

Chairman's Statement

for the six months ended 30 June 2006

Results

Revenue from continuing operations in the period increased by 8.8% to £135.5 million (2005: £124.5 million), primarily as a result of UK revenue growth.

Operating profit for continuing operations (before exceptional items and excluding other operating income) reduced to £6.3 million (2005: £6.8 million) in line with expectations. The main factors behind the decline in operating profit were the effects of high fuel costs in the period, a reduced proportion of higher margin business and a negative foreign exchange movement on our Edmunds investment. On a statutory basis operating profit from continuing operations was £4.2 million (2005: £7.7 million).

Exceptional costs of £2.1 million (2005: £ nil million) included £1.8 million in respect of the closure of the London Head Office and a further £0.3 million in relation to costs associated with the Company's refinancing. The closure of the London office and other Group cost initiatives have resulted in annualised savings of £1.2 million.

The net interest charge increased to £2.0 million (2005: £1.8 million) as a result of the higher cost of the new banking facilities during the last 2 months of the period.

The post tax share of profits in joint ventures increased to £0.2 million (2005: £ nil million).

Profit before tax for continuing operations (before exceptional items and excluding other operating income) for the 6 months ended 30 June 2006 was £4.5 million (2005: £5.0 million). On a statutory basis profit before tax for continuing operations was £2.4 million (2005: £5.9 million).

Discontinued operations generated a loss of £2.6 million for the 6 months ended 30 June 2006 (2005: loss £10.5 million), which is analysed as follows:

	£'m
Trading losses of Walon France	(1.5)
Exceptional losses relating to Walon France	(7.6)
Exceptional gain relating to the GAL option	6.5

The exceptional losses of £7.6 million relate to the disposal of Walon France which was completed during the period. These losses relate to the write off of the carrying value of the investment in the consolidated accounts and do not impact the cash position of the Group.

The exceptional gain of £6.5 million is in respect of the grant of an option to Wallenius Lines AB to acquire the Group's 40% shareholding in Gobal Automotive Logistics SAS ("GAL"). As the investment in GAL was fully impaired at 31 December 2005, the carrying value has been uplifted at 30 June 2006 to reflect the option value of £6.5 million (after estimated expenses of £0.4 million). The option price, which is not refundable, was received in July 2006 and has therefore impacted cash in the second half of the year. The option may be exercised up to 1 December 2006 by payment of a further €10 million (£6.9 million). This further consideration has not been recognised at 30 June 2006.

Earnings per share

Business performance earnings per share increased by 6.0% to 7.1p (2005: 6.7p). Whilst profit before tax reduced by 10.0% in the period, this was more than offset by a reduction in the tax charge in the period. On a statutory basis, which includes discontinued activities, the loss per share decreased by 85.5% to 2.3p (2005: loss 15.9p).

Dividend

The Directors have not declared an interim dividend for the period (2005: 3.6p per share).

Operational Review

UK

Revenue for the UK of £116.7 million was up by 12.9% (2005: £103.4 million). Significant new business gained in the second half of 2005, with Land Rover, General Motors and GE Capital, has enabled the business to continue to grow organically, despite a 4.2% decline in new car registrations.

Operating profit of £8.0 million was in line with the previous year (2005: £8.0 million). Although there has been a positive impact from the new business, this has been offset by high fuel costs in the period, an increasingly competitive market place and a reduced proportion of higher margin business. A significant proportion of our contracts allow for the recovery of fuel cost increases although this process is not always immediate or retrospective.

VMEX, our vehicle movement exchange business, is now fully established in the UK and is beginning to generate new business on the continent, including increased cross-border distribution activity. It is now making a contribution to our results.

Spain

Revenue in Walon Iberia of £12.3 million was in line with the previous year (2005: £12.2 million) notwithstanding a 1.2% fall in the Spanish new car market and lower storage and handling volumes. Operating profit reduced to £0.4 million (2005: £0.5 million).

Benelux

Revenue in Walon BNL of £5.9 million (2005: £8.7 million) was significantly down on the previous year reflecting a reduction in Holland following the outsourcing of the national distribution business. Operating profit in the period was £ nil million (2005: £1.0 million). The 2005 profit included £0.9 million from the sale of property development rights in Holland.

