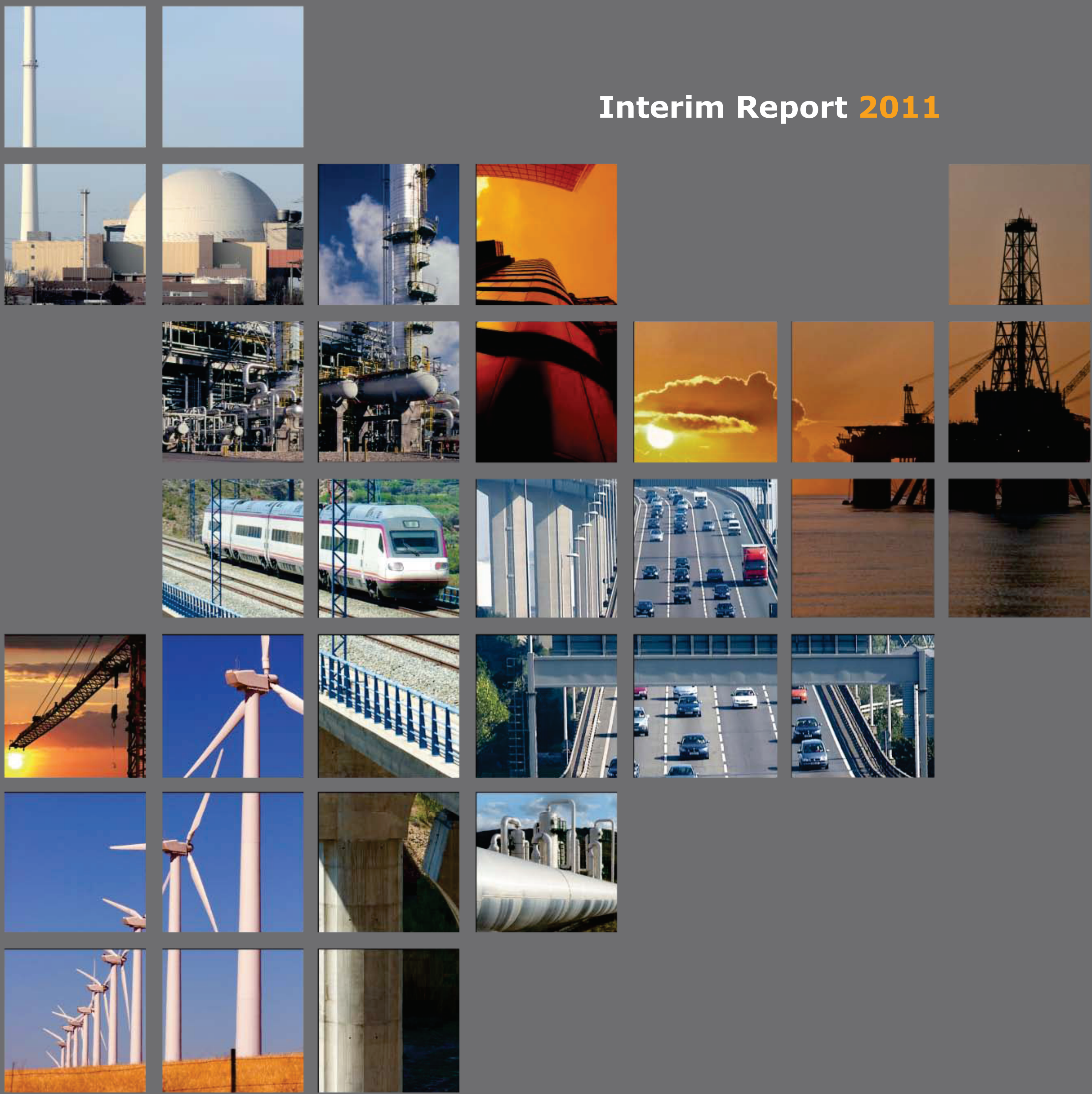
Company number: 3475146

Interim Report 2011



The shares of Driver Group plc are quoted on AIM, the London Stock Exchange's specialist market for growing companies. The Group is a specialist provider of consultancy and advisory services to the construction and engineering industries.

