans to consolidate our central and regional administrative functions into a new Shared Service Centre. This will be fully operational in the next financial year following the completion of the roll-out of our new IT system. The move is designed to achieve lower overall costs and better integrated information technology, finance and other support services across the Group.

Capital expenditure plans have been severely cut to reflect reduced activity levels. Our original guidance for the current year was for annual capital expenditure to be in the range of £100-110m. This will be restricted to £75m this year and will be further reduced next year.

Net debt to EBITDA (trailing 12 months, excluding exceptional items) remains comfortable at 1.94x (1.94x at 31 March, 2008) with net debt at 30 September, 2008 of £276.8m, a £17.9m reduction from the position at 30 June, 2008. Gearing has risen to 111.9% from 106.5% at 31 March, 2008 following acquisition expenditure of £13.9m, payment of a £6.8m dividend and payment of the Group's 2007/08 year-end cash bonuses in May/June totalling £15.6m.

The Group continues to operate within the terms of its long term, committed loan agreement (including the covenants therein, which are set out in the Business & Financial Review) and this facility is not due to be renewed until mid 2012. Cash is being tightly managed through a reduction in capital investment and an aggressive drive to minimise costs and maximise cashflow, with the objective of ensuring that year-end net debt will be below the £255.6m reported at the end of last year.

Outlook

We continue to take comfort from the pipeline of secured orders held by our major customers, which are increasingly driven by Government and regulated industry spending. Equally, our order intake from industrial and utility contracts is very encouraging and we expect to see continued success in this area. We will also benefit from an increasing proportion of our revenues, currently around 10%, being subject to guaranteed minimum spend commitments.

However, the leading indicators for the market as a whole, which we traditionally rely upon to base our forecasts, are displaying significant inconsistencies. Projects that have been let and were planned to start have been curtailed because of the continued sensitivity around the cost and availability of finance. This is particularly evident in the private sector and has increased in severity since September.

Proposed Government initiatives to accelerate projects in the pipeline are to be welcomed. However, we remain cautious of the Government's ability to deliver on this objective because of capital, planning and design constraints.

All construction and industrial activity is dependent upon access to capital. This traditionally requires credit being made available to the companies involved and there is clear evidence that its availability remains a serious issue. Until stability and confidence returns to the financial sector and liquidity increases, the current economic turmoil is likely to persist and the UK head further into recession. This means that our traditional ability to give a realistic and reliable view of prospects is impaired. We will therefore err on the side of caution.

Notwithstanding a circa 6% shortfall in revenues in October relative to our expectations, the positive impact of cost reduction measures and ongoing cost flexibility, together with reduced interest rates, leads us to maintain our expectations for the current financial year, subject to no further deterioration in the market. However, given difficult economic conditions, we remain cautious in our outlook, and will not have sufficient certainty on our position until we are through to the other side of the traditional Christmas shutdown in the construction industry.

The value of our past investment in our hire fleet, our people and our infrastructure will stand us in good stead to face whatever difficulties lie ahead. The quality and range of our fleet gives us the ability to service the widest possible range of clients and markets. With access to capital being either difficult or expensive, we are equally confident that in these current economic conditions contractors and industrial clients alike will be more likely to hire rather than buy equipment. This, together with increasing legislative pressure, also supports the demand for our business and its services.

Our strategic focus over the past several years to align ourselves more closely with the UK's major construction and industrial groups continues to position us well to serve those best placed in these more challenging times and will provide good opportunities for growth.

The Board is confident that the right steps are being taken to deal with the current conditions, which it believes are likely to persist for some time. Our approach has been to take action in the short term to ensure that your business is positioned well to take advantage of the opportunities that will present themselves as more normal times return.

David Wallis
Chairman

BUSINESS & FINANCIAL REVIEW

Overview

As we identified in our 8 October, 2008 IMS, trading has become progressively more challenging since July. In the first quarter of 2008, the difficulties in the UK construction market were restricted to housebuilding, residential developments and commercial office space; the market overall remained reasonably buoyant because of retained confidence in PFI funding to support large infrastructure and sports and leisure projects, together with strong pipelines of works planned in regeneration, large commercial developments and the regulated industries, e.g. water, energy and transport. There was also a retained confidence in the wider private sector, evidenced by substantial plans for spending in the industrial, commercial and retail markets. However, this all changed in August with the heightened sensitivity around bank financing, which subsequently led to the collapse of Lehman Bros and the bail out of AIG in America in September.

The fallout from these events has been significant, leading to a further deterioration in the credit and liquidity available to the market, the effect of which has been a severe contraction in activity. The latest data from Glenigan ABI suggests that there have been cancellation or deferment notices on approximately 800 construction projects throughout the UK since September, reflecting the effective withdrawal of private sector clients from the market.

These dynamics have clearly had a damaging effect on our business environment and therefore impaired our own performance against earlier expectations. Importantly, however, we were quick to recognise this heightened sensitivity across the wider construction sector and the impact was not totally unexpected. We announced in October that we had already cut our capital spending plans and instigated the first stage of aggressive cost cutting measures. We acted swiftly and will continue to take decisive action to manage our cost base in line with the tougher trading conditions that will prevail. We do not expect this more challenging environment to improve for the foreseeable future. We are therefore committed to ensuring that the business rapidly reduces costs to maximise the benefits available to it from our strong cash flow generation.

