CITY OF LONDON
INVESTMENT GROUP PLC

HALF YEAR REPORT
2009/10

LONDON PHILADELPHIA SINGAPORE DUBAI LONDON PHILADELPHIA SINGAPORE DUBAI

City of London Investment Group Plc is a leading emerging market and natural resource asset management group, specialising in the provision of investment products and services to institutional clients. City of London operates its business from offices in London, the US, Singapore and Dubai.

Contents

Half year highlights

- Funds under management (FuM) increased substantially to US$4.7 billion (£2.9 billion) at the half year end from US$2.1 billion (£1.4 billion) at 30th November 2008 and US$3.5 billion (£2.2 billion) at the last year end on 31st May 2009, with outperformance against our principal benchmarks maintained

- FuM at 31st December 2009 were US$4.9 billion (£3 billion), reflecting continued strength in emerging markets

- Revenues increased by 32% to £13.8 million (2008: £10.4 million)

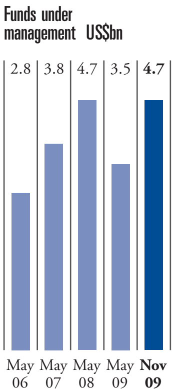
- Profit before tax increased by 75% to £4.8 million (2008: £2.7 million)

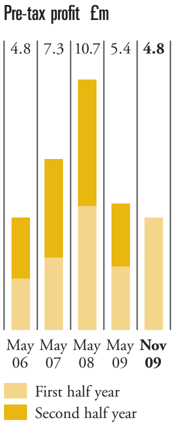
- An interim dividend of 7p per share (2008: 5p) is declared to be paid on 1st March 2010 to shareholders on the register on 12th February 2010, representing an increase of 40%

- Net cash generated from operations of £4.7 million (2008: £2.3 million) and cash balances at the period end of £4.7 million (2008: £4.2 million) with no borrowings

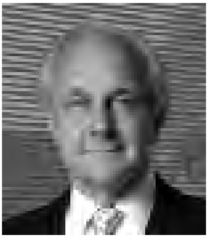
"It is pleasing to be able to report that following the market falls last year, a number of clients have increased their weighting to emerging markets, reinforcing our view that exposure to emerging markets is now a core component of balanced investment portfolios. The economic outlook for emerging markets remains, in our view, positive and significantly better than for many developed economies."

Andrew Davison, Chairman





Chairman's statement



"The pronounced recovery in the Group's investment markets from the lows recorded in late 2008 continued during the first half of the current financial year. The consistent strength of emerging markets in our first half has led to a welcome reduction in the volatility of our Funds under Management and therefore our revenues and profits."

It is pleasing to be able to report that following the market falls last year, a number of clients have increased their weighting to emerging markets, reinforcing our view that exposure to emerging markets is now a core component of balanced investment portfolios. The economic outlook for emerging markets remains, in our view, positive and significantly better than for many developed economies.

City of London continues to focus on diversifying its product offering. We anticipate that an increasing number of institutional investors will seek specialist fund managers to take advantage of expected growth in natural resources, where we can offer an established strategy with an excellent record, and we are also well positioned with respect to a select range of new products spanning both equity and closed end fund strategies.

Results – unaudited

Funds under Management ("FuM") as at 30th November 2009 were US$4.7 billion (£2.9 billion) compared to US$2.1 billion (£1.4 billion) at 30th November 2008, an increase of 123% in US dollar terms and 109% in sterling terms. FuM at 31st May 2009 were US$3.5 billion (£2.2 billion). The principal benchmark index, the MSCI Emerging Markets Index (MXEF), increased by 81% year on year as at 30th November 2009.

