

**ALBEMARLE & BOND HOLDINGS PLC**  
(the “Group”)

**Final results for the twelve months to 30 June 2010**

**Excellent Organic Growth and Cash Generation,  
Investing for Accelerated Growth**

### Financial Highlights

	2010	2009	Growth
<b>Turnover</b>	£82.0m	£55.5m	<b>48%</b>
<b>Gross profit</b>	£53.6m	£42.4m	<b>26%</b>
<b>Profit before tax</b>	£20.0m	£14.6m	<b>37%</b>
<b>EPS</b>	26.20p	19.57p	<b>34%</b>
<b>Total Dividend</b>	11.75p	8.75p	<b>34%</b>

(9p recommended final dividend after a 2.75p interim dividend paid in May)  
(2009 final dividend 6.5p, interim 2.25p)

### Operational highlights

- Pledge Book as at 30 June 2010 has grown 16% year on year, adjusting for old gold pledges in the prior year.
- First full year contribution from Gold Buying of £11.5m gross profit (2009: £1.4m)
- Other Financial Services improved with gross profit rising 10% to £7.4m (2009: £6.7m)
- Positive cashflow led to net debt reducing to £25.1m (30 June 2009: £30.8m) and net gearing reducing to 42% (30 June 2009: 60%)
- Opened 17 new full line stores, increasing total to 132 stores and 15 pop-up shops as at 30 June 2010
- New full line stores trading ahead of forecasts

### Outlook

- Strong cash generation actively being invested in long term value creation; 3 further stores opened since year end and on track to open 25 in this financial year with strong cashflows funding investment and significant headroom on facilities in reserve.
- Gold Buying pop-up shops' up from 9 to 15 and now trading from 19 with further openings planned
- New senior management team driving forward key initiatives under the Five Year Growth Plan
- Reflecting a strong year and confidence in the future performance we are recommending a 9.0p final dividend, resulting in a 34% increase in the total dividend to 11.75p per share (2009 8.75p)

### Commenting on the results, Barry Stevenson, Chief Executive Officer said:

“This is an excellent result with the Group delivering a 34% increase in earnings per share, after having absorbed the costs of investing in the senior team, central infrastructure and adding 17 new full line stores. Our confidence in the future is reflected in a 34% increase in the full year dividend.

“Strong execution of our core pawnbroking activities were key to this result, delivering an excellent performance of 16% growth in the pawn loan book as at the year end driven by competitive lending rates along with a material improvement in the unredeemed rate.

“Gold Buying was a significant profit driver as we capitalised on the increased consumer awareness of the higher gold price and competitor advertising. Importantly, Gold Buying gross profits grew throughout H2 and gross profits have been sustained since the year end against a background of volatile gold price movements. Our research in the UK and in the more mature US market suggests Gold Buying will continue to be a convenient and viable means of accessing cash amongst our growing target customer base.

“We have in place a clear strategy to generate exceptional value for shareholders through our Five Year Growth Plan and as these results indicate we have begun to deliver on our objectives. The accelerated store expansion programme is progressing well, with the 17 new stores opened in the year trading ahead of our internal forecasts.”

**Greville Nicholls, Chairman, said:**

“This is an excellent result for the Group and I am delighted for the new team who have achieved a significant amount in a short space of time. Outdated perceptions of pawnbroking are changing as more customers recognise that we offer a transparent method of accessing cash quickly and at competitive rates when compared to other mainstream lenders, and at significantly less than the cost of being in unauthorized overdraft. I am particularly pleased that the Group is one of the leaders in changing and promoting the image of pawnbroking as it becomes part of more mainstream financing options for a wider group of customers.”

**Enquiries**

Albemarle & Bond 0118 955 8100  
Barry Stevenson, CEO  
Liam Moran, CFO

Collins Stewart 020 7523 8350  
Mark Dickenson  
Piers Coombs  
Ileana Antypas

Cardew Group 020 7930 0777  
Tim Robertson  
Shan Shan Willenbrock  
Catherine Maitland

**Please visit the Group’s new corporate website, launched today at:**  
[www.albemarlebondplc.com](http://www.albemarlebondplc.com)

**Images of the Group’s stores are available from the website.**

## **Chief Executive Officer's Statement**

I am very pleased to report on an excellent performance for the 12 months to 30 June 2010, which represents our 19<sup>th</sup> year of consecutive growth. All our businesses delivered positive contributions and as a result the Group increased profit before tax by an impressive 37%, to a record figure of £20.0m.

