

BIG YELLOW GROUP PLC



27 November 2007

Big Yellow Group PLC ("Big Yellow", "the Group" or "the Company")

Results for the Six Months and Second Quarter ended 30 September 2007

Big Yellow Group PLC, the self storage company, is pleased to announce results for the six months and for the second quarter ended 30 September 2007.

	Second quarter ended 30 Sept 2007	First quarter ended 30 Jun 2007		Six months ended 30 Sept 2007	Six months ended 30 Sept 2006	
Annualised revenue *	£57.8m	£55.3m	+5%	£57.8m	£50.0m	+16%
Revenue	£15.1m	£13.5m	+12%	£28.6m	£24.4m	+17%
Profit before tax				£46.3m	£58.8m	-21%
Adjusted profit before tax ¹				£7.2m	£7.0m	+3%
Basic earnings per share				40.10p	38.37p	+5%
Adjusted earnings per share ²				5.89p	4.47p	+32%
Adjusted NAV per share ³				471.9p	347.3p	+36%
Interim dividend				4.0p	3.5p	+14%
Occupied space	1,918,000sq ft	1,931,000 sq ft	-1%	1,918,000sq ft	1,792,000 sq ft	+7%

¹ See note 5 ² See note 7 ³ See note 13

* Based on revenue at the end of the period in respect of storage and other related income

- Revenue increase of 17% to £28.6 million over same period last year (2006: £24.4 million)
- Adjusted profit before tax¹ of £7.2 million up 3% (2006: £7.0 million)
- Adjusted net assets per share³ up 8% to 471.9 pence as at 30 September 2007 from 437.8 pence as at 31 March 2007
- Interim dividend up 14% to 4.0 pence per ordinary share (2006: 3.5 pence)
- 45 stores now open with a further 27 committed, providing 4.5 million sq ft of self storage space when completed; Sutton opened in the period, Sheen closed for redevelopment and Ealing and Barking Central opened after period end
- Acquired nine freehold sites for redevelopment as self storage centres to provide 550,000 sq ft of storage space
 - Three in London at Enfield, Gypsy Corner and New Cross
 - One each in Reading, Birmingham, Camberley, Sheffield, Edinburgh and Guildford
- Six planning consents granted since April 2007
- Formation of £150 million partnership with Pramerica Real Estate Investors Limited to develop Big Yellow stores in the Midlands, the North of England and Scotland
- Banking facility increased by £50 million to £325 million, with Lloyds TSB joining the syndicate

Commenting on the outlook, Nicholas Vetch, Chairman, said:

“We are currently experiencing more testing trading conditions. That said, this is a seasonally weak trading period, and we hope to see the usual pick up early in the new year. The group enjoys high operating margins, strong cash flow, relatively low debt gearing and owns 90% of its property assets freehold. This we believe will provide resilience to outside influences, although not complete immunity.

Historically, the lack of available sites has acted as a significant barrier to the creation of new purpose built storage centres. We believe that more challenging financial markets will add a further significant barrier except for the most well capitalised companies with well established track records.

We believe our £287 million, (1.9 million sq ft) development programme, which is carried at cost, will create significant valuation surpluses over the coming years, starting with the five London stores opening in the second half of this year.

The equity and debt available in our newly formed partnership with Pramerica, together with the undrawn debt in our core facility, results in cash resources currently available of approximately £200 million. We feel we are ideally positioned to take advantages of opportunities which may present themselves in the year ahead.”

- Ends -

For further information, please contact:

Big Yellow Group PLC
Nicholas Vetch, Chairman
James Gibson, Chief Executive Officer

01276 477811

Weber Shandwick Financial
Louise Robson, John Moriarty or Charlie Hooper

020 7067 0700

Notes to Editors

Big Yellow Group PLC is one of the leading and most dynamic self-storage groups in the UK. It was founded in 1998 by Nicholas Vetch, Philip Burks and James Gibson and listed on AIM in May 2000, moving to the Official List of the London Stock Exchange in 2002.

Big Yellow has expanded rapidly and now operates from 45 stores, 44 in London and the South, and one in Leeds, with a further 27 stores in development and of the 72, 61 are held freehold and three long leasehold (approximately 90%). All the stores have the distinct yellow branding, in accessible main road locations, with the majority being within the M25 or in strong urban conurbations. When fully built out the portfolio will provide approximately 4.5 million sq ft of flexible storage space.

The Group has pioneered the development of the latest generation of self-storage facilities, which utilise state of the art technology and are located in high profile, main road locations. Its focus on the location and visibility of its buildings, coupled with excellent customer service, has created the most recognised brand name in the UK self-storage industry.

BIG YELLOW GROUP PLC



Big Yellow Group PLC ("Big Yellow", "the Group" or "the Company")

Results for the Six Months and Second Quarter ended 30 September 2007

Chairman's Statement

The Board of Big Yellow Group PLC, the self storage company, is pleased to announce results for the six months and for the second quarter ended 30 September 2007.

FINANCIAL RESULTS

Revenue for the period was £28.6 million, up 17% from the £24.4 million achieved in the comparable period last year. Revenue for the second quarter of £15.1 million was 12% up on the £13.5 million reported for the quarter to 30 June.

Profit before tax in the period was £46.3 million, down from £58.8 million, largely resultant from lower revaluation surpluses following the opening of fewer stores in the period when compared to the same period last year. After adjusting for the gain on the revaluation of investment properties and other matters shown in the table below, the Group made an adjusted profit before tax in the period of £7.2 million, up 3% from £7.0 million for the same period last year.

The increase in adjusted profit before tax was held back by rising net interest costs in the period (£1.9 million higher than in the comparable period last year), due to a combination of increased debt drawn down to fund the acquisition and development of new sites, and higher interest rates. We expect the impact of higher interest rates will be less going forward as we take advantage of lower medium term rates.

