Center Parcs (UK) Group PLC
07 December 2005

Wednesday 7 December 2004

CENTER PARCS (UK) GROUP PLC
Interim results for 24 weeks ended 6 October 2005

Financial Overview:

Headline Results

	24 weeks ended 6 October 2005	24 weeks ended 7 October 2004
Revenue (£m)	113.5	113.2
'Trading profit' before 3D contribution (£m)	14.9	14.2
Operating profit (£m)	14.2	22.2
Profit before tax (£m)	12.6	19.4
Profit after tax (£m)	13.4	14.5
EPS (p)	5.26	5.68
DPS (p)	1.2	1.2

Note: Trading profit is defined as operating profit before costs incurred on the fifth site, costs incurred on the full list and profit on disposal of subsidiary undertaking.

Operating Results (excluding 3D and exceptional items)

	24 weeks ended 6 October 2005	24 weeks ended 7 October 2004

Occupancy (%)	91.5	91.5
Rent per villa night (£)	144.86	138.57
Spend per sleeper (£)	24.84	24.14
Number of villas at period end	3,301	3,271
Revenue (£m)	113.5	107.3
'EBITDAR' (£m)	44.2	41.7
'EBITDAR' margin (%)	38.9	38.9
EBITDA (£m)	19.6	17.9
Operating profit (£m)	14.9	14.2

Note: EBITDAR is defined as Earning before Interest, Tax, Depreciation, Goodwill Amortisation and Rent.

Highlights:

- Excluding the contribution from 3D, solid half year results with 5.7% turnover growth and 5.3% trading profit growth
- Typically strong peak summer period
- Margin sustained through tight cost control
- Upgrade programme ongoing - increased premium accommodation
- Occupancy maintained at 91.5%
- Fifth site planning application progressing - local authority now expected to meet in March 2006 to determine the application
- Interim dividend of 1.2p

Martin Dalby, Chief Executive Officer, said:

'We are delighted to announce a solid set of results, following a typically strong summer season. Our focus during the half has been on developing further the four existing Villages through building of new executive villas, upgrading villas and enhancing restaurant and central facilities. In addition, we continue to work through the planning process for our fifth site at Warren Wood near Woburn.

'Overall, forward bookings are in line on a percentage basis with the same time last year. Furthermore, bookings for the peak Christmas and New Year period are in line with management expectations. The Board remains cautiously optimistic for the full year, and its expectations for 2005/06 remain unchanged.'

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Notes to Editors:

Center Parcs UK is Britain's leading short break holiday village operator. It comprises four Villages located in Sherwood Forest (Nottinghamshire), Longleat Forest (Wiltshire), Elveden Forest (Suffolk) and Whinfell Oasis Forest (Cumbria). Planning permission has been submitted for a fifth site at Woburn (Bedfordshire). Over 400 acres each, Center Parcs Villages offer a Subtropical Swimming Paradise, which is complemented by woodland areas, an extensive range of indoor and outdoor sport and leisure facilities and activities and a variety of food, beverage and retail outlets. With an average of more than 800 villas and apartments at each of the four Villages, more than 1.5 million guests visit a Center Parcs each year, staying on average 3.5 days each visit.

www.centerparcs.co.uk

www.chapelspa.co.uk

INTRODUCTION

Center Parcs has delivered a solid set of results for the first half of the financial year, following a typically strong summer season. The decline in reported operating profit is due to the contribution and profit on disposal of the 3D business in the prior period (as detailed below). After excluding the impact of 3D and exceptional items, turnover increased by 5.7% and operating profit rose by 5.3%.

Our focus during the period has been to further develop the four existing Villages, which included building more executive villas, converting accommodation to higher standards and upgrading restaurant and central facilities. In addition, we continued to work through the planning process for the fifth site at Warren Wood near Woburn. However, Mid Bedfordshire District Council have advised that they will not be ready to determine the application until they meet in March 2006, meaning that if the project is called in to a public inquiry there may be a slight delay to the overall project timetable.

