



Entertainment One Ltd.

Interim results for the six months ended 30 September 2010

Entertainment One revenue growth of 30% and underlying EBITDA growth of 34%

Entertainment One Ltd. ("eOne" or "the Group"), the leading international independent entertainment content owner and distributor, announces its interim results for the six months ended 30 September 2010.

Financial Highlights¹

- Revenue up 30% to £212.0 million (2009: £163.6 million)
- Underlying EBITDA² up 34% to £12.5 million (2009: £9.3 million)
- Adjusted Profit Before Tax³ up 166% to £7.5 million (2009: £2.8 million)
- Reported loss before tax reduced to £2.5 million (2009: loss of £7.9 million) including £1.8 million of one-time costs associated with the Company's move to the main market
- Strong operating cash flow of £30.6 million (2009: £28.6 million)

Operational Highlights

- Film business continued to expand with 63 releases including *The Twilight Saga: Eclipse*
- Growing success in Television business with strong audience ratings and second series orders for network shows including *Rookie Blue*, *Haven*, *Call Me Fitz* and *The Walking Dead*
- Expansion of eOne Family including *Peppa Pig* agreement with Nick Jr. in the U.S. and strong UK merchandising programme launch for *Ben & Holly's Little Kingdom*
- Independent library valuation increased by 14% to \$250 million

Darren Throop, Chief Executive Officer, commented:

"We are delighted with the progress made in the first half. It is particularly pleasing to see the success of our Television business, which has enjoyed excellent viewing figures in North America for our new network shows, and the exciting opportunities for eOne Family following the recent deal to air *Peppa Pig* on Nick Jr. in the U.S. The second half has started well and the pipeline of film releases and television productions remains strong. As we continue to focus on our strategy of investment and multi-territory expansion we anticipate that the business will continue to deliver good growth and are confident market expectations will be met."

1 The financial highlights are stated in reported currencies. The main body of the announcement contains constant currency comparisons where stated

2 Underlying EBITDA is earnings before one-off operating items, share-based payment charges, interest, tax, depreciation and amortisation of intangible assets

3 Adjusted Profit Before Tax is Profit Before Tax before one-off operating items, share-based payment charges, tax, amortisation of intangible assets arising on business acquisitions and one-off items in net finance charges

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About Entertainment One

Entertainment One (LSE:ETO) is a leading international entertainment company that specialises in the acquisition, production and distribution of film and television content. The company's comprehensive network extends around the globe including Canada, the U.S., the UK, Ireland, Benelux, France, Germany, Scandinavia, Australia, New Zealand and South Africa. Through established Entertainment and Distribution divisions, the company provides extensive expertise in film distribution, television and music production, kids programming and merchandising and licensing. Its current rights library is exploited across all media formats and includes more than 20,000 film and television titles, 2,400 hours of television programming and 45,000 music tracks.

Cautionary Statement

This Interim Announcement contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Entertainment One Ltd. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. Nothing in this Interim Announcement should be construed as a profit forecast.

A copy of this Interim Announcement for the six months ended 30 September 2010 can be found on our website at www.entertainmentonegroup.com.

INTERIM MANAGEMENT REPORT - SIX MONTHS TO 30 SEPTEMBER 2010

OVERVIEW

The Group made excellent progress in the first half of the year growing revenues by 30% and underlying EBITDA by 34%. The Group continues successfully to execute its strategy of investment in film and television content across its growing multi-territory distribution network.

The Film business increased the number of theatrical releases to 63 in the first half compared to 51 in the prior year. *The Twilight Saga: Eclipse* was the Group's biggest theatrical release, in July, and the DVD is scheduled for release on 4 December 2010. Other successful recent theatrical releases included *The Hole 3D*, *Mr Nice* and *RED*. It is anticipated that over 60 films will be released in the second half including the animated *Gnomeo & Juliet* (with music by Elton John and Bernie Taupin and featuring the voices of an all-star British cast), *Fair Game* (starring Sean Penn and Naomi Watts) and Peter Mullan's *NEDS*.

The Group maintained its focus on growing the number of international territories by extending its international distribution network with the addition of agreements covering South Africa and five Scandinavian territories in July. In the first half the extended eOne network, which now includes Germany, France, Scandinavia, Australia, New Zealand and South Africa, released over 30 DVD titles including *Dorian Gray*, *Sanctuary Season 2* and *Triage*.

The Group further established its position in the digital arena with revenues, including both downloads and video on demand, more than doubling to £15 million and accounting for over 7% of the Group's sales in the first half compared to 4% in the prior twelve months. During the period an agreement was reached with iTunes through which the Group will not only sell its own content but will also act as an aggregator for other independent film businesses. In Canada, the Group also recently concluded an agreement to supply content to Netflix following its launch there in September 2010.

The Television division had a strong first half delivering 115 half hours of programming (2009: 85 half hours). This was driven by the success of eOne's new primetime series which were delivered to the major television networks in Canada and the U.S. this year. Viewing figures for these shows, including *Rookie Blue*, *Haven*, *Call Me Fitz* and *Hung*, have been excellent and as a result each of these shows have received commissions for a second series and in the case of *Hung* a third series. The successes in North America provide a firm foundation for international sales around the globe and with an expanding sales team the company had significant success in driving new sales at the major international television markets. The pipeline for the rest of the year, which is forecast to deliver a similar number of half hours as the first half, includes a number of new projects as well as reorders of programmes such as *ReVamped* (second series), *Outlaw Bikers* and *Party Mamas* which are now both into a fourth series. *The Walking Dead*, which reached record audiences for a cable premiere in the U.S., has also been ordered for a second series.

The eOne Family business continued to trade well, driven by the UK's number one girl's pre-school character *Peppa Pig*. The recently announced deal with Nick Jr., which will see *Peppa Pig* screen on one of the highest rated kids TV channels in the U.S., is a major step that could result in significant new licensing opportunities for the Group. Other properties also outperformed with DVD releases of *Ben & Holly's Little Kingdom* and *Humf* both exceeding expectations. A second series of *Ben & Holly's Little Kingdom* has recently been commissioned and follows the successful launch of its licensing and merchandising programme in the UK.

