



**UNAUDITED INTERIM REPORT
FOR THE SIX MONTHS ENDED
30 JUNE 2024**

Company No. 4578125



Contents

	Page
Key Points of Unaudited Interim Results	3
Chairman's Statement	4
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Cash Flows	11
Consolidated Statement of Changes in Equity	12
Notes to the Unaudited Interim Report	13



Key points of the unaudited interim report for the six months ended 30 June 2024

Summary

- Group H1 adjusted operating profit up £0.097m to £0.133m (H1 2023: £0.036m).
- Rolling 12 month adjusted operating profit increases significantly to £0.237m (H1 2023: £0.009m).
- Operational efficiencies increase adjusted EBITDA margin to 25.8% (H1 2023: 20.6%).
- Total revenue of £2.519m (H1 2023: £2.826m), down 11% in a tough recruitment market.
- Recurring revenues represented 91% (H1 2023: 91%) of Group revenue.
- Net cash generated from operating activities dropped slightly to £0.529m (2023: £0.565m).
- Utilisation of bank facility at period end of £0.172m (2023: cash £0.249m) reflecting ongoing repayment of Government support loans (£0.300m annually).
- Board expects to deliver full year results in line with adjusted PTP market expectations.
- Investments made in platforms and efficiency gains over recent years allow the Group to continue to deliver “Excellent” Trustpilot rated services to customers, despite significant reductions in cost base.

Post Period

- On 23 August 2024 the Group raised £0.300m through the issue of loan notes and an additional £0.060m from issuing shares to a new investor.
- As at 31 August 2024 cash was £0.156m.

Commenting on the results and prospects, Giles Fearnley, Non-Executive Chairman, said:

“In my statement in the Annual Report, I said that we had made a solid start to the year. These results confirm that statement with adjusted EBITDA and adjusted operating profit up £0.069m and £0.097m respectively on H1 2023 despite challenging conditions in our key markets. However, we are not immune to the challenges faced by the recruitment sector, and expect to see recurring revenue in H2 below that delivered in H1, driven in large part by significant staff downsizing among our client base. Nevertheless, we are confident of meeting market expectations for adjusted PTP for the year.”

* Note: “Adjusted” refers to activities before acquisition, reorganisation, Government support, and one-off costs



Chairman's Statement

In my statement in the Annual Report, I said that we had made a solid start to the year. These results confirm that statement with adjusted EBITDA and adjusted operating profit up £0.069m and £0.097m respectively on H1 2023.

It is the rolling 12-month measure of adjusted operating profit which demonstrates the progress made. The table below shows the progression, with adjusted operating profit in the 6 months to 30 June 2024 being £0.317m (2023: £0.009m).

	2018 H1	2019 H1	2020 H1	2021 H1	2022 H1	2023 H1	2024 H1
12 Month Rolling Adjusted Operating Profit (£'000)	140	(6)	(228)	(568)	(342)	9	317

In the Annual Report, and recent announcements, I have pointed to challenging economic conditions. There has been a raft of publicly quoted companies in our target market reporting sharply reduced revenues and profits. This has manifested itself in those companies reducing headcount. In addition, we have seen an almost doubling in the last 3 years of UK recruitment companies filing for insolvency.

In recent years we have improved the operational efficiency of the business significantly, and this has allowed us to deliver such a positive set of results in such a challenging year.

Operational Review

We split our products into two groups – one whose products primarily target contingency recruiters (largely, but not exclusively, in the United Kingdom) that typically recruit a combination of temporary, permanent and contract staff. We also have products used by executive search firms and in-house executive search teams across the globe that usually recruit for permanent roles only.

Contingency review:

Traditionally, the hiring of temporary staff is somewhat anti-cyclical and so, while our contingency products have faced a challenging six months, they have benefited somewhat from this trend.

Despite this, we have seen significant headcount reductions among our contingency CRM clients. In the first 6 months of 2024, 9% of our Infinity clients reduced user numbers (this statistic excludes any client losses due to insolvency or other reasons). This has a direct impact on our future recurring revenue streams. It is to be hoped that these firms will hire back rapidly as and when the recruiting sector recovers.