Profit before Tax Analysis	Six months to 30 Sept 2007 £m	Six months to 30 Sept 2006 £m	Year ended 31 March 2007 £m
Profit before tax	46.3	58.8	152.8
Gain on revaluation of investment properties	(39.8)	(51.5)	(138.3)
Change in fair value of interest rate derivatives	0.3	(0.3)	(0.7)
(Gains)/losses on sale of non-current assets	(0.1)	-	1.1
REIT conversion costs	0.2	-	0.5
Non-recurring indirect tax costs	0.3	-	-
Tenant surrender premium	-	-	(1.2)
Adjusted profit before tax	7.2	7.0	14.2

STORES AND THE MARKET

At the period end occupied space represented 1,918,000 sq ft, up 7% from 1,792,000 sq ft at the same time last year. This represents a 73% occupancy rate across all 43 stores open at the period end, unchanged from the same period last year. During the period we opened a store in Sutton, with further centres opened in Ealing and Barking Central since the period end. We are intending to open a further three stores in the financial year, in Balham, Merton, and our flagship 139,000 sq ft store in Fulham.

We have included, as usual, a table summarising the trading performance of all our stores over the year.

The portfolio of 32 stores that were open for more than two years at the beginning of the period was 83% occupied at the end of the period, with an average occupancy during the period of 84%. In addition, these 32 stores achieved EBITDA margins of 63% and after an allocation of central overhead, net operating income margins of 57%, unchanged from the same period last year.

Same store revenue for these 32 stores increased 7% year-on-year, of which 6% is a result of yield improvement and the balance is occupancy growth.

Total packing materials, insurance and other sales were £4.2 million (2006: £3.2 million), an increase of 31%.

TAXATION

The Group converted to a Real Estate Investment Trust ("REIT") on 15 January 2007. Since then we have benefited from a zero tax rate on our qualifying self storage earnings. We only pay tax on the profits attributable to our residual business, comprising primarily of the sale of packing materials and insurance.

The tax charge for the period ended 30 September 2007 is £327,000. This arises due to taxation on the residual business on the exercise of share options and a £90,000 conversion charge payable on the market value of a property acquired through a corporate structure in the period.

Furthermore, Big Yellow has a significant development pipeline of self storage assets within the REIT ringfence and any development profits arising on these assets will generally be tax free.

DIVIDENDS

	Interim Dividend 2007	Interim Dividend 2006
	p	p
Property income dividend	-	n/a
Ordinary dividend	4.0	3.5
Total	4.0	3.5

Our dividend policy is governed by our REIT regulatory requirements which determine the level of property income dividend ("PID"), with any ordinary dividend in excess of this assessed by the Board based on prevailing circumstances and the outlook for the Group. As announced previously, the Board's intention in a REIT regime is to pay a total dividend in excess of the minimum PID required under the regulations. Dividends will be set based on 90% of qualifying post depreciation earnings. On the basis of the full year forecasted distributable reserves for PID purposes, no PID will be required. This position will continue to be monitored.

Accordingly the Board is recommending an interim dividend of 4.0 pence per share, an increase of 14% from the prior half year dividend of 3.5 pence.

The ex-dividend date will be 5 December 2007 and the record date 7 December 2007 with an intended payment date of 28 December 2007.

VALUATION AND NET ASSET VALUE

The Group's investment properties have been valued by Cushman and Wakefield (C&W). At 30 September 2007 the total value of the Group's properties was £788.7 million, comprising £649.4 million for the 43 storage centres which were open at the period end (and one store which has been closed for redevelopment), £131.4 million for sites held for development and £7.9 million of surplus land held for sale. The properties held for development and sale are held at historical cost less provision for impairment and have not been externally valued.

The valuation translates into an adjusted net asset value of 471.9 pence per share (see note 13), up 36% from 347.3 pence per share last year and 8% from 437.8 pence per share at 31 March 2007.

The value of the investment property portfolio at 30 September 2007 was £649.4 million (2006: £489.8 million), up £59.3 million from £590.1 million at 31 March 2007.

The increase in valuation of the same store portfolio is £32.0 million, representing a 5.5% total uplift, of which we estimate 0.5% is a function of capital growth and 5.0% operational performance. Capital expenditure on existing stores was £8.5 million, including the cost of acquiring the freehold of our Chelmsford store. The balance of £18.8 million is the valuation of the new store opened in the period, Sutton, which comprised capital expenditure of £10.9 million and a revaluation uplift of £7.9 million.

The net yield on the portfolio based on the net operating income at store level in the first year after the projected stabilisation of each store is 6.75% (March 2007: 6.80%; September 2006: 7.34%). These yields are taken as being after an allocation of overhead. As a comparison with conventional property yields, the commensurate yield pre overhead allocation is 7.37%.

Valuations on self storage assets have been difficult to establish to date due to the lack of transactions. Clearer evidence is now emerging as a number of transactions have been completed recently and importantly in two instances since the current dislocation in financial markets started. Those stores that were sold were for the most part not prime freehold purpose built centres but, notwithstanding that achieved healthy prices.

	As at 30 Sept 2007 £'000	As at 30 Sept 2006 £'000	As at 31 March 2007 £'000
Analysis of Net Asset Value			
Basic net asset value	527.5	319.4	488.0
Exercise of share options	2.9	3.3	3.3
Diluted net asset value	530.4	322.7	491.3
Adjustments:			
Deferred tax on revaluation surpluses	-	87.5	-
Tax on fair value of interest rate swaps	-	-	(0.1)
Balance sheet adjusted net asset value	530.4	410.2	491.2
Diluted net assets per share (pence)	447.7	273.2	416.0
Balance sheet adjusted net assets per share (pence)	447.7	347.3	415.8
Diluted shares used for calculation (million)	118.5	118.1	118.1
Balance sheet adjusted net asset value (as above) (£m)	530.4	410.2	491.2
Valuation methodology assumption (see note 14) (£m)	28.8	-	25.9
Adjusted net asset value (£m)	559.2	410.2	517.1
Adjusted net assets per share (pence)	471.9	347.3	437.8

PROPERTY AND CONSTRUCTION

We have had an active first half of the year with seven sites acquired in the period and a further two sites since the period end, three in London at Enfield, Gypsy Corner and New Cross and a further six in Reading, Birmingham, Camberley, Edinburgh, a second site in Sheffield and Guildford. We have also acquired the freehold of our store in Chelmsford.

