

Date: 22 November 2011
On behalf of: WEARE 2020 plc ("2020", "the Company" or "the Group")
Embargoed: 0700hrs

WEARE 2020 plc Interim Results 2011/2012

WEARE 2020 plc (AIM: 2020) today announced its interim results for the six months ended 30 September 2011.

Performance Highlights

- Gross profits £15.25m; (2010: £17.90m), -15%
- EBITDA before other income £2.06m; (2010: £1.23m), +68%
- Profit before tax ("PBT") £1.01m; (2010: £0.59m) +69%
- Profit after tax £0.79m; (2010: £0.32m), +152%
- Net debt £4.3m; (2010: £6.1m); undrawn banking facilities of £3.2million
- All cash deferred consideration of £2.4million paid in respect of acquisition of Technology business
- £0.9million of Term Loans repaid final £0.3million to be paid in December 2011
- Basic earnings per share 1.06 pence; (2010: 0.42 pence) +152%
- Diluted earnings per share 1.02 pence (2010: 0.41 pence) +149%

Commenting on the results, Stephen Davidson, Chairman of WEARE 2020 plc, said: "It is with great pleasure I announce a 68% increase in our operating performance for the six months to 30 September 2011. Although our gross profits are down as a result of our decision to close our contact centre in Nottingham, our operating performance has been positive in the other areas of our business, especially Jaywing within our Dialogue business. We continue to reduce our debt which now stands at £4.3 million after paying off all deferred consideration. The final payment of our Term loans will be made in December 2011. The financial robustness of the Group is evident."

Enquiries:

WEARE 2020 plc
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INTERIM RESULTS

It is with great pleasure that I announce our interim results for the six months ended 30 September 2011. After a very difficult period we have returned to significant growth in the underlying performance of the Group. Profit before tax is up 69% at £1.0 million for the six months (H1 2010: £0.6 million) and our profit after tax increased by 152% to £0.8million (H1 2010: £0.3 million). At the EBITDA before other income line we have produced £2.1 million for the six months to 30 September 2011 against £1.2 million for the six months to 30 September 2010, a 68% improvement.

Gross profit has declined by £2.6 million in the six months to 30 September 2011 compared with the six months to 30 September 2010. £1.8 million of this decline is due to the decision to close our contact centre in Nottingham as the result of its main client terminating their contract with us. This location was only marginally profitable and therefore not material to the profitability of the Group.

Our Group has three segments, 2020 Agency, digital and direct marketing services, 2020 Dialogue, lead generation and data and risk consultancy, and 2020 Technology, eCommerce project implementation and consultancy services.

With the impact of the economic environment on our 2020 Agency business we have seen a decline in gross profit within this division as well by £1.9 million. This is in the main due to our decision to consolidate our business within three locations, Newbury, Sheffield and Ipswich. With the cost savings we made at the time, the profit before tax for our 2020 Agency business only fell by £79,000. We believe the consolidation of the 2020 Agency business now means it has a good platform to return to growth. We have seen some small wins in clients but more importantly we are seeing increased expenditure from existing clients.

2020 Technology division continues to grow with a 10% increase in gross profit and a 12% increase in profit before tax. This is on the back of new client wins including Debenhams and Ann Summers.

The significant improvement has been within our 2020 Dialogue business and principally the risk consultancy part of this division. Gross profit has increased by 25% and profit before tax has improved from £72,000 loss in the six months to 30 September 2010 to a profit of £854,000 in the six months to 30 September 2011. It is too early to say if there is a maintainable pick up in this sector but we have secured assignments through to next year. The team at Jaywing have worked extremely hard to deliver these results and I would like to thank them for their determination to deliver increasingly profitable results.

As stated in previous announcements we continue to receive settlement of a contractual obligation from a client who has gone into liquidation. In the six months to 30 September 2011 we received £0.3 million (2010: £0.9 million), to date we have received £3.3 million from the administrators or 63 pence in the £ against our claim. These receipts are disclosed as other income on the face of the income statement. The administrators have indicated that the full pay out could be up to 86 pence in total or approximately a further £1.2 million.

Operating expenses fell from £16.9 million to £13.4 million, a 21% reduction. £1.6 million was associated with the closure of Nottingham and the balance with the consolidation of Bristol and Swindon with Newbury.

