Robert Walters plc
HALF-YEARLY FINANCIAL RESULTS
2010

ROBERT WALTERS

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ABOUT ROBERT WALTERS

Robert Walters is one of the world's leading professional recruitment consultancies, specialising in the placement of permanent, contract and temporary positions across all levels of seniority.

The Group recruits in the accounting, finance, banking, IT, human resources, legal, sales and marketing, supply chain and procurement, secretarial and support disciplines.

With international offices spanning eighteen countries, our global footprint enables us to meet the demands of clients and candidates whose needs extend beyond local markets, whilst our strong local foundations provide us with unique insights into local industry and culture.

FINANCIAL HIGHLIGHTS

Net fee income

£72.3m (2009: £50.0m)

Operating profit

£5.2m
(2009: operating loss of £2.3m)

Profit before taxation

£5.1m
(2009: loss before taxation of £2.6m)

Basic earnings per share

4.8p (2009: loss per share of 3.7p)

Interim dividend

1.40p per share (2009: 1.40p)

Net cash

£12.9m
(30 June 2009: £22.5m)

INTERIM MANAGEMENT REPORT

We are pleased to report that the Group has delivered a strong first half performance. Revenue was up 33% to £188.8m (2009: £141.7m) and gross profit ('net fee income') by 45% (39% in constant currency) to £72.3m (2009: £50.0m), resulting in an operating profit of £5.2m (£4.4m in constant currency) (2009: operating loss of £2.3m) and a profit before taxation of £5.1m (£4.3m in constant currency) (2009: loss before taxation of £2.6m). The Group has maintained a strong cash position with net cash of £12.9m (30 June 2009: £22.5m).

We have seen a marked improvement in recruitment activity during the first six months of the year, particularly with regards to permanent recruitment as both candidate and employer confidence returned. Contractor numbers and contract net fee income also increased during the first half, albeit at a more modest rate. Permanent recruitment now represents 70% (2009: 59%) of the Group's recruitment net fee income.

In response to this increased demand, we have invested significantly in the business during the first six months of the year, increasing headcount to 1,539 and further developing our IT, training and marketing infrastructure to underpin the Group's growth.

The Group's strategy of international growth and diversification continues apace – 70% of the Group's net fee income comes from outside of the UK and we are now positioned as the leading specialist recruitment brand in the fast growing Asia market. The Group opened an office in São Paulo during the second quarter, its first in South America, and also a fourth office in Belgium. The Group now has 39 offices in 18 countries.

Asia Pacific (48% of net fee income)

Revenue was £84.5m (2009: £53.9m) and net fee income increased by 81% (64% in constant currency) to £34.4m (2009: £19.0m) producing an operating profit of £5.3m (£4.4m in constant currency) (2009: operating loss of £0.5m).

Our business in Asia delivered an outstanding performance, with Singapore, Hong Kong, Thailand and mainland China all more than doubling net fee income. Our businesses in Japan and Malaysia also produced significant increases in both net fee income and operating profit. We plan to build further on our market-leading position in the region with the opening of our first office in South Korea and a third mainland China office in Beijing during the second half of the year. The Group continues to research other territories and is actively investigating new markets in South East Asia.

Our operation in Australia, the largest in the region, produced strong net fee income and operating profit growth, driven by increased hiring activity across all areas. New Zealand delivered a solid performance in the first half, with demand levels more muted than those experienced in Australia.

United Kingdom (30% of net fee income)

Revenue was £69.5m (2009: £55.7m) and net fee income increased by 29% to £21.6m (2009: £16.7m) producing an operating profit of £0.1m (2009: operating loss of £0.8m).

The UK business experienced increased levels of activity most notably in the financial services sector. City-based recruitment has been particularly active especially across the areas of finance, IT and legal. Outside of financial services conditions remained challenging with both our London commerce and regional businesses delivering comparatively modest net fee income growth during the first six months of the year.

Resource Solutions, our recruitment process outsourcing business, grew net fee income and won a number of new client engagements during the period.

Europe (20% of net fee income)

Revenue was £33.0m (2009: £31.1m) and net fee income increased by 8% (11% in constant currency) to £14.4m (2009: £13.4m) producing an operating loss of £0.1m (operating loss of £0.1m in constant currency) (2009: operating loss of £0.7m).

