

IMPROVING HOMES, IMPROVING NEIGHBOURHOODS, IMPROVING LIVES



Mears Group PLC | Unaudited Interim Report 2007

MEARS

GROUP PLC

OUR BUSINESS

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Who we are

Mears is the leading social housing repairs and maintenance provider in the UK and a growing presence in the domiciliary care market. We're an ambitious company with a powerful vision, strong management, great people and excellent clients. We believe in the benefits that long term partnerships can bring by investing in sustainable activities that benefit the communities in which we work.

Our aim has always been "To make tenants smile".

5,000 people work at Mears. Together with our clients, we maintain, repair and upgrade people's homes. We carry out more than 1,750 repairs and 7,000 hours of care each day in 500,000 homes nationwide.



We value our customers and communities, putting the needs of our clients and tenants at the heart of everything we do.

We value teamwork, supporting each other, sharing ideas and never excluding others.

We value personal responsibility, setting and achieving consistently high standards in our work and our conduct and never adopting a negative attitude.

We value innovation, being inventive in our approach and never allowing conventional thinking or bureaucracy to get in the way.

Our vision

Our purpose is to make a positive difference to the communities we serve by improving homes, improving neighbourhoods and improving lives.

We do this by constantly striving to achieve the highest levels of customer satisfaction, efficiency and effectiveness.

Our approach is based on the development of outstanding partnerships with employees, clients, tenants and the wider community.

Success enables us to create great opportunities for our employees and sustainable value for our shareholders.

What we do

Every day our people support clients and tenants by:

- Maintaining and improving homes, buildings and communities.
- Carrying out a planned programme of Decent Homes improvements.
- Fixing damage and responding to other urgent tenant needs.
- Providing professional Care support to individuals in their own homes to help improve quality of life.

How we do it

We listen carefully to people's needs and we always try to find better ways to do things.

We believe tenants should be involved at all stages and always put their needs at the heart of what we do.

We call our approach the Mears Way. Through this we capture the best ideas, processes and methods and share them with colleagues so all stakeholders can understand and follow the right way to do things – every single day.

Why we do it

Helping our clients to meet their objectives enables us to grow the scale and profitability of our business so as to provide improving service levels.

That means we can create great opportunities for our employees and sustainable value for our shareholders.

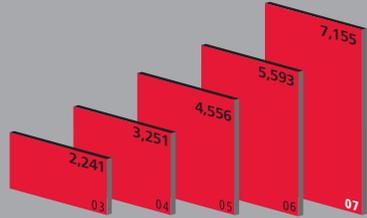
Success also enables us to support a wide range of community projects, from breakfast clubs for schoolchildren to skills training centres for potential employees.

HIGHLIGHTS

- Turnover up 16.0%
- Profit before tax up 23.3%
- Diluted earnings per share up 19.7%
- Interim dividend up 22.2%
- Major contract awards £196m
- Order book increased to £1.24 billion
- Acquisition of Careforce Group plc

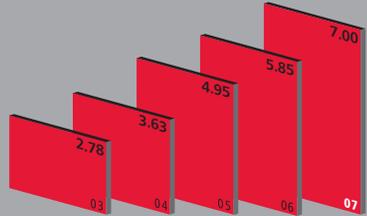
OPERATING PROFIT (£m)

+27.9%



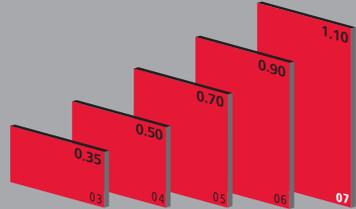
DILUTED EARNINGS PER SHARE (p)

+19.7%



INTERIM DIVIDEND (p)

+22.2%



CHAIRMAN'S STATEMENT

I am pleased to announce record results for the six months ended 30 June 2007. These are the first set of results since I returned to the position of CEO. Profits before tax rose 23.3% up to £6.58m (2006: £5.34m) on turnover of £136.9m (2006: £118.0m) up 16.0%.

