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The information presented in this document relates to the 24 weeks to 14 June 2014 and the 24 weeks to 15 June 2013, unless otherwise stated. Figures for 2013 have been restated to reflect the implementation of IAS19 (revised) this period.

### HIGHLIGHTS

#### Chief Executive, Matthew Ingle, said:

"Howdens has performed well, with sales and profit increasing significantly, as the improved trading conditions seen since last summer continued.

"Feedback from our depots is positive and we've seen a good start to the second half of the year."

#### Financial results (continuing operations)<sup>1</sup>

- Howden Joinery UK depot revenue increased by 11.6% to £428.2m (up 8.7% on a same depot basis). Group revenue was £435.4m (2013: £390.8m);
- Gross profit margin was 63.2% (2013: 61.5%);
- Operating profit rose to £57.6m (2013: £44.2m);
- Profit before tax increased to £57.2m (2013: £41.6m);
- Basic earnings per share increased to 6.6p (2013: 4.8p);
- Net cash of £161.1m at 14 June 2014 (28 December 2013: £140.5m net cash, 15 June 2013: £102.0m net cash);
- Interim dividend of 1.9p per share declared (2013: 1.0p).

#### Business developments

- We continue to invest in future growth across the whole business:
  - in line with our plans, 17 new UK depots opened so far in 2014, bringing total to 576;
  - capital expenditure totalled £17.2m (2013: £8.8m), reflecting increased investment in depots.

#### Current trading and outlook

- Howden Joinery UK depot revenue increased by 14.0% in the first four week period of the second half of the year;
- The Board is pleased with the good first half performance and, while we still have our important "Period 11" to come and face risks to gross margin from exchange rates and cost inflation, the Group is well placed to achieve its expectations for the full year.

1. 2013 comparatives exclude exceptional items.



**SUMMARY OF GROUP RESULTS**

Continuing operations before exceptional items <sup>1</sup> , £m unless stated	<b>2014</b>	2013 <sup>2</sup>
Revenue		
Group	<b>435.4</b>	390.8
including:		
- Howden Joinery UK depots	<b>428.2</b>	383.7
Gross profit	<b>275.2</b>	240.4
Gross profit margin, %	<b>63.2</b>	61.5
Operating profit	<b>57.6</b>	44.2
Profit before tax	<b>57.2</b>	41.6
Basic earnings per share	<b>6.6p</b>	4.8p
Dividend per share	<b>1.9p</b>	1.0p
Net cash at end of period	<b>161.1</b>	102.0

1. There were no exceptional items from continuing operations in the first half of 2014. In the first half of 2013, there was an exceptional operating cost before tax of £4.5m.

In the first half of 2014, there was an exceptional profit after tax on discontinued operations of £9.8m. There were no discontinued operations in 2013.

2. 2013 figures have been restated to reflect IAS19 (revised), which has been implemented in the current period (see Note 2).

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**INTERIM MANAGEMENT REPORT****FINANCIAL REVIEW**

The information presented below relates to the 24 weeks to 14 June 2014 and the 24 weeks to 15 June 2013, unless otherwise stated. Figures for 2013 have been restated to reflect the implementation of IAS19 (revised) this period.

**FINANCIAL RESULTS FOR FIRST HALF OF 2014 (CONTINUING OPERATIONS BEFORE EXCEPTIONAL ITEMS UNLESS STATED<sup>1</sup>)**

The financial results of the Group during the first half of 2014 benefited from the Group's competitive position, actions taken to improve performance, ongoing investment in our people, products and service, and the continuation of the improved market conditions seen since last summer.

Total Group revenue increased by £44.6m to £435.4m.

<b>Revenue £m</b>	<b>2014</b>	2013
Group	<b>435.4</b>	390.8
comprising:		
Howden Joinery UK depots	<b>428.2</b>	383.7
Howden Joinery French depots	<b>7.2</b>	7.1

Howden Joinery UK depots' revenue rose by 11.6%, increasing 8.7% on a same depot basis.

As well as reflecting improved market conditions, this growth has been achieved through a number of factors and is testament to the strength of our business model. It reflects the benefit of a price increase that was implemented early in the year, as was the case in 2013. In addition, the number of customer accounts has continued to grow.

Sales by our French depots of £7.2m increased by more than 5% in constant currency terms.

Gross profit rose by £34.8m to £275.2m. The gross profit margin of 63.2% (2013: 61.5%) reflects the benefit of the price increase implemented early in the year. It also includes a currency gain of £2.7m, reflecting the strengthening of the pound against the € and the US\$ seen so far this year.

Selling and distribution costs, administrative expenses and other income increased by £21.4m to £217.6m. This reflects the costs of new depots, the impact of inflation, particularly on payroll costs, and additional costs incurred to support the growth of the business.

Operating profit increased by £13.4m to £57.6m.

The net interest charge decreased by £2.2m to £0.4m, reflecting a lower finance expense in respect of pensions. The net result was that profit before tax rose by £15.6m to £57.2m. The tax charge on profit before tax was £14.9m, an effective rate of tax of 26.0%.

In 2014, there was an exceptional profit after tax from discontinued operations of £9.8m. This mainly comprised an income of £11.5m arising from the release of a tax creditor, following partial resolution of a dispute with HMRC regarding the tax treatment of certain expenses relating to our legacy properties. In addition, it included a charge of £1.8m relating to an increase in the provision for our remaining legacy properties.

Basic earnings per share were 6.6p (2013: 4.8p).

At 14 June 2014, the pension deficit shown on the balance sheet was £72.4m (28 December 2013: £54.3m). The increase in the deficit in the period was due to higher liabilities arising from a decrease in the discount rate, which more than offset the Group's contribution to fund the deficit and better than expected returns on the scheme's assets.

There was a net cash inflow from operating activities of £35.6m. This was after a cash contribution to the Group's pension deficit of £12.6m.

Excluding legacy property payments (£1.2m), underlying working capital increased by £6.9m. Within this, debtors at the end of the period were £17.1m higher than at the beginning of the period and stock levels increased by £11.4m, reflecting the seasonality of sales. Offsetting this, creditors increased by £21.6m, and included the then still to be paid 2013 final dividend.