Net debt as at 30 September 2011 was £4.3 million (2010: £6.1 million). This is after settling £2.0 million of deferred consideration and the repayment of the term loans. As at 30 September 2011 there was a balance of £0.4 million of deferred consideration, which was settled in October 2011. There is a final repayment on the term loans due in December 2011 of £0.3 million at which time the Group will operate with its Revolving Credit Facility and overdraft facility. This facility, which amortises over the life of the facility, was renewed for another three years in June of this year. The net debt is less than one times the EBITDA for the full year to March 2011.

The Board has been prudent in the management of the balance sheet and as the debt of the Group continues to reduce the Board intends to consider the initiation of dividend payments in the next financial year.

Board changes

The Board expect to make an announcement in due course on the appointment of a new Chief Executive.

Outlook

We have produced an excellent set of results with indications that we have returned to growth. Notwithstanding major concerns about the macroeconomic outlook, the Board believe that growth can be maintained for each of the divisions in the Group and are confident about achieving management expectations for the full year.

Stephen Davidson
Chairman
22 November 2011

Consolidated Interim Statement of Comprehensive Income (unaudited)

	Note	Six months ended 30 Sept 2011 £'000	Six months ended 30 Sept 2010 £'000	Year ended 31 March 2011 £'000
Revenue	4	18,589	22,494	44,705
Direct costs		(3,342)	(4,596)	(8,734)
Gross profit		15,247	17,898	35,971
Other operating income		285	856	1,313
Amortisation		(900)	(967)	(1,934)
Operating expenses		(13,365)	(16,937)	(48,377)
Operating profit/(loss)		1,267	850	(13,027)
Finance income		1	1	1
Finance costs		(261)	(257)	(498)
Net financing costs		(260)	(256)	(497)
Profit/(loss) before tax		1,007	594	(13,524)
Tax (expense)/credit	5	(214)	(279)	396
Profit/(loss) for the period attributable to equity holders of the parent		793	315	(13,128)
Other comprehensive income:				
Cash flow hedging				
Current year gains		88	53	172
Total comprehensive income		881	368	(12,956)
Earnings per ordinary share	6			
- basic		1.06p	0.42p	(17.64)p
- diluted		1.02p	0.41p	(17.64)p

Consolidated interim balance sheet (unaudited)

	Note	30 Sept 2011 £'000	30 Sept 2010 £'000	31 March 2011 £'000
Assets				
Non-current assets				
Property, plant and equipment		1,533	1,759	1,586
Goodwill		29,752	44,330	29,777
Other intangible assets		10,374	13,387	11,273
		41,659	59,476	42,636
Current assets				
Inventories		248	210	143
Trade and other receivables		9,788	10,693	10,425
Cash and cash equivalents		3,877	9,239	9,307
		13,913	20,142	19,875
Total assets		55,572	79,618	62,511
Liabilities				
Current liabilities				
Bank overdraft	7	(3,014)	(8,364)	(8,159)
Other interest bearing loans and borrowings	7	(5,192)	(6,673)	(5,311)
Financial derivatives	8	(156)	(363)	(244)
Trade and other payables		(6,299)	(9,954)	(9,148)
Tax payable		(893)	(574)	(286)
Provisions		(10)	(59)	(123)
		(15,564)	(25,987)	(23,271)
Non-current liabilities				
Other interest bearing loans and borrowings	7	-	(275)	-
Deferred tax liabilities		(2,831)	(3,868)	(3,119)
		(2,831)	(4,143)	(3,119)
Total liabilities		(18,395)	(30,130)	(26,390)
Net assets		37,177	49,488	36,121
Equity				
Capital and reserves attributable to equity holders of the company				
Share capital		34,051	34,050	34,051
Share premium account		6,608	6,608	6,608
Hedging reserve		(156)	(363)	(244)
Capital redemption reserve		125	125	125
Shares purchased for treasury		(42)	-	(42)
Share option reserve		329	395	329
Retained earnings		(3,738)	8,673	(4,706)
Total equity		37,177	49,488	36,121

Consolidated interim cash flow statement (unaudited)

