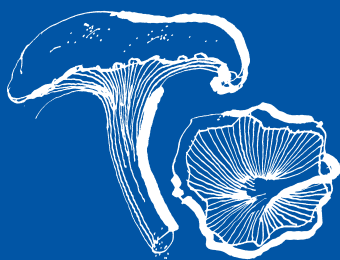


Carluccio's

*Il GUSTO
d'ITALIA*



Interim Report and Accounts

2008

Indicatori

Highlights

+19%

Increase in turnover

26 weeks to 23 March 2008: £30.9m
(26 weeks to 25 March 2007: £25.9m)

30.9m

Turnover

26 weeks to 23 March 2008: £30.9m
(26 weeks to 25 March 2007: £25.9m)

3.3p

Basic earnings per share

+27% over prior year

£2.8m

Profit before tax

+19% over prior year

	26 weeks to 23 Mar 2008	26 weeks to 25 Mar 2007	% change
Turnover (£m)	30.9	25.9	+19%
EBITDA (£m)*	3.6	3.0	+20%
Cash flow from operations	3.4	2.7	+26%
Profit before tax (£m)	2.8	2.3	+19%
Basic earnings per share (pence)	3.3	2.6	+27%
Total dividend (pence)	0.7	0.6	+17%

All amounts stated under International Financial Reporting Standards (IFRS)

* Earnings Before Interest Tax Depreciation and Amortisation (EBITDA). See note 5 to the interim statement for details.

Relazione Primo Semestre 2008

Interim Report 2008

Carluccio's, the leading UK group of authentic Italian restaurants with integrated food shops, is pleased to announce its interim results for the 26 weeks ended 23 March 2008.

Five new openings in the current financial year achieving the stated minimum opening commitment

Includes two openings in key travel hubs: Heathrow T5 and St. Pancras International train terminal

First franchise store opened in Dublin, Ireland (March 2008) with highly encouraging trading

Two sites secured for opening in the 2009 financial year (Bristol and Leicester)

Continued strong cash generation: £3.4m (2007: £2.7m)

Interim dividend increased to 0.7 pence per ordinary share to be paid in June 2008

Industry leading CROCI (cash return on cash invested) averaging in excess of 60%

Relazione del Presidente

Chairman's Interim Statement

We are pleased to have made good progress during the period despite the widely publicised pressures on consumer spending.

It is likely, however, that trading conditions will remain challenging.

The Board believes that our multi-faceted business model will prove beneficial in such times and we look forward to the future with confidence.

I am delighted to report further progress in our first half despite the widely publicised pressures on the UK economy and consumer spending in general.

Trading results

Turnover for the 26 weeks was £30.9m (2007: £25.9m) an increase of 19%. Profit before tax also increased by 19% to £2.8m (2007: £2.3m). The Company is now required to prepare accounts under International Financial Reporting Standards (IFRS) and both this year's results and the prior year comparatives are stated on this basis. A statement explaining the changes from previously reported financial statements to IFRS was issued to the London Stock Exchange on 8 May 2008. Whilst the change has reduced reported profitability because of a different method of accounting for rent and lease incentives, it has had no impact on the cash flows generated by the business or on the success of the underlying business model. These successful results and our strong cash generation have allowed us to increase our interim dividend to 0.7 pence per ordinary share (2007: 0.6 pence) which will be paid on 13 June 2008 to shareholders on the register on 23 May 2008.

Expansion Programme

We have now opened four of our five planned new sites for this financial year: Stratford-upon-Avon; our second store in Manchester; Terminal 5 at Heathrow airport and St. Pancras International train terminal. Our fifth opening will be in Cambridge towards the end of May. These openings will increase our total locations to 37 and have continued our successful national expansion from our London base. At Terminal 5 and St. Pancras we have had the opportunity to demonstrate that our brand adapts well to an environment where customers require a more rapid service than at other locations. In addition, as previously reported, we have two sites in Leicester and Bristol secured for our 2009 financial year opening programme. We believe that in the current economic climate there may be more opportunities to increase our opening programme. We remain ungeared and our strong cash generation gives us the flexibility to acquire additional sites that meet our investment criteria.

Our first franchised store opened in Dublin, Ireland in March 2008. We have been very encouraged by early trading with turnover having been at the top end of our expectations. As a result of this success we are now in a position to consider extending our franchise activities to other territories.

Board of Directors

I am delighted to announce that Sarah Murray is joining the Board of Directors as Operations Director from June 2008. Sarah has been responsible for Group Operations since we opened our first store and brings to the Board extensive experience of the day to day management and operations of our caffès and food stores.