Summary Financial Performance

Group turnover for the six months to 30 September, 2008 increased by 22.3% to £256.2m (prior year period £209.5m). The Tools Division contributed 50.7% of Group turnover and the Equipment Division 49.3%. Group EBITDA totalled £71.2m, an increase of 18.9% over the prior year period (adjusted for exceptional integration costs), and the EBITDA margin of 27.8% was broadly in line with the prior year period and 2.1ppts higher than in the preceding six month period (adjusted for exceptional integration costs).

Operating profit (before amortisation expense of £4.4m (£2.6m) and exceptional integration costs of £nil (£1.7m)) rose by 11.9% to £32.8m (£29.3m) and profit before tax (before amortisation expense and exceptional integration costs) increased by 3.9% to £23.8m (£22.9m). With an effective tax rate of 27.0% (25.0%), earnings per share (before amortisation expense and exceptional integration costs) amounted to 34.3p per share, 3.6% lower than in the prior year period (35.6p). There were no exceptional items in the period (£2.1m).

The Group's gross profit margin of 64.6% compares to 65.4% for the period ended 30 September, 2007. Compared to the six months ended 31 March, 2008, it was up 1.6ppts. The operating profit margin (calculated before amortisation expense and exceptional integration costs) of 12.8% for the period ended 30 September, 2008 shows a decline versus the margin for the prior year period (14.0%) and the six months ended 31 March, 2008 (13.6%). However, operating profit in the first half of this year is calculated after deducting £1.3m of integration costs for recent acquisitions, which have not been treated as exceptional on the grounds of materiality. Adjusting for this, the operating profit margin is 13.3% rather than 12.8%.

The Group's fledgling activities in Ireland continue to develop, with revenues increasing to £5.3m (£3.9m) in the period. At a contribution level, the operations are now broadly at break-even.

Segmental Analysis

The Group's primary segmental reporting format is based on class of business – Tools and Equipment.

The figures in the tables below are presented before corporate costs. These amounted to £6.8m in the first half, equivalent to 2.7% of revenue, which was broadly the same proportion of revenue as in the prior year period (2.6%).

The Group's principal operating cost items are personnel, depreciation and vehicles/fuel. These totalled £126.7m in the period (£96.4m).

Personnel costs totalled £69.8m (of which £2.5m is within corporate costs). Following the acquisition of Hewden Tools in August 2007, this was 32.5% higher than the prior year period (£52.7m), and 5.5% up on the preceding six months (which included the acquisition impact, in particular, of AMEC LSS and Carillion Accommodation Services).

Depreciation totalled £38.4m (of which £2.8m is within corporate costs) and was 25.5% up on the prior year period (and 3.8% up on the preceding period). As a percentage of turnover, depreciation represented 15.0% in the period versus 14.6% in the prior year period.

Vehicle costs amounted to £13.7m, with transport related fuel adding a further £4.8m. These were 40.2% and 45.9% respectively up on the equivalent period in the prior year.

Tool Hire Division

£m

6 months to	Sept 08	Sept 07	% change
Revenue	131.6	111.7	+17.8%
EBITDA	36.5	28.5	+28.1%
<i>EBITDA margin</i>	<i>27.7%</i>	<i>25.5%</i>	<i>+2.2ppts</i>
EBITA	18.4	16.8	+9.5%
<i>EBITA margin</i>	<i>14.0%</i>	<i>15.0%</i>	<i>-1.0ppts</i>
EBIT	16.6	16.2	+2.5%
<i>EBIT margin</i>	<i>12.6%</i>	<i>14.5%</i>	<i>-1.9ppts</i>

Note: (excludes exceptional items - £(1.7)m in prior year period)

It is not possible to calculate reliable like for like revenue figures for the Tools Division given the extent of the integration of the £118m acquisition of Hewden Tools in August 2007, in particular following the closure of Hewden and Speedy depots as part of the acquisition integration process and the later cost cutting programme which has resulted in the closure of a further 33 depots.

Equipment Hire Division

£m

6 months to	Sept 08	Sept 07	% change
Revenue	130.8	101.4	+29.0%
EBITDA	38.7	32.0	+20.9%
<i>EBITDA margin</i>	<i>29.6%</i>	<i>31.6%</i>	<i>-2.0ppts</i>
EBITA	21.2	17.9	+25.4%
<i>EBITA margin</i>	<i>16.2%</i>	<i>17.7%</i>	<i>-1.5ppts</i>
EBIT	18.6	15.9	+17.0%
<i>EBIT margin</i>	<i>14.2%</i>	<i>15.7%</i>	<i>-1.5ppts</i>

Within the Equipment Division, first half revenue growth adjusted for acquisitions amounted to c.15%.

Cost Reduction Measures

With the heightened sensitivity that pervades the market, together with the increased difficulty in forecasting the future, we have taken a cautious approach to our forward outlook. We have substantially reduced our capital expenditure both this year and next. This is now forecast at £75m and will be further reduced next year.