Also included within net cash flows from operating activities was tax paid totalling £13.9m.

Payments to acquire fixed and intangible assets totalled £17.2m (2013: £8.8m), reflecting the increased number of depots opened in the first half of 2014 and investment in existing depots.

Reflecting the above, there was a £20.6m net cash inflow in the first half of the year, the Group having net cash at the end of the period of £161.1m (28 December 2013: £140.5m net cash, 15 June 2013: £102.0m net cash). Excluding payments in respect of the contribution to the pension deficit, there was a cash inflow of £33.2m.

## **DIVIDEND**

In our 2013 Preliminary Results, we said that the Group intended to pay an interim dividend equal to one third of the previous year's full dividend (2013: 5.5p).

Reflecting this, the Board has approved the payment of an interim dividend of 1.9p per share (2013: 1.0p). It will be paid on 21 November 2014 to shareholders on the register at close of business on 24 October 2014.

Note 1 There were no exceptional items from continuing operations in the first half of 2014. In the first half of 2013, there was an exceptional cost before tax from continuing operations of £4.5m.

## **OPERATIONAL REVIEW**

The business model of Howden Joinery is "To supply from local stock nationwide the small builder's ever-changing, routine, integrated kitchen and joinery requirements, assuring no-call-back quality and best local price".

Since it started in autumn 1995, the business has opened new depots and increased turnover continuously, except for a 12-month period in 2008-9.

Even today, with over 575 depots across the UK, we continue to see the opportunity to transform the scale of the business, seeing scope for at least 700 depots. We continue to invest in all aspects of the growth and performance of the business, including new depots and depot operations, new and existing employees, product development, and manufacturing and distribution.

### **Depot network**

17 new depots have been opened in the UK so far this year, bringing the total to 576. A number of other depots are at various stages of the acquisition/shopfitting process, the opening programme being in line with our expectations to open 30 depots this year.

In the summer of 2012, we began trials of a 'virtual showroom' that is designed to support our 1,000 depot-based kitchen designers. When working with our builder-customers' clients in our

depots, this allows kitchen designs to be shown on a large HD television screen or projected on to a wall in the depot in a large high definition format, as well as showing other material designed to support product sales. Often, this will be accompanied by a refurbishment of the office in which the designers work. This project to roll-out 'virtual showrooms' across all of our depots has been completed.

To support further our builder-customers and improve our service to their clients, we are undertaking a project to install A3 printers in all of our depots. These provide our builder-customers with a technical drawing of each kitchen design that is much more usable on-site. They also allow more impressive visualisations of the kitchen to be provided to the builder's client. This project will be completed by the autumn.

### **Product and marketing**

We continue to enhance our product offering, having introduced a number of new products in the first half of the year across all of our product categories. Notable amongst these were: eleven new kitchens – six additional gloss colour options and two more matt options in our Greenwich family, a blue option in our premium Tewkesbury family, a new ivory tongue and grooved panel kitchen called Hartwell, and our first regionally stocked kitchen, Farringdon, a new premium gloss range. We have also introduced a collection of premium kitchen handles, a range of more contemporary stainless steel sinks, some new large print laminate worktops and expanded the backboard range into new colours and designs. With our joinery collection, we have launched a range of grey oak laminate flooring, a collection of more contemporary external door designs and focused our hardware handle development on a range of competitively priced rose handles.

We continue to invest in our marketing communications. As well as updating our range of marketing literature and the Howdens website ([www.howdens.com](http://www.howdens.com)), we embarked on a partnership with pottery designer and manufacturer Emma Bridgewater. Emma designed for us a pair of Howdens mugs that were given away with every kitchen plan during April and May, the partnership being featured in our adverts and on the Howdens website. To further raise awareness of the Howdens brand, we are attending 13 county shows and agriculture fairs throughout the UK this summer.

### **Manufacturing and logistics operations**

We will shortly be replacing the 90 'tractor units' for our fleet of lorries. These will be Euro 6 compliant and will be fitted with the latest technology for environmental compliance. In addition, they will have enhanced safety features, including:

- crash avoidance technology that assists the driver when it detects the risk of a collision;
- forward facing cameras for incident recording, to help with accident investigation and insurance claims.

### **IT infrastructure**

We have completed a project to refresh a large part of our central IBM and HP hardware infrastructure in our two datacentres.

### **France**

In France, we have seen an improvement in the financial performance of the depots, after amending the pricing strategy. This has given us the confidence to extend the trial in two directions. First, we plan to open two depots in Belgium that will be the same format as our existing French depots and will allow us to learn about a slightly different market. Second, we plan to open an outlet with a new format and name further south in France. This will be larger than existing depots, and will be open to both trade and retail customers.

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**GROUP DEVELOPMENTS****Legacy properties**

Since the 2013 Preliminary Results, the lease of one legacy property has expired. This means that there are now seven legacy properties remaining, with net annual rent and rates of less than £2m.

**Corporate website**

The Group's corporate website ([www.howdenjoinerygroupplc.com](http://www.howdenjoinerygroupplc.com)) has been re-launched. The 'About us' section now includes a number of short films that give an overview of the business, show how our depots operate and how we interact with our builder-customers, and give an insight into our supply operations.

**CURRENT TRADING AND OUTLOOK**

The good sales performance seen in the first half of 2014 has continued in the first four weeks of the second half of the year. In this period, total sales of Howden Joinery UK depots rose by 14.0% on the same period in 2013, albeit at a slightly moderated rate of growth than seen recently, reflecting the increasingly challenging comparatives faced in the second half.

The Board is pleased with the good first half performance and, while we still have our important "Period 11" to come and face risks to gross margin from exchange rates and cost inflation, the Group is well placed to achieve its expectations for the full year.

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**GOING CONCERN**

The Group meets its day to day working capital requirements through cash generated from operations, and, if required, by utilising an asset-backed lending facility of £140m which expires in July 2016.