Following a re-organisation of the Group I am particularly pleased by our decision to concentrate solely upon working with long term partners in our social housing division. We continue to work closely with those partners with whom we share the ambition of improving lives for those in the community for the very long term. The recent contract award of Welwyn and Hatfield for 15 years at a base award value of £168m is a testament to how this Group has been built.

In March of this year we announced the acquisition of Careforce Group plc, the stepping stone to becoming a substantial provider of care services in the community. Subsequent to the Careforce acquisition we have completed three other acquisitions in the sector and today we believe that we will become the leading provider of care services to public sector clients. I hope to bring you news of further developments in this sector in due course. The post acquisition integration has gone well and the Careforce team is working closely with their Mears colleagues. One of our first actions has been to bring Mears' experience

of tendering and bid writing to improve and develop further the quality of the Careforce tender submissions. In addition we have invested significant resource into both IT and accounting systems and the Careforce workforce development and training programmes. It is the quality of our care workers by which our service will be judged. We see the social services domiciliary care market being in a similar position to where the social housing market was some five years ago. We believe that a Mears care provision will be a competitive force in a rapidly evolving market and I am determined that Careforce will be the quality offering and the partner of choice.

David Robertson, who has been Finance Director since July 1997, has decided to step down from the Board in March 2008 in order to spend time with his family. David will be sadly missed by both employees and shareholders alike as he has been one of the major successes of this Group. In the ten years I have worked with David at Mears he has been a most loyal working colleague and friend. David's retirement will see the appointment of Andrew Smith as Group Finance Director. Andrew joined the Group in 1999 and was appointed to the main Board earlier this year in order to facilitate his move into this position. Andrew is extremely capable and his appointment is recognition of the years he has spent helping to grow the Group.

Shareholders will be aware of the recent BBC radio programme which suggested malpractices from one of our London offices. The Group and our client carried out an immediate investigation and we have both been satisfied with the outcome. We warmly welcome the actions of The Housing Corporation to whom our client belongs in insisting on an independent investigation which has our full backing. This investigation commenced on 6 August and the results will not be known for a number of weeks. I have personally interviewed all of our team at Hackney and I am happy that Mears will be fully exonerated by this investigation. It is a sad reflection of the times in which we live whereby the livelihoods of our 5,000 employees along with other stakeholders are put at risk without the opportunity to defend any situation before the media broadcast such a programme. Criticism has made us more determined to show that we continue to provide a first class service and to demonstrate that our impeccable reputation is beyond reproach. Your Board will leave no stone unturned to ensure that we are operating correctly and that these unfounded accusations are refuted.

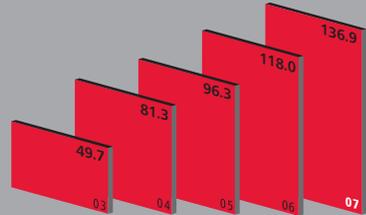
Your Group is in good hands for the next stage of development. This Group has been built with a great deal of passion, hard work and determination to succeed. The management team remodelled how social housing services have been provided and purchased by local authorities. We will strive to replicate our success in the care sector and continue to be a market leader in all markets in which we operate. I am firmly committed to drive this Group onto the next stage and as always maintain an open management style allowing discussions with employees and stakeholders at every opportunity. We now enter an exciting and challenging period with a young management team eager to take the Group forward. I should like to take this opportunity to thank all our supporters both internally and externally for their commitment and look forward to bringing you further news of acquisitions and organic growth throughout the next decade.

Bob Holt

bob.holt@mearsgroup.co.uk
Chairman and Chief Executive
21 August 2007

TURNOVER (£m)

+ 16.0%



Your group is in good hands for the next stage of development. The management team remodelled how social housing services have been provided and purchased by local authorities. We will strive to replicate our success in the care sector and continue to be a market leader in all markets in which we operate.



BUSINESS REVIEW**Turnover**

In the six months to 30 June 2007 we grew turnover to £136.9m (2006: £118.0m), an increase of 16.0%. Within this overall figure social housing turnover was up 10.3%. The acquisition of Careforce Group plc in April 2007 yielded £8.3m of turnover. Both the mechanical & electrical division (M&E) and vehicle collection business produced increased turnover compared to last year.