Our other products have fared somewhat better. Our ISV.online skills testing platform has delivered its first of a more comprehensive style of psychometric evaluations, initially used



Dillistone Group Plc

by one of the UK's best known recruiting brands, working with a leading automotive manufacturer. Early feedback on the impact of these tests is extremely positive, with more data expected later in the year.

Our Mid-Office pay and bill product benefited from additional investment in 2023, allowing us to port the product to the cloud. We were pleased to see, due in part to that investment, this was our best performing product in the period, with H1 2024 showing growth of 12% against H1 2023 albeit from a relatively low base.

We expect to bring further contingency revenue streams online in H2.

Executive search review:

The global slowdown in hiring hit our executive search products hard. In the period, 10% of our executive search firm clients reduced headcount, and, in addition to this, we also saw a higher number of client losses due to insolvency and other reasons. Again, it is to be hoped that as the markets improve, this sub-sector will scale rapidly.

Of our executive search products, Talentis was our best performing, growing marginally in the period. Our GatedTalent platform has seen falling revenue for an extended period and, in Q1 of this year, we turned off the legacy platform and launched an updated version of the tool, integrated into the Talentis application. We are pleased to report that since this integration was launched, GatedTalent has returned to growth.

We continue to develop and support our FileFinder product. However, we are seeing increasing desire among our FileFinder customers to move to our Talentis platform.

While we do not expect to see a turnaround in demand for our executive search platforms in H2, we do expect to see combined revenue from Talentis and our newly integrated GatedTalent platform (which in future we will report as Talentis B2B and Talentis B2C respectively) grow in H2 when compared to H1.

KPIs and financial performance

The Group's operational performance has improved significantly in recent years. The success measure for each of the KPIs used by management is year on year improvement.

	FY24 H1 £'000	FY23 H1 £'000	% Move
Total revenue	2,519	2,826	(11%)
Recurring revenue	2,293	2,564	(11%)
Adjusted EBITDA *	650	581	12%
Adjusted Operating Cash **	529	519	2%
Adjusted (loss) before tax ***	(15)	(105)	86%

* EBITDA adjusted for Government support

** Operating cash adjusted for Government support received

*** (Loss) before tax adjusted for Government support associated with Covid and exceptional costs



Dillistone Group Plc

Revenue

Group revenue in H1 FY2024 reduced to £2.519m from £2.823m in H1 FY2023. Recurring revenues decreased by 11% to £2.293m over the comparable period last year (2023: £2.564m).

Recurring revenues represented 91% of total revenues (2022: 91%). Non-recurring revenues were down 12.5% at £0.175m (2023: £0.200m).

Adjusted EBITDA*

The adjusted EBITDA* increased by 12% to £0.650m from £0.581m in H1 FY2023. This resulted in another increase in EBITDA margin to 25.8%, compared to 20.6% in H1 FY2023, reflecting the Group's continued focus on efficiency.

Operating profit/(loss) and profit/(loss) before tax

The Group operating profit, before acquisition related, reorganisation and other items, increased by 369% to stand at £0.133m from £0.036m in H1 FY2023.

Inclusive of acquisition related and other items, the operating profit was £0.065m compared to a loss of £0.027m in H1 FY2023.

The loss before tax decreased to (£0.015m) from (£0.046m) in H1 FY2023. Using a like for like measure, excluding Government support of £0.059m for H1 FY2023, the comparative figure for H1 FY2023 is (£0.105m). This makes the result for H1 FY2024 a decrease in loss of 86%.

Taxation

The net tax credit for H1 is £0.006m (H1 FY2023: £0.054m) reflecting the changes in R&D tax allowances the company can claim which came into force in April 2023.

Balance sheet

The Group's net assets decreased slightly to £3.206m (H1 FY2023: £3.236m) with trade and other receivables decreasing to £0.493m (H1 FY2023: £0.635m). Trade and other payables also decreased to £2.005m (H1 FY2023: £2.523m).

