UTV Media plc

Interim Report

for the 6 months to 30 June 2011

UTV Media plc

("UTV" or "the Company" or "the Group")

Interim Results

for the six months ended 30 June 2011

Financial highlights on continuing operations *

- Pre-tax profits up by 15% to £10.9m (2010: £9.5m)
- Group operating profit up by 4% to £12.8m (2010: £12.3m)
- £14.2 m (18%) reduction in net debt over 12 months to £63.1m (2010: £77.3m)
- Group revenue maintained at £59.1m (2010: £58.8m) post World Cup
- Net finance costs down 32% to £1.8m (2010: £2.7m)
- Diluted adjusted earnings per share up by 16% to 8.64p (2010: 7.44p)
- Proposed interim dividend of 1.5p (2010: 1.00p)

Operational highlights and prospects *

- Strong market outperformance across both Radio and Television
- Revenues maintained in GB Radio despite the tough comparatives of the 2010 World Cup
- Irish Radio Revenues down by 4% in difficult market conditions with an associated profit decline of £0.2m in the first six months
- Television advertising revenue up by 4% compared to the ITV Network which was flat
- Total operating costs largely unchanged from last year with increased GB Radio content costs offset by reduced World Cup and overhead costs
- Continued significant debt reduction created by strong cash management, with 2.0 times Net Debt:EBITDA anticipated by year end
- Third quarter advertising revenue compared to the same period last year is anticipated to increase by 3 %

* As appropriate, references to profit include associate income but exclude exceptional items

John McCann, Group Chief Executive, UTV Media plc, said:

"These are another robust set of results despite the challenging macroeconomic conditions. A 15% uplift in pre-tax profits, an 18% reduction in net debt and a significant increase in dividend all point to good progress being made in positioning the company for the upturn."

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Chairman's Statement

Introduction

Strong outperformance in subdued advertising markets is the key feature of these half year results. Group operating profit was up 4%, even against the tough comparatives of the World Cup last year. With our continued focus on net debt helping to drive down interest charges, group profit before tax was 15% higher.

Results *

Television operating profit more than doubled in the six months, increasing to £3.1m (2010 : £1.4m). Radio and New Media operating profits both slipped to £8.8m (2010 : £9.9m) and £0.9m (2010 : £1.0m) respectively. Strong cash generation led to a significant reduction in net debt to £63.1m (2010 : £77.3m) at the end of the six months and contributed to a much lower net interest charge for the period of £1.8m (2010 : £2.7m). Group profit before tax was £1.4m higher at £10.9m (2010 £9.5m), while diluted adjusted earnings per share were up by 16% to 8.6p (2010: 7.4p).

Dividend

We recognise that the improving financial performance of your company should be reflected by an improving distribution to shareholders while maintaining a prudent stance during these uncertain macro-economic conditions. Therefore, your Board is declaring an interim dividend of 1.5p (2010: 1.0p), which will be paid on 14 October 2011 to all shareholders on the Register at the close of business on 16 September 2011.

Radio

Despite the very positive impact of the World Cup on last year's figures, our GB Radio division managed to maintain revenue at £25.2m for the six months to 30 June 2011. Operating costs were £0.8m higher at £19.4m (2010: £18.6m) with World Cup cost savings being more than offset by increased investment in programming and presenters at talkSPORT. The benefits of this increased investment, which includes enhanced Premier League coverage and development of online activities, are already evident in increased audiences, but revenue improvement will inevitably lag improvement in both broadcast and online audiences. Radio GB operating profit, therefore, was lower at £5.8m (2010 : £6.7m).

The Irish advertising marketplace continued to be very challenging but our strong audience delivery was instrumental in maintaining our outperformance of the market. Revenue at our Irish radio division in the first six months was down by 4% to £11.0M (2010 : £11.5m). With further cost savings of £0.3m, our Irish Radio operating profit was £0.2m lower at £3.0m (2010 : £3.2m).

