MOTO VENTURES LIMITED

QUARTERLY REPORT

SEPTEMBER 2011

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

	13 weeks ended 28 September 2011 £'000s	13 weeks Ended 29 September 2010 £'000s	39 weeks Ended 28 September 2011 £'000s	39 weeks Ended 29 September 2010 £'000s
Non-fuel turnover	85,887	87,744	222,719	225,767
Fuel turnover..................................	150,184	143,509	436,144	414,720
Turnover...	**236,071**	**231,253**	**658,863**	**640,487**
Change in stocks of non-fuel goods	216	(54)	(214)	(119)
Change in stocks of fuel.................	729	311	1,176	(264)
Change in stocks of finished goods ..	**945**	**257**	**962**	**(383)**
Staff costs...	(16,000)	(16,695)	(45,621)	(47,872)
Depreciation and amortization	(7,604)	(8,129)	(23,293)	(24,084)
Non-fuel operating costs	(51,050)	(52,006)	(136,200)	(140,150)
Cost of fuel purchased	(143,994)	(136,600)	(418,871)	(394,676)
Other operating costs.......................	**(195,044)**	**(188,606)**	**(555,071)**	**(534,826)**
Profit on ordinary activities before interest being operating profit	**18,368**	**18,080**	**35,840**	**33,322**
Interest receivable and similar income	31	11	71	26
Interest payable on bank loans............	(19,404)	(9,409)	(55,942)	(28,039)
Interest payable to group undertakings	21	(8,983)	(6,255)	(25,649)
Loss on ordinary activities before taxation	**(984)**	**(301)**	**(26,286)**	**(20,340)**
Tax on loss on ordinary activities	-	-	-	-
Loss on ordinary activities after taxation being retained loss for the financial period	**(984)**	**(301)**	**(26,286)**	**(20,340)**
Note: Adjusted EBITDA	**26,070**	**26,102**	**59,015**	**57,081**
Fuel margin	**6,919**	**7,220**	**18,450**	**19,780**

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As of 28 September 2011 £'000s	As of 29 September 2010 £'000s
Tangible fixed assets	528,038	549,777
Total assets................................	656,010	689,088
Total liabilities	(599,598)	(815,393)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	13 weeks ended 28 September 2011 £'000s	13 weeks Ended 29 September 2010 £'000s	39 weeks Ended 28 September 2011 £'000s	39 weeks Ended 29 September 2010 £'000s
Net cash inflow from operating activities	**25,347**	**27,111**	**65,772**	**63,393**
Cash outflow from servicing bank loans	(22,800)	(2,174)	(57,262)	(27,079)
Cash outflow from servicing group loans	(9)	9	(11)	(8,305)
Net cash outflow from returns on investments and servicing of finance....................	**(22,876)**	**(2,847)**	**(83,652)**	**(36,107)**
Net cash outflow for capital expenditure and financial investment	**(5,668)**	**(1,712)**	**(9,827)**	**(11,992)**
Net cash inflow from financing.........	**-**	**-**	**32,773**	**-**
Increase/(decrease) in net cash	**(3,197)**	**22,552**	**5,066**	**15,292**

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 28 September 2011 compared to the 39 weeks ended 29 September 2010

The following table sets forth our main operating results for the 39 weeks ended 28 September 2011 compared to the 39 weeks ended 29 September 2010:

	39 weeks ended 28 September 2011 £'000s	39 weeks Ended 29 September 2010 £'000s	Variance £'000s	Variance %
Non-fuel Turnover	222,719	225,767	(3,048)	(1.4)%
Fuel Turnover	436,144	414,720	21,424	5.2%
Turnover	**658,863**	**640,487**	**18,376**	**2.9%**
Change in stocks of non-fuel goods	(214)	(119)	(95)	(79.8)%
Change in stocks of fuel	1,176	(264)	1,440	545.5%
Change in stocks of finished goods	**962**	**(383)**	**1,345**	**351.2%**
Staff costs	(45,621)	(47,872)	2,251	4.7%
Depreciation and amortization	(23,293)	(24,084)	791	3.3%
Non-fuel operating costs	(136,200)	(140,150)	3,950	2.8%
Cost of fuel purchased	(418,871)	(394,676)	(24,195)	(6.1)%
Other operating costs	**(555,071)**	**(534,826)**	**(20,245)**	**(3.8)%**
Profit on ordinary activities before interest being operating profit	**35,840**	**33,322**	**2,518**	**7.6%**
Interest receivable and similar income	71	26	45	173.1%
Interest payable on bank loans	(55,942)	(28,039)	(27,903)	(99.5)%
Interest payable to group undertakings	(6,255)	(25,649)	19,394	75.6%
Loss on ordinary activities before taxation	**(26,286)**	**(20,340)**	**(5,946)**	**(29.2)%**
Tax on loss on ordinary activities	-	-	-	-
Loss on ordinary activities after taxation being retained loss for the financial period	**(26,286)**	**(20,340)**	**(5,946)**	**(29.2)%**
Note: EBITDA	59,133	57,406	1,727	3.0%
Amortization (PCPs and deferred CP Plus costs)	(326)	(326)	-	-
Loss on disposal of fixed assets	208	1	207	20,700.0%
Adjusted EBITDA	**59,015**	**57,081**	**1,934**	**3.4%**