R&D development

The Group capitalised £0.436m in development costs in the period (H1 FY2023: £0.460m) as the business continued its commitment to developing its products. Amortisation of development costs was £0.489m (H1 FY2023: £0.496m)



Dillistone Group Plc

Financing

The CBIL loan balance stands at £0.600m (31 December 2023: £0.750m) and, on the current payment profile, will be repaid by June 2026. The Group has the contractual right to pause repayments for up to 6 months, but at this time has no intention to do so. The Group also has a convertible loan of £0.400m (31 December 2023: £0.400m), which will not be repaid until the CBIL loan has been repaid.

Post balance sheet, the Group raised £0.300m in convertible loan notes with a maturity date of August 2028.

The two convertible loans were made by current and former Directors of the Group.

Cashflow

Net cash generated from operating activities dropped slightly to £0.529m (2023: £0.565m).

Excluding government support in 2023 net cash from operating activities increased 2% to £0.529m (H1 FY2023: £0.519m). Adjusted net change in cash before Government support improved by 29% to (£0.153m) (H1 FY2023: (£0.217m)).

At 30 June 2024, we had a utilisation of our bank facility of (£0.172m) (2023: net cash balance £0.249m).

Summarised cashflow

	H1 FY2024 £'000	H1 FY2023 £'000
Adjusted net cash from normalised operating activities	529	519
Investing Activities – net	(441)	(469)
Financial Activities - net	(241)	(267)
Adjusted Net change in cash and cash equivalents	(153)	(217)
Adjustment for Government Support	-	46
Net change in cash and cash equivalents	(153)	(171)
Cash and cash equivalents at beginning of year	(19)	433
Effect of foreign exchange rate changes	-	(13)
Cash and cash equivalents at 30 th June	(172)	249

Outlook

The Board is pleased to report a third consecutive half year of adjusted operating profit and an improving adjusted EBITDA margin, consolidating the Group's return to profitability.



Dillistone Group Plc

The recruitment sector has undoubtedly had a turbulent time in recent months, and this has impacted upon demand for our services. Our investment in systems has allowed the Group to be agile in responding to these challenges.

We are not however immune to the challenges faced by the recruitment sector and do expect to see recurring revenue in H2 below that delivered in H1, driven in large part by downsizing by our client base. Nevertheless, we are confident of meeting market expectations for adjusted PTP for the year.

Giles Fearnley

xx September 2024



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Note</i>	<i>6 Months ended 30 June</i>		<i>Year ended 31 Dec</i>
		<i>2024 Unaudited £'000</i>	<i>2023 Unaudited £'000</i>	<i>2023 Audited £'000</i>
Revenue	4	2,519	2,826	5,595
Cost of sales		(269)	(312)	(601)
Gross profit		2,250	2,514	4,994
Administrative expenses		(2,185)	(2,487)	(4,943)
Result from operating activities	4	65	27	51

<i>Analysed as:</i>				
<i>Result from operating activities before acquisition related, reorganisation and other items</i>				
		133	36	220
<i>Acquisition related, reorganisation and other items</i>				
5		(68)	(9)	(169)
<i>Result after acquisition related items</i>				
		65	27	51

Financial cost		(80)	(73)	(155)
(Loss) before tax		(15)	(46)	(104)
Tax income	6	6	54	107
(Loss) / Profit for the period		(9)	8	3
Other comprehensive income net of tax:				
Currency translation differences		(2)	(6)	(3)
Total comprehensive (loss) / income for period net of tax		(11)	2	-

Earnings per share (pence)