Highlights (for the six months ended 31 March 2011)

Key Financial Information (unaudited)

	6 months ended 31 March 2011 £000	6 months ended 31 March 2010 £000	Change 31 March 2011 to 31 March 2010	6 months ended 30 September 2010 £000	Change 31 March 2011 To 30 September 2010	Year ended 30 September 2010 £000
Revenue	7,893	8,836	**(11%)**	7,579	**4%**	16,415
Gross Profit %	25.9%	25.4%	**0.5%**	20.7%	**5.2%**	23.2%
Underlying* loss before tax	(48)	(259)	**211**	(171)	**123**	(430)
Exceptional items and share-based payment charge	(92)	(188)	**96**	(191)	**99**	(379)
Loss before tax	(140)	(447)	**307**	(362)	**222**	(809)
Loss after tax	(116)	(338)	**222**	(325)	**209**	(663)
Basic loss per share	(0.6)p	(1.4)p	**0.8p**	(1.3)p	**0.7p**	(2.7)p
Underlying* loss per share	(0.2)p	(0.6)p	**0.4p**	(0.6)p	**0.4p**	(1.2)p
Net borrowings at period end	(603)	(1,170)	**567**	(459)	**(144)**	(459)
Access to available funds**	1,986	2,650	**(664)**	1,653	**333**	1,653
Total Equity	6,238	6,644	**(6.1%)**	6,309	**(1.1%)**	6,309

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**Underlying figures are stated before the share-based payment charge and exceptional items (note 6)*

***Available funds include net undrawn bank facilities plus other cash balances*

CHAIRMAN'S STATEMENT

INTRODUCTION

I write this statement two months into my role as Chairman following my appointment in April. I am delighted to have joined the Group at this time of transition and in the short time I have been on the Board it is encouraging to see benefits from implementing the objectives that the Board has set itself beginning to accrue to shareholders. In particular the Group has made considerable progress in reducing the cost base across all areas of the business.

Since joining the Board I have, in conjunction with the Chief Executive and Finance Director, conducted a review of our operations and the resultant planned programme of change arising from that review will, we believe, lead to a strengthening of our balance sheet and continue the progress to returning the Group to sustainable profitability.

I would like to thank the staff whom I have met for welcoming me into the business. I would also like to thank all staff who have worked hard for the Group during the first half of the year in the challenging markets and in implementing the changes designed to return the Group to profitability.

FINANCIAL RESULTS

Revenue for the six months ended 31 March 2011 reduced by 11% to £7.89m compared with £8.84m for the same period in 2010. However, compared with the second half revenue for 2010 of £7.58m, total revenue was up by 4%.

The principal fall in revenue was the Middle East where revenue fell by 26% to £1.99m (2010: £2.68m; second half 2010: £2.40m). Europe revenue fell 6% to £5.56m in comparison to the first half of 2010 (£5.9m) but is 13% higher than the second half revenue of 2010 (£4.90m). Africa revenue increased to £0.35m compared to £0.25m in the first half of 2010 and £0.27m in the second half of 2010.

As predicted in the 2010 Annual Report and Accounts the accounts for the six months ended 31 March 2011 show a small underlying pre-tax loss, before the charge for share options and exceptional items (note 6), of £48,000. This reflected a loss for the first quarter partially offset by a return to profit in the second quarter. This compared with an underlying pre-tax loss of £259,000 for the first half and a pre-tax loss of £171,000 in the second half of last year. After a charge for share options of £44,000 (2010: £66,000) and exceptional items of £48,000 (2010: £122,000) the pre-tax loss for the six months ended 31 March 2011 was £140,000 (2010: £447,000).

The Group's effective tax rate has remained low at 17% (2010: full year 18%) reflecting low tax rates of overseas operations. The underlying loss per share, before the share options and exceptional items, was 0.2p (2010: 0.6p). After both the share options and exceptional items the loss per share was 0.6p (2010: 1.4p).

