



**London
Irish™**

**LONDON IRISH HOLDINGS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

For the six months ended 31 December 2008

Company Registration Number 3342451



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Directors

A M Coppel CBE (Chairman)
K T Clancy (Vice-Chairman)
G Walpole (Chief Executive)
G Beringer
A Carragher
J O Conlan
S Holland
N Northridge
M A O'Connell
S M Palmer
D F Ryan
J E Stacpoole
N S Traynor
K G M Wood

Secretary and registered office

P D Gumm
The Avenue
Sunbury-on-Thames
Middlesex
TW16 5EQ

Registered number

3342451

Auditors

Day, Smith & Hunter
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE



The six month period to 31 December 2008 has shown a significant improvement in results on the pitch, contributing to an improved financial performance.

RUGBY REVIEW

Our rugby target for the current season is to secure a leading position in the Guinness Premiership, thereby qualifying for the Heineken Cup next season. We are also determined to win the European Challenge Cup, which would also guarantee a place in the Heineken Cup.

In the period to the end of December our playing results in the Guinness Premiership exceeded our expectations, winning 7 of our 10 games. This was achieved, notwithstanding the loss of two key players to England for the autumn internationals and significant injuries in key positions early in the season.

I am pleased to report that we remain in the top four of the Premiership, playing attractive rugby and have qualified as top seeds for the quarter finals of the Challenge Cup.

The current coaching team have committed to the Club until the end of the 2010/11 season and crucially, we have secured the services of key players within the squad for a further three years. This is essential for the Club as such continuity should facilitate positive results.

TRADING REVIEW

Turnover for the period increased by 23% to £3,207,590 (2007: £2,605,725) and the operating loss for the period reduced by 62% to £346,838 (2007: £914,119). The retained loss for the period after interest costs on the 2008 loan note was £738,650, an improvement of 21% (2007: £938,985), which equates to a loss per share of 1.73p (2007: 2.20p).

A number of factors contributed to the improvement in our operating performance for the six month period. Ticket sales have increased by 41% over the six month period to 31 December 2007, in part due to the impact in the previous season of the Rugby World Cup, but also through the excellent performance of the team which along with improved marketing has helped to grow attendance levels.

The Group outsourced the management of its merchandise operation at the Madejski stadium and on line to Rugbytech, resulting in a reduction in our stock holding. The Group has also significantly improved its management of working capital resulting in a reduction of trading balances.



The previous six month period ending on 31 December 2007 was impacted by the loss of Llanera as the main sponsor. We are delighted to have secured Cityjet as our sponsor for the current season and we are already in discussions with them regarding an extension to the present arrangement.

PROPERTY

In April 2008, the Company raised £5.85 million of new loan notes from new and existing investors, the proceeds from which were used to repay existing borrowings totalling £2.2 million and to provide the capital to enable the Company to continue with its strategy of providing a centre of excellence, including expanded new training facilities.

The Board is pleased that an option has been secured to purchase a parcel of land in the Borough of Spelthorne in pursuit of its previously stated aim of relocating to a larger facility. The option is exercisable within three years provided certain conditions which are acceptable to London Irish are met. The non-refundable price paid for the option is £250,000.

In tandem, we are seeking to obtain planning permission for a mixed housing development on all of our existing Sunbury freehold land and a further 1.434 hectares of adjacent land on which we have an exclusive development partnership agreement. Good progress has been made on preparing the planning application which the Board anticipates submitting within the next 12 months.

OUTLOOK

A number of the positive factors which have impacted on our trading performance in the period to the end of December 2008 should continue during the second half and your Board currently anticipates trading performance for the full year will be ahead of our expectations at the beginning of the year.

As to the future of professional rugby in England, there continues to be much debate on the way forward and it is essential that the RFU and the Premier League work closely to craft an environment in which the game and the clubs can prosper. The short term prospects in this economic climate are challenging, given that attendance at matches falls into the "discretionary spend" category. This would suggest that our sport needs to exceed the expectations of new and existing supporters on a regular basis, both on and off the pitch.



However, at London Irish, we are well placed to meet these challenges successfully. We are starting to make good progress in commercial terms in capitalising on the team's strong performance, through growing attendances in the grandstand and in the hospitality boxes. There are major opportunities for us as a Club to grow awareness and establish a niche position in the Thames Valley and beyond.

Importantly, the ability of the clubs to negotiate their own media rights has resulted in a significant improvement in television incomes available to all clubs from the start of the 2010/11 season, which was seen as essential to ensure the continued viability of the league in its current format.

The Board is aware of an initial investigation by Her Majesty's Revenue and Customs into image rights contracts within Premiership Rugby, including our Club. The Board will use all its endeavours to ensure that the investigation is concluded in a manner which minimises the Club's liabilities.

We are grateful to our growing band of fans for their support which is much appreciated. I know that you will join with us in offering our thanks and appreciation to all our players and staff.