	Six months ended 30 Sept 2011 £'000	Six months ended 30 Sept 2010 £'000	Year ended 31 March 2011 £'000
Cash flow from operating activities			
Profit for the period	793	315	(13,128)
Adjustment for:			
Depreciation, amortisation and impairment	1,079	1,232	17,773
Loss on disposal of property, plant and equipment	-	-	7
Movement in provisions	(113)	(128)	(64)
Deferred consideration now not payable	(125)	-	-
Finance income	(1)	(1)	(1)
Finance costs	261	257	498
Share based payment expense	207	387	587
Taxation	214	279	(396)
Operating cash flow before changes in working capital	2,315	2,341	5,276
Decrease in trade and other receivables	545	1,114	1,407
(Increase)/decrease in inventories	(105)	2	69
Decrease in trade and other payables	(610)	(1,477)	(2,018)
Cash generated from operations	2,145	1,980	4,734
Interest received	1	1	1
Interest paid	(291)	(207)	(422)
Tax paid	109	(212)	(586)
Net cash flow from operating activities	1,964	1,562	3,727
Cash flows from investing activities			
Payment of contingent consideration for prior year acquisitions	(2,000)	-	150
Addition of intangible assets	-	(82)	(89)
Acquisition of property, plant and equipment	(126)	(272)	(375)
Net cash outflow from investing activities	(2,126)	(354)	(314)
Cash flows from financing activities			
Proceeds from draw down of bank facilities	797	-	-
Repayment of borrowings	(888)	(1,289)	(2,978)
Cash settlement of equity share options	(32)	-	(126)
Purchase of shares for treasury	-	-	(117)
Net cash outflow from financing activities	(123)	(1,289)	(3,221)
Net decrease in cash, cash equivalents and bank overdrafts	(285)	(81)	192
Cash and cash equivalents at beginning of period	1,148	956	956
Cash and cash equivalents at end of period	863	875	1,148
Cash and cash equivalents comprise:			
Cash at bank and in hand	3,877	9,239	9,307
Bank overdrafts	(3,014)	(8,364)	(8,159)
Cash and cash equivalents at end of period	863	875	1,148

Consolidated interim statement of changes in equity (unaudited)

	Share capital £'000	Share premium account £'000	Hedging reserve £'000	Capital redemption reserve £'000	Treasury Shares £'000	Share option reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 31 March 2010	34,026	6,608	(416)	125	-	419	7,971	48,733
Allotment of 5p ordinary shares	24	-	-	-	-	(24)	-	-
Credit in respect of share based payments	-	-	-	-	-	-	387	387
Transactions with owners	24	-	-	-	-	(24)	387	387
Profit for the period	-	-	-	-	-	-	315	315
Other comprehensive income:								
Cash flow hedges	-	-	53	-	-	-	-	53
Total comprehensive income for the period	-	-	53	-	-	-	315	368
Balance at 30 September 2010	34,050	6,608	(363)	125	-	395	8,673	49,488
Allotment of 5p ordinary shares on the exercise of share options	1	-	-	-	-	(1)	-	-
Shares purchased for treasury	-	-	-	-	(117)	-	-	(117)
Allotment of shares from Treasury on the exercise of options	-	-	-	-	75	-	(75)	-
Credit in respect of share based payments	-	-	-	-	-	-	200	200
Transfer from share option reserve	-	-	-	-	-	(65)	65	-
Cash settled share options	-	-	-	-	-	-	(126)	(126)
Transactions with owners	1	-	-	-	(42)	(66)	64	(43)
Loss for the period	-	-	-	-	-	-	(13,443)	(13,443)
Other comprehensive income:								
Cash flow hedges	-	-	119	-	-	-	-	119
Total comprehensive income for the period	-	-	119	-	-	-	(13,443)	(13,324)
Balance at 31 March 2011	34,051	6,608	(244)	125	(42)	329	(4,706)	36,121
Credit in respect of share based payments	-	-	-	-	-	-	207	207
Cash settled share options	-	-	-	-	-	-	(32)	(32)
Transactions with owners	-	-	-	-	-	-	175	175
Profit for the period	-	-	-	-	-	-	793	793
Other comprehensive income:								
Cash flow hedges	-	-	88	-	-	-	-	88
Total comprehensive income for the period	-	-	88	-	-	-	793	881
Balance at 30 September 2011	34,051	6,608	(156)	125	(42)	329	(3,738)	37,177

1. General Information

WEARE 2020 plc (the "Company") is incorporated and domiciled in the United Kingdom. The Company is listed on the AIM market of the London Stock Exchange. The registered address is 30-33 Minories, Tower Hill, London, EC3N 1DD.