We also instigated an initial cost reduction plan in July of this year. This initial phase will reduce our cost base by £16.7m at a cost of £0.6m in the current financial year and provide annualised savings in excess of £24m. Actions taken include:

- Reducing headcount by 492; this objective is 87% complete with 429 having left the business as at the end of October.
- Reducing our vehicle fleet by 260 units; this objective is 81% complete with 211 leases reaching completion and not being renewed.
- Reducing our operational footprint by 38 sites; this objective is 87% complete with 33 depots having been closed down and assets and business transferred to neighbouring locations.

We are committed to maintaining this aggressive approach to costs and are about to launch a second phase of cost reduction that is targeted to reduce costs by a further £18m.

These actions are designed to ensure that the business maintains a strong financial footing. We will not be deflected from taking the necessary action to ensure that we maintain a healthy profit position and use our strong cash flow to pay down debt. In all cases we will undertake these actions with a clear objective to, as far as is practicably possible, retain the integrity of our infrastructure, maintain our service standards and protect the long term interests of the business. We are determined to ensure that our business is best placed to take advantage of the upturn when the market recovers.

Acquisitions

Acquisition spend for the period totalled £13.9m. This principally reflects the acquisition of Carillion Accommodation Services ('CAS') from Carillion plc in May 2008 for £12.5m (including lease obligations), plus the acquisition of Apollo Hire Centres from Connaught plc for £0.5m in August 2008. Both of these have provided the Group with secured agreements with key operators in the more resilient areas of the market.

In line with the overall Group strategy, the CAS and Apollo acquisitions have strengthened our relationship with two important customers. They complement and extend the traditional markets serviced by Speedy Hire and provide preferred supply agreements, which have a duration of up to five years, across both customers' businesses, thereby increasing visibility over future revenue. As part of this process, Speedy Hire acquired Carillion's national accommodation business and Connaught's tool hire subsidiary in the Yorkshire area. Both businesses have been fully integrated into Speedy Hire's existing operations.

Acquisition accounting relating to these two transactions resulted in £12.2m being added to intangible assets, of which £4.0m was goodwill.

Treasury/Tax

Net financing costs totalled £9.0m (2007: £6.4m before exceptional items) in the period. This was driven by an average funding cost (including margin and other usage fees) of 6.40% p.a.

One month LIBOR rates during the period ranged from 5.78% to 6.08%. Interest rate hedges delivered a cumulative cost of debt of 5.52% (including margin and other usage fees) during the period in respect of the c.50% of net debt covered by these instruments.

The Group's core term funding is provided via a £325m committed loan facility which matures in June 2012, with £10m repayments due in each of June 2009, 2010 and 2011.

The Group is subject to various covenants in its loan agreement. The principal financial covenants concern six monthly tests of EBIT/net interest expense, net debt/EBITDA and fixed charge cover (essentially interest cover adjusted to include operating lease payments) based on the Group's financial performance over the previous 12 months. The covenants require that the Group should not fall below 2.75-4.0 times on the interest cover test or 1.5-1.8 times on the fixed charge cover, or exceed 2.75 times on the net debt/EBITDA covenant. The two ranges reflect the fact that certain covenant hurdle rates step up between 30 September, 2008 and 31 March, 2010. The agreement allows for a number of adjustments to be made from statutory bases in the calculation of these ratios.

Calculated on the basis set out in the loan agreement, the trailing 12 months interest cover at 30 September, 2008 was 2.94 times (requirement - greater than 2.75x). On the same basis, the net debt/EBITDA ratio was 2.0 times (requirement - less than 2.75x) and the fixed charge cover ratio was 1.73 times (requirement - greater than 1.5x). On the basis of current forecasts, assisted by its flexible cost base, the cost reduction programmes underway and recent falls in interest rates, the Group anticipates that it will remain within its financial covenants.

The Group tax rate in the first half of the current financial year was 27.0%. This is higher than the 20.0% effective tax rate reported in the last financial year, which benefited from adjustments in deferred tax relating to the reduction in Corporation Tax to 28%, but remains in line with guidance previously given for the full year. Cash tax paid during the period related to the final quarterly instalments in respect of the year to 31 March, 2008 and was £1.1m lower than the prior year period due to the phasing of prior year taxable profits following the Hewden Tools acquisition.

Cash Flow

The Group continues to be highly cash generative with operating cash flow for the six month period (before changes in working capital) increased by 22.6% to £68.9m (£56.2m). Net cash generated from operations totalled £40.2m, which was £0.6m higher than the prior year period, reflecting a £10.5m reduction in payables during the period due to lower capex and £2.2m higher net interest paid.

Free cash flow amounted to £0.6m (prior year period £2.9m). This follows net capex (after disposals etc) of £39.6m compared to £36.7m in the prior year period.

Gross capex in the first half totalled £53.1m. Although up on the prior year period (£46.0m), this was 8.6% below the amount invested in the preceding six month period, reflecting an increasingly cautious trading outlook. For the second half of 2008/09, gross capex is forecast at approximately £22m.

