MOTO VENTURES LIMITED

QUARTERLY REPORT

SEPTEMBER 2012

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

	13 weeks Ended 26 September 2012 £'000s	13 weeks Ended 28 September 2011 £'000s	39 weeks Ended 26 September 2012 £'000s	39 weeks Ended 28 September 2011 £'000s
Non-fuel turnover	88,629	85,887	225,859	222,719
Fuel turnover	142,129	150,184	415,785	436,144
Turnover	**230,758**	**236,071**	**641,644**	**658,863**
Change in stocks of non-fuel goods	73	216	431	(214)
Change in stocks of fuel	152	729	260	1,176
Change in stocks of finished goods	**225**	**945**	**691**	**962**
Staff costs	(16,261)	(16,000)	(46,930)	(45,621)
Depreciation and amortization	(8,488)	(7,604)	(25,327)	(23,293)
Non-fuel operating costs	(52,764)	(51,050)	(140,284)	(136,200)
Cost of fuel purchased	(135,089)	(143,994)	(396,355)	(418,871)
Other operating costs	**(187,853)**	**(195,044)**	**(536,639)**	**(555,071)**
Profit on ordinary activities before interest being operating profit	**18,381**	**18,368**	**33,439**	**35,840**
Interest receivable and similar income	28	31	69	71
Interest payable on bank loans	(15,839)	(19,404)	(47,711)	(55,942)
Interest payable to group undertakings	26	21	72	(6,255)
Loss on ordinary activities before taxation	**2,596**	**(984)**	**(14,131)**	**(26,286)**
Tax on loss on ordinary activities	-	-	-	-
Loss on ordinary activities after taxation being retained loss for the financial period	**2,596**	**(984)**	**(14,131)**	**(26,286)**
Note: Adjusted EBITDA	**26,914**	**26,070**	**59,278**	**59,015**
Fuel margin	**7,192**	**6,919**	**19,690**	**18,450**

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As of 26 September 2012 £'000s	As of 28 September 2011 £'000s
Cash	27,330	31,117
Current assets	36,694	32,051
Net fixed assets	712,861	592,842
Total assets	776,885	656,010
Short term borrowings	-	-
Current liabilities	(52,769)	(52,197)
Long term borrowings	(547,071)	(546,982)
Other long term liabilities	(321)	(419)
Retained Earnings	(270,843)	(265,857)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	13 weeks Ended 26 September 2012 £'000s	13 weeks Ended 28 September 2011 £'000s	39 weeks Ended 26 September 2012 £'000s	39 weeks Ended 28 September 2011 £'000s
Net cash inflow from operating activities	**25,408**	**25,347**	**65,007**	**65,772**
Cash outflow from servicing bank loans	(23,523)	(22,800)	(52,009)	(57,262)
Cash outflow from servicing group loans	-	(9)	(14)	(11)
Net cash outflow from returns on investments and servicing of finance	**(23,572)**	**(22,876)**	**(52,232)**	**(83,652)**
Net cash outflow for capital expenditure and financial investment	**(2,565)**	**(5,668)**	**(10,929)**	**(9,827)**
Net cash inflow from financing	**-**	**-**	**-**	**32,773**
Repayment of senior debt	**(2,100)**	**-**	**(5,800)**	**-**
(Decrease) / increase in net cash	**(2,829)**	**(3,197)**	**(3,954)**	**5,066**

OPERATING AND FINANCIAL REVIEW

The following discussion contains trend information and forward-looking statements. Actual results could differ materially from those discussed in these forward-looking statements. Any forward-looking statements are only made as at the date of this report and we undertake no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise.