Operating result

We achieved an operating result before share-based payments and amortisation of £7.2m (2006: £5.6m), a 27.9% increase. The Group increased its operating margin from 4.7% to 5.2% partly due to the higher margin of 6.8% in our domiciliary care division. Social housing margin was maintained at 5.6% whilst there was a useful increase in the M&E margin from 2.0% to 3.7% in the period.

Share-based payments

The share option charge in the first half of 2007 was £0.3m, unchanged from 2006. There is no cash impact from this expense.

Amortisation

A charge of £0.3m (2006: £nil) arose in the period. This represents the write down of the identified intangible assets acquired on the acquisitions of Careforce Group plc in April 2007 and Laidlaw Scott Limited in June 2006. The excess of purchase price over the fair value of identified net assets is capitalised as goodwill and under IFRS is not amortised but will be subject to an annual impairment review.

Finance

The Group again maintained its broadly neutral cash position throughout the six months to 30 June 2007 and achieved a net interest receipt of £0.01m (2006: £0.02m). The Group's focus on tight working capital control remains a cornerstone of our business.

Tax expense

£1.8m has been provided for a tax charge (2006: £1.4m). The effective rate in the first half of 2007 of 26.9% (2006: 26.2%) is low due to the impact of a corporation tax deduction received on the exercise of share options.

Earnings per share (EPS)

Basic EPS increased 14.7% to 7.26p (2006: 6.33p). Our diluted EPS of 7.00p was up 19.7% on the comparative 2006 figure of 5.85p. All figures are stated after the impact of share-based payments and a full tax charge.

Dividend

The dividend increase is in line with our earnings growth. An interim dividend of 1.1p per share is declared (2006: 0.9p), a 22.2% uplift. The dividend is payable on 5 November 2007 to shareholders on the register on 19 October 2007.

Cash flow

A net cash inflow of £6.2m arose in the first half of this year (2006: £1.3m inflow). The Group raised £24.2m after costs to fund the purchase of Careforce Group plc but used only £12.2m to complete the transaction. The balance was satisfied by the issue of 3.3m new shares.

Some £1.3m was invested in new technology and operational bases. Our net cash position at 30 June 2007 was £18.1m, up from £11.9m at the start of the year.

Acquisition

The acquisition of the entire share capital of Careforce Group plc in April 2007 created a new business segment for the Group. The business had £5.9m of debt upon acquisition and this was subsequently repaid to take advantage of the preferential borrowing rates available to Mears.

The business is performing in line with our expectations and came with a healthy pipeline of acquisition opportunities in the highly fragmented care sector. To date we have completed three further small acquisitions for a combined initial sum of £2.3m, with up to £0.6m deferred subject to future profitability. We have a number of other care acquisitions at various stages and are hopeful of converting some prior to December 2007.

Order book

The visibility of our earnings continues to improve. £196m of new work was secured in the period. Our order book now stands at £1.24 billion. The proportion of market forecast turnover secured for 2008 is 89% with some 71% of the 2009 projection.

We continue to place great emphasis on winning good quality contracts that can provide clear and sustainable margins. We also hold a healthy mix of decent homes and repairs and maintenance work, giving us a balanced position in the social housing market that is not reliant on clients' future discretionary spending.

The £168m over 15 years award from Welwyn and Hatfield on a sole partnership basis is the perfect demonstration of the benefits of adopting a long-term partnering approach to our business. We intend to introduce this ethos into our Care division to unlock its potential for sustained growth.

Total equity

Total shareholders' equity value rose by £39.0m in the first half year from £38.0m to £77.0m at 30 June 2007. This was largely due to the strategic acquisition of Careforce Group plc where some £28.4m of goodwill and intangible assets were created by the transaction.