Europe delivered a small increase in net fee income against a backdrop of continuing economic uncertainty. Our business in the Netherlands which performed well throughout 2009 has been hit hard during the first half of the year; however, France and Belgium achieved a slight improvement in permanent net fee income and benefited from previous investment in our contract business over the last five years. Whilst market conditions remain challenging in both Ireland and Spain, our small businesses in these countries have shown signs of recovery.

The Americas and South Africa (2% of net fee income)

Revenue was £1.8m (2009: £0.9m) and net fee income increased by 105% (102% in constant currency) to £1.8m (2009: £0.9m) producing an operating loss of £0.1m (operating loss of £0.1m in constant currency) (2009: operating loss of £0.2m).

Our New York operation delivered an improved performance in the first half, with our diversification into sales & marketing and legal showing encouraging signs. In South Africa, we have continued to grow the net fee income we generate from local organisations to complement our strong multinational client base. We have also invested in additional headcount and successfully retained our BEE accreditation for the second consecutive year. Our fledgling office in São Paulo began generating net fee income only a few weeks after opening.

Cash flow

The Group has maintained a strong net cash position of £12.9m as at 30 June 2010 (30 June 2009: £22.5m) despite a significant increase in contractor numbers across the globe. Working capital has increased by £6.8m (2009: decrease of £9.5m). The Company purchased £2.0m of its own shares and paid a dividend of £2.3m in the period. Group capital expenditure was £0.6m.

Dividend

The interim dividend will be maintained at 1.40p per share (2009: 1.40p) and will be paid on 22 October 2010 to those shareholders on the Company's register on 10 September 2010.

Treasury management, currency risk and other principal risks and uncertainties affecting the business

The Group does not have material transactional exposures although is exposed to translation differences on the profits and cash flows generated in its overseas operations, the main functional currencies of the Group being pounds sterling, the euro, the Australian dollar and the Japanese yen.

The other principal risks and uncertainties affecting the business activities of the Group remain those detailed within the Operating and Financial Review section of the Annual Report and Accounts for the year ended 31 December 2009, namely the strength of the employment market, temporary labour law and staff retention across the Group. The Board does not foresee a material change in respect of these factors for the remainder of the year.

Outlook

Whilst economic uncertainty currently exists across some of the markets in which we operate, the Group is more internationally diverse than at any other period in its history and well positioned to take advantage of growth opportunities particularly in many of the world's fastest growing markets.

Philip Aiken
Chairman

Robert Walters
Chief Executive

25 August 2010

CONDENSED CONSOLIDATED INCOME STATEMENT

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
Continuing operations			
Revenue	**188,803**	141,685	300,442
Cost of sales	(116,496)	(91,711)	(196,079)
Gross profit	**72,307**	49,974	104,363
Administrative expenses	(67,062)	(52,269)	(102,785)
Operating profit (loss)	**5,245**	(2,295)	1,578
Finance income	84	87	241
Finance costs	(122)	(188)	(388)
Loss on foreign exchange	(95)	(239)	(118)
Profit (loss) before taxation	**5,112**	(2,635)	1,313
Taxation	(1,681)	65	(1,073)
Profit (loss) for the period	**3,431**	(2,570)	240
Attributable to:			
Owners of the Company	3,343	(2,570)	240
Non-controlling interest	88	–	–
	3,431	(2,570)	240
Earnings (loss) per share (pence):			
Basic	4.8	(3.7)	0.3
Diluted	4.3	(3.7)	0.3

CONDENSED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
Profit (loss) for the period	**3,431**	(2,570)	240
Exchange differences on translation of overseas operations	(260)	(3,215)	(363)
Total recognised income and expense for the period	**3,171**	(5,785)	(123)
Attributable to:			
Owners of the Company	3,083	(5,785)	(123)
Non-controlling interest	88	–	–
	3,171	(5,785)	(123)