Focus on development activity has increased since the appointment in June of a dedicated managing director for this business.

The annual independent valuation of the Group's content library increased by 14% to \$250 million (2009: \$220 million), in line with expectations, reflecting the increased investment in content over the previous year.

Sales in the North American Distribution division were broadly in line with management expectations albeit behind the same period in the prior year on a constant currency basis. Overall, a reduction in the number of major DVD releases in the first half had an impact on the home video market, particularly in the second quarter. It is anticipated that, based on the forthcoming release slate, this position will be largely recovered in the second half.

OUTLOOK

The directors are confident that the business will continue to trade in line with expectations for the remainder of the year. The second half of the year will see Film benefiting theatrically from the release of films such as *Gnomeo & Juliet*, while home video will see the releases of a number of recent strong theatrical performers led by *The Twilight Saga: Eclipse* and also including *RED*, *The Hole 3D* and *Nativity*. The Television business anticipates delivering second series of *Rookie Blue* and *Call Me Fitz* and a first series of the North American version of the UK show *Skins*. The Distribution division is expecting a strong forthcoming holiday season. Seasonal factors will drive positive free cashflow in the second half and by the year end net debt is expected to be lower than at 31 March 2010.

GROUP RESULTS

Reported revenues were up 30% to £212.0 million (2009: £163.6 million) helping drive a 34% growth in underlying EBITDA to £12.5 million (2009: £9.3 million). The underlying EBITDA growth reflects a strong performance in the Television business and is despite a 88% increase in Print and Advertising costs ("P&A") during the period, up from £19.9 million to £37.4 million. The higher P&A supported the increased number of theatrical releases in the Film business. The reported loss before tax was £5.4 million better year on year at £2.5 million (2009: loss £7.9 million) reflecting the growth in underlying EBITDA and reduced financing costs due to lower net debt levels during the period. On an adjusted basis, excluding amortisation of acquired intangible assets, share-based payment charges and one-off items, the Group reported a £4.7 million increase in profit before tax to £7.5 million (2009: £2.8 million).

Six months to 30 September	2010	2009		2009	
	Reported	Reported	%	Constant Currency	
	£000	£000		£000	%
Revenue	211,993	163,565	29.6%	178,366	18.9%
Underlying EBITDA	12,468	9,295	34.1%	9,758	27.8%
P&A	37,440	19,873	88.4%	21,152	77.0%

The Group's results have benefited from currency movements resulting from the weakening in sterling relative to the comparative period, particularly against the Canadian Dollar (down 13% at average rates). As a result comparisons to prior year are stated both on a reported basis and also on a proforma constant currency basis.

On a constant currency basis revenues were up 19%, primarily driven by the strong results in the Entertainment division which saw revenue growth of 42% from increased theatrical releases in the Film business and strong growth in the number of half hours delivered in Television. This growth helped drive the 28% increase in the Group's underlying EBITDA to £12.5 million. Revenues in the Distribution division were 6% lower mainly due to a reduction in the number of major home entertainment releases in Canada during the period, a trend that is expected to reverse in the second half of the year.

DIVISIONAL REVIEWS

The Group reports its results as two divisions, Entertainment and Distribution. Unless otherwise stated, comparative information in this section is stated on a constant currency basis. The comparative period is the six months to 30 September 2009.

ENTERTAINMENT

The Entertainment division comprises the Film and Television businesses. Revenue increased by 42% to £128.7 million due to strong growth in both the Film and Television businesses. Underlying EBITDA was up 67% to £11.0 million.

Film

The Film business operates in Canada, the UK, Benelux and the U.S.. Revenue grew by £21.7 million, or 27%, driven by the continued success of the Group's strategy to drive growth through increased investment in content, which was up 50%. Box office revenues in all the territories in which the business operates continued to grow while the DVD market remained robust.

Underlying Film EBITDA at £4.3 million was £3.2 million lower than the prior year driven by the costs associated with significantly increased theatrical release activity undertaken by the Group in the period. In particular P&A spend in the period was £16.4 million higher at £36.7 million (2009: £20.3 million) and content amortisation was up £3.2 million at £17.1 million (2009: £13.9 million). The second half will see the release to home entertainment of these theatrical titles and drive year on year growth in underlying EBITDA in the full year.

Film	2010	2009		2009	
	Reported	Reported		Constant Currency	
	£000	£000	%	£000	%
Revenue	101,232	75,311	34.4%	79,537	27.3%
Underlying EBITDA	4,279	7,222	(40.8%)	7,499	(42.9%)
P&A	36,736	19,105	92.3%	20,285	81.1%
Investment in content	31,361	20,289	54.6%	20,894	50.1%

* Results of the UK Family business are now included within Television and prior year figures in the above table have been adjusted accordingly.

The Group continued to develop its multi-territory release slate in the first half. The highlight was the third film in the Twilight Saga series, *The Twilight Saga: Eclipse* which continued the success of the first two films, grossing almost £30 million at the box office in the UK and \$27 million in Canada. Other titles released cross-territory were *Letters to Juliet*, *Furry Vengeance*, *Love Ranch*, *Remember Me* and *The Runaways*. In October *RED* (starring Bruce Willis, Helen Mirren, Morgan Freeman and John Malkovich) performed ahead of expectations and the remainder of the second half of the year includes *Fair Game* (Naomi Watts and Sean Penn), *The Way Back* (Colin Farrell and Mark Strong) and *Gnomeo & Juliet*.

UK - Revenue in the UK was up 68% due mainly to an increase in the number of theatrical releases to nine compared to three in the first half last year. In addition to the multi-territory titles, releases included the horror film *Rec2*, comedy *The Joneses* and eOne UK's first 3D release, *The Hole 3D*. Home Video (including rental and DVD / Blu-ray sales) benefited from *Streetdance 3D*, which was a number one new release, the latest series of the primetime TV drama *Spooks* and theatrical titles *Remember Me* and *Astroboy*.

The second half of the year also contains a strong slate with seven theatrical releases including *Mr Nice* (starring Rhys Ifans) and Peter Mullan's *NEDS*. In addition 35 DVD/Blu-ray releases are planned including last year's seasonal box office hit *Nativity*, *Lemmy* and *The Tortured*.

