Carluccio's PLC

Relazione Primo Semestre 2006

INTERIM REPORT & ACCOUNTS 2006

"This place is so great we were tempted to keep it to ourselves." TIME OUT "The company was set up in 1991 by the Italian food guru Antonio Carluccio and his wife Priscilla. Its sales have grown by nearly 110% a year from £1.4m in 1999 to £12.7m in 2002, placing them as the 16TH fastest growing non quoted company in Britain." SUNDAY TIMES FAST TRACK 100 - DECEMBER 2003 "Carluccio's Caffès are a godsend for people who like eating out with their children but don't like junk food." THE OBSERVER "Antonio and Priscilla's burgeoning caffè and deli empire does a major public service, bringing great Italian produce and reliable casalinga cooking to the masses at masses-friendly prices." INDEPENDENT ON SUNDAY "The coffee," blurted out Faggionato, is the best I've ever had in London." AA GILL - THE SUNDAY TIMES "It's normal to cast aspersions at chains of this length, but the trouble is these places are too damn good." TIME OUT EATING AND DRINKING 21ST EDITION 2004 "For lovers of Italian culinary culture, Carluccio's is a London institution." THE TIMES, APRIL 2004 "A legend in its own dinnertime" RESTAURANT MAGAZINE, OCTOBER 2004 "Carluccio's is an experience for the senses, a beautiful store." CHOICE, JANUARY 2005 "With Carluccio's you're getting much more than a place to eat" READING EVENING POST, SEPTEMBER, 2005

- 3 new stores opened in the period at Westbourne Corner, Oxford Castle and Brighton
- IPO target of 5 new openings for 2006 secure with the 4th Carluccio's open in Chiswick (13th May 2006) and the 5th in Richmond-upon-Thames under construction
- Margins maintained despite significant cost pressures from higher business rates and higher utility costs
- Cash generated from operating activities (pre-exceptional float costs) of £2.1m
- Cash Return on Capital Invested (CROCI) continues in excess of 60%
- New stores cash generative immediately
- Continued record of no non-contributing stores and no store closures
- Successful admission to Alternative Investment Market (AIM) on 14th December 2005

Interim Results for 26 weeks ended 26th March 2006

HIGHLIGHTS

	26 weeks to 26 March 2006	26 weeks to 27 March 2005	% change
Store turnover (£m)	21.6	17.9	+21%
Adjusted EBITDA (£m)*	2.6	2.1	+21%
Adjusted profit before tax (£m)*	2.0	1.6	+21%
Adjusted diluted earnings per share (pence)*	3.0	2.1	+43%

* Before exceptional float costs of £0.9m (2005: nil)

"These are a strong set of results demonstrating the continued success of the Carluccio's proposition.

"Trading since 26th March 2006 has continued to be in line with expectations and we anticipate this progress to continue for the remainder of the year. Our anticipated opening programme of not less than five stores is on track and we are gradually extending our geographical reach by looking at potential sites throughout the country. We look to the future with confidence."

STEPHEN GEE, *Executive Chairman*

INFORMAZIONI SULLA SOCIETÀ E CONTENUTI

COMPANY INFORMATION & CONTENTS

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

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RAPPORTO DEL PRESIDENTE

CHAIRMAN'S STATEMENT

I am delighted to report that in our first period as an AIM listed Company we have continued to produce strong growth in line with expectations set at our IPO in December 2005. We have opened four new stores in the current financial year to date and our fifth site in Richmond-upon-Thames is under construction. We expect to achieve our IPO target of five new store openings per year some two months before the year end. Each new opening continues to demonstrate the exciting potential of our business.

Trading Results

Turnover for the 26 weeks was £21.6m, 21% up on the prior year. EBITDA at £2.6m and profit before tax at £2.0m, have also increased by 21% (before float costs of £0.9m (2005: nil)). These results demonstrate strong growth and maintenance of key margins in the face of substantial cost pressures from utility and business rate increases. The impact of a lower than standard tax charge has resulted in an increase to adjusted diluted earnings per share (pre-float costs) of 43% to 3.0p.

