



**UKRPRODUCT GROUP**

FOR IMMEDIATE RELEASE

23 September, 2009

## **UKRPRODUCT ANNOUNCES UNAUDITED INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2009**

**Kyiv, Ukraine** – 23 September, 2009 – Ukrproduct Group Limited (“Ukrproduct” or the “Group” or the “Company”) (AIM: UKR), a leading producer and distributor of branded dairy products in Ukraine, today announced its unaudited interim consolidated IFRS financial results for the six months ended June 30, 2009.

### **FULL YEAR HIGHLIGHTS**

(Figures in brackets are for the six months ended or as at 30 June, 2008)

- **Ukrainian economy has slowed down further and local currency depreciated by 22.7% year on year against GBP**
- **Revenue in branded products segment held up at GBP 16.0 million (GBP 16.3 million)**
- **Gross profit for branded products increased by 8.1% year on year to GBP 4.1 million (GBP 3.8 million) with gross margin of 25.9% (23.5%)**
- **Global market conditions for skimmed milk powder segment remained weak**
- **Total revenue declined by 6.5% year on year to GBP 22.1 million (GBP 23.6 million)**
- **Gross profit decreased by 8.9% year on year to GBP 4.2 million (GBP 4.6 million) with gross margin of 19.1% (19.6%)**
- **Earnings per share declined 37.0% to 1.5 pence (2.4 pence) and were impacted by GBP 0.2 million of foreign exchange losses**
- **Positive cash flow with cash balance improved to GBP 2.2 million (GBP 0.7 million at 2008 YE)**
- **Interim dividend of 0.20 pence per ordinary share for the first six months ended 30 June 2009**

Sergey Evlanchik, CEO of Ukrproduct, commented: “We continued to witness a significant slowdown of the Ukrainian economy in the first half of 2009. Despite challenging market conditions, Ukrproduct has generated positive growth of gross profit in its strategically important segment, branded products, with revenues broadly holding up. Ukrproduct has significantly improved its financial position. We expect this to continue as the Company works to improve its performance in the second half.”

## CEO'S REPORT

“We remain focused on developing the branded products segment, which comprises processed and hard cheeses, and packaged butter, however, we have adjusted our production to current market realities. Our production processes are flexible, and as a result we are well positioned to promptly react to changes in market demand by offering a range of products at different price points for the majority of consumer segments.

In line with our stated strategy, we continued to look for opportunities to optimise our costs; as a result we have consolidated our manufacturing activities at four plants and shut down operations at Zhmerinka plant. We have transferred the production of processed cheese and butter to other plants following the end of the reporting period. We expect to see sizable cost savings from this initiative in the second half.

During the first six months of 2009, Ukrainian hard cheese producers responded to the weakening domestic demand by cutting prices and over saturating the market. As a result, the difference between the price of hard and processed cheeses has narrowed leading to a partial shift in consumer demand from processed to hard cheese. Ukrproduct's sales volumes and margins of hard cheeses were impacted by this change.

Ukrproduct became the largest producer of butter in Ukraine and maintained our leading market shares of packaged butter and processed cheese at 13% and 22% respectively, despite the contraction of the processed cheese market. Both sales volumes and profit margins in packaged butter remained above management expectations in the first half. The Group's sales volumes of processed cheese have stabilised in June and showed a recovery since then.

In June 2009, the Russian authorities banned imports of Belarusian dairy products. Belarus has historically exported more than half of its total dairy output to Russia. As a result, this has exacerbated the trading of dairy products in Ukraine.

Furthermore, skimmed milk powder (SMP) segment export volumes have increased by 48% year on year, however, segment revenues declined as a result of pricing pressure with margins further impacted by the increase in energy costs.

Looking forward, we are focused on increasing our market share in each product category and segment of operation. We believe that we have the right strategy for this market and expect to successfully come through this challenging period. We intend to continue promoting our brands and products through a series of targeted marketing campaigns and take further steps in developing and optimising our sales and distribution network.

We continue to look further for productivity improvements, which are necessary to implement in order to withstand the pressure on our margins. Overall, we are looking for a performance improvement in the second half, with the cash situation improving further although profitability level is expected to continue to be below last year.”

