

27 July 2006

## **Oak Holdings plc ('Oak' or 'the Company')** **Interim Results**

Oak Holdings plc, the AIM listed property development and consultancy group, announces its results for the six months ended 30 April 2006.

### **Overview**

- Foundations in place to build a significant property development and consultancy group
- Reduced operating loss before exceptional items of £261,555 (2005: £643,962)
- YES! Project in final stages of outline planning
- Rotherham Metropolitan Borough Council voted unanimously in favour of supporting the project
- Government Office for Yorkshire and Humberside referred project back to local council for final approval
- Potential portfolio of partners for the scheme strengthened with the addition of utility giant, E.ON
- Consultancy division performing well with advanced negotiations underway with regards to a number of prospects internationally

### **Chairman's Statement**

During the period under review we have worked extremely hard putting the foundations in place to build a significant property development and consultancy group. However, it is really post year end that the results of this labour have begun to come to fruition so I am including these in the following statement.

Most significantly, the YES! Project, our £250 million mixed-use leisure scheme in South Yorkshire, is now in the final stages of outline planning having been referred back by the Government Office for Yorkshire and Humberside to Rotherham Metropolitan Borough Council (RMBC) for approval. In tandem with this our potential portfolio of partners for the scheme has been strengthened with the addition of utility giant, E.ON, which underpins the project's appeal to major international and national operators.

Our consultancy division is also performing well with advanced negotiations underway with regards to a number of prospects internationally, and an increased number of opportunities being offered.

## **Results**

I am pleased to report the results for the six months to 30 April 2006. The Company made a reduced operating loss before exceptional items of £261,555 (2005: £643,962) due to its prudent cost control and the fact that the majority of costs in advancing the YES! Project through to planning consent, were incurred in the two previous years. No dividend is being recommended (2005: nil).

## **Current Trading**

### **The YES! Project**

On 12 May we received notice that RMBC's planning board, had voted unanimously in favour of supporting the YES! Project. While this was a major step for us, given the project's size, its greenbelt designation and the local authority's ownership, referral to the Government Office was mandatory and represented an even greater challenge, since ultimately the potential for a public inquiry existed. The proposal was referred to the Government Office for Yorkshire and Humberside as planned and we prepared ourselves for a long wait. Two weeks ago on 14 July 2006, some months ahead of our expectations, we were delighted to announce confirmation that the Government Office had entrusted the local planning authority of RMBC with responsibility for the planning application. Naturally there is more mileage to go before we can begin construction including securing funding and tenants. However this is a key achievement and a very exciting development for us; it rewards the Company's diligence and patience and confirms the board's confidence in the project.

Additionally, at the beginning of July we signed a Memorandum of Understanding ('MOU') with the major international utility company, E.ON, to collaborate on the development of the project. E.ON will provide resource and support for the next stage of the project and will also look to bring sustainable and environmentally friendly power solutions to the scheme.

The agreement with E.ON follows MOU's signed with other key tenants including Baydrive Group, which owns the TopGolf Ranges, Sony UK Ltd and Venture Xtreme UK Ltd, the specialist extreme sports activity company. We are in advanced negotiations with a number of other partners and major tenants and hope to update the market soon on our progress.

It is difficult to overstate the significance of this project. Not only will it bring considerable employment to the area, but it will also provide enhanced environmental benefits to the whole of South Yorkshire. We believe it will become a major attraction for the country, becoming a catalyst for further

investment to the area and the forerunner of a whole new genre of property investment.

### **Consultancy Division**

The consultancy division, established to utilise the extensive skills, expertise and contacts of the Directors to offer project consultancy on every aspect of property development and investment, is gaining momentum. New commissions have recently been secured advising on a number of projects both in the UK and internationally. Discussions continue on other prospects.

### **Funding**

The Company previously stated that after receiving 'Resolutions to Grant' it would seek further funding to progress the YES! Project and for working capital requirements. The Directors continue to assess the various options available and will update the market when the most effective financial arrangement has been agreed.

### **Conclusion**

I am pleased to be able to report that our efforts are finally paying off, giving us renewed confidence to take the Company forward aggressively in the coming months and to reward our shareholders for their ongoing support.

Malcolm Savage  
Chairman  
27 July 2006

## Oak Holdings plc

### Profit and loss account

For the six months ended 30 April 2006

	<b>6 months ended 30 April 2006 (unaudited)</b>	<b>6 months ended 30 April 2005 (unaudited)</b>	<b>12 months ended 31 October 2005 (audited)</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	34,000	5,526	144,448
Cost of sales	-	-	(126,708)
<b>Gross profit (loss)</b>	<b>34,000</b>	<b>5,526</b>	<b>17,740</b>
Operating expenses	(295,555)	(649,498)	(1,072,934)
<b>Operating loss</b>	<b>(261,555)</b>	<b>(643,962)</b>	<b>(1,055,194)</b>
Interest receivable	5,283	1,931	14,444
<b>Loss on ordinary activities before taxation</b>	<b>(256,272)</b>	<b>(642,031)</b>	<b>(1,040,750)</b>
Taxation	-	-	-
<b>Retained (loss)/profit for the period</b>	<b>(256,272)</b>	<b>(642,031)</b>	<b>(1,040,750)</b>
<b>Basic loss per share (in pence)</b>	<b>(0.1p)</b>	<b>(0.1p)</b>	<b>(0.1p)</b>