Canada - Revenue in Canada increased by 40% in the first half. 32 titles were released theatrically compared to 31 in the comparative period, including the sci-fi thriller *Splice*, and Denis Villeneuve's award winning drama *Incendies*. Home Video benefited from prior year theatrical releases including *The Imaginarium of Dr Parnassus*, *The Ghost Writer*, *Remember Me* and the current year theatrical release of *Furry Vengeance*, while crime drama *Animal Kingdom* (starring Guy Pearce) performed extremely well internationally.

Theatrical releases in the second half include *Barney's Version* (Paul Giamatti, Dustin Hoffman, Rosamund Pike and Minnie Driver), *The Lincoln Lawyer* (Matthew McConaughey and Ryan Phillippe) and *Lance et Compte*, based on the popular Canadian television series. In total the Canadian business is planning to release over 25 movies theatrically in the second half and over 120 titles on DVD.

Benelux - The Benelux business maintained content investment at consistent levels although revenue was lower as this year's film slate is weighted to the second half of the year. Theatrical releases in the first half included *Machete*, *Streetdance 3D*, *Law Abiding Citizen* and *Resident Evil: Afterlife 3D*, while Home Video included *From Paris with Love*, *Edge of Darkness*, *The Imaginarium of Dr Parnassus* and *Solomon Kane*.

The second half slate includes Mike Leigh's *Another Year*, *The Next Three Days* (Russell Crowe, Liam Neeson and Elisabeth Banks), *Blitz* (Jason Statham, David Morrissey and Luke Evans) and the third film in the successful local *Sinterklaas* ('Santa Claus') series. In total 29 theatrical releases and 40 DVD releases are planned for the second half.

U.S. - The U.S. Home Video business continued to increase its slate in the first half and revenue was up 43% compared to the prior year. Releases in the first half included *Love Ranch* (starring Joe Pesci and Helen Mirren), family film *The Secret of Moonacre* (Tim Curry and Juliet Stevenson), *The Greatest* (Carey Mulligan, Pierce Brosnan and Susan Sarandon) and the second series of TV drama *Sanctuary*. Second half releases include horror film *Night of the Demons*, Swedish action film *Arn: The Knight Templar*, Stephan Poliakoff's historical drama *Glorious 39* and the Group's Canadian TV comedy series *Testees*.

Film also incorporates the results of the U.S. music label where revenues and underlying EBITDA were broadly in line with prior year.

Television

Television comprises the Production, International Sales and Family businesses. Revenues were up by 146% compared to last year and underlying EBITDA increased £7.6 million to £6.7 million (2009: loss £0.9 million). At the half year contracted sales not yet recognised as revenue relating to work in progress were over £20 million.

Television	2010	2009		2009 – Proforma,	
	Reported	Reported		Constant Currency	
	£000	£000	%	£000	%
Revenue	27,513	10,312	167%	11,183	146%
Underlying EBITDA	6,690	(589)	n/a	(942)	n/a
P&A	608	717	(15.2%)	815	(25.4%)
Investment in content & programmes	12,124	18,592	(34.8%)	20,510	(40.9%)

* Results of the UK Family business are now included within Television and prior year figures in the above table have been adjusted accordingly.

Production – Production has continued to gain momentum in the first half with increased activity compared to the corresponding period with 115 half hours of programming delivered compared to 85 last year.

The first of a number of major programmes in development last year were delivered in the six months to 30 September. These included the final episodes of police drama *Rookie Blue* which were delivered in May. As well as achieving the highest viewing figures in Canada for any series in the 2009/10 broadcast year it also became the most-watched new Canadian series in two decades and averaged more than 6 million viewers per week on the U.S. network ABC. A second series is in production and due to commence delivery before the end of the financial year. Mystery drama *Haven*, based on a novella by Steven King, was delivered to Syfy and NBC Universal and also ranked as one of Canadian cable channel Showcase's highest rated original series in its history. A second series has recently been commissioned and filming will begin next year. Comedy *Call Me Fitz*, starring Jason Priestly, premiered successfully in September and production of a second series has already begun, while the second series of award winning comedy *Hung* premiered on HBO and a third series has been commissioned.

Other deliveries in the first half included crime drama *Shattered* which aired on Canwest, a second series of animated comedy *The Dating Guy*, reality show *Party Mamas* and documentary *Outlaw Bikers*. Television movie *One Angry Juror* was delivered to cable networks Lifetime in the U.S. and Corus in Canada.

The pipeline remains strong. The remainder of the current financial year will also see delivery of the North American version of UK award winning teen drama *Skins*, comedy *Men with Brooms*, the pilot of a contemporary western *Hell On Wheels*, two new half hour comedy series and television movies *Goodnight for Justice* and *Finding a Family*.

International Sales - The growing number of successful shows from Production is providing the basis for expansion of International Sales. *Rookie Blue* and *Haven* have now been sold in over 120 territories. *Call Me Fitz*, which was launched internationally at the global TV market MIPCOM in October, is also selling well. The business also entered into agreements with Fox International Channels for the international distribution and home video rights for the new hit series *The Walking Dead*, which recently had the highest first night ratings ever for an original series on U.S. cable network AMC, and has already been commissioned for a second series.

Family - The Family business (formerly 'E1 Kids') made excellent progress in the first half with revenue up by 35% due principally to strong licensing and merchandising sales in the UK. The fourth series of *Peppa Pig* was delivered while *Ben & Holly's Little Kingdom*, which launched a successful range of books, toys and clothing in the summer, was the biggest pre-school new release DVD title of the year. Two further series of *Peppa Pig* are currently in production, for delivery by 2012, and a second series of *Ben & Holly's Little Kingdom* has recently been commissioned. The Family business has a strong development pipeline in conjunction with leading international broadcasters and the recent *Peppa* deal with Nick Jr. in the U.S. provides the opportunity for significant growth in the future.

DISTRIBUTION

The Distribution division comprises the Group's wholesale and logistics businesses in Canada and the U.S. Revenues at £101.3 million were down 6% and underlying EBITDA fell £1.7 million to £4.0 million.