The Group's forecasts and projections have been stress-tested for reasonably possible adverse variations in economic conditions and trading performance. The results of this testing show that the Group should be able to operate within the level of its current facility and covenants. After making due enquiries the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed financial statements.

**RELATED PARTIES**

Related Party transactions are disclosed in Note 15 to the condensed set of financial statements. There have been no material changes to the related party transactions described in the last Annual Report & Accounts.

**RISKS AND UNCERTAINTIES**

The Board continually assesses and monitors the key risks of the business. The principal risks and uncertainties that could have a material impact on the Group's performance over the remaining 28 weeks of the financial year have not changed from those which are set out in detail on pages 22 to 23 of the Group's 2013 Annual Report & Accounts, and which are summarised below:

- Market conditions – a severe downturn in market conditions could put pressure on the Group's ability to meet sales and profit forecasts, which in turn could put pressure on cash availability and banking covenants;
- Failure to implement the Group's business model and culture – could have an adverse effect on the Group's future financial condition and profitability;
- Failure to maximise exploiting the growth potential of the businesses – could adversely affect the Group's ability to obtain maximum benefit from its growth potential;
- Continuity of supply - could adversely affect the Group's ability to implement the business model;
- Loss of key personnel – could adversely affect the Group's operations.

A copy of the Group's 2013 Annual Report & Accounts is available on the Group's website, [www.howdenjoinerygroupplc.com](http://www.howdenjoinerygroupplc.com).



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**CAUTIONARY STATEMENT**

Certain statements in this Half-Yearly Report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements contain risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

**RESPONSIBILITY STATEMENT**

We confirm that, 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 24 weeks and description of principal risks and uncertainties for the remaining 28 weeks 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 parties' transactions and changes therein).

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

By order of the Board

Matthew Ingle  
Chief Executive Officer

Mark Robson  
Deputy Chief Executive and Chief Financial Officer

23 July 2014

### Condensed consolidated income statement

	Notes	24 weeks to 14 June 2014 £m unaudited	24 weeks to 15 June 2013 – unaudited restated*			52 weeks to 28 December 2013 – audited restated*		
			Before exceptional items £m	Exceptional items** £m	Total £m	Before exceptional items £m	Exceptional items** £m	Total £m
<b>Continuing operations:</b>								
Revenue – sale of goods		435.4	390.8	-	390.8	956.5	-	956.5
Cost of sales		(160.2)	(150.4)	-	(150.4)	(366.3)	-	(366.3)
<b>Gross profit</b>		<b>275.2</b>	240.4	-	240.4	590.2	-	590.2
Selling & distribution costs		(183.0)	(163.5)	-	(163.5)	(375.5)	-	(375.5)
Administrative expenses		(34.5)	(32.7)	(4.5)	(37.2)	(74.0)	(4.5)	(78.5)
Other operating income		(0.1)	-	-	-	-	-	-
<b>Operating profit</b>		<b>57.6</b>	44.2	(4.5)	39.7	140.7	(4.5)	136.2
Finance income	7	0.3	0.2	-	0.2	0.4	-	0.4
Finance expense	8	-	(0.2)	-	(0.2)	(0.4)	-	(0.4)
Other finance expense - pensions	8	(0.7)	(2.6)	-	(2.6)	(5.7)	-	(5.7)
<b>Profit before tax</b>		<b>57.2</b>	41.6	(4.5)	37.1	135.0	(4.5)	130.5
Tax charge for the period	9	(14.9)	(10.8)	0.4	(10.4)	(33.7)	0.5	(33.2)
<b>Profit after tax</b>		<b>42.3</b>	30.8	(4.1)	26.7	101.3	(4.0)	97.3

\*Restated for amendments to IAS19 – see Note 2.

\*\* See Note 6.

### Condensed consolidated income statement - continued

	Notes	24 weeks to 14 June 2014 £m unaudited	24 weeks to 15 June 2013 – unaudited restated*			52 weeks to 28 December 2013 – audited restated*		
			Before exceptional items £m	Exceptional items** £m	Total £m	Before exceptional items £m	Exceptional items** £m	Total £m
<b>Discontinued operations:</b>								
Exceptional item – loss on discontinued operations	17	(1.7)	-	-	-	-	-	-
Exceptional item – tax on discontinued operations	17	11.5	-	-	-	-	-	-
<b>Profit after tax</b>		<b>9.8</b>	-	-	-	-	-	-
<b>Profit for the period attributable to the equity holders of the parent</b>		<b>52.1</b>	30.8	(4.1)	26.7	101.3	(4.0)	97.3
<b>Earnings per share:</b>								
<b>From continuing operations</b>								
Basic earnings per 10p share	10	6.6p			4.2p			15.3p
Diluted earnings per 10p share	10	6.6p			4.2p			15.2p
<b>From continuing and discontinued operations</b>								
Basic earnings per 10p share	10	8.1p			4.2p			15.3p
Diluted earnings per 10p share	10	8.1p			4.2p			15.2p

\* Restated for amendments to IAS19 – see Note 2.

\*\* See Note 6.

**Condensed consolidated statement of comprehensive income**

	Notes	<b>24 weeks to 14 June 2014 unaudited £m</b>	24 weeks to 15 June 2013 unaudited restated* £m	52 weeks to 28 December 2013 audited restated* £m
<b>Profit for the period</b>		<b>52.1</b>	26.7	97.3
<b>Items of other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Actuarial (loss)/gain on defined benefit pension scheme	13	<b>(30.0)</b>	51.1	73.0
Deferred tax on actuarial loss/gain on defined benefit pension scheme		<b>6.0</b>	(11.8)	(16.8)
Effect of change in UK tax rate on deferred tax on cumulative actuarial loss		-	-	(1.6)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Currency translation differences		<b>(0.2)</b>	0.4	0.5
<b>Other comprehensive income for the period</b>		<b>(24.2)</b>	39.7	55.1
<b>Total comprehensive income for the period attributable to equity holders of the parent</b>		<b>27.9</b>	66.4	152.4

\*Restated for amendments to IAS19 – see Note 2.

