

UN ANNO CON
Carluccio's



Interim Report and Accounts

2009

“Whilst the UK economy will remain challenging over the next six to twelve months, on average over 100,000 customers visit a Carluccio’s every week and continue to demonstrate their loyalty to the brand. This loyalty coupled with our unique all day trading model, our experienced management team supported by loyal and enthusiastic staff, give me confidence in the long term prospects of this business.”

Stephen Gee, Chairman, May 2009

	26 weeks to 29 March 2009	26 weeks to 23 March 2008
Turnover (£m)	34.5	30.4
EBITDA (£m)*	3.7	3.6
Cash flow from operations (£m)	2.7	3.4
Profit before tax (£m)	2.5	2.8
Basic earnings per share (pence)	2.9	3.3
Proposed interim dividend (pence)	0.7	0.7

* Earnings before Interest Tax Depreciation and Amortisation (EBITDA).
See note 6 to the condensed financial statements for details.

INDICATORI

Highlights

3

**Carluccio's opened
in Leicester, Bristol
and Earlsfield,
South West London**

**The Company now
trades from**

42

**stores including
franchises**

**Targeted 5 store opening
programme on track**

2

**Carluccio's under franchise,
including the first in the Middle East**

**Continuing strong
cash generation**

RELAZIONE DEL PRESIDENTE

Chairman's interim statement

In these uncertain economic times, I am pleased to be able to report first half results which are in line with Board expectations.

Turnover for the 26 weeks was £34.5m (2008: £30.4m). Profit before tax was £2.5m against £2.8m achieved during the same period last year.

This unwelcome but anticipated decline arose for two principal reasons: the weak state of the UK economy weighing on consumer spending and an unprecedented level of cost pressure which was absorbed by the business. This cost pressure came from three areas: Sterling devalued against the Euro resulting in the products we import from Italy (directly and indirectly via distributors) increasing in cost by approximately 20% when compared to a year ago; higher utility costs on the expiration of our fixed term contracts and a Government imposed increase in the number of days of paid holiday.

EBITDA (earnings before interest tax depreciation and amortisation), was slightly ahead of the prior year comparison at £3.7m (2008: £3.6m). This continued strong cash generation has allowed us to maintain our dividend at 0.7 pence per ordinary share (2008: 0.7 pence) which will be paid on 19 June 2009 to shareholders on the register as of 29 May 2009.

Over recent months all sectors of the eating out market, and in particular the casual dining sector, have seen significant discounting and special offers which has inevitably had an impact on margins. Although we do not believe discount offers such as two meals for the price of one are appropriate on a regular basis for the Carluccio's brand, during January and February we introduced limited but successful promotions which increased our customer count during the quietest months of the year. These promotions have now been discontinued without a noticeably negative impact on the level of business.

I am pleased to report that we have recently extended our working relationship with Antonio Carluccio and will continue to benefit from his unique insight and perspective on Italian food.

I reported at the year end that we had already opened three of our targeted five stores for the current financial year. The two stores in new shopping developments in Leicester and Bristol have continued to trade well and the opening in Earlsfield, a new smaller format location in South West London, has demonstrated that the Carluccio's all day trading model with its combination of an average restaurant spend of £12 and an integrated food shop has real appeal in predominantly residential areas of London.

More recently we have introduced a new updated design style with refurbishment of our Fulham and Chiswick stores. We are very pleased with the response to date from customers.

We expect to achieve our minimum opening target of five stores this year and the strong cash generation and lack of gearing in our business will enable us to exploit any opportunities that may arise in the restaurant property market.

In March, we opened a Carluccio's in Dubai: our second store under franchise and our first in the Middle East. Trading has been encouraging and it has been interesting to note the level of recognition of our brand in the Middle East before having established a strong presence there. A second location has been approved and is at the design stage with an expected opening in 2010. Our first franchised store in Dublin, Ireland, continues to trade satisfactorily although the particular difficulties within the Irish economy are evident.

On 5 May 2009, the Board announced that it had received a preliminary approach which may or may not lead to an offer being made for the Company. Discussions in relation to this preliminary approach are continuing and further announcements will be made as appropriate.