This has been a year of significant growth and change. We have successfully stepped up our store opening programme and established a new senior management team to develop and implement our Five Year Growth Plan. Alongside expanding the network of stores, we are trialling a range of new unsecured lending products, introducing modern branding supported by targeted marketing activity and consumer research, progressing our online strategy and continuing to invest in superior customer service. Under the growth plan, we are aiming to build upon the pawnbroking strengths of the Group whilst expanding the commercial opportunities afforded by our current 135 strong full line store portfolio and 19 pop-up shops.

Gold Buying has helped to bring in many new customers into our full line stores, increasing awareness of the ease and convenience of transactions in our welcoming stores. Customer feedback indicates that for many, the level of customer service and professionalism of our staff is far superior to any received from mainstream retail financial services businesses and we continue to experience unprecedented levels of customer loyalty.

### **Financial Performance**

The Group generated an overall gross profit increase of 26% to £53.6m, anchored by our pawnbroking business which performed strongly and remains the largest contributor to profit. Pawnbroking delivered a 9% growth in gross profit after absorbing an increased cost of the gold hedge which cost £2.4m in the year; an incremental £1.0m over the prior year. The gold hedge runs until 30 June 2011.

The increase in gross profit was also enhanced by income from Gold Buying, which continued to grow in H2, together with Other Financial Services which performed well delivering a 10% increase in gross profit. Retail delivered satisfactory results against a backdrop of significant gold price inflation and continued weak consumer confidence.

The Group's profit before tax increased by 37% rising to £20.0m and earnings per share rose by 34% to 26.20p (2009:19.57p).

It is important to note that these record results were delivered after absorbing £1.3m of one off costs relating to the restructuring of our management team, the strategy review, the new senior hires and investment in our central infrastructure to support the new growth plan. In addition, £0.6m of costs were absorbed related to the timing of bonus payment accruals.

The Group's performance further strengthened its financial position. As at 30 June 2010, net debt stood at £25.1m (30 June 2009: £30.8m) which represents a gearing ratio of 42% (30 June 2009: 60%). The Group had £17m of headroom within its loan facilities which were negotiated in 2009 and have a further two years to run. With this significant headroom and our strong cash generation, we are in an excellent position to continue the Group's expansion plans.

## **Dividend**

The Group has a progressive dividend policy and as a reflection of our strong performance we are pleased to recommend a final dividend of 9.00p (2009: 6.50p). Together with the interim dividend of 2.75p, this represents an increase of 34% for the full year dividend compared to the same period last year. Subject to approval at the Annual General Meeting, the dividend will be paid on 28 January 2011 to shareholders on the register on 31 December 2010.

## **Divisional Performance**

### *Pawnbroking*

The core pawnbroking business, which represents 53% of gross profit is performing strongly and income grew by 9% to £28.2m (2009: £25.8m), although adjusting for the impact of the gold hedge underlying income growth was 13%, driven by higher average loan transactions, continued scrapping profits and higher redemption levels.

The pawn book grew by 16% to £29.6m (30 June 2009: £25.6m, adjusting for old gold pledges) or on a like for like basis by 13%. Redemption rates continued to show a material improvement.

The business has continued to benefit from further improvement in working capital as ex-pledge stock was scrapped (to take advantage of the higher scrap price) as opposed to trying to sell it into the currently weak retail market for gold jewellery.

The strong growth in the loan book is testament to the emphasis we place on delivering competitive rates and excellent customer service ensuring we maintain the loyalty of our customers and attract new ones.

### *Gold Buying*

Gold Buying is a natural extension to our pawnbroking business and utilises our existing professional and qualified staff and high street presence whilst requiring minimal marketing spend. Gold Buying was highly cash generative and delivered £11.5m of gross profit in its first full year (2009: £1.4m).

The Group progressively introduced Gold Buying services across the portfolio of full line stores from February 2009. During the course of this financial year, we also trialled pop-up shops and we now have 19 as part of a rollout programme following a successful trial and pilot. These are all located in shopping centres and are configured to attract new customers who value the trust and confidentiality that we offer those wishing to sell gold. We have seen a substantial increase in the number of transactions through our stores and pop-up shops as customers recognize that they will receive an honest valuation by a jewellery expert and be offered a fair and competitive price.

In our view Gold Buying will continue to be an important service offered by our stores. Whilst volumes will be affected by fluctuations in the price of gold, we have proven that we can manage price changes and sustain profit margins, and we are confident that this is a service existing and new customers will take advantage of for the foreseeable future.

