



27 August 2009

Arriva plc

## INTERIM RESULTS FOR THE SIX MONTHS TO 30 JUNE 2009

Leading European transport group Arriva plc has today announced interim results for the six months to 30 June 2009.

### Highlights

Robust financial performance

- Group revenue\* up 10 per cent to £1,640 million
- Operating profit\* increased four per cent to £88.7 million despite £18 million higher fuel cost
- EBITDA up 11 per cent to £165.6 million

Tight management control yielding benefits across the business

- Strong UK Bus performance: targeted mileage reductions improving yield per mile
- Business development and improvement initiatives in Mainland Europe
- Cost savings and improved operational performance in UK Trains
- 17 per cent reduction in central costs
- Debt reduced and additional financing secured through to 2012

Resilient earnings supporting higher dividend

- Adjusted earnings per share\*\* 23.2 pence (2008: 25.9 pence per share\*\*)
- Interim dividend up five per cent to 6.46 pence per share

David Martin, chief executive, commented: "Our underlying financial performance is strong in a challenging environment. The high fuel costs in 2009, a legacy of the peak in the oil price, will reverse substantially in 2010. Tight management of controllable costs across the group, and the benefits of our business development and efficiency initiatives, have contributed greatly to offsetting the increase in fuel costs.

"Our passenger revenues in the UK have grown despite the recession, though at a slower rate recently. In mainland Europe, we were delighted to win significant new work, the most recent example being the award of the largest regional rail contract to be won by the private sector in Germany to date, and there continue to be further growth opportunities for tendered work.

"Although the short-term outlook for passenger revenue growth is difficult to predict, we are confident that the group will continue to demonstrate its combination of resilience and growth potential. This is reflected in our decision to increase the interim dividend by five per cent."

\* Before goodwill impairment and intangible asset amortisation, and including share of associated companies' revenue and operating profit

\*\* Before goodwill impairment, intangible asset amortisation and exceptional items

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### Notes to editors:

- Arriva is one of the largest private sector providers of passenger transport in Europe, employing more than 44,000 people (including share of associate companies) and providing more than one billion passenger journeys every year.
- Arriva provides transport services including buses, trains, commuter coaches and water buses, and operates in 12 European countries: Czech Republic, Denmark, Germany, Hungary, Italy, the Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and the UK.

High resolution images are available for the media to view and download free of charge from [www.vismedia.co.uk](http://www.vismedia.co.uk)

## Interim Report for the six months to 30 June 2009

### Summary of results

Revenue was up nine per cent to £1,578.9 million (2008: £1,443.4 million). Operating profit rose one per cent to £77.1 million (2008: £76.3 million). Increased revenue and operating profits from the UK Bus and Mainland Europe divisions, allied to reduced central costs, contributed to the increase in group revenue and operating profit, more than offsetting reductions in the UK Trains division and the increase in fuel costs of £18 million.

Net finance costs increased by £9.5 million to £21.8 million as a consequence of higher year-on-year net debt arising from acquisitions and fleet investment, together with the £3.1 million impact of translating euro-based interest costs into sterling at a higher rate.

Profit before taxation fell by £8.9 million to £57.4 million (2008: £66.3 million) with increased operating profit more than offset by increased finance costs. The charge for taxation reduced to 21.4 per cent (2008: 22.9 per cent). After taxation, profit for the period was £45.1 million (2008: £51.1 million). The group's share of post-tax profits from associates was £2.1 million (2008: £2.3 million). After taking into account minority interests of £5.2 million (2008: £3.8 million), principally in our Italian, German and Eastern European subsidiaries, earnings per share before goodwill impairment, intangible asset amortisation and exceptional items decreased to 23.2 pence (2008: 25.9 pence). Basic earnings per share was 20.1 pence (2008: 23.8 pence).

The Board is declaring an interim dividend of 6.46 pence per share, an increase of five per cent, to be paid on 2 October 2009 to shareholders on the register at the close of business on 11 September 2009.

### Business review

#### Divisional results

	Revenue		Operating profit	
	2009 £m	2008 £m	2009 £m	2008 £m
Mainland Europe*	<b>790.2</b>	626.0	<b>39.0</b>	34.9
UK Bus	<b>473.6</b>	454.5	<b>47.2</b>	45.5
UK Trains	<b>376.2</b>	415.5	<b>10.4</b>	14.8
Central	-	-	<b>(7.9)</b>	(9.5)
Adjusted revenue and operating profit	<b>1,640.0</b>	1,496.0	<b>88.7</b>	85.7
Associated companies				
- Mainland Europe	<b>(61.1)</b>	(52.6)	<b>(4.0)</b>	(4.5)
Total operations	<b>1,578.9</b>	1,443.4	<b>84.7</b>	81.2
Goodwill impairment and intangible asset amortisation	-	-	<b>(7.6)</b>	(4.9)
Group revenue and operating profit	<b>1,578.9</b>	1,443.4	<b>77.1</b>	76.3

\* Including share of associated companies' revenue and operating profit

#### Mainland Europe

Operating profit increased by 12 per cent to £39.0 million (2008: £34.9 million) on revenue up 26 per cent to £790.2 million (2008: £626.0 million).

Our Mainland Europe division has substantially absorbed the £7 million fuel cost headwind, benefiting from the full year effect of acquisitions. The exchange rate used to translate euro results into sterling was £0.89 to the euro (2008: £0.77), offsetting the small underlying fall in local currency operating profits.

#### Scandinavia

In Denmark, we were pleased to re-win the rail contract we operate in Jutland which expires at the end of 2010. The new contract continues to 2018 with 12 additional new trains, and a possible extension to 2020. Our rail operating performance in Denmark continues to be excellent, contributing to a record level of customer satisfaction for the first half of 2009.

In March 2009, we began bus operations in the Swedish capital, Stockholm, with two five-year contracts, with five-year extension options, and a combined fleet of around 170 buses. In June 2009, we won an eight-year contract, with a two-year extension option, to operate more than 80 buses in the Halland region of southern Sweden, starting in June 2010.

A steady stream of rail opportunities is emerging in Sweden. In June 2009 our second Swedish rail contract got off to a successful start. The seven-year contract, which has a two-year extension option, runs services between Göteborg and Örebro.

