

# Anglo Pacific Group PLC

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30<sup>th</sup> JUNE 2008

## CHAIRMAN'S STATEMENT

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Anglo Pacific Group PLC, the natural resources royalties company, today announces its interim results for the six months ended 30<sup>th</sup> June 2008. In the half year under review the Group has again produced record results with both an increase in earnings and a significant valuation uplift in the Group's royalty, mining and exploration interests.

### Financial Highlights

- Australian coal royalty independent valuation of £96.8 million (2007: £59.0 million)
- Total mining and exploration interests and cash increased by 25% to £124.9 million (2007: £99.8 million)
- Realised profits from mature mining interests increased by 21% to £13.5 million (2007: £11.2 million)
- Earnings increased by 2% to 14.14p per share (2007: 13.90p)
- Profit before tax increased by 9% to £16,445,000 (2007: £15,099,000)
- Profit after tax increased by 6% to £15,011,000 (2007: £14,151,000)
- Coal royalties for the half year of £3.7 million (2007: £4.2 million)
- Cash of £23.4 million (2007: £12.7 million)

### Operational Highlights

- Increase in Queensland coking coal royalty rate
- New gold royalty acquired in Spain
- Additional private coal interests
- Increased exposure to coal energy and uranium projects
- Increase in total value of strategic quoted interests
- Increased cash position and no debt

### Review and Results for six months ended 30<sup>th</sup> June 2008

The first six months of 2008 have seen volatility in the banking and property sectors spreading into the broader economy. Combined with the strong rise in the oil price, this has increased the prospect of weaker growth across the western economies. Stock markets are now adjusting to the prospect of continuing soft and hard commodity price inflation.

Although consolidation and takeover activity has continued amongst the mining majors, the erosion of confidence in world stock markets, driven by increasing liquidity problems, has resulted in sharp setbacks in both the major and junior sectors of the mining market. Nevertheless, in the first half of 2008, the Chinese economy grew at an annualised rate of over ten percent and mining sources expect similar growth rates for the next five or more years. This and commodity demand pressures from other developing countries has resulted in coking and steaming coal prices increasing over threefold between June 2007 and June 2008.

These price rises, together with the change from 1<sup>st</sup> July 2008 to the Queensland coking coal royalty rate from seven to ten percent on coal prices above US\$100 per ton, have resulted in the Group's coal royalty interests being independently valued at 30<sup>th</sup> June 2008 at £96.8 million compared to £60.9 million at 31<sup>st</sup> December 2007 and £59 million at 30<sup>th</sup> June 2007. Royalty receipts in the first half were lower due to worker access problems as a result of flooding, reduced output at the Crinum mine and port constraints.

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More recently the price of uranium has started to increase again after the falls experienced earlier in the year caused mainly by hedge fund liquidation. During the period the prices of gold and other precious metals maintained their high levels and gold again threatened to breach the US\$1,000 per ounce mark.

These buoyant metal markets have enabled the Group to realise record capital gains of £13.5 million for the period from the sale of non-core interests. After royalty receipts, this has produced record earnings of 14.14p per share for the half year.

The value of the Group's private mining interests and quoted stakes in mining projects increased to £101.5 million at 30<sup>th</sup> June 2008 compared to £87.1 million a year ago.

Furthermore, the Group had no borrowings and nearly £23.5 million of cash in the bank at 30<sup>th</sup> June 2008.

These record results reflect the Group's policy of focusing on energy, coking coal and precious metal projects, whilst continuing to actively support management in the development of these opportunities.

### Strategy and Progress

Despite the volatility of world markets the Group's overall corporate strategy remains unchanged. The Group aims to increase the total value of its mining interests in order to maximise shareholder value and develop new royalty flows.

In the period under review the Group's cash and strategic investments increased in value to £124.9 million. Together with the recent valuation of the Group's coal royalty at £96.8 million, the Group's total assets at 30<sup>th</sup> June 2008 were in excess of £221 million with no debt. Furthermore, this did not include any increase in value over cost attributable to the real value of the Group's expanding private coal interests in Canada where, during the period, the Group acquired a shareholding in an unlisted company developing a number of coking coal projects. The Groundhog and Trefi coalfields in British Columbia remain on the balance sheet at cost and are now the focus of the Group's expanded in-house mining and technical team.

