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## LOCATIONS

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# Carluccio's

#### CENTRAL LONDON

Bloomsbury  
Canary Wharf  
Fenwick, Bond Street  
Market Place  
Smithfield  
South Kensington  
Spitalfields  
St. Christopher's Place

#### GREATER LONDON

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

#### BERKSHIRE

Reading  
Windsor

#### HERTFORDSHIRE

St. Albans

#### KENT

Bluewater  
Tunbridge Wells

#### GREATER MANCHESTER

Trafford Centre

#### OXFORDSHIRE

Bicester  
Oxford

#### SURREY

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

#### EAST SUSSEX

Brighton

#### OPENING SOON

Covent Garden  
(September 2007)

[www.carluccios.com](http://www.carluccios.com)

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## HIGHLIGHTS

- 6 new openings in the current financial year exceeding minimum opening commitment:
  - 3 new stores already opened in the period:  
Bloomsbury (October 2006);  
Spitalfields (December 2006) and  
Trafford Centre, Manchester (March 2007)
  - 3 further openings scheduled before the year end:  
Walton-on-Thames (May 2007),  
Bentalls, Kingston-upon-Thames (June 2007),  
Covent Garden (September 2007)
- 2 further pipeline sites secured:  
landside concession in Heathrow Terminal 5 (opening spring 2008) and Quakers Friars, Bristol (opening 2009 financial year)
- Cash generated from operating activities of £2.7m (2006: £2.1m excluding exceptional float and listing costs of £0.9m)
- Maiden interim dividend of 0.6p per Ordinary Share to be paid in June 2007
- Cash Return on Capital Invested (CROCI) consistently in excess of 60% with new stores cash generative immediately
- Continued record of no non-contributing stores and no store closures

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## 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

12 Great Portland Street, London W1W 8QN

### REGISTERED NUMBER

2001576

### AUDITORS

BDO Stoy Hayward LLP,  
8 Baker Street, London W1U 3LL



**FINANCIAL HIGHLIGHTS**

FOR THE 26 WEEKS ENDED 25 MARCH 2007

	26 wks to 25 March 2007	26 wks to 26 March 2006	% change
<b>Store Turnover (£m)</b>	25.9	21.6	+20%
<b>Adjusted EBITDA (£m)*</b>	3.2	2.6	+26%
<b>Profit before Tax (£m)</b>	2.4	1.0	+148%
<b>Adjusted Profit before Tax (£m)*</b>	2.5	2.0	+28%
<b>Adjusted Diluted Earnings per Share (pence)*</b>	2.8	2.5	+12%
<b>Total Dividend (pence)</b>	0.6	nil	

\* Adjusted to exclude the pre-tax FRS 20 impact of £0.1m (2006: £0.1m). 2006 also adjusted to exclude non-recurring exceptional float and listing costs of £0.9m

*“Trading since 25 March 2007 has been ahead of the previous year and in line with the Board’s expectations. In addition, much progress has been made since the 2006 financial year: Turnover and profit before taxation growth is in excess of 20%; this financial year’s anticipated six new openings will exceed our minimum commitment of five and our strong cash generation has enabled us to announce a maiden interim dividend. I am confident of reporting further good progress at the end of 2007.”*

**Stephen Gee**

Chairman

15th May 2007

*I am delighted to report that in our half year to 25 March 2007 we achieved all of our trading, site acquisition and opening programme objectives.*

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## **TRADING RESULTS**

Turnover for the 26 weeks was £25.9m (2006: £21.6m), an increase of 20%. Profit before taxation increased by 148% to £2.4m (2006: £1.0m) although 2006 includes £0.9m of exceptional expenses incurred in obtaining a listing on AIM in December 2005.

The Company has adopted Financial Reporting Standard 20 (FRS 20) "Share-based payments" for the first time in accordance with the requirements of that standard. This has resulted in a charge, net of the related deferred tax credit, for the first half of £78,000 (2006: £40,000). The prior period comparative amounts have also been restated, resulting in a £102,000 reduction of the profit after tax previously declared for the 52 weeks ended

24 September 2006. FRS 20 is an accounting adjustment only and does not represent a cash settled expense.

Adjusting for the impact of both exceptional flotation expenses and FRS 20, gives an underlying profit before tax increase of 28% to £2.5m (2006: £2.0m). Adjusted diluted earnings per share increased to 2.8 pence from 2.5 pence for the equivalent period last year.

EBITDA, adjusted to remove the impact of the exceptional flotation expenses and of adopting FRS 20, was £3.2m (2006: £2.6m), an increase of 26%. The highly cash generative nature of our business enables us to continue financing our opening programme without recourse to borrowings and to pay dividends to our shareholders. I am pleased to

announce a maiden interim dividend of 0.6 pence per share (2006: nil) payable on 26 June 2007 to shareholders on the register as at 25 May 2007.