Revenue, fees charged on FuM, increased by 32% to £13.8 million (2008: £10.4 million) producing an operating profit of £4.6 million (2008: £3.3 million) after administrative expenses of £9.2 million (2008: £7.2 million). These figures comprise variable costs as well as overheads, with the former representing some 54% of the total for the current period (2008: 51%). Included within this is the profit-share distribution, which is 30% of the operating profit. The operational gearing inherent in our business is reflected in the 40% increase in operating profits, while profit before tax increases by 75% to £4.8 million (2008: £2.7 million) on the back of a partial recovery against last year's impairment charge. Basic earnings per share, after a 32% tax charge of £1.5 million (2008: £0.9 million representing 33% of pre-tax profit), were 13.3p (2008: 7.8p). Diluted earnings per share were 12.4p (2008: 7.1p).

Cash and cash equivalents at the period end were largely unchanged from the year end at £4.7 million (£4.1 million at 30th November 2008). The significant increase in the Group's deferred tax asset to £2.1 million (2008: £1.1 million) reflects the rise, during the prior twelve months, of the intrinsic value of our issued share options as the share price increased from the lows seen last November and on which we must provide for deferred tax. The rise in trade and other receivables to £4.4 million (2008: £2.3 million) almost wholly relates to the increase in fees receivable as FuM grew year on year. Available-for-sale financial assets, at £2.4 million (2008: £0.9 million), includes an additional £1.2 million of investments in our new Asia Value & Growth fund launched in June 2009.

Dividends

Our dividend strategy is for payments to shareholders to be covered approximately one and a half times by earnings per share, paid as to one third/two thirds between the interim and the final. The Board decided last year to temporarily accept a reduced annual dividend cover as a result of the substantial falls in stock markets impacting FuM. This year, dividend cover will be less than our long term target of one and a half times but greater than last year as we rebuild cover. Our aim is to provide shareholders, so far as we are able, with a relatively consistent level of income and to smooth short term volatility in earnings by accepting a lower level of cover from time to time. The Board has therefore declared an increased interim dividend of 7p per share (2008: 5p per share), payable on 1st March 2010 to shareholders on the register on 12th February 2010.

London Stock Exchange listing

We advised shareholders before the market crash in late 2008 that we planned to upgrade our current AIM listing to a full listing on the London Stock Exchange in order to widen the potential universe of investors in the Group. These plans were deferred last year as FuM fell substantially along with investment markets. The recovery in emerging markets seen to date and the prospects for their continued strength have led the Board to the view that the move to the full list should be revisited in 2010.

Outlook

The prospects for our investment markets appear more settled than at this time last year. The commitment of new money from our existing, and new, institutional clients that we reported at the time of the final results for last year is being translated into increased FuM. These two factors, taken together, lead us to believe that the progress made in the first half of the year should continue in the second half. At the same time, we are continuing to diversify, slowly and carefully, the Group's product offering. I look forward to reporting a successful full year of continuing recovery from the difficult and volatile markets experienced at the end of 2008 and the beginning of 2009.

Andrew Davison
Chairman

20th January 2010

Chief Executive Officer's review

"Relative to the previous six months, the six months ended 30th November 2009 have been very boring. Not only did the MSCI Emerging Markets Index (MXEF) appreciate only 23% during this period but in addition it did so in an almost predictable straight line with little volatility."

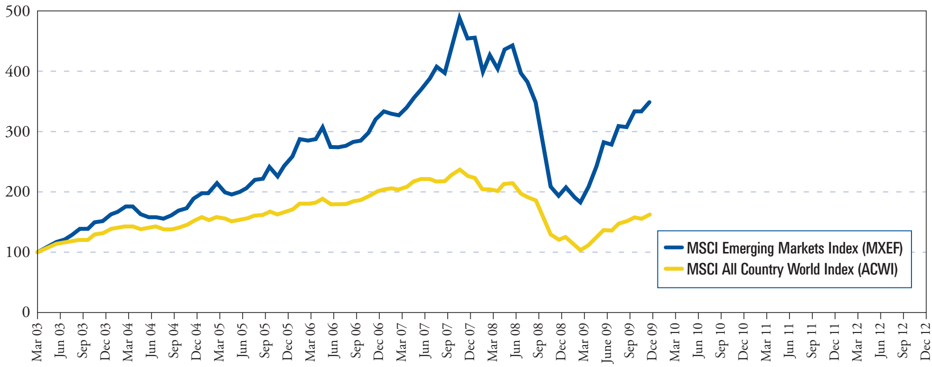
In the previous six months MXEF not only rose 63% but fell 22% as well. Having said that, in the three months to end December 2009 the index has moved sideways in a range of 10%. With forecast earnings within the Emerging Markets growing significantly it does not take long for P/E's to be reduced. Indeed it would seem as if it will not be long, after a period of a sideways movement, until MXEF starts to appreciate again. Additionally another significant support is the fact that most other equity asset classes do not appear particularly attractive from either an earnings growth or a valuation perspective.