Distribution	2010	2009		2009	
	Reported	Reported		Constant Currency	
	£000	£000	%	£000	%
Revenue	101,324	96,547	4.9%	107,582	(5.8%)
Underlying EBITDA	4,048	5,076	(20.3%)	5,763	(29.8%)

Revenues in the Canadian business were lower due mainly to a reduction in the number of major (over \$100 million box office) DVD releases in the first half. Underlying EBITDA was also down driven primarily by the lower sales. Blu-ray DVD sales grew by more than 50% as consumers continue to switch to this format. Full year results are anticipated to be broadly in line with management expectations due to the stronger release schedule anticipated in the second half.

The U.S. distribution business performed in line with last year. Home Video now represents around 50% of sales, compared to 30% in the comparative period.

GROUP COSTS

Group costs at £1.9 million (2009: £1.8 million) were broadly in line with the prior year.

OTHER FINANCIAL INFORMATION

A summary of adjusted financial information is presented, at reported exchange rates, in order to provide information to investors and excludes the following: one-off items, amortisation of acquired intangible assets, share-based payment charges and non-recurring items within net finance charges.

Adjusted operating profit increased 40% to £11.4 million (2009: £8.2 million) reflecting the increase in underlying EBITDA while Adjusted Profit Before Tax increased 166% to £7.5 million (2009: £2.8 million) supported by a decrease in net finance charges following the repurchase of exchangeable notes in the second half of the prior year.

	Adjusted		Reported	
	2010 £000	2009 £000	2010 £000	2009 £000
Underlying EBITDA	12,468	9,295	12,468	9,295
One-off items	-	-	(1,784)	(817)
Amortisation of intangible assets	(164)	(80)	(7,866)	(8,642)
Depreciation	(912)	(1,063)	(912)	(1,063)
Share-based payment charges	-	-	(509)	(1,394)
Operating profit / (loss)	11,392	8,152	1,397	(2,621)
Net finance charges	(3,918)	(5,342)	(3,857)	(5,287)
Profit / (loss) before tax	7,474	2,810	(2,460)	(7,908)
Taxation (charge) / credit	(766)	(1,303)	958	531
Profit / (loss) after tax	6,708	1,507	(1,502)	(7,377)

One-off items in the current year comprise the final costs incurred as part of the step up to the Main Market of the London Stock Exchange and corporate reorganisation.

Amortisation of acquired intangible assets, arising from the corporate acquisition activity undertaken by the Group since 2007, decreased from £8.6 million to £7.7 million and depreciation decreased from £1.1 million to £0.9 million.

Share-based payment charges decreased from £1.4 million to £0.5 million in line with the vesting profile of the Group's share incentive schemes, the majority of which were granted on listing of the Group on AIM in March 2007.

Net finance charges decreased 27% from £5.3 million to £3.9 million. Of this movement, £1.0 million related to the lower interest charge in relation to the exchangeable notes following the buy back by the Group of 74% of this debt in the second half of the prior year.

On a reported basis the Group's tax credit of £1.0 million represents an effective rate of 39% compared to 7% in the comparative period and 5% for the year to 31 March 2010. The overall Group effective rate continues to fluctuate during the year due to the phasing of profits in different jurisdictions. On an adjusted basis the effective rate is 10% compared to 46% in the comparative period and 20% in the year to 31 March 2010. The adjusted effective rate for the full year is anticipated to be below 30%, in line with management's expectations.

Earnings and Loss per Share

The reported diluted loss per share improved to 0.9 pence (2009: loss 5.3 pence) reflecting the decreased reported loss after tax of £1.5 million (2009: loss of £7.4 million). On an adjusted basis the diluted earnings per share was up significantly to 3.9 pence (2009: 1.0 pence).

Cash flow and Financing

The Group's cash balances decreased by £1.9 million during the period reflecting the increased investment in content in the first half:

	Six months to 30 September 2010 £000	Six months to 30 September 2009 £000
Net cash from operating activities	30,597	28,625
Investment in content rights and TV programmes	(43,484)	(38,881)
Purchase of other non-current assets *	(428)	(1,101)
Free cash flow	(13,315)	(11,357)
Acquisition of subsidiaries	(3,068)	(4,503)
Net interest paid	(2,824)	(2,415)
Cash from other financing activities	17,282	27,262
Net increase / (decrease) in cash and cash equivalents	(1,925)	8,987

* Other non-current assets comprise property, plant and equipment and intangible software.

Cash flow from operating activities of £30.6 million compared to £28.6 million in the comparative period. This cash performance reflects strong trading, and includes a £7.0 million net working capital outflow (2009: £5.0 million inflow), mainly due to the timing impact of royalty payments.

The Group invested £43.5 million in content rights and television programmes in the period (2009: £38.9 million). The increase represents higher investment in the Film business, mainly in the UK due to the significant increase in the number of theatrical releases in the first half compared to the equivalent period in the prior year.

Acquisition of subsidiaries of £3.1 million comprises the final deferred payments relating to the acquisition of the TV businesses in September 2008.

Net debt reduced by £7.7 million compared to 30 September 2009 and at £103.2 million was £17.1 million higher than at 31 March 2010. Adjusted Net Debt (which excludes Television Production Net Debt) was the main driver of the movement since 31 March 2010 due mainly to investment in content which more than offset the operating cash flows generated in the first half. This reflects the seasonal profile of the business and it is anticipated that positive cash flows in the second half of the year will generate positive full year free cash flow and a reduction in Adjusted Net Debt year on year.