Balance Sheet

Net assets at 30 September, 2008 totalled £247.4m, a £7.3m increase on the £240.1m reported at 31 March, 2008. Net fixed assets, at £377.9m, were broadly unchanged from the position at the year end (£372.9m) and approximately 90% of this figure continues to represent equipment for hire.

Asset turn (annualised hire revenue divided by average net book value of hire equipment), which is used internally as a key measure of the effectiveness of asset utilisation, remains broadly stable, having moved from 1.25x at 31 March, 2008 to 1.21x at 30 September, 2008.

Despite the 22.3% increase in revenue in the first half of this year, net trade debtors totalled £126.3m at 30 September, 2008 compared to the £128.4m at 31 March, 2008. Bad debt and credit note

provisions are now at 9.7% of gross trading company debtors, with debtor weeks (calculated on a 'count-back' basis) showing a small improvement over the position at 31 March, 2008.

Net debt at 30 September, 2008 amounted to £276.8m, a reduction of £17.9m from the position at the end of June 2008. The Group continues to target further reductions and expects that net debt by the year-end will be lower than the opening position of £255.6m.

Short Term Focus

The current market turmoil demands that we respond to the short term situation. Therefore our current priority has to be to reduce costs, capital spending and bank debt.

These activities will be supported through the establishment of a Shared Service Centre (SSC) that will ensure that Speedy is easier to do business with. The SSC will provide Service Excellence in our back office and administration processes as well as facilitating the ability to present ourselves to customer as "One Speedy", removing the costs associated with duplication of process and improving cash flow efficiency.

We will take the necessary action to ensure that our business remains appropriately structured for the downturn. We will drive down costs, restrict capital outflow and apply an unremitting determination to reduce debt. Whilst this will delay some of our long term ambitions, we are convinced that the current economic turmoil will remove some of the weaker players and facilitate further consolidation. We are determined to be fully positioned to benefit from this position on the return to more normalised market conditions.

Steve Corcoran
Chief Executive Officer

Directors' responsibility statement in respect of the interim financial report

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;
- The interim management report includes a fair review of the information required by:
 - (i) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (ii) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For and on behalf of the Board of Directors

SJ Corcoran
Director

JR Read
Director

Consolidated income statement

For the six months ended 30 September 2008

	Note	Unaudited	Unaudited six months ended 30 September 2007		
		Six months ended 30 September 2008 £m	Before exceptional integration costs £m	Exceptional integration costs £m	Total £m
Revenue	2	256.2	209.5	-	209.5
Cost of sales		(90.7)	(72.5)	-	(72.5)
Gross profit		165.5	137.0	-	137.0
Distribution costs		(31.2)	(26.5)	-	(26.5)
Administration costs		(105.9)	(83.8)	(1.7)	(85.5)
Analysis of operating profit					
Operating profit before amortisation & exceptional integration costs		32.8	29.3	-	29.3
Exceptional integration costs		-	-	(1.7)	(1.7)
Amortisation		(4.4)	(2.6)	-	(2.6)
Operating profit	2	28.4	26.7	(1.7)	25.0
Financial income	3	0.4	0.2	-	0.2
Financial expense	3	(9.4)	(6.6)	(0.4)	(7.0)
Profit before taxation		19.4	20.3	(2.1)	18.2
Taxation	4	(5.2)	(5.2)	0.6	(4.6)
Profit for the financial period		14.2	15.1	(1.5)	13.6
Attributable to:					
Equity holders of the parent		14.2			13.6
Minority interests		-			-
		14.2			13.6
			Pence		Pence
Earnings per share					
Basic	5	28.03			28.70
Diluted	5	27.75			28.31
Dividend per share	6	6.40			6.40

Consolidated income statement (continued)

	Note	Year ended 31 March 2008		Total £m
		Before exceptional integration costs £m	Exceptional integration costs £m	
Revenue	2	465.5	-	465.5
Cost of sales		(167.1)	-	(167.1)
Gross profit		298.4	-	298.4
Distribution costs		(49.8)	-	(49.8)
Administration costs		(191.8)	(10.0)	(201.8)
Analysis of operating profit				
Operating profit before amortisation & exceptional integration costs		64.0	-	64.0
Exceptional integration costs		-	(10.0)	(10.0)
Amortisation		(7.2)	-	(7.2)
Operating profit	2	56.8	(10.0)	46.8
Financial income	3	0.9	-	0.9
Financial expense	3	(16.8)	(0.4)	(17.2)
Profit before taxation		40.9	(10.4)	30.5
Taxation	4	(9.2)	3.1	(6.1)
Profit for the financial period		31.7	(7.3)	24.4
Attributable to:				
Equity holders of the parent				23.3
Minority interests				1.1
				24.4
Earnings per share				
Basic	5			47.89
Diluted	5			47.49
Dividend per share	6			19.80

Consolidated statement of recognised income and expense

For the six months ended 30 September 2008

	Unaudited Six months ended 30 September 2008 £m	Unaudited Six months ended 30 September 2007 £m	Audited Year ended 31 March 2008 £m
Cash flow hedges: loss taken to equity	-	-	(1.2)
Net loss recognised directly in equity	-	-	(1.2)
Profit for the financial period	14.2	13.6	24.4
Total recognised income and expense for the period	14.2	13.6	23.2
Attributable to:			
Equity holders of the parent	14.2	13.6	22.1
Minority interests	-	-	1.1
	14.2	13.6	23.2