Trading Outlook

We are pleased to have made good progress during the period. However, with the widely publicised pressures on the UK economy and on consumer spending, it is likely that trading conditions will remain challenging. Our business model is multi-faceted and should prove beneficial in such times. We have created a unique offering in the casual dining sector by combining an affordable caffè where the average spend is £12 per head and a retail shop where the average spend is £8 per transaction. The caffès trade all day and the fact that 25 percent of our seats are outside can be a significant advantage during warmer weather. Early spring 2008 has not been as warm as 2007 but a normal summer will allow us to make full use of these outside seats. We continue to look to the future with confidence.

Stephen Gee
Chairman
9 May 2008

Conto Economico

Income Statement

For the 26 weeks ended 23 March 2008

	Note	Unaudited 26 weeks ended 23 Mar 2008 £'000	Unaudited 26 weeks ended 25 Mar 2007 £'000	Unaudited 52 weeks ended 23 Sept 2007 £'000
Revenue		30,901	25,880	53,979
Cost of sales		(25,274)	(20,767)	(43,010)
Gross profit		5,627	5,113	10,969
Administrative expenses		(2,908)	(2,807)	(6,101)
Operating profit		2,719	2,306	4,868
Finance income		55	43	100
Finance expense		(3)	(12)	(26)
Profit before tax		2,771	2,337	4,942
Tax expense		(876)	(855)	(1,432)
Profit after tax		1,895	1,482	3,510
Basic earnings per share (pence)	4	3.3	2.6	6.2
Diluted earnings per share (pence)	4	3.2	2.5	5.9

Stato Patrimoniales

Balance sheet

As at 23 March 2008

	Unaudited as at 23 Mar 2008 £'000	Unaudited as at 25 Mar 2007 £'000	Unaudited as at 23 Sept 2007 £'000
Non-current assets			
Intangible assets	162	115	90
Property, plant & equipment	20,370	15,981	18,463
Prepaid operating lease charges	1,438	1,538	1,451
	21,970	17,634	20,004
Current assets			
Inventories	1,409	1,268	1,381
Trade & other receivables	624	295	448
Prepayments and accrued income	1,480	1,105	1,477
Prepaid operating lease charges	50	43	87
Cash and cash equivalents	3,621	1,997	3,145
	7,184	4,708	6,538
Total assets	29,154	22,342	26,542
Current Liabilities			
Trade and other payables	3,654	2,855	3,803
Other tax and social security	1,591	1,232	1,535
Accruals	3,505	3,095	3,752
Deferred income	41	42	84
Corporation tax liabilities	2,185	554	649
	10,976	7,778	9,823
Non-current liabilities			
Deferred income	1,922	1,359	1,712
Deferred tax liabilities	921	617	478
	2,843	1,976	2,190
Total liabilities	13,819	9,754	12,013
Net assets	15,335	12,588	14,529
Shareholders' equity			
Share capital	2,849	2,849	2,849
Share premium account	1,713	1,712	1,713
Retained Earnings	10,773	8,027	9,967
Shareholders' equity	15,335	12,588	14,529

Prospetto delle variazioni: Patrimonio netto

Statement of Changes in Equity

Statement of Changes in Equity as at 23 March 2008

	Share Capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Profit for the period	-	-	1,895	1,895
Tax on share options taken directly to reserves	-	-	(326)	(326)
Total recognised gains and losses in period	-	-	1,569	1,569
Dividend paid	-	-	(912)	(912)
Share based payment credited to reserves	-	-	149	149
	-	-	(763)	(763)
At 23 September 2007	2,849	1,713	9,967	14,529
At 23 March 2008	2,849	1,713	10,773	15,335

Statement of Changes in Equity as at 25 March 2007

	Share Capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
Profit for period to 25 March 2007	-	-	1,482	1,482
Tax on share options taken directly to reserves	-	-	277	277
Total recognised gains and losses in period	-	-	1,759	1,759
Dividends paid	-	-	(852)	(852)
Issue of shares	9	28	-	37
Share based payment credited to reserves	-	-	107	107
	9	28	(745)	(708)
At 25 September 2006	2,840	1,684	7,013	11,537
At 25 March 2007	2,849	1,712	8,027	12,588