Czech Republic

Revenue in the Czech Republic increased to £0.6 million (2005: £0.2 million) reflecting the full period of operating plant handling contracts for Toyota and Gefco. Operating profit was £ nil million (2005: £ nil million).

Business Objectives and Strategy

The Group's major short term objective is to reduce debt levels with particular focus on removing the expensive Mezzanine finance facility by the end of the year. We have already made good progress in repaying and cancelling £8.0 million of this facility in September 2006. The Group is currently in discussions with a number of parties in connection with the possible disposal of all or part of our Spanish business. The net proceeds of any such disposal and also the proceeds of the GAL option, if exercised, will be used to further repay the Mezzanine debt. The Group continues to actively pursue the potential for realising value from non-core assets, particularly those outside the UK market.

The Group's central strategy is to enhance its strong market position in the UK through the addition of complementary activities which will increase organic growth. The Group's Distribution services are used by a wide range of OEM's but there is considerable scope to increase activity in Technical Services as well as introduce new value added services such as VMEX and First Fleet, our used car refurbishment and re-marketing operation which was launched during the period.

Outlook

Trading in the core UK market has continued at similar levels to the first half with sales of new cars down 4.3% in the year to date. Against this background we expect operating profit for the full year to be broadly in line with market expectation. For 2007, whilst we anticipate a reduction in distribution volumes for Toyota in the UK, we expect this to be offset by growth in VMEX and First Fleet. Competitive activity is strong and some manufacturers continue to mitigate risk and cost by multi-sourcing services. Nevertheless this trend gives us greater opportunities to bid for new business. We will aggressively pursue opportunities to maintain our overall market leadership and we believe we are well placed to achieve this.

I look forward to updating you with further developments at the full year end.

Neil Johnson, Chairman
AutoLogic Holdings plc
19 September 2006

Consolidated Income Statement
for the six months ended 30 June 2006 (Unaudited)

	Note	2006 Interim £'m	Restated 2005 Interim £'m	Restated 2005 Full Year £'m
Continuing operations				
Revenue	2	135.5	124.5	244.8
Cost of sales before exceptional items		(116.3)	(104.7)	(207.9)
Exceptional items	3	-	-	(0.3)
Total cost of sales		(116.3)	(104.7)	(208.2)
Gross Profit		19.2	19.8	36.6
Administration expenses before exceptional items		(12.9)	(13.0)	(26.5)
Exceptional items	3	(2.1)	-	(1.3)
Total administration expenses		(15.0)	(13.0)	(27.8)
Other operating income	3	-	0.9	1.9
Operating profit		4.2	7.7	10.7
Operating profit before exceptional items and excluding other operating income		6.3	6.8	10.4
Exceptional items		(2.1)	-	(1.6)
Other operating income		-	0.9	1.9
Interest receivable		0.4	0.2	0.7
Interest payable and similar charges		(2.4)	(2.0)	(3.6)
Post tax share of profits from interest in joint ventures and associates		0.2	-	-
Profit before taxation		2.4	5.9	7.8
Taxation	4	(0.8)	(2.3)	(4.1)
Profit from continuing operations		1.6	3.6	3.7
Discontinued operations				
Loss before exceptional items	2	(1.5)	(0.6)	(4.7)
Exceptional items	2	(1.1)	(9.9)	(89.9)
Total loss from discontinued operations		(2.6)	(10.5)	(94.6)
Loss for the period		(1.0)	(6.9)	(90.9)
Attributable to:				
Equity shareholders		(1.0)	(7.0)	(91.0)
Minority interests		-	0.1	0.1
Loss per share				
Basic and diluted	5	(2.3)p	(15.9)p	(207.7)p
Earnings per share from continuing operations				
Basic and diluted	5	3.6p	8.1p	8.2p

The profit and loss account for the period ended 30 June 2005 has been restated to reclassify the results of GAL and France, and the impairment of the French goodwill, from continuing operations to discontinued operations. The profit and loss account for the year ended 31 December 2005 has been restated to reclassify the results of GAL from continuing operations to discontinued operations. This treatment is consistent with the classification for the period ended 30 June 2006.

