AutoLogic Holdings plc Interim Report & Accounts 2004

Financial Highlights

	6 months to 30 Jun 2004	6 months to 30 Jun 2003	% change
Turnover	**£347.9m**	£358.6m	(3.0)%
Business Performance*			
Operating profit	**£14.9m**	£19.1m	(22.0)%
Profit before tax	**£12.5m**	£13.7m	(8.8)%
Earnings per share	**18.97p**	21.07p	(10.0)%
Statutory Basis			
Operating profit	**£9.4m**	£14.0m	(32.9)%
Profit before tax	**£5.2m**	£8.6m	(39.5)%
Basic earnings per share	**4.09p**	7.07p	(42.1)%
Interim dividend per share	**3.60p**	3.60p	–

*Before goodwill amortisation, discontinued operations and exceptional interest. Profit from disposal of fixed assets is included in profit before tax.

Turnover (excluding discontinued operations) remained stable with 0.5% growth

Solid performance from UK and Spanish operations

Improved Benelux performance

Restructuring in France continues

CAT performance affected by French market

Dividend maintained

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Interim Statement
for the six months ended 30 June 2004

Overview
Overall, trading in the first half of the year was slightly higher than in the same period in 2003. However, there continued to be a marked difference across the markets in which the Group operates.

Volumes in the UK and Spain were above the same period in 2003 resulting in increased turnover and improved margins.

The French market remained weak, with new car registrations to June 2004 lower than the same period in 2003. Given the weighting of our business in this market this naturally impacted our French operations, where the restructuring efforts begun in 2003 were continued. Our French business also suffered from the impact of stevedore strikes at Calais which severely disrupted volumes through the port.

Despite lower new car registrations in the Netherlands, our Benelux business fared better than last year and the increased flexibility and lower cost base resulting from the restructuring of this business enabled it to improve its result despite difficult trading conditions.

Results
Turnover from continuing operations remained stable at £337.1 million (2003: £335.5 million).

Group turnover (excluding its share of joint ventures and discontinued operations) decreased by 1.7% to £171.5 million (2003: £174.5 million).

Total operating profit for continuing operations in the period (before goodwill amortisation) reduced to £14.9 million (2003: £19.1 million) in line with expectations. Group operating profit (excluding its share of joint ventures, discontinued operations and before goodwill amortisation) was £5.3 million (2003: £7.6 million).

Goodwill amortisation for the period was £4.5 million (2003: £4.3 million).

The net interest charge decreased to £4.7 million (2003: £5.4 million) reflecting the reduced debt in both the Group and its joint ventures, debt in the latter being non-recourse. There was an exceptional charge of £1.0 million, being our share of the cost relating to the write off of unamortised fees following the refinancing of the GAL (Global Automotive Logistics SAS) joint venture.

Profit before tax (before goodwill amortisation and exceptional interest) for continuing operations for the six months ended 30 June 2004 was £12.5 million compared with the previous year (2003: £13.7 million).

Earnings per share (before goodwill amortisation and exceptional interest) for continuing operations were 18.97p (2003: 21.07p).

On a statutory basis, profit before tax for the six months ended 30 June 2004 was £5.2 million (2003: £8.6 million).

During the period the Group disposed of its in-bound parts distribution business, Acumen, which was considered to be non-core. Accordingly, the losses associated with this business are shown as ‘discontinued operations’ in the reported results for the period.

Dividend
An interim dividend of 3.60p per share is being declared (2003: 3.60p) and will be paid on 1 October 2004 to shareholders on the register at 3 September 2004.

Operational Review
UK

Revenue for the UK was £107.0 million (2003: £102.4 million) and operating profit was £8.7 million (2003: £9.6 million). Walon, the main UK business, increased profits, though profits for Ansa, the company dedicated to Ford and Jaguar, were significantly down on the prior year as anticipated.