## FINANCIAL REVIEW

|                                  | <i>(GBP thousands)</i>  |                 |                           | <i>(UAH thousands)</i>  |                 |                           |
|----------------------------------|-------------------------|-----------------|---------------------------|-------------------------|-----------------|---------------------------|
|                                  | <b>Jan-Jun<br/>2009</b> | Jan-Jun<br>2008 | Year on<br>Year<br>Change | <b>Jan-Jun<br/>2009</b> | Jan-Jun<br>2008 | Year on<br>Year<br>Change |
| Revenue                          | 22,082                  | 23,612          | (6.5%)                    | <b>252,618</b>          | 233,268         | 8.3%                      |
| Gross Profit                     | 4,217                   | 4,629           | (8.9%)                    | <b>48,208</b>           | 45,734          | 5.4%                      |
| EBITDA                           | 1,669                   | 2,022           | (17.5%)                   | <b>19,064</b>           | 19,977          | (4.6%)                    |
| Profit after tax                 | 629                     | 1,017           | (38.2%)                   | <b>7,198</b>            | 10,048          | (28.4%)                   |
| Basic earnings per share (pence) | 1.5                     | 2.4             | (37.5%)                   | -                       | -               | -                         |

Ukrproduct's consolidated revenues decreased by 6.5% year on year in the first half of 2009. Revenues in branded products segment, which comprises processed and hard cheese, butter and spreads, declined by 2% year on year. This segment accounted for 72.3% (69.0%) of total revenues. The Group retained its market share of branded products in the first half, whilst Ukrproduct experienced pricing pressure in its processed and hard cheese products due to seasonality factors and oversupply by its competitors. Ukrproduct has introduced new packaging sizes for the "Nash Molochnik" brand of processed cheese in order to capitalise on several popular flavours and updated packaging for the "Nadorny Product" brand to attract new customers in the entry level price point category. These initiatives have already produced positive results. Skimmed milk powder revenues declined by 11.9% year on year and contributed 24.2% (25.6%) to total revenues.

Ukrproduct has rationalised its retail channels, reducing the number of retail chains served from 69 to 54 with 722 (978) total sales points.

The Group has undertaken a number of marketing initiatives in the first half to strengthen and increase its sales, including stimulating distributors with additional bonuses and incentives to meet their sales targets for packaged butter and spreads; training distributors and new members of its sales team in merchandising standards; and diversifying sales to small format retail shops. Specifically, Ukrproduct has tripled sales of "Molendam" processed cheese in Crimea, the southern region of Ukraine located near the Black Sea, during the summer period through a targeted marketing campaign aimed at maximising the total number of retail outlets covered.

In the second half, Ukrproduct plans several marketing initiatives aimed at increasing its sales through retail distribution channels and own direct sales of processed cheese, butter and spreads.

|              | <i>(GBP thousands)</i>  |                 |                           | <i>(UAH thousands)</i>  |                 |                           |
|--------------|-------------------------|-----------------|---------------------------|-------------------------|-----------------|---------------------------|
|              | <b>Jan-Jun<br/>2009</b> | Jan-Jun<br>2008 | Year on<br>Year<br>Change | <b>Jan-Jun<br/>2009</b> | Jan-Jun<br>2008 | Year on<br>Year<br>Change |
| Revenue      |                         |                 |                           |                         |                 |                           |
| - Branded    | <b>15,971</b>           | 16,299          | (2.1%)                    | <b>182,697</b>          | 161,024         | 13.5%                     |
| - SMP        | <b>5,332</b>            | 6,054           | (11.9%)                   | <b>60,998</b>           | 59,814          | 2.0%                      |
| - Other      | <b>779</b>              | 1,259           | (38.1%)                   | <b>8,923</b>            | 12,448          | (28.3%)                   |
| Gross Profit |                         |                 |                           |                         |                 |                           |
| - Branded    | <b>4,131</b>            | 3,823           | 8.1%                      | <b>47,248</b>           | 37,771          | 25.1%                     |
| - SMP        | <b>(22)</b>             | 645             | -                         | <b>(252)</b>            | 6,373           | -                         |
| - Other      | <b>104</b>              | 161             | (35.4%)                   | <b>1,212</b>            | 1,590           | (23.8%)                   |

The current product mix reflects the Group's strategy aimed at increasing sales of higher value added branded products. Group gross profit decreased 9.0% year on year with the gross profit margin declining to 19.1%, compared to 19.6% in the first half of 2008, as a result of margin pressure in the skimmed milk powder segment, as well as in processed cheese. However, gross profit in branded products increased by 8.1% year on year with a gross profit margin of 25.9%, compared to 23.5% in the previous period. The Group's gross profit margin was further impacted by a 92.4% and 34.2% increase year on year in gas and electricity costs respectively, as well as higher inflation in the first half of 2009.