Turnover. Turnover increased by £18.4 million, or 2.9%, from £640.5 million in the 39 weeks ended 29 September 2010 to £658.9 million in the 39 weeks ended 28 September 2011. The change was primarily attributable to increased fuel turnover of £21.4 million as a result of rising fuel prices during the period. Fuel volumes were down 3.2%, with a decline in full margin leisure sales which were affected by the increase in the oil price partially offset by a growth in commercial volumes. The increase in fuel turnover was partially offset by a £3.0 million decrease in non-fuel turnover primarily due to (1) £2.3 million lower like-for-like forecourt shop sales as a result of lower full margin volumes, (2) £2.0 million lower like-for-like amenity building sales, (3) £0.5 million of lower sales due to the transfer of our site at Leicester to Eurogarages, offset by (5) £1.9 million higher sales at Cherwell Valley following the fire in April 2010 (since then the site has operated from a temporary amenity facility, with the new permanent building now complete and opened at the beginning of July 2011).

The following table shows the breakdown of our non-fuel turnover for the 39 weeks ended 28 September 2011 and the 39 weeks ended 29 September 2010:

	39 weeks ended 28 September 2011 £'000s	39 weeks Ended 29 September 2010 £'000s	Change
Catering	85,728	83,545	2,183
Convenience Food	56,469	57,074	(605)
CTN	39,582	41,383	(1,801)
Amusement	9,141	8,846	295
Other	7,518	7,915	(397)
Amenity Building	**198,438**	**198,763**	**(325)**
Forecourt	24,281	27,004	(2,723)
Total non-fuel turnover	**222,719**	**225,767**	**(3,048)**

The following table shows the like-for-like sales growth in 2011:

	13 weeks ended 30 March 2011	13 weeks Ended 30 June 2011	13 weeks Ended 28 September 2011	39 weeks Ended 28 September 2011
Amenity Building	**0.2%**	**(0.8)%**	**(2.2)%**	**(1.1)%**
Forecourt	(9.5)%	(8.3)%	(9.2)%	(9.0)%
LFL non-fuel turnover	**(1.2)%**	**(1.7)%**	**(2.9)%**	**(2.0)%**

The following table shows the like-for-like transaction decline in 2011:

	13 weeks ended 30 March 2011	13 weeks Ended 30 June 2011	13 weeks Ended 28 September 2011	39 weeks Ended 28 September 2011
Amenity Building	**(1.5)%**	**(2.8)%**	**(3.6)%**	**(2.8)%**
Forecourt	(10.3)%	(10.2)%	(10.6)%	(10.4)%
Total transactions	**(4.4)%**	**(4.9)%**	**(5.4)%**	**(5.0)%**

The following table shows the average spend growth in 2011:

	13 weeks ended 30 March 2011	13 weeks Ended 30 June 2011	13 weeks Ended 28 September 2011	39 weeks Ended 28 September 2011
Amenity Building	**1.8%**	**1.9%**	**1.2%**	**1.6%**
Forecourt	0.9%	2.1%	1.6%	1.5%
Total spend	**3.3%**	**3.4%**	**2.7%**	**3.1%**

Change in stocks of finished goods. Change in stocks of finished goods was £1.0 million in the 39 weeks ended 28 September 2011 and was £(0.4) million in the 39 weeks ended 29 September 2010. The increase in the value of fuel stocks was due to the increase in fuel cost price which was offset by a reduction in non fuel stocks.

Staff costs. Staff costs decreased by £2.3 million, or 4.7%, from £47.9 million in the 39 weeks ended 29 September 2010 to £45.6 million in the 39 weeks ended 28 September 2011. £1.2m of this is a reduction in the bonus accrual, which reflects the full year estimated saving on bonuses. The remaining £1.1m decrease reflects an increased management focus on cost control in 2011 in response to the lower like for like revenue growth rate across the amenity building revenue lines, resulting in the ratio of staff costs (excluding bonus) to non-fuel turnover reducing from 20.3% in the first 39 weeks of 2010 to 20.1% in 2011.