	Six months to 30 September 2010 £000	Six months to 30 September 2009 £000
Net debt at 31 March	(86,056)	(89,795)
Movement in cash and cash equivalents	(1,925)	8,987
Net movement in borrowings	(17,284)	(27,262)
Foreign exchange movements	3,268	(577)
Other items	(1,200)	(2,230)
Net debt at 30 September	<u>(103,197)</u>	<u>(110,877)</u>

The net debt balances at 30 September 2010 comprised the following:

	30 September 2010 £000	31 March 2010 £000
Senior Revolving Credit Facility	88,375	74,703
Cash and other items (excl. Television Production)	(13,699)	(17,116)
Senior Net Debt	<u>74,676</u>	<u>57,587</u>
Exchangeable Notes	6,014	5,612
Adjusted Net Debt	<u>80,690</u>	<u>63,199</u>
Television Production Net Debt	22,507	22,857
Net debt	<u>103,197</u>	<u>86,056</u>

Senior Net Debt

The Senior Net Debt balance was £74.7 million, up £17.1 million since the year end due to the increased investment in content. At 30 September 2010, using prevailing exchange rates, the total available facility was US\$181 million. The Group does not anticipate drawing on these additional amounts but they provide the Group with capital to pursue its strategic objectives should opportunities become available. The facility is due for renewal in September 2012.

Exchangeable Notes

The exchangeable notes are subordinated to the senior credit facility and do not contain covenants that would result in the exchangeable notes becoming payable prior to the end of their term in September 2013. Interest on the exchangeable notes is not payable in cash but accrues and is payable alongside the principal on maturity if the option to convert to equity is not exercised.

Television Production Net Debt

Television Production Net Debt was broadly unchanged at £22.5 million. This financing is independent of the Group's senior credit facility and is not secured over all of the Group's assets. It is attributable to the Television production companies within the Television business and represents shorter-term working capital financing that is arranged and secured on a production-by-production basis.

The Group's net assets were £157.3 million at 30 September 2010 (31 March 2010: £164.0 million).

The directors consider it appropriate to prepare the interim statements on a going concern basis, as set out in Note 2 to this interim announcement.

Responsibility Statement

The directors confirm to the best of their 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 parties' transactions and changes therein).

By order of the Board,

Giles Willits
Director
16 November 2010

Condensed Consolidated Income Statement
For the six months ended 30 September 2010

	Notes	Six months ended 30 September 2010 (Unaudited) £000	Six months ended 30 September 2009 (Unaudited) £000	Year ended 31 March 2010 (Audited) £000
Revenue	3	211,993	163,565	444,172
Cost of sales		(163,480)	(123,098)	(341,731)
Gross profit		48,513	40,467	102,441
Administrative expenses		(47,116)	(43,088)	(91,939)
Operating profit/(loss)		1,397	(2,621)	10,502
Analysed as:				
Underlying EBITDA		12,468	9,295	34,334
Amortisation of intangible assets		(7,866)	(8,642)	(17,488)
Depreciation		(912)	(1,063)	(2,019)
Share-based payment charge		(509)	(1,394)	(2,743)
One-off items	4	(1,784)	(817)	(1,582)
		1,397	(2,621)	10,502
Finance income	5	123	512	7,777
Finance costs	5	(3,980)	(5,799)	(11,404)
(Loss)/profit before tax		(2,460)	(7,908)	6,875
Income tax credit/(charge)	6	958	531	(321)
(Loss)/profit for the period		(1,502)	(7,377)	6,554
Attributable to:				
Equity holders of the parent		(1,502)	(7,377)	6,554
Earnings/(loss) per share				
Basic – pence	8	(0.9)	(5.3)	4.6
Diluted – pence	8	(0.9)	(5.3)	4.3

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 September 2010

	Six months ended 30 September 2010 (Unaudited) £000	Six months ended 30 September 2009 (Unaudited) £000	Year ended 31 March 2010 (Audited) £000
(Loss)/profit for the period	(1,502)	(7,377)	6,554
Exchange differences on foreign operations	(5,281)	1,606	10,585
Fair value movements on cash flow hedges	(364)	-	488
Reclassification of cash flow hedges	(244)	-	-
Tax on cash flow hedges	185	-	(123)
Total comprehensive (loss)/income for the period	(7,206)	(5,771)	17,504
Attributable to:			
Equity holders of the parent	(7,206)	(5,771)	17,504

Condensed Consolidated Balance Sheet
As at 30 September 2010

	Notes	30 September 2010 (Unaudited) £000	30 September 2009 (Unaudited) £000	31 March 2010 (Audited) £000
Assets				
Non-current assets				
Goodwill		102,222	100,207	105,045
Investment in programmes		31,894	27,060	26,014
Other intangible assets		67,031	80,021	77,366
Investments		121	115	128
Property, plant and equipment		4,564	5,895	5,397
Other receivables		1,828	316	1,714
Deferred tax assets		1,981	1,827	2,014
Total non-current assets		209,641	215,441	217,678
Current assets				
Inventories		43,192	40,387	47,831
Investment in content rights		76,841	53,561	65,346
Trade and other receivables		101,081	72,707	114,187
Current tax assets		913	2,203	704
Other financial assets		-	-	488
Cash and cash equivalents		15,959	20,844	18,557
Total current assets		237,986	189,702	247,113
Total assets		447,627	405,143	464,791
Liabilities and equity				
Non-current liabilities				
Interest bearing loans and borrowings		96,503	109,399	86,236
Provisions		-	111	-
Other payables		189	132	494
Deferred tax liabilities		9,936	15,100	10,556
Total non-current liabilities		106,628	124,742	97,286
Current liabilities				
Trade and other payables		156,610	125,039	177,582
Current tax liabilities		1,671	1,302	4,865
Interest bearing loans and borrowings		22,653	22,322	18,377
Provisions		429	677	492
Other financial liabilities		2,325	2,280	2,176
Total current liabilities		183,688	151,620	203,492
Total liabilities		290,316	276,362	300,778
Equity				
Share capital	9	-	675	797
Share premium	9	142,652	126,352	138,268
Treasury shares		(7,819)	(7,819)	(7,819)
Other reserves	9	9,855	14,915	13,865
Currency translation reserve		33,465	29,767	38,746
Retained earnings		(20,842)	(35,109)	(19,844)
Total equity		157,311	128,781	164,013
Total liabilities and equity		447,627	405,143	464,791

