



INTERIM RESULTS 2008

Dyson Group plc (“Dyson” or the “Group”), the materials technology company, announces its interim results for the six months to 30 September 2008.

KEY POINTS FOR THE PERIOD

- Management restructuring and business re-focus continues
- Progress made on order intake for future revenues in the core markets of Automotive Emissions, Energy and Industry
- Prospects for the Dytech catalytic business in the Energy sector are encouraging
- Sales of Tin Oxide electrodes to the Glass Industry and of Zirconia nozzles to the Steel Industry are strong

FINANCIALS

- Sales broadly unchanged at £31.5 million (2007: £32.5 million)
- Underlying profit before tax of £3.2 million (2007: £4.0 million)
- Statutory profit before tax of £1.9 million (2007: £3.3 million) and earnings per share of 0.80 pence (2007: 7.02 pence)
- Underlying earnings per ordinary share of 6.79 pence (2007 : 8.57 pence)

Dr. Christopher Honeyborne, Chairman of Dyson Group said:

“The new management team has made progress on the implementation of its strategy to re-focus the Group on its core markets, namely Automotive Emissions, Energy and Industry. Although we remain cautious on the outlook for the full year, our sales revenue prospects for 2009-10 and beyond are encouraging, with new models and platforms looking to adopt Ecoflex® in the medium term.

Against a background of declining global economic and financial conditions, the Group delivered a satisfactory half year result.”

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A copy of the press release can be found on the Dyson Group website: www.dyson-group.com .

About Dyson Group

The Dyson Group designs, develops and manufactures high-performance materials for a wide a range of applications and operates on a global basis.

The Group's product portfolio focuses on three core market segments, namely Automotive Emissions, Energy (oil, gas, nuclear and petrochemical) and Industry (ceramics, glass and steel).

The Group draws upon its technological capabilities to manufacture innovative products which are required to withstand extreme temperatures and are abrasive or chemical resistant. Our key brands manufactured by our Performance Materials division are Saffil® and Ecoflex®, serving the fibre and catalytic converter applications markets. Our Thermal Technologies division, with its significant technical and manufacturing expertise, produces kiln furniture and precision ceramics for the Industry sector.

The Group aims to develop and to exploit this expertise in high-performance materials and product applications to realise value for our customers, shareholders and other stakeholders.

CHAIRMAN'S STATEMENT / INTERIM MANAGEMENT REPORT

OVERVIEW OF RESULTS

Against a background of declining global economic and financial conditions, Dyson delivered a satisfactory half year result. However, as previously announced, the Group retains a cautionary outlook for the remainder of the year.

The Group has made significant progress in the period as it re-focuses on its core markets, namely Automotive Emissions, Energy and Industry, as reflected in improved order intake prospects for future revenues.

In the Energy sector, prospects for the Dytech catalytic business and the high purity crucible product range are encouraging. The Industry sector enjoys strong sales of advanced Zirconia nozzles to the Steel Industry, and Tin Oxide electrodes to the Glass Industry.

Group revenue at 97% of last year's level was £31.5 million and underlying operating profit was £4.4 million (2007: £4.8 million). Profit before taxation, exceptional items and share-based payments was £3.2 million (2007: £4.0 million). Underlying earnings per share were 6.79 pence (2007: 8.57 pence). Statutory profit before taxation was £1.9 million compared with a previous year level of £3.3 million, with earnings per share of 0.80 pence (2007: 7.02 pence).

The new management team continues to pursue short-term and long-term opportunities for the property portfolio with a view to releasing value as market conditions improve.

The valuations of the property portfolio and the pension funds were updated at the half year to take account of market conditions, which resulted in a reduction of £3.1 million to £27 million for the property portfolio and a pension deficit increase of £3.3 million to £12 million.

Exceptional costs of £1.3 million (2007: £0.8 million) included £0.5 million for the planned Carolite closure costs, and £0.8 million relating to the reduction in value of investment properties contained within the property portfolio. Due to changes in Industrial Buildings Allowances legislation, a one-off exceptional deferred tax charge of £1 million has been incurred.