Results of Operations

Results of operations for the 39 weeks ended 26 September 2012 compared to the 39 weeks ended 28 September 2011

The following table sets forth our main operating results for the 39 weeks ended 26 September 2012 compared to the 39 weeks ended 28 September 2011:

	39 weeks ended 26 September 2012 £'000s	**39 weeks Ended 28 September 2011 £'000s**	**Variance £'000s**	**Variance %**
Non-fuel Turnover	225,859	222,719	3,140	1.4
Fuel Turnover	415,785	436,144	(20,359)	(4.7)
Turnover	**641,644**	**658,863**	**(17,219)**	**(2.6)**
Change in stocks of non-fuel goods	431	(214)	645	301.4
Change in stocks of fuel	260	1,176	(916)	(77.9)
Change in stocks of finished goods	**691**	**962**	**(271)**	**(28.2)**
Staff costs	(46,930)	(45,621)	(1,309)	(2.9)
Depreciation and amortization	(25,327)	(23,293)	(2,034)	(8.7)
Non-fuel operating costs	(140,284)	(136,200)	(4,084)	(3.0)
Cost of fuel purchased	(396,355)	(418,871)	22,516	5.4
Other operating costs	**(536,639)**	**(555,071)**	**18,432**	**3.3**
Profit on ordinary activities before interest being operating profit	**33,439**	**35,840**	**(2,401)**	**(6.7)**
Interest receivable and similar income	69	71	(2)	(2.8)
Interest payable on bank loans	(47,711)	(55,942)	8,231	14.7
Interest payable to group undertakings	72	(6,255)	6,327	101.2
Loss on ordinary activities before taxation	**(14,131)**	**(26,286)**	**12,155**	**46.2**
Tax on loss on ordinary activities	-	-	-	-
Loss on ordinary activities after taxation being retained loss for the financial period	**(14,131)**	**(26,286)**	**12,155**	**46.2**
Note: EBITDA	**58,766**	**59,133**	(367)	(0.6)
Amortization (PCPs and deferred CP Plus costs)	142	(326)	468	143.6
Loss on disposal of fixed assets	370	208	162	77.9
Adjusted EBITDA	**59,278**	**59,015**	**263**	**0.4**

Turnover. Turnover decreased by £17.2 million, or 2.6%, from £658.9 million in the 39 weeks ended 28 September 2011 to £641.6 million in the 39 weeks ended 26 September 2012. The change was primarily attributable to a decrease in fuel turnover of £20.3 million as a result of lower fuel volumes. The decrease in fuel turnover was offset by a £3.1 million increase in non-fuel turnover primarily due to (1) £0.4 million higher like-for-like sales, (2) £0.9 million higher sales at Cherwell Valley where the new permanent building opened at the beginning of July 2011 and (3) £1.6 million sales from new Costa units opened at Extra sites.

The following table shows the breakdown of our non-fuel turnover for the 39 weeks ended 26 September 2012 and the 39 weeks ended 28 September 2011:

	39 weeks ended 26 September 2012 £'000s	33 weeks Ended 28 September 2011 £'000s	Change
Catering	90,419	85,728	4,691
Convenience Food	58,159	56,469	1,690
CTN	37,334	39,582	(2,248)
Amusement	9,200	9,141	59
Other	7,549	7,518	31
Amenity Building	**202,661**	**198,438**	**4,223**
Forecourt	23,199	24,281	(1,082)
Total non-fuel turnover	**225,860**	**222,719**	**3,141**

The following table shows the like-for-like sales growth in 2012:

	13 weeks Ended 28 March 2012	13 weeks Ended 27 June 2012	13 weeks Ended 26 September 2012	39 weeks Ended 28 September 2012
Amenity Building	**(0.7)%**	**0.1%**	**2.3%**	**0.8%**
Forecourt	(7.1)%	(6.1)%	0.1%	(4.2)%
LFL non-fuel turnover	**(1.6)%**	**(0.6)%**	**2.1%**	**0.2%**

The following table shows the like-for-like transaction decline in 2012:

	13 weeks Ended 28 March 2012	13 weeks Ended 27 June 2012	13 weeks Ended 26 September 2012	39 weeks Ended 26 September 2012
Amenity Building	**(4.4)%**	**(4.6)%**	**(3.1)%**	**(3.9)%**
Forecourt	(7.7)%	(7.6)%	(3.6)%	(6.3)%
Total transactions	**(5.4)%**	**(5.4)%**	**(3.2)%**	**(4.6)%**

The following table shows the average spend growth in 2012:

	13 weeks Ended 28 March 2012	13 weeks Ended 27 June 2012	13 weeks Ended 26 September 2012	39 weeks Ended 26 September 2012
Amenity Building	**3.5%**	**5.0%**	**5.7%**	**4.9%**
Forecourt	0.7%	1.6%	3.8%	2.1%
Total spend	**3.7%**	**5.2%**	**5.6%**	**5.0%**

Change in stocks of finished goods. Change in stocks of finished goods was £0.7 million in the 39 weeks ended 26 September 2012 and £1.0 million in the 39 weeks ended 28 September 2011. The value of fuel stocks increased by £0.3 million in the 39 weeks ended 26 September 2012 and there was a £0.4 million increase in non fuel stocks.

Staff costs. Staff costs increased by £1.3 million, or 2.9%, from £45.6 million in the 39 weeks ended 28 September 2011 to £46.9 million in the 39 weeks ended 26 September 2012. This includes a £0.7 million higher bonus accrual in the period. The fairly flat wage cost reflects management's continued focus on cost control in 2012 in response to the first quarter decline in like for like revenue across the amenity building revenue lines, resulting in the ratio of staff costs (excluding bonus) to non-fuel turnover remaining in line with 2011 (20.1% in the 39 weeks ended 26 September 2012 and 20.0% in the 39 weeks ended 28 September 2011, despite the low sales growth and contractual increases in the minimum wage hourly rate.

Depreciation and amortization. Depreciation and amortization increased by £2.0 million, or 8.7%, from £23.3 million in the 39 weeks ended 28 September 2011 to £25.3 million in the 39 weeks ended 26 September 2012. The revaluation in December 2011 increased the net book value of fixed assets by £139.8 million. Depreciation is recorded on a straight line basis over the remaining useful economic life of the assets, which resulted in an increased depreciation charge. Amortization charges were unchanged from 2011 to 2012.

Other operating costs. Other operating costs decreased by £18.4 million, or 3.3%, from £555.1 million in the 39 weeks ended 28 September 2011 to £536.6 million in the 39 weeks ended 26 September 2012. The decrease was primarily attributable to cost of fuel purchased, which decreased by £22.5 million. This decrease was partially offset by a £4.1 million increase in non-fuel operating costs primarily attributable to (1) a £1.4 million increase in rent, property taxes and utilities, (new Costa units at Extra sites - £0.4 million, rates on forecourts transferred from Esso to BP - £0.3 million, (2) £0.9 million higher corporate and other costs relating mainly to a £0.7 million decrease in Purchasing Income as we have made a further move to net pricing, (3) £1.0 million decrease in Central Income, and (4) a £0.8 million increase in the cost of non-fuel merchandise, reflecting the increase in non-fuel turnover. Other increases in operating costs were offset by the £0.5 million saving in cleaning, travel and admin achieved through management cost controls.

The following represents a breakdown of our non-fuel operating costs for the 39 weeks ended 26 September 2012 and the 39 weeks ended 28 September 2011:

	39 weeks ended 26 September 2012 £'000s	**39 weeks Ended 28 September 2011 £'000s**	**Change**
Cost of non-fuel merchandise	95,071	94,311	760
Property taxes	13,231	12,706	525
Utilities	8,118	7,748	370
Franchise fees	5,205	4,774	431
Maintenance	3,134	2,933	201
Distribution	1,300	1,340	(40)
Cleaning, travel and admin	5,667	6,216	(549)
Rent expense	4,895	4,368	527
Central income	(680)	(1,664)	984
Corporate and other	4,343	3,468	875
Total non-fuel operating costs	**140,284**	**136,200**	**4,084**

Central income includes £0.5 million for prior year rates refunds and £0.1 million insurance for business interruption at Heston (2011: £0.7 million Cherwell BI claim, £0.9 million prior year VAT refunds and £0.1, prior year rates refunds).

Operating profit. Operating profit decreased by £2.4 million, or 6.7%, from £35.8 million in the 39 weeks ended 28 September 2011 to £33.4 million in the 39 weeks ended 26 September 2012. The decrease was primarily attributable to the £2.0 million increase in depreciation and amortisation, and the £1.3 million increase in staff costs.