### Germany

In July 2009, we were delighted to be awarded the largest rail tender won by the private sector in Germany to date, with a new contract in the north east of Germany, via the ODEG 50/50 joint venture. With 22 trains covering approximately seven million train kilometres per annum, the contract covers local services around Berlin, which start in December 2011, and regional express services starting in December 2012, running until December 2022. In the same package we also re-won a smaller rail contract around Berlin, extending operations of the 170,000 train kilometre per annum service until 2014.

We are pleased to report that progress has been made in improving the future performance in our rail franchises in Bavaria, strengthening the management team and utilising the significant rail expertise and support from our rail operations elsewhere in the group. Our small German cargo operation has suffered from the economic downturn, however the management team has quickly implemented cost control measures to minimise the impact.

### The Netherlands

Trading conditions in the bus market continue to be difficult. There was major disruption across the country last year following a national dispute between the public transport companies, public transport authorities and trades unions over collective labour agreements and indexation on contracts (particularly indexation relating to fuel and labour costs). Disappointingly, despite an outline agreement being reached in June 2008, the fuel indexation element has yet to be finally agreed and received and a new working agreement has yet to be established. We will be focusing on these issues in the second half of 2009.

We are disappointed at the non-retention of our expiring 350 bus Groningen-Drenthe contract, which ends in December 2009, if not extended.

### Italy

We have continued to trade well in Italy, the contracted nature of our bus business and good management proving resilient to the economic downturn.

### Iberia

Portugal and Spain have been particularly adversely affected by the economic downturn, with a reduction in public transport patronage overall. Management teams have focused on stringent cost control to minimise the impact on our businesses.

In Portugal we have redesigned our networks to mitigate passenger revenue shortfalls in a business which, in the absence of government fare increases, is also largely unprotected from fuel cost increases.

In Spain the majority of our operations are protected from revenue risk in the contracted Madrid transport market, and are performing well.

### Eastern Europe

The integration and consolidation of our Eastern European businesses is continuing as planned. With operations in the Czech Republic, Hungary, Poland and Slovakia, Arriva is well placed to benefit from future liberalisation of the public transport markets in Eastern Europe.

## **UK Bus**

Our UK Bus division has continued to trade strongly, with the continuing focus on cost control and efficiency offsetting an increase in fuel costs of £9 million during the first half of 2009. Operating profit rose 3.7 per cent to £47.2 million (2008: £45.5 million) on revenue up 4.2 per cent to £473.6 million (2008: £454.5 million).

### Regions

We have reduced commercially operated mileage by 3.3 per cent year-on-year to control costs whilst maintaining the viability of our network for future growth in the medium and longer term. This will help to mitigate the further increases in fuel costs in the second half of the year, but will also be reflected in patronage and revenue growth.

Investment in the division's future continues. 233 new buses entered service in the first half of 2009, with around 220 more to be added by the end of the year, further improving our attractiveness to existing and potential customers.

We remain committed to developing and investing in technology. 'EcoManager', which helps drivers to reduce fuel consumption, is now operational in almost 1,000 buses, with plans to use the technology in a further 1,000 buses by the end of the year. Mobile phone ticketing technology has been introduced across the Yorkshire and Kent networks, making for a convenient cash-free way to travel.

### London

Mileage growth in our contracted London business, which accounts for around a third of the division by revenue, was 3.4 per cent.

We continue to work with Transport for London trialling new and green technologies, and we were pleased to welcome six new Volvo hybrid double-deckers to our fleet in June.

The Original Tour sightseeing business is trading well, with a promising summer season so far.

## **UK Trains**

UK Trains revenue was £376.2 million (2008: £415.5 million), with operating profit falling to £10.4 million (2008: £14.8 million). The division's fall in operating profit is largely attributable to slower passenger revenue growth together with an increase in fuel costs of £2 million.

The Rail Regulator's review of charges has reduced both headline revenue and costs by approximately £47 million in the first half of the year. The economic impact of this review is broadly neutral. The 2009 full year effect for the division is expected to be a reduction in both revenue and costs in the region of £150 million.

### CrossCountry

As we have reported previously, to maintain 2008 levels of profitability, against a background of reducing franchise support payments, CrossCountry needs to achieve passenger revenue growth of around 10 per cent in 2009, from a 2008 base of £319 million. Actual passenger revenue growth for the franchise for the first half of the year was 1.8 per cent. Despite encouraging cost saving measures in areas such as replacement bus and coach services, sales commission, marketing, station services, catering and cleaning, the growth achieved was insufficient in the period to offset the decline in franchise support payments.

The franchise is operating efficiently, recording excellent improvements in the level of trains arriving at their destination within 10 minutes of schedule – 91.6 per cent for the six months to 30 June 2009, up from 90.2 per cent for the same period in 2008.

We have almost completed plans to increase capacity by 35 per cent at peak periods. All five refurbished High Speed Trains are now in service and refurbishment of the 57 Voyagers, adding around 4,000 seats to our fleet, is on track for completion in early September.

We have significantly improved online ticketing facilities. After introducing e-ticketing nationwide in December, our customers have been able to purchase and print tickets at home, by 6.00 pm the day before departure.

The sharp contraction in UK economic activity suggests slower passenger revenue growth may continue for some time into the future while our contract provides for reducing franchise support payments. From November 2011, 80 per cent of any shortfall in passenger revenue below 94 per cent, and 50 per cent of the shortfall between 98 and 94 per cent, against the annual franchise target, is recovered through the risk sharing mechanism with the Department for Transport. This arrangement continues to the end of the franchise in March 2016.

### Arriva Trains Wales

At Arriva Trains Wales, passenger revenue growth was 8.2 per cent, after compensation for timetable changes in December 2008.

Arriva Trains Wales' strong operational record continues to improve, with 95.1 per cent of services arriving at their destination within five minutes of schedule, up from the already high 92.9 per cent in 2008, making Arriva Trains Wales one of the best performing train operators in the UK.

Arriva Trains Wales continues to work closely with the Welsh Assembly Government to develop rail services in Wales and the border regions, and in May 2009, increased the frequency of the service between Merthyr Tydfil and Cardiff.