**Condensed consolidated balance sheet**

	Notes	14 June 2014 unaudited £m	15 June 2013 unaudited £m	28 December 2013 audited £m
<b>Non-current assets</b>				
Other intangible assets		3.6	3.8	3.7
Property, plant and equipment	12	103.1	90.2	95.5
Deferred tax asset		22.4	29.5	23.2
Bank borrowings net of prepaid fees		0.6	1.2	0.9
		<b>129.7</b>	124.7	123.3
<b>Current assets</b>				
Bank borrowings net of prepaid fees		0.6	-	0.1
Inventories		134.8	120.6	123.4
Trade and other receivables		139.5	121.0	122.4
Cash at bank and in hand		160.0	101.7	139.7
		<b>434.9</b>	343.3	385.6
<b>Total assets</b>		<b>564.6</b>	468.0	508.9
<b>Current liabilities</b>				
Trade and other payables		(208.8)	(173.5)	(158.4)
Current tax liability		(0.4)	(9.2)	(18.7)
Current borrowings		(0.1)	(0.9)	(0.1)
		<b>(209.3)</b>	(183.6)	(177.2)
<b>Non-current liabilities</b>				
Non-current borrowings		-	-	(0.1)
Pension liability	13	(72.4)	(93.3)	(54.3)
Deferred tax liability		(3.6)	(4.2)	(3.6)
Provisions	14	(12.7)	(16.2)	(12.0)
		<b>(88.7)</b>	(113.7)	(70.0)
<b>Total liabilities</b>		<b>(298.0)</b>	(297.3)	(247.2)
<b>Net assets</b>		<b>266.6</b>	170.7	261.7
<b>Equity</b>				
Share capital		64.6	64.3	64.3
Share premium account		87.5	87.5	87.5
ESOP reserve		(1.5)	(12.9)	(6.3)
Other reserves		28.1	28.1	28.1
Retained earnings		87.9	3.7	88.1
<b>Total equity</b>		<b>266.6</b>	170.7	261.7

**Condensed consolidated statement of changes in equity**

	Share capital £m	Share premium account £m	ESOP reserve £m	Other reserves £m	Retained earnings £m	Total £m
<b>24 weeks to 14 June 2014</b>						
As at 28 December 2013 - audited	<b>64.3</b>	<b>87.5</b>	<b>(6.3)</b>	<b>28.1</b>	<b>88.1</b>	<b>261.7</b>
Accumulated profit for the period	-	-	-	-	<b>52.1</b>	<b>52.1</b>
Dividend declared	-	-	-	-	<b>(28.8)</b>	<b>(28.8)</b>
Net actuarial loss on defined benefit pension scheme	-	-	-	-	<b>(24.0)</b>	<b>(24.0)</b>
Deferred tax on share schemes	-	-	-	-	<b>(3.6)</b>	<b>(3.6)</b>
Current tax on share schemes	-	-	-	-	<b>4.6</b>	<b>4.6</b>
Currency translation differences	-	-	-	-	<b>(0.2)</b>	<b>(0.2)</b>
Net movement in ESOP	-	-	<b>4.8</b>	-	-	<b>4.8</b>
Issue of new shares	<b>0.3</b>	-	-	-	<b>(0.3)</b>	-
As at 14 June 2014 - unaudited	<b>64.6</b>	<b>87.5</b>	<b>(1.5)</b>	<b>28.1</b>	<b>87.9</b>	<b>266.6</b>

During the current period, the Group issued 3,662,341 shares.

**24 weeks to 15 June 2013**

As at 29 December 2012 - audited	64.2	87.2	(19.0)	28.1	(47.7)	112.8
Accumulated profit for the period*	-	-	-	-	26.7	26.7
Dividend declared	-	-	-	-	(17.0)	(17.0)
Net actuarial gain on defined benefit pension scheme*	-	-	-	-	39.3	39.3
Deferred tax on share schemes	-	-	-	-	(2.0)	(2.0)
Current tax on share schemes	-	-	-	-	4.0	4.0
Currency translation differences	-	-	-	-	0.4	0.4
Net movement in ESOP	-	-	6.1	-	-	6.1
Issue of new shares	0.1	0.3	-	-	-	0.4
As at 15 June 2013 - unaudited	64.3	87.5	(12.9)	28.1	3.7	170.7

During the period above, the Group issued 766,298 shares.

\*Restated for amendments to IAS19 – see Note 2.

**Condensed consolidated statement of changes in equity - continued**

	Share capital £m	Share premium account £m	ESOP reserve £m	Other reserve £m	Retained earnings £m	Total £m
<b>52 weeks to 28 December 2013</b>						
As at 29 December 2012 - audited	64.2	87.2	(19.0)	28.1	(47.7)	112.8
Accumulated profit for the period*	-	-	-	-	97.3	97.3
Dividends declared and paid	-	-	-	-	(23.3)	(23.3)
Net actuarial gain on defined benefit scheme*	-	-	-	-	56.2	56.2
Effect of change in UK tax rate on deferred tax on cumulative actuarial loss	-	-	-	-	(1.6)	(1.6)
Current tax on share schemes	-	-	-	-	4.6	4.6
Deferred tax on share schemes	-	-	-	-	3.1	3.1
Effect of change in UK tax rate on deferred tax on cumulative balance on share schemes	-	-	-	-	(1.0)	(1.0)
Currency translation differences	-	-	-	-	0.5	0.5
Net movement in ESOP	-	-	12.7	-	-	12.7
Issue of new shares	0.1	0.3	-	-	-	0.4
As at 28 December 2013 - audited	64.3	87.5	(6.3)	28.1	88.1	261.7

During the period above, the Group issued 766,298 shares.

\*Restated for amendments to IAS19 – see Note 2.



