MOTO VENTURES LIMITED

QUARTERLY REPORT

MARCH 2012

UNAUDITED CONSOLIDATED PROFIT AND LOSS ACCOUNT

	13 weeks Ended 28 March 2012 £'000s	13 weeks Ended 30 March 2011 £'000s
Non-fuel turnover	59,180	59,480
Fuel turnover	132,996	138,332
Turnover	**192,176**	**197,812**
Change in stocks of non-fuel goods.	(162)	(494)
Change in stocks of fuel	700	960
Change in stocks of finished goods...	**538**	**466**
Staff costs	(14,581)	(14,400)
Depreciation and amortization.............	(8,377)	(7,878)
Non-fuel operating costs..................	(38,663)	(38,175)
Cost of fuel purchased	(128,097)	(133,913)
Other operating costs	**(166,760)**	**(172,088)**
Profit on ordinary activities before interest being operating profit.................................	**2,996**	**3,912**
Interest receivable and similar income	28	6
Interest payable on bank loans.............	(15,575)	(24,343)
Interest payable to group undertakings	23	(6,306)
Loss on ordinary activities before taxation	**(12,528)**	**(26,731)**
Tax on loss on ordinary activities........	-	-
Loss on ordinary activities after taxation being retained loss for the financial period	**(12,528)**	**(26,731)**
Note: Adjusted EBITDA	**11,419**	**11,682**
Fuel margin	**5,599**	**5,379**

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

	As of 28 March 2012 £'000s	As of 30 March 2011 £'000s
Cash..	20,283	26,087
Current assets	32,348	31,952
Net fixed assets..........................	722,921	593,094
Total assets	775,552	651,133
Short term borrowings...............	-	-
Current liabilities.......................	(46,998)	(47,324)
Long term borrowings...............	(549,857)	(547,374)
Other long term liabilities..........	(370)	(467)
Retained Earnings	(269,239)	(266,302)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	13 weeks Ended 28 March 2012 £'000s	13 weeks Ended 30 March 2011 £'000s
Net cash inflow from operating activities	**15,760**	**14,104**
Cash outflow from servicing bank loans	(22,922)	(29,326)
Cash outflow from servicing group loans	(14)	(1)
Net cash outflow from returns on investments and servicing of finance	**(23,096)**	**(52,383)**
Net cash outflow for capital expenditure and financial investment...................	**(3,667)**	**5,543**
Net cash inflow from financing	**-**	**32,773**
(Decrease) / increase in net cash.......	**(11,003)**	**37**

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 13 weeks ended 28 March 2012 compared to the 13 weeks ended 30 March 2011

The following table sets forth our main operating results for the 13 weeks ended 28 March 2012 compared to the 13 weeks ended 30 March 2011:

	13 weeks ended 28 March 2012 £'000s	13 weeks Ended 30 March 2011 £'000s	Variance £'000s	Variance %
Non-fuel Turnover	59,180	59,480	(300)	(0.5)
Fuel Turnover	132,996	138,332	(5,336)	(3.9)
Turnover	**192,176**	**197,812**	**(5,636)**	**(2.8)**
Change in stocks of non-fuel goods	(162)	(494)	332	67.2
Change in stocks of fuel	700	960	(260)	(27.1)
Change in stocks of finished goods	**538**	**466**	**72**	**15.5**
Staff costs	(14,581)	(14,400)	(181)	(1.3)
Depreciation and amortization	(8,377)	(7,878)	(499)	(6.3)
Non-fuel operating costs	(38,663)	(38,175)	(488)	(1.3)
Cost of fuel purchased	(128,097)	(133,913)	5,816	4.3
Other operating costs	**(166,760)**	**(172,088)**	**5,328**	**3.1**
Profit on ordinary activities before interest being operating profit	**2,996**	**3,912**	**(916)**	**(2.3)**
Interest receivable and similar income	28	6	22	366.7
Interest payable on bank loans	(15,575)	(24,343)	8,768	36.0
Interest payable to group undertakings	23	(6,306)	6,329	100.4
Loss on ordinary activities before taxation	**(12,528)**	**(26,731)**	**14,203**	**53.1**
Tax on loss on ordinary activities	-	-	-	-
Loss on ordinary activities after taxation being retained loss for the financial period	**(12,528)**	**(26,731)**	**14,203**	**53.1**
Note: EBITDA	**11,373**	**11,790**	(417)	(3.5)
Amortization (PCPs and deferred CP Plus costs)	46	(109)	155	142.2
Loss on disposal of fixed assets	-	1	(1)	(100.0)
Adjusted EBITDA	**11,419**	**11,682**	**(263)**	**(2.3)**

Turnover. Turnover decreased by £5.6 million, or 2.8%, from £197.8 million in Quarter 1 of 2011 to £192.2 million in Quarter 1 of 2012. The change was primarily attributable to a decrease in fuel turnover of £5.3 million as a result of reduced fuel volumes. Fuel volumes were down 6.1%, with a decline in full margin leisure sales which were affected by the increase in the oil price and a corresponding fall in commercial volumes. The decrease in fuel turnover was accompanied by a £0.3 million decrease in non-fuel turnover primarily due to (1) £0.9 million lower like-for-like sales offset by (2) £0.3 million higher sales at Cherwell Valley where the new permanent building opened at the beginning of July 2011 and (3) £0.3 million sales from new Costa units opened at Extra sites.