FINANCIAL REVIEW

The financial statements for the period have been prepared in accordance with International Financial Reporting Standards (IFRS) and comparative figures for the 24 weeks ended 7 October 2004 and the 52 weeks ended 21 April 2005 have been restated accordingly. Reconciliations of profits and net assets for prior periods from UK GAAP to IFRS are shown in the notes to the interim statement. Further detail on the adjustments made can be found in the announcement made on 5 October 2005, the text of which can be found on our web site, www.centerparcs.co.uk
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Trading Review

Turnover for the underlying Center Parcs business has increased by 5.7% from the prior period. This reflects a rise in the average number of villas to 3,299 from 3,254 and price increases averaging 4.2%. Total turnover last year included £5.9 million from the 3D business, hence total headline turnover levels remained stable.

The operating profit of the Group can be broken down as follows:

	24 weeks ended 6 October 2005 £m	24 weeks ended 7 October 2004 £m	% change
Contribution from 3D operations	-	2.6	-
Contribution from ongoing business	14.9	14.2	5.3
Trading profit	14.9	16.8	(11.3)
Costs incurred on fifth site	(0.7)	-	N/A
Profit on disposal of 3D	-	5.4	N/A
Operating profit	14.2	22.2	(36.0)

The prior period trading profit (defined as operating profit before costs incurred on the fifth site, costs incurred on the full listing and the profit on disposal of subsidiary undertaking), includes a £2.6 million contribution from 3D. If the effects of 3D are excluded, it results in a 5.3% increase in the contribution of the ongoing business to £14.9 million as shown above.

This has been achieved against a background of rising cost pressures, including rates and energy increases, as previously reported. However, as a result of controls over other costs, EBITDAR (Earnings before Interest, Tax, Depreciation, Goodwill Amortisation and Rent) margins in the business have remained stable at 38.9%.

Financing costs include the accounting entry, which reflects the unwinding of the discount (£0.3 million) that was applied to the rental deposits at the time of the sale and leaseback transaction.

Tax

During the 24 weeks to 6 October 2005, the Group's position with regard to capital allowances received on the rebuild of Elveden Forest has been clarified. The revised position significantly exceeds management's previous estimate. As a result, the current period tax charge of £4.2 million has been offset by a tax credit of £5 million to profit. Management currently expects that only a minimum amount of Corporation tax will be paid this financial year.

Earnings Per Share

The EPS figure of 5.68p in the prior period was distorted by 3D and exceptional items. The significant tax credit this year noted above has positively affected this year's earnings. Whilst the headline EPS has fallen by 7.4%, adjustment for the preceding factors results in an EPS of 3.61p, against an adjusted figure of 3.18p for last year.

Cash Flow

During the 24 weeks to 6 October 2005 the Group's cash and cash equivalents balance increased by £4.9 million. Of this, £4 million was due to the Group drawing down on a mortgage on the new head office facilities. In addition the Group increased its borrowing on its revolving credit facility by £4.1 million. The cash flows of the Group vary markedly during the year, with a significant inflow from working capital in the second half. In particular, the cash flows associated with payments for holidays and the lease rentals have a major impact.

There has been a small increase in net debt over the period, from £58.2 million at 21 April 2005 to £61.3 million at 6 October 2005.

Cash flows in the comparative period last year were positively impacted by the disposal of the subsidiary 3D Adventure and Education Limited. In addition, the Group has paid its maiden final dividend in the current period together with the settlement of dividends of £2.3 million owed to the previous shareholders of a subsidiary company.

Dividend

Given the change in accounting policy from UK GAAP to IFRS the Directors are of the view that a dividend policy of approximately 50 per cent of annual post tax earnings, as set out at the time of the move to the Official List, is no longer an appropriate policy. Accordingly, in order to be consistent, the Directors have taken into account last year's dividend as a benchmark going forward and in calculating the Interim dividend for the 24 weeks to 6 October 2005.

The Board has approved an interim dividend of 1.2p per share, reflecting the performance of the Group in the period. The shares will go ex-dividend on 28 December 2005, with payment being made on 27 January 2006 to shareholders on the register at 30 December 2005.

OPERATIONAL & STRATEGIC REVIEW

Operational Performance Measures

An average physical occupancy of 91.5% was achieved in the first half, continuing the Group's long-standing high occupancy record of over 90%. On-site spend and rent per villa night improved by 2.9% and 4.5% to £24.84 and £144.86 respectively.