Interim Statement
for the six months ended 30 June 2004

New contract wins in both distribution and technical services enabled the UK to offset the anticipated reduction in Ford volumes. As announced previously, used car refurbishment centres for Toyota and BMW have been developed and are now contributing to the Group's results. These operations demonstrate the strength of our relationship with these customers and our continued push to develop services outside our core new car logistics offering.

Opportunities anticipated by the changes in Block Exemption to work directly with dealerships are now being realised Walon has appointed specialist salespeople to work directly with these customers and we are beginning to see progress in terms of new contract wins. We expect this area to show good growth over the coming years. The specialist covered delivery service offered by Enable continues to grow both in terms of revenue and contribution.

Iberia

The Spanish operation of Walon Iberia has traded well in the first six months with turnover up to £11.9 million (2003: £10.9 million) while operating profit was £0.7 million (2003: £0.7 million).

During the period the Portuguese operation was closed down and whilst closure costs were kept to a minimum the operational margins were affected during the period.

Our operations in Spain have benefited from significant increase in demand for the technical services the Group is able to offer customers. Walon Iberia has also developed a good working relationship with its local counterpart at CAT (Compagnie d'Affrètement et de Transport SA), which has seen a number of contracts jointly bid for and won.

Benelux

Turnover of £9.2 million was down by 13.2% (2003: £10.6 million). The Netherlands market continued to be difficult with the number of new car registrations falling by 0.9% whereas in Belgium there was an increase of 11.9%. The actual volumes moved by the Group in these markets were down 15.5% and 8.0% respectively, largely due to the elimination of loss making contracts.

Operating losses of £0.3 million (including £0.3 million of restructuring costs) showed an improvement against the loss of £1.1 million in 2003.

The majority of the restructuring costs relate to the Netherlands which continues to operate at margins below acceptable Group levels.

France

Turnover fell by 11.7% to £43.1 million (2003: £48.7 million). The French market has been one of the most volatile during the first six months. Overall, new car registrations were down 0.1% although Group volumes fell by 7.0%, reflecting our customer mix in this market. Additionally, our customers reduced their inventory levels and thus our vehicle storage volumes declined markedly resulting in a significant negative impact on profit.

The operating loss for the period was £2.4 million (including £0.5 million of restructuring costs) compared to £1.0 million (including £0.4 million of restructuring costs) for 2003. Despite the difficult market conditions our French business has shown an improved performance compared with the same period last year on a comparable basis. Following the sale and leaseback of properties in 2003 the operating result includes a rental charge of £1.7 million (2003: £nil).

The business performance remains below our required level and management continues to focus on improving profitability.

CAT

Our share of revenue in the CAT joint venture for the period was £163.4 million (2003: £162.6 million) and our share of CAT's earnings before interest, tax and goodwill amortisation was £9.5 million (2003: £10.7 million).

Excluding the revenue from the logistics overseas division which was sold in March 2004, revenue increased by 3.4%. A significant factor in this increase was the growth in non-Renault business in both the logistics vehicles and logistics cargo divisions. Renault sales were overall below the Western European market average and combined with highly volatile volumes in the French market this resulted in reduced margins as additional costs were incurred to maintain customer service levels.

During the period, the debt originally incurred by GAL in order to purchase CAT in 2001 was refinanced on more favourable terms. These include the ability for GAL to make distributions to its shareholders. The unamortised financing fees relating to the original funding have been written off as exceptional interest.

The shareholders of the joint venture continue to pursue various opportunities to capitalise on the potential synergies available from AutoLogic and CAT working closer together.

Development Strategy

The strategy of the Group continues to be to develop value added services for the automotive and related markets while retaining a focus on growing the core distribution and technical services products in the logistics sector.

Having established a joint venture to provide risk management services across the supply chain in mid-2003, the Group took full control of this business in April 2004 and has continued to develop it both within the Group and with third parties. The Group has also developed a number of specific (and proprietary) data services products, which it is again promoting both internally and with key customers.