As a result of revenue growth in the second quarter trade and other receivables increased by £0.53m over the first half (2010: £0.09m) and trade and other payables increased by £0.37m (2010: reduced by £0.37m). The net cash outflow from operations of £0.11m (2010: £0.68m) reflects the first quarter losses and these working capital movements.

Net borrowings at 31 March 2011 were £0.6m (31 March 2010: £1.17m; 30 September 2010: £0.46m). At the period end, the Group's principal borrowing facilities consisted of a term loan of £1.225m (repayable 27 February 2012) and an effective overdraft of £1.333m. Net funds available to the Group (including unutilised borrowing facilities) at 31 March 2011 were £1.99m (31 March 2010: £2.65m; 30 September 2010: £1.65m).

DIVIDEND

In view of the first half trading results, the Board will not be declaring an interim dividend for 2011 (2010: nil). However the Board will continue to assess the dividend policy in light of on-going profitability and the Group's cash position.

TRADING PERFORMANCE

Overall the Group returned to profit in the second quarter of the year and our first half performance for 2011 when compared to the second half of 2010 is up on all key indicators. Revenue is 4% higher, Gross Profit is 5.2% higher, the reported pre tax loss has reduced by £222,000 and the reported loss per share has improved by 0.7p.

This has been achieved in a trading environment that continues to be challenging, reflecting the economic environment within the markets served by the Group and has been achieved as a result of the Board implementing a policy of consolidation and tight cost control across its established businesses in both the UK and Middle East and making investments in Africa and the UK power and process sector.

Our European business is performing as expected notwithstanding the challenges in the UK construction market. Cost reduction measures have seen the average cost per billable hour within Driver Consult reduce by 24% from that in quarter 4 of 2010. Our focus on marketing to the infrastructure sector has seen utilisation 15 percentage points better in the same period and resultant gross margin 15 percentage points higher.

Within Driver Project Services performance has benefited from the new business generated within the power and process sector and is currently outperforming management expectations; average sales rates are up 9% on quarter 4 of 2010, average cost per billable hour is down 2% over the same period and as a result gross margins have increased by 9 percentage points on quarter 4 of 2010.

In Africa we are continuing to build a strong pipeline of opportunities in the Public Private Partnership market and the business is performing in line with our expectations.

As shareholders are aware, the Middle East region is currently both politically and economically volatile and the UAE in particular has been affected by the collapse of the world economic market in 2008. As a result the region has made a loss in the first half of 2011. Qatar has not yet experienced any benefit of the widely reported significant levels of construction work planned. Towards the end of the period a full review of the region was conducted and a number of planned changes implemented, the first stage of which was the appointment of a new Managing Director (from our Oman office) and making Oman the administrative centre for the region. The Board will continue to actively review its strategy in the region and further changes will be made during the second half of the year.

BOARD CHANGES

As per the objective detailed in the Annual Report and Accounts for 2010 the Board was active in identifying a new Chairman which concluded in my appointment post the half year and Steve Driver stepping down from his role of Executive Chairman to that of a Non Executive Director.

The final changes to the Board structure were the appointment of Colin Davies as Non Executive Director and Chairman of the Audit Committee and Gary Turner has resigned from the Board to concentrate on his consultancy role with the Group.

OUTLOOK

As a result of the consolidation and cost cutting measures implemented in the first half of 2011 which were a continuation and development of those commenced in the second half of 2010 the business is in better shape than it has been since the impact of the economic crash of 2008.

Our focus remains on maintaining appropriate levels of professional expertise in the business whilst at the same time continuing to reduce costs where appropriate.

We anticipate growth in the UK power and process division of Driver Project Services and benefits from the strong pipeline of opportunities we are developing in Africa.

The UK business of Driver Consult is looking to build on the stable position created during the first half of 2011, particularly in the infrastructure sector and our expert witness services. We expect to expand our expert witness services within the international arbitration market.

As stated above we have taken action to turn around the Middle East business and we will continue to monitor our performance in the Middle East and take further action where necessary.