There are now 27 stores in the pipeline which when fully developed will represent an additional 1.7 million square feet and when open will provide the Group with a total of 72 stores and 4.5 million square feet. We have planning permission on ten of the 27 pipeline stores and are in negotiations on the remaining 17. 57% of our total stores and sites are located within the M25 and 64 (over 90% by value) are freehold or long leasehold. A further three stores, in Balham, Merton and Fulham, are expected to open in this financial year.

We believe the current correction in the property market will inevitably impact the market for raw land. We are seeing signs of this and expect there to be more opportunities to acquire sites for our store development programme.

ESTABLISHMENT OF PARTNERSHIP

Yesterday we announced the establishment of a £150 million partnership, the Big Yellow Limited Partnership, with Pramerica Real Estate Investors Limited ("Pramerica") to develop up to 25 stores in the Midlands, the North of England and Scotland.

Big Yellow is committing £25 million to the venture, and Pramerica £50 million, resulting in a one third, two thirds equity split. Big Yellow is contributing five of its development sites and its existing store in Leeds to the joint venture for a cash payment. The initial value of the sites to be transferred into the venture is £20.3 million. Big Yellow has also entered into conditional contracts to sell two more of its development properties in Birmingham and Manchester to the partnership, when they are substantially complete.

A five year term development loan of £75 million has been secured from the Royal Bank of Scotland plc to further fund the Partnership.

Big Yellow has the option to buy the assets or Pramerica's share of the equity in the Partnership, exercisable from 31 March 2013.

In addition the Group has a right to a promote at the exit date of the partnership.

Big Yellow has had an excellent eight year relationship with Pramerica since their initial investment in Big Yellow in 1999. We are pleased to have established this investment with such a prestigious institution.

The Partnership will allow us to continue to expand with confidence into the northern part of the UK, whilst at the same time improving the financial performance of the group. Further it will release funds for deployment into the South of England where we expect to see more opportunities in a less competitive property market.

Lastly, we will earn certain property related and operational fees from the partnership which should increase the profitability of the group in the short to medium term.

FINANCING AND TREASURY

The Group is strongly cash generative and draws down from its longer term committed facilities as required to meet obligations. Adjusted cash generated from operations (see note 16) increased by 15% to £16.4 million (2006: £14.3 million) for the period.

Net bank debt of £250.1 million at the period end represents 32% of the Group's investment and development property assets, totalling £780.8 million, and 45% of adjusted net assets of £559.2 million.

We focus on improving our cash flows and we currently have healthy interest cover of approximately 2.3 times with a relatively conservative debt structure secured principally against the freehold estate. The Group was comfortably in compliance with its bank covenants at 30 September 2007, and we forecast to be in compliance with our banking covenants in the foreseeable future.

At the period end the Group had a syndicated bank facility with the Royal Bank of Scotland, Bank of Ireland and Barclays of £275 million, secured on 33 freehold and leasehold assets. Since the period end the Group has increased this facility by a further £50 million, with the addition of Lloyds TSB Bank plc to the syndicate.

The net debt at the end of September of £250.1 million gives us £74.9 million, with the new facility, of available funds to expand the business with significant balance sheet space given the relatively low level of gearing.

As stated we have incurred higher interest charges in the period but we expect that to diminish as medium term interest rates fall and we take the opportunity to lock in at lower levels. We have recently entered into a five year interest rate swap on £50 million at 6.2% (including margin). This will result in a significant reduction on the floating rate cost.

Whilst credit markets are difficult we have demonstrated that we are able to secure debt on sensible terms from high quality lenders. Accordingly, alongside the downstream partnership funding discussed above, we are reasonably confident that we can continue to finance our planned expansion.

INTERNATIONAL FRANCHISE

I am pleased to announce that in May we signed our second International Franchise Agreement in the Kingdom of Bahrain with Big Yellow FZ LLC, a privately backed business set up to exploit the

opportunities for development of a network of Big Yellow stores in the Gulf Cooperation Council states. Big Yellow FZ LLC also hold our franchise in Dubai, and the site for their 280,000 sq ft store is under construction and is expected to open in Spring 2008.

As is typical of franchise structures, we are not investing capital in this business but providing operating know-how and the licensing of the Big Yellow brand for an upfront fee and a share of future revenues.

RISKS AND UNCERTAINTIES

The operational risks facing the Group for the remaining six months of the financial year are consistent with those outlined in the Annual Report for the year ended 31 March 2007. The outlook for the housing market and the economy is weaker than in March 2007, but the risk mitigating factors listed in the 2007 Annual Report are still appropriate.

OUTLOOK

We are currently experiencing more testing trading conditions. That said, this is a seasonally weak trading period, and we hope to see the usual pick up early in the new year. The group enjoys high operating margins, strong cash flow, relatively low debt gearing and owns 90% of its property assets freehold. This we believe will provide resilience to outside influences, although not complete immunity.

Historically, the lack of available sites has acted as a significant barrier to the creation of new purpose built storage centres. We believe that more challenging financial markets will add a further significant barrier except for the most well capitalised companies with well established track records.

We believe our £287 million, (1.9 million sq ft) development programme, which is carried at cost, will create significant valuation surpluses over the coming years, starting with the five London stores opening in the second half of this year.

The equity and debt available in our newly formed partnership with Pramerica together with the undrawn debt in our core facility results in cash resources currently available of approximately £200 million. We feel we are ideally positioned to take advantages of opportunities which may present themselves in the year ahead.