Consolidated Statement of Recognised Income and Expense

for the six months ended 30 June 2006 (Unaudited)

	Note	6 months to 30 June 2006 £'m	6 months to 30 June 2005 £'m	12 months to 31 Dec 2005 £'m
Translation differences on foreign currency investments:				
Group	7	0.3	(1.8)	(0.7)
Share of joint ventures and associates		-	(2.1)	(1.6)
Net investment hedge		-	1.2	1.2
Share-based payments	7	0.6	0.1	(0.1)
Actuarial gain/(loss) on pension schemes	7	1.6	1.1	(0.6)
Deferred tax on actuarial (gain)/loss	7	(0.5)	(0.3)	0.2
Net gains/(losses) recognised directly in equity		2.0	(1.8)	(1.6)
Loss for the financial period	7	(1.0)	(6.9)	(90.9)
Total recognised income/(expense) in the year		1.0	(8.7)	(92.5)
Attributable to:				
Equity shareholders		1.0	(8.8)	(92.6)
Minority interests		-	0.1	0.1
		1.0	(8.7)	(92.5)

Consolidated Balance Sheet

at 30 June 2006 (Unaudited)

	Note	2006 Interim £'m	2005 Interim £'m	2005 Final £'m
Assets				
Non-current assets				
Goodwill		36.0	38.5	36.0
Intangible assets		0.5	1.0	0.5
Property, plant and equipment		21.5	35.2	22.7
Financial assets				
- Available for sale investments		5.5	5.7	5.9
Investments accounted for using the equity method		0.3	69.1	0.1
Deferred tax asset		3.8	6.0	4.4
		67.6	155.5	69.6
Current assets				
Inventories		0.9	1.6	0.9
Trade and other receivables		61.7	87.2	49.2
Cash and cash equivalents	8	5.0	14.3	15.2
		67.6	103.1	65.3
Assets classified as held for sale	2	6.5	-	41.4
		74.1	103.1	106.7
Liabilities				
Current liabilities				
Trade and other payables		(54.7)	(72.4)	(46.8)
Financial liabilities	8	(12.4)	(53.7)	(55.9)
Current tax liabilities		(1.6)	(3.6)	(2.5)
		(68.7)	(129.7)	(105.2)
Liabilities directly associated with assets classified as held for sale		-	-	(30.8)
		(68.7)	(129.7)	(136.0)
Net current assets/(liabilities)		5.4	(26.6)	(29.3)
Non-current liabilities				
Financial liabilities	8	(35.6)	(2.8)	(2.3)
Retirement benefit liability		(7.2)	(8.9)	(9.0)
Provisions		(1.1)	(3.8)	(0.9)
		(43.9)	(15.5)	(12.2)
Net assets		29.1	113.4	28.1
Shareholders' equity				
Ordinary shares	7	2.2	2.2	2.2
Share premium	7	67.4	67.4	67.4
Other reserves	7	7.6	8.1	7.3
Retained earnings	7	(48.5)	35.3	(49.2)
Total shareholders' equity		28.7	113.0	27.7
Minority interest in equity	7	0.4	0.4	0.4
Total equity		29.1	113.4	28.1

Consolidated Cash Flow Statement
for the six months ended 30 June 2006 (Unaudited)