In May 2004 the Group established a new operation in the Czech Republic which will not only pursue local logistics contracts in this rapidly developing region but will also provide a range of services to other Group companies. This operation has already begun to provide transportation capacity to Group companies using its lower cost base and is pursuing a number of exciting logistics and vehicle handling opportunities in Eastern Europe.

Property Restructuring

During the period the Group completed the sale and leaseback of its site at Oosterhout in the Netherlands. The lease is structured in a way that enables management to continue to review the operations in the Netherlands to increase the productivity and flexibility of this business.

Outlook

Trading in the first weeks of the second half has been in line with expectation and as yet there is no sign of any sustainable and consistent upturn.

Market forecasts predict that the Western European car market will continue to grow and the Group is also pursuing new opportunities in Eastern Europe to further develop the business.

Despite the challenging market conditions which the Group has faced during the past two years, the steps we have taken (and which we continue to take) to maximise the flexibility in our cost base across all of our markets together with our constant commitment to service quality and innovation stand us in good stead.

John Merry
Chairman

25 August 2004

Consolidated Profit and Loss Account
for the six months ended 30 June 2004

	Note	6 months to 30 Jun 2004 Unaudited £'m	6 months to 30 Jun 2003 Unaudited £'m	12 months to 31 Dec 2003 Audited £'m
Turnover (including share of joint ventures)	2			
Continuing operations		**337.1**	335.5	656.9
Discontinued operations		**10.8**	23.1	44.8
		347.9	358.6	701.7
Less: share of joint ventures' turnover				
Continuing operations		**(165.6)**	(161.0)	(325.2)
Discontinued operations		**(1.2)**	(5.7)	(10.9)
Group turnover	2	**181.1**	191.9	365.6
Group operating profit				
Continuing operating profit before goodwill amortisation and exceptional items		**5.3**	7.6	9.7
Goodwill amortisation		**(1.4)**	(1.4)	(2.7)
Exceptional items		**–**	–	(0.3)
Continuing operations	3	**3.9**	6.2	6.7
Discontinued operations		**(0.9)**	(0.5)	(1.4)
		3.0	5.7	5.3
Share of profits from interests in joint ventures and associates				
Continuing operating profit before goodwill amortisation		**9.6**	11.5	21.0
Goodwill amortisation		**(3.1)**	(2.9)	(6.0)
Continuing operations		**6.5**	8.6	15.0
Discontinued operations		**(0.1)**	(0.3)	(0.6)
		6.4	8.3	14.4
Total operating profit – Group and share of joint ventures and associates		**9.4**	14.0	19.7
Loss on termination of subsidiary		**(0.8)**	–	(1.7)
Loss on sale of joint venture operations		**–**	–	(1.4)
Profit/(loss) on disposal of fixed assets		**2.3**	–	(1.4)
Net interest payable before exceptional items		**(4.7)**	(5.4)	(10.8)
Exceptional items	4	**(1.0)**	–	–
Net interest payable and similar charges		**(5.7)**	(5.4)	(10.8)
Profit on ordinary activities before taxation		**5.2**	8.6	4.4
Tax on profit on ordinary activities	5	**(3.0)**	(5.5)	(10.3)
Profit/(loss) on ordinary activities after taxation		**2.2**	3.1	(5.9)
Equity minority interests		**(0.4)**	–	(0.5)
Profit/(loss) for the financial period		**1.8**	3.1	(6.4)
Dividends	6	**(1.7)**	(1.6)	(4.8)
Retained profit/(loss) for the financial period		**0.1**	1.5	(11.2)
Earnings per share	7			
Basic earnings/(loss) per share		**4.09p**	7.07p	(14.53p)
Business performance earnings/(loss) per share		**18.97p**	21.07p	29.08p
Diluted earnings/(loss) per share		**4.07p**	7.02p	(14.53p)
Business performance diluted earnings/(loss) per share		**18.89p**	20.92p	29.01p

Consolidated Statement of Total Recognised Gains and Losses
for the six months ended 30 June 2004