Rendiconto Finanziario

Cash Flow Statement

For the 26 weeks ended 23 March 2008

	Unaudited 26 weeks ended 23 Mar 2008 £'000	Unaudited 26 weeks ended 25 Mar 2007 £'000	Unaudited 52 weeks ended 23 Sept 2007 £'000
Net cash inflow from operating activities			
Profit before tax	2,771	2,337	4,942
Amortisation and depreciation	917	728	1,536
Share based payment charge	149	107	332
Net interest received	(52)	(31)	(74)
(Increase)/decrease in inventory	(28)	(45)	(158)
(Increase)/decrease in debtors	(179)	242	(282)
(Decrease)/increase in creditors	(165)	(607)	1,690
(Profit)/loss on disposal of non-current asset	(1)	-	16
Cash inflow from operating activities	3,412	2,731	8,002
Corporation tax (paid)/repaid	774	(214)	(806)
Net cash inflow from operating activities	4,186	2,517	7,196
Cash outflow from investing activities			
Interest received	55	43	100
Purchase of non current assets	(2,854)	(2,379)	(5,611)
Receipts from sale of non current assets	4	-	-
Net cash outflow from investing activities	(2,795)	(2,336)	(5,511)
Cash outflow from financing activities			
Interest paid	(3)	(12)	(26)
Issue of share capital	-	38	38
Dividends paid	(912)	(852)	(1,194)
Net cash outflow from financing activities	(915)	(826)	(1,182)
Net increase/(decrease) in cash and cash equivalents	476	(645)	503
Cash and cash equivalents at beginning of period	3,145	2,642	2,642
Cash and cash equivalents at end of period	3,621	1,997	3,145

Note Explicative

Notes to the Interim Report

For the 26 weeks ended 23 March 2008

1 General information

Carluccio's PLC is a company incorporated in the United Kingdom under the Companies Act 1985 with registration number 02001576. The Company is domiciled in the United Kingdom and has its registered office at 35 Rose Street, Covent Garden, London WC2E 9EB. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange. Copies of the interim report will be sent to shareholders or can be obtained from the website at www.carluccios.com

2 Basis of preparation

Carluccio's PLC has adopted International Financial Reporting Standards (IFRS) as adopted by the European Union with effect from 25 September 2006, the date of transition. The Company will apply IFRS in its financial statements for the period ending 28 September 2008. These interim statements are therefore produced in accordance with IFRS and International Financial Reporting interpretations (IFRIC) that are expected to be applicable at 28 September 2008. These standards remain subject to ongoing amendment and/or interpretation and are therefore still subject to change. Therefore the amounts included in these statements may change as a result of subsequent amendments to IFRS required for first time adoption or for new standards issued after the balance sheet date.

The basis of preparation and accounting policies followed in this interim statement are not the same as those used to prepare the Annual Report and Accounts for the 52 weeks ended 23 September 2007 which were prepared in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP). As permitted this report has not been produced in accordance with IAS 34, Interim Financial Reporting.

A detailed explanation of the impact of the transition from UK GAAP to IFRS was provided on 8 May 2008 in a Statement of Conversion issued to the London Stock Exchange. The Statement restated the income statements for the 26 weeks ended 25 March 2007 and 52 weeks ended 23 September 2007. The Statement also restated the balance sheets at those dates and the balance sheet as at 24 September 2006. The cash flow statements were not restated as none of the accounting changes impacted the underlying cash generation of the business. Details of the significant accounting policies used in the preparation of the Company's reported results under IFRS and therefore applied in the preparation of this interim report were also included in the Statement of Conversion. Additional copies are available from the Company Secretary or from the Company Information section of the Company's website at www.carluccios.com

The interim financial information contained in this report covers the 26 weeks from 24 September 2007 to 23 March 2008, is unaudited and does not constitute statutory financial statements as defined in Section 240 of the Companies Act 1985. The financial information for the 52 weeks ended 23 September 2007 has been extracted from the statutory

accounts for that period as restated to reflect the transition to IFRS. These financial statements were prepared under UK GAAP. The auditors issued an unqualified opinion on those financial statements. Their report did not include references to any matter to which they drew attention by way of emphasis without qualifying their report. They did not include a statement under section 237(2) or (3) of the Companies Act 1985.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where stated otherwise.

3 Proposed dividend

The directors are proposing the payment of an interim dividend of 0.7 pence per ordinary share (2007: 0.6 pence). The total dividend payable will be £399,000 (2007: £342,000) and will be paid to all shareholders on 13 June 2008 provided that they appear on the register as at 23 May 2008.