Consolidated balance sheet

	<i>Note</i>	Unaudited 30 September 2008 £m	Unaudited 30 September 2007 £m	Audited 31 March 2008 £m
ASSETS				
Non-current assets				
Intangible assets	7	136.7	126.6	128.9
Property, plant & equipment	8	377.9	353.5	372.9
		514.6	480.1	501.8
Current assets				
Inventories		16.5	15.3	16.2
Trade & other receivables		150.2	144.4	143.6
Other financial receivables	9	-	0.7	-
Cash		1.5	9.4	4.4
		168.2	169.8	164.2
Total Assets		682.8	649.9	666.0
LIABILITIES				
Current liabilities				
Borrowings	10	(10.1)	(10.0)	-
Other financial liabilities	9	(0.5)	-	(0.5)
Trade & other payables		(108.7)	(118.7)	(120.0)
Provisions		(1.0)	-	(1.0)
Current income tax		(10.6)	(6.7)	(5.9)
		(130.9)	(135.4)	(127.4)
Non-current liabilities				
Borrowings	10	(268.2)	(248.1)	(260.0)
Provisions		(0.7)	-	(1.2)
Deferred tax liabilities		(35.6)	(35.2)	(37.3)
		(304.5)	(283.3)	(298.5)
Total liabilities		(435.4)	(418.7)	(425.9)
Net assets		247.4	231.2	240.1
EQUITY				
Share capital	11	2.5	2.5	2.5
Share premium	11	111.1	108.3	111.0
Merger reserve	11	3.7	3.7	3.7
Hedging reserve	11	(0.7)	0.5	(0.7)
Retained earnings	11	130.8	116.0	122.3
Total equity attributable to equity holders of the parent		247.4	231.0	238.8
Minority interests	11	-	0.2	1.3
Total equity		247.4	231.2	240.1

Consolidated cash flow statement

	Unaudited 30 September 2008 £m	Unaudited 30 September 2007 £m	Audited 31 March 2008 £m
Cash flow from operating activities			
Profit before tax	19.4	18.2	30.5
Adjustments for:			
Financial income	(0.4)	(0.2)	(0.9)
Financial expense	9.4	7.0	17.2
Intangible amortisation	4.4	2.6	7.2
Depreciation	38.4	30.6	67.6
Movement in provisions	(0.5)	-	-
Profit on disposal of property, plant & equipment	(3.0)	(3.3)	(9.7)
Equity-settled shared-based payments	1.2	1.3	2.2
	68.9	56.2	114.1
Increase in inventories	(0.3)	(2.4)	(3.1)
Increase in trade & other receivables	(7.0)	(21.1)	(27.6)
(Decrease) / increase in trade & other payables	(10.5)	16.7	18.9
Cash generated from operations	51.1	49.4	102.3
Interest received	0.4	0.1	0.9
Interest paid	(9.0)	(6.5)	(15.5)
Tax paid	(2.3)	(3.4)	(4.7)
Net cash flow from operating activities	40.2	39.6	83.0
Cash flow from investing activities			
Acquisition of businesses, net of cash acquired	(13.9)	(120.2)	(137.4)
Purchase of property, plant & equipment	(53.1)	(46.0)	(104.1)
Disposal of property, plant & equipment	13.5	9.3	34.4
Net cash flow from investing activities	(53.5)	(156.9)	(207.1)
Net cash flow before financing activities	(13.3)	(117.3)	(124.1)
Cash flow from financing activities			
Proceeds from shares issued	0.1	53.5	56.2
Share issue costs	-	(2.8)	(2.8)
Finance lease payments	(0.3)	-	-
Proceeds from new loans	17.4	71.2	73.5
Dividends paid	(6.8)	(5.5)	(8.7)
Net cash flow from financing activities	10.4	116.4	118.2
Decrease in cash	(2.9)	(0.9)	(5.9)
Cash at start of the financial period	4.4	10.3	10.3
Cash at the end of the financial period	1.5	9.4	4.4

Notes to the financial statements

1. Basis of preparation

The interim financial statements of the company as at and for the six months ended 30 September 2008 comprise the company and its subsidiaries (together referred to as 'the Group').

The financial statements of the Group for the year ended 31 March 2008 are available from the company's registered office, or from the website: www.speedyhire.plc.uk.

These interim financial statements have been prepared in accordance with International Financial Reporting Standard ('IFRS') IAS 34 *Interim Financial Reporting*. They do not include all the information required for full annual statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 March 2008. The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 March 2008.

The preparation of interim financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing the interim financial statements, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2008.

The comparative figures for the financial year ended 31 March 2008 are not the company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

These interim financial statements were approved by the Board of Directors on 26 November 2008.

2. Segmental analysis

The Group's primary segmental reporting format is class of business, as the Group's management and internal reporting are structured in this manner. The Group's activity is conducted within the United Kingdom and Republic of Ireland.