The net cash outflow of £2.9 million (2007: £2.4 million inflow) included £1.7 million of stock build in Saffil® in advance of a second half factory shut-down for planned refurbishment. Net debt at 30 September 2008 was £35.6 million (31 March 2008: £32.7 million).

In response to the recent weakening of demand, especially in the Automotive sector, the cautionary outlook for the remainder of this year, and the risk of covenant breaches that may arise in the future, the Management has recently opened constructive dialogue with its banks. Decisive cost and cash containment actions have been implemented and the Group continues to have access to adequate liquidity.

The Board proposes that no interim dividend will be paid in respect of the half year to 30 September 2008. The final dividend will be considered when the impact of the current economic conditions becomes clearer.

BUSINESS REVIEW

Performance Materials Division

30 September	2008 £'000	2007 £'000
Sales	22,009	22,589
Operating profit before exceptional items and pension costs	5,147	5,104
Margin	23.4%	22.6%

Saffil® and Ecoflex®

The strategy of the new management team is to diversify the business beyond a small number of customers and platforms and to initiate new revenue opportunities, both geographically and from a new customer stand point. This strategy is being successfully implemented, with new platforms and new customers both within and outside of the USA.

During the reported period, Saffil® and Ecoflex®, continued to deliver a satisfactory performance with sales levels remaining stable and similar to the second half of the previous financial year which, as noted in the 2008 annual results, suffered a reduction due to the slow-down in the USA automotive market. Selling and marketing initiatives have resulted in a strengthening of the market position in Europe and Asia to compensate for the weakening USA outlook.

The business has also focused on operational efficiencies and cost-saving measures, and thereby retained margin levels in spite of increased energy costs and price reductions to its automotive customers. Saffil® stock build, to prepare for the Widnes factory refurbishment planned for the second half, has boosted the first half performance through high capacity utilisation and production efficiency.

The outlook for the business over the next 12 months is subject to a number of risks, including a recent reduction in call-offs from automotive customers under existing supply agreements. Additionally, selling prices are under pressure from several customers. However, the margin performance for Ecoflex® compares favourably with industry standards.

As the next generation of Ecoflex® products is developed and launched, prospects for sales revenue growth in future years are encouraging, as the business becomes better positioned to meet demands imposed by increasingly stringent legislation on automotive emissions. Additionally, the recent weakening of Sterling against customers' and competitors' currencies will support future profit margins.

Other Performance Materials Businesses

Sales of advanced Zirconia nozzles for applications in the Steel Industry have been maintained at the high levels achieved last year, and investments to double the capacity have been made, to support growth in the market share.

The Tin Oxide business, selling electrodes to the Glass Industry, has continued the growth seen in the previous year. Progress has been made to streamline the production process and to review the routes to market.

The development of the Dytech business, manufacturing catalyst products for the Petrochemical Industry, continues and remains a core part of the Group's growth strategy.

Carolite

Following the decision to close the Carolite development activity in June 2008 as outlined in our 2008 annual report, £0.5 million closure costs have been incurred as expected during the period.

Thermal Technologies

30 September	2008 £'000	2007 £'000
Sales	6,892	6,680
Operating profit before exceptional items and pension costs	966	1,012
Margin	14.0%	15.1%

The Thermal Technologies division is now stabilised after the reorganisations and closures of recent years. Profit margins have been suppressed due to energy price increases, but good production performance has mitigated this. The strategy for Thermal Technologies is being implemented, which focuses on higher margin products where Dyson has clear leadership in technology or market position. Further rationalisation is anticipated to enable the ongoing strengthening of the business' performance, including a review of the routes to market.

The development of photovoltaic silica crucible technology continues and additional market opportunities for this product range are being developed with new customers.

OUTLOOK

Given current global economic uncertainty, these satisfactory first half results are unlikely to be repeated in the remainder of the year.

Continuing uncertainties in the markets that Dyson Group serves are especially significant in the Automotive sector, and are beyond our control, therefore we are taking early measures to ensure that our funding arrangements are adequately protected. We have also implemented decisive cost and cash containment actions.