4 Earnings per ordinary share (EPS)

	Unaudited 26 weeks ended 23 Mar 2008 £'000	Unaudited 26 weeks ended 25 Mar 2007 £'000	Unaudited 52 weeks ended 23 Sept 2007 £'000
Numerator			
Profit for the period (basic earnings per share)	1,895	1,482	3,510
IFRS 2 Share-based payment net of deferred tax credit	107	75	239
Pre-opening expenses net of tax	385	448	843
Adjusted profit for the period (adjusted earnings per share)	2,387	2,005	4,592

In calculating adjusted earnings per share, profit for the period has been adjusted for two items to enable a clearer view of underlying Company performance:

- IFRS 2 requires that entities calculate the cost of issuing employee share options. This is an exercise resulting in an accounting adjustment only. It is neither a cash expense nor a liability that will result in the outflow of cash in the future.
- Pre-opening expenses are incurred in the marketing of new caffè and food shops prior to the opening of the caffè to the public and the commencement of revenue generating activities. These are considered one-off in nature and are therefore added back to provide a clearer picture of underlying company performance.

Note Explicative/Notes to the Interim Report continued

For the 26 weeks ended 23 March 2008

4 Earnings per ordinary share (EPS) continued

	Unaudited 26 weeks ended 23 Mar 2008 Number (‘000)	Unaudited 26 weeks ended 25 Mar 2007 Number (‘000)	Unaudited 52 weeks ended 23 Sept 2007 Number (‘000)
Denominator			
Weighted average number of equity shares (basic earnings per share)	56,978	56,869	56,924
Impact of dilutive share options	2,011	1,768	2,271
Diluted number of ordinary shares (diluted earnings per share)	58,989	58,637	59,195

The weighted average number of ordinary shares is adjusted to take into account the dilutive impact of share option awards made to employees.

	Unaudited 26 weeks ended 23 Mar 2008 Pence	Unaudited 26 weeks ended 25 Mar 2007 Pence	Unaudited 52 weeks ended 23 Sept 2007 Pence
Basic earnings per share	3.3	2.6	6.2
Diluted earnings per share	3.2	2.5	5.9
Adjusted basic earnings per share	4.2	3.5	8.1
Adjusted diluted earnings per share	4.0	3.4	7.8

5. Adjusted Earnings Before Interest Tax and Depreciation (EBITDA)

	Unaudited 26 weeks ended 23 Mar 2008 £’000	Unaudited 26 weeks ended 25 Mar 2007 £’000	Unaudited 52 weeks ended 23 Sept 2007 £’000
Operating Profit	2,719	2,306	4,868
Depreciation and amortisation	917	728	1,536
EBITDA	3,636	3,034	6,404
IFRS 2 Share based payments	149	107	332
Pre-opening expenses	535	640	1,204
Adjusted EBITDA	4,320	3,781	7,940

Informazioni Sulla Società

Company Information

Directors:	Stephen Gee (Chairman) Simon Kossoff (Managing Director) Frank Bandura (Finance Director) David Bernstein (Non-Executive Director) Scott Svenson (Non-Executive Director) Peter Webber (Non-Executive Director)
Secretary:	Frank Bandura
Registered office:	35 Rose Street Covent Garden London WC2E 9EB
Registered number:	2001576
Broker and Nominated Advisor:	Altium Capital Ltd. 30 St. James Street, London SW1Y 4AL
Auditors:	BDO Stoy Hayward LLP 8 Baker Street London W1U 3LL
Registrars:	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA
Financial public relations:	Hogarth Partnership No 1 London Bridge London SE1 9BG.

Sedi

Locations

Central London

The Brunswick
Canary Wharf
Covent Garden
Bond Street, Fenwick
Market Place
Smithfield
South Kensington
Spitalfields
St. Christopher's Place
St. Pancras International

Greater London

Brent Cross, Fenwick
Chiswick
Ealing
Fulham Road
Hampstead
Heathrow T5
Islington
Notting Hill
Putney
St John's Wood

Berkshire

Reading
Windsor

Cambridgeshire

Cambridge

Hertfordshire

St. Albans

Kent

Bluewater
Tunbridge Wells

Manchester

Spinningfields
Trafford Centre

Oxfordshire

Bicester
Oxford

Surrey

Bentalls, Kingston
Charter Quay, Kingston
Esher
Richmond
Walton-on-Thames

East Sussex

Brighton

Warwickshire

Stratford-upon-Avon

Ireland

Dublin

www.carluccios.com

Designed by Irving.
Line illustrations by Julian Roberts.



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