Interest receivable and similar income. Interest receivable and similar income decreased by £0.002 million, or 2.8%, from £0.07 million in the 39 weeks ended 28 September 2011 to £0.07 million in the 39 weeks ended 26 September 2012.

Interest payable on bank loans. Interest payable on bank loans decreased by £8.2 million, or 14.7%, from £55.9 million in the 39 weeks ended 28 September 2011 to £47.7 million in the 39 weeks ended 26 September 2012. The decrease was primarily attributable to a one-off refinancing cost of £15.4m in 2011 relating to the cash settlement cost of reducing the notional amount of interest rate hedges to the value of the new £400 million senior debt facilities. This was offset by an increase in our debt and borrowing cost in the first quarter, the average cost of our debt (including hedge costs) in March 2012 was 9.4% on a drawn debt of £576.0 million, compared to 6.6% on a drawn debt of £563.0 million pre-refinancing in 2011.

Interest payable to group undertakings. Interest payable to group undertakings decreased by £6.3 million, or 101.2%, from £6.3 million in the 39 weeks ended 28 September 2011 to £0.07 million receivable in the 39 weeks ended 26 September 2012. The decrease was primarily attributable to the Moto Ventures Limited loan from Moto Holdings Limited being converted to equity at the end of February 2011.

Tax on loss on ordinary activities. Tax on loss on ordinary activities was nil in both periods.

Retained loss for the financial period. For the reasons set forth above, retained loss for the period decreased by 46.2%, from £26.3 million in the 39 weeks ended 28 September 2011 to £14.1 million in the 39 weeks ended 26 September 2012.

Liquidity and Capital Resources

Net cash inflow from operating activities

The following table summarizes the principal components of our net cash inflow from operating activities for the 39 weeks ended 26 September 2012 compared to the 39 weeks ended 28 September 2011:

	39 weeks ended 26 September 2012 £'000s	**39 weeks Ended 28 September 2011 £'000s**
Operating profit	33,439	35,840
Depreciation charge	21,871	19,837
Loss on disposal of tangible fixed assets	370	208
Goodwill amortization	3,456	3,456
Increase in stocks	(691)	(962)
(Increase) / decrease in debtors	(1,686)	7,488
Increase / (decrease) in creditors	8,248	(95)
Net cash inflow from operating activities	**65,007**	**65,772**

The principal factors affecting our net cash inflows from operating activities in the periods presented are the changes in our operating profit, the increase in debtors and the increase in creditors.

39 weeks ended 26 September 2012 compared to the 39 weeks ended 28 September 2011

Cash inflow from operating activities decreased by £0.8 million, or 1.2%, from £65.8 million in the 39 weeks ended 28 September 2011 to £65.0 million in the 39 weeks ended 26 September 2012. This is primarily attributable to (1) a decrease in operating profit of £2.4 million from £35.8 million in the 39 weeks ended 28 September 2011 to £33.4 million in the 39 weeks ended 26 September 2012, offset by (2) an increase in the depreciation charge of £2.0 million, from £19.8 million in the 39 weeks ended 28 September 2011 to £21.9 million in the 39 weeks ended 26 September 2012.

Net cash outflow from returns on investments and servicing of finance

The following table summarizes the principal components of our net cash outflow from returns on investments and servicing of our financing arrangements for the 39 weeks ended 26 September 2012 compared to the 39 weeks ended 28 September 2011:

	39 weeks ended 26 September 2012 £'000s	39 weeks Ended 28 September 2011 £'000s
Interest received	69	72
Interest paid on bank loans	(52,009)	(57,262)
Bank interest and similar	(107)	(75)
Intercompany interest paid	(14)	(11)
Issue costs of new bank loans	(171)	(26,376)
Net cash outflow from returns on investments and servicing of finance	**(52,232)**	**(83,652)**

Interest received. Interest received decreased slightly from £0.07 million in the 39 weeks ended 28 September 2011 to £0.07 million in the 39 weeks ended 26 September 2012.