Mobilised contracts

Over the last six months nine key contracts have come on-stream. These are:

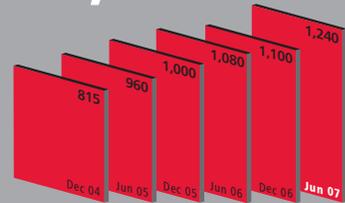
- North Lincolnshire Homes – A Decent Homes partnership, valued at £38.4m over a four and a half year period.
- Shoreline Housing Association – We commenced a gas servicing partnership, worth £4.8m over four years. This is in addition to our Decent Homes partnership, which we commenced last year with this client.
- Brighton and Hove City Council – We commenced a response and void maintenance partnership worth £25.0m over five years. This is in addition to our gas servicing partnership with this client.

KEY RECENT DEVELOPMENTS

- Acquisition of Careforce Group plc.
- The £168m over 15 years award from Welwyn and Hatfield on a sole partnership basis is the perfect demonstration of the benefits of adopting a long term partnering approach.
- Nine key contracts have come on-stream.
- Raising customer service standards in both social housing and care.

ORDER BOOK GROWTH (£m)

£1,240



We see the social services domiciliary care market being in a similar position to where the social housing market was some five years ago. We believe that a Mears care provision will be a competitive force in a rapidly evolving market and I am determined that Careforce will be the quality offering and partner of choice.



BUSINESS REVIEW

5,000
employees

Mobilised contracts continued

- Yorkshire Coast Homes – A kitchen replacement project, worth an initial £2.5m. We are also bidding for further opportunities with this customer.
- Cross Keys Homes – We commenced two contracts for gas servicing and cyclical decorating. We are already carrying out a Decent Homes project for this client.
- Orbit Housing Association – We mobilised a gas servicing partnership, worth £4.9m over four years.
- Watford Borough Council – A heating installation and gas servicing partnership, worth £3.3m over three years.
- Catalyst Communities Housing Association – A revenue works and Decent Homes contract worth £18.0m per annum over five years.

Training and development

We are now an established Investor in People and we are meeting the challenge of the skills shortage in our sector through a comprehensive national programme of employee development, together with structured work experience and training programmes for prospective employees.

This year we will take all of our trade professionals through a trade-based NVQ programme and we are developing a unique Mears Professional Development Customer and Community Care NVQ to further raise our customer service standards.

Awards

We are delighted that since the start of the year we have received several awards recognising our commitment to customers, staff and investors:

- Mears won the 'Best Investor Communication' award at the AIM Investment Awards.
- We were awarded 'Best Annual Report and Most Effective Communication, Small Cap' at the IR Best Practice awards.
- At the South West Financial and Corporate Communications Awards we were successful in the following categories:
 - 'Best Annual Report Design and Presentation'.
 - 'Best Commitment to Environmental and Social Responsibility'.
 - 'Best South West Chairman/Chief Executive Communicator of the Year'.

We believe we are well placed to continue delivering on 'improving homes, improving neighbourhoods, improving lives'.

Bob Holt

bob.holt@mearsgroup.co.uk
Chairman and Chief Executive

David Robertson

david.robertson@mearsgroup.co.uk
Finance Director
21 August 2007

OUR COMMUNITIES

CSR strategy

We work in some of the most socially deprived areas of the country. Along with our professional commitment to tenants, we feel a strong sense of responsibility towards the wider community and we work towards achieving three specific aims:

- To support and strengthen the communities in which we work.
- To recruit employees locally whenever we can.
- To encourage employees to volunteer their time and skills to specific community projects.

Helping a local community to thrive increases the quality of life for tenants and makes our job that little bit easier. It's also rewarding for our employees, especially as 90% of our people live in the community they support.

Employee volunteering

In 2007 our staff are on track to volunteer around 15,000 hours to community work, an increase of more than 25% on 2006 with over 50% of staff participating. We support over 200 projects including:

Russell Gardens in Stockport

This sheltered housing development was in danger of closure due to its poor condition. Mears staff completely redeveloped the gardens, improving residents' pride in their surroundings and their well being. This has helped keep the housing scheme open for the benefit of all the residents.