**Condensed consolidated cash flow statement**

Notes	<b>24 weeks to 14 June 2014 unaudited £m</b>	24 weeks to 15 June 2013 unaudited restated* £m	52 weeks to 28 December 2013 audited restated* £m
Group operating profit before tax and interest:			
continuing operations	<b>57.6</b>	39.7	136.2
discontinued operations	<b>(1.7)</b>	-	-
	<b>55.9</b>	39.7	136.2
<b>Adjustments for:</b>			
Depreciation and amortisation included in operating profit	<b>9.4</b>	8.1	18.7
Share-based payments charge	<b>3.1</b>	2.4	8.4
Profit on disposal of property, plant and equipment, and intangible assets	<b>0.1</b>	-	-
Exceptional items (before tax)	<b>1.7</b>	4.5	4.5
<b>Operating cash flows before movements in working capital and exceptional items</b>	<b>70.2</b>	54.7	167.8
<b>Movements in working capital and exceptional items</b>			
Increase in stock	<b>(11.4)</b>	(4.7)	(7.5)
Increase in trade and other receivables	<b>(17.1)</b>	(25.0)	(26.4)
Increase in trade and other payables and provisions	<b>20.4</b>	13.1	11.7
Difference between pensions operating charge and cash paid*	<b>(12.6)</b>	(12.7)	(32.9)
Net cash outflow – exceptional items	<b>-</b>	(3.9)	(4.5)
	<b>(20.7)</b>	(33.2)	(59.6)
Cash generated from operations	<b>49.5</b>	21.5	108.2
Tax paid	<b>(13.9)</b>	(11.3)	(21.0)
<b>Net cash flows from operating activities</b>	<b>35.6</b>	10.2	87.2

\*Restated for amendments to IAS19 – see Note 2.





**Condensed consolidated cash flow statement - continued**

	Notes	24 weeks to 14 June 2014 unaudited £m	24 weeks to 15 June 2013 unaudited restated* £m	52 weeks to 28 December 2013 audited restated* £m
<b>Net cash flows from operating activities</b>		<b>35.6</b>	10.2	87.2
<b>Cash flows used in investing activities</b>				
Payments to acquire property, plant and equipment, and intangible assets		<b>(17.2)</b>	(8.8)	(24.7)
Receipts from sale of property, plant and equipment, and intangible assets		<b>0.2</b>	-	-
Interest received		<b>0.2</b>	0.2	0.4
<b>Net cash used in investing activities</b>		<b>(16.8)</b>	(8.6)	(24.3)
<b>Cash flows from financing activities</b>				
Interest paid		-	(0.1)	(0.1)
Receipts from issue of own share capital		-	0.4	0.4
Receipts from release of shares from share trust		<b>1.7</b>	3.7	4.3
Decrease in loans		<b>(0.2)</b>	(0.6)	(1.1)
Repayment of capital element of finance leases		-	-	(0.1)
Dividends paid to Group shareholders	11	-	-	(23.3)
<b>Net cash from/(used in) financing activities</b>		<b>1.5</b>	3.4	(19.9)
<b>Net increase in cash and cash equivalents</b>		<b>20.3</b>	5.0	43.0
Cash and cash equivalents at beginning of period	16	<b>139.7</b>	96.7	96.7
<b>Cash and cash equivalents at end of period</b>	16	<b>160.0</b>	101.7	139.7

\*Restated for amendments to IAS19 – see Note 2.

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**NOTES TO THE CONDENSED FINANCIAL STATEMENTS****1 General information**

The results for the 24 week periods ended 14 June 2014 and 15 June 2013 are unaudited but have been reviewed by the Group's auditor, whose report on the current period forms part of this document. The information for the 52 week period ended 28 December 2013 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that period has been delivered to the Registrar of Companies and is available via the Group's website at [www.howdenjoinerygroupplc.com](http://www.howdenjoinerygroupplc.com). The auditors' report on those accounts was not qualified or modified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

**2 Accounting policies**

The annual financial statements of Howden Joinery Group Plc 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.

**Basis of preparation**

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out on pages 4 to 8, which include a summary of the Group's financial position, its cash flows and borrowing facilities, and a discussion of why the directors consider that the going concern basis is appropriate.

The same accounting policies, presentation methods, and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest annual audited financial statements, except for the adoption of the revisions to IAS19 (see below), and that the taxation charge for the half-year is calculated by applying the annual estimated effective tax rate to the profit for the period.

**Adoption of new accounting standard in the period**

The Group has implemented IAS19 (revised) for the first time in the current period. The revised standard has been adopted retrospectively and in accordance with the transitional provisions set out in IAS19.173. The two comparative periods have been restated where relevant. The main effects of adopting this standard are outlined below:

- The administration costs of the defined benefit pension scheme, which were previously deducted from returns on assets, are now added to the pension expense and thus form part of administrative expenses.
- The interest income on plan assets, which forms part of the net pensions finance charge, is now calculated at the same rate used to calculate the interest expense on the pension liability. The rate was previously based on the expected returns on the various asset types held in the investment portfolio, but it is now based on the discount rate and derived from high-quality corporate bond yields.
- As the Group has always recognised actuarial gains and losses in full and immediately, there is no effect on the prior period defined benefit obligation.

The result of the restatement was to give a decrease in the profit for the period for each of the periods presented, and an equal and opposite increase in other comprehensive income for each period. This resulted in no change to total comprehensive income or to net assets. As the profit for the period decreased, so did the restated EPS for each period. Further details of the amounts of these changes and the line items affected are given in Note 13 (a).

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**3 Segmental results****Basis of segmentation**

Information reported to the Group's Chief Executive is focussed on one operating segment, Howden Joinery. Thus, the information required in respect of segmental disclosure can all be found in the condensed consolidated income statement and condensed consolidated balance sheet.

**4 Seasonality of revenue**

Howden Joinery sales are more heavily weighted to the second half of the financial year. This partly reflects the fact that there are 24 weeks in the first half of the financial year and 28 weeks in the second half. It also reflects sales in the peak October trading period. In the last two financial years, approximately 60% of sales have been in the second half of the year.

**5 Write down of inventories**

During the period, the Group has recognised a net charge of £1.5m in respect of writing inventories down to their net realisable value (24 weeks to 15 June 2013 – net charge of £0.9m, 52 weeks to 28 December 2013 – net charge of £3.2m).