The Group's quoted equity interests disclosed on the LSE, ASX and TSX, where initial equity stake disclosure levels are 3%, 5% and 10% respectively, amount to £70 million in twenty three different holdings. The balance of quoted holdings of £23 million is made up of a further twenty eight incubator investments. The split of the Group's strategic interests by commodity is now on the Group's website at [www.anglopacificgroup.com](http://www.anglopacificgroup.com) where links to all the equity disclosures can be accessed.

The Group continues its policy of maintaining a substantial level of liquidity to finance early-stage mining developments and further royalty purchases. Following its acquisition in August 2007 of a package of Canadian uranium royalty interests, the Group reached agreement in March 2008 to acquire a 2.5% royalty for C\$7.5 million from Kinbauri Gold Corp. on its gold deposit in northern Spain. Recent encouraging drill results point to an increasing resource to which this royalty will apply.

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The Group still remains committed to a strategy of paying a substantial proportion of its earnings as dividends to shareholders. On 1<sup>st</sup> August 2008 a final cash dividend of 4.35p per share for the year ended 31<sup>st</sup> December 2007 was paid. The Board has now decided to bring forward the announcement and payment of both interim and final dividends. The Group will announce its interim dividend for the year ending 31<sup>st</sup> December 2008 in October 2008, when a scrip dividend alternative will again be available to shareholders. The payment date will now be in mid December 2008. The final dividend will be announced as usual with the 2008 prelims at the end of February 2009 with payment in mid June 2009.

### Outlook

The Group expects substantially increased royalty flows in the second half of 2008 following both an increase in the royalty rate and the sharp rise in coking coal prices. Energy and coking coal prices are expected to remain buoyant despite the recent correction in mining markets. The Board remains confident of the Group's ability to exploit the mining finance opportunities that are increasingly available.

P. M. Boycott  
Chairman  
29<sup>th</sup> August 2008

### DISCLOSURE UNDER DISCLOSURE AND TRANSPARENCY RULES

In accordance with Disclosure and Transparency Rules (DTRs), Periodic Financial Reporting DTR 4.2.7R, the Group confirms that the principal risks and uncertainties that could affect the Group's performance have not changed. These are: a major slow down in the world economy; a reduction in commodity prices; a tightening of interest rates and; currency volatility. For more information regarding these risks and uncertainties please refer to page 10 of the 2007 Annual Report.

No related party transactions occurred in the first six months of the year that would require disclosure in accordance with DTR 4.2.8R.

We confirm to the best of our knowledge:

- i The condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' and give a true and fair view of assets and liabilities, financial position and profit and loss;
- ii the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- iii the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties transactions and changes therein).

By order of the Board

M. J. Tack  
Finance Director  
29<sup>th</sup> August 2008

# Anglo Pacific Group PLC

## CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30<sup>th</sup> JUNE 2008

	Six months ended 30th June 2008 £'000	Six months ended 30th June 2007 £'000	Year ended 31st December 2007 £'000
Royalty income	3,726	4,176	8,439
Other operating income	13	80	191
Profit on sale of mining and exploration interests	13,532	11,202	25,612
Finance income	411	204	623
	<u>17,682</u>	<u>15,662</u>	<u>34,865</u>
Net operating expenses	<u>(1,237)</u>	<u>(563)</u>	<u>(1,097)</u>
<b>Profit before tax</b>	<b>16,445</b>	<b>15,099</b>	<b>33,768</b>
Tax	<u>(1,434)</u>	<u>(948)</u>	<u>(4,028)</u>
<b>Profit attributable to equity holders</b>	<b><u>15,011</u></b>	<b><u>14,151</u></b>	<b><u>29,740</u></b>
Basic earnings per share	<u>14.14p</u>	<u>13.90p</u>	<u>28.72p</u>
Fully diluted earnings per share	<u>14.13p</u>	<u>13.90p</u>	<u>28.72p</u>