The Board remains confident that the new management team, led by Chief Executive Officer Patrick Lammers and Finance Director Christopher Kinsella, will steer the Group successfully through this difficult phase, and will deliver future long-term growth.

Christopher Honeyborne
Chairman
27 November 2008

A copy of this announcement can be found on the Dyson Group website: www.dyson-group.com

Consolidated income statement

	Six months to 30 September 2008			Restated Six months to 30 September 2007		
	Before exceptional & other items *	Exceptional & other items *	Total	Before exceptional & other items *	Exceptional & other items *	Total
	£000	£000	£000	£000	£000	£000
Revenue (note 2)	31,470	-	31,470	32,467	-	32,467
Operating costs before exceptional and other items*	(27,083)	-	(27,083)	(27,685)	-	(27,685)
Underlying operating profit	4,387	-	4,387	4,782	-	4,782
Exceptional items (note 4)	-	(1,286)	(1,286)	-	(802)	(802)
Share-based payments (note 5)	-	(60)	(60)	-	93	93
Operating profit	4,387	(1,346)	3,041	4,782	(709)	4,073
Finance costs	(1,441)	-	(1,441)	(1,331)	-	(1,331)
Finance revenue	273	-	273	584	-	584
Net finance costs	(1,168)	-	(1,168)	(747)	-	(747)
Profit before taxation	3,219	(1,346)	1,873	4,035	(709)	3,326
Taxation (note 6)	(901)	(624)	(1,525)	(1,130)	199	(931)
Profit for the period	2,318	(1,970)	348	2,905	(510)	2,395
Attributable to:						
Equity holders of the parent	2,233	(1,970)	263	2,818	(510)	2,308
Minority interest (note 11)	85	-	85	87	-	87
	2,318	(1,970)	348	2,905	(510)	2,395
Earnings per share (note 3)			0.80p			7.02p
Diluted earnings per share (note 3)			0.80p			7.02p
Proposed dividend per share (note 7)			0.00p			1.05p

* "other items" comprises the share-based payments amount charged or credited under IFRS2.

Consolidated statement of recognised income and expense

	Six months to 30 September 2008 £000	Restated Six months to 30 September 2007 £000
Revaluation of land and buildings	(2,250)	-
Foreign exchange translation differences	857	(465)
Actuarial (losses)/gains on defined benefit pension plans	(4,200)	2,500
	(5,593)	2,035
Tax on items taken directly to or transferred from equity	1,807	(700)
Net (expense)/income recognised directly in equity	(3,786)	1,335
Profit for the financial period	348	2,395
Total recognised income and expense for the period	(3,438)	3,730
Attributable to:		
Equity holders of the parent	(3,523)	3,643
Minority interest	85	87
	(3,438)	3,730

Consolidated balance sheet

	As at 30 September 2008 £000	As at 31 March 2008 £000
Non-current assets		
Intangible assets	8,797	8,255
Property, plant and equipment	51,381	53,985
Investment properties	7,725	8,525
	<u>67,903</u>	<u>70,765</u>
Current assets		
Inventories	15,991	13,956
Trade and other receivables	13,098	11,572
Cash and short term deposits	3,840	7,242
	<u>32,929</u>	<u>32,770</u>
Total assets	<u>100,832</u>	<u>103,535</u>
Current liabilities		
Trade and other payables	<u>(12,635)</u>	<u>(13,329)</u>
	<u>(12,635)</u>	<u>(13,329)</u>
Non-current liabilities		
Financial liabilities	(39,430)	(39,957)
Retirement benefit obligations (note 10)	(11,988)	(8,685)
Deferred tax liabilities	(3,098)	(3,437)
	<u>(54,516)</u>	<u>(52,079)</u>
Total liabilities	<u>(67,151)</u>	<u>(65,408)</u>
Net assets	<u>33,681</u>	<u>38,127</u>
Equity attributable to equity holders of the parent		
Share capital	8,258	8,258
Share premium	22,173	22,173
Revaluation reserve	10,586	12,206
Capital redemption reserve	1,547	1,547
Retained earnings	(5,519)	(1,751)
Foreign currency translation reserve	(3,677)	(4,534)
Investment in own shares	(202)	(202)
Dyson Group shareholders' equity (note 11)	<u>33,166</u>	<u>37,697</u>
Minority interest	515	430
Total equity	<u>33,681</u>	<u>38,127</u>