	6 months to 30 June 2006 £'m	Restated 6 months to 30 June 2005 £'m	Restated 12 months to 31 Dec 2005 £'m
Cash flows from operating activities			
Cash generated from/(used by) operations - continuing	1.8	(0.2)	3.2
Cash used by operations - discontinued	(4.9)	(3.7)	(1.2)
Interest received	0.2	0.6	0.7
Interest paid	(1.7)	(2.1)	(3.8)
Tax paid	(1.5)	(0.4)	(2.3)
Net cash used by operating activities	(6.1)	(5.8)	(3.4)
Cash flows from investing activities			
Proceeds from sale of subsidiaries	3.8	-	-
Dividends received from joint venture companies	-	-	0.2
Proceeds from sales of property, plant and equipment	0.1	11.1	14.3
Purchase of property plant and equipment	(1.0)	(6.2)	(9.0)
Net cash received from investing activities	2.9	4.9	5.5
Cash flows from financing activities			
Net proceeds from issue of ordinary share capital	-	0.1	0.1
Net proceeds from bank loan	45.9	2.5	4.8
Finance lease principal payments	(0.1)	(0.4)	(0.8)
Repayment of borrowings	(55.6)	-	-
Repayment of foreign currency swap	-	(2.0)	(2.0)
Dividends paid	-	(3.3)	(4.8)
Net cash used in financing activities	(9.8)	(3.1)	(2.7)
Effects of exchange rate changes	0.1	(0.4)	(0.2)
Net decrease in cash and cash equivalents	(12.9)	(4.4)	(0.8)
Cash and cash equivalents at the beginning of the financial period	17.9 ¹	18.7	18.7
Cash and cash equivalents at the end of the financial period	5.0	14.3	17.9¹
Reconciliation of net profit to net cash inflow/(outflow) from operating activities			
Continuing operations			
Net profit	1.6	3.6	3.7
Adjustments for:			
Tax	0.8	2.3	4.1
Depreciation and amortisation	1.6	2.0	3.5
(Profit)/loss on disposal of property, plant and equipment	0.2	(0.8)	(1.6)
Impairment of goodwill	-	-	0.5
Net interest payable and similar charges	2.0	1.8	2.9
Share of results of joint ventures after taxation	(0.2)	-	-
Share based payments	0.2	0.1	-
Changes in working capital:			
Increase in inventories	-	(0.1)	-
Increase in trade and other receivables	(11.4)	(13.8)	(15.2)
Increase in creditors and provisions for liabilities and charges	6.6	4.7	5.9
Foreign currency movement on available for sale investments	0.4	-	(0.6)
Cash generated from/(used by) continuing operations	1.8	(0.2)	3.2
Discontinued operations			
Net loss	(2.6)	(10.5)	(94.6)
Adjustments for:			
Taxation	-	-	1.2
Depreciation and amortisation	0.6	1.0	2.4
(Profit)/loss on disposal of property, plant and equipment	-	0.2	(0.2)
Net interest payable and similar charges	-	(0.2)	0.2
Share of results of joint ventures after taxation	-	(1.8)	1.4
Loss on termination of subsidiary	7.6	-	3.2
Impairment of goodwill	-	9.9	12.3
Impairment/(reversal) of group interest in GAL	(6.5)	-	64.0
Changes in working capital:			
Decrease in inventories	-	0.2	0.3
Decrease in trade and other receivables	3.4	5.1	17.0
Decrease in creditors and provisions for liabilities and charges	(7.4)	(7.6)	(8.4)
Cash used by discontinued operations	(4.9)	(3.7)	(1.2)
Cash (used by)/generated from operations	(3.1)	(3.9)	2.0

¹ Includes £2.7m of cash classified as assets held for sale.

Notes to the Interim Statement

for the six months ended 30 June 2006 (Unaudited)

1. Basis of preparation

The Interim Accounts are unaudited. The financial information does not amount to the full statutory accounts within the meaning of the Companies Act 1985. The figures for the year ended 31 December 2005 have been extracted from the 2005 Annual Report and Accounts which has been filed with the Registrar of Companies and contained an unqualified report from the auditors. The profit and loss account and cash flow statement for the periods ended 31 December 2005 and 30 June 2005 have been restated to reclassify the results and impairment of the Group's interest in GAL from continuing operations to discontinued operations. In addition, for the period ended 30 June 2005 the results of France have been reclassified from continuing operations to discontinued operations. This treatment is consistent with the classification for the period ended 30 June 2006. Further details are provided in note 2.

A copy of this Interim Statement is being sent to all shareholders. Further copies may be obtained from the Company Secretary, AutoLogic Holdings plc, 200 Worle Parkway, Weston-Super-Mare, Somerset BS22 6WA.

The accounting policies are as stated on pages 27 to 32 of the Annual Report and Accounts for the year ended 31 December 2005.