Television

Our television advertising revenue was up by 4% in the first six months, comfortably outperforming the ITV network which was flat. This was a particularly creditable performance, given the comparatives of the World Cup last year and the drag of a Dublin advertising market which was down by 4%. Our total television revenue was up by 3% to £17.2m (2010 : £16.6m) but with television operating costs 7% lower at £14.1m (2010 : £15.2m) as a result of World Cup and overhead savings, television operating profit climbed by £1.7m to £3.1m (2010 : £1.4m).

New Media

New Media operating profit in the first six months was lower at £0.9m (2010: £1.0m) reflecting the challenging economic environment. The Internet business saw a reduction in customer spend on broadband and telephony products while our web development and hosting business, Tibus, continued to show steady profit growth.

* as appropriate, references to profit include associate income but exclude exceptional items and relate to continuing operations only

Chairman's Statement

Prospects

In the third quarter, total revenue in our GB Radio Division is expected to be up by 9%. Even in the absence of World Cup activity, talkSPORT revenue in the three months should be up by 14%, while revenue at our local radio stations should grow by 2%.

We anticipate that our Irish Radio division will continue to outperform the market but, in the three months to 30 September, our Irish radio advertising revenue is still likely to record a reduction of about 5% reflecting the current macro-economic factors and uncertainties in the Irish market.

Our Television advertising revenue in the third quarter is expected to be down by about 1% in line with the ITV network.

Trading in our New Media division is expected to be in line with the first six months.

It is difficult to be optimistic in the midst of such uncertainty surrounding growth in both domestic and global economies. Nevertheless, your company continues to make steady progress and operating budgets are being met and often exceeded. Robust cash flow management has significantly strengthened the balance sheet and our expectation is that our net debt/EBITDA ratio at the year end will be around 2 times.

John B McGuckian
Chairman
30 August 2011

Group Income Statement

for the six months ended 30 June 2011

	Notes	***Results before Exceptional Items 30 June 2011 £000***	*Exceptional Items 30 June 2011 £000*	*Total 30 June 2011 £000*	***Results before Exceptional Items 30 June 2010 £000***	*Exceptional Items 30 June 2010 £000*	*Total 30 June 2010 £000*
Continuing operations							
Revenue	3	**59,103**	-	**59,103**	58,829	-	58,829
Operating costs		(46,429)	-	(46,429)	(46,686)	-	(46,686)
Operating profit from continuing operations before tax and finance costs	3	**12,674**	-	**12,674**	12,143	-	12,143
Share of results of associates accounted for using the equity method		82	-	82	151	-	151
Profit from continuing operations before tax and finance costs		**12,756**	-	**12,756**	12,294	-	12,294
Finance revenue		75	-	75	36	-	36
Finance costs		(1,896)	-	(1,896)	(2,708)	-	(2,708)
Foreign exchange loss		(83)	-	(83)	(153)	-	(153)
Profit from continuing operations before tax		10,852	-	10,852	9,469	-	9,469
Taxation		(2,389)	616	(1,773)	(2,159)	-	(2,159)
Profit from continuing operations after tax		8,463	616	9,079	7,310	-	7,310
Discontinued operations							
Loss from discontinued operations	4	(213)	-	(213)	(81)	-	(81)
		8,250	616	**8,866**	7,229	-	7,229
Attributable to:							
Equity holders of the parent		8,083	616	8,699	7,070		7,070
Minority interests		167	-	167	159	-	159
		8,250	616	**8,866**	**7,229**	-	**7,229**

Group Income Statement

for the six months ended 30 June 2011

	Note	*2011*	*2010*
Earnings per share			
Continuing operations			
Basic	8	9.34p	7.50p
Diluted	8	9.28p	7.44p
Adjusted	8	8.70p	7.50p
Diluted adjusted	8	8.64p	7.44p
Continuing and discontinued operations			
Basic	8	9.12p	7.41p
Diluted	8	9.06p	7.36p
Adjusted	8	8.47p	7.41p
Diluted adjusted	8	8.42p	7.36p