**6 Continuing operations – exceptional items**

There were no exceptional items in continuing operations in the 24 weeks to 14 June 2014. However, there were discontinued exceptional items in the period, which are analysed further in Note 17

**Exceptional items for the 2013 financial year**

During the 52 weeks to 28 December 2013, the Group reconfigured its transport operations to better reflect the geographical mix of its sales in the UK and to improve service to its depots. This restructuring involved closure, relocation and reorganisation costs.

Of the total expenditure of £4.5m, the majority (£3.9m) was incurred in the 24 weeks to 15 June 2013 and the remainder was incurred during the second half of 2013, having been accrued at 15 June 2013.

	<b>24 weeks to 15 June 2013 unaudited £m</b>	<b>52 weeks to 28 December 2013 audited £m</b>
Exceptional cost before tax	(4.5)	(4.5)
Tax on exceptional cost	0.4	0.5
Exceptional cost after tax	(4.1)	(4.0)

	<b>24 weeks to 14 June 2014 unaudited £m</b>	24 weeks to 15 June 2013 unaudited restated* £m	52 weeks to 28 December 2013 audited restated* £m
<b>7 Finance income</b>			
Bank interest receivable	<b>0.3</b>	0.2	0.4
<b>8 Finance expenses and other finance expense – pensions</b>			
<b>Finance expense</b>			
Bank interest	-	(0.1)	(0.1)
Other interest (including finance lease interest) payable	-	-	(0.2)
Finance charge on remeasuring creditors to fair value	-	(0.1)	(0.1)
	-	(0.2)	(0.4)
<b>Other finance expense - pensions</b>			
Pensions finance expense	<b>(0.7)</b>	(2.6)	(5.7)

\*Restated for amendments to IAS19 – see Note 2.

### 9 Tax

Tax for the 24 weeks to 14 June 2014 is charged at 5.9% (24 weeks to 15 June 2013: 27.9%), representing the tax effects of discrete items arising in the period, together with the best estimate of the average effective tax rate expected for the full year applied to the pre-tax income of the 24-week period. This reflects a prior year adjustment to tax for discontinued operations of £11.5m, excluding which the rate would have been 26.0%.

### 10 Earnings per share

	24 weeks to 14 June 2014 unaudited			24 weeks to 15 June 2013 unaudited restated*			52 weeks to 28 December 2013 audited restated*		
	Earnings £m	Weighted average number of shares m	Earnings per share p	Earnings £m	Weighted average number of shares m	Earnings per share p	Earnings £m	Weighted average number of shares m	Earnings per share p
<b>From continuing operations</b>									
Basic earnings per share	42.3	639.7	6.6	26.7	636.3	4.2	97.3	636.6	15.3
Effect of dilutive share options	-	1.4	-	-	1.4	-	-	5.6	(0.1)
Diluted earnings per share	42.3	641.1	6.6	26.7	637.7	4.2	97.3	642.2	15.2
<b>From discontinued operations</b>									
Basic earnings per share	9.8	639.7	1.5						
Effect of dilutive share options	-	1.4	-						
Diluted earnings per share	9.8	641.1	1.5						
<b>From continuing and discontinued operations</b>									
Basic earnings per share	52.1	639.7	8.1	26.7	636.3	4.2	97.3	636.6	15.3
Effect of dilutive share options	-	1.4	-	-	1.4	-	-	5.6	(0.1)
Diluted earnings per share	52.1	641.1	8.1	26.7	637.7	4.2	97.3	642.2	15.2

There were no discontinued operations in either of the two comparative periods.

\*Restated for amendments to IAS19 – see Note 2.



### 11 Dividends

#### Amounts recognised as distributions to equity holders in the period

	<b>24 weeks to 14 June 2014 unaudited £m</b>	24 weeks to 15 June 2013 unaudited £m	52 weeks to 28 December 2013 audited £m
Final dividend for the 52 weeks to 28 December 2013 – 4.5p/share	<b>28.8</b>	-	-
Final dividend for the 53 weeks to 29 December 2012 – 2.7p/share	-	17.0	17.0
Interim dividend for the 52 weeks to 28 December 2013 – 1.0p/share	-	-	6.3
	<b>28.8</b>	17.0	23.3

No dividends were paid in the current period or the 24 weeks to 15 June 2013. The final dividend for the 52 weeks to 28 December 2013 (4.5p per share) was approved at the 2014 AGM in May 2014 and was paid on 20 June 2014. The final dividend for the 53 weeks to 29 December 2012 (2.7p per share) was approved at the 2013 AGM in May 2013 and was paid on 21 June 2013. The interim dividend for the 52 weeks to 28 December 2013 (1.0p per share) was paid on 22 November 2013.

Dividends have been waived indefinitely on all shares held by the Group's employee share trusts which have not yet been awarded to employees.

### Proposed dividends

On 23 July 2014, the Board approved the payment of an interim dividend of 1.9p per share, to be paid on 21 November 2014 to ordinary shareholders on the register on 24 October 2014.

	<b>24 weeks to 14 June 2014 unaudited £m</b>	24 weeks to 15 June 2013 unaudited £m	52 weeks to 28 December 2013 audited £m
Proposed interim dividend for the 52 weeks to 27 December 2014 - (1.9p/share)	<b>12.2</b>		
Proposed interim dividend for the 52 weeks to 28 December 2013 - (1.0p/share)		6.3	
Proposed final dividend for the 52 weeks to 28 December 2013 - (4.5p/share)			28.4

### 12 Property, plant and equipment

During the period, the Group spent £17.2m on additions to property, plant and equipment (24 weeks to 15 June 2013 - £8.8m; 52 weeks to 28 December 2013 - £23.6m). It also disposed of property, plant and equipment with a net book value of £0.3m (24 weeks to 15 June 2013 - £nil; 52 weeks to 28 December 2013 - £0.3m) for proceeds of £0.2m (24 weeks to 15 June 2013 - £nil; 52 weeks to 28 December 2013 - £nil).