Our clients seem to see it this way too. They remained very 'sticky' during the bear market (in many instances actually increasing investments in our asset class), have been robust in the present bull market, and it would seem likely, that apart from some rebalancing as referenced in our previous trading update and subject to satisfactory investment performance, we should not see much alteration to our mix of business from a client perspective over the next few months. To place this in context, we received rebalancing requests from clients totalling around $1bn between March 2006 and the beginning of 2008. This was as a result of clients deciding that they needed to reduce (rebalance) Emerging exposure back towards target having benefited from Emerging outperformance relative to other asset classes. The reverse happened last year (2008) as a result of the Emerging Markets under performance. Between the first and third quarters of 2008 around $0.5bn was 're-rebalanced' by clients.

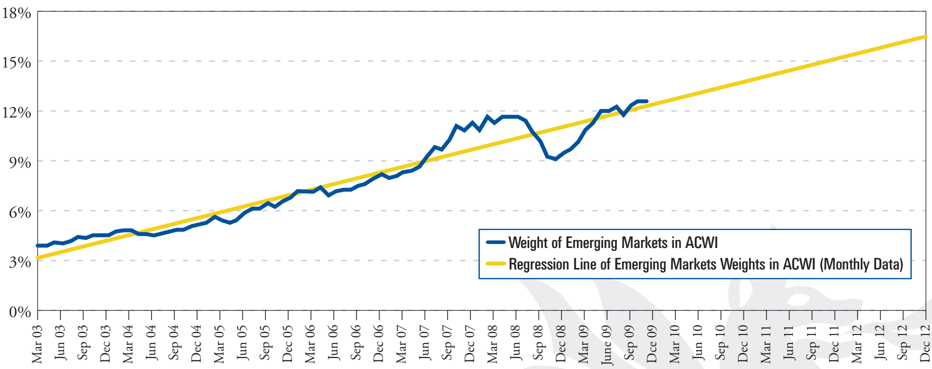
In terms of a little recent history, at the end of March 2003 (as shown opposite) the Emerging Markets (according to MSCI) represented 3.9% of the MSCI All Country World Index (ACWI). Of this 3.9%, 54% was represented by Emerging Asia, 18.6% Latin America and 27.4% by Emerging Europe, Middle East and Africa. At the time of writing (November data) Emerging Markets represented 12.6% of ACWI. Of this, 55.4% was represented by Emerging Asia, 24.1% Latin America and 20.5% by Emerging Europe, Middle East and Africa. This growth in our asset class relative to Developed Markets, admittedly accompanied by volatility of the pricing mechanism of stock markets, seems likely to continue. Not only are there few choices in the medium term, but in addition, with Emerging Markets' collective earnings likely to grow well into the double digits in each of the next few years, it would seem as if our asset class is likely to continue to outperform. Additionally we should not forget issuance. Emerging Markets market cap to GDP ratios are likely to continue to increase as companies are listed, creating wealth for Emerging entrepreneurs and cash flow for Emerging governments still involved in privatisation programs. To place this in context and as an example (using MSCI data), the Chinese stock market represented 7% of the Emerging Markets index in March 2003 (represented by 43 securities and GDP of US$1,080bn). However, by November of 2009 China represented 18.3% of the Emerging Markets index (represented by 109 securities and GDP of US$4,194bn). Interestingly the number of securities within the MSCI Emerging Markets Index had only increased from 676 to 752 during this period.