Interest paid on bank loans. Interest paid on bank loans decreased from £57.3 million in the 39 weeks ended 28 September 2011 to £52.0 million in the 39 weeks ended 26 September 2012. This is primarily attributable to (1) a £15.4m cost of reducing the notional amount of interest rate hedge in 2011 to align the total hedge value with the new £400 million senior debt facility, (2) a £5.9 million increase relating to higher interest rates and level of debt (the hedged cost of debt at 26 September 2012 was 9.54% on a drawn debt of £570.2 million, compared to 9.37% on a drawn debt of £576.0 million at 28 September 2011, but up to 18 March 2011 the hedged interest was only 6.90% on a drawn debt of £563.0 million), and (3) £4.2 million relating to the timing of interest payments.

Bank interest and similar. Bank interest and similar charges increased slightly from £0.08 million in the 39 weeks ended 28 September 2011 to £0.1 million in the 39 weeks ended 26 September 2012. This represents the banking costs of the group.

Intercompany interest paid. The intercompany interest reflects payments made during the period to Moto Holdings Limited, Moto International Holdings Limited and Moto International Parent Limited under intercompany loan agreements. Such payments amounted to £0.01 million in the 39 weeks ended 26 September 2012, and represents the administrative costs of the holding companies.

Issue costs of new bank loans. The £26.4 million issue costs of new bank loans in the 39 weeks ended 28 September 2011 represents costs incurred related to the Refinancing.

Net cash inflow from financing

The following table summarizes the principal components of our net cash inflow from financing activities for the 39 weeks ended 26 September 2012 compared to the 39 weeks ended 28 September 2011:

	39 weeks ended 26 September 2012 £'000s	39 weeks Ended 28 September 2011 £'000s
Cash received on issuance of shares	-	25,485
Repayment of Senior Loan Facility	-	(521,533)
Repayment of Junior Loan Facility	-	(41,500)
Drawdown of New Senior Debt	-	400,000
Issuance of Second Lien Notes	-	170,321
Net cash inflow from financing	**-**	**32,773**

Capital expenditure

The following table shows our capital expenditures for the 39 weeks ended 26 September 2012 compared to the 39 weeks ended 28 September 2011:

	39 weeks ended 26 September 2012 £'000s	39 weeks Ended 28 September 2011 £'000s
Capital Expenditure by Category:		
Maintenance spend	(2,352)	(3,193)
Expansion spend	(7,835)	(5,946)
IT One-off projects spend	(673)	(320)
Cherwell Valley Rebuild	(69)	(10,483)
Capital Expenditure	**(10,929)**	**(19,942)**
Proceeds from sale of tangible fixed assets	-	10,115
Cash outflow for capital expenditure	**(10,929)**	**(9,827)**

For the 39 weeks ended 26 September 2012, our capital expenditure amounted to £10.9 million, which consisted of £2.4 million for maintenance spending, £7.8 million for expansion including the roll-out of two new M&S stores, major layout improvements at Toddington North, KFC trial, Greggs trial, Burger King store improvements, rollout of Adblue fuel additive, and utilities usage savings, £0.7 million on IT projects and £0.07 million on the rebuild of Cherwell Valley.

For the 39 weeks ended 28 September 2011, our capital expenditure amounted to £19.9 million, which consisted of £3.2 million for maintenance spending, £5.9 million for expansion including the roll-out of external units, vending machines, utilities saving projects and fuel upgrades, £0.3m on IT projects, and £10.5m on the rebuild of Cherwell Valley. This is offset by £10.1 million of insurance proceeds for the rebuilding of the Cherwell Valley amenity building.

Net debt

The following table shows our net debt position as at 26 September 2012 compared to 28 September 2011:

	26 September 2012 £'000s	28 September 2011 £'000s
Cash in hand and at bank	27,330	31,117
Debt due after one year	(547,071)	(546,982)
Net debt	**(519,741)**	**(515,865)**

At 26 September 2012, the debt due after one year includes £394.2 million of senior debt and £171.8 million of corporate bonds, less £18.9 million of capitalised debt costs.

At 28 September 2011, the debt due after one year includes £400.0 million of senior debt and £170.8 million of corporate bonds, less £23.9 million of capitalised debt costs.