	6 months to 30 Jun 2004 Unaudited £'m	6 months to 30 Jun 2003 Unaudited £'m	12 months to 31 Dec 2003 Audited £'m
Profit/(loss) for the financial period	**1.8**	3.1	(6.4)
Translation differences on foreign currency investments:			
Group	**(1.1)**	6.6	7.1
Share of joint ventures and associates	**(2.6)**	4.4	5.0
Total gains and losses recognised in the period	**(1.9)**	14.1	5.7

Reconciliation of Movement in Equity Shareholders' Funds
for the six months ended 30 June 2004

	Share capital £'m	Share premium account £'m	Merger reserve £'m	Capital reserve £'m	Profit and loss account £'m	Total equity shareholders' funds £'m
At 1 January 2004	2.2	67.0	20.7	0.3	31.0	**121.2**
Share issues	–	0.1	–	–	–	**0.1**
Profit for the financial period	–	–	–	–	1.8	**1.8**
Dividends	–	–	–	–	(1.7)	**(1.7)**
Exchange difference	–	–	–	–	(3.7)	**(3.7)**
At 30 June 2004	**2.2**	**67.1**	**20.7**	**0.3**	**27.4**	**117.7**

Consolidated Balance Sheet
at 30 June 2004

	30 Jun 2004 Unaudited £'m	30 Jun 2003 Unaudited £'m	31 Dec 2003 Audited £'m
Fixed assets			
Intangible assets	**45.7**	48.6	48.7
Tangible assets	**40.0**	62.9	46.1
Interests in joint ventures and associates:			
Share of gross assets (excluding goodwill)	**119.0**	125.9	119.9
Goodwill	**95.4**	109.8	104.1
	214.4	235.7	224.0
Share of gross liabilities	**(153.0)**	(173.0)	(160.8)
	61.4	62.7	63.2
Other investments	**5.6**	6.5	5.6
Total investments	**67.0**	69.2	68.8
	152.7	180.7	163.6
Current assets			
Stocks	**1.6**	1.8	1.6
Debtors	**93.4**	115.3	101.1
Cash at bank and in hand	**10.5**	11.8	14.6
	105.5	128.9	117.3
Creditors: amounts falling due within one year	**(80.5)**	(103.8)	(100.2)
Net current assets	**25.0**	25.1	17.1
Total assets less current liabilities	**177.7**	205.8	180.7
Creditors: amounts falling due after more than one year	**(51.6)**	(65.0)	(51.8)
Provisions for liabilities and charges	**(7.3)**	(7.8)	(7.0)
Net assets	**118.8**	133.0	121.9
Capital and reserves			
Called up share capital	**2.2**	2.2	2.2
Share premium account	**67.1**	66.9	67.0
Merger reserve	**20.7**	20.7	20.7
Capital reserve	**0.3**	0.3	0.3
Profit and loss account	**27.4**	42.6	31.0
Equity shareholders' funds	**117.7**	132.7	121.2
Equity minority interests	**1.1**	0.3	0.7
	118.8	133.0	121.9

Consolidated Cash Flow Statement
for the six months ended 30 June 2004

	6 months to 30 Jun 2004 Unaudited £'m	6 months to 30 Jun 2003 Unaudited £'m	12 months to 31 Dec 2003 Audited £'m
Net cash (outflow)/inflow from continuing operating activities	**(1.0)**	(2.0)	7.0
Dividends received from joint ventures	**–**	–	0.5
Returns on investments and servicing of finance			
Net interest paid	**(1.9)**	(1.5)	(4.9)
Taxation	**(1.9)**	0.5	(0.4)
Capital expenditure			
Sale of tangible fixed assets	**6.9**	7.8	32.7
Purchase of tangible fixed assets	**(3.3)**	(2.8)	(14.7)
Acquisitions and disposals	**(0.2)**	–	(1.0)
Equity dividends paid	**(3.3)**	(3.2)	(4.8)
Cash (outflow)/inflow before financing	**(4.7)**	(1.2)	14.4
Financing			
Issue of share capital	**0.1**	0.1	0.2
Repayment of loans	**(1.2)**	(0.1)	(10.7)
Repayment of principal under finance leases	**(0.1)**	(0.1)	(0.4)
Net cash outflow from financing	**(1.2)**	(0.1)	(10.9)
(Decrease)/increase in cash in the period	**(5.9)**	(1.3)	3.5

