Tawa plc

Interim Report 2012

- On track for the 2012 plan;
- GBP £14 million released from the tax escrow;
- On 26 January 2012, the consortium comprising Tawa plc, Skuld, and Paraline Group Limited completed the acquisition of Whittington Insurance Markets Limited (now Asta Capital Limited);
- On 19 April 2012, Tawa completed the acquisition of Hamburger Internationale Rückversicherung, the holding company for the Chiltington group of companies;
- On 5 June 2012 Swiss Re transferred 74% of its shares of ASS Assekuranz Service-und Sachverständigen GmbH to Chiltington International Holding GmbH (73%) and Pro Insurance Solutions Limited (1%). ASS is a specialised service provider in disability claims handling. Swiss Re retain 26% of the shares;
- Reduced loss for the half year: $6.5 million (30 June 2011: loss $9.8 million excluding profit on set-up of QX Re);
- Positive earnings from risk carriers aggregated of $1.6 million (30 June 2011: loss $5.8 million excluding QX Re profits of $20.9 million);
- Downscaling of risk carriers reserves of $16 million, including $12 million for associate CX Re;
- Group net assets: $193.3 million (31 December 2011: $198.2 million);
- Net assets per share in US dollars : $1.70 /£1.10 per share (31 December 2011: $1.75 / £1.13).

Tawa plc was formed in 2001 and is a specialised investor in the insurance industry. In the last few years, Tawa has moved from being a pure run-off risk owner towards being a multi-segment investor in the insurance market, expanding significantly in the servicing arena of the international insurance industry.

Tawa invests in acquiring run-off portfolios ("Portfolios", "Risk Carriers") and investing in servicing business. The Group also operates as an incubator for new projects and has invested alongside professional teams to create two new businesses, Q360 and Lodestar Marine, in addition to developing its own products to serve the insurance market as a whole such as STRIPE®.

On the portfolio front, Tawa has acquired, since its formation, six insurance entities in run-off - CX Reinsurance Company Limited, KX Reinsurance Company Limited, LGIC Holdings, LLC, PXRE Reinsurance Company, Island Capital Limited and OX Reinsurance Company Limited. As an alternative technique to assuming run-off risks, Tawa has also established a dedicated reinsurance vehicle in Bermuda to reinsure portfolios. On the service side, Tawa acquired Pro Insurance Solutions Limited ("Pro") in 2009 and the HIR group in April 2012. HIR owns the Chiltington Consulting Group. Through HIR, Tawa now offers a vehicle for European run-off portfolio transfers under the European Union portfolio transfer directive.

The Group's combined team of approximately 400 professionals service a number of the largest insurance businesses in the UK and Europe and deliver a market-wide third-party servicing capability and cover London's company and Lloyd's markets as well as Europe, Bermuda, South America and the USA. The service companies provide underwriting, claims management, broking and consulting services to a broad array of international clients across the insurance market, whether active underwriters or run-off. Pro has also established an innovative platform to provide turnkey services supporting clients wishing for immediate start of a new broking or MGA venture.

As part of its expansion in the Lloyd's market, in January 2012, Tawa became the owner of 33% of Asta Capital Limited, the leading turnkey agency management services company in Lloyd's.

Highlights

Since the beginning of the year Tawa plc's ("Tawa") energy regarding the run-off portfolios has been focused on volatility reduction, portfolio downscaling and potential sales of some assets. On the servicing side efforts are oriented towards generating profitable growth, integration of our platforms across the various subsidiaries and regions, and cost synergies. Results of those work streams do not yet compensate for the expense of the continuing investment in the recent start-ups, nor the cost of closing prior year acquisitions. The Group has continued to expand during this half year and management remain positive that these investments will deliver financial growth and provide a platform for further opportunities in the future.

Summary of 2012 interim financial results:	**30 Jun 2012 $m**	30 Jun 2011 $m	31 Dec 2011 $m
External revenue	**16.1**	17.9	35.4
Profit recognised following set-up of QX Re	**-**	20.9	7.8
(Loss)/profit for the period	**(6.5)**	(9.8)	(29.4)
Group surplus	**193.3**	234.6	198.2

- Loss for the period attributable to owners of the Company was $6.5 million (30 June 2011: loss $9.8 million excluding profit on set-up of QX Re);
- The Group's total equity has decreased by $4.9 million since 31 December 2011 to $193.3 million as at 30 June 2012;
- Net assets per share in sterling decreased from £1.13 to £1.10 ($ decreased from $1.75 to $1.70);
- The Group's net tangible assets are $167.4 million (31 December 2011: $173.5 million).