### **Finance**

Cash generation continues to be strong. EBITDA (earnings before interest, tax, depreciation, goodwill impairment and intangible asset amortisation) was £165.6 million, an increase of 11 per cent over the comparable period (2008: £149.2 million). A working capital outflow of £40.7 million (2008: outflow of £29.9 million) includes recurring outflows in respect of retirement benefit obligations (pension scheme contributions exceeded costs by £10 million in the first half year) and release of provisions for acquired loss making contracts (£7 million). The balance of the outflow principally represents timing differences. Cash generated from operations was up five per cent to £124.9 million (2008: £119.3 million).

We continue to invest in the future of Arriva. Net capital investment was £100.1 million (2008: £84.8 million), principally reflecting investments in new buses in the UK, and mobilisation of rail and bus contracts in mainland Europe.

Payments of interest, taxation and dividends totalled £60.3 million (2008: £52.2 million), reflecting a five per cent increase in the 2008 year end dividend, the increased level of debt from June 2008, and the £3.1 million impact of translating euro interest costs at a higher exchange rate.

Translating overseas debt into sterling at £0.85 to the euro, compared to £0.97 to the euro at 31 December 2008, reduced net debt by £73.6 million. Net debt overall fell by £38.2 million to £785.2 million.

Total shareholders' equity was £568.7 million (31 December 2008: £682.5 million) at the end of the period. Retained profits contributed £4.3 million to group distributable reserves. Actuarial losses on employment benefits, reflecting a reduction in liability discount rates and an increase in long-term inflation expectations, reduced equity by £99.6 million whilst the fair value of cash flow derivatives caused an increase of £13.6 million. The fall in the value of the euro since the year end has resulted in a foreign translation loss, after tax, of £36.8 million in respect of unhedged overseas assets. Gearing, the ratio of net debt to equity, for the group at 30 June 2009 was 130 per cent (31 December 2008: 115 per cent).

The interest cover for the 12 months ended 30 June 2009 (the ratio of EBITDA to net finance costs) was 10 times (year ended 31 December 2008: 13 times). The ratio of net debt to

EBITDA, for the 12 months ended 30 June 2009, was 2.3 times (year ended 31 December 2008: 2.5 times). Arriva remains comfortably within the financial covenants set by its lenders, the principal covenants being that the ratio of EBITDA to net finance costs is not less than 3:1 and the ratio of net debt to EBITDA is not more than 3.5:1.

### Fuel

As previously reported, the total anticipated increase in fuel costs is around £60 million for the whole of 2009, of which approximately £18 million fell in the first half of the year.

Excluding associate Barraqueiro, which has its own arrangements, the group's forward fixing of fuel, for 2010 and 2011 compared with 2009, as at 17 August 2009, was as follows:

	2009 %	2010 %	2011 %
Protected by indexation arrangements	14.4	15.9	16.2
Forward purchased*	84.2	76.5	32.6
Subject to spot or future forward purchase	1.4	7.6	51.2
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
*Average price per litre of forward purchased fuel, excluding fuel taxation & delivery (pence)	<u>42.9</u>	<u>35.4</u>	<u>31.0</u>

Based on an annual volume of 520 million litres

75 per cent of the approximate 100 million litre annual fuel requirement for CrossCountry remains fixed at 26.5 pence per litre, until 2016.

### Borrowing facilities

The principal sources of credit to the group have historically been the banking markets of the UK and mainland Europe, and the group has continued to raise finance from these sources, with over £250 million of amortising and term facilities being raised in 2009 to date.

The headroom on committed borrowing facilities has increased from £258 million at 31 December 2008 to £327 million at 30 June 2009, reflecting the raising of additional amortising facilities of £134 million in the period partially offset by repayments on existing facilities. Subsequent to the period end, a €100 million bilateral term facility has been obtained, coterminous with the £615 million syndicated revolving credit facility that expires in August 2012, together with £38 million of amortising facilities, further strengthening the group's funding position.

The group's facilities, together with their maturity and drawdown at 30 June 2009, which excludes the facilities obtained since the period end, are set out in the table below:

Facility	Maturity	Limit £m	Drawn £m	Headroom £m
Syndicated revolving credit facility	2012	615	363	252
Amortising facilities	to 2024	511	498	13
Term facilities	to 2018	101	39	62
Committed facilities		1,227	900	327
Uncommitted facilities		83	46	37
Total		<u>1,310</u>	<u>946</u>	<u>364</u>

Group net debt of £785 million comprises the drawdown of £946 million in the table above, less cash balances of £161 million.

The existing fleet of 29 trains for the Jutland rail contract is likely to be recognised on the balance sheet in the second half of the year, with a book value of around £60 million. These will continue to be financed by the existing provider. A further 12 new trains are required by the new contract by the end of 2010, with a related investment of around €40 million.

### **Outlook**

Arriva continues to show its strengths as a broadly-based group with a balanced portfolio of operations which prevent it from becoming over-dependent on a single contract or a single source of revenue. The group has a secure funding position, an extensive contract order book

providing visibility of long-term diverse revenue streams, and a proven strategy for medium and long-term growth. This is underpinned by tight management and cost control across the group.

Our strong and consistent cash generation enables investment in new contract wins and renewals, and returns to shareholders. The competitive landscape for contracted business is encouraging, and there are further opportunities for growth as shown by recent new business wins in mainland Europe.

During the second half of 2009 the group will experience still higher fuel prices locked in by forward fuel purchasing. The results for the first half of 2009 show the effectiveness of actions already taken to absorb the fuel cost impact for the year. During 2010, fuel costs are set to recover by approximately £30 million.

The short-term outlook for passenger revenue growth remains difficult to predict. As previously reported, a reduction in the second-half profitability of our UK Trains division can be anticipated, due to softening passenger revenue growth coupled with reducing support payments. The CrossCountry franchise will benefit from the availability of the contracted revenue risk sharing regime from November 2011.

We remain confident in the underlying resilience and growth potential of the business, and that it will continue to demonstrate the delivery of long-term value to shareholders.