A M Coppel CBE
Chairman
London Irish Holdings Limited

13 February 2009

LONDON IRISH HOLDINGS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

Consolidated profit and loss account



	Six months ended 31 December 2008 Unaudited £	Six months ended 31 December 2007 Unaudited £	Year to 30 June 2008 Audited £
Turnover	3,207,590	2,605,725	6,514,863
Cost of sales	<u>(465,652)</u>	<u>(595,444)</u>	<u>(1,555,987)</u>
Gross profit	2,741,938	2,010,281	4,958,876
Administrative expenses	<u>(3,088,776)</u>	<u>(2,924,400)</u>	<u>(6,581,740)</u>
Operating Loss	(346,838)	(914,119)	(1,622,864)
Interest receivable and similar income	94,839	284	27,896
Interest payable and similar charges	<u>(486,651)</u>	<u>(25,150)</u>	<u>(233,407)</u>
Loss on ordinary activities before taxation	(738,650)	(938,985)	(1,828,375)
Taxation	<u>-</u>	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation	<u>(738,650)</u>	<u>(938,985)</u>	<u>(1,828,375)</u>
Loss per share			
Basic	(1.73)p	(2.20)p	(4.3)p

There were no recognised gains and losses other than those in the profit and loss account for the current or prior period. All figures have been derived from continuing operations.

LONDON IRISH HOLDINGS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

Consolidated balance sheet



	31 December 2008 Unaudited £	31 December 2007 Unaudited £	30 June 2008 Audited £
Fixed assets			
Tangible assets	4,597,859	4,248,439	4,350,957
Current assets			
Stocks	41,217	222,665	74,820
Debtors	802,026	987,070	529,380
Cash at bank and in hand	2,958,368	23,757	3,487,840
	3,801,611	1,233,492	4,092,040
Creditors: amounts falling due within one year	(1,876,603)	(3,841,581)	(1,668,130)
Net current assets/(liabilities)	1,925,008	(2,608,089)	2,423,910
Total assets less current liabilities	6,522,867	1,640,350	6,774,867
Creditors: amounts falling due after more than one year	(6,510,557)	-	(6,023,907)
Net assets	12,310	1,640,350	750,960
Capital and reserves			
Called up share capital	4,275,059	4,275,059	4,275,059
Other reserves	43,888	43,888	43,888
Share premium account	729,250	729,250	729,250
Revaluation reserve	3,354,956	3,354,956	3,354,956
Profit and loss account	(8,390,843)	(6,762,803)	(7,652,193)
Equity: shareholders' funds	12,310	1,640,350	750,960

LONDON IRISH HOLDINGS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

Consolidated cash flow statement



	Six months ended 31 December 2008 Unaudited £	Six months ended 31 December 2007 Unaudited £	Year to 30 June 2008 Audited £
Cash outflow from operating activities	(331,462)	(919,196)	(1,629,592)
Returns on investments and servicing of finance			
Interest received	94,839	284	27,896
Interest paid	-	(25,150)	(59,510)
	94,839	(24,866)	(31,614)
Purchase of tangible fixed assets	(292,849)	(137,634)	(293,295)
Cash outflow before management of liquid resources and financing	(529,472)	(1,081,696)	(1,954,501)
Net decrease in cash balances	(529,472)	(1,081,696)	3,195,509
RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS			
Shareholders' funds at beginning of period	750,960	2,579,335	2,579,335
Loss for period	(738,650)	(938,985)	(1,828,375)
Shareholders' funds at end of period	12,310	1,640,350	750,960



1 Interim Financial Information

The interim financial information does not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985. The financial information for the year ended 30 June 2008 has been extracted from the statutory accounts for the period then ended which have been filed with the Registrar of Companies. The audit report on these accounts was unqualified.

These results were announced on ShareMark on 13 February 2009 and have been posted to all Shareholders. Copies of the interim report will be available from the company's registered office at The Avenue, Sunbury on Thames, Middlesex, TW16 5EQ.

2 Accounting Policies

The interim financial information has been prepared on the same basis and using the same accounting policies as those used in the preparation of the statutory accounts for the year ended 30 June 2008.

3 Taxation

The group has significant accumulated tax losses at 30 June 2008 and with current period losses this means that the group has no need to make provision for a corporation tax liability. The resultant deferred tax asset is not recognised.

4 Loss per share

The calculation of the basic loss per share is based on the result for the period divided by the number of shares in issue, being 42,750,590 (30 June 2008: 42,750,590 and 31 December 2007: 42,750,590) ordinary shares of 10p each.

5 Going Concern

The group balance sheet at 31 December 2008 shows net assets of £12,310 (2007: £1,640,350).

The accounts have been prepared on a going concern basis as the Company completed on 19 March 2008 a placing and offer that raised £5.85 million before expenses.

6 Related Party Transactions

No one party had control of the company during the current or previous period. The Clancy Group Plc sponsored the club and acquired hospitality to the value of £18,000 during the period. K T Clancy is a director of both companies.



INTRODUCTION

We have reviewed the accompanying balance sheet of London Irish Holdings Limited as at 31 December 2008 and the related profit and loss, changes in equity and cash flows for the six month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with United Kingdom Generally Accepted Accounting Practice. Our responsibility is to express a conclusion on this interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity." A review of interim financial information consists of making inquiries, 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 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 accompanying interim financial information for the six months ended 31 December 2008 is not prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice.

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Day, Smith and Hunter
Registered Auditors and
Chartered Accountants
Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire WD3 1JE

13 February 2009