CONDENSED CONSOLIDATED BALANCE SHEET

	2010 30 June Unaudited £'000	2009 30 June Unaudited £'000	2009 31 December Audited £'000
Non-current assets			
Intangible assets	8,618	9,343	8,913
Property, plant and equipment	3,698	5,129	4,271
Deferred tax assets	4,033	3,634	3,930
	16,349	18,106	17,114
Current assets			
Trade and other receivables	86,571	51,154	66,744
Corporation tax receivables	705	1,869	2,247
Cash and cash equivalents	21,027	24,205	19,812
	108,303	77,228	88,803
Total assets	124,652	95,334	105,917
Current liabilities			
Trade and other payables	(61,457)	(40,255)	(48,592)
Corporation tax liabilities	(922)	(957)	(692)
Bank overdrafts and loans	(7,750)	(884)	(2,100)
	(70,129)	(42,096)	(51,384)
Net current assets	**38,174**	35,132	37,419
Non-current liabilities			
Bank loans	(331)	(796)	(441)
Deferred tax liabilities	(680)	(643)	(758)
	(1,011)	(1,439)	(1,199)
Total liabilities	(71,140)	(43,535)	(52,583)
Net assets	**53,512**	51,799	53,334
Equity			
Share capital	17,058	17,034	17,034
Share premium	20,696	20,586	20,586
Other reserves	(73,410)	(73,410)	(73,410)
Own shares held	(14,419)	(9,529)	(12,763)
Treasury shares held	(18,865)	(18,865)	(18,865)
Foreign exchange reserves	8,295	5,703	8,555
Retained earnings	114,069	110,280	112,197
Equity attributable to owners of the Company	**53,424**	51,799	53,334
Non-controlling interest	88	–	–
Total equity	**53,512**	51,799	53,334

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
Cash generated from operating activities	**748**	9,242	7,952
Income taxes refunded (paid)	147	(2,939)	(4,005)
Net cash from operating activities	**895**	6,303	3,947
Investing activities			
Acquisition of subsidiary (net of cash acquired)	(299)	(445)	(445)
Proceeds on disposal of investments	–	–	20
Interest paid	(38)	(101)	(147)
Purchases of computer software	(97)	(333)	(403)
Purchases of property, plant and equipment	(479)	(643)	(874)
Proceeds on disposal of property, plant and equipment	–	5	5
Net cash used in investing activities	**(913)**	(1,517)	(1,844)
Financing activities			
Equity dividends paid	(2,292)	(2,354)	(3,344)
Proceeds from issue of equity	134	–	–
Proceeds from bank loans	5,578	–	925
Repayment of bank loans	(136)	(4,162)	(4,288)
Purchase of own shares (net of proceeds of option exercises)	(1,780)	–	(3,288)
Net cash from (used in) financing activities	**1,504**	(6,516)	(9,995)
Net increase (decrease) in cash and cash equivalents	**1,486**	(1,730)	(7,892)
Cash and cash equivalents at beginning of the period	19,812	28,525	28,525
Effect of foreign exchange rate changes	(271)	(2,590)	(821)
Cash and cash equivalents at end of the period	**21,027**	24,205	19,812

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Other reserves £'000	Own shares held £'000	Treasury shares held £'000	Foreign exchange reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2009	17,034	20,586	(73,410)	(9,834)	(18,865)	8,918	115,226	59,655	–	59,655
Loss for the period	–	–	–	–	–	–	(2,570)	(2,570)	–	(2,570)
Foreign currency translation differences	–	–	–	–	–	(3,215)	–	(3,215)	–	(3,215)
Total recognised income and expense for the period	–	–	–	–	–	(3,215)	(2,570)	(5,785)	–	(5,785)
Dividends paid	–	–	–	–	–	–	(2,354)	(2,354)	–	(2,354)
Adjustment in respect of share schemes	–	–	–	305	–	–	(22)	283	–	283
Balance at 30 June 2009	17,034	20,586	(73,410)	(9,529)	(18,865)	5,703	110,280	51,799	–	51,799
Profit for the period	–	–	–	–	–	–	2,810	2,810	–	2,810
Foreign currency translation differences	–	–	–	–	–	2,852	–	2,852	–	2,852
Total recognised income and expense for the period	–	–	–	–	–	2,852	2,810	5,662	–	5,662
Dividends paid	–	–	–	–	–	–	(990)	(990)	–	(990)
Own shares purchased (net of proceeds of option exercises)	–	–	–	(3,542)	–	–	254	(3,288)	–	(3,288)
Adjustment in respect of share schemes	–	–	–	308	–	–	(157)	151	–	151
Balance at 31 December 2009	17,034	20,586	(73,410)	(12,763)	(18,865)	8,555	112,197	53,334	–	53,334
Profit for the period	–	–	–	–	–	–	3,343	3,343	88	3,431
Foreign currency translation differences	–	–	–	–	–	(260)	–	(260)	–	(260)
Total recognised income and expense for the period	–	–	–	–	–	(260)	3,343	3,083	88	3,171
Dividends paid	–	–	–	–	–	–	(2,292)	(2,292)	–	(2,292)
Own shares purchased (net of proceeds of option exercises)	–	–	–	(2,000)	–	–	220	(1,780)	–	(1,780)
Adjustment in respect of share schemes	–	–	–	344	–	–	601	945	–	945
New shares issued	24	110	–	–	–	–	–	134	–	134
Balance at 30 June 2010	**17,058**	**20,696**	**(73,410)**	**(14,419)**	**(18,865)**	**8,295**	**114,069**	**53,424**	**88**	**53,512**