# Anglo Pacific Group PLC

## CONSOLIDATED BALANCE SHEET AS AT 30<sup>th</sup> JUNE 2008

	30th June 2008		30th June 2007		31st December 2007	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Non-current assets</b>						
Property plant and equipment	842		835		832	
Coal royalties (at valuation)	96,828		59,012		60,874	
Mining and exploration interests	<u>101,512</u>		<u>87,081</u>		<u>95,750</u>	
		199,182		146,928		157,456
<b>Current assets</b>						
Trade and other receivables	3,804		2,659		1,874	
Cash at bank	<u>23,417</u>		<u>12,726</u>		<u>18,904</u>	
		27,221		15,385		20,778
<b>Total assets</b>		<u>226,403</u>		<u>162,313</u>		<u>178,234</u>
<b>Current liabilities</b>						
Taxation	3,014		720		2,538	
Trade and other payables	213		629		262	
Dividends payable	<u>4,618</u>		<u>3,818</u>		<u>-</u>	
		7,845		5,167		2,800
<b>Non-current liabilities</b>						
Deferred tax	<u>30,932</u>		<u>18,641</u>		<u>19,252</u>	
		30,932		18,641		19,252
<b>Total liabilities</b>		<u>38,777</u>		<u>23,808</u>		<u>22,052</u>
<b>Capital and reserves attributable to shareholders</b>						
Share capital		2,124		2,037		2,113
Share premium		18,604		12,427		17,742
Coal royalty revaluation reserve		61,901		41,583		40,899
Investment revaluation reserve		30,081		37,371		33,104
Share based payment reserve		78		33		48
Foreign currency translation reserve		7,563		591		2,224
Special reserve		632		632		632
Retained earnings		<u>66,643</u>		<u>43,831</u>		<u>59,420</u>
		<u>187,626</u>		<u>138,505</u>		<u>156,182</u>
<b>Total equity and liabilities</b>		<u>226,403</u>		<u>162,313</u>		<u>178,234</u>

# Anglo Pacific Group PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30<sup>th</sup> JUNE 2008

	Share capital	Share premium	Coal royalty revaluation reserve	Investment revaluation reserve	Share based payment reserve	Foreign currency translation reserve	Special reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1st January 2007</b>	2,032	12,112	35,403	27,078	27	(1,930 )	632	36,140	111,494
Coal Royalties:									
Royalties valuation movement taken to equity	-	-	8,600	-	-	2,545	-	-	11,145
Deferred tax on valuation	-	-	(2,420)	-	-	(680)	-	-	(3,100)
Available-for-sale investments:									
Valuation movement taken to equity	-	-	-	17,972	-	606	-	-	18,578
Deferred tax on valuation	-	-	-	(781)	-	23	-	-	(758)
Transferred to income statement on disposal	-	-	-	(6,898)	-	-	-	-	(6,898)
Foreign currency translation	-	-	-	-	-	27	-	-	27
Net income recognised direct into equity	-	-	6,180	10,293	-	2,521	-	-	18,994
Profit for the period	-	-	-	-	-	-	-	14,151	14,151
Total recognised income and expenses	-	-	6,180	10,293	-	2,521	-	14,151	33,145
Dividends paid	-	-	-	-	-	-	-	(6,460)	(6,460)
Scrip Dividend	5	315	-	-	-	-	-	-	320
Equity share options issued	-	-	-	-	6	-	-	-	6
<b>Balance at 30th June 2007</b>	<b>2,037</b>	<b>12,427</b>	<b>41,583</b>	<b>37,371</b>	<b>33</b>	<b>591</b>	<b>632</b>	<b>43,831</b>	<b>138,505</b>
Coal Royalties:									
Royalties valuation movement taken to equity	-	-	159	-	-	1,702	-	-	1,861
Deferred tax on valuation	-	-	(843)	-	-	(454)	-	-	(1,297)
Available-for-sale investments:									
Valuation movement taken to equity	-	-	-	6,806	-	331	-	-	7,137
Deferred tax on valuation	-	-	-	462	-	(8)	-	-	454
Transferred to income statement on disposal	-	-	-	(11,535)	-	-	-	-	(11,535)
Foreign currency translation	-	-	-	-	-	62	-	-	62
Net income recognised direct into equity	-	-	(684)	(4,267)	-	1,633	-	-	(3,318)
Profit for the period	-	-	-	-	-	-	-	15,589	15,589
Total recognised income and expenses	-	-	(684)	(4,267)	-	1,633	-	15,589	12,271
Dividends paid	-	-	-	-	-	-	-	-	-
Scrip Dividend	13	1,035	-	-	-	-	-	-	1,048
Issue of share capital	63	4,280	-	-	-	-	-	-	4,343
Equity share options issued	-	-	-	-	15	-	-	-	15
<b>Balance at 31st December 2007</b>	<b>2,113</b>	<b>17,742</b>	<b>40,899</b>	<b>33,104</b>	<b>48</b>	<b>2,224</b>	<b>632</b>	<b>59,420</b>	<b>156,182</b>