In respect of the current financial year our secured revenues and revenue expected to be secured and delivered in the remainder of the year are nearing those required to achieve current market expectations. Whilst the markets of the UK and Middle East continue to be fragile we have in place flexible plans that will enable us to respond appropriately.

I am excited by the challenges ahead and look forward to working with the Board and our staff to deliver a strengthening performance and balance sheet over the short to medium term.

Alan McClue
Non Executive Chairman
28 June 2011

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Half yearly report for the six months ended 31 March 2011

	6 months ended 31 March 2011 £'000	6 months ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
REVENUE	**7,893**	8,836	16,415
Cost of sales	**(5,849)**	(6,596)	(12,607)
GROSS PROFIT	**2,044**	2,240	3,808
Administrative expenses	**(2,234)**	(2,756)	(4,736)
Other operating income	**57**	76	135
Operating loss before share-based payment charge and exceptional items	**(41)**	(252)	(414)
Exceptional items (note 6)	**(48)**	(122)	(291)
Share-based payment charge	**(44)**	(66)	(88)
OPERATING LOSS	**(133)**	(440)	(793)
Finance costs	**(7)**	(7)	(16)
LOSS BEFORE TAXATION	**(140)**	(447)	(809)
Tax credit (note 2)	**24**	109	146
LOSS FOR THE PERIOD	**(116)**	(338)	(663)
Profit attributable to non-controlling interests	**25**	4	4
Loss attributable to equity shareholders of the parent	**(141)**	(342)	(667)
	(116)	(338)	(663)
Basic loss per share (pence) (note 5)	**(0.6)p**	(1.4)p	(2.7)p
Diluted loss per share (pence) (note 5)	**(0.6)p**	(1.4)p	(2.7)p

All amounts relate to the Group's continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

Half yearly report for the six months ended 31 March 2011

	6 months ended 31 March 2011 £'000	6 months ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
LOSS FOR THE PERIOD	**(116)**	(338)	(663)
Other comprehensive income:			
Exchange differences on translating foreign operations	**5**	29	(15)
Deferred tax credit on property revaluation	**-**	-	12
Other comprehensive income for the year net of tax	**5**	29	(3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(111)**	(309)	(666)
Total comprehensive income attributable to:			
Equity shareholders of the parent	**(136)**	(313)	(670)
Non-controlling interest	**25**	4	4
	(111)	(309)	(666)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

Half yearly report for the six months ended 31 March 2011

	31 March 2011 £'000	31 March 2010 £'000	30 September 2010 £'000
NON-CURRENT ASSETS			
Goodwill	**2,356**	2,356	2,356
Property, plant and equipment	**2,210**	2,996	2,323
Deferred tax asset	**-**	189	-
	4,566	5,541	4,679
CURRENT ASSETS			
Trade and other receivables	**4,553**	4,662	4,014
Cash and cash equivalents	**653**	475	804
Current tax receivable	**210**	-	198
	5,416	5,137	5,016
TOTAL ASSETS	**9,982**	10,678	9,695
CURRENT LIABILITIES			
Borrowings	**(1,240)**	(14)	(15)
Trade and other payables	**(2,231)**	(2,018)	(1,866)
Current tax payable	**-**	(79)	-
	(3,471)	(2,111)	(1,881)
NON-CURRENT LIABILITIES			
Borrowings	**(16)**	(1,631)	(1,248)
Deferred tax liabilities	**(257)**	(292)	(257)
	(273)	(1,923)	(1,505)
TOTAL LIABILITIES	**(3,744)**	(4,034)	(3,386)
NET ASSETS	**6,238**	6,644	6,309
SHAREHOLDERS' EQUITY			
Share capital	**106**	106	106
Share premium	**2,649**	2,649	2,649
Merger reserve	**1,493**	1,493	1,493
Translation reserve	**(34)**	5	(39)
Capital redemption reserve	**18**	18	18
Retained earnings	**3,183**	3,611	3,320
Own shares	**(1,202)**	(1,242)	(1,242)
TOTAL SHAREHOLDERS' EQUITY	**6,213**	6,640	6,305
NON-CONTROLLING INTEREST IN EQUITY	**25**	4	4
TOTAL EQUITY	**6,238**	6,644	6,309