On 26 January 2012, a consortium comprising Tawa plc, Skuld, and Paraline Group Limited completed the acquisition of Whittington Insurance Markets Limited. The company has since been renamed Asta Insurance Markets Limited under a new holding company set up by the consortium named Asta Capital Limited ("Asta"). This transaction provides Tawa with a platform through which to expand its range of services to the Lloyd's market. Asta is the leading franchise in the Lloyd's agency management market and provides the Group with real scale as a provider of insurance services to the live market. This is highly complementary with the range of consulting and outsourcing services currently provided through Pro. This half year, the positive earnings of Asta managing agency of $1.8 million have been offset by initial acquisition costs and IFRS adjustments of $2.6 million resulting in a $0.8 million net loss accruing to group consolidated accounts.

On 20 April 2012, Tawa completed the acquisition of Hamburger Internationale Rückversicherung ("HIR"), the holding company for the Chiltington group of companies ("Chiltington"). Chiltington provides consultancy and outsource services to the international (re)insurance industry. While strengthening Tawa's UK and US units, this transaction provides a strong footprint in Continental Europe and a unique platform of insurance consulting in South America. Also, through HIR, Tawa now offers a vehicle for European run-off portfolio transfers under the European Union portfolio transfer directive such as the Austrian Oberoesterreichische portfolio received in May 2012, following the Sparkassen portfolio received in late 2011.

Financial review

During the first six months of 2012, Tawa recognised net losses of $6.5 million compared to net profits of $11.1 million in the six months to 30 June 2011. The half-year 2011 figures benefited from the recognition of an immediate profit of $20.9 million following the set-up of QX Reinsurance Company Limited ("QX Re"). During the period Group net assets decreased by $4.9 million, from $198.2 million ($1.75/£1.13 per share) at 31 December 2011 to $193.3 million ($1.70/£1.10 per share) at 30 June 2012 mainly as a result of investment in new or recently acquired business.

Dividend and dividend policy

No dividend will be distributed in 2012 in relation to the results for the 2011 financial year. The Group does not propose the payment of a dividend to shareholders in relation to the six month period to 30 June 2012 (June 2011: nil).

Operational results

Tawa has the following divisions with clearly identified lines of business, namely:

- **Risk carriers/insurance division** which holds the acquired insurance entities in run-off (the risk carriers). Profitability is achieved by effectively managing these assets and liabilities;
- **Service providers** which comprise a platform that generates income from both consulting and outsourcing. Consulting typically includes work provided directly for clients and the outsourcing division includes work done on behalf of clients on our operating platform; and
- **Corporate division** which comprises incubators, all group overheads, corporate costs, acquisition activities and financing.

Risk carriers/insurance division

Tawa generates value from run-offs in a variety of ways, depending on the nature of each run-off entity in question. These strategies include:

- Buying net assets at a significant discount to economic value and accelerating capital extraction; and
- Buying volatile books of business and applying its management techniques to create value and reduce volatility.

This division comprises the results from the following run-off companies in which Tawa held the following interests at the reporting date:

Name of subsidiary	Place of incorporation (or registration) and operation	Portion of ownership interest
KX Reinsurance Company Limited ("KX Re")	Great Britain	100%
PXRE Reinsurance Company ("PXRE")	United States Connecticut	100%
Hamburger Internationale Rückversicherung ("HIR")	Germany	100%
Island Capital Ltd ("ICL")	Bermuda	94.30%
Island Capital (Europe) Ltd ("ICE")	Great Britain	94.30%
OX Reinsurance Company Limited ("OX Re")	Great Britain	100%
Pavant International Re S.A ("PIR")	France	100%
QX Reinsurance Company Limited ("QX Re")	Bermuda	100%
Name of Associate		
CX Reinsurance Company Limited ("CX Re")	Great Britain	12.65%

CX Re was initially a subsidiary of the Group but on 21 March 2006 Tawa disposed of 87.35% of its shareholding. In accordance with IFRS, the retained shareholding of 12.65% has been accounted for as an associate since that date. Although the Company disposed of 87.35% of CX Re the deferred consideration receivable on the sale will reflect the current net asset value of CX Re. As at 30 June 2012, the total deferred consideration was $48.0 million (June 2011: $61.9 million / December 2011: $53.8 million).