There are non-cancellable commitments to purchase property, plant and equipment of £4.9m at the current period end (24 weeks to 15 June 2013 - £2.1m; 52 weeks to 28 December 2013 - £6.5m).



### 13 Retirement benefit obligations

#### (a) Adoption of revisions to IAS19 in the current period

The revised IAS19 was adopted in the current period. As required, prior periods have been restated as if the revised standard had been in force in those periods.

Further detail of the nature of the revisions is given in Note 2. Their financial effect is shown below:

	24 weeks to 14 June 2014 unaudited £m	24 weeks to 15 June 2013 unaudited £m	52 weeks to 28 December 2013 audited £m
<b>Income statement</b>			
Admin expenses - increase to defined benefit pensions current service cost	0.9	0.9	1.8
Other finance charge - pensions. Increase to charge	2.9	0.7	1.6
Tax charge - deferred tax element of current tax charge	(0.8)	(0.4)	(0.9)
Net decrease in profit for the period	3.0	1.2	2.5
<b>Other Comprehensive Income (OCI)</b>			
Change in gross actuarial gain - increase in OCI	(3.8)	(1.6)	(3.4)
Change in deferred tax on actuarial gain - decrease in OCI	0.8	0.4	0.9
	(3.0)	(1.2)	(2.5)
Net effect on total income (and net assets)	-	-	-
<b>Earnings per share</b>			
Reduction in basic EPS (pence/share)	(0.5)	(0.2)	(0.4)
Reduction in diluted EPS (pence/share)	(0.5)	(0.2)	(0.3)

#### (b) Total amounts charged in respect of defined benefit pensions in the period

	24 weeks to 14 June 2014 unaudited £m	24 weeks to 15 June 2013 Unaudited restated* £m	52 weeks to 28 December 2013 audited restated* £m
<b>Charged to the income statement</b>			
Defined benefit scheme - total operating charge	6.5	6.5	14.0
Defined benefit scheme - net finance charge	0.7	2.6	5.7
Total net amount charged to profit before tax	7.2	9.1	19.7
<b>Charged/(credited) to equity</b>			
Defined benefit scheme - actuarial losses/(gains), net of deferred tax	24.0	(39.3)	(56.2)

\*Restated for amendments to IAS19 – see Note 2.



### (c) Other information – defined benefit pension scheme

The most recent completed actuarial valuation was carried out at 5 April 2011 by the scheme actuary. The actuary advising the Group has subsequently rolled forward the results of this valuation to 14 June 2014 and restated the results onto a basis consistent with market conditions at that date. The pension deficit has increased over the 24 weeks to 14 June 2014. The following summary information analyses the main changes in greater detail.

#### Key assumptions used in the valuation of the scheme

	<b>24 weeks to 14 June 2014 unaudited %</b>	24 weeks to 15 June 2013 unaudited %	52 weeks to 28 December 2013 audited %
Rate of increase of pensions in deferment capped at lower of CPI and 5%	<b>2.50</b>	2.35	2.60
Rate of CARE revaluation capped at lower of RPI and 3%	<b>2.60</b>	2.50	2.60
Rate of increase of pensions in payment:			
pensions with increases capped at the lower of CPI and 5%	<b>2.60</b>	2.60	2.70
pensions with increases capped at the lower of CPI and 5%, with a 3% minimum	<b>3.60</b>	3.70	3.65
pensions with increases capped at the lower of RPI and 2.5%	<b>2.30</b>	2.30	2.30
Rate of increase in salaries	<b>4.60</b>	4.60	4.70
Inflation assumption - RPI	<b>3.60</b>	3.60	3.70
Inflation assumption - CPI	<b>2.60</b>	2.60	2.70
Discount rate	<b>4.45</b>	4.65	4.80

#### Balance sheet

Movements in the deficit during the period are as follows:

	<b>24 weeks to 14 June 2014 unaudited £m</b>	24 weeks to 15 June 2013 unaudited* £m	52 weeks to 28 December 2013 audited* £m
Deficit at start of period	<b>(54.3)</b>	(154.5)	(154.5)
Current service cost	<b>(6.5)</b>	(6.5)	(14.0)
Employer contributions	<b>19.1</b>	19.2	46.9
Other finance charge	<b>(0.7)</b>	(2.6)	(5.7)
Actuarial (losses)/gains gross of deferred tax	<b>(30.0)</b>	51.1	73.0
Deficit at end of period	<b>(72.4)</b>	(93.3)	(54.3)

\*Restated for amendments to IAS19 – see Note 2.





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**Statement of comprehensive income**

Amounts taken to equity via the statement of comprehensive income in respect of the Group's defined benefit scheme are shown below.

	<b>24 weeks to 14 June 2014 unaudited £m</b>	24 weeks to 15 June 2013 unaudited restated* £m	52 weeks to 28 December 2013 audited restated* £m
Actuarial gain on scheme assets	<b>19.1</b>	16.4	25.7
Actuarial (loss)/gain on scheme liabilities	<b>(49.1)</b>	34.7	47.3
Total actuarial (loss)/gain before tax	<b>(30.0)</b>	51.1	73.0

\*Restated for amendments to IAS19 – see Note 2.



### 14 Provisions

	Property £m	Warranty £m	Business closure £m	Total £m
At 28 December 2013 - audited	9.0	2.9	0.1	12.0
Created in the period	2.3	1.1	-	3.4
Utilised in the period	(1.2)	(1.3)	(0.1)	(2.6)
Released in the period	-	(0.1)	-	(0.1)
<b>At 14 June 2014 - unaudited</b>	<b>10.1</b>	<b>2.6</b>	<b>-</b>	<b>12.7</b>

#### Property provision

The property provision covers onerous leases on any non-trading leased properties. For some properties, the provision is based on the shortfall between rent payable and rent receivable. For other properties, where negotiations to surrender the lease are in progress, the provision is based on the amount which the landlord has indicated that they are willing to take as a premium in order for the Group to surrender the lease. The provision is based on the period until the end of the lease, or until the Group considers that it can cover the shortfall by subletting, assigning or surrendering the lease. Throughout the course of the year, the Group reviews the range of options for unused properties, and maintains ongoing discussions with landlords and external agents, with a view to identifying possible lease surrenders and finding tenants. The property provision also includes amounts for any related shortfalls in business rates on these properties, dilapidations, agents' fees and other professional fees.