## Condensed Financial Information

### Group Income Statement Six months to 30 June 2009

		Unaudited six months to 30 June 2009 £m	Unaudited six months to 30 June 2008 £m	Audited year to 31 Dec 2008 £m
	notes			
<b>Revenue</b>	<b>6</b>	<b>1,578.9</b>	1,443.4	3,042.2
Net operating expenses		<u>(1,501.8)</u>	<u>(1,367.1)</u>	<u>(2,870.4)</u>
<b>Group operating profit</b>	<b>6</b>	<b>77.1</b>	76.3	171.8
Share of post tax profits from associates		2.1	2.3	4.4
Finance income		0.4	3.1	9.5
Finance costs		<u>(22.2)</u>	<u>(15.4)</u>	<u>(35.7)</u>
Net finance costs		<u>(21.8)</u>	<u>(12.3)</u>	<u>(26.2)</u>
<b>Profit on ordinary activities before taxation</b>	<b>6</b>	<b>57.4</b>	66.3	150.0
Tax on profit on ordinary activities	<b>7</b>	<u>(12.3)</u>	<u>(15.2)</u>	<u>(38.8)</u>
<b>Profit for the period</b>		<u><b>45.1</b></u>	<u>51.1</u>	<u>111.2</u>
Attributable to:				
Equity holders of the parent company		39.9	47.3	104.5
Minority interests		<u>5.2</u>	<u>3.8</u>	<u>6.7</u>
		<u><b>45.1</b></u>	<u>51.1</u>	<u>111.2</u>
<b>Dividends per ordinary share</b>	<b>8</b>	<b>6.46p</b>	6.15p	24.06p
<b>Earnings per share</b>				
Basic earnings per share	<b>9</b>	<b>20.1p</b>	23.8p	52.6p
Diluted earnings per share	<b>9</b>	<b>20.0p</b>	23.8p	52.3p
<b>Basic earnings per share before goodwill impairment, intangible asset amortisation and exceptional items</b>	<b>9</b>	<b>23.2p</b>	25.9p	61.5p

**Group Statement of Comprehensive Income**  
**Six months to 30 June 2009**

	<b>Unaudited six months to 30 June 2009 £m</b>	Unaudited six months to 30 June 2008 £m	Audited year to 31 Dec 2008 £m
<b>Profit for the period</b>	<b>45.1</b>	51.1	111.2
<b>Other comprehensive income</b>			
Net foreign exchange adjustments offset in reserves, net of tax	<b>(36.8)</b>	0.3	37.2
Cash flow hedges, net of tax	<b>13.6</b>	118.6	(66.5)
Actuarial losses on employment benefits, net of tax	<b>(99.6)</b>	-	(51.2)
<b>Total comprehensive income for the period</b>	<b>(77.7)</b>	170.0	30.7
<b>Total comprehensive income attributable to:</b>			
Owners of the parent company	<b>(78.5)</b>	164.4	16.1
Minority interests	<b>0.8</b>	5.6	14.6
	<b>(77.7)</b>	170.0	30.7

**Group Balance Sheet**  
**At 30 June 2009**

		<b>Unaudited 30 June 2009 £m</b>	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
	notes			
<b>Non-current assets</b>				
Goodwill	10	465.5	359.1	509.9
Other intangible assets	10	63.2	41.3	75.7
Property, plant and equipment	11	1,460.4	1,255.0	1,559.9
Investments	12	127.4	112.1	141.9
Derivative financial instruments	14	47.8	154.2	51.8
		<u>2,164.3</u>	<u>1,921.7</u>	<u>2,339.2</u>
<b>Current assets</b>				
Inventories		49.8	46.5	52.3
Trade and other receivables		419.0	396.8	430.4
Cash and cash equivalents		160.8	216.4	147.7
Derivative financial instruments	14	9.8	72.7	10.0
		<u>639.4</u>	<u>732.4</u>	<u>640.4</u>
<b>Total assets</b>		<u>2,803.7</u>	<u>2,654.1</u>	<u>2,979.6</u>
<b>Current liabilities</b>				
Trade and other payables		650.2	583.2	707.8
Tax liabilities		60.5	45.4	51.2
Borrowings	13	232.0	192.9	174.1
Derivative financial instruments	14	96.0	14.2	98.8
		<u>1,038.7</u>	<u>835.7</u>	<u>1,031.9</u>
<b>Non-current liabilities</b>				
Borrowings	13	714.0	606.6	797.0
Retirement benefit obligations	15	248.2	66.0	120.1
Deferred tax liabilities		56.5	137.0	95.4
Other non-current liabilities		121.9	115.0	133.0
Derivative financial instruments	14	20.8	26.4	84.0
		<u>1,161.4</u>	<u>951.0</u>	<u>1,229.5</u>
<b>Total liabilities</b>		<u>2,200.1</u>	<u>1,786.7</u>	<u>2,261.4</u>
<b>Net assets</b>		<u>603.6</u>	<u>867.4</u>	<u>718.2</u>
<b>Equity</b>				
Share capital		9.9	9.9	9.9
Share premium account		24.5	24.4	24.4
Other reserves		52.1	223.6	38.5
Retained earnings		482.2	583.0	609.7
		<u>568.7</u>	<u>840.9</u>	<u>682.5</u>
<b>Equity attributable to owners of the parent company</b>		<u>568.7</u>	<u>840.9</u>	<u>682.5</u>
<b>Minority interest in equity</b>		<u>34.9</u>	<u>26.5</u>	<u>35.7</u>
<b>Total equity</b>		<u>603.6</u>	<u>867.4</u>	<u>718.2</u>