The company changed its name from Digital Marketing Group plc to WEARE 2020 plc on 15 September 2011.

The interim financial information was approved for issue on 22 November 2011.

2. Basis of preparation

The consolidated interim financial statements for the six months ended 30 September 2011 have been prepared in accordance with applicable accounting standards and under the historical cost convention except for certain financial instruments that are carried at fair value.

The financial information for the year ended 31 March 2011 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 March 2011 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498 (2) or Section 498 (3) of the Companies Act 2006.

The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

3. Accounting policies

Except as described below, the principal accounting policies of WeAre 2020 plc and its subsidiaries ("the Group") are consistent with those set out in the Group's 2011 annual report and financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

Standards and interpretations in issue at 30 September 2011 but not yet effective:

- IFRS 9 Financial Instruments (effective 1 January 2013)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2013)
- IFRS 11 Joint Arrangements (effective 1 January 2013)
- IFRS 12 Disclosure of interests in Other Entities (effective 1 January 2013)
- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- IAS 27 (Revised), Separate Financial Statements (effective 1 January 2013)
- IAS 28 (Revised), Investments in Associates and Joint Ventures (effective 1 January 2013)
- Deferred Tax: Recovery of Underlying Assets – Amendments to IAS 12 Income Taxes (effective 1 January 2012)

4. Segment information (unaudited)

The Group now reports its business activities in three areas: Agency, Dialogue and Technology, its three primary business activities. In previous years this has been reported on a pillar business activity basis based around geography and business activity. The comparative information has been amended to reflect this change of management reporting. Unallocated represents the Group's head office function, along with intragroup transactions.

Total assets exclude intangible assets, cash and external borrowings which have not been allocated to operating segments.

No single client accounts for more than 10% of Group revenue. All the Group's activities are carried out within the UK.

4. Segment information (unaudited) (continued)

Six months ended 30 September 2011

	Agency £'000	Dialogue £'000	Technology £'000	Unallocated £'000	Total £'000
Revenue	7,306	5,998	5,484	(199)	18,589
Direct costs	(2,640)	(772)	(155)	225	(3,342)
Gross profit	4,666	5,226	5,329	26	15,247
Other operating income	1	284	-	-	285
Operating expenses excluding depreciation, amortisation and charges for share based payments	(3,969)	(4,179)	(4,376)	(455)	(12,979)
Operating profit before depreciation, amortisation and charges for share based payments	698	1,331	953	(429)	2,553
Depreciation	(81)	(69)	(28)	(1)	(179)
Amortisation	(357)	(360)	(183)	-	(900)
Charges for share based payments	(14)	(16)	-	(177)	(207)
Operating profit	246	886	742	(607)	1,267
Finance income					1
Finance costs					(261)
Profit before tax					1,007
Tax expense					(214)
Profit for the period					793

Six months ended 30 September 2010

	Agency £'000	Dialogue £'000	Technology £'000	Unallocated £'000	Total £'000
Revenue	11,114	7,001	4,843	(464)	22,494
Direct costs	(4,537)	(523)	-	464	(4,596)
Gross profit	6,577	6,478	4,843	-	17,898
Other operating income	7	849	-	-	856
Operating expenses excluding depreciation, amortisation and charges for share based payments	(5,626)	(6,167)	(3,991)	(501)	(16,285)
Operating profit before depreciation, amortisation and charges for share based payments	958	1,160	852	(501)	2,469
Depreciation	(131)	(108)	(25)	(1)	(265)
Amortisation	(442)	(342)	(183)	-	(967)
Charges for share based payments	(97)	(36)	(39)	(215)	(387)
Operating profit	288	674	605	(717)	850
Finance income					1
Finance costs					(257)
Profit before tax					594
Tax expense					(279)
Profit for the period					315