## **EXPANSION PROGRAMME**

We have made good progress with our store opening programme. I reported at the year end that we had already secured the five sites necessary to achieve our minimum opening programme for this financial year. I am very pleased to announce that we have secured a sixth site to open early in the summer of 2007. This will be a third concession with Fenwick Limited, located in the Bentalls department store in Kingston-upon-Thames. Although the concessions typically have lower turnover than a High Street store by virtue of trading during retail hours only, their construction costs are lower and they remain valuable additions to the portfolio.

We have already opened three stores during this financial year to date: The Brunswick Centre in Bloomsbury (October 2006); Spitalfields near Liverpool Street Station in London (December 2006) and The Trafford Centre in Manchester (March 2007). These openings were

all cash positive in their first month of trading and we now trade from 29 locations. Our next openings will be in Walton-on-Thames (May 2007), Bentalls (Summer 2007) and Covent Garden in London towards the end of our financial year.

We have also secured two additional sites. The first of these is a landside concession at Heathrow Terminal 5 which is due to open in the first half of 2008 and the second of these is the already announced site at Quakers Friars, Bristol. The latter site will open in the 2009 financial year.

We are seeking to gradually expand our geographical reach and are actively looking at potential sites within a reasonable distance of Manchester and Bristol as well as continuing our search in the South East.

## **THE RESTAURANT MARKET**

The restaurant market continues to attract significant interest from the investor community as witnessed by the strong share price performance of the quoted operators and high levels of corporate activity. Investors have shown a particular enthusiasm for casual dining, the fastest growing sector within the industry. Carluccio's

unique offer of all day trading and a food shop in every store gives us an edge over our competitors because of landlords' enthusiasm to have us as tenants and because we are able to utilise our assets more efficiently than most other restaurant companies. This is demonstrated by our industry leading cash returns on capital employed of more than 60%. This success was recently recognised at the Retailers' Retailer Awards where we were awarded "Best Company". The team at Carluccio's remains wholly focused on maintaining this position as we expand.

**CURRENT TRADING**

Trading since 25 March 2007 has been ahead of the previous year and in line with the Board's expectations. In addition, much progress has been made since the 2006 financial year: Turnover and profit before taxation growth is in excess of 20%; this financial year's anticipated six new openings will exceed our minimum commitment of five and our strong cash generation has enabled us to announce a maiden interim dividend. I am confident of reporting further good progress at the end of 2007.

**Stephen Gee**

Chairman

15th May 2007

CONTO PROFITTI E PERDITE

**PROFIT AND LOSS ACCOUNT**

FOR THE 26 WEEKS ENDED 25 MARCH 2007

		Unaudited 26 wks ended 25 March 2007	Unaudited 26 wks ended 26 March 2006 (restated)	Audited 52 wks ended 24 Sept 2006 (restated)
	Note	£'000	£'000	£'000
<b>TURNOVER</b>		<b>25,880</b>	21,557	45,759
Cost of sales		<b>(20,664)</b>	(17,423)	(36,810)
<b>GROSS PROFIT</b>		<b>5,216</b>	4,134	8,949
FRS 20 share option expense	2	<b>(107)</b>	(57)	(145)
Exceptional flotation expenses	3	-	(948)	(939)
Other administrative expenses		<b>(2,700)</b>	(2,148)	(4,624)
Administrative expenses		<b>(2,807)</b>	(3,153)	(5,708)
Operating profit before Exceptional flotation expenses & FRS 20 share option expense		<b>2,516</b>	1,986	4,325
<b>OPERATING PROFIT</b>		<b>2,409</b>	981	3,241
Net interest receivable		<b>31</b>	1	21
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,440</b>	982	3,262
Tax on profit on ordinary activities		<b>(807)</b>	(258)	(824)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>1,633</b>	724	2,438
<b>Basic earnings per share (pence)</b>	4	<b>2.9</b>	1.3	4.3
<b>Diluted earnings per share (pence)</b>	4	<b>2.8</b>	1.2	4.2

The company's turnover and expenses all relate to continuing operations.