	Unaudited 30 September 2008 £m	Unaudited 30 September 2007 £m	Audited 31 March 2008 £m
Revenue			
Tools	131.6	111.7	257.8
Equipment	130.8	101.4	217.3
	262.4	213.1	475.1
Intra-group revenue	(6.2)	(3.6)	(9.6)
	256.2	209.5	465.5
Operating profit			
Tools			
- before depreciation, amortisation and exceptional integration costs	36.5	28.5	67.8
- Depreciation	(18.1)	(11.7)	(33.0)
- Amortisation	(1.8)	(0.6)	(2.0)
- Exceptional integration costs	-	(1.7)	(10.0)
	16.6	14.5	22.8
Equipment			
- before depreciation and amortisation	38.7	32.0	69.9
- Depreciation	(17.5)	(14.1)	(29.9)
- Amortisation	(2.6)	(2.0)	(5.2)
	18.6	15.9	34.8
Operating profit before corporate costs	35.2	30.4	57.6
Corporate costs	(6.8)	(5.4)	(10.8)
	28.4	25.0	46.8
Net assets			
Tools	259.6	251.1	229.0
Equipment	227.8	210.9	228.8
	487.4	462.0	457.8
Unallocated net assets	36.0	17.9	37.9
Net debt	(276.0)	(248.7)	(255.6)
	247.4	231.2	240.1
Capital expenditure			
Tools	19.0	76.4	120.1
Equipment	27.4	22.5	37.9
Intangible assets	12.2	50.4	62.9
Unallocated capital expenditure	7.5	2.8	13.4
	66.1	152.1	234.3

3. Financial income and expense

	Unaudited 30 September 2008 £m	Unaudited 30 September 2007 £m	Audited 31 March 2008 £m
Financial income			
Bank interest received	0.1	0.2	0.2
Gains on hedging instruments	0.3	-	-
Other interest received	-	-	0.7
	0.4	0.2	0.9
Financial expense			
Interest on bank loans and overdrafts	(9.0)	(6.5)	(16.1)
Amortisation of issue costs	(0.3)	(0.1)	(0.5)
Exceptional amortisation of issues costs	-	(0.4)	(0.4)
Other finance costs	(0.1)	-	(0.2)
	(9.4)	(7.0)	(17.2)
Net financial expense	(9.0)	(6.8)	(16.3)

4. Taxation

The corporation tax charge for the six months ended 30 September 2008 is based on an effective rate of taxation of 27.0% (2007: 25.0%). This has been calculated by reference to the projected charge for the full year ending 31 March 2009, applying the applicable UK corporation tax rate of 28%.

5. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent of £14.2m (2007: £13.6m) and the weighted average number of 5 pence ordinary shares in issue during the six months ended 30 September 2008 calculated as follows:

	Unaudited 30 September 2008 £m	Unaudited 30 September 2007 £m	Audited 31 March 2008 £m
Earnings (£m)			
Profit for the period after tax – basic earnings	14.2	13.6	23.3
Intangible amortisation charge (after tax)	3.2	1.8	7.2
Exceptional integration costs (after tax)	-	1.5	7.3
	17.4	16.9	37.8
Weighted average number of shares in issue (million)			
At the beginning of the period	48.8	45.2	47.4
Issue of ordinary	-	2.0	0.2
Exercise of share options	1.7	0.2	1.2
At the end of the period – basic number of shares	50.5	47.4	48.8
Share options	0.5	0.3	0.3
Employee share scheme	-	0.4	0.1
At the end of the period – diluted number of shares	51.0	48.1	49.2
Earnings per share			
Basic earnings per share	28.03	28.70	47.89
Amortisation	6.29	3.74	10.31
Exceptional integration costs	-	3.16	14.99
	34.32	35.60	73.19
Basic earnings per share	28.03	28.70	47.89
Share options	(0.28)	(0.18)	(0.07)
Employee share scheme	-	(0.21)	(0.33)
	27.75	28.31	47.49

6. Dividends

	Unaudited 30 September 2008 £m	Unaudited 30 September 2007 £m	Audited 31 March 2008 £m
2007 final dividend (11.5 pence per share on 48.2m shares)	-	5.5	5.5
2008 interim dividend (6.4 pence per share on 50.4m shares)	-	-	3.2
2008 final dividend (13.4 pence per share on 50.9m shares)	6.8	-	-
	6.8	5.5	8.7

Subsequent to the end of the period, and not included in the results for the period, the Directors declared an interim dividend of 6.4 pence per share (2007: 6.4 pence), to be paid on 23 January 2009 to shareholders on the register on 9 January 2009.

7. Acquisitions

Carillion Asset Management

During the period, the Group acquired the trade and assets of the accommodation business of Carillion Asset Management Limited business from Carillion Plc, and at the same time entered into a 5 year strategic partnering agreement with Carillion Plc. Total consideration for the acquisition amounted to £12.5m including fees and assumed lease obligations of £1.4m.

Tangible assets acquired on the acquisition have been estimated at £0.8m, based on an initial assessment of fair values. Intangible assets in respect of customer list, supply and non-compete agreements, have been identified, and valued provisionally at £8.0m based on an independent valuation.