The risk carriers' net profit of $1.9 million (June 2011: loss of $5.8 million), excluding taxation which is subject to group relief and any intergroup fees which are eliminated on consolidation, is summarised below:

	Group risk carriers						Associate		
	KX Re $m	PXRE $m	ICG [1] $m	OX Re $m	QX Re $m	**Total Group $m**	**CX Re $m**	**30 Jun 2012 $m**	30 Jun 2011 [2] $m
Results									
ALM results	0.7	0.3	0.4	0.1	1.1	**2.6**	**0.7**	**3.3**	3.0
Premium and other income	2.1	(0.1)	0.1	-	-	**2.1**	**(1.1)**	**1.0**	1.8
Liability management	(1.4)	0.4	(0.5)	-	(0.3)	**(1.8)**	**0.7**	**(1.1)**	(8.1)
Other	(0.6)	(0.5)	-	(0.1)	(0.1)	**(1.3)**	**-**	**(1.3)**	(2.5)
Group profit/(loss) for the year	(1.2)	0.1	-	-	0.7	**(0.4)**	**0.3**	**(0.1)**	(5.8)
Group relief payment of surrendered losses	(2.0)	-	-	-	-	**(2.0)**	**-**	**(2.0)**	-
Intergroup fees eliminated on consolidation	(1.0)	-	-	-	-	**(1.0)**	**(0.6)**	**(1.6)**	(2.3)
Segmental profit/(loss) for the year	(2.2)	0.1	-	-	0.7	**(1.4)**	**(0.3)**	**(1.7)**	(8.1)
Capital extracted	-	-	-	(2.4)	-	**(2.4)**	**-**	**(2.4)**	(22.8)

(1) ICG includes the results of ICL and ICE.

(2) The 30 June 2011 comparative excludes the profit of $20.9 million recognised following the set-up of QX Re.

A dividend of $2.4 million was paid by OX Re during the period.

Service providers

Tawa's servicing platform comprises income from both consulting and outsourcing. Consulting typically refers to work provided directly to clients and the outsourcing division refers to work Tawa does on behalf of clients on its operating platform.

This division comprises the results from the following service companies, in which Tawa had the following interests at the reporting date:

Name of subsidiary	Place of incorporation (or registration) and operation	Portion of ownership interest
Pro Insurance Solutions Limited ("Pro")	Great Britain	100%
Pro IS, Inc ("Pro IS")	United States Delaware	100%
Tawa Consulting Limited ("TCL")	Great Britain	100%
Chiltington group of companies ("Chiltington") [1]	Various	100%

(1) Chiltington group of companies reported under this segment comprises all entities listed in Note 4, with the exception of the risk carriers HIR and PIR.

The service providers' net profit of $0.6 million, excluding any taxation which will be eliminated on consolidation under group relief, is summarised below:

	Pro (1) $m	TCL $m	30 Jun 2012 $m	30 Jun 2011 $m
Results				
Revenue from services	13.4	0.2	**13.6**	15.2
Other income	2.1	-	**2.1**	1.3
Cost of services	(14.9)	(0.2)	**(15.1)**	(13.2)
Group profit for the year	0.6	-	**0.6**	3.3
Taxation eliminated under Group relief	(0.3)	-	**(0.3)**	(0.9)
Segmental profit for the year	0.3	-	**0.3**	2.4
Capital extracted	(3.2)	-	**(3.2)**	-

(1) Pro includes the results of Pro and Pro IS.

A dividend of $3.2 million was paid by Pro during the period.

No result has been recognised in the period in respect of Chiltington. As part of the integration process implemented post acquisition, there are some operational and procedural changes that need to be addressed to align the Chiltington reporting cycle with that of the Group. It is anticipated that coterminous reporting will be achieved by 31 December 2012.

Corporate division

This division incorporates the corporate costs and Group overheads, incubator costs, acquisition activities and financing.

The corporate divisions' net loss of $6.7 million, excluding any intergroup fees which are eliminated on consolidation, is summarised below:

	30 Jun 2012 $m	30 Jun 2011 $m
Corporate costs		
Tawa plc	**(2.3)**	(3.2)
Variable pay	**-**	(0.7)
Share based payment accrual	**(0.2)**	(0.3)
Group tax relief received	**2.3**	0.8
Other	**(0.4)**	(2.2)
Total corporate costs	**(0.6)**	(5.6)
Incubator costs	**(3.5)**	(1.1)
Acquisition related costs		
Acquisition related costs	**(0.2)**	(0.3)
Negative goodwill	**-**	1.5
Total acquisition related costs	**(0.2)**	1.2
Finance costs	**(1.6)**	(1.0)
Share of result in associate Asta Capital Ltd	**(0.8)**	-
Group loss for the year	**(6.7)**	(6.5)
Intergroup fees eliminated on consolidation	**1.6**	2.3
Segmental loss for the year	**(5.1)**	(4.2)

The ongoing development in incubators remains substantial. Operating costs of Q360 Limited $2.1 million, Lodestar Marine Limited $1.1 million and STRIPE® $0.6 million were only marginally offset by combined revenues of $0.3 million. As these investments represent development of new projects, it is accepted that the generation of positive cash flows will take varying amounts of time and the Group is implementing measures to control costs.