### *Jewellery Retailing*

With demand for gold jewellery understandably reduced primarily as a result of the higher cost of gold, we opted to achieve better returns on capital by sending a higher proportion of ex-pledge and second-hand items to scrap, instead of selling them at a discount into a weak retail market. Consequently profits on a significant proportion of ex-pledge stock which would normally appear under this division, are reported as pawnbroking income and gross profit from retail sales was £6.5m (2009: £8.5m). Retail is a fundamental part of the Group's customer offering and we continue to work to improve our retail offer with a focus on our jewellery ranges and displays. However, we will also continue to choose to channel available stock through either retail or scrapping depending on which one can achieve the better return on capital.

### *Other Financial Services*

Other Financial Services continued its improved performance from H1 into H2 resulting in gross profit increasing by 10% to £7.4m (2009: £6.7m), reflecting the actions that have been taken in the last 18 months to improve profitability by strengthening underwriting and managing bad debts and collections.

Pay day advances delivered a 5% improvement in gross profit, despite a drop in volumes, with the number of cheques and cheque guarantee cards reducing and as our collections performance improves. New short-term unsecured lending products are in development and we expect to begin to roll them out in the second half of the current financial year.

Third party cheque cashing also suffered volume challenges as cheque issuers move to other payment methods. However as a result of strong focus on marketing and underwriting, together with improved pricing, our Third Party Cheque Cashing gross profit was maintained.

Our third financial services business, Speedloan, contributed £1.1m (2009: £0.6m) with a recent uplift in volumes of loans written, reflecting the actions taken in underwriting and collections as we focus on promoting this increasingly profitable and relevant product.

### **Five Year Growth Plan**

At our interim results in February this year, we announced a Five Year Growth Plan aimed at building shareholder value and generating exceptional returns. Based on an in depth review of our business and the market place, we concluded that there are five focus areas to concentrate on over the next five years to grow the business and achieve our full potential.

Since February we have created a new organisational structure and built a very experienced and capable senior team to implement the strategy. Already, the Group has made considerable progress towards each stated goal.

### *Be More Accessible To More Customers*

We are re-investing the funds generated by our growing and successful Gold Buying ventures to create long term shareholder value by accelerating the openings of our two complementary store formats. Currently, the UK is significantly under-served and there is therefore scope to access more customers through the store opening programme. In the financial year to June 2010 we committed to a target of 10-15 openings, and achieved 17 openings. To date the new stores are beating their

internal forecasts and we are on track to open 25 new branches in the current financial year in both the Albemarle & Bond Jewellers & Pawnbrokers and Herbert Brown fascias.

With a proven store opening blueprint, in-house property expertise and strengthened HR (training, recruitment, succession planning and induction) practices we aim to extend the reach of our business deeper into existing catchments and into new areas where we are unrepresented. In addition, over the next 12 months we will start to develop a multi-channel offering to extend the accessibility of our products and services to a wider customer group.

#### *Increase Appeal and Awareness*

Only 1% of the UK population has ever been into a pawnbroking shop. As a result, the vast majority of our potential target market have not experienced a modern pawnbroking store with the range of services that we offer. We believe there is substantial scope to increase the appeal and awareness of our stores. We have increased our 'below the line' and digital marketing activity within existing catchments to drive like for like growth, and are trialling new products and improving the value of existing ones. We have also updated the imagery and branding of our Albemarle & Bond Jewellers & Pawnbrokers format, and are starting to roll this out as we open new branches.

#### *Become More Efficient and Responsive*

We have identified real opportunities for integration and sharing of best practice within the group. Great progress has been made in the last six months on developing faster, more efficient systems on a common platform, and we have extended group wide bonus schemes and benefits that reward team working and exceptional achievement.

#### *Build a Differentiated and Exceptional Customer Experience*

We are passionate about giving our customers the best service and value on their high street. Our two distinct and highly profitable store formats offer a differentiated customer environment and service proposition. We have continued to refine and update these formats informed by our 'voice of the customer' programme, and can see through our customer retention statistics, reduction in unredeemed rates and lower bad debts that the investment in branch training and customer care is driving increased customer numbers and transactions.

#### *Be The UK's First Choice Pawnbroker*

The like for like growth in our loan books and the rapid establishment of significant pawn lending volumes in new branches demonstrates that our competitive pricing, and further investment in staff training is increasing our market share. As we expand our local marketing initiatives and capitalise on the increasing progress of our sector into mainstream acceptance we are extremely well positioned to take an even larger share of a fast growing market. The accelerated store opening programme and development of a new online pawnbroking business will support achieving this goal.