The following table shows the breakdown of our non-fuel turnover for the 13 weeks ended 28 March 2012 and the 13 weeks ended 30 March 2011:

	13 weeks ended 28 March 2012 £'000s	13 weeks Ended 30 March 2011 £'000s	Change
Catering	22,752	21,707	1,045
Convenience Food	14,749	14,898	(149)
CTN	9,331	10,044	(713)
Amusement	2,986	2,831	155
Other	2,383	2,473	(90)
Amenity Building	**52,201**	**51,953**	**248**
Forecourt	6,979	7,527	(548)
Total non-fuel turnover	**59,180**	**59,480**	**(300)**

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

	13 weeks Ended 28 March 2012
Amenity Building	**(0.7)%**
Forecourt	(7.1)%
LFL non-fuel turnover	**(1.6)%**

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

	13 weeks Ended 28 March 2012
Amenity Building	**(4.4)%**
Forecourt	(7.7)%
Total transactions	**(5.4)%**

The following table shows the average spend growth in 2012:

	13 weeks Ended 28 March 2012
Amenity Building	**3.5%**
Forecourt	0.7%
Total spend	**3.7%**

Change in stocks of finished goods. Change in stocks of finished goods was £0.5 million in Quarter 1 of 2012 and £0.5 million in Quarter 1 of 2011. The value of fuel stocks increased by £0.7 million in Quarter 1 of 2012, as a result of price rises and higher volumes. There was a reduction in non fuel stocks.

Staff costs. Staff costs increased by £0.2 million, or 1.3%, from £14.4 million in Quarter 1 of 2011 to £14.6 million in Quarter 1 of 2012. This includes a £0.2 million higher bonus accrual in the period. The flat wage cost reflects management's continued focus on cost control in 2012 in response to the 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 increasing by only 0.1% from 23.4% in Quarter 1 2011 to 23.5% in Quarter 1 2012, despite the declining sales.

Depreciation and amortization. Depreciation and amortization decreased by £0.5 million, or 6.3%, from £7.9 million in Quarter 1 2011 to £8.4 million in Quarter 1 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 £5.3 million, or 3.1%, from £172.1 million in Quarter 1 2011 to £166.8 million in Quarter 1 2012. The decrease was primarily attributable to cost of fuel purchased, which decreased by £5.8 million. This decrease was partially offset by a £0.5 million increase in non-fuel operating costs primarily attributable to (1) a £0.3 million decrease related to the cost of non-fuel merchandise (41.7% of non-fuel turnover, compared to 42.5% in 2011, including the change in stocks of non-fuel goods). This improvement was due to a further move to net pricing (£0.3m) and high margin catering sales becoming an increasing proportion of the mix. This was offset by (2) a £0.3 million increase in rent, property taxes and utilities, partially due to the new Costa units at Extra sites, (3) £0.4 million higher corporate and other costs relating mainly to a £0.3 million decrease in Purchasing Income as we have made a further move to net pricing, and (4) £0.2 million decrease in Central Income.

The following represents a breakdown of our non-fuel operating costs for the 13 weeks ended 28 March 2012 and the 13 weeks ended 30 March 2011:

	13 weeks ended 28 March 2012 £'000s	**13 weeks Ended 30 March 2011 £'000s**	**Change**
Cost of non-fuel merchandise	24,504	24,801	(297)
Property taxes	4,320	4,236	84
Utilities	2,820	2,794	26
Franchise fees	1,349	1,241	108
Maintenance	1,029	969	60
Distribution	328	357	(29)
Cleaning, travel and admin	1,846	2,069	(223)
Rent expense	1,575	1,408	167
Central income	(450)	(691)	241
Corporate and other	1,342	991	351
Total non-fuel operating costs	**38,663**	**38,175**	**488**

Central income includes £0.5 million for prior year rates refunds (2011: £0.3 million Cherwell BI claim and £0.4 million prior year VAT refunds).

Operating profit. Operating profit decreased by £0.9 million, or 2.3%, from £3.9 million in Quarter 1 2011 to £3.0 million in Quarter 1 2012. The decrease was primarily attributable to the £0.5 million increase in depreciation and amortisation, and the £0.9 million reduction in like-for-like turnover.

Interest receivable and similar income. Interest receivable and similar income increased by £0.02 million, or 366.7%, from £0.01 million in Quarter 1 2011 to £0.03 million in Quarter 1 2012.

Interest payable on bank loans. Interest payable on bank loans decreased by £8.8 million, or 36.0%, from £24.3 million in Quarter 1 2011 to £15.6 million in Quarter 1 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, the average cost of our debt (including hedge costs) post refinancing in March 2012 is 9.4% on a drawn debt of £576.0 million, compared to 6.6% on a drawn debt of £563.0 million in 2011.