**Group Cash Flow Statement**  
**Six months to 30 June 2009**

		<b>Unaudited six months to 30 June 2009 £m</b>	Unaudited six months to 30 June 2008 £m	Audited year to 31 Dec 2008 £m
	notes			
<b>Cash flows from operating activities</b>				
Cash generated from operations	<b>16(b)</b>	<b>124.9</b>	119.3	334.0
Interest and finance charges paid		<b>(20.3)</b>	(12.3)	(27.7)
Tax (paid)/received		<b>(2.8)</b>	(4.3)	16.9
Net cash inflow from operating activities		<b>101.8</b>	102.7	323.2
<b>Cash flows from investing activities</b>				
Acquisitions of businesses		-	(18.9)	(132.6)
Net (overdraft)/cash assumed on acquisitions		-	(0.8)	1.2
Investment in associates		-	(39.2)	(39.4)
Purchase of property, plant and equipment		<b>(107.2)</b>	(94.7)	(263.8)
Disposal of property, plant and equipment		<b>7.1</b>	9.9	19.0
Net cash used in investing activities		<b>(100.1)</b>	(143.7)	(415.6)
<b>Cash flows from financing activities</b>				
Proceeds from issuing ordinary share capital		<b>0.1</b>	0.2	0.2
Increase/(decrease) in loans due within one year		<b>51.4</b>	36.7	(4.3)
(Decrease)/increase in loans due after one year		<b>(27.7)</b>	165.7	215.3
Increase/(decrease) in finance lease obligations		<b>19.7</b>	(11.5)	(24.0)
Dividends paid to the company's shareholders		<b>(35.6)</b>	(33.9)	(46.1)
Dividends paid to minority interests		<b>(1.6)</b>	(1.7)	(4.3)
Net cash generated in financing activities		<b>6.3</b>	155.5	136.8
<b>Net increase in cash, cash equivalents and overdrafts</b>	<b>16(d)</b>	<b>8.0</b>	114.5	44.4
<b>Cash, cash equivalents and overdrafts at the beginning of the period</b>	<b>16(d)</b>	<b>113.3</b>	62.4	62.4
Exchange (losses)/gains on cash, cash equivalents and overdrafts	<b>16(d)</b>	<b>(7.4)</b>	(0.3)	6.5
<b>Cash, cash equivalents and overdrafts at the end of the period</b>	<b>16(d)</b>	<b>113.9</b>	176.6	113.3

**Group Statement of Changes in Equity**  
**Six months to 30 June 2009**

	Attributable to owners of the parent company				Total £m	Minority Interests £m	Total equity £m
	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m			
<b>At 1 January 2009</b>	9.9	24.4	38.5	609.7	<b>682.5</b>	35.7	<b>718.2</b>
Profit for the period	-	-	-	39.9	<b>39.9</b>	5.2	<b>45.1</b>
Other comprehensive income:							
Net foreign exchange adjustments offset in reserves, net of tax	-	-	-	(32.4)	<b>(32.4)</b>	(4.4)	<b>(36.8)</b>
Cash flow hedges, net of tax	-	-	13.6	-	<b>13.6</b>	-	<b>13.6</b>
Actuarial losses on employment benefits, net of tax	-	-	-	(99.6)	<b>(99.6)</b>	-	<b>(99.6)</b>
<b>Total comprehensive income for the period ended 30 June 2009</b>	-	-	13.6	(92.1)	<b>(78.5)</b>	0.8	<b>(77.7)</b>
Transactions with owners:							
Arising on issue of shares	-	0.1	-	-	<b>0.1</b>	-	<b>0.1</b>
Share-based payments	-	-	-	0.2	<b>0.2</b>	-	<b>0.2</b>
Dividends	-	-	-	(35.6)	<b>(35.6)</b>	(1.6)	<b>(37.2)</b>
<b>At 30 June 2009</b>	<b>9.9</b>	<b>24.5</b>	<b>52.1</b>	<b>482.2</b>	<b>568.7</b>	<b>34.9</b>	<b>603.6</b>
<b>At 1 January 2008</b>	9.9	24.2	105.0	571.1	710.2	23.8	734.0
Profit for the period	-	-	-	47.3	47.3	3.8	51.1
Other comprehensive income:							
Net foreign exchange adjustments offset in reserves, net of tax	-	-	-	(1.5)	(1.5)	1.8	0.3
Cash flow hedges, net of tax	-	-	118.6	-	118.6	-	118.6
<b>Total comprehensive income for the period ended 30 June 2008</b>	-	-	118.6	45.8	164.4	5.6	170.0
Transactions with owners:							
Arising on issue of shares	-	0.2	-	-	0.2	-	0.2
Dividends	-	-	-	(33.9)	(33.9)	(1.7)	(35.6)
Minority interest acquired by the group	-	-	-	-	-	(1.2)	(1.2)
<b>At 30 June 2008</b>	<b>9.9</b>	<b>24.4</b>	<b>223.6</b>	<b>583.0</b>	<b>840.9</b>	<b>26.5</b>	<b>867.4</b>
<b>At 1 January 2008</b>	9.9	24.2	105.0	571.1	710.2	23.8	734.0
Profit for the period	-	-	-	104.5	104.5	6.7	111.2
Other comprehensive income:							
Net foreign exchange adjustments offset in reserves, net of tax	-	-	-	29.3	29.3	7.9	37.2
Cash flow hedges, net of tax	-	-	(66.5)	-	(66.5)	-	(66.5)
Actuarial losses on employment benefits, net of tax	-	-	-	(51.2)	(51.2)	-	(51.2)
<b>Total comprehensive income for the year ended 31 December 2008</b>	-	-	(66.5)	82.6	16.1	14.6	30.7
Transactions with owners:							
Arising on issue of shares	-	0.2	-	-	0.2	-	0.2
Share-based payments	-	-	-	2.1	2.1	-	2.1
Dividends	-	-	-	(46.1)	(46.1)	(4.3)	(50.4)
Minority share of acquisition	-	-	-	-	-	1.6	1.6
<b>At 31 December 2008</b>	<b>9.9</b>	<b>24.4</b>	<b>38.5</b>	<b>609.7</b>	<b>682.5</b>	<b>35.7</b>	<b>718.2</b>

**Notes to the Condensed Financial Information**  
**Six months to 30 June 2009**

**1. General information**

Arriva plc is a public limited company that is incorporated, domiciled and is registered in the United Kingdom. The registered office is Admiral Way, Doxford International Business Park, Sunderland, SR3 3XP. The company has its primary listing on the London Stock Exchange.

The Interim Report will be available on the Arriva plc website [www.arriva.co.uk](http://www.arriva.co.uk) on 27 August 2009. Copies of the Interim Report are available from the Company Secretary, Arriva plc, Admiral Way, Doxford International Business Park, Sunderland, SR3 3XP.

**2. Basis of preparation**

The Interim Report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS34, 'Interim Financial Reporting' as adopted by the European Union. The Interim Report should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The results for the six months to 30 June 2009 are unaudited but have been reviewed by the auditors. The comparative figures for the six months to 30 June 2008 are unaudited and are derived from the Interim Report for the six months to 30 June 2008, which was also reviewed by the auditors. The condensed consolidated financial information for the year ended 31 December 2008 is extracted from the latest statutory accounts which have been filed with the Registrar of Companies. The report of the auditors on the accounts was unqualified and did not contain a statement under section 237(2) or (3) of the Companies Act 1985. This Interim Report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS34 as adopted by the European Union, and that the Interim Report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The Interim Report, including the responsibility statement in the preceding paragraph which is made in accordance with DTR 4.2.10 (1), was approved by the Board of Directors on 26 August 2009.