## **Employees and Directorate Changes**

During the financial year we have made the following previously announced changes to the Board structure:

- Charles Nicholson resigned as Chairman and was replaced by Greville Nicholls, previously Chief Executive.
- Barry Stevenson was appointed as Chief Executive Officer.
- John Allkins was appointed as non-executive Director and Chair of the Audit Committee.
- Liam Moran was appointed as Chief Financial Officer in December 2009.
- Nicholas Mardon-Taylor announced his intention to retire at the November AGM, and John Farrell was appointed as non-executive Director to replace Nicholas Philip Murphy, Allan Edwards, Phillip Cohen and David Pattinson resigned.

Today, we have announced that David Page the Group Operations Director is retiring from the company. With over 18 years service to the company and over 40 years in the pawnbroking sector David has been a major contributor to the group's success and leaves behind a very experienced, professional and well organised team. Nygel Scourfield, as Operations Director for Albemarle & Bond Jewellers & Pawnbrokers, joined us in February 2010 with a strong track record of over 20 years experience with companies such as Kingfisher and Home Retail Group. Nygel has worked alongside David for the last eight months as part of a planned succession and over the next few months will complete the handover of the remaining operational responsibilities.

On behalf of the Board and the whole company I would like to express our sincere and deepest thanks to David for all that he has done for the business, employees and customers and wish him well for the future.

Finally we believe passionately that the professionalism and commitment of all our employees is the key to our success, and on behalf of the Board and Directors I would like to extend our sincere thanks for all their hard work, expertise and dedication during a period of significant growth and change for the Group.

## **Outlook**

We have had a very good year with a substantial increase in profitability whilst absorbing a number of one-off costs and significantly expanding the size of the business and its capacity to support a larger store base. We are confident now that the major changes to the team and organisation have been successfully implemented and that we have the vision and capability to deliver on the plans laid out in our Five Year Growth Plan. This confidence is reflected in a 34% increase in the full year dividend.

Our full line stores mature over a very long time period. As of 30 June 2010, 13% of the store portfolio had opened in the previous 12 months and were contributing 3% of the total pledge book value. We expect to open 25 stores this year, increasing this immaturity effect resulting in 27% of our stores being under two years old by June 2011. We would expect this opening programme to reach a steady run rate from the year to June 2012 onwards.

We believe demand for small flexible loans will continue and we are working on adding to the range of unsecured loan products we currently offer.

We are confident that we are well positioned to manage the impact of fluctuations in the gold price, and that based on our research and analysis of the Gold Buying market there is a sustainable and profitable business for structurally advantaged businesses such as ourselves.

The Board and I believe this is a very exciting time for the Group. With the team and plans in place we are confident that we can balance the investment required to build the business in the long term whilst delivering continued growth in the near term. The business will move forward significantly over the next 12 months, not just through an increase in full line store numbers but through the advancement of our business plans across nearly every aspect of our operations. We look forward to delivering further exceptional long term value to shareholders in the current financial year.

**Albemarle & Bond Holdings PLC**  
**CONSOLIDATED INCOME**  
**STATEMENT**  
for the year ended 30 June 2010

	Note	2010 £'000	2009 £'000
<b>Revenue</b>		<b>82,028</b>	55,517
Cost of sales		<b>(28,404)</b>	(13,082)
<b>Gross profit</b>		<b>53,624</b>	42,435
Administrative expenses		<b>(32,963)</b>	(26,241)
<b>Operating profit</b>		<b>20,661</b>	16,194
Finance income		1	4
Finance costs		<b>(651)</b>	(1,576)
<b>Profit before taxation</b>		<b>20,011</b>	14,622
Tax on profit on ordinary activities		<b>(5,607)</b>	(3,954)
<b>Profit for the year</b>		<b>14,404</b>	10,668
<b>Earnings per share</b>	<b>1</b>		
Basic		<b>26.20p</b>	19.57p
Diluted		<b>25.89p</b>	19.39p

All of the above relate to continuing operations and are attributable to equity holders of the business.