Condensed Consolidated Cash Flow Statement
Six months ended 30 September 2010

	Six months ended 30 September 2010 (Unaudited) £000	Six months ended 30 September 2009 (Unaudited) £000	Year ended 31 March 2010 (Audited) £000
Operating activities			
Operating profit/(loss)	1,397	(2,621)	10,502
Adjustments for:			
Depreciation	912	1,063	2,193
Amortisation of other intangible assets	7,678	8,329	16,884
Amortisation of content rights	17,723	14,347	37,646
Amortisation of television programmes	12,162	4,369	18,759
Foreign exchange movements	(264)	(182)	138
Share-based payment charge	509	1,394	2,743
Decrease/(increase) in inventories	2,308	(254)	(7,699)
Decrease/(increase) in trade and other receivables	6,226	13,613	(29,975)
(Decrease)/increase in trade and other payables	(15,536)	(8,382)	38,779
Decrease in provisions	(41)	(744)	(983)
Net cash inflow from trading activities	33,074	30,932	88,987
Income tax paid	(2,477)	(2,307)	(3,786)
Net cash from operating activities	30,597	28,625	85,201
Investing activities			
Interest received	3	47	84
Acquisition of subsidiaries	(3,068)	(4,503)	(5,916)
Investment in content rights	(31,572)	(20,565)	(50,875)
Investment in television programmes	(11,912)	(18,316)	(23,788)
Purchases of property, plant and equipment	(289)	(672)	(944)
Purchases of intangible software assets	(139)	(429)	(1,029)
Net cash used in investing activities	(46,977)	(44,438)	(82,468)
Financing activities			
Proceeds on issue of shares (net of costs)	-	-	10,035
Increase in interest bearing loans and borrowings	30,694	22,060	34,264
Repayment of interest bearing loans and borrowings	(13,218)	(2,600)	(43,209)
Net (repayment)/drawdown of production financing	(194)	7,802	7,799
Interest paid	(2,827)	(2,462)	(5,783)
Net cash from financing activities	14,455	24,800	3,106
Net (decrease)/increase in cash and cash equivalents	(1,925)	8,987	5,839
Cash and cash equivalents at beginning of the period	18,557	11,767	11,767
Effects of exchange rate fluctuations on cash held	(673)	90	951
Cash and cash equivalents at end of period	15,959	20,844	18,557

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 September 2010

	Share capital £000	Share premium £000	Treasury shares £000	Other reserves £000	Currency translation reserve £000	Retained earnings £000	Total equity £000
At 31 March 2009 (Audited)	675	126,352	(7,819)	14,915	28,161	(29,083)	133,201
Total comprehensive income for the period	-	-	-	-	1,606	(7,377)	(5,771)
Share-based payment charge	-	-	-	-	-	1,351	1,351
At 30 September 2009 (Unaudited)	675	126,352	(7,819)	14,915	29,767	(35,109)	128,781
Total comprehensive income for the period	-	-	-	365	8,979	13,931	23,275
Shares issued during the period	122	11,916	-	(1,415)	-	-	10,623
Share-based payment charge	-	-	-	-	-	1,334	1,334
At 31 March 2010 (Audited)	797	138,268	(7,819)	13,865	38,746	(19,844)	164,013
Effect of scheme of arrangement (refer note 9)	(797)	4,384	-	(3,587)	-	-	-
At 1 April 2010 (restated)	-	142,652	(7,819)	10,278	38,746	(19,844)	164,013
Total comprehensive income for the period	-	-	-	(423)	(5,281)	(1,502)	(7,206)
Share-based payment charge	-	-	-	-	-	504	504
At 30 September 2010 (Unaudited)	-	142,652	(7,819)	9,855	33,465	(20,842)	157,311

Notes to the Financial Statements for the Six Months ended 30 September 2010

1. General information

Entertainment One Ltd. and subsidiaries ("the Group") is a leading independent international entertainment business. Entertainment One Ltd. ("the Company") is the Group's ultimate parent company. Until 14 July 2010 the Company was incorporated in the Cayman Islands, domiciled in Jersey and listed on the Alternative Investment Market on the London Stock Exchange. Following close of business on 14 July 2010, subsequent to shareholder approval and pursuant to a Scheme of Arrangement in the Cayman Islands, the Company moved its place of incorporation and domicile to Canada and graduated to a standard listing on the London Stock Exchange. Further details are set out in Note 9.

Entertainment One Ltd. presents its condensed consolidated interim financial statements in Pounds Sterling (£), which is also the functional currency of the Parent Company. These condensed interim financial statements were approved for issue by the directors on 16 November 2010.

2. Basis of preparation

The financial information presented in this interim report has been prepared in accordance with the accounting policies and methods of computation which the Group expects to adopt for the 2011 year end. These policies are consistent with the principal accounting policies which were set out in the Group's latest annual audited financial statements, which can be found on the Group's website, www.entertainmentonegroup.com, and are in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The auditors have carried out a review of the condensed consolidated financial statements and their report is set out following Note 11.

Use of additional performance measures

The Group presents one-off items, underlying EBITDA, adjusted profit before tax and adjusted earnings per share information. These measures are used by the Group for internal performance analysis and incentive compensation arrangements for employees. The terms "one-off items", "underlying" and "adjusted" may not be comparable with similarly titled measures reported by other companies. The term "underlying EBITDA" refers to operating profit or loss excluding operating one-off items, share-based payment charges, depreciation and amortisation of intangible assets. The terms "adjusted profit before tax" and "adjusted earnings per share" refer to the reported measures excluding operating one-off items, amortisation of intangible assets arising on acquisition, one-off items relating to the Group's financing arrangements and share-based payment charges.

Going concern

As part of their ongoing assessment of the Group and its future prospects the directors review regular updates to the forecasts and plans prepared by management. The most recent forecasts, which extend at least 12 months from the date of signing of this report and take account of reasonable possible changes in trading performance (and mitigating actions), show that the Group will be able to operate within the expected limits of its financing facilities and provide headroom against its banking covenants for the foreseeable future. For this reason the directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the interim financial statements.

3. Segmental Analysis

For internal reports and management purposes the Group is organised into two main reportable segments based on the types of products and services from which each segment derives its revenue: entertainment and distribution.