**STATEMENT OF RECOGNISED GAINS AND LOSSES**

Total recognised gains and losses for the year as above		<b>1,633</b>	724	2,438
Prior period adjustments	2	<b>50</b>		
Total recognised gains and losses since the last financial statements		<b>1,683</b>		

## BILANCIO

**BALANCE SHEET**

AS AT 25 MARCH 2007

	Unaudited 26 wks ended 25 March 2007	Unaudited 26 wks ended 26 March 2006 (restated)	Audited 52 wks ended 24 Sept 2006 (restated)
Note	£'000	£'000	£'000
<b>FIXED ASSETS</b>			
Intangible assets	21	23	22
Tangible assets	17,656	14,082	16,010
	<b>17,677</b>	14,105	16,032
<b>CURRENT ASSETS</b>			
Stocks	1,268	964	1,223
Debtors	1,400	1,248	1,643
Cash at bank	1,997	947	2,642
	<b>4,665</b>	3,159	5,508
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
	<b>(8,375)</b>	(6,545)	(8,715)
<b>NET CURRENT LIABILITIES</b>			
	<b>(3,710)</b>	(3,386)	(3,207)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
	<b>13,967</b>	10,719	12,825
<b>PROVISIONS</b>			
	<b>(1,529)</b>	(1,014)	(1,312)
	<b>12,438</b>	9,705	11,513
<b>CAPITAL AND RESERVES</b>			
Called up share capital	2,849	2,837	2,840
Share premium account	1,712	1,681	1,684
Profit and loss account	5 7,877	5,187	6,989
<b>SHAREHOLDERS' FUNDS</b>			
	<b>12,438</b>	9,705	11,513

## CASH FLOW STATEMENT

FOR THE 26 WEEKS ENDED 25 MARCH 2007

	Note	Unaudited 26 wks ended 25 March 2007 £'000	Unaudited 26 wks ended 26 March 2006 £'000	Audited 52 wks ended 24 Sept 2006 £'000
<b>Net cash inflow from operating activities</b>	6	<b>2,731</b>	1,185	5,720
<b>Returns on investments and servicing of finance</b>				
Interest paid		(12)	(16)	(18)
Interest received		43	17	39
		<b>31</b>	1	21
<b>Taxation</b>		<b>(214)</b>	(394)	(687)
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets		(2,379)	(2,126)	(4,738)
Payments to acquire intangible fixed assets		-	1	(1)
Receipts from sale of tangible fixed assets		-	-	41
		<b>(2,379)</b>	(2,125)	(4,698)
<b>Dividend paid</b>		<b>(852)</b>	-	-
<b>Cash (outflow)/inflow before use of liquid resources and financing</b>		<b>(683)</b>	(1,333)	356
<b>Management of Liquid resources</b>		<b>(500)</b>	-	(1,250)
<b>Financing</b>				
Issue of share capital		38	242	248
		<b>38</b>	242	248
<b>Decrease in cash</b>		<b>(1,145)</b>	(1,091)	(646)
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS</b>				
<b>Decrease in cash in the period</b>		<b>(1,145)</b>	(1,091)	(646)
Cash outflow from changes in liquid resources		500	-	1,250
<b>Change in net funds</b>		<b>(645)</b>	(1,091)	604
<b>Net funds at 26 March 2006</b>		<b>2,642</b>	2,038	2,038
<b>Net funds at 25 March 2007</b>	7	<b>1,997</b>	947	2,642

## **NOTES TO THE FINANCIAL STATEMENTS**

FOR THE 26 WEEKS ENDED 25 MARCH 2007

### **1 INTERIM FINANCIAL INFORMATION**

The interim financial information covers the period from 25 September 2006 to 25 March 2007, is not audited and does not constitute statutory financial statements. The financial information for the year ended 24 September 2006 has been extracted from the audited financial statements of Carluccio's PLC which have been filed with the Registrar of Companies. The auditors' opinion on those accounts was unqualified and contained no statement under section 237(2) or (3) of the Companies Act 1985.

### **2 ACCOUNTING POLICIES**

The interim financial information has been prepared on the same basis and using the same accounting policies as used in the financial statements for the year ended 24 September 2006, except the Company has adopted, in full, the provisions of FRS 20 "Share-based payments". FRS 20 requires that the cost of equity-settled transactions with employees is measured by reference to their fair value at the date at which they are granted and then recognised over the vesting period. As a result of the adoption of FRS 20, there is an additional charge net of the related deferred tax credit for the period to March 2007 of £78,000 (Mar 2006: £40,000). In addition, the profit and loss reserve brought forward was increased by £50,000 due to the deferred tax credit on the FRS 20 charge. The company has taken advantage of the exemptions under FRS 20 and has therefore applied this policy only to awards granted after November 2002 that had not vested by 24 September 2006.

### 3 EXCEPTIONAL COSTS

These relate solely to costs incurred in preparing the Company for listing on the Alternative Investment Market of the London Stock Exchange on 14 December 2005.