Thus as our asset class continues to grow, subject to our investment performance remaining robust, we should grow too. Inevitably as our asset class grows in terms of its influence, our clients will increase their allocations to the Emerging Markets. Clients with 4% in Emerging Markets in March 2003 should, other things being equal, have around 12.5% invested in our asset class today. If the asset class continues to grow in terms of its influence there will be a point in time when 15% will become a target weight for our clients over the next year or so. Obviously this should be of significant benefit to us.

MSCI Emerging Markets vs All Country World Index



Weight of Emerging Markets in ACWI



Chief Executive Officer's review

Continued

Whilst we do not have much actual progress to report regarding diversification, our plans are developing and we have definitely raised our profile. Going back around three years we decided to internalise our marketing function and as a result we did not extend the third party marketing contract we had with North Bridge Capital. As referenced in last year's interim statement this relationship had served us well but we decided that, as we are a very different firm from the single product firm we were back in 1994 when this relationship started, a different business model was needed. This involved both new products and internal marketing resources; thus our push in the direction of diversification and a new marketing initiative. Any attempt at diversification was doomed in 2009 as markets recovered and investors focused upon sorting out their good and bad managers. At least that is the way it worked in our space. In 2010 it should be different. Some of our new funds have performed well and with the raising of awareness that is being achieved regarding City of London not being a one product company, I would hope that we will have more to report at the end of this financial year. I would also make the point that we are not interested in either 'hot' or 'momentum money'; rather we attempt to develop relations with our clients and attempt to keep them for a significant period of time.

The board has considered the interim dividend and, consistent with the optimistic tenor of my statement, has decided that 7p per share would be the appropriate level, up from last year's interim dividend of 5p per share.

I would like to reiterate my intentions regarding any sale of shares which remain unchanged, that is to say that I would intend, subject to close periods and other regulatory requirements to sell 500,000 shares at 310p, 500,000 at 350p and 500,000 at 400p. Should these intentions alter, perhaps as a result of a material change in market conditions, I will inform the Board and an appropriate announcement will be released.

Barry Olliff
Chief Executive Officer

20th January 2010

Group income statement

For the six months ended 30th November 2009

	Note	Six months ended 30th Nov 2009 (unaudited) £	Six months ended 30th Nov 2008 (unaudited) £	Year ended 31st May 2009 (audited) £
Revenue	2	13,780,442	10,445,011	20,151,149
Administrative expenses				
Staff costs		4,455,540	3,375,673	6,716,230
Other administrative expenses		4,606,325	3,674,925	7,462,602
Depreciation		136,758	129,367	288,918
		(9,198,623)	(7,179,965)	(14,467,750)
Operating profit		4,581,819	3,265,046	5,683,399
Interest receivable and similar income		2,477	145,183	(60,177)
Impairment of seed investments		179,319	(683,769)	(238,790)
Profit before tax		4,763,615	2,726,460	5,384,432
Income tax expense		(1,519,322)	(886,204)	(1,537,649)
Profit for the period		3,244,293	1,840,256	3,846,783
Basic earnings per share	3	13.3p	7.8p	16.1p
Diluted earnings per share	3	12.4p	7.1p	15.0p

Group statement of comprehensive income

For the six months ended 30th November 2009

	Six months ended 30th Nov 2009 (unaudited) £	Six months ended 30th Nov 2008 (unaudited) £	Year ended 31st May 2009 (audited) £
Current tax items taken directly to equity	177,488	–	1,270,841
Fair value gains/(losses) on available-for-sale investments*	213,340	(449,719)	(446,414)
Release of fair value gains/(losses) on disposal of available-for-sale investments*	–	–	(672)
Other comprehensive income	390,828	(449,719)	823,755
Profit for the period	3,244,293	1,840,256	3,846,783
Total comprehensive income for the period attributable to equity holders of the company	3,635,121	1,390,537	4,670,538