The IPO

During the period under review the Company was admitted to the Alternative Investment Market (AIM) via a successful IPO on 14th December 2005. This enabled the Board to meet its commitment to original shareholders to provide them with an opportunity to sell all or part of their shareholding. No additional funds were raised and float costs were funded out of cash flow.

Prior to admission, David Bernstein joined the Board as a non-executive director. David brings a wealth of listed company experience. At the same time, Antonio and Priscilla Carluccio stepped down from the Board but have assumed the role of consultants, ensuring that the Company still benefits from their input. They continue to have a shareholding in the Company.

Expansion Programme

Trading has continued to generate sufficient funds to finance the expansion programme outlined at the time of the IPO of not less than five new openings in each financial year.

Our stated strategy is to focus on openings in the South East whilst gradually extending our geographical reach to locations throughout the country. In line with this strategy, this year will include three openings in and around London: Westbourne Grove, W2 (opened October 2005), Chiswick W4 (opened May 2006), Richmond (opens before the year end); and two openings out of London: Oxford (opened November 2005) and Brighton (opened February 2006). Our proposition continues to be extremely well received wherever we open and each new opening is cash generative immediately.

What makes Carluccio's unique?

There are two principal factors which together make Carluccio's a unique business.

Firstly, we trade all day, normally from 8.00am to 11.00pm. The quality of our wide ranging food offer was recently recognised with an award for Best Breakfast from the Observer Food Magazine Awards.

Secondly, we have an Italian foodshop selling fresh and packaged goods at all our stores. Caffè business outside normal meal times and food shop sales together generate close to 50% of our turnover. Our ability to trade all day combined with our retail and food offering enables us to achieve an average annual store turnover which exceeds £1.7m.

Our high store turnover levels and the significant cash generated by our trading model, means that our average cash return on cash invested continues to exceed 60%, which by any standard of measurement is an industry leading return.

Our all day trading pattern and in store food shop do not of themselves ensure that we serve in excess of 70,000 happy caffè customers and 24,000 retail customers each week. This success is achieved by vigorous attention to detail and a commitment to the highest standards in all aspects of our business. We source and use only the freshest

ingredients in the recipes prepared by our chefs, many of whom have graduated from our own Chef School, and we run more than 24 different training courses for staff at all levels of our business. Our efforts continue to be widely recognised in the press with The Times recently commenting: "breakfasts served with brilliant breads and top quality coffee, simple pasta and antipasti lunches and puddings to die for." Carluccio's was also included in The Grocer's Top 10 World's Finest Specialist Food Retailers.

We support the caffès and foodshops with in-depth systems and controls. The recent Sunday Times Fasttrack award "Best Use of Technology" demonstrates our determination to be industry leading in all aspects of our business. In addition, Carluccio's has featured in the private Company Sunday Times Fasttrack 100 for the last three years.

Current Trading and Prospects

The introduction of a smoking ban across all of our stores on 3rd April 2006 has attracted an overwhelmingly positive response from our customers and staff. A complete ban simplifies our operation and removes any uncertainty associated with the nationwide ban in 2007. To date there has been no impact on turnover.

Trading since 26th March 2006 has continued to be in line with expectations and we anticipate this progress to continue for the remainder of the year. Our anticipated opening programme of not less than five stores in a year is on track and we are gradually extending our geographical reach by looking at potential sites throughout the country.

We look to the future with confidence.

STEPHEN GEE
Chairman
16TH MAY 2006

CONTO PROFITTI E PERDITE

PROFIT AND LOSS ACCOUNT

FOR THE 26 WEEK PERIOD ENDED 26 MARCH 2006

	Note	Unaudited 26 wks ended 26 March 2006	Unaudited 26 wks ended 27 March 2005	Audited 52 wks ended 25 Sept 2005
		£'000	£'000	£'000
TURNOVER		21,557	17,919	36,844
Cost of sales		(17,423)	(14,210)	(29,367)
GROSS PROFIT		4,134	3,709	7,477
Pre-opening expenses		(455)	(457)	(837)
Exceptional cost - Float and listing costs	3	(948)	-	(263)
Other Administrative expenses		(1,693)	(1,599)	(3,140)
Administrative expenses		(3,096)	(2, 056)	(4,213)
OPERATING PROFIT		1,038	1,653	3,264
Net interest (payable)/receivable		1	(13)	(20)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,039	1,640	3,244
Tax on profit on ordinary activities		(275)	(516)	(1,022)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		764	1,124	2,222
Basic Earnings per Share	4	1.4p	2.2p	4.2p
Diluted Earnings per Share	4	1.3p	2.1p	4.0p