CONDENSED CONSOLIDATED CASHFLOW STATEMENT (UNAUDITED)

Half yearly report for the six months ended 31 March 2011

	6 months ended 31 March 2011 £'000	6 months ended 31 March 2010 £'000	Year ended 30 September 2010 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation	**(140)**	(447)	(809)
Adjustments for:			
Depreciation	**127**	119	254
Exchange adjustments	**9**	-	12
Impairment loss	**-**	122	122
Finance costs	**7**	7	16
Equity settled share-based payment charge	**44**	66	88
OPERATING CASH FLOW BEFORE CHANGES IN WORKING CAPITAL AND PROVISIONS	**47**	(133)	(317)
(Increase) / decrease in trade and other receivables	**(534)**	(94)	510
Increase / (decrease) in trade and other payables	**365**	(373)	(525)
CASH ABSORBED BY OPERATIONS	**(122)**	(600)	(332)
Tax received / (paid)	**12**	(82)	(156)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	**(110)**	(682)	(488)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	**(14)**	(64)	(126)
Proceeds from disposal of property	**-**	-	600
NET CASH (OUTFLOW) / INFLOW FROM INVESTING ACTIVITIES	**(14)**	(64)	474
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	**(7)**	(7)	(16)
(Decrease) / increase in borrowings	**(7)**	794	412
Payment of equity dividends	**(4)**	(253)	(253)
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES	**(18)**	534	143
Net (decrease) / increase in cash and cash equivalents	**(142)**	(212)	129
Effect of foreign exchange on cash and cash equivalents	**(9)**	-	(12)
Cash and cash equivalents at start of period	**804**	687	687
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**653**	475	804

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

Half yearly report for the six months ended 31 March 2011

For the six months ended 31 March 2011:

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserves(1) £'000	Retained earnings £'000	Own shares £'000	Total* £'000	Non-controlling interest £'000	Total Equity £'000
Opening balance At 1 October 2010	106	2,649	1,493	(21)	3,320	(1,242)	6,305	4	6,309
Dividends	-	-	-	-	-	-	-	(4)	(4)
Share-based payment	-	-	-	-	44	-	44	-	44
Reserve transfer(2)	-	-	-	-	(40)	40	-	-	-
Total comprehensive income for the period	-	-	-	5	(141)	-	(136)	25	(111)
CLOSING BALANCE AT 31 MARCH 2011	**106**	**2,649**	**1,493**	**(16)**	**3,183**	**(1,202)**	**6,213**	**25**	**6,238**

For the six months ended 31 March 2010:

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserves(1) £'000	Retained earnings £'000	Own shares £'000	Total* £'000	Non-controlling interest £'000	Total Equity £'000
Opening balance At 1 October 2009	106	2,649	1,493	(6)	4,134	(1,242)	7,134	6	7,140
Dividends	-	-	-	-	(247)	-	(247)	(6)	(253)
Share-based payment	-	-	-	-	66	-	66	-	66
Total comprehensive income for the period	-	-	-	29	(342)	-	(313)	4	(309)
CLOSING BALANCE AT 31 MARCH 2010	**106**	**2,649**	**1,493**	**23**	**3,611**	**(1,242)**	**6,640**	**4**	**6,644**

For the year ended 30 September 2010:

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserves(1) £'000	Retained earnings £'000	Own shares £'000	Total* £'000	Non-controlling interest £'000	Total Equity £'000
Opening balance At 1 October 2009	106	2,649	1,493	(6)	4,134	(1,242)	7,134	6	7,140
Dividends	-	-	-	-	(247)	-	(247)	(6)	(253)
Share-based payment	-	-	-	-	88	-	88	-	88
Total comprehensive income for the year	-	-	-	(15)	(655)	-	(670)	4	(666)
CLOSING BALANCE AT 30 SEPTEMBER 2010	**106**	**2,649**	**1,493**	**(21)**	**3,320**	**(1,242)**	**6,305**	**4**	**6,309**