Basic	8	(0.05)	0.04	0.01
Diluted		(0.05)	0.04	0.01

Dillistone Group Plc



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<i>As at 30 June 2024</i>	<i>As at 30 June 2023</i>	<i>As at 31 Dec 2023</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
ASSETS			
Non-current assets			
Goodwill	3,415	3,415	3,415
Intangible assets	2,700	2,886	2,822
Right of use assets	219	455	15
Property plant & equipment	19	27	20
	6,353	6,783	6,272
Current assets			
Trade and other receivables	493	635	559
Current tax receivable	-	134	-
Cash and cash equivalents	-	249	-
	493	1,018	559
Total assets	6,846	7,801	6,831
EQUITY AND LIABILITIES			
Equity			
Share capital	983	983	983
Share premium	1,631	1,631	1,631
Merger reserve	365	365	365
Convertible loan reserve	14	14	14
Retained earnings	91	103	100
Share option reserve	57	76	57
Translation reserve	65	64	67
Total equity	3,206	3,236	3,217
Liabilities			
Non current liabilities			
Trade and other payables	169	206	170
Lease liabilities	3	448	3
Borrowings	700	1000	850
Deferred tax	236	226	244
Total non-current liabilities	1,108	1,880	1,267
Current liabilities			
Trade and other payables	1,836	2,317	2,019
Lease liabilities	218	68	5
Borrowings	300	300	300
Current tax payable	6	-	4
Utilisation of bank facility	172	-	19
Total non-current liabilities	2,532	2,685	2,347
Total liabilities	3,640	4,565	3,614
Total liabilities and equity	6,846	7,801	6,831

The interim report was approved by the Board of directors and authorised for issue on **xx September 2024**.
They were signed on its behalf by:

JS Starr

IJ Mackin

Dillistone Group Plc



CONSOLIDATED STATEMENT OF CASH FLOWS

	As at 30 June		As at 31 December
	2024	2023	2023
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Operating Activities			
(Loss) before tax	(9)	(46)	(104)
Adjustment for			
Financial cost	80	73	155
Depreciation and amortisation	584	614	1,230
Share option expense	-	11	(6)
Lease termination	-	-	(77)
Other including foreign exchange adjustments arising from operations	(2)	7	(8)
Operating cash flows before movements in working capital	653	659	1,206
Decrease / (Increase) in receivables	66	(27)	49
(Decrease) in payables	(184)	(59)	(393)
Net taxation (Paid) / repaid	(6)	(8)	201
Net cash generated from operating activities	529	565	1,063
Investing Activities			
Purchases of property plant and equipment	(5)	(9)	(9)
Investment in development costs	(436)	(460)	(963)
Net cash used in investing activities	(441)	(469)	(972)
Financing Activities			
Finance cost	(80)	(73)	(155)
Lease payments made	(11)	(44)	(77)
Bank loan repayments	(150)	(150)	(300)
Net cash generated from financing activities	(241)	(267)	(532)
Net change in cash and cash equivalents	(153)	(171)	(441)
Cash and cash equivalents at beginning of the period	(19)	433	433
Effect of foreign exchange rate changes	-	(13)	(11)
Cash and cash equivalents at end of period	(172)	249	(19)



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital £'000	Share premium £'000	Merger Reserve £'000	Retained earnings £'000	Convertible loan reserve £'000	Share option £'000	Foreign exchange £'000	Total £'000
Balance at 31 December 2023	983	1,631	365	100	14	57	67	3,217
Comprehensive income								
Loss for the 6 months ended 30 June 2024	-	-	-	(9)	-	-	-	(9)
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	(2)	(2)
Total comprehensive profit	-	-	-	(9)	-	-	(2)	(11)
Transactions with owners								
Share option charge	-	-	-	-	-	-	-	-
Balance at 30 June 2024	983	1,631	365	91	14	57	65	3,206
Balance at 31 December 2022	983	1,631	365	93	14	67	70	3,223
Comprehensive income								
Profit for the 6 months ended 30 June 2023	-	-	-	8	-	-	-	8
Other comprehensive income								
Exchange differences on translation of overseas operations	-	-	-	-	-	-	(6)	(6)
Total comprehensive profit	-	-	-	8	-	-	(6)	2
Transactions with owners								
Share option charge	-	-	-	2	-	9	-	11
Balance at 30 June 2023	983	1,631	365	103	14	76	64	3,236



NOTES TO THE UNAUDITED INTERIM REPORT

1. Basis of Preparation

The financial information for the six months ended 30 June 2024 included in this condensed interim report comprises the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes.

The financial information in these interim results is that of the holding company and all of its subsidiaries (the Group). It has been prepared in accordance with UK adopted international accounting standards but does not include all of the disclosures that would be required under International Financial Reporting Standards (IFRSs). The accounting policies applied by the Group in this financial information are the same as those applied by the Group in its financial statements for the year ended 31 December 2023 and are those which will form the basis of the 2024 financial statements.