These divisions are the basis on which the Group reports its operating segment information. The types of products and services from which each reportable segment derives its revenues are as follows:

- Entertainment: the acquisition and exploitation of filmed entertainment and music rights across all media and the production of television content.
- Distribution: the ownership of distribution channels to retailers in territories and media where the Group can capture additional margin and improve delivery of products to consumers.
- Included within "Other" is a non-core retail operation in Canada.

Segment information for the six months ended 30 September 2010 is presented below.

	Entertainment £000	Distribution £000	Other £000	Eliminations £000	Consolidated £000
Segment revenues					
External sales	107,295	95,188	9,510	-	211,993
Inter-segment sales	21,450	6,136	-	(27,586)	-
Total segment revenues	128,745	101,324	9,510	(27,586)	211,993
Segment results					
Segment underlying EBITDA	10,969	4,048	(858)	228	14,387
Group costs					(1,919)
Underlying EBITDA					12,468
Depreciation and amortisation					(8,778)
Share-based payment charge					(509)
One-off items					(1,784)
Operating profit					1,397
Finance income					123
Finance costs					(3,980)
Loss before tax					(2,460)
Tax					958
Loss after tax					(1,502)

Segment information for the six months ended 30 September 2009 is presented below:

	Entertainment £000	Distribution £000	Other £000	Eliminations £000	Consolidated £000
Segment revenues					
External sales	63,882	88,552	11,131	-	163,565
Inter-segment sales	21,741	7,995	-	(29,736)	-
Total segment revenues	85,623	96,547	11,131	(29,736)	163,565
Segment results					
Segment underlying EBITDA	6,633	5,076	(605)	(28)	11,076
Group costs					(1,781)
Underlying EBITDA					9,295
Depreciation and amortisation					(9,705)
Share-based payment charge					(1,394)
One-off items					(817)
Operating loss					(2,621)
Finance income					512
Finance costs					(5,799)
Loss before tax					(7,908)
Tax					531
Loss after tax					(7,377)

Segment information for the year ended 31 March 2010 is presented below:

	Entertainment £000	Distribution £000	Other £000	Eliminations £000	Consolidated £000
Segment revenues					
External sales	205,280	213,684	25,208	-	444,172
Inter-segment sales	46,539	17,300	-	(63,839)	-
Total segment revenues	251,819	230,984	25,208	(63,839)	444,172
Segment results					
Segment underlying EBITDA	26,538	13,257	(922)	(29)	38,844
Group costs					(4,510)
Underlying EBITDA					34,334
Depreciation and amortisation					(19,507)
Share-based payment charge					(2,743)
One-off items					(1,582)
Operating profit					10,502
Finance income					7,777
Finance costs					(11,404)
Profit before tax					6,875
Tax					(321)
Profit after tax					6,554

4. One-off items

	Notes	Six months ended 30 September 2010 £000	Six months ended 30 September 2009 £000	Year ended 31 March 2010 £000
Restructuring and abortive acquisition costs	(a)	1,784	297	955
Loss on disposal of investment	(b)	-	306	306
Rebranding	(c)	-	214	321
		1,784	817	1,582

- (a) Restructuring and abortive acquisition costs in the current period include £1.8m for the final costs incurred as part of the graduation to a standard listing on the Main Market of the London Stock Exchange and concurrent corporate reorganisation. Prior year restructuring costs include £0.4m for the initial costs of the graduation and corporate reorganisation and the final tranche of costs relating to a business reorganisation and abortive acquisition in the prior year.
- (b) Loss on disposal of investment in the prior year relates to an investment held in the Canadian Distribution business that was disposed of in the first half of that financial year.
- (c) Rebranding costs in the prior year were principally additional legal costs relating to the rebranding of the Group begun in 2009.

5. Finance income and finance costs

Finance income and finance costs comprise:

	Six months ended 30 September 2010 £000	Six months ended 30 September 2009 £000	Year ended 31 March 2010 £000
Finance income			
Interest income	3	50	84
Gain on repurchase of exchangeable notes	-	-	7,250
Increase in fair value of derivative instruments	120	462	443
	123	512	7,777
Finance costs			
Interest expense on bank loans and overdrafts	(2,611)	(2,777)	(5,590)
Amortisation of deferred finance charges	(820)	(868)	(1,977)
Interest expense on exchangeable notes	(394)	(1,419)	(2,507)
Decrease in fair value of derivative instruments	(59)	(407)	(1,287)
Net foreign exchange losses	(96)	(328)	(43)
	(3,980)	(5,799)	(11,404)
Net finance charges	(3,857)	(5,287)	(3,627)

6. Tax

	Six months ended 30 September 2010 £000	Six months ended 30 September 2009 £000	Year ended 31 March 2010 £000
Current tax	(815)	(778)	5,324
Deferred tax	(143)	247	(5,003)
Tax (credit)/charge	(958)	(531)	321

The reported effective income tax rate for the six months ended 30 September 2010 is 38.9% (30 September 2009: 6.7% credit; 31 March 2010: 4.7% credit). The rate is calculated by applying the estimated annual effective income tax rate by tax jurisdiction to the pre-tax profits and losses of each jurisdiction for the six month period. The rate for the six month period is high due to the timing of profits in different jurisdictions and the inclusion of prior year items.

7. Dividends

The directors are not recommending payment of an interim dividend (30 September 2009: £nil; 31 March 2010: £nil).

8. Earnings / (loss) per share

	Six months ended 30 September 2010 Pence	Six months ended 30 September 2009 Pence	Year ended 31 March 2010 Pence
Basic earnings/(loss) per share	(0.9)	(5.3)	4.6
Diluted earnings/(loss) per share	(0.9)	(5.3)	4.3
Adjusted basic earnings per share	4.2	1.1	12.3
Adjusted diluted earnings per share	3.9	1.0	11.5

Basic earnings/(loss) per share and diluted earnings/(loss) per share have been calculated by dividing the earnings/(loss) attributable to shareholders by the weighted average number of shares in issue during the period after deducting Treasury shares.

The adjusted basic earnings per share calculation is based on the basic loss per share calculation after allowing for adjusted items.

Diluted and adjusted diluted earnings per share have been calculated after adjusting the weighted average number of shares used in the basic and adjusted calculation to assume the conversion of all potentially dilutive shares.