4. Segment information (unaudited) (continued)

Year ended 31 March 2011

	Agency £'000	Dialogue £'000	Technology £'000	Unallocated £'000	Total £'000
Revenue	20,499	14,276	11,005	(1,075)	44,705
Direct costs	(7,936)	(1,190)	(602)	994	(8,734)
Gross profit	12,563	13,086	10,403	(81)	35,971
Other operating income	8	1,305	-	-	1,313
Operating expenses excluding depreciation, amortisation, impairment and exceptional charges and charges for share based payments	(10,467)	(11,853)	(8,405)	(809)	(31,534)
Operating profit before depreciation, amortisation, impairment and charges for share based payments	2,104	2,538	1,998	(890)	5,750
Depreciation	(230)	(205)	(50)	(2)	(487)
Amortisation	(885)	(684)	(365)	-	(1,934)
Impairment	(13,305)	(2,170)	-	(294)	(15,769)
Charges for share based payments	(131)	(61)	-	(395)	(587)
Operating profit	(12,447)	(582)	1,583	(1,581)	(13,027)
Finance income					1
Finance costs					(498)
Loss before tax					(13,524)
Tax credit					396
Loss for the period					(13,128)

Total assets	Agency £'000	Dialogue £'000	Technology £'000	Unallocated £'000	Total £'000
30 September 2011	11,870	16,738	8,434	18,530	55,572
31 March 2011	3,471	16,567	9,047	33,426	62,511
30 September 2010	32,608	21,306	8,696	17,008	79,618

5. Tax expense (unaudited)

A reconciliation of the charge that would result from applying the standard UK corporation tax rate to profit before tax to the tax charge is given below.

	Six months ended 30 Sept 2011 £'000	Six months ended 30 Sept 2010 £'000	Year ended 31 March 2011 £'000
Recognised in the consolidated statement of comprehensive income:			
Current year tax	506	544	645
Origination and reversal of temporary differences	(292)	(265)	(1,041)
Total tax charge	214	279	(396)
Profit /(loss) before tax	1,007	594	(13,524)
Tax charge thereon at UK corporation tax rate of 26% (2010: 28%)	262	166	(3,787)
Effects of:			
Non-deductible expenses	-	-	(943)
Impairment of goodwill	-	-	4,285
Share based payment charges	54	108	164
Capital allowances in excess of depreciation	-	-	42
Schedule 23 deductions	-	-	(96)
Other	(32)	5	(5)
Prior year adjustment	(70)	-	(56)
Total tax charge/(credit)	214	279	(396)

6. Earnings per share (unaudited)

	Six months ended 30 Sept 2011 Pence per share	Six months ended 30 Sept 2010 Pence per share	Year ended 31 March 2011 Pence per share
Basic	1.06p	0.42p	(17.64)p
Diluted	1.02p	0.41p	(17.64)p

Earnings per share have been calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period. The calculations of basic and diluted earnings per share are:

	Six months ended 30 Sept 2011 £'000	Six months ended 30 Sept 2010 £'000	Year ended 31 March 2011 £'000
Profit/(loss) for the period attributable to shareholders	793	315	(13,128)
Weighted average number of ordinary shares in issue:	Number '000	Number '000	Number '000
Basic	74,605	74,237	74,421
Adjustment for share options, warrants and contingent shares	3,105	3,149	3,280
Diluted	77,710	77,386	77,701

Adjusted earnings per share

	Six months ended 30 Sept 2011 Pence per share	Six months ended 30 Sept 2010 Pence per share	Year ended 31 March 2011 Pence per share
Basic adjusted earnings per share	1.77	0.74p	3.77p
Diluted adjusted earnings per share	1.70	0.71p	3.61p

Adjusted earnings per share have been calculated by dividing the profit attributable to shareholders before other income, amortisation, impairment and charges for share based payments by the weighted average number of ordinary shares in issue during the period. The numbers used in calculating the basic and diluted adjusted earnings per share are reconciled below:

	Six months ended 30 Sept 2011 £'000	Six months ended 30 Sept 2010 £'000	Year ended 31 March 2011 £'000
Profit/(loss) before tax	1,007	594	(13,524)
Other income	(285)	(856)	(1,313)
Amortisation	900	967	1,934
Impairment of carrying value of goodwill and intangibles	-	-	15,769
Charges for share based payments	207	387	587
Adjusted profit attributable to shareholders	1,829	1,092	3,453
Current period tax charge	(506)	(544)	(645)
	1,323	548	2,808