There are conflicting views about the likely state of the UK economy over the next six to twelve months despite the widespread belief that unemployment will continue to rise. It is therefore as difficult as it has ever been to forecast how economic factors will impact on consumer spending and the casual dining sector. We are also faced with a change in the National Minimum Wage legislation from 1 October 2009. This prevents the inclusion of tips left for staff by customers from being included in the calculation of National Minimum Wage. There are a number of factors, however, that provide reassurance: trading since 29 March 2009 has been in line with Board expectations; on average over 100,000 customers visit a Carluccio's every week and continue to demonstrate their loyalty to the brand; we know from experience good summer weather will enable us to make the most of our outside seating which represents close to 25% of our total capacity and finally we have an experienced management team supported by loyal and enthusiastic staff. These factors give me confidence in the long term prospects of this business.

Stephen Gee, Chairman
19 May 2009

Conto Economico

Condensed income statement

For the 26 weeks ended 29 March 2009

	Note	Unaudited Consolidated 26 weeks ended 29 March 2009 £'000	Unaudited Consolidated & Company 26 weeks ended 23 March 2008 £'000	Audited Consolidated & Company 53 weeks ended 28 Sept 2008 £'000
Revenue		34,497	30,372	64,137
Cost of sales		(28,605)	(24,745)	(51,819)
Gross profit		5,892	5,627	12,318
Administrative expenses		(3,402)	(2,908)	(6,797)
Operating profit		2,490	2,719	5,521
Finance income		33	55	122
Finance expense		(14)	(3)	(14)
Profit before tax		2,509	2,771	5,629
Tax expense		(863)	(876)	(1,982)
Profit for the period attributable to equity holders of the parent		1,646	1,895	3,647
Basic earnings per share (pence)	5	2.9	3.3	6.4
Diluted earnings per share (pence)	5	2.9	3.2	6.2

Stato Patrimoniales

Condensed balance sheet

As at 29 March 2009

	Unaudited Consolidated as at 29 March 2009 £'000	Unaudited Consolidated & Company as at 23 March 2008 £'000	Audited Consolidated & Company as at 28 Sept 2008 £'000
Non-current assets			
Intangible assets	176	162	201
Property, plant & equipment	23,511	20,370	22,436
Prepaid operating lease charges	1,389	1,438	1,319
	25,076	21,970	23,956
Current assets			
Inventories	1,311	1,409	1,831
Trade & other receivables	515	624	447
Prepayments and accrued income	1,783	1,480	1,614
Prepaid operating lease charges	119	50	106
Cash and cash equivalents	2,753	3,621	3,587
	6,481	7,184	7,585
Total assets	31,557	29,154	31,541
Current liabilities			
Trade and other payables	3,718	3,654	4,492
Other tax and social security	1,422	1,591	2,064
Accruals	3,808	3,505	3,791
Deferred income	141	41	133
Corporation tax liabilities	891	2,185	751
	9,980	10,976	11,231
Non-current liabilities			
Deferred income	2,122	1,922	1,950
Deferred tax liabilities	1,834	921	1,602
	3,956	2,843	3,552
Total liabilities	13,936	13,819	14,783
Net assets	17,621	15,335	16,758
Shareholders' equity			
Share capital	2,874	2,849	2,852
Share premium account	1,972	1,713	1,725
EBT reserve	(269)	-	-
Retained earnings	13,044	10,773	12,181
Shareholders' equity attributable to equity holders of the parent	17,621	15,335	16,758

Prospetto delle variazioni: Patrimonio netto

Unaudited condensed consolidated statement of changes in equity

As at 29 March 2009

	Share Capital £'000	Share Premium Account £'000	EBT Reserve £'000	Retained Earnings £'000	Total equity £'000
At 28 September 2008	2,852	1,725	-	12,181	16,758
Profit for the period	-	-	-	1,646	1,646
Tax on share options taken directly to reserves	-	-	-	(108)	(108)
Total recognised gains and losses in period	-	-	-	1,538	1,538
Issue of share capital	22	247	-	-	269
Purchase of shares by Employee Benefit Trust (EBT)	-	-	(269)	-	(269)
Dividend paid	-	-	-	(913)	(913)
Share based payment credited to reserves	-	-	-	238	238
	22	247	(269)	(675)	(675)
At 29 March 2009	2,874	1,972	(269)	13,044	17,621