2. Segmental information

Continuing operations

6 months ended 30 June 2006

	Benelux £'m	Czech Republic £'m	Spain £'m	United Kingdom £'m	Un- allocated £'m	Group £'m
Total gross segment revenue	8.9	0.7	12.3	141.7	-	163.6
Less inter-segment revenue	(3.0)	(0.1)	-	(25.0)	-	(28.1)
Revenue	5.9	0.6	12.3	116.7	-	135.5
Operating profit before exceptional items	-	-	0.4	8.0	(2.1)	6.3
Exceptional items	-	-	-	-	(2.1)	(2.1)
Operating profit/(loss)	-	-	0.4	8.0	(4.2)	4.2
Net interest payable and similar charges						(2.0)
Post tax share of profits from interest in joint ventures and associates	0.2	-	-	-	-	0.2
Profit before tax						2.4
Taxation						(0.8)
Profit for the period from continuing operations						1.6

6 months ended 30 June 2005

	Benelux £'m	Czech Republic £'m	Spain £'m	United Kingdom £'m	Un- allocated £'m	Group £'m
Total gross segment revenue	11.8	0.5	12.3	131.6	-	156.2
Less inter-segment revenue	(3.1)	(0.3)	(0.1)	(28.2)	-	(31.7)
Revenue	8.7	0.2	12.2	103.4	-	124.5
Operating profit excluding other operating income	0.1	-	0.5	8.0	(1.8)	6.8
Other operating income	0.9	-	-	-	-	0.9
Operating profit/(loss)	1.0	-	0.5	8.0	(1.8)	7.7
Net interest payable and similar charges						(1.8)
Post tax share of profits/(losses) from interest in joint ventures and associates	0.1	-	-	(0.1)	-	-
Profit before tax						5.9
Taxation						(2.3)
Profit for the period from continuing operations						3.6

2. Segmental information (continued)

Year ended 31 December 2005	Benelux £'m	Czech Republic £'m	Spain £'m	United Kingdom £'m	Un- allocated £'m	Total £'m
Total gross segment revenue	22.0	1.3	22.7	267.6	-	313.6
Less inter-segment revenue	(5.9)	(0.2)	(0.1)	(62.6)	-	(68.8)
Revenue	16.1	1.1	22.6	205.0	-	244.8
Operating profit/(loss) before exceptional items and excluding other operating income	-	-	0.6	13.2	(3.4)	10.4
Exceptional items	(0.1)	-	-	(0.2)	(1.3)	(1.6)
Other operating income	0.9	-	-	1.0	-	1.9
Operating profit/(loss)	0.8	-	0.6	14.0	(4.7)	10.7
Net interest payable and similar charges						(2.9)
Post tax share of profits/(losses) from interest in joint ventures and associates	0.1	-	-	(0.1)	-	-
Profit before tax						7.8
Taxation						(4.1)
Profit for the year from continuing operations						3.7

Discontinued operations

6 months ended 30 June 2006	France £'m	CAT/GAL £'m	Total £'m
Operating loss before exceptional items and impairment of goodwill	(1.5)	-	(1.5)
Exceptional items	(7.6)	-	(7.6)
Operating loss	(9.1)	-	(9.1)
Exceptional profit from the share of joint ventures – reassessment of carrying value	-	6.5	6.5
(Loss)/profit before tax	(9.1)	6.5	(2.6)
Loss before exceptional items	(1.5)	-	(1.5)
Exceptional items	(7.6)	6.5	(1.1)
(Loss)/profit for the period on discontinued operations	(9.1)	6.5	(2.6)

CAT/GAL

During the six months ended 30 June 2006, a decision was taken to offer for sale the Group's interest in the shares of GAL. During July 2006 the Group received net consideration of £6.5m (€10m option payment, less costs of €0.6m) for an option to acquire the entire Group interest in GAL. On the basis of this payment the Directors have reassessed the carrying value of GAL (which was impaired to £ nil at 31 December 2005) up to the value of the option payment. The Directors have also reclassified the carrying value of GAL as assets held for sale, within current assets. The option may be exercised up to 1 December 2006 by payment to the Group of a further €10 million (£6.9m) less expected costs of €0.2m (£0.1m). This further consideration has not been recognised at 30 June 2006.

France

The exceptional losses of £7.6 million relate to the disposal of Walon France which was completed during the period. These losses relate to the write off of the carrying value of the investment in the consolidated accounts and do not impact the cash position of the Group.