Upgrade Programme

Work has continued on our programme to increase the number of villas and upgrade the standard of accommodation at the existing four Villages. A total of 10 new exclusive villas at Longleat Forest and a total of 145 converted executive and comfort plus villas across the four sites were completed over the summer, in line with upgrade plans.

In terms of central facilities, the plaza entrance at Longleat Forest was enlarged and enhanced and the main village centre at Oasis Whinfell Forest was also upgraded. Extensions to the Aqua Sana spa at Longleat Forest, previously due for completion in spring 2006, will now open in time for the busy summer period in 2006. This slight delay allowed for a re-tendering process, which ensured a competitive price was achieved for the works.

In line with existing plans, work will continue during the remainder of the year to upgrade additional accommodation on the four sites, in response to continued demand for premium accommodation.

Chapel Spa

Center Parcs acquired Chapel Spa in Cheltenham in December 2004 as the first step in the establishment of a potential stand-alone urban day spa concept. In the period to July 2005, the spa was refurbished at a cost of £50,000 to position the offer appropriately to Center Parcs' quality and standards. The spa was re-launched in July and won the national Day Spa of the Year Award at the British Beauty Awards in September of this year.

A marketing drive is now underway in the lead up to the important peak Christmas and New Year period, after which we will be better placed to judge the future potential for Chapel Spa as a standalone business proposition.

Fifth Site

The planning application for our proposed fifth site, at Warren Wood near Woburn in Bedfordshire, was submitted in June 2005. Since the last reported results, we have incurred £765,000 of costs relating to the application, in line with projected budget allocations for the project. We have been advised by the Mid Bedfordshire District Council that they will not be ready to meet to determine our application until at least March 2006. This is disappointing as we had originally been advised that they would meet before the end of this year. However, we are hopeful that this will only slightly delay the project as a whole if the application is called in to public inquiry. We anticipate being in a better position to update the market on timing after we receive advice from the Council as to how the application will be determined and whether it will be called in to public inquiry.

Management continues to progress funding considerations for the £160 million construction costs for the fifth site. We anticipate making an announcement on the preferred funding package at the time that full planning consent is received.

Online Booking Efficiencies

The investment made last year to improve the functionality and yield management capabilities of our booking systems has resulted in a 72% increase in on-line bookings. We now take almost 25% of our bookings via the Center Parcs' web site, enabling greater efficiencies in central reservations and increased convenience for the customer.

Further improvements to the website will be launched in Spring 2006 and are expected to help further drive this distribution channel, improving customer service and bringing additional operational efficiency benefits.

CURRENT TRADING AND OUTLOOK

Overall, forward bookings are in line on a percentage basis with the same time last year. Bookings for the peak Christmas and New Year period are in line with management expectations. The Board remains cautiously optimistic for the full year, with its expectations for 2005/06 unchanged.

Looking further ahead, management has entered into contracts for the procurement of electricity and gas in 2007. Despite energy prices being at record levels, our energy procurement strategy has restricted expected energy cost increases to Center Parcs to only £1.4m in 2006/07. We will endeavour to recover a significant proportion of these increases with revisions to customer pricing to be issued in January 2006.

MP Dalby
Chief Executive
7 December 2005

Consolidated income statement

	Note	Unaudited 24 weeks ended 6 October 2005 £'000	Unaudited 24 weeks ended 7 October 2004 £'000	52 weeks ended 21 April 2005 £'000
Revenue		113,518	113,241	229,644
Cost of sales		(16,694)	(18,780)	(35,392)
Gross profit		96,824	94,461	194,252
Administrative expenses		(81,888)	(77,621)	(174,097)
Trading profit		14,936	16,840	20,155
Costs incurred on proposed fifth site	3	(765)	-	(1,321)
Costs incurred in respect of the full				

listing	3	-	-	(1,138)
Profit on disposal of subsidiary undertaking	3	-	5,346	7,245
Operating profit		14,171	22,186	24,941
Interest payable and similar charges		(1,859)	(1,992)	(4,405)
Fees incurred on negotiation of capital expenditure facility	3	-	(811)	(836)
Interest receivable		36	48	72
Other financial income		299	-	414
Net financing costs		(1,524)	(2,755)	(4,755)
Profit before tax		12,647	19,431	20,186
Taxation		784	(4,929)	(3,093)
Profit attributable to equity shareholders	2	13,431	14,502	17,093
Earnings per share (p)				
Basic	5	5.26	5.68	6.70
Diluted	5	5.21	5.68	6.69
Dividend per share (p)		1.20	1.20	3.57