Unaudited condensed consolidated & company statement of changes in equity

As at 23 March 2008

	Share Capital £'000	Share Premium Account £'000	Retained Earnings £'000	Total equity £'000	
At 23 September 2007		2,849	1,713	9,967	14,529
Profit for period to 23 March 2008		-	-	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
Dividends paid		-	-	(912)	(912)
Share based payment credited to reserves		-	-	149	149
		-	-	(763)	(763)
At 23 March 2008		2,849	1,713	10,773	15,335

Rendiconto Finanziario

Condensed cashflow statement
For the 26 weeks ended 29 March 2009

	Unaudited Consolidated 26 weeks ended 29 March 2009 £'000	Unaudited Consolidated & Company 26 weeks ended 23 March 2008 £'000	Audited Consolidated & Company 53 weeks ended 28 Sept 2008 £'000
Net cash inflow from operating activities			
Profit before tax	2,509	2,771	5,629
Amortisation and depreciation	1,219	917	2,009
Share based payment charge	238	149	349
Net interest received	(19)	(52)	(108)
Decrease/(increase) in inventory	168	(28)	(450)
Increase in debtors	(237)	(179)	(138)
(Decrease)/increase in creditors	(1,219)	(165)	1,544
Loss/(profit) on disposal of non-current assets	14	(1)	-
Cash inflow from operating activities	2,673	3,412	8,835
Corporation tax (paid)/repaid	(598)	774	(1,225)
Net cash inflow from operating activities	2,075	4,186	7,610
Cash outflow from investing activities			
Interest received	33	55	122
Purchase of non current assets	(2,015)	(2,854)	(5,984)
Receipts from sale of non current assets	-	4	4
Net cash outflow from investing activities	(1,982)	(2,795)	(5,858)
Cash outflow from financing activities			
Interest paid	(14)	(3)	(14)
Issue of share capital	-	-	15
Dividends paid	(913)	(912)	(1,311)
Net cash outflow from financing activities	(927)	(915)	(1,310)
Net (decrease)/increase in cash and cash equivalents	(834)	476	442
Cash and cash equivalents at beginning of period	3,587	3,145	3,145
Cash and cash equivalents at end of period	2,753	3,621	3,587

Note explicative

Notes to the condensed financial statements

For the 26 weeks ended 29 March 2009

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

The condensed financial statements have been prepared using International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with International Accounting Standard 34 Interim Financial Reporting.

Long Term Incentive Plan

During March 2009, the Company implemented a new Long Term Incentive Plan (LTIP). Under the Plan key management and directors may be awarded a beneficial interest in the Company's share capital. As part of the Plan, two Employee Benefit Trusts (EBT's) were created: one holding the historical interest jointly with the employee participants who hold the interest in the future growth and the second holding the legal interest in the shares on behalf of the joint owners. Participants of the scheme will only benefit from any future growth in the market value of such shares, less a 5% p.a. increase in the hurdle price. Shares can only be sold at the end of 3 years from grant date.

The creation of the EBT's has resulted in the Company having to prepare consolidated accounts for the first time as well as Company accounts. The consolidated accounts reflect the issue of shares to the EBT on 6 March 2009 in satisfaction of share awards made to key employees.

Other than stated above, the same accounting policies, presentation and methods of computation have been followed in these condensed financial statements as were applied in

the preparation of the Company's financial statements for the year ended 28 September 2008.

The interim financial information contained in these statements covers the 26 weeks from 29 September 2008 to 29 March 2009, is unaudited and does not constitute statutory financial statements as defined in Section 435 of the Companies Act 2006. The financial information for the 53 weeks ended 23 September 2008 has been extracted from the statutory accounts for that period, which were prepared in accordance with IFRS. 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 condensed financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where stated otherwise.

3. Segmental information

Revenue is attributable to the principal activity of the Company which is carried out substantially in the United Kingdom.

The Company operates in one business sector (café and foodshops) and in substantially one geographical market (the United Kingdom), therefore no segmental information is presented.

4. Dividend

The directors are proposing the payment of an interim dividend of 0.7 pence per ordinary share (2008: 0.7 pence). The total dividend payable will be £399,000 (2008: £399,000) and will be paid to all shareholders on 19 June 2009 provided that they appear on the register as at 29 May 2009. The final dividend of 1.6 pence per ordinary share (2008: 1.6 pence) for the 53 weeks ended 28 September 2008 was paid on 20 February 2009. The total amount of the dividend payment was £913,000 (2008: £912,000).