Goodwill arising on the acquisition is estimated to be in the region of £3.7m, pending finalisation of the fair value exercise in the second half of the financial year.

Other acquisitions

The Group also acquired the trade and assets of Apollo Hire from Connaught Plc for a consideration of £0.5m.

8. Property, plant & equipment

	Land & buildings £m	Hire equipment £m	Fixtures, fittings, & motor vehicles £m	Total £m
Cost				
At 31 March 2007	20.4	438.3	28.6	487.3
Additions	1.4	40.7	3.9	46.0
Arising on acquisition of businesses	0.7	84.1	14.7	99.5
Disposals	-	(15.6)	(1.9)	(17.5)
At 30 September 2007	22.5	547.5	45.3	615.3
Additions	2.6	45.2	10.3	58.1
Arising on acquisition of businesses	-	7.3	-	7.3
Disposals	(0.3)	(30.2)	(5.8)	(36.3)
At 31 March 2008	24.8	569.8	49.8	644.4
Additions	2.7	46.0	5.2	53.9
Disposals	(0.2)	(23.5)	-	(23.7)
At 30 September 2008	27.3	592.3	55.0	674.6
Depreciation				
At 31 March 2007	9.3	167.9	14.1	191.6
Charge for the period	1.5	27.8	1.3	30.6
Arising on the acquisition of businesses	0.7	34.0	7.2	41.9
On disposals	-	(1.7)	(0.6)	(2.3)
At 30 September 2007	11.5	228.0	22.3	261.8
Charge for the period	1.7	32.9	2.4	37.0
On disposals	(0.6)	(25.3)	(1.4)	(27.3)
At 31 March 2008	12.6	235.6	23.3	271.5
Charge for the period	1.5	35.1	1.8	38.4
On disposals	-	(13.2)	-	(13.2)
At 30 September 2008	14.1	257.5	25.1	296.7
Net book value				
At 30 September 2007	11.0	319.5	23.0	353.5
At 31 March 2008	12.2	334.2	26.5	372.9
At 30 September 2008	13.2	334.8	29.9	377.9

The Group acquired the trade and certain assets of the Hewden Hire Centres business from Hewden Stuart Plc in August 2007. The balance sheets at 30 September 2007 and 31 March 2008 have been restated to accommodate adjustments to fair values in respect of the acquired assets. These adjustments arose from the estimation and finalisation of determining the fair value of the hire fleet, taking into account changes in value of the acquired fleet, and estimates of assets which were lost or missing at the time of the acquisition.

As a result of these adjustments, the carrying value of tangible assets has decreased by £7.4m compared to the provisional estimate at 30 September 2007, and decreased by £1.9m compared to the values adopted in the 31 March 2008 financial statements. In both cases, and equal and opposite adjustments have been made to goodwill.

9. Financial risk management

The Group holds and uses financial instruments to finance its operations and to manage its interest rate and liquidity risks. The Group primarily finances its operations using share capital, retained profits and borrowings. The main risks arising from the Group's financial instruments are credit, interest rate, foreign currency and liquidity risk.

The Board reviews and agrees the policies for managing each of these risks on an annual basis. A full description of the Group's approach to managing these risks is set out in the 2008 Annual Report on pages 80 to 82.

The notional contract amounts and the related fair value of the Group's financial instruments can be analysed as follows:

	30 September 2008		30 September 2007		31 March 2008	
	Fair value £m	Notional amount £m	Fair value £m	Notional amount £m	Fair value £m	Notional amount £m
Designated as cash flow hedges						
Fixed interest rate swaps	(0.1)	45.0	0.5	55.0	0.2	45.0
Interest rate collars	(0.2)	70.0	-	62.0	-	82.0
Interest rate caps	(0.2)	25.0	-	25.0	-	25.0
	(0.5)	140.0	0.5	142.0	0.2	152.0
Other instruments						
Fixed interest rate swaps	-	-	0.1	5.0	-	-
Interest rate collars	-	-	-	-	-	-
Interest rate caps	-	-	0.1	5.0	-	-
	-	-	0.2	10.0	-	-
	(0.5)	140.0	0.7	152.0	(0.5)	152.0

The weighted average interest rate of the fixed interest rate hedge is 5.522% (31 March 2008: 5.251%) and the instruments are for a weighted average period of 27 months (31 March 2008: 21 months).

Collar instruments bear interest rates between 3.820% and 6.500% (31 March 2008: between 4.010% and 6.500%), for a weighted average period of 19 months (31 March 2008: 23 months).

Capped rate instruments bear a weighted average maximum interest rate of 6.450% (31 March 2008: 5.845%) for a weighted average period of 23 months (31 March 2008: 22 months).

10. Borrowings and net debt

The Group has available a £325m term and revolving credit facility, and a £5m overdraft facility as at 30 September 2008. Of these facilities, £51m remained unutilised at 30 September 2008, comprising £46m of the revolving credit facility and £5m of the overdraft facility. The term and revolving loan facility was entered into in June 2007 and is sub-divided into:

- (i) an A Facility of £100m, which is repayable in three equal annual instalments of £10m from June 2009 with the remaining £70m being due for repayment in June 2012; and
- (ii) a B Facility of £225m repayable on the fifth anniversary of the issue date.