2. Segmental information (continued)

6 months ended 30 June 2005	France £'m	CAT/GAL £'m	Total £'m
Operating loss before impairment of goodwill	(2.6)	-	(2.6)
Impairment of goodwill	(9.9)	-	(9.9)
Operating loss	(12.5)	-	(12.5)
Net interest receivable and similar charges	0.2	-	0.2
Post tax share of profits from interest in joint ventures and associates	-	1.8	1.8
(Loss)/profit before tax	(12.3)	1.8	(10.5)
(Loss)/profit before impairment of goodwill	(2.4)	1.8	(0.6)
Impairment of goodwill	(9.9)	-	(9.9)
(Loss)/profit for the period on discontinued operations	(12.3)	1.8	(10.5)

Year ended 31 December 2005	France £'m	CAT/GAL £'m	Total £'m
Operating loss before exceptional items and impairment of goodwill	(3.1)	-	(3.1)
Exceptional items	(4.4)	-	(4.4)
Impairment of goodwill	(12.3)	-	(12.3)
Operating loss	(19.8)	-	(19.8)
Net interest payable and similar charges	(0.2)	-	(0.2)
Post tax share of profits/(losses) from interest in joint ventures and associates	0.4	(1.8)	(1.4)
Provision for loss on disposal	(3.2)	-	(3.2)
Exceptional loss from share of joint ventures – impairment of carrying value	-	(68.8)	(68.8)
Loss before tax	(22.8)	(70.6)	(93.4)
Taxation	(1.2)	-	(1.2)
Loss before exceptional items and impairment of goodwill	(2.9)	(1.8)	(4.7)
Exceptional items and impairment of goodwill	(21.1)	(68.8)	(89.9)
Loss for the period on discontinued operations	(24.0)	(70.6)	(94.6)

3. Other operating income and exceptional items

Exceptional items

Exceptional items include £1.8m in respect of the closure of the London Head Office and relocation to new premises at Weston-Super-Mare, Somerset and a further £0.3m in respect of refinancing activities to achieve the renewal of the Group's debt facility (31 December 2005 - £0.7m). Other exceptional costs in the year ended 31 December 2005 included £0.3m restructuring costs and £0.6m redundancy costs.

Other operating income

Other operating income of £1.9m in the year ended 31 December 2005 is in respect of the sale of property development rights (£0.9m), profit on sale and leaseback of property (£0.6m) and profit on disposal of fixed assets (£0.4m – after an impairment of goodwill of £0.5m). Other operating income of £0.9m in the six months ended 30 June 2005 is in respect of the sale of property development rights.

4. Taxation

The tax charge gives rise to an effective rate (before joint ventures) of 36% for the period ended 30 June 2006. This compares to an effective rate of 39% for the period ended 30 June 2005 and 52% for the year ended 31 December 2005.

5. Earnings per share

	6 months to 30 June 2006		Restated 6 months to 30 June 2005	Restated 12 months to 31 Dec 2005
	Earnings £'m	Shares m	Per share amount Pence	Per share amount Pence
Basic loss per share				
Loss attributable to ordinary shareholders	(1.0)	43.8	(2.3)	(207.7)
Effect of dilutive shares – options and warrants	-	0.1	-	-
Diluted loss per share	(1.0)	43.9	(2.3)	(207.7)
Basic earnings per share from continuing operations	1.6	43.8	3.6	8.1
Loss on sale of subsidiary	(7.6)		(17.3)	(7.3)
Loss from discontinued operations after tax	(1.5)		(3.5)	(16.7)
Exceptional profit/(loss) from share of joint ventures	6.5		14.9	(157.0)
Tax relating to discontinued operations	-		-	(2.7)
Share of results of joint ventures after tax	-		-	4.1
Goodwill written off	-		-	(22.6)
Basic loss per share from discontinued operations	(2.6)	43.8	(5.9)	(24.0)
Diluted earnings per share from continuing operations	1.6	43.9	3.6	8.1
Loss on sale of subsidiary	(7.6)		(17.3)	(7.3)
Loss from discontinued operations after tax	(1.5)		(3.5)	(16.7)
Exceptional profit/(loss) from share of joint ventures	6.5		14.9	(157.0)
Tax relating to discontinued operations	-		-	(2.7)
Share of results of joint ventures after tax	-		-	4.1
Goodwill written off	-		-	(22.6)
Diluted loss per share from discontinued operations	(2.6)	43.9	(5.9)	(24.0)
Supplementary earnings per share after business performance adjustments				
Basic loss per share	(1.0)	43.8	(2.3)	(207.7)
Business performance adjustments:				
Discontinued operations, as above	2.6		5.9	24.0
Exceptional items after tax	1.5		3.5	2.5
Other operating income after tax	-		-	(1.4)
Business performance earnings per share	3.1	43.8	7.1	6.7
Diluted loss per share	(1.0)	43.9	(2.3)	(207.7)
Business performance adjustments:				
Discontinued operations, as above	2.6		5.9	24.0
Exceptional items after tax	1.5		3.5	2.5
Other operating income after tax	-		-	(1.4)
Business performance diluted earnings per share	3.1	43.9	7.1	6.7