Group EBITDA decreased 17.5% year on year to GBP 1.7 million in the first half of 2009 with an EBITDA margin of 7.6%, compared to 8.7% in the previous period, as a result of the continued decline in SMP prices.

Depreciation and amortisation expense increased by 2.0% year on year from GBP 0.75 million to GBP 0.77 million in the first half of 2009, following the launch of the hard cheese production unit and the installation of a smoking chamber in 2008.

Selling, Distribution and Administrative expenses decreased less than expected, by 1.4% year on year from GBP 3.4 million to GBP 3.3 million, primarily as a result of the increase in bonuses and marketing expenses paid to retailers, which accounted for a larger share of sales, compared to the prior period. The Group has optimised milk collection and storage costs, as well as rental expenses. Ukrproduct has generated further cost reductions by centralising its energy saving initiatives at all plants, whilst staff optimisation undertaken in the first half has resulted in additional cost savings. The total number of employees was reduced by 136 people and amounted to 1,930 as at the end of the reporting period.

Profit after tax decreased by 38.2% year on year to GBP 0.6 million in the first half of 2009, compared to GBP 1.0 million in the previous period. The Group's basic earnings per share (EPS) declined 37.0% year on year from 2.4 pence to 1.5 pence in the first half of

2009. The diluted earnings per share declined 36.1% year on year from 2.3 pence to 1.5 pence.

An interim dividend of 0.20 pence per ordinary share was approved for the first six months ended 30 June 2009.

Net cash generated by operating activities increased to GBP 3.4 million in the first half of 2009 (GBP 1.1 million) due to changes in the working capital.

Net cash used in investing activities totalled GBP 0.3 million in the first half of 2009 (GBP 0.9 million), with GBP 0.2 million spent on capital expenditure (GBP 0.8 million). During the first half of 2009 Ukrproduct kept its capital expenditure at the maintenance level.

Net cash used in financing activities amounted to GBP 1.6 million in the first half of 2009 (GBP 0.97 million).

The Group's cash balances stood at GBP 2.2 million as at 30 June 2009, compared to GBP 0.32 million as at 30 June 2008. The Group's net cash was GBP 0.2 million as at 30 June 2009, compared to net debt of GBP 3.1 million as at 30 June 2008.

### **Conference call information**

Ukrproduct management will host a conference call today at 10.00 am (London time) / 11.00 pm (CET) / 12.00 pm (Kiev Time) to present and discuss the unaudited interim results.

The dial-in numbers for the conference call are:  
UK/International: +44 20 8515 2302

A replay will then be available for 7 days after the conference call. To access the replay, please dial:

UK/International: +44 20 7190 5901

PIN number: 142240#

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**For further information, please visit [www.ukrproduct.com](http://www.ukrproduct.com) or contact:**

Ukrproduct Group Ltd.  
Sergey Evlanchik  
Chief Executive Officer  
Tel: +38 044 502 8014  
[sergey.evlanchik@ukrproduct.com](mailto:sergey.evlanchik@ukrproduct.com)

Shared Value Limited  
Larisa Kogut-Millings  
Investor Relations  
Tel. +44 (0) 20 7321 5010  
[ukrproduct@sharedvalue.net](mailto:ukrproduct@sharedvalue.net)

WH Ireland Limited

Adrian Kirk  
Tel: +44 161 832 2174

**Ukrproduct Group Ltd is a leading Ukrainian producer and distributor of branded dairy products. The Group's product portfolio includes processed and hard cheese, skimmed milk powder (SMP) and butter. Ukrproduct has built a range of recognisable product brands ("Our Dairyman", "People's Product", "Creamy Valley", "Molendam", "Farmer's") that are well known and highly regarded by consumers. The Group has modern production facilities that comprise five dairy plants in western and central regions of Ukraine (Molochnik, Starokonstantinivskiy Dairy Plant, Krasilovskiy Dairy Plant, Zhmerinka Plant and Letichiv Dairy Plant) with a total annual integrated capacity of approximately 70,000 tons of dairy products. With its own fleet of more than 150 vehicles, Ukrproduct has one of the largest logistics and distribution networks in Ukraine which covers the country's eight major cities. The Group reported total assets of approximately GBP 19.5 million as at June 30, 2009 and consolidated revenues of approximately GBP 22.1 million for the first six months of 2009. Ukrproduct's securities are traded under the symbol "UKR" on AIM, a market operated by the London Stock Exchange.**

*Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of the Group. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might" the negative of such terms or other similar expressions. These statements are only predictions and they may differ materially from the actual events or results. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in such projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in Ukraine, rapid technological and market change in our industry, as well as many other risks specifically related to the Group and its operations.*

**UKRPRODUCT GROUP**  
**CONSOLIDATED UNAUDITED INCOME STATEMENT FOR THE SIX MONTHS**  
**ENDED 30 JUNE 2009 AND 2008**  
*(Amounts in thousands of GBP)*

|  | June 30,2009    | June 30,2008    |
|--|-----------------|-----------------|
|  | £ '000          | £ '000          |
| <b>Revenue</b>                               | <b>22,082</b>   | <b>23,612</b>   |
| <b>Cost of Sales</b>                         | <b>(17,865)</b> | <b>(18,983)</b> |
| <b>Gross profit</b>                          | <b>4,217</b>    | <b>4,629</b>    |
| Administrative expenses                      | (1,355)         | (1,571)         |
| Selling and distribution expenses            | (1,640)         | (1,499)         |
| Other operating expenses                     | (105)           | (301)           |
| <b>Profit from operations</b>                | <b>1,117</b>    | <b>1,258</b>    |
| Gain / (loss) from exchange rate differences | (217)           | 10              |
| Finance expense                              | (251)           | (216)           |
| <b>Profit before taxation</b>                | <b>649</b>      | <b>1,052</b>    |
| Income tax expense                           | (20)            | (35)            |
| <b>Profit for the period</b>                 | <b>629</b>      | <b>1,017</b>    |
| <b>Attributable to:</b>                      |                 |                 |
| Equity holders                               | 639             | 1,014           |
| Minority interest                            | 10              | (3)             |
| <b>Earnings per share:</b>                   |                 |                 |
| Basic  | 1.5p            | 2.4p            |
| Diluted                                      | 1.5p            | 2.3p            |

**UKRPRODUCT GROUP**  
**CONSOLIDATED UNAUDITED BALANCE SHEET AS AT 30 JUNE 2009 AND 2008**  
*(Amounts in thousands of GBP)*

|  | June 30,2009  | June 30,2008  |
|--|---------------|---------------|
|  | £ '000        | £ '000        |
| <b>Assets</b>  |               |               |
| <b>Non-Current Assets</b>  |               |               |
| Property, Plant and equipment                                    | 8,999         | 12,773        |
| Intangible assets  | 1,077         | 1,067         |
| Investments  | 87            | 112           |
| Deferred tax assets  | 106           | 75            |
| <b>Total non-current assets</b>                                  | <b>10,269</b> | <b>14,027</b> |
| <b>Current assets</b>  |               |               |
| Inventories  | 2,325         | 4,118         |
| Trade and other receivables                                      | 4,249         | 5,590         |
| Current taxes  | 446           | 1,077         |
| Cash and cash equivalents  | 2,228         | 316           |
| <b>Total Current assets</b>                                      | <b>9,248</b>  | <b>11,101</b> |
| <b>Total assets</b>  | <b>19,517</b> | <b>25,128</b> |
| <b>Equity and liabilities</b>                                    |               |               |
| <b>Equity attributable to equity holders</b>                     |               |               |
| Share capital  | 4,282         | 4,282         |
| Other reserves   | 75            | 5,046         |
| Retained earnings  | 10,244        | 7,904         |
| <b>Total equity attributable to equity holders of the parent</b> | <b>14,601</b> | <b>17,232</b> |
| Minority interest  | 44            | 141           |
| <b>Total equity</b>  | <b>14,645</b> | <b>17,373</b> |
| <b>Liabilities</b>   |               |               |
| <b>Non-Current Liabilities</b>                                   |               |               |
| Long-term credits  | 8             | -             |
| Deferred tax liabilities   | 567           | 750           |
| <b>Total Non-Current Liabilities</b>                             | <b>575</b>    | <b>750</b>    |
| <b>Current Liabilities</b>                                       |               |               |
| Bank loans and overdrafts  | 1,605         | 3,361         |
| Trade and other payables   | 2,151         | 3,535         |
| Taxes payables   | 34            | 60            |
| Current portion of long term liabilities                         | 476           | -             |
| Current income tax liabilities                                   | 31            | 49            |
| <b>Total Current Liabilities</b>                                 | <b>4,297</b>  | <b>7,055</b>  |
| <b>Total equity and liabilities</b>                              | <b>19,517</b> | <b>25,128</b> |