Statement of recognised income and expenditure

24 weeks ended	24 weeks ended	52 weeks ended

	6 October 2005 £'000	7 October 2004 £'000	21 April 2005 £'000
Profit attributable to equity shareholders	13,431	14,502	17,093
Actuarial loss recognised on pension scheme	(255)	(54)	(100)
Deferred tax relating to pension scheme	76	16	30
Total recognised income and expenditure since previous statutory accounts	13,252	14,464	17,023

Consolidated balance sheet

	Note	Unaudited		
		6 October 2005 £'000	7 October 2004 £'000	21 April 2005 £'000
Assets				
Non-current assets				
Goodwill		285,034	276,865	285,034
Intangible assets		2,109	685	2,203
Property, plant and equipment		68,918	52,340	63,108
Trade and other receivables		4,719	4,012	4,420

Deferred tax asset		8,621	16,358	10,652
		369,401	350,260	365,417
Current assets				
Inventories		4,700	4,556	4,733
Trade and other receivables		22,445	25,218	16,889
Current tax assets		4,560	-	-
Cash and cash equivalents	6	5,442	650	523
		37,147	30,424	22,145
Liabilities				
Current liabilities				
Short-term borrowings		(386)	(120)	(156)
Trade and other payables		(91,566)	(81,154)	(86,840)
Current tax liabilities		-	(3,209)	(1,495)
		(91,952)	(84,483)	(88,491)
Net current liabilities		(54,805)	(54,059)	(66,346)
Non-current liabilities				
Long-term borrowings		(66,343)	(57,288)	(58,537)
Trade and other payables		(1,959)	-	(1,869)
Retirement benefit obligations		(2,428)	(2,029)	(2,141)
Deferred tax liabilities		(1,758)	(1,832)	(1,758)
Long-term provisions		(482)	(223)	(425)
		(72,970)	(61,372)	(64,730)

Net assets		241,626	234,829	234,341
Shareholders' equity				
Share capital		2,552	2,552	2,552
Share premium		576	231,576	576
Retained earnings		238,498	701	231,213
Total shareholders' equity		241,626	234,829	234,341

Consolidated cash flow statement

		Unaudited		
	Note	24 weeks ended 6 October 2005 £'000	24 weeks ended 7 October 2004 £'000	52 weeks ended 21 April 2005 £'000
Cash flow from operations				
Cash generated from operations	8	18,539	19,686	37,687
Interest received	36	41	71	
Interest paid		(1,680)	(2,234)	(4,359)
Interest element of finance lease payments		(5)	(8)	(17)
Fee and other facility costs incurred on borrowings		-	(811)	(836)
Tax paid		(2,563)	-	(1,285)

Net cash from operating activities		14,327	16,674	31,261
Cash flow from investing activities				
Acquisition of subsidiary				
Adjustment in respect of past acquisition		-	581	765
Cash outflow on acquisition of subsidiary		-	-	(924)
Overdraft acquired on acquisition		-	-	(178)
Fees incurred on acquisition		-	-	(59)
Disposal of subsidiary				
Cash received on disposal of subsidiary		-	13,586	13,586
Cash disposed of on disposal of subsidiary		-	(4,151)	(4,151)
Fees incurred on disposal		-	(1,043)	(1,043)
Loan to acquirer		500	(500)	(500)
Purchase of property, plant and equipment		(7,045)	(9,214)	(22,134)
Expenditure under capital expenditure facility		(7,529)	(7,202)	(18,988)
Reimbursement of expenditure under capital expenditure				

facility		4,965	3,013	13,162
Net cash used in investing activities		(9,109)	(4,930)	(20,464)
Cash flow from financing activities				
Finance lease payments		(77)	(73)	(150)
Net movement in borrowings		4,100	(11,330)	(7,383)
Drawdown on mortgage		4,000		
Dividends paid to former shareholders of Center Parcs (Jersey) 1 Limited		(2,261)	-	-
Dividends paid to shareholders		(6,048)	-	(3,063)
Net cash used in financing activities		(286)	(11,403)	(10,596)
Net movement in cash and cash equivalents		4,932	341	201
Cash and cash equivalents at start of period		510	309	309
Cash and cash equivalents at end of period	6	5,442	650	510

Notes to the interim financial statements

1. Basis of preparation

The interim consolidated financial statements comprise the unaudited results for the 24 weeks ended 6 October 2005. These interim financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements. The IFRS standards and IFRIC interpretations that will be applicable at 20 April 2006, including those that will be applicable on an optional basis, are not known with certainty at the time of preparing these interim financial statements.