There are no recognised gains or losses for the period other than those stated in the profit and loss account. The Company's turnover and expenses all relate to continuing operations.

BILANCIO

BALANCE SHEET

AS AT 26 MARCH 2006

	Unaudited 26 wks ended 26 March 2006	Unaudited 26 wks ended 27 March 2005	Audited 52 wks ended 25 Sept 2005
	£'000	£'000	£'000
FIXED ASSETS			
Intangible assets	23	22	24
Tangible assets	14,082	11,162	12,543
	14,105	11,184	12,567
CURRENT ASSETS:			
Stocks	964	730	940
Debtors	1,248	1,025	1,398
Cash at Bank	947	2,135	2,038
	3,159	3,890	4,376
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	(6,545)	(6,491)	(7,319)
NET CURRENT LIABILITIES	(3,386)	(2,601)	(2,943)
TOTAL ASSETS LESS CURRENT LIABILITIES	10,719	8,583	9,624
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	-	(31)	-

BILANCIO

BALANCE SHEET

AS AT 26 MARCH 2006 (CONTINUED)

	Note	Unaudited 26 wks ended 26 March 2006 £'000	Unaudited 26 wks ended 27 March 2005 £'000	Audited 52 wks ended 25 Sept 2006 £'000
PROVISIONS FOR LIABILITIES & CHARGES		(1,037)	(828)	(948)
		9,682	7,724	8,676
CAPITAL AND RESERVES				
Called up share capital		2,837	2,648	2,732
Share premium account		1,681	1,458	1,544
Profit and loss account	6	5,164	3,618	4,400
SHAREHOLDERS' FUNDS		9,682	7,724	8,676

RENDICONTO DEI FLUSSI DI CASSA

CASHFLOW STATEMENT

FOR THE 26 WEEK PERIOD ENDED 26 MARCH 2006

	Unaudited 26 wks ended 26 March 2006 £'000	Unaudited 26 wks ended 27 March 2005 £'000	Audited 52 wks ended 25 Sept 2005 £'000
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES			
OPERATING PROFIT	1,038	1,653	3,264
Depreciation charges	585	480	973
Amortisation of patents	1	1	3
(Increase)/decrease in Stocks	(24)	63	(147)
(Increase)/decrease in Debtors	150	(53)	(426)
Increase/(decrease) in Creditors	(565)	608	2,005
Elimination of Profit on Disposal	-	-	(9)
Net cash inflow from operating activities	1,185	2,752	5,663
CASH FLOW STATEMENT			
Net cash inflow from operating activities	1,185	2,752	5,663
Returns on investments and servicing of finance			
Interest paid	(16)	(21)	(58)
Interest received	17	8	38
	1	(13)	(20)
TAXATION	(394)	-	(897)

RENDICONTO DEI FLUSSI DI CASSA

CASHFLOW STATEMENT

FOR THE 26 WEEK PERIOD ENDED 26 MARCH 2006 (CONTINUED)

	Unaudited 26 wks ended 26 March 2006	Unaudited 26 wks ended 27 March 2005	Audited 52 wks ended 25 Sept 2005
	£'000	£'000	£'000
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets	(2,126)	(1,903)	(3,779)
Payments to acquire intangible fixed assets	1	-	(5)
Receipts from sale of tangible fixed assets	-	-	11
	(2,125)	(1,903)	(3,773)
Dividend Paid	-	-	(316)
Cash inflow before financing	(1,333)	836	657
FINANCING			
Issue of share capital	242	42	212
Capital element of finance lease	-	(83)	(171)
	242	(41)	41
Increase/(Decrease) in cash	(1,091)	795	698