The Group's overdrafts are secured by cross guarantees and debentures given by Group companies in favour of Barclays Bank PLC. The revolving credit facility is secured by a fixed and floating charge over all the assets of the Group.

The maturity profile of the borrowings is as follows:

	Unaudited 30 September 2008 £m	Unaudited 30 September 2007 £m	Audited 31 March 2008 £m
Current borrowings			
Term loan	10.0	10.0	-
Finance leases	0.1	-	-
Total current borrowings	10.1	10.0	-
Non-current borrowings (Maturing between two and five years)			
Term loan	90.0	90.0	100.0
Revolving credit facility	179.0	160.2	161.8
Finance lease	0.7	-	-
Unamortised issue costs	(1.5)	(2.1)	(1.8)
Total non-current borrowings	268.2	248.1	260.0
Total borrowings	278.3	258.1	260.0
Less; cash at bank and in hand	(1.5)	(9.4)	(4.4)
Net debt	276.8	248.7	255.6

The revolving credit facility can be drawn for various periods specified by the company, up to the maturity date, with interest being calculated for the drawn period by reference to the London Inter Bank Offer Rate applicable to the period drawn, plus a margin which during the period was 67.5bps.

11. Reconciliation of movements in Equity

	Share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Retained earnings £m	Sub-total £m	Minority interest £m	Total equity £m
Total equity at 1 April 2007	2.3	57.8	3.7	0.5	106.6	170.9	0.2	171.1
Profit for the period	-	-	-	-	13.6	13.6	-	13.6
Dividends	-	-	-	-	(5.5)	(5.5)	-	(5.5)
Cost of share-based payments	-	-	-	-	1.3	1.3	-	1.3
Issue of ordinary shares	0.2	50.5	-	-	-	50.7	-	50.7
Total equity at 30 September 2008	2.5	108.3	3.7	0.5	116.0	231.0	0.2	231.2
Profit for the period	-	-	-	-	9.7	9.7	1.1	10.8
Dividends	-	-	-	-	(3.2)	(3.2)	-	(3.2)
Losses on cash flow hedges	-	-	-	(1.2)	-	(1.2)	-	(1.2)
Cost of share-based payments	-	-	-	-	0.9	0.9	-	0.9
Tax on share-based payments	-	-	-	-	(1.1)	(1.1)	-	(1.1)
Issue of ordinary shares	-	2.7	-	-	-	2.7	-	2.7
Total equity at 31 March 2008	2.5	111.0	3.7	(0.7)	122.3	238.8	1.3	240.1
Profit for the period	-	-	-	-	14.2	14.2	-	14.2
Dividends	-	-	-	-	(6.8)	(6.8)	-	(6.8)
Cost of share-based payments	-	-	-	-	1.2	1.2	-	1.2
Tax on share-based payments	-	-	-	-	(0.1)	(0.1)	-	(0.1)
Issue of ordinary shares	-	0.1	-	-	-	0.1	-	0.1
Purchase of minority	-	-	-	-	-	-	(1.3)	(1.3)
Total equity at 30 September 2008	2.5	111.1	3.7	(0.7)	130.8	247.4	-	247.4

The movement in share capital during the period was as follows:

	Number (million)	£m
At 31 March 2008	50.8	2.5
Share issues arising from Save As You Earn share issues	0.1	-
Other share issues	-	-
At 30 September 2008	50.9	2.5

12. Contingent liabilities

The Group has given warranties (including taxation warranties) to the purchasers of eight businesses disposed of over the last seven years. These warranties expire at various dates up to seven years from the date of disposal.

The Group has given guarantees with a value of up to £0.3m (2007: £0.3m) in respect of ongoing contractual commitments.

13. Related party disclosures

The Group's key management personnel are the Executive and Non-Executive Directors.

In addition to their salaries, the Group also provides non-cash benefits to Executive Directors, and contributes to approved pension schemes on their behalf. Executive Directors also participate in the Group's share option schemes.

Non-Executive Directors receive a fee for their services to the Speedy Hire Plc Board.

Full details of key management personnel interests in the share capital of the company as at 31 March 2008 are given in the Remuneration report on pages 56 to 58 of the 2008 Annual Report. Total remuneration in respect of key management personnel for the six months ended 30 September 2008 amounted to £0.5m including accrued bonus of £nil (2007: £0.8m, including accrued bonus of £0.4m).

During the period, 40,796 share options relating to the 2005 Performance and Co-investment Plans were awarded, and exercised by key management personnel. The options were awarded with an exercise price of nil pence per share. A further 442,231 options were granted in respect of the 2008 Performance and Co-investment Plans with performance criteria in line with the prior share option scheme outlined in the Remuneration report contained in the 2008 Annual Report.

Independent review report by KPMG Audit Plc to Speedy Hire 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 2008 which comprises the Consolidated Income Statement, Consolidated Statement of Recognised Income and Expense, Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related explanatory 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 to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). 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 DTR of the UK FSA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

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 UK. 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 2008 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

KPMG Audit Plc

Chartered Accountants
St James Square
Manchester
M2 6DS

26 November 2008