Interest payable to group undertakings. Interest payable to group undertakings decreased by £6.3 million, or 100.4%, from £6.3 million in Quarter 1 2011 to £0.02 million receivable in Quarter 1 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 53.1%, from £26.7 million in Quarter 1 2011 to £12.5 million in Quarter 1 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 13 weeks ended 28 March 2012 compared to the 13 weeks ended 30 March 2011:

	13 weeks ended 28 March 2012 £'000s	13 weeks Ended 30 March 2011 £'000s
Operating profit	2,996	3,912
Depreciation charge	7,225	6,726
Loss on disposal of tangible fixed assets	-	1
Goodwill amortization	1,152	1,152
Increase in stocks	(538)	(466)
Decrease in debtors	2,456	7,147
Increase / (decrease) in creditors	2,469	(4,368)
Net cash inflow from operating activities	**15,760**	**14,104**

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 increase in creditors.

13 weeks ended 28 March 2012 compared to the 13 weeks ended 30 March 2011

Cash inflow from operating activities increased by £1.7 million, or 11.7%, from £14.1 million in Quarter 1 2011 to £15.8 million in Quarter 1 2012. This is primarily attributable to (1) an decrease in operating profit of £0.9 million from £3.9 million in Quarter 1 2011 to £3.0 million in Quarter 1 2012, offset by (2) an increase in cash flow from working capital of £2.1 million in Quarter 1 2012 compared to Quarter 1 2011, and (3) an increase in the depreciation charge of £0.5 million, from £6.7 million in Quarter 1 2011 to £7.2 million in Quarter 1 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 13 weeks ended 28 March 2012 compared to the 13 weeks ended 30 March 2011:

	13 weeks ended 28 March 2012 £'000s	**13 weeks Ended 30 March 2011 £'000s**
Interest received	28	6
Interest paid on bank loans	(22,922)	(29,326)
Bank interest and similar	(38)	(28)
Intercompany interest paid	(14)	(1)
Issue costs of new bank loans	(150)	(23,034)
Net cash outflow from returns on investments and servicing of finance	**(23,096)**	**(52,383)**

Interest received. Interest received decreased from £0.01 million in Quarter 1 2011 to £0.03 million in Quarter 1 2012

Interest paid on bank loans. Interest paid on bank loans decreased from £29.3 million in Quarter 1 2011 to £22.9 million in Quarter 1 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 £6.4 million increase relating to higher interest rates and level of debt (the average hedged cost of debt in Quarter 1 2012 was 9.4% on a drawn debt of £576.0 million, compared to 6.6% on a drawn debt of £563.0 million in 2011), and (3) £2.6 million relating to the timing of interest payments.

Bank interest and similar. Bank interest and similar charges increased slightly from £0.03 million in Quarter 1 2011 to £0.04 million in Quarter 1 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 Quarter 1 2012, and represents the administrative costs of the holding companies.

Issue costs of new bank loans. The £23.0 million issue costs of new bank loans in Quarter 1 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 13 weeks ended 28 March 2012 compared to the 13 weeks ended 30 March 2011:

	13 weeks ended 28 March 2012 £'000s	**13 weeks Ended 30 March 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 13 weeks ended 28 March 2012 compared to the 13 weeks ended 30 March 2011:

	13 weeks ended 28 March 2012 £'000s	13 weeks Ended 30 March 2011 £'000s
Capital Expenditure by Category:		
Maintenance spend	(895)	(869)
Expansion spend	(2,483)	(1,737)
IT One-off projects spend	(258)	(126)
Cherwell Valley Rebuild	(31)	(1,840)
Capital Expenditure	**(3,667)**	**(4,572)**
Proceeds from sale of tangible fixed assets	-	10,115
Cash outflow for capital expenditure	**(3,667)**	**5,543**

For the 13 weeks ended 28 March 2012, our capital expenditure amounted to £3.7 million, which consisted of £0.9 million for maintenance spending, £2.5 million for expansion including the roll-out of two new M&S stores, new toilets and layout improvements at Toddington North, and utilities usage savings, £0.3 million on IT projects and £0.03 million on the rebuild of Cherwell Valley.

For the 13 weeks ended 30 March 2011, our capital expenditure amounted to £4.6 million, which consisted of £0.9 million for maintenance spending, £1.7 million for expansion including the roll-out of external units, vending machines and utilities saving projects, £0.1 million on IT projects and £1.8m 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 28 March 2012 compared to 30 March 2011:

	28 March 2012 £'000s	30 March 2011 £'000s
Cash in hand and at bank	20,283	26,087
Debt due after one year	(549,857)	(547,374)
Net debt	**(529,574)**	**(521,287)**

For 28 March 2012, the debt due after one year includes £400.0 million of senior debt and £171.3 million of corporate bonds, less £21.4 million of capitalised debt costs.

For 30 March 2011, the debt due after one year includes £400.0 million of senior debt and £170.4 million of corporate bonds, less £23.0 million of capitalised debt costs.