**STATEMENT OF COMPREHENSIVE**  
**INCOME**

	Group 2010 £'000	Company 2010 £'000	Group 2009 £'000	Company 2009 £'000
<b>Profit for the year</b>	<b>14,404</b>	<b>4,269</b>	10,668	9,594
Hedging reserve fair value movement	<b>(2,990)</b>	-	(1,436)	-
Hedging reserve reclassified to profit	<b>2,435</b>	-	1,398	-
Deferred tax on hedging reserve	<b>155</b>	-	11	-
Employee Benefit Trust tax paid	<b>(8)</b>	<b>(8)</b>	(25)	(25)
<b>Total comprehensive income for the year</b>	<b>13,996</b>	<b>4,261</b>	10,616	9,569

**Albemarle & Bond Holdings PLC**  
**CONSOLIDATED STATEMENT OF FINANCIAL**  
**POSITION**  
as at 30 June 2010

	2010	2009
	£'000	£'000
<b>Non-current assets</b>		
Goodwill	23,204	23,054
Other intangible assets	1,490	848
Property, plant and equipment	9,695	7,163
Deferred taxation	330	400
<b>Total non-current assets</b>	<b>34,719</b>	<b>31,465</b>
<b>Current assets</b>		
Inventories	11,573	14,440
Trade and other receivables	50,691	45,458
Cash at bank and in hand	2,414	1,866
<b>Total current assets</b>	<b>64,678</b>	<b>61,764</b>
<b>Total assets</b>	<b>99,397</b>	<b>93,229</b>
<b>Non-current liabilities</b>		
Long-term borrowings	24,293	30,609
Finance leases and hire purchase	39	92
Derivative financial instruments	3,588	3,033
<b>Total non-current liabilities</b>	<b>27,920</b>	<b>33,734</b>
<b>Current liabilities</b>		
Bank overdrafts	1,317	92
Bank loans	1,916	1,916
Finance leases and hire purchase	69	90
Trade payables	1,666	1,977
Current tax liabilities	2,852	2,065
Accrued liabilities	4,056	1,879
<b>Total current liabilities</b>	<b>11,876</b>	<b>8,019</b>
<b>Total liabilities</b>	<b>39,796</b>	<b>41,753</b>
<b>Equity</b>		
Share capital	2,220	2,216
Share premium	20,391	20,328
Capital redemption reserve	1,018	1,018
Share-based payments reserve	510	442
Other reserve	(1,822)	(662)
Hedging reserve	(2,584)	(2,184)
Retained earnings	39,868	30,318
<b>Total equity</b>	<b>59,601</b>	<b>51,476</b>
<b>Total equity and liabilities</b>	<b>99,397</b>	<b>93,229</b>

**Albemarle & Bond Holdings PLC**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2010

	Share capital	Share premium	Capital redemption reserve	Share-based payments reserve	Other reserve	Hedging reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 July 2008</b>	<b>2,202</b>	<b>20,062</b>	<b>1,018</b>	<b>955</b>	<b>(1,060)</b>	<b>(2,157)</b>	<b>23,291</b>	<b>44,311</b>
Profit for the year	-	-	-	-	-	-	10,668	10,668
<b>Other comprehensive income and expense</b>								
Hedging reserve fair value movement	-	-	-	-	-	(1,436)	-	(1,436)
Hedging reserve reclassified to profit	-	-	-	-	-	1,398	-	1,398
Deferred tax on hedging reserve	-	-	-	-	-	11	-	11
Employee Benefit Trust tax paid	-	-	-	-	-	-	(25)	(25)
<b>Total other comprehensive income and expense</b>	-	-	-	-	-	(27)	(25)	(52)
<b>Total comprehensive income</b>	-	-	-	-	-	(27)	10,643	10,616
Issue of share capital	14	259	-	-	-	-	-	273
Issue of shares by Employee Benefit Trust	-	7	-	-	45	-	-	52
Purchase of shares by Employee Benefit Trust	-	-	-	-	(404)	-	-	(404)
Share-based payment credit	-	-	-	352	-	-	-	352
Deferred tax recognised directly in equity	-	-	-	(168)	-	-	-	(168)
Transfer reserves	-	-	-	(697)	757	-	(60)	-
Dividends paid	-	-	-	-	-	-	(3,556)	(3,556)
<b>At 30 June 2009</b>	<b>2,216</b>	<b>20,328</b>	<b>1,018</b>	<b>442</b>	<b>(662)</b>	<b>(2,184)</b>	<b>30,318</b>	<b>51,476</b>
Profit for the year	-	-	-	-	-	-	14,404	14,404
<b>Other comprehensive income and expense</b>								
Hedging reserve fair value movement	-	-	-	-	-	(2,990)	-	(2,990)
Hedging reserve reclassified to profit	-	-	-	-	-	2,435	-	2,435
Deferred tax on hedging reserve	-	-	-	-	-	155	-	155
Employee Benefit Trust tax paid	-	-	-	-	-	-	(8)	(8)
<b>Total other comprehensive income and expense</b>	-	-	-	-	-	(400)	(8)	(408)
<b>Total comprehensive income</b>	-	-	-	-	-	(400)	14,396	13,996
Issue of share capital	4	60	-	-	-	-	-	64
Issue of shares by Employee Benefit Trust	-	3	-	-	16	-	-	19
Purchase of shares by Employee Benefit Trust	-	-	-	-	(1,187)	-	-	(1,187)
Share-based payment credit	-	-	-	349	-	-	-	349
Deferred tax recognised directly in equity	-	-	-	(29)	-	-	-	(29)
Transfer reserves	-	-	-	(252)	11	-	241	-
Dividends paid	-	-	-	-	-	-	(5,087)	(5,087)
<b>At 30 June 2010</b>	<b>2,220</b>	<b>20,391</b>	<b>1,018</b>	<b>510</b>	<b>(1,822)</b>	<b>(2,584)</b>	<b>39,868</b>	<b>59,601</b>