Group Statement of Comprehensive Income

for the six months ended 30 June 2011

	30 June 2011 £000	*30 June 2010 £000*
Profit for the period	8,866	7,229
Other comprehensive income/(expense)		
Exchange difference on translation of foreign operations	4,946	(6,435)
Actuarial gain/(loss) on defined benefit pension schemes	521	(3,668)
Cash flow hedges:		
- Loss arising during the year	(226)	(996)
- Less transfers to the income statement	312	1,116
Tax relating to other comprehensive income	(104)	1,007
Other comprehensive income/(expense) for the period, net of tax	5,449	(8,976)
Total comprehensive income/(expense) for the period, net of tax	14,315	(1,747)
Attributable to:		
Equity holders of the parent	14,148	(1,906)
Minority interests	167	159
	14,315	(1,747)

Group Balance Sheet

for the six months ended 30 June 2011

	Notes	30 June 2011 £000	30 June 2010 £000	31 December 2010 £000
ASSETS				
Non-current assets				
Property, plant and equipment	5	11,514	10,574	10,695
Intangible assets		228,610	251,634	221,856
Investments accounted for using the equity method		254	246	172
Deferred tax asset		6,444	13,094	9,876
		246,822	275,548	242,599
Current assets				
Inventories		644	617	1,741
Trade and other receivables		25,832	30,534	28,180
Cash and short term deposits		9,862	10,434	11,250
		36,338	41,585	41,171
TOTAL ASSETS		283,160	317,133	283,770
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Equity share capital		55,557	55,557	55,557
Capital redemption reserve		50	50	50
Treasury Shares		(1,258)	(1,258)	(1,258)
Foreign currency reserve		14,445	5,997	9,499
Cash flow hedge reserve		(515)	(716)	(581)
Retained earnings		61,019	66,156	54,441
		129,298	125,786	117,708
Minority interest		642	656	475
TOTAL EQUITY		129,940	126,442	118,183
Non-current liabilities				
Financial liabilities	9	64,519	79,592	74,490
Derivative financial liabilities		337	-	370
Pension liability	10	4,930	13,505	6,800
Provisions		969	992	970
Deferred tax liabilities		37,362	48,597	38,416
		108,117	142,686	121,046
Current liabilities				
Trade and other payables		33,771	37,084	32,363
Financial liabilities	9	8,444	8,109	8,254
Derivative financial liabilities		366	969	420
Tax payable		2,094	1,425	3,076
Provisions		428	418	428
		45,103	48,005	44,541
TOTAL LIABILITIES		153,220	190,691	165,587
TOTAL EQUITY AND LIABILITIES		283,160	317,133	283,770

Group Cash Flow

for the six months ended 30 June 2011

	30 June 2011 £000	*30 June 2010 £000*
Operating activities		
Profit before tax	10,639	9,388
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Foreign exchange loss	83	153
Net finance costs	1,821	2,672
Share of results of associates	(82)	(151)
Depreciation of property, plant and equipment	771	832
Difference between pension contributions paid and amounts recognised in the income statement	(1,349)	(1,164)
Decrease/(increase) in inventories	1,097	(285)
Decrease/(increase) in trade and other receivables	2,525	(343)
(Decrease)/increase in trade and other payables	(1,742)	1,448
Decrease in provisions	(1)	(49)
Profit from sale of property, plant and equipment	(3)	(14)
Share based payments	304	231
Cash generated from operations before exceptional costs	14,063	12,718
Exceptional costs	-	(397)
Tax (paid)/received	(1,118)	18
Net cash inflow from operating activities	12,945	12,339
Investing activities		
Interest received	75	30
Proceeds on disposal of property, plant and equipment	3	25
Purchase of property, plant and equipment	(1,242)	(359)
Payment to acquire investments	-	(203)
Net cash flows from investing activities	(1,164)	(507)
Financing activities		
Borrowing costs	(1,916)	(2,348)
Dividends paid to equity holders of the parent	(7)	(3)
Dividends paid to minority shareholders of subsidiaries	-	(250)
Repayment of borrowings	(11,308)	(7,022)
Rights issue costs	-	(2)
Net cash flows used in financing activities	(13,231)	(9,625)
Net (decrease)/increase in cash and cash equivalents	(1,450)	2,207
Net foreign exchange differences	62	(207)
Cash and cash equivalents at 1 January	11,250	8,434
Cash and cash equivalents at 30 June	9,862	10,434