**Total equity attributable to the equity shareholders of the parent*

(1) 'Other reserves' combine the translation reserve and the capital redemption reserve.
(2) The shortfall between the exercise price of share options granted and the outstanding loan due from the EBT is transferred from own shares to retained earnings over the vesting period.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

These condensed consolidated financial statements have been prepared in accordance with IFRSs as adopted by the European Union. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2010 Annual Report. The accounting policies used are consistent with those in the most recent annual financial statements. The financial information for the half years ended 31 March 2011 and 31 March 2010 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited.

The annual financial statements of Driver Group plc are prepared in accordance with IFRSs as adopted by the European Union. The comparative financial information for the year ended 30 September 2010 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2010 have been filed with the Registrar of Companies. The Independent Auditor's Report on that Annual Report and Financial Statements for 2010 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

After making enquiries, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly condensed consolidated financial statements.

2 TAXATION

The tax credit on the loss for the half-year ended 31 March 2011 is based on the estimated tax rates in the jurisdictions in which the Group operates, for the year ending 30 September 2011.

3 DIVIDEND

The directors do not propose an interim dividend for the half-year ended 31 March 2011 (2010: nil).

4 SUMMARY SEGMENTAL ANALYSIS

Reportable segments

For management purposes, the Group is organised into three operating divisions: Europe, Middle East and Africa. These divisions are the basis on which the Group is structured and managed, based on its geographic structure. In each of the divisions the key service provisions are: quantity surveying, planning / programming, quantum and planning experts, dispute avoidance / resolution, litigation support, contract administration, commercial advice / management and strategic project management.

Segment information about these reportable segments is presented below.

Six months ended 31 March 2011

	Continuing Operations					
	Europe £'000	Middle East £'000	Africa £'000	Eliminations £'000	Unallocated[1] £'000	Consolidated £'000
Total external revenue	5,561	1,987	345	-	-	7,893
Inter-segment revenue[2]	77	3	-	(80)	-	-
Total revenue	5,638	1,990	345	(80)	-	7,893
Segmental profit / (loss)	940	(315)	(2)	-	-	623
Unallocated corporate Expenses[1]	-	-	-	-	(664)	(664)
Share-based payment charge	-	-	-	-	(44)	(44)
Exceptional items	-	-	-	-	(48)	(48)
Operating profit / (loss)	940	(315)	(2)	-	(756)	(133)
Finance costs	-	-	-	-	(7)	(7)
Profit / (loss) before tax	940	(315)	(2)	-	(763)	(140)
Tax credit	-	-	-	-	24	24
Profit / (loss) for the period	940	(315)	(2)	-	(739)	(116)

Six months ended 31 March 2010

	Continuing Operations					
	Europe £'000	Middle East £'000	Africa £'000	Eliminations £'000	Unallocated[1] £'000	Consolidated £'000
Total external revenue	5,913	2,675	248	-	-	8,836
Inter-segment revenue[2]	164	18	-	(182)	-	-
Total revenue	6,077	2,693	248	(182)	-	8,836
Segmental profit / (loss)	475	164	(66)	-	-	573
Unallocated corporate expenses[1]	-	-	-	-	(825)	(825)
Share-based payment charge	-	-	-	-	(66)	(66)
Exceptional items	-	-	-	-	(122)	(122)
Operating profit / (loss)	475	164	(66)	-	(1,013)	(440)
Finance costs	-	-	-	-	(7)	(7)
Profit / (loss) before tax	475	164	(66)	-	(1,020)	(447)
Tax credit	-	-	-	-	109	109
Profit / (loss) for the period	475	164	(66)	-	(911)	(338)

(1) Unallocated costs represent Directors' remuneration, administrative staff, corporate head office costs and expenses associated with AIM.
(2) Inter-segment revenue is charged at prevailing market rates.
(3) The segmental information for 31 March 2010 has been restated to reflect a change in the basis in which information is presented to the chief operating decision maker. The chief operating decision maker is the Chief Executive Officer.