**Albemarle & Bond Holdings PLC**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2010

	2010	2009
	£'000	£'000
<b>Cash generated by operating activities</b>	<b>22,539</b>	17,021
<b>Taxes paid</b>	<b>(4,632)</b>	(3,201)
<b>Net cash inflow from operating activities</b>	<b>17,907</b>	13,820
<b>Investing activities</b>		
Acquisition of business (net of cash acquired)	(315)	(397)
Purchase of property, plant and equipment	(4,242)	(1,848)
Purchase of intangible assets	(823)	(442)
Proceeds from sale of plant and equipment	52	45
<b>Net cash outflow from investing activities</b>	<b>(5,328)</b>	(2,642)
<b>Financing activities</b>		
Interest paid	(655)	(1,664)
Dividends paid to company shareholders	(5,087)	(3,556)
Exercise of share options less EBT acquisition of shares	(1,168)	(352)
Net repayment of borrowings	(6,316)	(6,217)
Repayment of obligations under finance leases	(94)	(94)
Net proceeds from issue of shares	64	273
<b>Net cash outflow from financing</b>	<b>(13,256)</b>	(11,610)
<b>Net decrease in cash and cash equivalents</b>	<b>(677)</b>	(432)
<b>Summary of cash and cash equivalents</b>		
Cash at bank and in hand	2,414	1,866
Bank overdrafts	(1,317)	(92)
<b>Cash and cash equivalents</b>	<b>1,097</b>	1,774

# **Albemarle & Bond Holdings PLC**

## **Notes to the Preliminary Announcement**

for the year ended 30 June 2010

### **1 Earnings per share**

#### **Basic**

The calculations of earnings per share is based on earnings of £14,404,000 (2009: £10,668,000) and 54,977,875 ordinary shares (2009: 54,522,053). Both years figures have been calculated using a weighted average figure following the exercise of share options and the new issue of shares. The figures are after taking account of the purchase of ordinary shares by the Employee Benefit Trust.

#### **Diluted**

For the diluted earnings per share calculation the number of shares equals the weighted average number of shares used in the basic earnings per share calculation plus an amount of 646,975 (2009: 485,592) representing the fair value of the weighted average number of shares under option during the year, resulting in a total number of shares of 55,624,850 (2009: 55,007,645).

### **2 Dividend**

If approved, the final dividend of 9.0p per share will be paid not later than 28 January 2011 to shareholders on the register on 31 December 2010.

### **3 Financial statements**

The results set out above are not full financial statements within the meaning of s.434 of the Companies Act 2006 and have not been reported on but have been agreed with the Group's auditors. The auditors have issued an unqualified report on the financial statements for the year ended 30 June 2009 under s.495 of the Companies Act 2006 which have been filed with the Registrar of Companies. The Annual Report and Financial Statements for the year ended 30 June 2010 will be filed at the Registrar of Companies following the annual general meeting and will be posted to shareholders shortly.

### **4 Basis of preparation**

The Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies used are consistent with those used in the previous year.

### **5 Announcement**

A copy of this announcement will be available at the offices of the Company for 14 days from the date of this announcement.

This preliminary announcement is not being posted to shareholders.