Consolidated cash flow statement

	Six months to 30 September 2008 £000	Restated Six months to 30 September 2007 £000
Operating activities		
Group operating profit	3,041	4,073
Amortisation and impairment of intangible assets	352	400
Depreciation and impairment of property, plant and equipment	1,053	1,338
Loss on sale of plant and equipment	20	43
Revaluation of investment properties	800	(600)
Increase in inventories	(1,884)	(2,437)
(Increase)/decrease in trade and other receivables	(1,375)	2,244
Decrease in trade and other payables	(1,958)	(2,020)
Pension payments in excess of service cost	(854)	(119)
Share-based payment charge/(credit)	60	(93)
Cash flow from operations	(745)	2,829
Income taxes	(58)	(158)
Net cash flow from operating activities	(803)	2,671
Investing activities		
Acquisition of property, plant and equipment	(520)	(2,293)
Acquisition of intangible assets	(478)	(996)
Interest paid	(192)	(222)
Proceeds from sale of property, plant and equipment	133	234
Interest received	230	106
Net cash flow from investing activities	(827)	(3,171)
Financing activities		
(Repayments of)/proceeds from loans	(554)	4,480
Interest paid	(1,244)	(1,878)
Net cash flow from financing activities	(1,798)	2,602
Movement in cash and cash equivalents	(3,428)	2,102
Foreign exchange losses	26	53
Cash and cash equivalents at the start of the period	7,242	1,697
Cash and cash equivalents at the end of the period (note 9)	3,840	3,852

Notes to the interim financial information

1. Basis of preparation and accounting policies

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 which has not been audited has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

The Interim Report for the six months ended 30 September 2008 was approved by the board on 27 November 2008. The interim financial information has been reviewed by the Group's auditors, Ernst & Young LLP, their report is included on page 13. These interim financial statements do not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 March 2008.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2008, except for the adoption of new Standards and Interpretations, noted below:

IFRIC 14 IAS 19 - The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. This interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee benefits. The interpretation had no impact on the financial position or performance of the Group.

The income statement and related notes for the six months to 30 September 2007 have been restated to reflect the increase in market value of investment properties for this period of £600,000 and the tax charge thereon of £168,000. This follows the change in accounting policy explained in note 1 of the groups 31 March 2008 annual accounts.

The figures for the year ended 31 March 2008 do not constitute the Group's statutory accounts for the period but have been extracted from the statutory accounts. The auditor's report on those accounts, which have been filed with the Registrar of Companies, was unqualified and did not contain any statement under section 237(2) or (3) of the Companies Act 1985.

2. Segmental analysis

By business segment

	Restated				Restated			
	Performance Materials		Thermal Technologies		Distribution		Consolidated	
	2008 £000	2007 £000	2008 £000	2007 £000	2008 £000	2007 £000	2008 £000	2007 £000
Segment revenue	22,009	22,589	6,892	6,680	2,569	3,198	31,470	32,467
Segment result before pension and exceptional items	5,147	5,104	966	1,012	184	335	6,297	6,451
Defined benefit pension charge	(84)	(185)	(144)	(310)	-	-	(228)	(495)
Segmental exceptional items:								
Revaluation of investment properties	-	-	(800)	600	-	-	(800)	600
Business reorganisation and closure costs	(486)	-	-	(195)	-	-	(486)	(195)
Ecoflex® start up costs	-	(509)	-	-	-	-	-	(509)
Impairment of development costs	-	(369)	-	-	-	-	-	(369)
Segment result	4,577	4,041	22	1,107	184	335	4,783	5,483
Central exceptional item:								
Retirement of chief executive							-	(329)
							4,783	5,154
Central costs							(1,682)	(1,174)
Share-based payments							(60)	93
Operating profit							3,041	4,073
Net finance costs							(1,168)	(747)
Taxation							(1,525)	(931)
Profit for the period							348	2,395