Depreciation and amortization. Depreciation and amortization decreased by £0.8 million, or 3.3%, from £24.1 million in the 39 weeks ended 29 September 2010 to £23.3 million in the 39 weeks ended 28 September 2011. Depreciation is recorded on a straight line basis with no significant change in the net book value of our assets between the two periods. Additionally, amortization charges were unchanged from 2010 to 2011.

Other operating costs. Other operating costs increased by £20.3 million, or 3.8%, from £534.8 million in the 39 weeks ended 29 September 2010 to £555.1 million in the 39 weeks ended 28 September 2011. The increase was primarily attributable to cost of fuel purchased, which increased by £24.2 million. This increase was partially offset by a £4.0 million reduction in non-fuel operating costs primarily attributable to a £3.2 million decrease related to the cost of non-fuel merchandise (42.4% of non-fuel turnover, compared to 43.2% in 2010, including the change in stocks of non-fuel goods). This improvement was largely due to improved control and high margin catering sales becoming an increasing proportion of the mix.

Sustainable cost savings were also achieved on rates, distribution, cleaning, travel and administration. However, the savings on rates and distribution have largely gone like for like on the prior year in quarter three of 2011. The following represents a breakdown of our non-fuel operating costs for the 39 weeks ended 28 September 2011 and the 39 weeks ended 29 September 2010:

	39 weeks ended 28 September 2011 £'000s	**39 weeks Ended 29 September 2010 £'000s**	**Change**
Cost of non-fuel merchandise	94,311	97,520	(3,209)
Property taxes	12,706	12,929	(223)
Utilities	7,748	7,512	236
Franchise fees	4,774	4,348	426
Maintenance	2,933	3,075	(142)
Distribution	1,340	1,998	(658)
Cleaning, travel and admin	6,216	6,926	(710)
Rent expense	4,368	4,314	54
Central income	(1,664)	(1,467)	(197)
Corporate and other	3,468	2,995	473
Total non-fuel operating costs	**136,200**	**140,150**	**(3,950)**

Central income includes £0.7 million for Business Interruption insurance receipts at Cherwell Valley, £0.9 million prior year VAT refunds and £0.1 million prior year rates refunds (2010: £1.5 million Cherwell BI claim).

Operating profit. Operating profit increased by £2.5 million, or 7.6%, from £33.3 million in the 39 weeks ended 29 September 2010 to £35.8 million in the 39 weeks ended 28 September 2011. The increase was primarily attributable to the decrease in the non-fuel operating costs and the decrease in staff costs.

Interest receivable and similar income. Interest receivable and similar income increased by £0.05 million, or 173.1%, from £0.03 million in the 39 weeks ended 29 September 2010 to £0.07 million in the 39 weeks ended 28 September 2011 primarily related to overall interest income earned on cash balances during the period.

Interest payable on bank loans. Interest payable on bank loans increased by £27.9 million, or 99.5%, from £28.0 million in the 39 weeks ended 29 September 2010 to £55.9 million in the 39 weeks ended 28 September 2011. The increase was primarily attributable to a one-off refinancing cost of £15.4m in relation 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. Furthermore, the average hedged cost of our debt in quarter 3 2011 is 9.4% on a drawn debt of £576.0 million, compared to 6.6% on a drawn debt of £563.0 million in 2010.

Interest payable to group undertakins. Interest payable to group undertakings decreased by £19.4 million, or 75.6%, from £25.6 million in the 39 weeks ended 29 September 2010 to £6.3 million in the 39 weeks ended 28 September 2011. 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 increased by 29.2%, from £20.3 million in the 39 weeks ended 29 September 2010 to £26.3 million in the 39 weeks ended 28 September 2011.