Group Statement of Changes in Equity

for the six months ended 30 June 2011

	Equity share capital £000	*Capital redemption reserve £000*	*Treasury shares £000*	*Foreign currency reserve £000*	*Cashflow hedge reserve £000*	*Retained earnings £000*	***Share holder equity £000***	*Minority interest £000*	***Total £000***
At 1 January 2010	**55,557**	**50**	**(1,258)**	**12,432**	**(821)**	**63,409**	**129,369**	**747**	**130,116**
Profit for the period	-	-	-	-	-	7,070	7,070	159	7,229
Other comprehensive income/(expense) in the period	-	-	-	(6,435)	105	(2,646)	(8,976)	-	(8,976)
Total net comprehensive income/(expense) in the period	-	-	-	(6,435)	105	4,424	(1,906)	159	(1,747)
Dividends payable to minority shareholders	-	-	-	-	-	-	-	(250)	(250)
Share based payment	-	-	-	-	-	231	231	-	231
Dividends payable to equity shareholders	-	-	-	-	-	(1,908)	(1,908)	-	(1,908)
At 30 June 2010	**55,557**	**50**	**(1,258)**	**5,997**	**(716)**	**66,156**	**125,786**	**656**	**126,442**
Loss for the period	-	-	-	-	-	(15,823)	(15,823)	258	(15,565)
Other comprehensive income in the period	-	-	-	3,502	135	4,875	8,512	-	8,512
Total net comprehensive income/(expense) in the period	-	-	-	3,502	135	(10,948)	(7,311)	258	(7,053)
Share based payment	-	-	-	-	-	187	187	-	187
Dividends payable to equity shareholders						(954)	(954)	(439)	(1,393)
At 31 December 2010	**55,557**	**50**	**(1,258)**	**9,499**	**(581)**	**54,441**	**117,708**	**475**	**118,183**
Profit for the period	-	-	-	-	-	8,699	8,699	167	8,866
Other comprehensive income in the period	-	-	-	4,946	66	437	5,449	-	5,449
Total net comprehensive income in the period	-	-	-	4,946	66	9,136	14,148	167	14,315
Share based payment	-	-	-	-	-	304	304	-	304
Dividends payable to equity shareholders	-	-	-	-	-	(2,862)	(2,862)	-	(2,862)
At 30 June 2011	**55,557**	**50**	**(1,258)**	**14,445**	**(515)**	**61,019**	**129,298**	**642**	**129,940**

Notes to the accounts

1. Basis of preparation

The interim financial statements have been prepared in accordance with IAS34 "Interim Financial Reporting" and the Disclosure and Transparency Rules of the Finance Services Authority.

In addition the interim financial statements have been prepared on a basis consistent with the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 December 2010.

These interim financial statements have been prepared on the going concern basis as the directors, having considered available relevant information, have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The interim results are unaudited but have been formally reviewed by the auditors and their report to the Company is set out at the end of this Interim Report. The information shown for the year ended 31 December 2010 does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 and has been extracted from the Group's 2010 Annual Report, which has been filed with the Registrar of Companies. The report of the auditors on the accounts contained within the Group's 2010 Annual Report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006 regarding inadequate accounting records or a failure to obtain necessary information and explanations.