The Group set out its IFRS accounting policies in the press release 'Restatement of Preliminary Financial Information under International Financial Reporting Standards ('IFRS')' on 5 October 2005. These policies have been consistently applied to all periods presented, with the exception of those relating to the classification and measurement of financial instruments. The policies applied to financial instruments for the 52 weeks ended 21 April 2005 were those disclosed in the Annual Report for that period.

Center Parcs prepared its consolidated financial statements in accordance with the United Kingdom's Generally Accepted Accounting Principles (UK GAAP) until the 52 weeks ended 21 April 2005. In preparing the Group's interim financial statements for the 24 weeks ended 6 October 2005 certain accounting, valuation and consolidation methods applied under UK GAAP have been amended to comply with IFRS. The comparative figures in respect of the 24 weeks ended 7 October 2004 and the 52 weeks ended 21 April 2005 have been restated to reflect these adjustments, except for the classification and measurement of financial instruments. These figures have not been subject to audit review.

The effect of the transition from UK GAAP to IFRS on the Group's profit after taxation, net assets and cash flows are shown in the reconciliations and narrative in Note 9.

These interim consolidated financial statements have been prepared under the historical cost convention.

The comparative figures for the 52 weeks ended 21 April 2005 do not constitute statutory accounts for the purpose of s240 of the Companies Act 1985. A copy of the statutory accounts for the 52 weeks ended 21 April 2005, prepared under UK GAAP, has been delivered to the Registrar of Companies and contained an unqualified auditors' report in accordance with s235 of the Companies Act 1985.

2. Taxation

	24 weeks ended 6 October 2005 £'000	24 weeks ended 7 October 2004 £'000	52 weeks ended 21 April 2005 £'000
Corporation tax	(40)	(2,836)	(3,353)
Deferred tax			
Current period	(4,170)	(1,996)	(102)
Prior period	4,994	(97)	362
Total deferred tax	824	(2,093)	260
Total tax credit/ (charge)	784	(4,929)	(3,093)

The effective rate of taxation is based on the estimated charge for the full year, at a rate of 30%.

During the period the Group has negotiated a favourable position with the landlord in relation to the capital allowances arising on the rebuild of the Elveden Forest village following the fire in 2002. As a result there is a £5 million deferred tax credit to profit.

3. Exceptional items

	24 weeks ended 6 October 2005 £'000	24 weeks ended 7 October 2004 £'000	52 weeks ended 21 April 2005 £'000
Administrative expenses			
Costs incurred on proposed fifth site	(765)	-	(1,321)
Costs incurred in respect of full listing	-	-	(1,138)
Other income Profit on disposal of subsidiary undertaking	-	5,346	7,245
Interest payable and similar charges			
Fees incurred on negotiation of capital expenditure facility	-	(811)	(836)

Although the prudent policy adopted at 21 April 2005 of writing off costs incurred prior to the granting of planning has continued during the 24 weeks ended 6 October 2005, the Group remains positive about the chances of success of the planning application for the proposed fifth site.

4. Dividend

The Directors propose to pay an interim dividend of 1.2p per share on 27 January 2006 to all shareholders on the register on 30 December 2005, totalling £3,062,500.

5. Earnings per share

Earnings per share is based on the profit after tax of £13.4 million, divided by the average number of Ordinary shares in issue during the period (255,208,322 shares). Potential shares are treated as diluted when they decrease net profit per share from continuing operations. In the case of the Group, the diluted earnings per share calculation shows the number of ordinary shares in issue adjusted to assume conversion of all dilutive potential ordinary shares from the date of issue of the options. The diluted EPS has been calculated on the basis of a weighted average of 258,037,025 shares.