The comparative financial information presented herein for the year ended 31 December 2023 does not constitute full statutory accounts for that period. The Group's annual report and accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The Group's independent auditor's report on those statutory accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Going concern

The directors have continued to perform detailed forecasting on a regular basis taking into account current trading and expectations and cash balances and, having reflected upon these forecasts, the directors of the Company continue to adopt the going concern basis of accounting in preparing the financial statements.

Dillistone Group Plc is the Group's ultimate parent company. It is a public listed company and is domiciled in the United Kingdom. The address of its registered office and principal place of business is 9 Cedarwood, Crockford Lane, Chineham Business Park, Basingstoke, RG24 8WD. Dillistone Group Plc's shares are listed on the Alternative Investment Market (AIM).

2. Share Based Payments

The Company operates two share option schemes. The fair value of the options granted under these schemes is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period at the end of which the option holder may exercise the option. The fair value of the options granted is measured using the Black-Scholes model.



3. Reconciliation of adjusted operating profits to consolidated statement of comprehensive income

6 months ended 30 June 2024 and 30 June 2023

	Adjusted operating profits 30-Jun- 2024	Acquisition related items 2024*	30-Jun- 2024	Adjusted operating profits 30-Jun-2023	Acquisition and reorganisation related items 2023*	30-Jun- 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	2,519	-	2,519	2,826	-	2,826
Cost of sales	(269)	-	(269)	(312)	-	(312)
Gross profit	2,250	-	2,250	2,514	-	2,514
Administrative expenses	(2,117)	(68)	(2,185)	(2,478)	(9)	(2,487)
Results from operating activities	133	(68)	65	36	(9)	27
Financial cost	(80)	-	(80)	(73)	-	(73)
(Loss) before tax	53	(68)	(15)	(37)	(9)	(46)
Tax (charge) / income	(7)	13	6	41	13	54
Profit / (loss) for the period	46	(55)	(9)	4	4	8
Other comprehensive income net of tax:						
Currency translation differences	(2)	-	(2)	(6)	-	(6)
Total comprehensive (loss) / profit for the year net of tax	44	(55)	(11)	(2)	4	2

* see accounts note 5

Earnings per share – from continuing activities

Basic	0.23p	(0.05p)	0.02p	0.04p
Diluted	0.23p	(0.05p)	0.02p	0.04p

Dillistone Group Plc



Year Ended 31 December 2023

	Adjusted operating profits	Acquisition and reorganisation related items	
	31 December 2023	2023*	31 December 2023
	£'000	£'000	£'000
Revenue	5,595	-	5,595
Cost of sales	(601)	-	(601)
Gross profit	4,994	-	4,994
Administrative expenses	(4,774)	(169)	(4,943)
Results from operating activities (inc furlough)	220	(169)	51
Financial cost	(155)	-	(155)
(Loss) before tax	65	(169)	(104)
Tax income	81	26	107
(Loss) for the year	146	(143)	3
Other comprehensive income net of tax:			
Currency translation differences	(3)	-	(3)
Total comprehensive (Loss) for the year net of tax	143	(143)	-

* see accounts note 5

Earnings per share – from continuing activities

<i>Basic</i>	<i>0.74p</i>	<i>0.01p</i>
<i>Diluted</i>	<i>0.74p</i>	<i>0.01p</i>



4. Segment reporting

Results

	6 months ended 30 June		Year ended
	2024	2023	31 Dec
	£'000	£'000	2023
			£'000
Results from operating activities			
Ikiru People	112	15	156
Central	21	21	64
Reorganisation and other costs	-	-	(32)
Amortisation of acquisition intangibles and other one off costs or income	(68)	(9)	(137)
Result from operating activities	65	27	51

Geographical segments

The following table provides an analysis of the Group's revenues by geographical market.

	6 months ended 30 June		Year ended
	2024	2023	31 Dec
	£'000	£'000	2023
			£'000
UK	1,941	2,068	4,175
Europe	250	293	583
Americas	189	242	496
Australia	68	127	147
ROW	71	96	194
	2,519	2,826	5,595



4. Segment reporting (continued)

Business Segment

The following table provides an analysis of the Group's revenues by products and services.