### 4 EARNINGS PER ORDINARY SHARE (EPS)

	Unaudited 26 wks ended 25 March 2007 £'000	Unaudited 26 wks ended 26 March 2006 (restated) £'000	Audited 52 wks ended 24 Sept 2006 (restated) £'000
<b>Numerator</b>			
Profit for the period (basic earnings per share)	<b>1,633</b>	724	2,438
Exceptional Expenses	-	948	939
FRS 20 Share-based payment net of deferred tax credit	<b>78</b>	40	102
Corporation tax credit on exercise of share options	<b>(86)</b>	(262)	(524)
Adjusted profit for the period (adjusted earnings per share)	<b>1,625</b>	1,450	2,955

In calculating adjusted earnings per share, profit for the period has been adjusted for a number of factors to enable a clearer view of underlying Company performance. Exceptional expenses relate entirely to the cost of listing the Company on the Alternative Investment Market in December 2005 and are considered non-recurring and have therefore been added back. Similarly added back are the amounts for FRS 20 "Share-based payments", adopted for the first time in these accounts. This is an accounting adjustment only and as such neither reflects a cash expense nor a liability that will result in the transfer of cash in the future. Finally, the Company received a corporation tax credit on the exercise of share options by employees, the majority of which occurred on flotation. The impact on the prior year is significant and this credit has been deducted to enable a clearer comparison over time.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE 26 WEEKS ENDED 25 MARCH 2007 (continued)

**4 EARNINGS PER ORDINARY SHARE (EPS) (continued)**

	Unaudited 26 wks ended 25 March 2007 Number (‘000)	Unaudited 26 wks ended 26 March 2006 Number (‘000)	Audited 52 wks ended 24 Sept 2006 Number (‘000)
<b>Denominator</b>			
Weighted average number of equity shares (basic earnings per share)	<b>56,869</b>	55,814	56,300
Impact of dilutive share options	<b>1,786</b>	2,237	1,960
Diluted number of ordinary shares (diluted earnings per share)	<b>58,637</b>	58,051	58,260

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 wks ended 25 March 2007 Pence	Unaudited 26 wks ended 26 March 2006 (restated) Pence	Audited 52 wks ended 24 Sept 2006 (restated) Pence
Basic earnings per share	<b>2.9</b>	1.3	4.3
Diluted earnings per share	<b>2.8</b>	1.2	4.2
Adjusted basic earnings per share	<b>2.9</b>	2.6	5.2
Adjusted diluted earnings per share	<b>2.8</b>	2.5	5.1

## 5 PROFIT AND LOSS RESERVES

	Unaudited 26 wks ended 25 March 2007 £'000	Unaudited 26 wks ended 26 March 2006 £'000	Audited 52 wks ended 24 Sept 2006 £'000
At the beginning of the year as previously stated	6,939	4,400	4,400
FRS 20 - deferred tax credit	50	6	6
Restated profit brought forward	6,989	4,406	4,406
Retained profit for the period	1,633	724	2,438
FRS 20 charge credited to reserves	107	57	145
Dividends paid	(852)	-	-
Profit and loss account carried forward	7,877	5,187	6,989

## 6 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Unaudited 26 wks ended 25 March 2007 £'000	Unaudited 26 wks ended 26 March 2006 £'000	Audited 52 wks ended 24 Sept 2006 £'000
<b>Operating Profit</b>	<b>2,409</b>	981	3,241
Depreciation charges	727	585	1,236
Amortisation of trade marks	1	1	3
Share-based payment charge	107	57	145
Increase in Stocks	(45)	(24)	(283)
(Increase)/decrease in debtors	242	150	(245)
Increase/(decrease) in creditors	(710)	(565)	1,629
Elimination of profit on disposal	-	-	(6)
Net cash inflow from operating activities	2,731	1,185	5,720

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE 26 WEEKS ENDED 25 MARCH 2007 (continued)

**7 CASH FLOW STATEMENT****Analysis of net funds**

	Unaudited 26 wks ended 25 March 2007 £'000	Unaudited 26 wks ended 26 March 2006 £'000	Audited 52 wks ended 24 Sept 2006 £'000
Cash at bank and in hand	1,497	947	1,392
Other liquid resources	500	-	1,250
<b>Total</b>	<b>1,997</b>	947	2,642

**8 INTERIM DIVIDEND**

A maiden interim dividend of 0.6p (2006: nil) per ordinary 5p share will be paid to all shareholders on the register at 25th May 2007. Payment will be made on 26th June 2007. The total amount of the dividend will be £342,000.

**9 INTERIM REPORT**

This Interim Report was approved by the Directors on 14 May 2007. A copy of the Interim Report will be posted to shareholders and will also be available from the Company's registered office at 12 Great Portland Street, London W1W 8QN.