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Earnings per share were calculated on 43.8m shares being in issue at 30 June 2005 and 31 December 2005.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has three classes of dilutive potential ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year, the contingently issuable shares under the Group's long-term incentive plan (LTIPs) and warrants issued to the Group's bankers upon renewal of the banking facility. At 30 June 2005 and 31 December 2005, no share options were in issue with an exercise price less than the average market price for the year, and the performance criteria for the vesting of awards under the incentive scheme had not been met. Consequently there are no dilutive ordinary shares at 30 June 2005 or 31 December 2005. At 30 June 2006 the LTIPs and warrants issued in the period are dilutive.

Business performance earnings per share and business performance diluted earnings per share are calculated by reference to continuing earnings before exceptional items and excluding other operating income, since the Directors consider that this provides a useful indication of underlying performance.

6. Dividends

The Directors have not declared an interim dividend (2005: 3.60p per share). The Directors did not declare a final dividend for the year ended 31 December 2005.

7. Consolidated Statement of Changes in Shareholders' Equity

	Share capital £'m	Share premium account £'m	Merger reserve £'m	Capital reserve £'m	Translation reserve £'m	Profit and loss account £'m	Minority interest £'m	Total £'m
Balance at 1 January 2006	2.2	67.4	8.4	0.3	(1.4)	(49.2)	0.4	28.1
Exchange differences on foreign currency translations	-	-	-	-	0.3	-	-	0.3
Actuarial gain on pension schemes	-	-	-	-	-	1.1	-	1.1
Share-based payments adjustment	-	-	-	-	-	0.6	-	0.6
Loss for the period	-	-	-	-	-	(1.0)	-	(1.0)
Total recognised income and expense for the period	-	-	-	-	0.3	0.7	-	1.0
Balance at 30 June 2006	2.2	67.4	8.4	0.3	(1.1)	(48.5)	0.4	29.1

8. Analysis of net debt

	30 June 2006 £'m	30 June 2005 £'m	31 Dec 2005 £'m
Cash and cash equivalents	5.0	14.3	15.2
Current financial liabilities			
Bank loans repayable within one year	(12.5)	(53.3)	(55.6)
Unamortised issue costs relating to bank loans	0.4	0.1	-
Finance leases repayable within one year	(0.3)	(0.5)	(0.3)
Non-current financial liabilities			
Bank loans repayable in more than one year	(35.4)	-	-
Unamortised issue costs relating to bank loans	2.0	-	-
Finance leases repayable in more than one year	(2.2)	(2.8)	(2.3)
Net debt	(43.0)	(42.2)	(43.0)

Advisers' Details and Investor Information

Financial Adviser and Stockbroker
Arden Partners plc
Nicholas House
Laurence Pountney Hill
London
EC4R 0EU

Auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
31 Great George Street, Bristol BS1 5QD

Principal Bankers
The Royal Bank of Scotland plc
135 Bishopsgate, London EC2M 3UR

Secretary and Registered Office
C N Armstrong
200 Worle Parkway, Weston-Super-Mare, Somerset BS22 6WA
Company Number 3252504

Registrar
Administrative enquiries about the holding of AutoLogic Holdings plc shares should be directed in the first instance to the Registrar:

Capita Registrars
The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

CREST Share Settlement System
The Company entered the CREST system on flotation and the ordinary shares are available for settlement in CREST. As the membership system is voluntary, shareholders not wishing to participate can continue to hold their own share certificates.

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