Nicholas Vetch
Chairman
26 November 2007

- Ends -

BIG YELLOW GROUP PLC

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 includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

James Gibson
Chief Executive Officer
26 November 2007

BIG YELLOW GROUP PLC

PORTFOLIO SUMMARY

Years since opening as at 1 April 2007	September 2007 ≥ 2 years	September 2007 < 2 years	September 2007 Total	September 2006 ≥ 2 years	September 2006 < 2 years	September 2006 Total
Number of stores*	32	11	43	32	9	41
As at 30 September 2007						
Total capacity (sq ft)	1,949,000	684,000	2,633,000	1,949,000	503,000	2,452,000
Occupied space (sq ft)	1,625,000	293,000	1,918,000	1,625,000	167,000	1,792,000
Percentage occupied	83%	43%	73%	83%	33%	73%
	£'000	£'000	£'000	£'000	£'000	£'000
Annualised revenue	48,372	9,416	57,788	45,100	4,923	50,023
For the 6 month period:						
Av. Occupancy	84%	43%	73%	83%	33%	72%
Av. annual rent psf	£24.68	£23.10	£24.54	£23.86	£17.74	£23.54
Self storage income	20,203	3,384	23,587	19,298	1,481	20,779
Other storage related income ⁽¹⁾	3,379	869	4,248	2,845	405	3,250
Ancillary store rental income	41	7	48	27	20	47
Total revenue	23,623	4,260	27,883	22,170	1,906	24,076
Direct store operating costs (excluding depreciation)	(7,704)	(2,254)	(9,958)	(7,091)	(1,484)	(8,575)
Short leasehold rent ⁽²⁾	(1,134)	(21)	(1,155)	(1,113)	-	(1,113)
Store EBITDA ⁽³⁾	14,785	1,985	16,770	13,966	422	14,388
EBITDA Margin ⁽⁴⁾	63%	47%	60%	63%	22%	60%
Central overhead ⁽⁵⁾	(1,418)	(248)	(1,666)	(1,330)	(254)	(1,584)
Store Net Operating Income	13,367	1,737	15,104	12,636	168	12,804
NOI margin	57%	41%	54%	57%	9%	53%
Capital expenditure						
	£m	£m	£m			
To 30 September 2007	158.4	77.1	235.5			
Cost to complete	-	2.4	2.4			
Total projected cost	158.4	79.5	237.9			

* - trading results for our Sheen store, which was closed for redevelopment in June 2007, are shown in stores less than 2 years.

(1) Packing materials, insurance and other storage related fees.

(2) Rent for 8 short leasehold properties accounted for as investment properties and finance leases under IFRS with total self storage capacity of 482,000 sq ft, plus rent for the Chelmsford store to 29 August 2007 whose Freehold was purchased at that date. The EBITDA for Chelmsford is classed within Freehold stores from 29 August.

(3) Earnings before interest, tax, depreciation and amortisation.

(4) Of stores open more than 2 years, the leaseholds achieved a store EBITDA of £3.22 million and EBITDA margin of 46%. The freehold stores achieved a store EBITDA of £11.56 million and EBITDA margin of 69%.

(5) Allocation of overhead based on 6% of estimated stabilised income.

BIG YELLOW GROUP PLC

CONSOLIDATED INCOME STATEMENT

Six months ended 30 September 2007

	Note	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Revenue	2	28,635	24,448	51,248
Cost of sales		(11,114)	(9,008)	(18,536)
Gross profit		17,521	15,440	32,712
Administrative expenses		(3,024)	(2,608)	(5,645)
Operating profit before gains and losses on property assets		14,497	12,832	27,067
Gain on the revaluation of investment properties		39,826	51,447	138,349
Gains/(losses) on the sale of non-current assets		60	23	(1,078)
Operating profit		54,383	64,302	164,338
Investment income		218	733	1,250
Finance costs	3	(8,286)	(6,229)	(12,751)
Profit before taxation		46,315	58,806	152,837
Taxation	4	(327)	(17,698)	60,391
Profit for the period (attributable to equity shareholders)		45,988	41,108	213,228
Basic earnings per share	7	40.10p	38.37p	192.97p
Diluted earnings per share	7	39.72p	37.81p	190.31p

Adjusted earnings per share are shown in note 7.

All items in the income statement relate to continuing operations.

BIG YELLOW GROUP PLC

CONSOLIDATED BALANCE SHEET 30 September 2007

	Note	30 Sept 2007 (unaudited) £'000	30 Sept 2006 (unaudited) £'000	31 March 2007 (audited) £'000
Non-current assets				
Investment property	8a	649,420	489,850	590,060
Development property	8a	131,428	72,171	96,393
Interest in leasehold properties	8a	24,027	26,259	27,038
Plant, equipment and owner-occupied property	8b	3,070	3,136	3,170
Goodwill	8c	1,433	1,433	1,433
		809,378	592,849	718,094
Current assets				
Inventories		362	363	437
Trade and other receivables	9	7,743	7,638	6,982
Derivative financial instruments		151	178	512
Cash and cash equivalents		919	35,960	2,110
Deferred tax asset	11	530	-	650
Non-current assets classified as held for sale	8d	7,891	19,000	18,227
		17,596	63,139	28,918
Total assets		826,974	655,988	747,012
Current liabilities				
Trade and other payables	10	(20,138)	(21,488)	(25,586)
Obligations under finance leases		(2,094)	(2,219)	(2,306)
Current tax liabilities – REIT conversion charge		(90)	-	(11,997)
– Corporation tax liability		(85)	-	(71)
		(22,407)	(23,707)	(39,960)
Non-current liabilities				
Bank borrowings	12	(250,015)	(191,429)	(189,225)
Deferred tax liabilities	11	-	(89,766)	-
Obligations under finance leases		(21,933)	(24,040)	(24,732)
Other payables	10	(5,116)	(7,674)	(5,116)
		(277,064)	(312,909)	(219,073)
Total liabilities		(299,471)	(336,616)	(259,033)
Net assets		527,503	319,372	487,979
Equity				
Called up share capital	15	11,525	11,443	11,456
Share premium account	15	41,393	40,824	40,864
Reserves	15	474,585	267,105	435,659
Equity shareholders' funds		527,503	319,372	487,979