Reconciliation of Net Cash Flow to Movement in Net Debt

	6 months to 30 Jun 2004 Unaudited £'m	6 months to 30 Jun 2003 Unaudited £'m	12 months to 31 Dec 2003 Audited £'m
(Decrease)/increase in cash in the period	**(5.9)**	(1.3)	3.5
Cash outflow from reduction in debt	**1.2**	0.1	10.7
Cash outflow from repayment of finance leases	**0.1**	0.1	0.4
Change in net debt resulting from cash flows	**(4.6)**	(1.1)	14.6
Other non-cash items			
Exchange difference	**2.8**	0.7	(0.3)
New finance leases	**(0.1)**	(0.2)	(0.2)
Amortisation of debt issue costs	**(0.2)**	(0.2)	(0.3)
Movement in net debt in the period	**(2.1)**	(0.8)	13.8
Opening net debt	**(50.7)**	(64.5)	(64.5)
Closing net debt	**(52.8)**	(65.3)	(50.7)

Reconciliation of Operating Profit to Net Cash Flow from Operating Activities

	6 months to 30 Jun 2004 Unaudited £'m	6 months to 30 Jun 2003 Unaudited £'m	12 months to 31 Dec 2003 Audited £'m
Operating profit	**3.0**	5.7	5.3
Depreciation	**3.6**	4.0	8.2
Goodwill amortisation	**1.4**	1.4	2.7
Increase in stocks	**–**	(0.2)	–
Decrease/(increase) in debtors	**5.4**	(6.9)	(0.8)
Increase in loan to joint venture	**–**	(1.0)	–
Decrease in creditors and provisions for liabilities and charges	**(14.4)**	(5.0)	(8.4)
Net cash (outflow)/inflow from continuing operating activities	**(1.0)**	(2.0)	7.0

Notes to the Interim Statement
for the six months ended 30 June 2004

1. Basis of preparation

The Interim Statement is unaudited and does not constitute full accounts within the meaning of the Companies Act 1985. It has been prepared on a basis consistent with the 2003 statutory accounts. Full statutory accounts for the year ended 31 December 2003 have been delivered to the Registrar of Companies and contain an unqualified report from the auditors.

A copy of this Interim Statement is being sent to all shareholders. Further copies may be obtained from the Company Secretary, AutoLogic Holdings plc, Orion House, 5 Upper St Martin's Lane, London WC2H 9EA.

The accounting policies are as stated on pages 28 and 29 of the Annual Report for the year ended 31 December 2003.

2. Segmental reporting

Analysis by geographical area:

	6 months to 30 Jun 2004 Unaudited £'m	6 months to 30 Jun 2003 Unaudited £'m	12 months to 31 Dec 2003 Audited £'m
Turnover			
Group			
Benelux – Continuing operations	**9.2**	10.6	19.7
France – Continuing operations	**43.1**	48.7	80.5
Iberia – Continuing operations	**12.2**	12.7	23.9
United Kingdom – Continuing operations	**107.0**	102.5	207.6
United Kingdom – Discontinued operations	**9.6**	17.4	33.9
	181.1	191.9	365.6
Joint ventures			
Continental Europe – Continuing operations	**147.4**	141.4	285.6
Continental Europe – Discontinued operations	**1.2**	5.7	10.9
Rest of the World – Continuing operations	**2.6**	4.1	8.3
United Kingdom – Continuing operations	**15.6**	15.5	31.3
	166.8	166.7	336.1
Total (including share of joint ventures)	**347.9**	358.6	701.7
Profit before taxation			
Group			
Benelux – Continuing operations	**1.9**	(1.1)	(2.9)
France – Continuing operations	**(2.5)**	(0.9)	(5.4)
Iberia – Continuing operations	**0.7**	0.8	1.0
United Kingdom – Continuing operations	**4.2**	5.0	7.9
United Kingdom – Discontinued operations	**(1.7)**	(0.5)	(3.1)
	2.6	3.3	(2.5)
Joint ventures and associates			
Continental Europe – Continuing operations	**0.7**	3.7	5.7
Continental Europe – Discontinued operations	**(0.1)**	(0.3)	(2.0)
Rest of the World – Continuing operations	**0.1**	–	–
United Kingdom – Continuing operations	**1.9**	1.9	3.2
	2.6	5.3	6.9
Total (including share of joint ventures and associates)	**5.2**	8.6	4.4

Turnover by destination is not materially different to the analysis of turnover by origin presented above.

Notes to the Interim Statement

for the six months ended 30 June 2004

2. Segmental reporting (continued)

Analysis by class of business:

	6 months to 30 Jun 2004 Unaudited £'m	6 months to 30 Jun 2003 Unaudited £'m	12 months to 31 Dec 2003 Audited £'m
Turnover			
Group			
Distribution services – Continuing operations	**115.7**	122.9	214.0
Technical services – Continuing operations	**54.9**	49.0	115.9
Parts distribution – Discontinued operations	**9.6**	17.4	33.9
Other – Continuing operations	**0.9**	2.6	1.8
	181.1	191.9	365.6
Joint ventures			
Continuing operations	**165.6**	161.0	325.2
Discontinued operations	**1.2**	5.7	10.9
	166.8	166.7	336.1
Total (including share of joint ventures)	**347.9**	358.6	701.7

3. Cost of sales and administrative expenses

	6 months to 30 Jun 2004 Unaudited			6 months to 30 Jun 2003 Unaudited			12 months to 31 Dec 2003 Audited		
	Continuing £'m	Dis-continued £'m	Total £'m	Continuing £'m	Dis-continued £'m	Total £'m	Continuing £'m	Dis-continued £'m	Total £'m
Turnover	**171.5**	**9.6**	**181.1**	174.5	17.4	191.9	331.7	33.9	365.6
Cost of sales	**(147.1)**	**(8.4)**	**(155.5)**	(150.6)	(14.9)	(165.5)	(285.5)	(29.3)	(314.8)
Gross profit	**24.4**	**1.2**	**25.6**	23.9	2.5	26.4	46.2	4.6	50.8
Administrative expenses	**(19.4)**	**(2.1)**	**(21.5)**	(16.5)	(3.0)	(19.5)	(38.9)	(6.0)	(44.9)
Goodwill amortisation	**(1.4)**	**–**	**(1.4)**	(1.4)	–	(1.4)	(2.7)	–	(2.7)
Exceptional items	**–**	**–**	**–**	–	–	–	(0.3)	–	(0.3)
Other operating income	**0.3**	**–**	**0.3**	0.2	–	0.2	2.4	–	2.4
Net operating expenses	**(20.5)**	**(2.1)**	**(22.6)**	17.7	(3.0)	(20.7)	(39.5)	(6.0)	(45.5)
Operating profit	**3.9**	**(0.9)**	**3.0**	6.2	(0.5)	5.7	6.7	(1.4)	5.3

4. Net interest payable and similar charges

The net interest charge for the period includes a £1.0m charge for exceptional items in joint ventures relating to the write off of unamortised fees following the refinancing of the GAL joint venture.

5. Taxation

The tax charge for the period includes a £0.6m credit relating to exceptional items. This compares with a credit of £1.2m in the six months ended 30 June 2003 and a charge of £4.5m for the year ended 31 December 2003.