7. Bank overdraft, borrowings and loans (unaudited)

	30 Sept 2011	30 Sept 2010	31 March 2011
	£'000	£'000	£'000
Summary			
Bank overdraft	3,014	8,364	8,159
Borrowings, undiscounted cash flows	5,192	6,948	5,311
	8,206	15,312	13,470
Borrowings are repayable as follows:			
Within 1 year			
Bank overdraft	3,014	8,364	8,159
Borrowings	5,228	6,822	5,374
Total due within 1 year	8,242	15,186	13,533
Less future interest	(36)	(149)	(63)
Total due within 1 year	8,206	15,037	13,470
In more than 1 year but not more than 2 years	-	276	-
In more than 2 years but not more than 3 years	-	-	-
Total due in more than 1 year	-	276	-
Less future interest	-	(1)	-
Total due in more than 1 year	-	275	-
Average interest rates at the balance sheet date were:			
	%	%	%
Overdraft	2.75	2.75	2.75
Term loan	3.52	2.04	2.13
Term loan	-	2.54	2.63
Revolving credit facility	3.40	2.35	2.39

As the loans are at variable market rates their carrying amount is equivalent to their fair value.

The borrowing facilities available to the Group at 30 September 2011 were £7.6 million (2010: £10.4 million) and, taking into account cash balances within the Group, there was £3.2 million (2010: £3.3 million) of available borrowing facilities.

A composite accounting system is set up with the Group's bankers, which allows debit balances on overdraft to be offset across the Group with credit balances.

Reconciliation of net debt	Cash at bank	Overdraft	Borrowings	Net debt
	and in hand			
	£'000	£'000	£'000	£'000
30 September 2011	3,877	(3,014)	(5,192)	(4,329)
31 March 2011	9,307	(8,159)	(5,311)	(4,163)
30 September 2010	9,239	(8,364)	(6,948)	(6,073)

8. Financial derivatives (unaudited)

	30 Sept 2011	30 Sept 2010	31 March 2011
	£'000	£'000	£'000
Interest rate swap	156	363	244

In 2007 the Group purchased an interest rate swap of 6.19% for the period 2007 to 2012 for £4.0 million of its borrowings. This swap is designated a hedge of the interest expense relating to the Group loans. The contract was marked to market at 30 September 2011 and was a net liability of £156,000 (2010: £363,000).

9. Provisions (unaudited)

	30 Sept 2011	30 Sept 2010	31 March 2011
	£'000	£'000	£'000
At the beginning of the period	123	187	187
Additional provisions for closure of site	-	-	123
Released	(65)	-	-
Utilised during the year	(48)	(128)	(187)
At the end of the period	<u>10</u>	<u>59</u>	<u>123</u>

Provisions relate to leases in the Group where the commercial benefit has either ceased or will cease before the normal expiry period.

10. Share capital (unaudited)

Authorised:

	45p deferred shares	5p ordinary shares
	£'000	£'000
Authorised share capital at 31 March 2011 and 30 September 2011	<u>45,000</u>	<u>10,000</u>

Allotted, issued and fully paid

	45p deferred shares	5p ordinary shares	
	Number	Number	£'000
Issued share capital at 31 March 2011 and at 30 September 2011	<u>67,378,520</u>	<u>74,604,999</u>	<u>34,050</u>

The shares issued in the period were as a result of the exercise of share options by employees and directors.

11. Related party transactions (unaudited)

There were no significant changes in the nature and size of related party transactions for the period from those disclosed in the Annual Report for the year ended 31 March 2011.

INDEPENDENT REVIEW REPORT TO WEARE 2020 PLC

Introduction

We have been engaged by the company to review the interim financial information in the interim report for the six months ended 30 September 2011 which comprises the consolidated interim statement of comprehensive income, the consolidated interim balance sheet, the consolidated interim cash flow statement and the consolidated interim statement of changes in equity and the related notes 1 to 11. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the interim financial information.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity". Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the interim financial information are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The interim financial information in the interim report has been prepared in accordance with the basis of preparation in note 2.

Our responsibility

Our responsibility is to express to the company a conclusion on the interim financial information in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information in the interim report for the six months ended 30 September 2011 is not prepared, in all material respects, in accordance with the basis of accounting described in note 2.

Grant Thornton UK LLP
Chartered Accountants
Sheffield
22 November 2011