RENDICONTO DEI FLUSSI DI CASSA

CASHFLOW STATEMENT

FOR THE 26 WEEK PERIOD ENDED 26 MARCH 2006 (CONTINUED)

	Note	Unaudited 26 wks ended 26 March 2006	Unaudited 26 wks ended 27 March 2005	Audited 52 wks ended 25 Sept 2005
		£'000	£'000	£'000
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS				
Increase/(Decrease) in cash in the period		(1,091)	795	698
Cash outflows from movement in net funds		-	83	171
CHANGE IN NET FUNDS		(1,091)	878	869
Net funds at 27 March 2005		2,038	1,169	1,169
Net funds at 26 March 2006	5	947	2,047	2,038

1 INTERIM FINANCIAL INFORMATION

The interim financial information covers the period from 26 September 2005 to 26 March 2006, is unaudited and does not constitute statutory financial statements. The financial information for the year ended 25 September 2005 has been extracted from the audited financial statements of Carluccio's Ltd 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 25 September 2005, except the Company has adopted, in full, the provisions of FRS 21, "Events after The Balance Sheet Date" during the period. The Company has also adopted FRS 22 "Earnings per Share" and the presentation requirements of FRS 25 "Financial Instruments: Disclosure and Presentation", and FRS 28 "Corresponding Amounts". These have no impact on the financial statements.

3 EXCEPTIONAL COSTS

Carluccio's PLC listed on the Alternative Investment Market (AIM) of the London Stock Exchange (LSE) on 14 December 2005. All costs related to the listing have been treated as exceptional.

4 EARNINGS PER ORDINARY SHARE

Earnings per ordinary share have been calculated using the weighted average number of shares in issue during the relevant financial periods as adjusted for a nominal value change from 50p per share to 5p per share. The weighted average number of equity shares in issue and the earnings, being profit after tax are as follows:

4 EARNINGS PER ORDINARY SHARE (continued)

	Unaudited 26 wks ended 26 March 2006	Unaudited 26 wks ended 27 March 2005	Audited 52 wks ended 25 Sept 2005
Basic earnings per share			
Weighted average number of equity shares ('000s)	55,814	50,993	52,409
Profit after tax (£'000s)	764	1,124	2,222
Earnings per share	1.4p	2.2p	4.2p
Adjusted basic earnings per share			
Weighted average number of equity shares ('000s)	55,814	50,993	52,409
Profit after tax adjusted for exceptional costs (£'000s)	1,712	1,124	2,458
Adjusted basic earnings per share	3.1p	2.2p	4.7p
Diluted earnings per share			
Weighted average number of equity shares ('000s)	58,051	53,320	55,022
Profit after tax (£'000s)	764	1,124	2,222
Diluted earnings per share	1.3p	2.1p	4.0p

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 26 WEEK PERIOD ENDED 26 MARCH 2006 (CONTINUED)

4 EARNINGS PER ORDINARY SHARE (continued)

	Unaudited 26 wks ended 26 March 2006	Unaudited 26 wks ended 27 March 2005	Audited 52 wks ended 25 Sept 2005
Adjusted diluted earnings per share			
Weighted average number of equity shares ('000s)	58,051	53,320	55,022
Profit after tax adjusted for exceptional costs (£'000s)	1,712	1,124	2,458
Adjusted diluted earnings per share	3.0p	2.1p	4.5p

The weighted average number of shares has been adjusted to reflect dilutive share options of 2,237,000 (26 weeks to 27 March 2005 2,327,000; 52 weeks to September 2005 2,613,000)

Carluccio's PLC

NOTA INTEGRATIVA

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 26 WEEK PERIOD ENDED 26 MARCH 2006 (CONTINUED)

5 CASHFLOW STATEMENT

	Unaudited 26 wks ended 26 March 2006 £'000	Unaudited 26 wks ended 27 March 2005 £'000	Audited 52 wks ended 25 Sept 2005 £'000
Analysis of net funds			
Cash at bank and in hand	947	2,135	2,038
Finance lease	-	(88)	-
Total	947	2,047	2,038

6 RESERVES

Profit and loss account brought forward	4,400	2,494	2,494
Retained profits for period	764	1,124	2,222
Interim dividend paid	-	-	(316)
Profit and loss account carried forward	5,164	3,618	4,400

7 INTERIM REPORT

This Interim Report was approved by the Directors on 15th May 2006. 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.