# Oak Holdings plc

## Balance Sheet As at 30 April 2006

	As at 30 April 2006 (unaudited)	As at 30 April 2005 (unaudited)	As at 31 October 2005 (audited)
	£	£	£
<b>Intangible fixed assets</b>	10,828,446	10,828,446	10,828,446
<b>Tangible fixed assets</b>	-	2,519	889
<b>Investments</b>	2,759	-	-
	<hr/>	<hr/>	<hr/>
	10,831,205	10,830,965	10,829,335
Stock	-	121,917	-
Debtors	19,432	107,928	20,385
Cash at bank and in hand	176,302	744,310	449,802
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<b>Current assets</b>	195,734	974,155	470,187
<b>Creditors falling due within one year</b>	(221,749)	(345,184)	(238,305)
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<b>Net current assets</b>	(26,015)	628,971	231,882
<b>Total assets less current liabilities</b>	10,805,190	11,459,936	11,061,217
<b>Creditors falling due after more than one year</b>	(180,695)	(180,695)	(180,695)
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<b>Net assets</b>	10,624,495	11,279,241	10,880,522
<b>Capital and reserves</b>			
Called up share capital	7,480,886	7,480,783	7,480,783
Share premium account	2,987,146	2,987,004	2,987,004
Capital redemption reserve	164,667	164,667	164,667
Profit and loss account	(5,205,523)	(4,550,532)	(4,949,251)
Merger reserve	5,197,319	5,197,319	5,197,319
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<b>Equity shareholders' funds</b>	10,624,495	11,279,241	10,880,552

## Oak Holdings plc

### Cash Flow Statement

For the six months ended 30 April 2006

	6 months ended 30 April 2006 (unaudited) £	6 months ended 30 April 2005 (unaudited) £	12 months ended 31 October 2005 (audited) £
<b>Net Cash Outflow from Operating Activities</b>	(276,269)	(587,233)	(894,254)
<b>Returns on Investments and Servicing of Finance</b>			
Net interest received	5,283	1,931	14,444
<b>Capital Expenditure and Financial Investments</b>			
Investments	(2,759)	-	-
<b>Cash Outflow before Financing</b>	<u>(273,745)</u>	<u>(585,302)</u>	<u>(879,810)</u>
<b>Financing</b>			
Proceeds from issue of shares	245	1,135,365	1,135,365
<b>Increase/(Decrease) in Cash</b>	<u>(273,500)</u>	<u>550,063</u>	<u>255,555</u>

### Notes to the Interim Results

- 1 The Group results have been prepared in accordance with the accounting policies stated in the 2005 annual report.
- 2 Turnover for the 12 months ended 31 October 2005 included the property sale at £123,067 of freehold land at Great Haywood, Staffs, previously held for re-sale or potential re-development.
- 3 Goodwill arose on the acquisition of Oak Holdings Limited on 1 December 2003 and was attributable primarily to the selection of Oak Holdings Limited by Rotherham Metropolitan Borough Council (RMBC) as preferred developer on the YES! Project, a planned major entertainment and leisure complex. No amortisation of goodwill has arisen as the directors consider that the useful life of the acquired goodwill relates to the realisation of the YES! Project.
- 4 The calculation of loss per share is based upon the weighted average number of shares in issue during the period of 748,085,110 (Year ended

31 October 2005 – 707,887,207 and 6 months ended 30 April 2005 – 669,696,179).

- 5 The results for the periods to 30 April 2006 and 30 April 2005 are unaudited and do not constitute statutory accounts in accordance with section 240 of the Companies Act 1985. The comparative figures for the year ended 31 October 2005 are an abbreviated version of the full accounts which have been reported on without qualification by the auditors. The auditors however drew attention, in their report on the financial statements for the year ended 31 October 2005, to the value of goodwill being dependent upon being granted planning permission for the YES! Project and the ability to raise development finance and secure tenants for the scheme. They also noted that the Group would need to secure further funds to provide working capital to continue to pursue the scheme. Since the year-end audit report, a major hurdle in the planning process has been overcome with the Government Office's decision 'not to interfere' in the process and to refer it back to RMBC for their determination. The financial statements for the year ended 31 October 2005 have been filed with the Registrar of Companies.
- 6 No dividend is proposed for the period ended 30 April 2006.
- 7 Copies of the interim results will be available to members of the public from the Company's registered office, at 15 Half Moon Street, London W1J 7AT.

**Further enquiries:**

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