Reconciliations of the profit and loss used in the basic and diluted earnings calculations to profit and loss used in the adjusted earnings/(loss) per share calculations are set out below.

	Six months ended 30 September 2010 £000	Six months ended 30 September 2009 £000	Year ended 31 March 2010 £000
For basic and diluted earnings/(loss) per share			
(Loss)/profit for the financial period	(1,502)	(7,377)	6,554
For adjusted basic and adjusted diluted earnings/(loss) per share			
(Loss)/profit for the financial period	(1,502)	(7,377)	6,554
Add back:			
One-off items	1,784	817	1,582
Amortisation of acquired intangibles	7,702	8,562	17,289
Share-based payments	509	1,394	2,743
Financing net fair value movements	(61)	(55)	844
Gain on repurchase of exchangeable notes	-	-	(7,250)
Direct tax effect of above items	(1,724)	(1,834)	(4,172)
Adjusted earnings after tax	6,708	1,507	17,590
Weighted average number of shares in issue			
Basic	160,196,493	139,300,625	142,610,865
Dilution for share options	10,427,129	7,153,348	10,975,542
Adjusted diluted	170,623,622	146,453,973	153,586,407

9. Equity and Corporate Reorganisation

In July 2010, pursuant to shareholder approval and a Scheme of Arrangement (“the Scheme”) sanctioned by the Cayman Islands Court, the place of incorporation of the ultimate parent company changed from the Cayman Islands to Canada. In addition 151,926,963 ordinary shares and 15,620,395 S Class shares of the Company, representing 100 per cent of the Company’s issued share capital, were exchanged for an equal number of common shares (being 167,547,358 common shares) of Entertainment One Ltd., a newly incorporated Canadian company. Common shares of the new Canadian company have no par value and the authorised number of common shares is unlimited.

The Group’s Board of Directors and management did not change as a result of the Scheme and the consolidated net assets of the Group immediately after the Scheme were the same as the consolidated net assets of the Group immediately prior to the Scheme. Earnings per share are also unaffected by the reorganisation.

Subsequent to the Scheme, in August 2010, the Company issued 1,308,369 common shares in settlement of employee share options.

Changes to the number of issued shares since 31 March 2010 are as follows:

	Ordinary shares	S Class shares	Common shares
At 1 April 2010	151,926,963	15,620,395	-
Impact of the Scheme	(151,926,963)	(15,620,395)	167,547,358
Exercise of share options	-	-	1,308,369
At 30 September 2010	-	-	168,855,727

Changes to the Company’s capital since 31 March 2010 are as follows:

	Share capital £000	Share premium £000	Other reserves £000	Total capital and other reserves £000
At 1 April 2010	797	138,268	13,865	152,930
Conversion of S Class shares	-	12,861	(12,861)	-
Issue of shares in new parent company	(797)	(8,477)	9,274	-
At 1 April 2010 (restated)	-	142,652	10,278	152,930
Movements in other reserves	-	-	(423)	(423)
At 30 September 2010	-	142,652	9,855	152,507

Included within other reserves is a permanent restructuring reserve of £9.3 million. The restructuring reserve arose on completion of the Scheme and represents the difference between the net assets and share capital and share premium in the ultimate parent company immediately prior to the Scheme.

Also included within other reserves is a warrant reserve and hedging reserve.

On 24 May 2010, as disclosed in the Group’s most recent annual report, in association with the ongoing commercial relationship with Summit Entertainment LLC (‘Summit’), 2,500,000 warrants were issued to Summit.

10. Seasonality

The Group's exposure to seasonality varies by division. The results of the Entertainment division are impacted by the number and timing of film releases. The release dates are not entirely in the control of the Group and are determined largely by the production and releasing schedules of the film's producers. Revenues from television productions are driven mainly by contracted delivery dates with primary broadcasters and can fluctuate significantly from period to period. Results of the Distribution division reflect seasonal patterns with the fourth calendar quarter providing the highest sales due to the increased consumer spending that accompanies the holiday season.

11. Risks and uncertainties

The Board considers risk assessment, identification of mitigating actions and internal control to be fundamental to achieving the Group's strategic objectives. The Corporate Governance report on pages 32 and 33 of the Annual Report & Accounts for the year ended 31 March 2010 describes the systems and processes through which the directors manage and mitigate risks. The Board considers that the principal risks to achieving its objectives are set out below. The Board recognises that the nature and scope of the risks can change and so reviews the risks faced by the Group as well as the systems and processes to mitigate them.

- Attracting and retaining the best people
- Strategy execution
- Acquisition effectiveness
- Content investment opportunities
- Financial risk management

As part of financial risk management the Group monitors foreign currency movements. The movement in foreign currency exchange rates during the period has an impact on the reporting of the financial performance of the Group. In particular, the different functional currencies of the Group (USD, CAD, EUR, GBP) result in consolidation translation gains and losses as the Group reports its financial results in GBP. During the period the balance sheet translation reserve showed a loss of £5.3 million, reflecting the impact of the stronger GBP on translation of the Group's non-sterling net assets. The Group looks to balance local currency borrowings with the net assets of the individual operating units to help mitigate the impact of currency movements in relation to the consolidated net assets of the Group.

The financial results of individual businesses within the Group are not significantly impacted by foreign currency movements other than in relation to the investment in film content which is generally transacted in USD. The Group reduces its exposure to risk in relation to foreign currency movements in these circumstances through hedging instruments and internal currency offsets where available.

In the view of the Board there is no material change in risk factors since 31 March 2010.

Further details of these risks are provided on pages 22 and 23 of the Annual Report & Accounts for the year ended 31 March 2010, a copy of which is available on the Company's website at www.entertainmentonegroup.com.

INDEPENDENT REVIEW REPORT TO ENTERTAINMENT ONE LTD.

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 2010 which comprises the condensed consolidated income statement, the condensed consolidated balance sheet, the condensed statement of changes in equity, the condensed consolidated statement of comprehensive income, the condensed consolidated cash flow statement and related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with 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 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 2, the annual financial statements of the company 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 condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2010 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 LLP

Chartered Accountants and Statutory Auditors
London, United Kingdom
16 November 2010