Although Tawa's associate Asta Capital Limited returned a trading profit for the period of $5.4 million, it reported an overall loss for the period of $2.3 million, of which Tawa has a 33.33% share. The main contributory factors for this loss are fees in relation to the acquisition being expensed and a one-off acquisition completion bonus payable to executives and staff.

Prospects

Following the AGM on 21 June 2012, it was announced that the Board and management are reviewing strategic themes such as:

- Sale of non core assets;
- Expansion of the service business and further run-off acquisition opportunities; and
- Entry of new equity partners either through Tawa new shares offering or through partnerships or similar arrangement to complement existing shareholder capital.

The above all work towards the goal of continuing and accelerating the migration of the Group from a pure run-off acquirer to a diversified insurance specialist. Since then progress has been made on this review, with the latest step being the announcement on 10 September 2012 that Tawa is seeking potential offerors by means of a formal sale process in accordance with Rule 2.6 of the Takeover Code.

The aim of this process is to benchmark the shareholder value creation of the other strategic options available against the potential immediate value to our shareholders of a bid for the entire company. There can be no certainty that an offer will be made or as to the terms of any such offer, be it from strategic investors or financial shareholders.

Tawa plc Condensed consolidated income statement

	Notes	6 months 30 Jun 2012 (Unaudited) $m	6 months 30 Jun 2011 (Unaudited) $m	12 months 31 Dec 2011 (Audited) $m
Income from continuing operations				
Insurance premium revenue [1]		**0.2**	57.8	58.6
Insurance premium ceded to reinsurers		**(0.2)**	2.0	(0.4)
Commission income		**0.1**	-	-
Net earned premium revenue		**0.1**	59.8	58.2
Revenue from consultancy, insurance and run-off services		**16.1**	17.9	35.4
Investment return		**4.0**	2.6	11.0
Other income		**4.0**	1.9	5.6
Income		**24.1**	22.4	52.0
Total income		**24.2**	82.2	110.2
Insurance claims and loss adjustment expenses		**(3.8)**	(43.8)	(84.6)
Insurance claims and loss adjustment expenses recovered from reinsurers		**0.7**	3.0	21.6
Net insurance claims		**(3.1)**	(40.8)	(63.0)
Total expenses		**(25.0)**	(23.5)	(53.3)
Results of operating activities before negative goodwill recognised		**(3.9)**	17.9	(6.1)
Negative goodwill recognised		**-**	1.5	1.5
Results of operating activities		**(3.9)**	19.4	(4.6)
Share of results of associates		**(0.8)**	(0.8)	(1.8)
Finance costs		**(1.5)**	(2.1)	(4.0)
(Loss)/profit before taxation		**(6.2)**	16.5	(10.4)
Taxation		**-**	(0.2)	1.0
(Loss)/profit for the period from continuing operations		**(6.2)**	16.3	(9.4)
Loss for the period from discontinued operations	7	**(0.3)**	(5.3)	(12.5)
(Loss)/profit for the period		**(6.5)**	11.0	(21.9)
Attributable to:				
Owners of the Company		**(6.5)**	11.1	(21.6)
Non-controlling interests		**-**	(0.1)	(0.3)
		(6.5)	11.0	(21.9)
Earnings per share				
From continuing and discontinued operations				
Basic: Ordinary shares (cents per share)	8	**(5.78)**	9.96	(19.83)
Diluted: Ordinary shares (cents per share)	8	**(5.78)**	9.96	(19.83)
From continuing operations				
Basic: Ordinary shares (cents per share)	8	**(5.51)**	14.76	(8.51)
Diluted: Ordinary shares (cents per share)	8	**(5.51)**	14.76	(8.51)

(1) The 2011 comparatives include the single reinsurance premium of $56.9 million paid to QX Reinsurance Company Limited from Penn National at inception.