# Anglo Pacific Group PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30<sup>th</sup> JUNE 2008

	Share capital	Share premium	Coal royalty revaluation reserve	Investment revaluation reserve	Share based payment reserve	Foreign currency translation reserve	Special reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1st January 2008</b>	2,113	17,742	40,899	33,104	48	2,224	632	59,420	156,182
Coal Royalties:									
Royalties valuation movement taken to equity	-	-	30,033	-	-	5,921	-	-	35,954
Deferred tax on valuation	-	-	(9,031)	-	-	(1,671)	-	-	(10,702)
Available-for-sale investments:									
Valuation movement taken to equity	-	-	-	7,423	-	1,008	-	-	8,431
Deferred tax on valuation	-	-	-	(557)	-	7	-	-	(550)
Transferred to income statement on disposal	-	-	-	(9,889)	-	-	-	-	(9,889)
Foreign currency translation	-	-	-	-	-	74	-	-	74
Net income recognised direct into equity	-	-	21,002	(3,023)	-	5,339	-	-	23,318
Profit for the period	-	-	-	-	-	-	-	15,011	15,011
Total recognised income and expenses	-	-	21,002	(3,023)	-	5,339	-	15,011	38,329
Dividends paid	-	-	-	-	-	-	-	(7,788)	(7,788)
Scrip Dividend	11	862	-	-	-	-	-	-	873
Equity share options issued	-	-	-	-	30	-	-	-	30
<b>Balance at 30th June 2008</b>	<b>2,124</b>	<b>18,604</b>	<b>61,901</b>	<b>30,081</b>	<b>78</b>	<b>7,563</b>	<b>632</b>	<b>66,643</b>	<b>187,626</b>

# Anglo Pacific Group PLC

## CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30<sup>th</sup> JUNE 2008

	Six months ended 30th June 2008 £'000	Six months ended 30th June 2007 £'000	Year ended 31st December 2007 £'000
<b>Cashflows from operating activities</b>			
Profit before taxation	16,445	15,099	33,768
Adjustments for:			
Interest received	(411)	(204)	(623)
Unrealised foreign currency loss	54	27	89
Depreciation of property, plant and equipment	7	6	10
(Gain) on disposal of mining and exploration interests	(13,532)	(11,202)	(25,612)
Share based payments	30	6	21
	2,593	3,732	7,653
(Increase) in trade and other receivables	(1,930)	(826)	(40)
Increase / (Decrease) in trade and other payables	(49)	374	7
Cash generated from operations	614	3,280	7,620
Income taxes paid	(622)	(1,388)	(2,883)
<b>Net cash from operating activities</b>	(8)	1,892	4,737
<b>Cash flows from investing activities</b>			
Proceeds on disposal of mining and exploration interests	20,336	21,485	44,945
Purchase of mining and exploration interests	(13,930)	(18,366)	(36,145)
Interest received	411	204	623
<b>Net cash generated from investing activities</b>	6,817	3,323	9,423
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	-	-	-
Dividends paid	(2,296)	(2,325)	(5,092)
<b>Net cash used in financing activities</b>	(2,296)	(2,325)	(5,092)
<b>Net increase in cash and cash equivalents</b>	4,513	2,890	9,068
<b>Cash and cash equivalents at beginning of period</b>	18,904	9,836	9,836
<b>Cash and cash equivalents at end of period</b>	23,417	12,726	18,904



# Anglo Pacific Group PLC

## NOTES TO THE ACCOUNTS

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### 1. Basis of preparation

The interim, condensed consolidated financial statements of Anglo Pacific Group PLC have been prepared on the basis of the accounting policies set out in the Group's latest annual financial statements for the year ended 31<sup>st</sup> December 2007 and are in compliance with IAS 34 'Interim Financial Reporting'. These accounting policies are drawn up in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and as adopted by the European Union (EU). The interim financial statements do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial statements have been reviewed by the Company's auditors. The comparative figures for the year ended 31<sup>st</sup> December 2007 were derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. Those accounts received an unqualified audit report which did not contain statements under section 237(2) or (3) of the Companies Act 1985. The interim review report is set out on page 12.

### 2. Non-current Assets

#### (a) Coal Royalty Investments

The Group's coal royalty investments comprise the Kestrel and Crinum coal royalties in Queensland, Australia. The Group commissioned a valuation of the coal royalties as at 30<sup>th</sup> June 2008, based on a net present value of the pre-tax cashflow discounted at a rate of 7%, which produced a valuation of A\$201.5 million (£96.8 million). At present the net royalty income is taxed in Australia at a rate of 30%. Were the coal royalties to be realised at the revalued amount there are £4 million (A\$8 million) of capital losses potentially available to offset against taxable gains. These losses have been included in the deferred tax computation. There is currently no value attributed in the valuation to the Crinum coal royalty rights as mining exhausts the reserves on the Group's private ground.