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS

1. Statement of accounting polices

Basis of preparation

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 has been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union.

The accounting policies applied by the Group are set out in detail in the Annual Report for the year ended 31 December 2009, except for the adoption of IFRS 3 "Business Combinations (revised 2008)" and IAS 27 "Consolidated and Separate Financial Statements (revised 2008)", which do not have a significant impact.

The Group was profitable for the period and has considerable financial resources including £12.9m of net cash at 30 June 2010 together with a diverse range of clients and suppliers across different geographic locations and sectors. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the continued uncertain economic outlook.

After making enquiries, the Directors have formed a judgement, at the time of approving the half-yearly financial results, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the half-yearly condensed set of financial statements.

2. Financial information

The financial information on pages 4 to 11 was formally approved by the Board of Directors on 25 August 2010. The financial information set out in this document does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts prepared under IFRS for the year ended 31 December 2009 for Robert Walters plc have been delivered to the Registrar of Companies. The auditors' report on these accounts was not qualified, did not draw attention to any matters by way of emphasis and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

The financial information in respect of the period ended 30 June 2010 is unaudited but has been reviewed by the Company's auditors. Their report is attached on page 12. The financial information in respect of the period ended 30 June 2009 is also unaudited.

3. Currency conversion

The reporting currency of the Group is pounds sterling and the condensed set of financial statements has been prepared on this basis.

The condensed consolidated income statement for the period ended 30 June 2010 has been prepared using, among other currencies, average exchange rates of €1.1492 to the pound (period ended 30 June 2009: €1.1188; year ended 31 December 2009: €1.1231); ¥139.635 to the pound (period ended 30 June 2009: ¥142.631; year ended 31 December 2009: ¥146.419) and AUD$1.7095 to the pound (period ended 30 June 2009: AUD$2.1023; year ended 31 December 2009: AUD$1.9944).

The condensed consolidated balance sheet as at 30 June 2010 has been prepared using the exchange rates on that day of €1.2348 to the pound (30 June 2009: €1.1760; 31 December 2009: €1.1113); ¥133.690 to the pound (30 June 2009: ¥157.857; 31 December 2009: ¥146.922) and AUD$1.7599 to the pound (30 June 2009: AUD$2.0533; 31 December 2009: AUD$1.7838).

4. Segmental information

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
i) Revenue:			
Asia Pacific	84,509	53,946	122,495
UK	69,489	55,727	116,578
Europe	32,967	31,116	59,407
The Americas and South Africa	1,838	896	1,962
	188,803	141,685	300,442
ii) Gross profit:			
Asia Pacific	34,428	19,003	42,988
UK	21,639	16,720	33,772
Europe	14,412	13,359	25,651
The Americas and South Africa	1,828	892	1,952
	72,307	49,974	104,363
iii) Profit (loss) before taxation:			
Asia Pacific	5,317	(538)	3,292
UK	136	(825)	(830)
Europe	(90)	(731)	(697)
The Americas and South Africa	(118)	(201)	(187)
Operating profit (loss)	**5,245**	(2,295)	1,578
Net finance cost	(133)	(340)	(265)
Profit (loss) before taxation	**5,112**	(2,635)	1,313
iv) Total assets:			
Asia Pacific	36,598	24,894	30,143
UK	46,189	27,581	35,970
Europe	23,928	20,042	20,478
The Americas and South Africa	1,382	355	381
Elimination of intercompany assets	(9,210)	(7,246)	(7,044)
Unallocated corporate assets	25,765	29,708	25,989
	124,652	95,334	105,917
v) Total liabilities:			
Asia Pacific	(17,234)	(11,771)	(12,817)
UK	(39,618)	(25,827)	(30,868)
Europe	(11,644)	(9,070)	(10,986)
The Americas and South Africa	(2,171)	(833)	(965)
Elimination of intercompany liabilities	9,210	7,246	7,044
Unallocated corporate liabilities	(9,683)	(3,280)	(3,991)
	(71,140)	(43,535)	(52,583)
vi) Revenue by business grouping:			
Robert Walters	165,446	124,743	265,184
Resource Solutions	23,357	16,942	35,258
	188,803	141,685	300,442