	6 months ended 30 June		Year ended
	2024	2023	31 Dec
	£'000	£'000	2023
			£'000
Recurring	2,293	2,564	4,974
Non recurring	175	200	497
Third party revenues	51	62	124
	<u>2,519</u>	<u>2,826</u>	<u>5,595</u>

'Recurring income' represents all income recognised over time, whereas 'Non-recurring income' represents all income recognised at a point in time. Recurring income includes all support services, software as a service income (SaaS) and hosting income. Non-recurring income includes sales of new licenses, and income derived from installing those licenses including training, installation, and data translation. Third party revenues arise from the sale of third party software.

Business Sector

The following table provides an analysis of the Group's revenues by market sector.

	6 months ended 30 June		Year ended
	2024	2023	31 Dec
	£'000	£'000	2024
			£'000
Contingent	1,620	1,703	3,460
Executive Search	899	1,123	2,135
	<u>2,519</u>	<u>2,826</u>	<u>5,595</u>

5. Acquisition related items and other one off costs

	6 months ended 30 June		Year ended
	2024	2023	31 Dec
	£'000	£'000	2023
			£'000
Reorganisation and other costs	-	-	168
Lease Termination	-	-	(77)
Grants received from overseas jurisdictions	-	(59)	(59)
Amortisation of acquisition intangibles	68	68	137
Total	<u>68</u>	<u>9</u>	<u>169</u>



6. Tax

	6 months ended 30 June		Year ended
	2024	2023	31 Dec
	£'000	£'000	2023
			£'000
Current tax	(1)	(13)	(53)
Prior year adjustment – current tax	-	-	(72)
Deferred tax release	(9)	(28)	(6)
Prior year adjustment – deferred tax	17	-	56
Deferred tax rate change	-	-	(6)
Deferred tax re acquisition intangibles	(13)	(13)	(26)
Tax credit for the period	(6)	(54)	(107)

The tax charge is calculated for each jurisdiction based on the estimated position for the year. Deferred tax has been provided at a rate of 25% (2023: 25%).

7. Dividends

The Board has decided not to pay an interim dividend (2023: nil per share).

8. Earnings per Share

	6 months ended 30 June		Year ended
	2024	2023	31 Dec
			2023
Basic earnings per share			
Profit / (Loss) attributable to ordinary shareholders	(£9,000)	£8,000	£3,000
Weighted average number of shares	19,668,021	19,668,021	19,668,021
Basic earnings / (loss) per share (pence)	(0.05)	0.04	0.01

9. Related party transactions

The Company has related party relationships with its subsidiaries, its directors, and other employees of the Company with management responsibility. There were no transactions with these parties during the period outside the usual course of business.

The Directors participated in the issue of convertible loan notes in 2017 which carry interest at 8.15% per annum payable quarterly in arrears. There were no transactions with any other related parties.



10. Subsequent events

Following the end of the reporting period, the Group issued convertible loan notes to the value of £300,000 of which £230,000 was raised from Directors. Their holdings are as follows:

Giles Fearnley	£60,000
Jason Starr	£90,000
Ian Mackin	£30,000
Steven Hammond	£15,000
Paul Mather	£15,000
Simon Warburton	£15,000
Julie Pomeroy	£5,000

The Loan Notes carry an interest coupon of 9.85 per cent pa over their maximum term of 48 months, with a conversion price of 14.0 pence per new Dillistone ordinary share, representing a premium over the price at announcement of 55.6%.

11. Cautionary statement

This Interim Report has been prepared solely to provide additional information to shareholders to assess the Company's strategies and the potential for these strategies to succeed. The Interim Report should not be relied on by any other party or for any other purpose. The Interim Report contains certain forward-looking statements with respect to the financial condition, results of operations and businesses of the Company. These statements are made in good faith based on the information available to them up to the time of their approval of this report. However, such statements should be treated with caution as they involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. The continuing uncertainty in global economic outlook inevitably increases the economic and business risks to which the Company is exposed. Nothing in this announcement should be construed as a profit forecast.