5 Earnings per ordinary share (EPS)

	Unaudited Consolidated 26 weeks ended 29 March 2009 £'000	Unaudited Consolidated & Company 26 weeks ended 23 March 2008 £'000	Audited Consolidated & Company 53 weeks ended 28 Sept 2008 £'000
Numerator			
Profit for the period (basic earnings per share)	1,646	1,895	3,647
IFRS 2 Share-based payment net of deferred tax credit	171	107	462
Pre-opening expenses net of tax	344	385	823
Adjusted profit for the period (adjusted earnings per share)	2,161	2,387	4,932

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 condensed financial statements continued

For the 26 weeks ended 29 March 2009

5 Earnings per ordinary share (EPS) continued

	Unaudited Consolidated 26 weeks ended 29 March 2009 Number (‘000)	Unaudited Consolidated & Company 26 weeks ended 23 March 2008 Number (‘000)	Audited Consolidated & Company 53 weeks ended 28 Sept 2008 Number (‘000)
Denominator			
Weighted average number of equity shares (basic earnings per share)	57,038	56,978	57,005
Impact of dilutive share options	734	2,011	2,190
Diluted number of ordinary shares (diluted earnings per share)	57,772	58,989	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 Consolidated 26 weeks ended 29 March 2009 Pence	Unaudited Consolidated & Company 26 weeks ended 23 March 2008 Pence	Audited Consolidated & Company 53 weeks 28 Sept 2008 Pence
Basic earnings per share	2.9	3.3	6.4
Diluted earnings per share	2.9	3.2	6.2
Adjusted basic earnings per share	3.8	4.2	8.7
Adjusted diluted earnings per share	3.7	4.0	8.3

6 Adjusted Earnings Before Interest Tax and Depreciation (EBITDA)

	Unaudited Consolidated 26 weeks ended 29 March 2009 £'000	Unaudited Consolidated & Company 26 weeks ended 23 March 2008 £'000	Audited Consolidated & Company 53 weeks ended 28 Sept 2008 £'000
Operating Profit	2,490	2,719	5,521
Depreciation and amortisation	1,219	917	2,009
EBITDA	3,709	3,636	7,530
IFRS 2 Share based payments	238	149	349
Pre-opening expenses	478	535	1,159
Adjusted EBITDA	4,425	4,320	9,038

7 Share Capital

	Allotted, called up and fully paid					
	Unaudited Consolidated as at 29 March 2009 Number ('000)	Unaudited Consolidated and Company as at 23 March 2008 Number ('000)	Audited Consolidated and Company as at 28 Sept 2008 Number ('000)	Unaudited Consolidated as at 29 March 2009 £'000	Unaudited Consolidated and Company as at 23 March 2008 £'000	Audited Consolidated and Company as at 28 Sept 2008 £'000
Ordinary shares of 5p each	57,468	56,978	57,038	2,874	2,849	2,852
	57,468	56,978	57,038	2,874	2,849	2,852

Movements in share capital

	Number ('000)	£'000
At 24 September 2007 and 23 March 2008	56,978	2,849
Exercise of share options	60	3
At 28 September 2008	57,038	2,852
Issue of EBT shares	430	22
At 29 March 2009	57,468	2,874

Informazioni sulla società

Company information

Directors:

Stephen Gee (Chairman)
Simon Kossoff (Managing Director)
Frank Bandura (Finance Director)
Sarah Murray (Operations 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

Solicitors:

Orick, Herrington & Sutcliffe
Tower 42, Level 35
25 Old Broad Street
London, EC2N 1HQ

Auditors:

BDO Stoy Hayward LLP
55 Baker Street
London, W1U 7EU

Registrars:

Capita Registrars
Northern House
Woodsome Park
Fenay Bridge
Huddersfield, HD8 0LA

Financial public relations:

Hogarth Partnership
No 1 London Bridge
London, SE1 9EG

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 Station

Greater London

Brent Cross, Fenwick
Chiswick
Ealing
Earlsfield
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

Leicestershire

Leicester

Manchester

Spinningfields
Trafford Centre

Oxfordshire

Bicester
Oxford

Bristol

Bristol

Surrey

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

East Sussex

Brighton

Warwickshire

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