The directors confirm that they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in the preparation of the Interim Report.

The directors of Arriva plc are listed on pages 48 to 49 of the group's Annual Report and Accounts 2008. A list of current directors is maintained on the Arriva plc website [www.arriva.co.uk](http://www.arriva.co.uk).

**3. Accounting policies**

Except as detailed below, the accounting policies adopted are consistent with those set out on pages 73 to 77 in the group's Annual Report and Accounts 2008.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year beginning 1 January 2009 and have impacted on the Interim Report:

- IAS 1 (Revised) 'Presentation of financial statements'. The group has adopted the two statement approach and presented separately the Group Income Statement and the Group Statement of Comprehensive Income. There was no impact on the financial position or performance of the group.

New standards, amendments to standards or interpretations that are mandatory for the first time for the financial year beginning 1 January 2009, which are not disclosed above, have no material impact on the Interim Report.

#### **4. Principal risks and uncertainties**

The actual and potential risks faced by the business have been reviewed at the half year as part of the ongoing risk assessment and management process. The principal risks and uncertainties, which remain unchanged from those detailed on pages 34 to 35 of the group's Annual Report and Accounts 2008, can be summarised as follows:

- Market risks include changes in national public transport budgets.
- Operational risks include meeting health, safety and environmental standards.
- Commercial risks include uncertainty over the impact of the recession and economic volatility in the UK and mainland Europe, the availability of finance in financial markets, and revenue forecasting and costing assumptions in new franchise, tender and acquisition submissions.
- Financial risks include interest rate risk, commodity risk, currency risk and obligations in respect of retirement benefit schemes.
- Other risks include changes in transport legislation and / or regulation and succession planning for key managerial positions.

#### **5. Cautionary statement**

This Interim Report is intended to focus on matters which are relevant to the interests of shareholders in the company. The purpose of the Interim Report is to assist shareholders in assessing the strategies adopted and performance delivered by the company and the potential for those strategies to succeed. It should not be relied upon by any other party or for any other purpose.

Forward looking statements are made in good faith, based on a number of assumptions concerning future events and information available to directors at the time of their approval of this report. These forward looking statements should be treated with caution due to the inherent uncertainties underlying any such forward looking information. The user of these accounts should not rely unduly on these forward looking statements, which are not a guarantee of performance and which are subject to a number of uncertainties and other facts, many of which are outside of the company's control and could cause actual events to differ materially from those in these statements. No guarantee can be given of future results, levels of activity, performance or achievements.

## 6. Segmental analysis

	Unaudited six months to 30 June 2009		Unaudited six months to 30 June 2008		Audited year to 31 December 2008	
	Revenue £m	Operating profit £m	Revenue £m	Operating profit £m	Revenue £m	Operating profit £m
Mainland Europe	729.1	35.0	573.4	30.4	1,282.0	69.6
UK Bus	473.6	47.2	454.5	45.5	922.4	99.3
UK Trains	376.2	10.4	415.5	14.8	837.8	33.7
Central	-	(7.9)	-	(9.5)	-	(18.8)
<b>Total operations*</b>	<b>1,578.9</b>	<b>84.7</b>	<b>1,443.4</b>	<b>81.2</b>	<b>3,042.2</b>	<b>183.8</b>
Goodwill impairment and intangible asset amortisation		(7.6)		(4.9)		(12.0)
<b>Group operating profit</b>		<b>77.1</b>		<b>76.3</b>		<b>171.8</b>
Share of post tax profits from associates		2.1		2.3		4.4
Net finance costs		(21.8)		(12.3)		(26.2)
<b>Profit on ordinary activities before taxation</b>		<b>57.4</b>		<b>66.3</b>		<b>150.0</b>

\*Before goodwill impairment and intangible asset amortisation

	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
<b>Total assets</b>			
Mainland Europe	1,711.4	1,367.0	1,911.0
UK Bus	736.1	713.1	717.4
UK Trains	119.2	111.9	126.3
Central	18.6	18.8	15.4
Unallocated	218.4	443.3	209.5
<b>Total operations</b>	<b>2,803.7</b>	<b>2,654.1</b>	<b>2,979.6</b>

There has been no change in reportable segments following the adoption of IFRS8 'Operating Segments'.

## 7. Taxation

Tax on profit on ordinary activities for the six months to 30 June 2009 has been calculated on the basis of the estimated annual effective rate for the year ending 31 December 2009. This represents an effective tax rate on profit before tax, excluding exceptional items, of 21.4 per cent (six months to 30 June 2008: 22.9 per cent and for the year ended 31 December 2008: 20.7 per cent).

	Unaudited six months to 30 June 2009 £m	Unaudited six months to 30 June 2008 £m	Audited year to 31 Dec 2008 £m
Current tax	11.0	14.8	12.2
Deferred tax	1.3	0.4	18.9
Exceptional deferred tax charge	-	-	7.7
	<b>12.3</b>	<b>15.2</b>	<b>38.8</b>

## 8. Dividends

	<b>Unaudited six months to 30 June 2009 £m</b>	Unaudited six months to 30 June 2008 £m	Audited year to 31 Dec 2008 £m
Final dividend paid for the year ended 31 December 2008 of 17.91 pence (2008: final dividend paid for the year ended 31 December 2007 of 17.06 pence) per share	<b>35.6</b>	33.9	33.9
Interim dividend paid of 6.15 pence for the year ended 31 December 2008	-	-	12.2
<b>Amounts recognised as distributions to equity holders in the period</b>	<b>35.6</b>	33.9	46.1
Proposed interim dividend for the year ending 31 December 2009 of 6.46 pence (2008: 6.15 pence) per share	<b>12.9</b>	12.2	-

The proposed interim dividend was approved by the Board on 26 August 2009 and has not been included as a liability as at 30 June 2009. It will be paid on 2 October 2009 to shareholders who are on the Register of Members on 11 September 2009.

## 9. Earnings per share

Basic earnings per share is based on earnings of £39.9 million (six months to 30 June 2008: £47.3 million and for the year ended 31 December 2008: £104.5 million) and on the weighted average number of ordinary shares of 198.9 million (six months to 30 June 2008: 198.6 million and for the year ended 31 December 2008: 198.6 million).