Western Skills Training Centre in Wigan

Mears developed a partnership with the local authority and five schools to help set up the skills centre. The aim has been to provide youngsters with direct training on key trades as part of their studies. Mears has provided support in a number of areas; staff have volunteered their time to mentor the pupils and donating all the tools and safety equipment for the Centre. This training has given many young people the opportunity to consider going on to formal trade qualifications.

Garden Makeover Scheme in Dorchester

Mears staff worked with residents of a hostel to create a communal garden in their courtyard. Service users were involved at every stage of the process, from planning to completion, to ensure the garden met their needs.

Ealing Diploma and Enterprise Centre

We have refurbished premises for the centre which will offer vocational courses for 14–16 year olds studying Construction and other courses from September 2007. We have committed to delivering training at the centre four days per week to ensure courses are relevant to employment today.

Community Allotment in Sheffield

Staff in Sheffield are supporting a local tenant group in creating a community allotment, by erecting fencing to secure the land, supplying children's safety clothing and equipment and assisting with start-up costs. The facility will be used by Surestart to give children the experience of growing organic vegetables and fruits. This will improve their understanding of healthy eating, recycling and organic growing methods.

Community Coffee Morning

Careforce and Mears staff worked together to organise coffee morning events across the country. These events were organised in order to raise awareness of elder abuse issues, for older residents and the general public. To coincide with these events, Mears staff also undertook hands-on community projects, such as the Wakefield Community Garden makeover in a local day centre for older people.

Thought Leader conferences (www.thoughtleader.org.uk)

The Thought Leader conference aims to provide answers to the main issues facing Local Authorities and Registered Social Landlords. By bringing together leading figures within the social housing sector, the Thought Leader conference debates and recommends practical ways to deliver best practice solutions to the main issues facing the housing sector. The next conference in this series, which will feature the important issue of: 'Meeting the carbon challenge on existing social housing stock', will be held at Wembley Stadium on 1 November 2007.

UNAUDITED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2007

	Note	Six months to 30 June 2007		Six months to 30 June 2006		Year to 31 December 2006	
		£'000	£'000	£'000	£'000	£'000	£'000
Sales revenue							
Continuing operations	1	128,555		117,998		241,414	
Acquisitions		8,344		—		—	
			136,899		117,998		241,414
Cost of sales							
Continuing operations		(95,250)		(85,974)		(174,399)	
Acquisitions		(5,707)		—		—	
			(100,957)		85,974		(174,399)
Gross profit							
Continuing operations		33,305		32,024		67,015	
Acquisitions		2,637		—		—	
			35,942		32,024		67,015
Administrative expenses			(28,787)		(26,431)		(53,970)
Operating result before share-based payments and intangible amortisation							
	1		7,155		5,593		13,045
Intangible amortisation			(332)		—		(255)
Share-based payments			(250)		(270)		(535)
Operating result							
Continuing operations		6,178		5,323		12,255	
Acquisitions		395		—		—	
			6,573		5,323		12,255
Finance income			128		45		130
Finance costs			(120)		(30)		(118)
Result for the period before tax							
			6,581		5,338		12,267
Tax expense	2		(1,770)		(1,400)		(2,068)
Net result for the period							
			4,811		3,938		10,199
Earnings per share							
Basic – normalised	4		7.26p		6.33p		14.53p
Diluted – normalised	4		7.00p		5.85p		13.63p