BIG YELLOW GROUP PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE Six months ended 30 September 2007

	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Current and deferred tax recognised in equity	103	(1,461)	(1,230)
Net income/(expense) recognised directly in equity for the period	103	(1,461)	(1,230)
Profit for the year	45,988	41,108	213,228
Total recognised income and expense for the period attributable to equity shareholders	46,091	39,647	211,998

BIG YELLOW GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

Six months ended 30 September 2007

	Note	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Operating profit		54,383	64,302	164,338
Gain on the revaluation of investment properties		(39,826)	(51,447)	(138,349)
(Gain)/loss on non-current assets		(60)	(23)	1,078
Depreciation		702	703	1,349
Employee share options		196	148	336
Decrease/(increase) in inventories		75	(25)	(99)
(Increase)/decrease in receivables		(647)	685	(978)
Increase in payables		1,137	2,589	2,523
Cash generated from operations	16	15,960	16,932	30,198
Interest paid		(8,127)	(5,492)	(14,073)
Interest received		104	264	601
REIT conversion charge paid		(11,997)	-	-
Cash flows from operating activities		(4,060)	11,704	16,726
Investing activities				
Sale of non-current assets		10,500	-	2,165
Purchase of non-current assets		(61,868)	(61,195)	(96,006)
Cash flows from investing activities		(51,368)	(61,195)	(93,841)
Financing activities				
Issue of share capital		598	38,324	38,376
Purchase of own shares		(1,084)	-	-
Equity dividends paid		(6,277)	(3,066)	(7,051)
Increase in borrowings		61,000	36,000	33,707
Cash flows from financing activities		54,237	71,258	65,032
Net (decrease)/increase in cash and cash equivalents	A	(1,191)	21,767	(12,083)
Opening cash and cash equivalents		2,110	14,193	14,193
Closing cash and cash equivalents		919	35,960	2,110

BIG YELLOW GROUP PLC

A. Reconciliation of net cash flow to movement in net debt Six months ended 30 September 2007

	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Net (decrease)/increase in cash and cash equivalents in the period	(1,191)	21,767	(12,083)
Cash inflow from increase in debt financing	<u>(61,000)</u>	<u>(36,000)</u>	<u>(33,707)</u>
Change in net debt resulting from cash flows	<u>(62,191)</u>	<u>(14,233)</u>	<u>(45,790)</u>
Movement in net debt in the period	(62,191)	(14,233)	(45,790)
Net debt at start of period	<u>(187,890)</u>	<u>(142,100)</u>	<u>(142,100)</u>
Net debt at end of period	<u>(250,081)</u>	<u>(156,333)</u>	<u>(187,890)</u>

BIG YELLOW GROUP PLC

Notes to the Interim Review

1. ACCOUNTING POLICIES

Basis of preparation

The results for the half-year ended 30 September 2007 are unaudited and were approved by the Board on 26 November 2007. The financial information contained in this report does not constitute statutory accounts within the meaning of the section 240 of the Companies Act 1985. The full accounts for the year ended 31 March 2007, which received an unqualified report from the auditors, and did not contain a statement under S.237(2) or (3) of the Companies Act 1985, have been filed with the Registrar of Companies.

The interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting".

The unaudited information in the interim financial statements has been prepared in accordance with International Financial Reporting Standards ("IFRS") and on the basis of the accounting policies set out in the 2007 Big Yellow Group PLC Annual Report and Accounts.

2. SEGMENTAL INFORMATION

Revenue represents amounts derived from the provision of self storage accommodation and related services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax. The Group's net assets, revenue and profit before tax are attributable to one activity, the provision of self storage accommodation and related services. These all arise in the United Kingdom with the exception of £100,000 of income which arose in Bahrain.

	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Open stores			
Self storage income	23,587	20,779	42,222
Other storage related income	4,248	3,250	6,741
Ancillary store rental income	48	47	86
	27,883	24,076	49,049
Stores under development			
Non-storage income	652	372	927
Surrender premiums received	-	-	1,172
	652	372	2,099
Franchise income			
Franchise fee received	100	-	100
	100	-	100
Total revenue	28,635	24,448	51,248

Further analysis of the Group's operating revenue and costs can be found in the Portfolio Summary.

BIG YELLOW GROUP PLC

Notes to the Interim Review

3. FINANCE COSTS

	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Interest on bank borrowings	7,133	5,413	11,124
Other interest payable	3	19	20
Interest on finance lease obligations	789	797	1,607
Change in fair value of interest rate swaps	361	-	-
Finance Costs	8,286	6,229	12,751

4. TAX

	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Current tax - UK corporation tax at 30%	237	2,605	2,739
Current tax – REIT conversion charge	90	-	11,997
Deferred tax	-	15,093	(75,127)
	327	17,698	(60,391)

In addition to the current period income statement tax charge of £327,000, there is an overall credit to reserves of £103,000. This consists of a credit for the current tax deduction of £223,000 and a charge of £120,000 in respect of the reduction in the deferred tax asset arising on potential future deductions from the exercise of share options.

5. ADJUSTED PROFIT BEFORE TAX

	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Profit before tax	46,315	58,806	152,837
Gain on revaluation of investment properties	(39,826)	(51,447)	(138,349)
Change in fair value of interest rate swaps	361	(320)	(654)
(Gains)/losses on sale of non-current assets	(60)	(23)	1,078
REIT conversion costs	153	-	493
Non-recurring indirect tax cost	304	-	-
Tenant surrender premium	-	-	(1,172)
Adjusted profit before tax	7,247	7,016	14,233

Adjusted profit before tax, excluding gains on revaluation of investment properties, changes in fair value of interest rate swaps, non recurring items of income and expenditure, and gains or losses on the sale of non-current assets, has been disclosed to give a clearer understanding of the Group's underlying trading performance.