During the current period, the property provision has been increased by less than £0.1m arising from an unwinding of the discount rate over time. None of this amount relates to changes in the discount rate. This amount is included as a finance expense. The amount of the expected future cash flows has been adjusted to reflect the expected range of possibilities and, as the outflows under this provision are expected to take place over a number of years, the provision has been discounted to its present value.

The timing of outflows from the provision is variable, and is dependent on property lease expiry dates and on opportunities to surrender leases.

#### Warranty provision

The warranty provision relates to amounts due in respect of product warranties. As products are sold, the Group makes provision for potential future claims under warranties. As claims are made, the Group utilises the provision and then uses this data to periodically revise the basis on which it makes further provision.

#### Business closure provision

The provision for business closure related to the costs of closure of the Group subsidiary company Howden Joinery Supply Division (Asia) Ltd and was fully utilised in the period as the remaining expenses related to the closure of the company were incurred.

### 15 Related party transactions

There have been no changes to related party arrangements or transactions as reported in the 2013 Annual Report and Accounts.

Transactions between Group companies, which are related parties, have been eliminated on consolidation and are therefore not disclosed. Other transactions which fall to be treated as related party transactions are: those relating to the remuneration of key management personnel, which are not disclosed in the Half-Yearly Report, and which will be disclosed in the Group's next Annual Report and Accounts; in addition, transactions between the Group and the Group's defined benefit pension scheme, which are disclosed in Note 13.



### 16 Notes to the cash flow statement

#### (a) Net cash flows from operating activities

	24 weeks to 14 June 2014 unaudited £m	24 weeks to 15 June 2013 unaudited £m	52 weeks to 28 December 2013 audited £m
<b>Net cash flows from operating activities comprises:</b>			
Continuing operating activities	35.6	10.2	87.2

#### (b) Reconciliation of movement in net cash

<b>Net cash at start of period</b>	<b>140.5</b>	96.4	96.4
Net increase in cash and cash equivalents	20.3	5.0	43.0
Increase in bank borrowings	0.2	0.6	1.1
Decrease in finance leases	0.1	-	-
<b>Net cash at end of period</b>	<b>161.1</b>	102.0	140.5

#### Represented by:

Cash and cash equivalents	160.0	101.7	139.7
Bank loans	1.2	0.5	1.0
Finance leases	(0.1)	(0.2)	(0.2)
	<b>161.1</b>	102.0	140.5

#### (c) Analysis of net cash

	Cash and cash equivalents £m	Bank loans £m	Finance leases £m	Net cash £m
At 28 December 2013 - audited	139.7	1.0	(0.2)	140.5
Cash flow	20.3	0.2	0.1	20.6
<b>At 14 June 2014 - unaudited</b>	<b>160.0</b>	<b>1.2</b>	<b>(0.1)</b>	<b>161.1</b>

Closing bank loans at 14 June 2014 comprise £0.6m disclosed in current assets and a non-current asset of £0.6m. Both of these items represent the excess of prepaid loan fees over the amount of current and non-current borrowings which are drawn down at the period end.

Closing finance leases of £0.1m at 14 June 2014 are all current liabilities.

As previously announced, the Group's debt facilities are due to expire in July 2016.



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**17 Discontinued operations**

There were no discontinued operations in either of the comparative periods.

All discontinued operations in the current period are discontinued exceptional items, and are analysed as follows:

	Notes	<b>24 weeks to 14 June 2014 unaudited £m</b>
Increase to discontinued operations property provision	(a)	<b>(1.8)</b>
Release of discontinued interest accrual	(b)	<b>0.1</b>
<hr/>		<hr/>
Exceptional item - loss on discontinued operations		<b>(1.7)</b>
<hr/>		<hr/>
Release of tax creditor for discontinued operations	(c)	<b>11.5</b>
Exceptional profit after tax		<b>9.8</b>

**(a) Increase to discontinued property provisions**

During the 24 weeks to 14 June 2014, we have increased the provision for our remaining legacy properties.

**(b) Release of discontinued interest accrual**

In prior periods, the Group had been accruing for possible interest which would be due in relation to overdue tax in the event that we were unsuccessful in our dispute with HMRC relating to discontinued operations (see (c) below). Following the partial resolution of this dispute in the current period, we now have certainty that some of this accrual will no longer be needed. We have therefore released this amount in the current period.

**(c) Release of tax creditor for discontinued operations**

During the 24 weeks to 14 June 2014, we received a First Tier Tribunal judgement which gave a partial resolution of a dispute with HMRC, regarding the tax treatment of certain expenses relating to our legacy properties which had been incurred in prior periods.

In prior years, we had prepared our tax computations for accounts purposes on the basis that the disputed expense items would not be deductible for tax, and we provided for tax on that basis. Now that the judgement has given us certainty that particular expenses may be treated as deductible for tax, we are recognising a credit of £11.5m of tax in the current period.



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**INDEPENDENT REVIEW REPORT TO HOWDEN JOINERY GROUP PLC**

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly report for the 24 week period ended 14 June 2014, which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and related notes 1 to 17. We have read the other information contained in the half-yearly 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 (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it 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 report is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the half-yearly report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2, 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 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 report based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly report for the 24 week period ended 14 June 2014 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 Conduct Authority.

**Deloitte LLP**

Chartered Accountants and Statutory Auditor, London  
23 July 2014



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**FINANCIAL CALENDAR****2014**

Interim Management Statement	13 November 2014
End of financial year	27 December 2014

**2015**

2014 Preliminary Results	26 February 2015
Interim Management Statement	30 April 2015
Half-Yearly Report	23 July 2015
Interim Management Statement	12 November 2015
End of financial year	26 December 2015