UNAUDITED CONSOLIDATED BALANCE SHEET

As at 30 June 2007

	Note	As at 30 June 2007 £'000	As at 30 June 2006 £'000	As at 31 December 2006 £'000
Assets				
Non-current				
Goodwill		35,873	14,610	13,811
Intangible assets		7,065	—	1,029
Property, plant and equipment		6,496	5,941	5,716
Deferred tax asset	5	1,990	3,300	3,000
		51,424	23,851	23,556
Current				
Inventories		11,053	5,963	9,104
Trade and other receivables		49,294	36,408	40,334
Cash at bank and in hand		23,733	14,136	12,127
		84,080	56,507	61,565
Total assets		135,504	80,358	85,121
Equity				
Equity attributable to the shareholders of Mears Group PLC				
Called up share capital		726	592	615
Share premium account		42,172	4,223	5,547
Share-based payment reserve		1,735	1,220	1,485
Retained earnings		32,349	24,969	30,363
Total equity		76,982	31,004	38,010
Liabilities				
Non-current				
Other liabilities		2,858	3,280	2,876
		2,858	3,280	2,876
Current				
Short-term borrowings and overdrafts		5,629	5,874	228
Trade and other payables		47,432	38,206	42,186
Current tax liabilities		2,145	1,701	1,438
Pension and other employee benefits		458	293	383
Current liabilities		55,664	46,074	44,235
Total liabilities		58,522	49,354	47,111
Total equity and liabilities		135,504	80,358	85,121

UNAUDITED CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the six months ended 30 June 2007

	Note	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
Actuarial losses on defined benefit pension scheme		(75)	(50)	(77)
Decrease in deferred tax asset	5	(1,010)	(260)	(550)
Net expense recognised directly to equity		(1,085)	(310)	(627)
Profit for the financial period		4,811	3,938	10,199
Total recognised income and expense for the period		3,726	3,628	9,572

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2007

	Note	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000	Year to 31 December 2006 £'000
Operating activities				
Result for the period before tax		6,581	5,338	12,267
Adjustments	6	1,418	975	2,312
Change in inventories		(1,949)	(535)	(3,468)
Change in operating receivables		(3,947)	(3,371)	(7,697)
Change in operating payables		1,308	3,015	9,023
Cash inflow from operating activities before taxes paid		3,411	5,422	12,437
Taxes paid		(1,213)	(1,523)	(2,394)
		2,198	3,899	10,043
Investing activities				
Additions to property, plant and equipment		(1,251)	(622)	(1,593)
Proceeds from disposals of property, plant and equipment		—	—	146
Acquisition of subsidiary undertaking, net of cash		(19,865)	(2,220)	(3,543)
Interest received		108	45	136
		(21,008)	(2,797)	(4,854)
Financing activities				
Proceeds from share issue		25,155	267	1,614
Discharge of finance lease liability		(40)	(17)	(46)
Interest paid		(100)	(32)	(124)
Dividends paid		—	—	(1,676)
		25,015	218	(232)
Cash and cash equivalents at beginning of period		11,899	6,942	6,942
Net increase in cash and cash equivalents		6,205	1,320	4,957
Cash and cash equivalents at end of period		18,104	8,262	11,899
Cash and cash equivalents is comprised as follows:				
Cash at bank and in hand		23,733	14,136	12,127
Short-term borrowings and overdrafts		(5,629)	(5,874)	(228)
Cash and cash equivalents		18,104	8,262	11,899

UNAUDITED NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 June 2007

1. Segment reporting

The Group operates four business segments: social housing, mechanical and electrical, domiciliary care and vehicle distribution. All of the Group's activities are carried out within the United Kingdom.

	Six months to 30 June 2007		Six months to 30 June 2006	
	Revenue £'000	Operating profit before share-based payments and pre amortisation £'000	Revenue £'000	Operating profit before share-based payments and pre amortisation £'000
Social housing	97,069	5,416	88,027	4,903
Mechanical and electrical	26,904	982	25,982	523
Domiciliary care	8,344	570	—	—
Vehicle distribution	4,582	187	3,989	167
Total	136,899	7,155	117,998	5,593

2. Tax expense

The tax charge for the six months ended 30 June 2007 has been based on the estimated tax rate for the full year.

3. Dividends

The following dividends were declared on ordinary shares in the six months to 30 June 2007:

	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000
Final 2006 dividend of 2.40p (2006: final 2005 dividend of 1.90p) per share	1,740	1,125

No dividends were paid during the six months to 30 June 2007. The proposed interim dividend of 1.10p (2006: 0.90p) per share has not been included within the interim financial statements as no obligation existed at 30 June 2007.