BIG YELLOW GROUP PLC

Notes to the Interim Review

6. DIVIDENDS

An interim dividend of 4.0 pence per ordinary share has been declared (2006: 3.5 pence). The ex-dividend date will be 5 December 2007 and the record date 7 December 2007 with an intended payment date of 28 December 2007. The interim dividend has not been included as a liability at 30 September 2007. The 2007 final dividend of £6,277,000 representing 5.5 pence per ordinary share was paid on 18 July 2007 and is included in Note 15, Movements in Equity.

7. EARNINGS PER ORDINARY SHARE

	Six months ended 30 September 2007 (unaudited)			Six months ended 30 September 2006 (unaudited)			Year ended 31 March 2007 (audited)		
	Earnings £m	Shares Million	Pence per share	Earnings £m	Shares Million	Pence per share	Earnings £m	Shares million	Pence per share
Basic	45.99	114.68	40.10	41.11	107.15	38.37	213.23	110.50	192.97
Adjustments:									
Dilutive share options		1.09	(0.38)		1.57	(0.56)		1.54	(2.66)
Diluted	45.99	115.77	39.72	41.11	108.72	37.81	213.23	112.04	190.31
Adjustments:									
Gain on investment properties	(39.83)		(34.40)	(51.45)		(47.32)	(138.35)		(123.48)
Change in fair value of interest rate swaps	0.36		0.31	(0.32)		(0.29)	(0.65)		(0.58)
(Gain)/loss on sale of non-current assets	(0.06)		(0.05)	(0.02)		(0.02)	1.08		0.96
Tenant surrender premium	-		-	-		-	(1.17)		(1.04)
REIT conversion costs	0.15		0.13	-		-	0.49		0.44
Non-recurring indirect tax cost	0.30		0.26	-		-	-		-
REIT conversion charge	-		-	-		-	12.00		10.71
Deferred tax	-		-	-		-	(75.13)		(67.06)
Tax effect of non-recurring items*	(0.09)		(0.08)	15.54		14.29	(0.28)		(0.25)
Adjusted	6.82	115.77	5.89	4.86	108.72	4.47	11.22	112.04	10.01

The adjustment for gains and losses on sale of non-current assets has been included for consistency with the calculation of adjusted profit before tax (see note 5).

* - this takes into account the tax effect of the change in fair value of derivatives, the losses on non-current assets and the non-recurring indirect tax cost to the extent that they fall outside the exempt business

BIG YELLOW GROUP PLC

Notes to the Interim Review

8. NON-CURRENT ASSETS

a) Investment property, Development property and Interests in leasehold properties

	Investment property £'000	Development property £'000	Interest in leasehold properties £'000
At 1 April 2007	590,060	96,393	27,038
Additions	3,431	45,974	-
Purchase of freehold	5,164	-	(2,459)
Adjustment to present value	-	-	(183)
Reclassifications	10,939	(10,939)	-
Revaluation	39,826	-	-
Depreciation	-	-	(369)
At 30 September 2007	649,420	131,428	24,027

b) Plant equipment and owner occupied property

	Freehold property £'000	Leasehold improvements £000	Plant and machinery £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost					
At 1 April 2007	1,796	17	563	4,044	6,420
Additions	5	18	23	187	233
At 30 September 2007	1,801	35	586	4,231	6,653
Accumulated Depreciation					
At 1 April 2007	(50)	(17)	(215)	(2,968)	(3,250)
Charge for the period	(22)	(2)	(35)	(274)	(333)
At 30 September 2007	(72)	(19)	(250)	(3,242)	(3,583)
Net book value					
At 30 September 2007	1,729	16	336	989	3,070
At 31 March 2007	1,746	-	348	1,076	3,170

c) Goodwill

Goodwill relates to the purchase of Big Yellow Self Storage Company Limited in 1999. The asset is tested annually for impairment. The carrying value of £1.4 million remains unchanged from the prior year as there is considered to be no impairment in the value of the asset.

d) Non-current assets classified as held for sale

The Group has land at one site with a total book value of £7.9 million. Land at this site is surplus to requirements and the Group intends to sell it within the next 12 months.

BIG YELLOW GROUP PLC

Notes to the Interim Review

9. TRADE AND OTHER RECEIVABLES

	30 Sept 2007 (unaudited) £'000	30 Sept 2006 (unaudited) £'000	31 March 2007 (audited) £'000
Trade receivables	1,839	1,322	1,449
Other receivables	1,456	2,499	267
Prepayments and accrued income	4,448	3,817	5,266
	<u>7,743</u>	<u>7,638</u>	<u>6,982</u>

10. TRADE AND OTHER PAYABLES

	30 Sept 2007 (unaudited) £'000	30 Sept 2006 (unaudited) £'000	31 March 2007 (audited) £'000
Current			
Trade payables	5,743	2,822	5,283
Other payables	3,966	5,393	2,584
Accruals and deferred income	7,872	11,778	15,162
VAT repayable under Capital Goods Scheme	2,557	1,495	2,557
	<u>20,138</u>	<u>21,488</u>	<u>25,586</u>
Non-current			
VAT repayable under Capital Goods Scheme	5,116	7,674	5,116

11. DEFERRED TAX

	30 Sept 2007 (unaudited) £'000	30 Sept 2006 (unaudited) £'000	31 March 2007 (audited) £'000
The amounts provided in the accounts are:			
Revaluation of investment properties	-	87,493	-
Capital allowances in advance of depreciation	-	3,579	-
Deduction for share options	(530)	(454)	(650)
Other items	-	(852)	-
	<u>(530)</u>	<u>89,766</u>	<u>(650)</u>

12. BANK BORROWINGS

	30 Sept 2007 (unaudited) £'000	30 Sept 2006 (unaudited) £'000	31 March 2007 (audited) £'000
Bank borrowings	251,000	192,259	190,000
Unamortised loan arrangement costs	(985)	(830)	(775)
	<u>250,015</u>	<u>191,429</u>	<u>189,225</u>

The bank loans are secured on certain of the Group's properties. The loan is due to expire on 4 April 2010. Subsequent to the period end, the facility has been extended from £275 million to £325 million.