3. Earnings per share

	Six months to 30 September 2008	Restated Six months to 30 September 2007
Earnings per share	0.80p	7.02p
Underlying earnings per share	6.79p	8.57p
Diluted earnings per share	0.80p	7.02p

The calculation of earnings per share is based on the profit attributable to Ordinary shareholders of £263,000 (2007: £2,308,000 - restated) and the weighted average number of shares in issue during the period of 32,864,000 (2007: 32,864,000). The weighted average number of shares used to calculate the diluted earnings per share is 32,864,000 (2007: 32,892,000). To aid understanding of the underlying business performance, an adjusted earnings per share figure has been calculated. The calculation of adjusted earnings per share is based on profits before exceptional items and share-based payments of £2,233,000 (2007: £2,818,000).

	Six months to 30 September 2008	Restated Six months to 30 September 2007
Profit attributable to equity holders of the parent	£000	£000
Exceptional items and share-based payments after tax attributable to equity holders of the parent	263	2,308
Profit attributable to equity holders of the parent before exceptional items and share-based payments	1,970	510
	2,233	2,818

4. Exceptional items

Exceptional items are those items of financial performance that the Directors consider should be separately disclosed to assist in understanding the underlying trading and financial performance achieved by the Group, so as to facilitate comparison with prior periods and to help assessment of trends in financial performance.

	Six months to 30 September 2008	Restated Six months to 30 September 2007
Revaluation of investment properties	£000	£000
Business reorganisation and closure costs	800	(600)
Ecoflex® start up costs	486	195
Impairment of development costs	-	509
Retirement of chief executive	-	369
	-	329
	1,286	802

The revaluation of investment properties debit relates to the updated valuation of the property portfolio which shows a decline in value since the year end. The revaluation showed an uplift in the previous period.

Business reorganisation and closure costs in the current year are in the Performance Materials segment and relate to the Caroline project which has been terminated.

The costs in the previous period were in the Thermal Technologies segment and predominantly relate to the refractory businesses closed in the previous financial year.

The Ecoflex® start up costs in the previous period were in the Performance Materials segment and related to additional costs incurred during the commissioning period for new production facilities such as equipment trials, material wastage and excess transport costs.

The impairment of development costs in the previous period was within the Performance Materials segment and related to a specific micro porous ceramic project which was suspended. All the amounts previously capitalised were written off.

The costs arising from the retirement in the previous period of the chief executive, Mr T M O'Brien, related to the termination of his service contract and the recruitment of his successor.

For details of exceptional tax charges refer to note 6.

5. Share-based payments

	Six months to 30 September 2008 £000	Six months to 30 September 2007 £000
Share-based payments charge	60	84
Share-based payments credit	-	(177)
Net charge/(credit)	<u>60</u>	<u>(93)</u>

The credit in the previous period arose in respect of share options which failed to vest as a result of the retirement of the Chief Executive, Mr T M O'Brien. The credit represented the reversal of costs charged in previous periods in respect of these options.

6. Taxation

	Six months to 30 September 2008 £000	Restated Six months to 30 September 2007 £000
Tax on exceptional items at 28% (2007: 28%)	377	199
Exceptional tax charge arising from Industrial Building Allowance change	<u>(1,001)</u>	-
Total exceptional taxation charge	<u>(624)</u>	199
Tax on profit before exceptional items at 28% (2007: 28%)	<u>(901)</u>	<u>(1,130)</u>
Total tax charge	<u>(1,525)</u>	<u>(931)</u>

There has been a one off exceptional deferred tax charge of £1,001,000 which has arisen due to changes in Industrial buildings allowances legislation, following enactment of the Finance Act 2008, this has been reflected in the exceptional and other items column of the income statement. Aside from the above one off charge, taxation for the six months to 30 September 2008 has been charged at 28% (2007: 28%) being the estimated rate applicable for the year ending 31 March 2009.