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 28 September 2011 compared to the 39 weeks ended 29 September 2010:

	39 weeks ended 28 September 2011 £'000s	**39 weeks Ended 29 September 2010 £'000s**
Operating profit	35,840	33,322
Depreciation charge	19,837	20,628
Loss on disposal of tangible fixed assets	208	1
Goodwill amortization	3,456	3,456
(Increase)/decrease in stocks	(962)	383
Decrease in debtors	7,488	2,622
(Decrease)/increase in creditors	(95)	2,981
Net cash inflow from operating activities	**65,772**	**63,393**

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

39 weeks ended 28 September 2011 compared to the 39 weeks ended 29 September 2010

Cash inflow from operating activities increased by £2.4 million, or 3.8%, from £63.4 million in the 39 weeks ended 29 September 2010 to £65.8 million in the 39 weeks ended 28 September 2011. This is primarily attributable to an increase in operating profit of £2.5 million from £33.3 million in the 39 weeks ended 29 September 2010 to £35.8 million in the 39 weeks ended 28 September 2011 and an increase in cash flow from working capital of £6.4 million during the period. This is primarily related to a £7.5 million decrease in debtors due to (1) the receipt of £2.6 million insurance monies relating to the Business Interruption claim at Cherwell Valley, and (2) £4.1 million decrease in the credit card debtor. This is partially offset by a £1.0 million increase in stock due to a £1.2 million increase in fuel stock, resulting from increased fuel prices.

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 28 September 2011 compared to the 39 weeks ended 29 September 2010:

	39 weeks ended 28 September 2011 £'000s	**39 weeks Ended 29 September 2010 £'000s**
Interest received	72	26
Interest paid on bank loans	(57,262)	(27,079)
Bank interest and similar	(75)	(93)
Intercompany interest paid	(11)	(8,305)
Issue costs of new bank loans	(26,376)	(656)
Net cash outflow from returns on investments and servicing of finance	**(83,652)**	**(36,107)**

Interest received. Interest received increased from £0.02 million in the 39 weeks ended 29 September 2010 to £0.07 million in the 39 weeks ended 28 September 2011, which reflects the similar cash levels and the low level of interest rates in each period.

Interest paid on bank loans. Interest paid on bank loans increased from £27.1 million in the 39 weeks ended 29 September 2010 to £57.3 million in the 39 weeks ended 28 September 2011. This is primarily attributable to (1) a £15.4m cost of reducing the notional amount of interest rate hedge to align the total hedge value with the new £400 million senior debt facility, and (2) in 2010 the quarterly interest payment of £6.7 million was paid on 30 September (after the quarter end). In addition, the average hedged cost of our debt in quarter 3 2011 is 9.4% on a drawn debt of £576.0 million, compared to 6.6% on a drawn debt of £563.0 million in 2010.

Bank interest and similar. Bank interest and similar charges decreased slightly from £0.09 million in the 39 weeks ended 29 September 2010 to £0.08 million in the 39 weeks ended 28 September 2011. This represents the banking costs of the group.

Intercompany interest paid. The intercompany interest reflects payments made during the period to Moto Holdings Limited and Moto International Holdings Limited under intercompany loan agreements. Such payments amounted to £0.01 million in the 39 weeks ende 28 September 2011, and represents the administrative costs of the holding companies. In the 39 weeks ended 29 September 2010 an interest payment of £8.3 million was made, to fund a dividend paid by Moto International Holdings Limited.

Issue costs of new bank loans. The £26.4 million issue costs of new bank loans in 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 28 September 2011 compared to the 39 weeks ended 29 September 2010:

	39 weeks ended 28 September 2011 £'000s	**39 weeks Ended 29 September 2010 £'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 28 September 2011 compared to the 39 weeks ended 29 September 2010:

	39 weeks ended 28 September 2011 £'000s	39 weeks Ended 29 September 2010 £'000s
Capital Expenditure by Category:		
Maintenance spend	(3,193)	(3,377)
Expansion spend	(5,946)	(8,181)
IT One-off projects spend	(320)	-
Cherwell Valley Rebuild	(10,483)	(434)
Capital Expenditure	**(19,942)**	**(11,992)**
Proceeds from sale of tangible fixed assets	10,115	-
Cash outflow for capital expenditure	**(9,827)**	**(11,992)**

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.

For the 39 weeks ended 29 September 2010, our capital expenditure amounted to £12.0 million, which consisted of £3.4 million for maintenance spending, and £8.2 million for expansion including the roll-out of additional *Costa* outlets and other catering projects, fuel upgrades, and utilities usage savings.

Net debt

The following table shows our net debt position as at 28 September 2011 compared to 29 September 2010:

	28 September 2011 £'000s	29 September 2010 £'000s
Cash in hand and at bank	31,117	37,078
Debt due within one year	-	(752,065)
Debt due after one year	(546,982)	-
Net debt	**(515,865)**	**(714,987)**

For 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.

For 29 September 2010, debt due within one year comprises £191.1 million of amounts due to the parent undertaking, junior debt of £41.5 million and senior debt of £521.5 million, less capitalised debt costs of £2.1 million.