2. Seasonality and cyclicality

There is no significant seasonality or cyclicality affecting the interim results of the operations.

Notes to the accounts

3. Segmental information

The Group operates in four principal areas of activity – radio in GB, radio in Ireland, commercial television and new media. These four principal areas of activity also form the basis on which the Group is managed and reports are provided to the Chief Executive and the Board. The following is an analysis of the revenue and results for the period, analysed by reportable segment.

Revenue

Six months ended 30 June 2011

	Radio GB £000	*Radio Ireland £000*	*Television £000*	*New Media £000*	*Total £000*
Sales to third parties	25,141	10,976	17,158	5,828	59,103
Intersegmental sales	384	574	1,314	-	2,272
Total segment revenue	25,525	11,550	18,472	5,828	61,375

Six months ended 30 June 2010

	Radio GB £000	*Radio Ireland £000*	*Television £000*	*New Media £000*	*Total £000*
Sales to third parties	25,114	11,466	16,637	5,612	58,829
Intersegmental sales	378	663	1,089	-	2,130
Total segment revenue	25,492	12,129	17,726	5,612	60,959

Results

Six months ended 30 June 2011

	Radio GB £000	*Radio Ireland £000*	*Television £000*	*New Media £000*	*Total £000*
Segment operating profit before exceptional costs	**5,787**	**2,960**	**3,053**	**874**	**12,674**
Share of results of associates					82
Net finance costs					(1,821)
Foreign exchange loss					(83)
Profit before tax					**10,852**

Six months ended 30 June 2010

	Radio GB £000	*Radio Ireland £000*	*Television £000*	*New Media £000*	*Total £000*
Segment operating profit before exceptional costs	**6,493**	**3,190**	**1,431**	**1,029**	**12,143**
Share of results of associates					151
Net finance costs					(2,672)
Foreign exchange loss					(153)
Profit before tax					**9,469**

Notes to the accounts

4. Discontinued operations

Discontinued operations in 2010 and 2011 relate to UTV Interactive Ltd which was closed in February 2011.

5. Property, plant and equipment

During the period the Group spent £1,424,000 on capital additions.

6. Taxation

In the budgets in June 2010 and March 2011, changes in future corporation tax rates in the UK were proposed for the years up to 2014. The exceptional tax credit of £616,000 (2010: £Nil) arises from the restatement of the deferred tax balances to reflect the change in the UK corporation tax rate from 27% to 26% with effect from 1 April 2011, as initially approved in 2010.

On 5 July 2011, the revision of the UK corporation tax rate to 25% from 1 April 2012 was approved. As a result, it is expected that the deferred tax will be calculated at 25% at 31 December 2011 and that a further exceptional deferred tax credit of £616,000 will be recognised in the second half of the year.

The further proposed changes in the UK corporation tax rate have not yet been substantively enacted. If the proposed corporation tax rate changes were to be fully approved and the tax rate reduced to 23% by 2014, the relevant deferred tax assets and liabilities would be restated accordingly resulting in a net exceptional credit of approximately £1,500,000 in future years.

7. Dividends

	30 June 2011 £000	*30 June 2010 £000*
Equity dividends on ordinary shares		
Declared at the AGM during the period		
Final for 2010: 3.00p (2009: 2.00p)	2,862	1,908
Proposed but not recognised as a liability at 30 June		
Interim for 2011: 1.5p (2010: 1.00p)	1,428	954

The final dividend for 2010 was paid on 15 July 2011 (2009: 15 July 2010).

Notes to the accounts

8. Earnings per share

Basic earnings per share is calculated based on the profit for the financial period attributable to equity holders of the parent and on the weighted average number of shares in issue during the period.

Adjusted earnings per share are calculated based on the profit for the financial period attributable to equity holders of the parent adjusted for the exceptional items. This calculation uses the weighted average number of shares in issue during the period.