For the purposes of segmental information, unallocated corporate assets and liabilities include cash, bank loans and corporate and deferred tax balances.

5. Taxation

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
Current tax	1,604	716	1,389
Deferred tax	77	(781)	(316)
Total tax charge (credit) for the period	**1,681**	(65)	1,073

The tax charge is based on the expected annual tax rate of 32.9% (2009: 2.5%) on profit before taxation.

6. Dividends

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for 2009 of 3.35p (2008: 3.35p)	2,292	2,354	2,354
Interim dividend for 2009 of 1.40p (2008: 1.35p)	–	–	990
	2,292	2,354	3,344
Proposed interim dividend for 2010 of 1.40p (2009: 1.40p)	959	991	n/a

The proposed interim dividend was approved by the Board on 25 August 2010 and has not been included as a liability at 30 June 2010.

7. Earnings per share

The calculation of earnings per share is based on the profit for the period attributable to owners of the Company and the weighted average number of shares of the Company.

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
Profit (loss) for the period attributable to owners of the Company	**3,343**	(2,570)	240

	Number of shares	Number of shares	Number of shares
Weighted average number of shares:			
Shares in issue throughout the period	85,168,703	85,168,703	85,168,703
Shares issued in the period	103,802	–	–
Treasury and own shares held	(16,346,053)	(14,762,402)	(14,869,591)
For basic earnings per share	**68,926,452**	70,406,301	70,299,122
Outstanding share options (note)	8,820,946	–	6,750,325
For diluted earnings per share	**77,747,398**	70,406,301	77,049,437

Note: There were an average of 2,251,622 outstanding share options for the six month period to 30 June 2009, but they are excluded from the calculation of diluted earnings per share as there was a loss for the period.

8. Notes to the cash flow statement

	2010 6 mths to 30 June Unaudited £'000	2009 6 mths to 30 June Unaudited £'000	2009 12 mths to 31 December Audited £'000
Operating profit (loss) for the period	**5,245**	(2,295)	1,578
Adjustments for:			
Depreciation and amortisation charges	1,488	1,726	3,381
Loss on disposal of property, plant and equipment	10	65	321
Gain on disposal of investments	–	–	(20)
Movement in share scheme balance	766	205	(216)
Operating cash flows before movements in working capital	**7,509**	(299)	5,044
(Increase) decrease in receivables	(20,321)	13,862	1,184
Increase (decrease) in payables	13,560	(4,321)	1,724
Cash generated from operations	**748**	9,242	7,952

9. Bank loans

In August 2009, the Group entered into a committed, three-year, £10.0m receivables financing agreement. In June 2010, this facility was increased to £20.0m and will now expire on 31 May 2013.

10. Related party transactions

There have been no related party transactions or changes in the related party transactions described in the latest Annual Report that have had a material effect on the financial position or performance of the Group in the first six months of the financial year.

11. Registered office

The Company's registered office is located at 55 Strand, London WC2N 5WR.

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting';

b) 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

c) the interim management report and note 10 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,

Alan Bannatyne
Group Finance Director

25 August 2010

INDEPENDENT REVIEW REPORT TO ROBERT WALTERS PLC

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial results for the six months ended 30 June 2010 which comprises the condensed consolidated income statement, the condensed consolidated statement of recognised income and expense, the condensed consolidated balance sheet, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity, and related notes 1 to 11. We have read the other information contained in the half-yearly financial results 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 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. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent 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 conclusions we have formed.

Directors’ responsibilities

The half-yearly financial results are the responsibility of, and have been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial results 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 the half-yearly financial results 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 inquiries, 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 results for the six months ended 30 June 2010 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.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

25 August 2010

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