BIG YELLOW GROUP PLC

Notes to the Interim Review

13. ADJUSTED NET ASSETS PER SHARE

Analysis of net asset value	As at 30 Sept 2007 (unaudited) £'000	As at 30 Sept 2006 (unaudited) £'000	As at 31 March 2007 (audited) £'000
Basic net asset value	527,503	319,372	487,979
Exercise of share options	2,943	3,346	3,345
Diluted net asset value	530,446	322,718	491,324
Adjustments:			
Deferred tax on revaluation	-	87,493	-
Tax on fair value of interest rate swaps	(7)	(53)	(154)
Adjusted net asset value	530,439	410,158	491,170
Basic net assets per share (pence)	461.0	280.6	428.3
Diluted net assets per share (pence)	447.7	273.2	416.0
Balance sheet adjusted net assets per share (pence)	447.7	347.3	415.8
Balance sheet adjusted net asset value	530,439		491,170
Valuation methodology assumption (see note 14)	28,750	*	25,890
Adjusted net asset value (£'000)	559,189		517,060
Adjusted net assets per share (pence)	471.9		437.8
Shares in issue	115,251,181	114,437,110	114,559,534
Own shares held	(815,000)	(615,000)	(615,000)
Basic shares in issue used for calculation	114,436,181	113,822,110	113,944,534
Exercise of share options	4,053,196	4,282,645	4,167,888
Diluted shares used for calculation	118,489,377	118,104,755	118,112,422

* - there was no valuation carried out on the basis of a sale in a corporate structure at 30 September 2006.

Net assets per share are shareholders' funds divided by the number of shares at the period end. The shares currently held in the Group's employee benefits trust and treasury shares (own shares held) are excluded from both net assets and the number of shares.

Adjusted net assets per share include:

- the effect of those shares issuable under employee share option schemes;
- deferred tax on the revaluation uplift on freehold and leasehold properties;
- tax on the fair value adjustment on interest rate swaps; and
- the effect of the revised valuation methodology assumptions (see note 14)

BIG YELLOW GROUP PLC

Notes to the Interim Review

14. VALUATIONS

£'000	Deemed Cost	Valuation	Revaluation on deemed cost
Freehold Stores*			
As at 1 April 2007	192,951	521,420	328,469
Movement in period	19,392	57,970	38,578
Transfer on purchase of freehold	1,649	4,050	2,401
	213,992	583,440	369,448
As at 30 Sept 2007	213,992	583,440	369,448
Leasehold Stores			
As at 1 April 2007	18,563	68,640	50,077
Movement in period	142	1,390	1,248
Transfer on purchase of freehold	(1,649)	(4,050)	(2,401)
	17,056	65,980	48,924
As at 30 Sept 2007	17,056	65,980	48,924
All Stores			
As at 1 April 2007	211,514	590,060	378,546
Movement in period	19,534	59,360	39,826
	231,048	649,420	418,372
As at 30 Sept 2007	231,048	649,420	418,372

* Includes one long leasehold property

The freehold and leasehold investment properties have been valued as at 30 September 2007 by external valuers, Cushman & Wakefield ("C&W"). The valuation has been carried out in accordance with the RICS Appraisal and Valuation Standards published by The Royal Institution of Chartered Surveyors ("the Red Book"). The valuation of each of the trading properties has been prepared on the basis of Market Value as a fully equipped operational entity, having regard to trading potential. The valuation has been provided for accounts purposes and as such, is a Regulated Purpose Valuation as defined in the Red Book. In compliance with the disclosure requirements of the Red Book, C&W have confirmed that:

- The members of the RICS who have been the signatories to the valuations provided to the Group for the same purposes as this valuation have done so since September 2004.
- C&W have continuously been carrying out this valuation for the same purposes as this valuation on behalf of the Group since September 2004.
- C&W do not provide other significant professional or agency services to the Group.
- In relation to the preceding financial year of C&W, the proportion of the total fees payable by the Group to the total fee income of the firm is less than 5%.

Methodology

C&W have adopted different approaches for the valuation of the leasehold and freehold assets as follows:

Freehold

The valuation is based on a discounted cash flow of the net operating income over a ten year period and notional sale of the asset at the end of the tenth year.

Assumptions

- Net operating income is based on projected revenue received less projected operating costs together with a central administration charge representing 6% of the estimated annual revenue. The initial net operating income is calculated by estimating the net operating income in the first 12 months following the valuation date.
- The net operating income in future years is calculated assuming straight-line absorption from day one actual occupancy to an estimated stabilised/mature occupancy level. In the valuation the assumed stabilised occupancy level for the 43 trading stores (both freeholds and leaseholds) open at 30

BIG YELLOW GROUP PLC

Notes to the Interim Review

September 2007 averages 86.07% (March 2007: 86.06%; September 2006: 86.06%). The projected revenues and costs have been adjusted for estimated cost inflation and revenue growth.

14. VALUATIONS (continued)

- C. The capitalisation rates applied to existing and future net cash flow have been estimated by reference to underlying yields for industrial and retail warehouse property, bank base rates, ten year money rates, inflation and the available evidence of transactions in the sector. On average, for all 43 trading stores, the yield (net of purchaser's costs) arising from the first year of the projected cash flow is 5.39% (March 2007: 5.24%; September 2006: 5.77%). This rises to 6.75% (March 2007: 6.8%; September 2006: 7.34%) based on the projected cash flow for the first year following estimated stabilisation in respect of each property.
- D. The future net cash flow projections (including revenue growth and cost inflation) have been discounted at a rate that reflects the risk associated with each asset. The weighted average annual discount rate adopted (for both freeholds and leaseholds) is 10.22% (March 2007: 10.19%; September 2006: 10.39%).
- E. Purchaser's costs of 5.75% have been assumed initially and sale plus purchaser's costs totalling 6.75% are assumed on the notional sales in the tenth year in relation to the freehold stores.