4 SUMMARY SEGMENTAL ANALYSIS - continued

Year ended 30 September 2010

	Continuing Operations					
	Europe £'000	Middle East £'000	Africa £'000	Eliminations £'000	Unallocated[1] £'000	Consolidated £'000
Total external revenue	10,814	5,083	518	-	-	16,415
Inter-segment revenue[2]	219	97	-	(316)	-	-
Total revenue	11,033	5,180	518	(316)	-	16,415
Segmental profit / (loss)	889	257	(131)	-	-	1,015
Unallocated corporate expenses[1]	-	-	-	-	(1,429)	(1,429)
Share-based payment charge	-	-	-	-	(88)	(88)
Exceptional items	(61)	-	-	-	(230)	(291)
Operating profit / (loss)	828	257	(131)	-	(1,747)	(793)
Finance expense	-	-	-	-	(16)	(16)
Profit / (loss) before tax	828	257	(131)	-	(1,763)	(809)
Tax credit	-	-	-	-	146	146
Profit / (loss) for the year	828	257	(131)	-	(1,617)	(663)

(1) Unallocated costs represent Directors' remuneration, administrative staff, corporate head office costs and expenses associated with AIM.

(2) Inter-segment revenue is charged at prevailing market rates.

5 EARNINGS PER SHARE

	6 months Ended 31 March 2011 £'000	6 months Ended 31 March 2010 £'000	Year Ended 30 September 2010 £'000
Loss for the financial period attributable to equity shareholders	(141)	(342)	(667)
Share-based payments charge	44	66	88
Exceptional items (note 6)	48	122	291
Adjusted loss for the financial period before share-based payments and exceptional items	(49)	(154)	(288)
Weighted average number of shares:			
- Ordinary shares in issue	26,379,416	26,379,416	26,379,416
- Shares held by EBT	(1,700,645)	(1,700,645)	(1,700,645)
Basic weighted average number of shares	24,678,771	24,678,771	24,678,771
Diluted weighted average number of shares	24,678,771	24,678,771	24,678,771
Basic loss per share	(0.6)p	(1.4)p	(2.7)p
Diluted loss per share	(0.6)p	(1.4)p	(2.7)p
Adjusted basic loss per share before share-based payments and exceptional items	(0.2)p	(0.6)p	(1.2)p

Potential ordinary shares relating to 3,727,500 share options (31 March 2010: 2,235,000; 30 September 2010: 1,935,000) have not been included in the calculation of diluted earnings per share as their value has no dilutive effect. Therefore, dilutive and basic loss per ordinary share are identical.

6 EXCEPTIONAL ITEMS

	6 months Ended 31 March 2011 £'000	6 months Ended 31 March 2010 £'000	Year Ended 30 September 2010 £'000
Impairment loss (1)	-	122	122
Severance costs (2)	48	-	169
	48	122	291

(1) During the six month period ended 31 March 2010 the Directors carried out an impairment review in accordance with IAS 36 as a result of specific concerns in relation to the value of one of the Group's fixed assets. This review identified the need for an impairment charge of £122,000 relating to the Group's Edinburgh freehold property, which was recognised in the Consolidated Statement of Comprehensive Income. Subsequent to this review the property was sold for net disposal proceeds of £600,000, with no further loss on disposal arising. The Directors have identified no further evidence of impairment in relation to other Group assets.

(2) Severance costs include redundancy, ex-gratia and other discretionary payments.

INDEPENDENT REVIEW REPORT TO DRIVER GROUP PLC

INTRODUCTION

We have been engaged by the company to review the condensed set of financial statements in the half-yearly report for the six months ended 31 March 2011 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Cash Flow Statement, the Condensed Consolidated Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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 rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

OUR RESPONSIBILITY

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the interim report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market, and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2011 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

BDO LLP

Chartered Accountants and Registered Auditors
Manchester, United Kingdom

28 June 2011

BDO LLP is limited liability partnership registered in England and Wales (with registration number OC 305127)

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