4. Earnings per share

Basic earnings per share is based on equity earnings of £4.81m (2006: £3.94m) and 66.63m (2006: 58.99m) ordinary shares at 1p each, being the average number of shares in issue during the period. For diluted earnings per share the average number of shares in issue is increased to 69.11m (2006: 63.84m) to reflect the potential dilution effect of employee share schemes.

A normalised pre amortisation earnings per share is disclosed in order to show performance undistorted by amortisation of intangibles and the tax effect of share options. The normalised earnings per share is based on equity earnings of £4.84m (2006: £3.74m).

	Basic		Diluted	
	Six months to 30 June 2007 p	Six months to 30 June 2006 p	Six months to 30 June 2007 p	Six months to 30 June 2006 p
	Earnings per share	7.22	6.68	6.96
Effect of amortisation of intangibles	0.48	—	0.50	—
Effect of share option tax adjustment	(0.44)	(0.35)	(0.46)	(0.32)
Normalised pre amortisation earnings per share	7.26	6.33	7.00	5.85

5. Deferred taxation

The Group asset for deferred tax as at 30 June 2007, which relates entirely to share-based payments, is £1.99m (2006: £3.30m).

	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000
At beginning of period	3,000	3,500
Credit to income statement	—	60
Debit to consolidated statement of recognised income and expense	(1,010)	(260)
	1,990	3,300

The cumulative amount recognised in the income statement is limited to the tax effect of the associated cumulative share-based payment expense. The deficit has been debited directly to equity. This is presented in the consolidated statement of recognised income and expense.

6. Notes to consolidated cash flow statement

The following non operating cash flow adjustments have been made to the pre-tax result for the period:

	Six months to 30 June 2007 £'000	Six months to 30 June 2006 £'000
Depreciation	844	707
Intangible amortisation	332	—
Loss on disposal of fixed assets	—	13
Share-based payments	250	270
Finance income	(128)	(45)
Finance cost	120	30
Total	1,418	975

7. Preparation of interim financial information

The interim financial statements have been prepared on a basis consistent with the accounting policies disclosed in the Annual Report and Accounts for the year ended 31 December 2006.

The consolidated results for the year ended 31 December 2006 have been extracted from the financial statements for that year and do not constitute full statutory accounts for the Group. The Group accounts for the year ended 31 December 2006 received an unqualified audit report and did not include a statement under section 237 (2) or (3) of the Companies Act 1985 and have been filed with the Registrar of Companies.

8. Interim financial statements

Further copies of the interim financial statements are available from the registered office of Mears Group PLC at 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester GL3 4AH or www.mearsgroup.co.uk.

COMPANY INFORMATION

Directors

Robert Holt
Chairman and Chief Executive

David J Robertson
Finance Director

David J Miles
Managing Director
of Mears Social Housing

Andrew C M Smith
Executive Director

Michael Rogers
Executive Director
of Mears Care Division

Michael A Macario
Senior Independent
Non-Executive Director

Reginald B Promphrett
Company Secretary and
Non-Executive Director

Registered office

1390 Montpellier Court
Gloucester Business Park
Brockworth
Gloucester GL3 4AH
Tel: 01453 511 911
www.mearsgroup.co.uk

Company registration number

3232863

Bankers

Barclays Bank
18 Southgate Street
Gloucester GL1 2DJ
Tel: 01452 365353

Solicitors

BPE
St James's House
St James' Square
Cheltenham GL50 3PR
Tel: 01242 224433

Auditors

Grant Thornton
Registered Auditors
Chartered Accountants
The Quadrangle
Imperial Square
Cheltenham GL50 1PZ
Tel: 0845 026 1250

Nominated adviser and stockbroker

Investec Investment Banking
2 Gresham Street
London EC2V 7QP
Tel: 020 7597 2000

Financial adviser and stockbroker

Arbuthnot
Arbuthnot House
20 Ropemaker Street
London EC2Y 9AR
Tel: 020 7012 2000

Advisers

Zeus Capital
3 Ralli Courts
West Riverside
Manchester M3 5FT
Tel: 0161 831 1512

Registrar

Neville Registrars
Neville House
18 Laurel Lane
Halesowen
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Tel: 0121 585 1131

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