Diluted earnings per share are calculated based on profit for the financial period attributable to equity holders of the parent. Diluted adjusted earnings per share are calculated based on profit for the financial period attributable to equity holders of the parent before exceptional items. In each case the weighted average number of shares is adjusted to reflect the dilutive potential of the awards expected to be vested on the Long Term Incentive Schemes.

The following reflects the income and share data used in the basic, adjusted, diluted and diluted adjusted earnings per share calculations:

Net profit attributable to equity holders

	2011			*2010*		
	Continuing Operations	*Discontinued Operations*	*Total*	*Continuing Operations*	*Discontinued Operations*	*Total*
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Net profit attributable to equity holders	8,912	(213)	8,699	7,151	(81)	7,070
Exceptional items (net of tax)	(616)	-	(616)	-	-	-
Total adjusted and diluted profit attributable to equity holders	8,296	(213)	8,083	7,151	(81)	7,070

Weighted average number of shares

	2011 thousands	*2010 thousands*
Weighted average number of shares for basic and adjusted earnings per share (excluding treasury shares)	95,403	95,403
Dilutive potential of the Long Term Incentive Schemes	609	672
Adjusted weighted average number of ordinary shares for diluted earnings per share	96,012	96,075

Notes to the accounts

8. Earnings per share (continued)

Earnings per share

From continuing and discontinued operations

	2011	2010
Basic	9.12p	7.41p
Diluted	9.06p	7.36p
Adjusted	8.47p	7.41p
Diluted adjusted	8.42p	7.36p

From continuing operations

	2011	2010
Basic	9.34p	7.50p
Diluted	9.28p	7.44p
Adjusted	8.70p	7.50p
Diluted adjusted	8.64p	7.44p

From discontinued operations

	2011	2010
Basic and diluted	(0.22)p	(0.08)p
Adjusted and diluted adjusted	(0.22)p	(0.08)p

Notes to the accounts

9. Financial liabilities

	30 June 2011 £000	30 June 2010 £000	31 December 2010 £000
Current			
Current instalments due on bank loans	8,444	8,109	8,254
Non-current			
Non-current instalments due on bank loans	64,519	79,592	74,490
Total	**72,963**	**87,701**	**82,744**

The bank loans at 30 June 2011 are stated net of deferred financing costs amounting to £342,000 (30 June 2010: £496,000; 31 December 2010: £419,000).

10. Pension schemes

The IAS 19 deficit at 30 June 2011 is £4,930,000 (30 June 2010: £13,505,000) compared with a deficit of £6,800,000 at 31 December 2010. The decrease is the result of actuarial gains both on the assets and liabilities during the period and employer contributions including £1,181,000 in addition to normal funding during the period.

11. Related party transactions

The nature of related parties disclosed in the consolidated financial statements for the Group as at and for the year ended 31 December 2010 has not changed. There have been no significant related party transactions in the six month period ended 30 June 2011.

Risks and uncertainties

The 2010 Annual Report sets out the most significant risk factors relating to UTV Media plc's operations in the Company's judgement at the time of that report. The Company does not consider that these principal risks and uncertainties have changed. However additional risks and uncertainties not currently known to the Company, or that the Company does not currently deem material may also have an adverse effect on its business.

With respect to the risks and uncertainties identified within the Annual Report, the Chairman's statement highlights those risks and uncertainties that will have significant impact throughout 2011.

Statement of directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors of UTV Media plc. Accordingly, the directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;

- the interim report includes a fair review of the information required by the Disclosure and Transparency Rules:

  - DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

  - DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period, and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board:

John McCann
Group Chief Executive
30 August 2011

Independent review report to UTV Media 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 6 months ended 30 June 2011 which comprises the Group Income Statement, Group Statement of Comprehensive Income, Group Balance Sheet, Group Statement of Changes in Equity, Group Cash Flow Statement and the related notes 1 to 11. 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 6 months ended 30 June 2011 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
Belfast
30 August 2011