#### (b) Mining and Exploration Interests

The investments in securities included above represent investments in listed and unlisted equity securities which are acquired as part of the Group strategy to acquire new royalties. Gains may be realised where it is deemed appropriate by the Investment Committee. The fair values of these securities are based on quoted market prices for listed securities and cost for unlisted securities based on the variability of cashflows being so significant that an alternative valuation technique would not provide a useful value. In the statement of changes in equity these interests are classified as "available-for-sale investments". During the period to 30<sup>th</sup> June 2008 a number of opportunities arose which allowed the Group to expand its mining interests, particularly in listed securities. For a full explanation of the Group's accounting policies in relation to the Mining and Exploration interests please see the 2007 Annual Report.

The market value of the quoted Mining and Exploration Interests at 30<sup>th</sup> June 2008 was £92,776,000. The directors' valuation of the unquoted Mining and Exploration Interests was £8,736,000.

### 3. Earnings per ordinary share

The earnings per ordinary share is calculated on the Company's profit after tax of £15,011,000 and 106,172,139 shares. Fully diluted earnings per shares is calculated on a profit after tax of £15,011,000 and 106,217,805 shares.

# Anglo Pacific Group PLC

## NOTES TO THE ACCOUNTS

### 4. Segment Information

	Six months ended 30th June 2008			Total £'000
	Royalty £'000	Mining Interests £'000	Unallocated £'000	
<b>Revenue</b>	3,726	-	13	3,739
<b>Operating profit</b>	3,726	-	(1,217)	2,509
Profit on sale of mining and exploration interests	-	13,532	-	13,532
Interest received	-	-	411	411
Depreciation	-	-	(7)	(7)
Tax	-	-	(1,434)	(1,434)
<b>Segment Result</b>	3,726	13,532	(2,247)	15,011
Segment Assets	96,828	101,512	28,063	226,403
Segment Liabilities	(28,253)	(2,679)	(7,845)	(38,777)
<b>Net Segment Assets</b>	68,575	98,833	20,218	187,626
Capital Expenditure	-	-	6	6
	Six months ended 30th June 2007			
	Royalty £'000	Mining Interests £'000	Unallocated £'000	Total £'000
<b>Revenue</b>	4,176	-	80	4,256
<b>Operating profit</b>	4,176	-	(478)	3,698
Profit on sale of mining and exploration interests	-	11,202	-	11,202
Interest received	-	-	204	204
Depreciation	-	-	(5)	(5)
Tax	-	-	(948)	(948)
<b>Segment Result</b>	4,176	11,202	(1,227)	14,151
Segment Assets	59,012	87,081	16,220	162,313
Segment Liabilities	(16,150)	(2,491)	(5,167)	(23,808)
<b>Net Segment Assets</b>	42,862	84,590	11,053	138,505
Capital Expenditure	-	-	1	1

# Anglo Pacific Group PLC

## NOTES TO THE ACCOUNTS

### 4. Segment Information (continued)

	Year ended 31st December 2007			Total £'000
	Royalty £'000	Mining Interests £'000	Unallocated £'000	
<b>Revenue</b>	8,439	-	191	8,630
<b>Operating profit</b>	8,439	-	(896)	7,543
Profit on sale of mining and exploration interests	-	25,612	-	25,612
Interest received	-	-	623	623
Depreciation	-	-	(10)	(10)
Tax	-	-	(4,028)	(4,028)
<b>Segment Result</b>	8,439	25,612	(4,311)	29,740
Segment Assets	60,874	95,750	21,610	178,234
Segment Liabilities	(17,215)	(2,037)	(2,800)	(22,052)
<b>Net Segment Assets</b>	43,659	93,713	18,810	156,182
Capital Expenditure	-	-	3	3

Revenue consists of Royalty income and other operating income.

5. This statement will be sent to shareholders and will be available at the Company's registered office at 17 Hill Street, London, W1J 5NZ.

# Anglo Pacific Group PLC

## INDEPENDENT REVIEW REPORT TO ANGLO PACIFIC GROUP PLC

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### **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 June 2008 which comprises the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity, consolidated cash flow and notes 1 to 5. We have read the other information contained in the half yearly financial report which comprises only the Highlights and Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

### **Directors' responsibilities**

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in Note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

### **Our responsibility**

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

### **Scope of review**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 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.

GRANT THORNTON UK LLP  
CHARTERED ACCOUNTANTS  
London  
29<sup>th</sup> August 2008