The tax charge gives an effective tax rate of 30.4% before goodwill and exceptional items for the period ended 30 June 2004. This compares with 33.3% for the six months ended 30 June 2003 and 32.4% for the year ended 31 December 2003.

Notes to the Interim Statement
for the six months ended 30 June 2004

6. Interim dividend

The proposed interim dividend of 3.60 pence per ordinary share (2003: 3.60 pence) will be paid on 1 October 2004 to shareholders on the register on 3 September 2004.

7. Earnings per ordinary share

	6 months to 30 Jun 2004 Unaudited Earnings £'m	6 months to 30 Jun 2004 Unaudited Shares m	6 months to 30 Jun 2004 Unaudited Per share amount Pence	6 months to 30 Jun 2003 Unaudited Per share amount Pence	12 months to 31 Dec 2003 Audited Per share amount Pence
Basic earnings/(loss) per share					
Earnings/(loss) attributable to ordinary shareholders	**1.8**	**43.7**	**4.09**	7.07	(14.53)
Effect of dilutive shares – Options	**–**	**0.1**	**(0.02)**	(0.05)	–
Diluted earnings/(loss) per share	**1.8**	**43.8**	**4.07**	7.02	(14.53)
Supplementary earnings per share before business performance adjustments					
Basic earnings/(loss) per share	**1.8**	**43.7**	**4.09**	7.07	(14.53)
Business performance adjustments	**6.5**	**–**	**14.88**	14.00	43.61
Business performance earnings per share	**8.3**	**43.7**	**18.97**	21.07	29.08
Diluted earnings/(loss) per share	**1.8**	**43.8**	**4.07**	7.02	(14.53)
Business performance adjustments	**6.5**	**–**	**14.82**	13.90	43.54
Business performance diluted earnings per share	**8.3**	**43.8**	**18.89**	20.92	29.01

Business performance earnings per share and business performance diluted earnings per share are also shown on the face of the Profit and Loss Account and are calculated by reference to earnings before the £6.5m (30 June 2003: £6.1m, 31 December 2003: £19.0m) charge for goodwill, exceptional items (excluding profits and losses from the sale of fixed assets) and the effect of excluding discontinued operations, and the related tax, since the Directors consider that this gives a useful indication of underlying performance. Comparative figures for 30 June 2003 have been restated to exclude discontinued operations. Comparative figures for 31 December 2003 have been restated to include the exceptional loss from the sale of fixed assets.

Earnings per share were calculated on 43.6m shares being in issue at 30 June 2003 (31 December 2003: 43.6m). Diluted earnings per share were calculated on 43.9m shares being in issue at 30 June 2003 (31 December 2003: 43.7m).

8. Related party transactions

During the period, the Group sold Acumen Distribution Services (Northern) Limited to Mr J Hodges, Chairman of the Audit Committee for a consideration of £0.7m, being the net asset value of the company. Under the sale agreement, the Group will continue to provide guarantees over certain leases and restructuring costs.

Independent Review Report
to the members of AutoLogic Holdings plc

Introduction
We have been instructed by the Company to review the financial information which comprises the Consolidated Profit and Loss Account, Consolidated Statement of Total Recognised Gains and Losses, Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related notes. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' Responsibilities
The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed
We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Listing Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Review Conclusion
On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2004.

PricewaterhouseCoopers LLP
Chartered Accountants, Bristol
25 August 2004

In respect of any financial statements which appear on this website the following should be noted:

(a) The maintenance and integrity of the AutoLogic Holdings plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Advisers' Details and Investor Information

Financial Adviser and Stockbroker
Cazenove & Co. Ltd
20 Moorgate, London EC2R 6DA

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

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

Secretary and Registered Office
C N Armstrong
Orion House, 5 Upper St Martin's Lane, London WC2H 9EA
Company Number 3252504

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

Computershare Investor Services PLC
PO Box 82, The Pavilions, Bridgwater Road, Bristol BS99 7NH

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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