6. Cash and cash equivalents

Cash and cash equivalents includes cash balances and overdrafts.
Included within the Group cash balances is £4 million which is held by The Royal Bank Scotland in an escrow account pending satisfaction of conditions precedent on the mortgage drawdown. The conditions precedent were met subsequent to the period end and the cash released on 8 November 2005.

7. Statement of changes in shareholders' equity

	24 weeks ended 6 October 2005 £'000	24 weeks ended 7 October 2004 £'000	52 weeks ended 21 April 2005 £'000
Shareholders' equity at start of period	234,341	220,365	220,365
Actuarial loss recognised on pension scheme	(255)	(54)	(100)
Deferred tax relating to pension scheme	76	16	30
Profit attributable to shareholders	13,431	14,502	17,093
Dividend	(6,048)	-	(3,063)
Share based payments	81	-	16
Shareholders' equity at			

end of period	241,626	234,829	234,341

8. Cash generated from operations

	24 weeks ended 6 October 2005 £'000	24 weeks ended 7 October 2004 £'000	52 weeks ended 21 April 2005 £'000
Profit for the period	13,431	14,502	17,093
Taxation	(784)	4,929	3,093
Net financing costs	1,524	2,755	4,755
Profit on disposal of subsidiary undertaking	-	(5,346)	(7,245)
Reversal of charge in respect of share based payments	81	-	16
Difference between pension charge and cash contributions	32	(18)	(8)
Amortisation of intangible assets	393	172	433
Depreciation	4,221	3,681	8,126
Loss on disposal of property, plant and equipment	-	-	59
Movement in stock	33	(118)	(289)
Movement in debtors	(6,974)	(2,692)	3,479
Movement in creditors	6,525	1,723	7,875
Movement in provisions	57	98	300
Cash flow from operations	18,539	19,686	37,687

9. IFRS Transition reconciliations

Set out below are the primary transition reconciliations on the move from UK GAAP to IFRS:

	24 weeks ended 7 October 2004 £'000	52 weeks ended 21 April 2005 £'000
Profit attributable to equity shareholders		
UK GAAP	11,507	7,049
Cessation of goodwill amortisation	6,498	14,627
Compensation of employee absences	96	-
Charging of operating leases on straight line	(5,277)	(9,719
Share based payments	-	(16
Taxation adjustments	1,678	5,152
As reported under IFRS	14,502	17,093

	22 April 2004 £'000	7 October 2004 £'000	21 April 2005 £'000
Net assets			
UK GAAP	230,997	239,405	228,865
Cessation of goodwill amortisation	-	6,498	14,627
Compensation of employee absences	(43)	53	(43)
Charging of operating leases on straight line	(13,919)	(19,196)	(23,638)

Taxation adjustments	3,330	5,008	8,482
Dividends	-	3,061	6,048
As reported under IFRS	220,365	234,829	234,341

The transition to IFRS has had no impact on the reported cash flows of the Group.

Further details on the transition adjustments, both accounting policy and presentational, were made available in the press release 'Restatement of Preliminary Financial Information under International Financial Reporting Standards (IFRS)' on 5 October 2005. The text of this and other press releases can be found at
www.centerparcs.co.uk
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The Group adopted IAS 32 and 39 with effect from 22 April 2005. The transition effects of these are not included in the reconciliations above, although the impact in the 24 weeks ended 6 October has been limited to presentational changes.

Independent review report to Center Parcs (UK) Group plc

Introduction

We have been instructed by the Company to review the financial information for the 24 weeks ended 6 October 2005, which comprises the consolidated income statement, the statement of recognised income and expenditure, the consolidated balance sheet, the consolidated cash flow statement and the related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority. As disclosed in note 1, the next financial statements of the Group will be prepared in accordance with accounting standards for use in the European Union. This interim report has been prepared in accordance with the basis set out in note 1.

The accounting policies are consistent with those that the directors intend to use in the next financial statements. As explained in note 1, there is, however, a possibility that the directors may determine that some changes are necessary that when preparing the full annual financial statements for the first time in accordance with accounting standards adopted for use in the European Union. The IFRS standards and IFRIC interpretations that will be applicable and adopted for use in the European Union at 20 April 2006 are not known with certainty at the time of preparing this interim financial information.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the 24 weeks ended 6 October 2005.

PricewaterhouseCoopers LLP
Chartered Accountants
East Midlands
7 December 2005