*Net of deferred tax

Group statement of financial position

30th November 2009

	Note	30th Nov 2009 (unaudited) £	30th Nov 2008 (unaudited) £	31st May 2009 (audited) £
Non-current assets				
Property and equipment		736,870	835,201	801,554
Other financial assets		62,460	56,796	57,535
Deferred tax asset		2,105,675	1,083,904	1,605,855
		2,905,005	1,975,901	2,464,944
Current assets				
Trade and other receivables		4,403,019	2,317,177	2,868,398
Current tax receivable		–	–	608,965
Available-for-sale financial assets		2,385,160	893,123	431,365
Other financial assets		25,182	–	–
Cash and cash equivalents		4,696,584	4,152,574	4,718,766
		11,509,945	7,362,874	8,627,494
Current liabilities				
Trade and other payables		(3,420,552)	(2,865,281)	(2,349,334)
Current tax payable		(943,920)	(621,024)	–
		(4,364,472)	(3,486,305)	(2,349,334)
Net current assets		7,145,473	3,876,569	6,278,160
Total assets less current liabilities		10,050,478	5,852,470	8,743,104
Non-current liabilities				
Deferred tax		(84,389)	–	(1,424)
Net assets		9,966,089	5,852,470	8,741,680
Capital and reserves				
Called up share capital		260,816	255,155	259,816
Share premium account		1,552,941	1,396,033	1,518,441
Investment in own shares	4	(3,197,501)	(2,633,932)	(2,633,932)
Revaluation reserve		217,001	1,028	3,661
Share option reserve		2,320,225	1,092,597	1,767,730
Capital redemption reserve		14,172	14,172	14,172
Retained earnings		8,798,435	5,727,417	7,811,792
Total equity		9,966,089	5,852,470	8,741,680

Consolidated statement of changes in shareholders´ equity

For the six months ended 30th November 2009

	Share capital £	Share premium account £	Investment in own shares £	Revaluation reserve £	Share option reserve £	Capital redemption reserve £	Retained earnings £	Total £
At 1st June 2009	259,816	1,518,441	(2,633,932)	3,661	1,767,730	14,172	7,811,792	8,741,680
Purchase of own shares	–	–	(730,838)	–	–	–	–	(730,838)
Share option exercise	1,000	34,500	167,269	–	–	–	–	202,769
Share-based payment	–	–	–	–	1,527	–	34,154	35,681
Deferred tax	–	–	–	–	550,968	–	(14,252)	536,716
Comprehensive income	–	–	–	213,340	–	–	3,421,781	3,635,121
Dividends paid	–	–	–	–	–	–	(2,455,040)	(2,455,040)
As at 30th November 2009	**260,816**	**1,552,941**	**(3,197,501)**	**217,001**	**2,320,225**	**14,172**	**8,798,435**	**9,966,089**

	Share capital £	Share premium account £	Investment in own shares £	Revaluation reserve £	Share option reserve £	Capital redemption reserve £	Retained earnings £	Total £
At 1st June 2008	253,605	1,357,283	(2,811,878)	450,747	3,468,673	14,172	7,038,774	9,771,376
Share option exercise	1,550	38,750	177,946	–	–	–	–	218,246
Share-based payment	–	–	–	–	(9,386)	–	49,999	40,613
Deferred tax	–	–	–	–	(2,366,690)	–	18,975	(2,347,715)
Comprehensive income	–	–	–	(449,719)	–	–	1,840,256	1,390,537
Dividends paid	–	–	–	–	–	–	(3,220,587)	(3,220,587)
As at 30th November 2008	255,155	1,396,033	(2,633,932)	1,028	1,092,597	14,172	5,727,417	5,852,470