**UKRPRODUCT GROUP**  
**CONSOLIDATED UNAUDITED CASH FLOW STATEMENT FOR THE SIX MONTHS**  
**ENDED 30 JUNE 2009 AND 2008**  
*(Amounts in thousands of GBP)*

|   | Six months<br>ended June<br>30, 2009<br>£ '000 | Six months<br>ended June<br>30, 2008<br>£ '000 |
|---|--|--|
| <b>Cash flows from operating activities</b>                                   |  |  |
| Profit for the period   | 649  | 1,017  |
| Adjustments for:  |  |  |
| Exchange difference   | 217  | (10)   |
| Depreciation and amortisation   | 769  | 754  |
| Loss on disposal of property, plant and equipment                             | 6  | 2  |
| Interest expense  | 251  | 216  |
| (Increase) / decrease in inventories  | 862  | 81   |
| Exclusion from Group  | (101)  | -  |
| (Increase) / decrease in trade and other receivables                          | 436  | (1,043)  |
| Increase / (decrease) in trade and other payables                             | 592  | 167  |
| <b>Cash generated from operations</b>   | <b>3,681</b>                                   | <b>1,219</b>                                   |
| Income tax paid   | (56)   | (119)  |
| <b>Net cash generated by operating activities</b>                             | <b>3,625</b>                                   | <b>1,100</b>                                   |
| <b>Cash flows from investing activities</b>                                   |  |  |
| Payments for property, plant and equipment                                    | (453)  | (934)  |
| Purchase of available-for-sale investments                                    | (280)  | -  |
| Proceeds from sale of property, plant and equipment                           | 71   | 44   |
| Proceeds from sale of available-for-sale investments                          | 402  | 1  |
| Loans issued to the third parties   | 5  | (14)   |
| <b>Net cash used in investing activities</b>                                  | <b>(255)</b>                                   | <b>(903)</b>                                   |
| <b>Cash flows from financing activities</b>                                   |  |  |
| Proceeds (repayments) from long term borrowings                               | 9  | -  |
| Proceeds from issue of shares   | -  | 628  |
| (Repayments) / proceeds from issue of bonds                                   | -  | (828)  |
| Dividends paid  | -  | (351)  |
| Interest paid   | (251)  | (216)  |
| Net proceeds from issue of promissory notes                                   | 246  | -  |
| Net proceeds from short-term borrowing  | (1,546)  | (205)  |
| <b>Net cash (used in) / generated by financing activities</b>                 | <b>(1,542)</b>                                 | <b>(973)</b>                                   |
| <b>Net (decrease) / increase in cash and cash equivalents</b>                 | <b>1,828</b>                                   | <b>(776)</b>                                   |
| Effect of exchange rate changes and restatements on cash and cash equivalents | (291)  | 5  |
| <b>Cash and cash equivalents at the beginning of the period</b>               | <b>691</b>                                     | <b>1,087</b>                                   |
| <b>Cash and cash equivalents at the end of the period</b>                     | <b>2,228</b>                                   | <b>316</b>                                     |