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LOCATIONS

CARLUCCIO'S FOODSHOP

Neal Street Food Shop
28a Neal Street, London WC2H 9QT
Tel: 020 7240 1487 Fax: 020 7497 1361

CARLUCCIO'S CAFFÈS

Bicester Village
Bicester, Oxon OX26 6WD
Tel: 01869 247 651 Fax: 01869 357 926

Bluewater
West Village, Bluewater, Kent DA9 9SE
Tel: 01322 387 276 Fax: 01322 427 231

Brighton
Jubilee St, Brighton, BN1 1GE
Tel: 01273 690 493 Fax: 01273 690 713

Canary Wharf
Reuters Plaza, Canary Wharf, London E14 5AJ
Tel: 020 7719 1749 Fax: 020 7513 1197

Chiswick
342 Chiswick High Road, London W4 5TA
Tel: 020 8995 8073 Fax: 020 8995 9387

Ealing
5-6 The Green, Ealing W5 5DA
Tel: 020 8566 4458 Fax: 020 8840 8566

Esher
57 High Street, Esher KT10 9RQ
Tel: 01372 467459 Fax: 01372 469367

Fenwick, brent cross shopping centre
Hendon NW4 3FN
Tel: 020 8203 6844 Fax: 020 8203 0148

Fenwick of bond street
London W1A 3BS
Tel: 020 7629 0699 Fax: 020 7493 0069

Fulham Road
236 Fulham Road, London SW10 9NB
Tel: 020 7376 5960 Fax: 020 7376 3698

Hampstead
32 Rosslyn Hill, London NW3 1NH
Tel: 020 7794 2184 Fax: 020 7794 2542

Islington
305-307 Upper Street, London N1 2TU
Tel: 020 7359 8167 Fax: 020 7354 9196

Kingston
Charter Quay, Kingston upon Thames,
Surrey KT1 1HT
Tel: 020 8549 5898 Fax: 020 8547 3958

Market Place
8 Market Place, London W1W 8AG
Tel: 020 7636 2228 Fax: 020 7636 9650

Oxford
Oxford Castle, Oxford OX1 1AY
Tel: 01865 249413 Fax: 01865 249738

Putney
Putney Wharf, London SW15 2JQ
Tel: 020 8789 0591 Fax: 020 8789 8360

Reading
Forbury Square, Reading RG1 3EY
Tel: 0118 958 3095 Fax: 0118 950 5973

Smithfield
12 West Smithfield, London EC1A 9JR
Tel: 020 7329 5904 Fax: 020 7248 5981

South Kensington
1 Old Brompton Road, London SW7 3HZ
Tel: 020 7581 8101 Fax: 020 7581 2499

St Albans
7-8 Christopher's Place, St Albans,
Hertfordshire AL3 5DQ
Tel: 01727 837 681 Fax: 01727 857 084

St. Christopher's Place
London W1U 1AY
Tel: 020 7935 5927 Fax: 020 7487 5436

St John's Wood
60 St John's Wood High St, London NW8 7SH
Tel: 020 7449 0404 Fax: 020 7449 0418

Tunbridge Wells
32 Mount Pleasant Road,
Tunbridge Wells, Kent TN1 1RA
Tel: 01892 614 968 Fax: 01892 614 970

Westbourne Corner
108 Westbourne Grove, London W2 5RU
Tel: 020 7243 8164 Fax: 020 7243 6165

Windsor
Windsor Royal Station, Windsor SL4 1PJ
Tel: 01753 852 019 Fax: 01753 831 030

Opening Soon: Richmond, 31 Kew Road, Richmond, Surrey, TW9 3EB