Diluted earnings per share is based on the same earnings for each of the periods and on the weighted average number of ordinary shares of 199.5 million (six months to 30 June 2008: 199.0 million and for the year ended 31 December 2008: 199.7 million). The difference in the number of shares between the basic and the diluted calculation represents the weighted average number of dilutive potential ordinary shares.

	<b>Unaudited six months to 30 June 2009 p</b>	Unaudited six months to 30 June 2008 p	Audited year to 31 Dec 2008 p
<b>Basic earnings per share</b>	<b>20.1</b>	23.8	52.6
Earnings per share relating to:			
Goodwill impairment and intangible asset amortisation	3.1	2.1	5.0
Exceptional deferred tax	-	-	3.9
<b>Basic earnings per share before goodwill impairment, intangible asset amortisation and exceptional items</b>	<b>23.2</b>	25.9	61.5
<b>Diluted earnings per share</b>	<b>20.0</b>	23.8	52.3

## 10. Goodwill and other intangible assets

	<b>Goodwill £m</b>	<b>Other intangible assets £m</b>
<b>Net book amount</b>		
At 1 January 2009	509.9	75.7
Hindsight adjustment	0.9	-
Impairment and amortisation	(1.7)	(5.9)
Currency translation adjustments	(43.6)	(6.6)
<b>At 30 June 2009</b>	<b>465.5</b>	<b>63.2</b>
At 1 January 2008	328.2	43.2
Additions	14.1	-
Hindsight adjustment	0.2	-
Impairment and amortisation	(1.0)	(3.9)
Currency translation adjustments	17.6	2.0
<b>At 30 June 2008</b>	<b>359.1</b>	<b>41.3</b>
At 1 January 2008	328.2	43.2
Additions	100.0	29.5
Hindsight adjustment	0.8	-
Impairment and amortisation	(2.5)	(9.5)
Currency translation adjustments	83.4	12.5
<b>At 31 December 2008</b>	<b>509.9</b>	<b>75.7</b>

The hindsight fair value adjustment in the period relates to the final determination of provisional fair value adjustments made in respect of 2008 acquisitions, as detailed in the group's Annual Report and Accounts 2008. Comparative amounts have not been restated following the final determination of fair value adjustments as the amounts included are not material.

## 11. Property, plant and equipment

	Land & buildings £m	Plant, company vehicles, fixtures & fittings £m	Buses & coaches £m	Railway rolling stock £m	Total £m
<b>Net book amount</b>					
At 1 January 2009	327.1	121.2	916.6	195.0	1,559.9
Acquisitions	1.8	0.2	(2.0)	-	-
Additions	2.1	19.7	75.3	10.1	107.2
Disposals	(1.0)	(1.9)	(4.2)	-	(7.1)
Depreciation	(3.9)	(11.9)	(60.2)	(4.9)	(80.9)
Currency translation adjustments	(22.3)	(9.7)	(63.3)	(23.4)	(118.7)
<b>At 30 June 2009</b>	<b>303.8</b>	<b>117.6</b>	<b>862.2</b>	<b>176.8</b>	<b>1,460.4</b>
At 1 January 2008	277.0	89.4	678.6	119.4	1,164.4
Acquisitions	1.1	0.8	19.7	0.1	21.7
Additions	5.9	13.3	62.1	13.4	94.7
Disposals	(4.5)	(2.6)	(2.8)	-	(9.9)
Depreciation	(3.4)	(9.6)	(50.8)	(4.2)	(68.0)
Currency translation adjustments	10.6	4.3	27.7	9.5	52.1
<b>At 30 June 2008</b>	<b>286.7</b>	<b>95.6</b>	<b>734.5</b>	<b>138.2</b>	<b>1,255.0</b>
At 1 January 2008	277.0	89.4	678.6	119.4	1,164.4
Acquisitions	5.7	6.5	57.8	0.1	70.1
Additions	9.2	38.3	176.7	39.6	263.8
Disposals	(1.8)	(9.0)	(8.2)	-	(19.0)
Depreciation	(7.5)	(22.2)	(108.9)	(8.0)	(146.6)
Currency translation adjustments	44.5	18.2	120.6	43.9	227.2
<b>At 31 December 2008</b>	<b>327.1</b>	<b>121.2</b>	<b>916.6</b>	<b>195.0</b>	<b>1,559.9</b>

Capital amounts contracted for but not provided as at 30 June 2009 amount to £79.5 million.

## 12. Investments accounted for using the equity method

	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
<b>Investments (all unquoted)</b>			
Opening	141.9	63.6	63.6
Additions	-	39.2	42.7
Share of recognised profit after tax for the period	2.1	2.3	4.4
Currency translation adjustments	(16.6)	7.0	31.2
<b>Closing</b>	<b>127.4</b>	<b>112.1</b>	<b>141.9</b>

**13. Financial liabilities - borrowings**

	<b>Unaudited 30 June 2009 £m</b>	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
Current liabilities:			
- Short-term loans	<b>153.6</b>	132.8	110.6
- Bank overdrafts	<b>46.9</b>	39.8	34.4
- Finance leases	<b>31.5</b>	20.3	29.1
	<b>232.0</b>	192.9	174.1
Non-current liabilities:			
- Syndicated loans	<b>362.7</b>	367.1	434.7
- Other loans	<b>246.9</b>	163.7	258.2
- Finance leases	<b>104.4</b>	75.8	104.1
	<b>714.0</b>	606.6	797.0

#### 14. Derivative financial instruments

The group uses derivative financial instruments to reduce exposures to foreign currency exchange risk, interest rate risk and changes in fuel prices to acceptable levels. All derivatives are initially recognised at fair value, and are subsequently remeasured to fair value at each reporting date.