7. Dividends

	Six months to 30 September 2008 £000	Six months to 30 September 2007 £000
Equity dividends on Ordinary shares declared in the six month period:		
Final dividend for 2007 of 3.25 pence per Ordinary share	-	1,068
Final dividend for 2008 of 3.25 pence per Ordinary share (approved on 25 September 2008)	<u>1,068</u>	-
	<u>1,068</u>	1,068
Proposed interim dividend for 2009: nil pence per Ordinary share (2008: 1.05 pence)	-	<u>345</u>

8. Capital expenditure

During the six month period, the Group acquired equipment costing £520,000 (2007: £1,855,000) and disposed of assets with a net book value of £153,000 (2007: £277,000).

9. Net debt

	Six months to 30 September 2008 £000	Year ended 31 March 2008 £000
Cash and cash equivalents	3,840	7,242
Non-current financial liabilities	<u>(39,430)</u>	<u>(39,957)</u>
Net debt	<u>(35,590)</u>	<u>(32,715)</u>

10. Retirement benefit obligations

	Six months to 30 September 2008 £000	Year ended 31 March 2008 £000
Opening net retirement benefit deficit	(8,685)	(7,969)
Current service cost	(228)	(1,213)
Interest cost	(2,014)	(3,548)
Expected return on assets	2,057	4,528
Employer contributions	1,082	1,497
Actuarial loss	(4,200)	(1,980)
Closing net retirement benefit deficit	<u>(11,988)</u>	<u>(8,685)</u>

The scheme assets have been valued at fair value at 30 September 2008. The main financial assumptions used to assess the liabilities of the scheme have been updated by independent qualified actuaries to assess the liabilities of the scheme. The most significant of these are the discount rate and the inflation rate which are 6.90% (last full year 6.50%) and 3.4% (last full year 3.4%) respectively.

11. Reconciliation of movement in equity

	Share capital	Share premium	Merger reserve	Capital redemption reserve	Revaluation reserve	Foreign currency translation reserve	Retained earnings	Investment in own shares	Total	Minority interest	Total Equity
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2008	8,258	22,173	-	1,547	12,206	(4,534)	(1,751)	(202)	37,697	430	38,127
Total recognised income and expense	-	-	-	-	(1,620)	857	(2,760)	-	(3,523)	85	(3,438)
Share-based payments	-	-	-	-	-	-	60	-	60	-	60
Dividends to shareholders	-	-	-	-	-	-	(1,068)	-	(1,068)	-	(1,068)
Balance at 30 September 2008	8,258	22,173	-	1,547	10,586	(3,677)	(5,519)	(202)	33,166	515	33,681
Balance at 1 April 2007	8,258	22,173	5,346	1,547	-	(3,429)	7,981	(202)	41,674	85	41,759
Total recognised income and expense restated	-	-	-	-	-	(465)	4,108	-	3,643	87	3,730
Share-based payments	-	-	-	-	-	-	(93)	-	(93)	-	(93)
Dividends to shareholders	-	-	-	-	-	-	(1,068)	-	(1,068)	-	(1,068)
Balance at 30 September 2007 restated	8,258	22,173	5,346	1,547	-	(3,894)	10,928	(202)	44,156	172	44,328

Principal risks and uncertainties

The Chairman's statement in this Interim Management Report includes comments concerning the primary risks and uncertainties affecting the Group for the remaining six months of the year.

Statement of directors' responsibilities

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" 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 Directors of Dyson Group plc are listed in the Group's 2008 Report and Accounts. The following changes were made in the period: C Kinsella was appointed Group Finance Director on 1 September 2008 and H Chapman joined the Group on 23 June 2008 as a Non-Executive Director.

By order of the Board

C H B Honeyborne
Director
27 November 2008

Independent review report to Dyson Group 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 balance sheet as at 30 September 2008 and the interim consolidated income statement, consolidated statement of recognised income and expense and consolidated cash flow statement for the six month period then ended and 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 guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions 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 2008 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

Ernst & Young LLP
Leeds
27 November 2008