Leasehold

The same methodology has been used as for freeholds, except that no sale of the assets in the tenth year is assumed but the discounted cash flow is extended to the expiry of the lease. The average unexpired term of the Group's leaseholds is 18.0 years (March 2007: 18.8 years; September 2006: 19.3 years).

Valuation assumption for purchaser's costs

The Group's investment property assets have been valued for the purposes of the financial statements after deducting notional purchaser's cost of 5.75% of gross value, as if they were sold directly as property assets. The valuation is an asset valuation which is entirely linked to the operating performance of the business. They would have to be sold with the benefit of operational contracts, employment contracts and customer contracts, which would be very difficult to achieve except in a corporate structure. We believe therefore that the valuation assumptions should be adjusted to reflect the reality.

This approach follows the logic of the valuation methodology in that the valuation is based on a capitalisation of the net operating income after allowing a deduction for operational cost and an allowance for central administration costs. Sale in a corporate structure would result in a reduction in the assumed Stamp Duty Land Tax but an increase in other transaction costs reflecting additional due diligence resulting in a reduced notional purchaser's cost of 2.75% of gross value. All the significant sized transactions that have been concluded in the UK in recent years were completed in a corporate structure. We therefore instructed C&W to carry out a Red Book valuation on the above basis, and this results in a higher property valuation at 30 September 2007 of £678,170,000 (£28,750,000 higher than the value recorded in the financial statements or 24.2 pence per share). We have included this revised valuation in the adjusted diluted net asset calculation (see note 13).

15. MOVEMENT IN EQUITY

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Retained earnings £'000	Own Shares £'000	Total £'000
At 1 April 2007	11,456	40,864	1,653	434,818	(812)	487,979
Profit for the period	-	-	-	45,988	-	45,988
Current/deferred tax	-	-	-	103	-	103
Dividend	-	-	-	(6,277)	-	(6,277)
Issue of shares	69	529	-	-	-	598
Equity share options	-	-	-	196	-	196
Purchase of own shares	-	-	-	-	(1,084)	(1,084)
At 30 September 2007	11,525	41,393	1,653	474,828	(1,896)	527,503

BIG YELLOW GROUP PLC

Notes to the Interim Review

16. ADJUSTED CASH GENERATED FROM OPERATIONS

	Six months ended 30 Sept 2007 (unaudited) £'000	Six months ended 30 Sept 2006 (unaudited) £'000	Year ended 31 March 2007 (audited) £'000
Cash generated from operations	15,960	16,932	30,198
Movement in debtors from excluding effects of share options	1,141	-	-
Movement in creditors from excluding effects of share options	(666)	(2,643)	-
Adjusted cash generated from operations	<u>16,435</u>	<u>14,289</u>	<u>30,198</u>

17. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period.

18. JOINT VENTURE

Big Yellow Group PLC (BYG) is pleased to announce the establishment of a £150m investment partnership ("the Partnership") with funds managed by Pramerica Real Estate Investors Limited ("Pramerica") to develop up to 25 stores in the Midlands and North of England and Scotland. The Partnership will have a four year exclusivity period on the defined territory.

BYG and Pramerica are investing up to £25 million and £50 million respectively into the Partnership, of which £4.5 million and £9 million respectively, will be invested on 30 November 2007, the completion date. All further investments into the Partnership by Big Yellow and Pramerica will be in the ratio of one third and two thirds respectively.

A five year term non recourse loan of £75 million has been secured by the Partnership from the Royal Bank of Scotland PLC to provide investment and development funding.

BYG has initially agreed to sell five of its development sites together with its existing store in Leeds to the Partnership. The consideration for the sites and the store to be transferred into the Partnership, is £20.3 million in cash, representing a small surplus on book value. BYG has also entered into conditional contracts to sell two more of its development sites at Manchester and Birmingham to the Partnership. In the case of Birmingham it is intended that BYG will develop the store which will be transferred to the Partnership shortly prior to its completion at cost plus a small surplus. In the case of Manchester, BYG has previously entered into a conditional agreement with Crosby Homes (North West) Limited, ("Crosby") for the development of a significant sized mixed use scheme to include the shell of an 80,000 sq ft self storage centre to be developed at the expense of Crosby. In the event that the conditions of that agreement are satisfied, then BYG will fit out the store at its own cost and shortly prior to its completion transfer the store, to the Partnership at the then open market value.

The initial proceeds received by BYG from the sale of the development sites and the Leeds store to the Partnership will be used to further the Group's southern UK business, and also to finance its contributions to the Partnership.

In the year ended 31 March 2007, the profits before tax attributable to the development sites and the Leeds store being sold to the Partnership, amounted to £0.3 million.

BYG has further entered into agreements with the Partnership to provide both development and operational management services on the initial sites and future sites and stores. In consideration for these services, BYG will receive certain acquisition, planning, construction management and operating fees.

BYG has an option to purchase the assets contained within the Partnership or the interest in the Partnership which it does not own exercisable from the 31 March 2013. On exit whether by way of exercise of the options as set out above or a sale to a third party, BYG is entitled to certain promotes, which would result in BYG sharing in the surplus created in the partnership.

The Board of the Partnership will comprise two representatives of both Pramerica and BYG.

BIG YELLOW GROUP PLC

Notes to the Interim Review

INDEPENDENT REVIEW REPORT TO BIG YELLOW GROUP PLC

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 which comprises the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Statement of Recognised Income and Expense, the Consolidated Cash Flow Statement and related notes 1 to 18. 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 International Standard on Review Engagements 2410 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 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 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 accompanying interim financial information 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 & Touche LLP

Chartered Accountants and Registered Auditor
26 November 2007
London, UK