**UKRPRODUCT GROUP**  
**UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2009 AND 2008**

|  | Attributable to equity holders |                             |                                | Total<br>attributable to equity<br>holders of<br>the parent<br>£ '000 | Mino-<br>rity<br>interest<br>£ '000 | <b>Total Equity<br/>£ '000</b> |
|--|--------------------------------|-----------------------------|--------------------------------|---|-------------------------------------|--------------------------------|
|  | Share<br>capital<br>£ '000     | Other<br>reserves<br>£ '000 | Retained<br>earnings<br>£ '000 |   |                                     |                                |
| <b>Balance at 1 January 2008</b>                                       | <b>4,164</b>                   | <b>4,060</b>                | <b>7,031</b>                   | <b>15,255</b>   | <b>131</b>                          | <b>15,386</b>                  |
| Depreciation on revaluation<br>of non-current assets                   | -                              | (64)                        | 64                             | -   | -                                   | -                              |
| Reduction of revaluation<br>reserve                                    | -                              | 1                           | -                              | 1   | -                                   | <b>1</b>                       |
| Exchange differences on<br>translation to the presentation<br>currency | -                              | 539                         | 146                            | 685   | 7                                   | <b>692</b>                     |
| <b>Net income (expense)<br/>recognised directly in<br/>equity</b>      | -                              | <b>476</b>                  | <b>210</b>                     | <b>686</b>  | <b>7</b>                            | <b>693</b>                     |
| Profit for the period  | -                              | -                           | 1,014                          | 1,014   | 3                                   | <b>1,017</b>                   |
| <b>Total recognised income<br/>and expense for the period</b>          | -                              | <b>476</b>                  | <b>1,224</b>                   | <b>1,700</b>  | <b>10</b>                           | <b>1,710</b>                   |
| Issue of shares  | 118                            | 510                         | -                              | 628   | -                                   | <b>628</b>                     |
| Dividends paid   | -                              | -                           | (351)                          | (351)   | -                                   | <b>(351)</b>                   |
| <b>Balance at 30 June 2008</b>   | <b>4,282</b>                   | <b>5,046</b>                | <b>7,904</b>                   | <b>17,232</b>   | <b>141</b>                          | <b>17,373</b>                  |
| <b>Balance at 1 January 2009</b>                                       | <b>4,282</b>                   | <b>823</b>                  | <b>10,814</b>                  | <b>15,919</b>   | <b>82</b>                           | <b>16,001</b>                  |
| Depreciation on revaluation<br>of non-current assets                   | -                              | (51)                        | 51                             | -   | -                                   | -                              |
| Reduction of option reserve  | -                              | (24)                        | -                              | (24)  | -                                   | <b>(24)</b>                    |
| Exclusion from Group   | -                              | -                           | -                              | -   | (22)                                | <b>(22)</b>                    |
| Exchange differences on<br>translation to the presentation<br>currency | -                              | (673)                       | (1,260)                        | (1,933)   | (6)                                 | <b>(1,939)</b>                 |
| <b>Net income (expense)<br/>recognised directly in<br/>equity</b>      | -                              | <b>(748)</b>                | <b>(1,209)</b>                 | <b>(1,957)</b>  | <b>(28)</b>                         | <b>(1,985)</b>                 |
| Profit for the period  | -                              | -                           | 639                            | 639   | (10)                                | <b>629</b>                     |
| <b>Total recognised income<br/>and expense for the period</b>          | -                              | <b>(748)</b>                | <b>(570)</b>                   | <b>(1,318)</b>  | <b>(38)</b>                         | <b>(1,356)</b>                 |
| Issue of shares  | -                              | -                           | -                              | -   | -                                   | -                              |
| Dividends paid   | -                              | -                           | -                              | -   | -                                   | -                              |
| <b>Balance at 30 June 2009</b>   | <b>4,282</b>                   | <b>75</b>                   | <b>10,244</b>                  | <b>14,601</b>   | <b>44</b>                           | <b>14,645</b>                  |

## NOTES TO THE CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

### 1. Basis of preparation

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs.

### 2. Earnings per share

Basic earnings per share have been calculated by dividing net profit attributable to the ordinary shareholders (profit for the year) by the weighted average number of shares in issue.

|  | <b>June 30, 2009</b> | <b>June 30, 2008</b> |
|--|----------------------|----------------------|
| Net profit attributable to ordinary shareholders, GBP '000 | 639                  | 1014                 |
| Weighted number of ordinary shares in issue                | 42 817 849           | 42 817 849           |
| Basic earnings per share, pence                            | 1.49                 | 2.37                 |
| Weighted number of Directors' option shares in the money   | -                    | 612 028              |
| Diluted average number of shares                           | 42 817 849           | 43 429 877           |
| Diluted earnings per share, pence                          | 1.49                 | 2.33                 |