	Share capital £	Share premium account £	Investment in own shares £	Revaluation reserve £	Share option reserve £	Capital redemption reserve £	Retained earnings £	Total £
At 1st June 2008	253,605	1,357,283	(2,811,878)	450,747	3,468,673	14,172	7,038,774	9,771,376
Share option exercise	6,211	161,158	177,946	–	–	–	–	345,315
Share-based payment	–	–	–	–	7,113	–	81,136	88,249
Deferred tax	–	–	–	–	(1,708,056)	–	(7,663)	(1,715,719)
Comprehensive income	–	–	–	(447,086)	–	–	5,117,624	4,670,538
Dividends paid	–	–	–	–	–	–	(4,418,079)	(4,418,079)
As at 31st May 2009	259,816	1,518,441	(2,633,932)	3,661	1,767,730	14,172	7,811,792	8,741,680

Statement of cash flows

For the six months ended 30th November 2009

	Six months ended 30th Nov 2009 (unaudited) £	Six months ended 30th Nov 2008 (unaudited) £	Year ended 31st May 2009 (audited) £
Cash flow from operating activities			
Operating profit	4,581,819	3,265,046	5,683,399
Adjustments for:			
Depreciation charges	136,758	129,367	288,918
Share based payment charge	35,681	40,614	88,249
Translation adjustments on investments	13,631	(363,102)	(372,759)
Loss on disposal of fixed assets	–	5,417	5,418
Cash generated from operations before changes in working capital	4,767,889	3,077,342	5,693,225
(Increase)/decrease in trade and other receivables	(1,534,621)	1,256,037	704,816
Increase/(decrease) in trade and other payables	1,071,218	(203,540)	(719,487)
Cash generated from operations	4,304,486	4,129,839	5,678,554
Interest received	112,540	123,929	145,604
Taxation refunded/(paid)	247,947	(1,976,047)	(2,476,595)
Net cash generated from operating activities	4,664,973	2,277,721	3,347,563
Cash flow from investing activities			
Purchase of property and equipment	(72,074)	(673,245)	(799,943)
Proceeds from sale of property and equipment	–	–	793
Purchase of non-current financial assets	(3,041)	–	(663)
Proceeds from sale of non-current financial assets	–	–	663
Purchase of current financial assets	(2,008,367)	–	–
Proceeds from sale of current financial assets	379,436	51,529	744,207
Net cash used in investing activities	(1,704,046)	(621,716)	(54,943)
Cash flow from financing activities			
Proceeds from issue of ordinary share capital	35,500	40,300	167,369
Ordinary dividends paid	(2,455,040)	(3,220,587)	(4,418,079)
Purchase of own shares by employee share option trust	(730,838)	–	–
Proceeds from sale of own shares by employee share option trust	167,269	177,946	177,946
Net cash used in financing activities	(2,983,109)	(3,002,341)	(4,072,764)
Net decrease in cash and cash equivalents	(22,182)	(1,346,336)	(780,144)
Cash and cash equivalents at start of period	4,718,766	5,498,910	5,498,910
Cash and cash equivalents at end of period	4,696,584	4,152,574	4,718,766

Notes

1 Basis of accounting

The financial information contained herein is unaudited and does not comprise statutory financial information within the meaning of section 434 of the Companies Act 2006. The information for the year ended 31st May 2009 has been extracted from the latest published audited accounts. The report of the independent auditor on those financial statements contained no qualification or statement under s498(2) or (3) of the Companies Act 2006.

The interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The accounting policies are consistent with those set out and applied in the statutory accounts of the Group for the period ended 31st May 2009 except for the adoption of IAS 1 "Presentation of Financial Statements" (Revised 2007) and IFRS 8 "Operating Segments".

The adoption of IAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statement and to the presentation of some items within these statements. Some items that were recognised directly in equity are now recognised in other comprehensive income. IAS 1 affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income".

The adoption of IFRS 8 requires the disclosure of segment reporting as reviewed by management. The Group is managed as a single business unit, namely asset management, and therefore only has a single reportable segment.