	<b>Unaudited 30 June 2009 £m</b>	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
<b>Non-current assets</b>			
Interest rate swaps – cash flow hedge	-	3.3	-
Fuel derivatives – cash flow hedge	<b>47.8</b>	150.9	51.8
	<b>47.8</b>	154.2	51.8
	<b>Unaudited 30 June 2009 £m</b>	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
<b>Current assets</b>			
Interest rate swaps – cash flow hedge	-	0.5	-
Fuel derivatives – cash flow hedge	<b>9.8</b>	72.2	10.0
	<b>9.8</b>	72.7	10.0
	<b>Unaudited 30 June 2009 £m</b>	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
<b>Current liabilities</b>			
Interest rate swaps – cash flow hedge	<b>0.4</b>	0.8	0.9
Forward foreign currency contracts – cash flow hedge	-	-	0.7
Fuel derivatives – cash flow hedge	<b>54.4</b>	-	65.9
Cross currency swaps – net investment hedge	<b>41.2</b>	13.4	31.3
	<b>96.0</b>	14.2	98.8
	<b>Unaudited 30 June 2009 £m</b>	Unaudited 30 June 2008 £m	Audited 31 Dec 2008 £m
<b>Non-current liabilities</b>			
Interest rate swaps – cash flow hedge	<b>12.1</b>	-	8.2
Fuel derivatives – cash flow hedge	<b>2.9</b>	-	17.2
Cross currency swaps – net investment hedge	<b>5.8</b>	26.4	58.6
	<b>20.8</b>	26.4	84.0

## 15. Retirement benefit obligations

The defined benefit pension cost for the group for the six months to 30 June 2009 was £7.5 million (six months to 30 June 2008: £6.6 million and for the year ended 31 December 2008: £15.2 million).

	Group Schemes 2009 £m	RPS 2009 £m	Unaudited 30 June 2009 £m	Audited 31 Dec 2008 £m
Present value of funded obligations	(708.5)	(351.2)	<b>(1,059.7)</b>	(908.7)
Fair value of plan assets	520.0	251.7	<b>771.7</b>	768.8
Deficit	(188.5)	(99.5)	<b>(288.0)</b>	(139.9)
Deficit relating to scheme members	-	39.8	<b>39.8</b>	20.6
Unrecognised asset	-	-	-	(0.8)
Net deficit recognised in the balance sheet	<b>(188.5)</b>	<b>(59.7)</b>	<b>(248.2)</b>	<b>(120.1)</b>

The net defined benefit pension liability was calculated based on the following assumptions:

	Unaudited six months to 30 June 2009 %	Audited year to 31 Dec 2008 %
Discount rate	<b>6.3</b>	6.6
Inflation rate	<b>3.3</b>	2.8
Increases to deferred benefits during deferment	<b>3.3</b>	2.8
Increases to pensions in payment	<b>3.1</b>	2.7
Increases to salaries	<b>4.3</b>	3.8

## 16. Notes to the group cash flow statement

	Unaudited six months to 30 June 2009 £m	Unaudited six months to 30 June 2008 £m	Audited year to 31 Dec 2008 £m
<b>(a) Reconciliation of net debt</b>			
Opening net debt	823.4	448.5	448.5
Increase in cash, cash equivalents and overdrafts	(8.0)	(114.5)	(44.4)
Increase/(decrease) in loans due within one year	51.4	36.7	(4.3)
(Decrease)/increase in loans due after one year	(27.7)	165.7	215.3
Increase/(decrease) in finance lease obligations	19.7	(11.5)	(24.0)
Loans acquired	-	19.9	23.7
Finance leases acquired	-	(0.1)	24.2
Currency translation adjustments	(73.6)	38.4	184.4
Closing net debt	<b>785.2</b>	<b>583.1</b>	<b>823.4</b>
<b>(b) Reconciliation of operating profit to cash generated from operations</b>			
Operating profit	77.1	76.3	171.8
Depreciation	80.9	68.0	146.6
Goodwill impairment and intangible asset amortisation	7.6	4.9	12.0
EBITDA	<b>165.6</b>	<b>149.2</b>	<b>330.4</b>
Increase in inventories, excluding acquisitions	(1.8)	(3.0)	(1.3)
(Increase)/decrease in trade and other receivables, excluding acquisitions	(23.7)	(9.6)	23.5
Decrease in creditors, excluding acquisitions	(15.2)	(17.3)	(18.6)
Cash generated from operations	<b>124.9</b>	<b>119.3</b>	<b>334.0</b>
<b>(c) Segmental EBITDA</b>			
Mainland Europe	82.5	66.8	151.4
UK Bus	78.3	75.3	159.8
UK Trains	12.5	16.4	37.6
Central	(7.7)	(9.3)	(18.4)
<b>Total operations</b>	<b>165.6</b>	<b>149.2</b>	<b>330.4</b>

16. Notes to the group cash flow statement (continued)

(d) Analysis of net debt

Six months to 30 June 2009

	1 January 2009 £m	Cash flow £m	Acquisitions (excluding cash & overdrafts) £m	Exchange differences £m	Unaudited 30 June 2009 £m
Cash, cash equivalents and overdrafts	(113.3)	(8.0)	-	7.4	(113.9)
Loans due within one year	110.6	51.4	-	(8.4)	153.6
Loans due after one year	692.9	(27.7)	-	(55.6)	609.6
Finance leases	133.2	19.7	-	(17.0)	135.9
	<u>823.4</u>	<u>35.4</u>	<u>-</u>	<u>(73.6)</u>	<u>785.2</u>

Six months to 30 June 2008

	1 January 2008 £m	Cash flow £m	Acquisitions (excluding cash & overdrafts) £m	Exchange differences £m	Unaudited 30 June 2008 £m
Cash, cash equivalents and overdrafts	(62.4)	(114.5)	-	0.3	(176.6)
Loans due within one year	84.6	36.7	4.9	6.6	132.8
Loans due after one year	326.5	165.7	15.0	23.6	530.8
Finance leases	99.8	(11.5)	(0.1)	7.9	96.1
	<u>448.5</u>	<u>76.4</u>	<u>19.8</u>	<u>38.4</u>	<u>583.1</u>

Year ended 31 December 2008

	1 January 2008 £m	Cash flow £m	Acquisitions (excluding cash & overdrafts) £m	Exchange differences £m	Audited 31 Dec 2008 £m
Cash, cash equivalents and overdrafts	(62.4)	(44.4)	-	(6.5)	(113.3)
Loans due within one year	84.6	(4.3)	12.5	17.8	110.6
Loans due after one year	326.5	215.3	11.2	139.9	692.9
Finance leases	99.8	(24.0)	24.2	33.2	133.2
	<u>448.5</u>	<u>142.6</u>	<u>47.9</u>	<u>184.4</u>	<u>823.4</u>