There is also a requirement for an entity-wide disclosure of revenues from external customers and certain non-current assets attributable to the Group's country of domicile and foreign countries. The Group allocates revenue based on the domicile of its clients and non-current assets based on where the assets are held. Any individual client generating revenue of 10% or more would be disclosed separately, as would assets in a foreign country if they are material.

Under IFRS 8 the only change for the Group is a more detailed analysis of the countries to which revenue is attributed. Previously just three geographical locations were reported; Europe, North America and Other.

Comparative segmental information has been restated accordingly.

2 Segmental analysis

	USA £	Canada £	Europe £	UK £	Other £	Total £
Six months to 30th Nov 2009						
Revenue	11,073,875	860,171	847,836	852,081	146,479	**13,780,442**
Non-current assets:						
Property and equipment	317,298	–	–	272,657	146,915	**736,870**
Six months to 30th Nov 2008						
Revenue	8,115,584	706,595	866,915	492,338	263,579	10,445,011
Non-current assets:						
Property and equipment	304,082	–	–	323,965	207,154	835,201
Year to 31st May 2009						
Revenue	16,008,991	1,337,978	1,464,309	900,300	439,571	20,151,149
Non-current assets:						
Property and equipment	325,100	–	–	302,026	174,428	801,554

3 Earnings per share

The calculation of earnings per share is based on the profit for the period of £3,244,293 (31st May 2009 – £3,846,783; 30th November 2008 – £1,840,256) divided by the weighted average number of ordinary shares in issue for the six months ended 30th November 2009 of 24,445,638 (31st May 2009 – 23,844,801; 30th November 2008 – 23,659,415).

As set out in note 4 the Employee Benefit Trust held 1,724,558 ordinary shares in the company as at 30th November 2009. The Trustees of the Trust have waived all rights to dividends associated with these shares. In accordance with IAS33 “Earnings per share”, the ordinary shares held by the Employee Benefit Trust have been excluded from the calculation of the weighted average number of ordinary shares in issue.

The calculation of diluted earnings per share is based on the profit for the period of £3,244,293 (31st May 2009 – £3,846,783; 30th November 2008 – £1,840,256) divided by the diluted weighted average number of ordinary shares in issue for the six months ended 30th November 2009 of 26,248,256 (31st May 2009 – 25,587,418; 30th November 2008 – 25,948,467).

Notes

Continued

4 Investment in own shares

Investment in own shares relates to City of London Investment Group Plc shares held by an Employee Benefit Trust on behalf of City of London Investment Group Plc.

At 30th November 2009 the Trust held 1,724,558 ordinary 1p shares (31st May 2009 – 1,617,650; 30th November 2008 – 1,617,650), of which 1,315,933 ordinary 1p shares (31st May 2009 – 1,262,375; 30th November 2008 – 1,302,625) were subject to options in issue.

5 Dividends

The final dividend of 10p per share in respect of the year ended 31st May 2009 was paid on 20th November 2009.

The interim dividend of 7p per share (2009 – 5p) will be paid on 1st March 2010 to members registered at the close of business on 12th February 2010.

6 General

The interim financial statements for the six months to 30th November 2009 were approved by the Board on 20th January 2010. These financial statements are unaudited, but they have been reviewed by the auditors, having regard to the bulletin "Review of Interim Financial Information" issued by the Auditing Practices Board.

Copies of this statement are available on our website, **www.citlon.co.uk**

Independent review report to City of London Investment Group plc

Introduction

We have been instructed by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30th November 2009 set out on pages 7 to 14. 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.

Directors' responsibilities

The half-yearly financial report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The AIM Rules of the London Stock Exchange require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

This half-yearly financial report has been prepared in accordance with the International Accounting Standard 34, "Interim Financial Reporting".

The maintenance and integrity of the company's website is the responsibility of the directors; the work we have carried out does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the condensed set of financial statements presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

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 principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review 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 30th November 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Moore Stephens LLP
Registered Auditors and Chartered Accountants
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21st January 2010

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