Tawa plc Condensed consolidated statement of comprehensive income

	6 months 30 Jun 2012 (Unaudited) $m	6 months 30 Jun 2011 (Unaudited) $m	12 months 31 Dec 2011 (Audited) $m
(Loss)/profit for the period	**(6.5)**	11.0	(21.9)
Other comprehensive (losses)/income			
Currency translation differences	**(0.4)**	0.9	(0.8)
Total comprehensive (losses)/income for the period	**(6.9)**	11.9	(22.7)
Attributable to:			
Owners of the Company	**(6.9)**	12.0	(22.4)
Non-controlling interests	**-**	(0.1)	(0.3)
	(6.9)	11.9	(22.7)

	Notes	30 Jun 2012 (Unaudited) $m	30 Jun 2011 (Unaudited) $m	31 Dec 2011 (Audited) $m
Assets				
Cash and cash equivalents		**63.3**	54.2	44.7
Financial assets - investments		**279.7**	266.8	267.1
Loans and receivables including insurance receivables		**60.9**	67.2	56.5
Reinsurers' share of technical provisions		**41.4**	33.8	46.3
Property, plant and equipment		**1.9**	1.4	2.1
Deferred assets	10	**48.0**	61.9	53.8
Interest in associates		**14.3**	6.0	4.9
Other intangible assets		**2.2**	2.0	1.3
Goodwill		**23.7**	23.0	23.4
Total assets		**535.4**	516.3	500.1
Equity				
Share capital		**22.2**	22.2	22.2
Share premium		**110.6**	111.4	111.4
Other reserves		**2.2**	1.2	(0.2)
Retained earnings		**57.3**	98.6	63.8
Equity attributable to owners of the Company		**192.3**	233.4	197.2
Non-controlling interests		**1.0**	1.2	1.0
Total equity		**193.3**	234.6	198.2
Liabilities				
Creditors arising out of insurance operations		**69.4**	58.3	58.9
Other liabilities		**38.4**	26.9	29.4
Financial liabilities - borrowings		**59.5**	36.5	36.6
Technical provisions		**174.8**	160.0	177.0
Total liabilities		**342.1**	281.7	301.9
Total liabilities and equity		**535.4**	516.3	500.1

Tawa plc Condensed consolidated statement of changes in equity

As at 30 June 2012

	Share capital $m	Share premium reserve $m	Share based payments reserve $m	Own shares reserve $m	Translation reserve $m	Retained earnings $m	Total $m	Non-controlling interests $m	Total equity $m
Balance at 1 January 2011	**22.2**	**111.4**	**3.2**	**(1.1)**	**(0.5)**	**89.8**	**225.0**	**1.3**	**226.3**
Comprehensive income									
Profit/(loss) for the period	-	-	-	-	-	11.1	11.1	(0.1)	11.0
Other comprehensive income									
Currency translation differences	-	-	-	-	0.9	-	0.9	-	0.9
Total comprehensive income for the period	-	-	-	-	0.9	11.1	12.0	(0.1)	11.9
Transactions with owners									
Share based payments	-	-	0.3	-	-	-	0.3	-	0.3
Dividends paid	-	-	-	-	-	(2.3)	(2.3)	-	(2.3)
Own shares acquired in the period	-	-	-	(1.6)	-	-	(1.6)	-	(1.6)
Total transactions with owners	**-**	**-**	**0.3**	**(1.6)**	**-**	**(2.3)**	**(3.6)**	**-**	**(3.6)**
Balance at 30 June 2011	**22.2**	**111.4**	**3.5**	**(2.7)**	**0.4**	**98.6**	**233.4**	**1.2**	**234.6**
Balance at 1 July 2011	**22.2**	**111.4**	**3.5**	**(2.7)**	**0.4**	**98.6**	**233.4**	**1.2**	**234.6**
Comprehensive income									
Loss for the period	-	-	-	-	-	(32.7)	(32.7)	(0.2)	(32.9)
Other comprehensive income									
Currency translation differences	-	-	-	-	(1.7)	-	(1.7)	-	(1.7)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(1.7)**	**(32.7)**	**(34.4)**	**(0.2)**	**(34.6)**
Transactions with owners									
Share based payments	-	-	0.2	-	-	-	0.2	-	0.2
Dividends paid	-	-	-	-	-	(2.1)	(2.1)	-	(2.1)
Own shares acquired in the period	-	-	-	0.1	-	-	0.1	-	0.1
Total transactions with owners	**-**	**-**	**0.2**	**0.1**	**-**	**(2.1)**	**(1.8)**	**-**	**(1.8)**
Balance at 31 December 2011	**22.2**	**111.4**	**3.7**	**(2.6)**	**(1.3)**	**63.8**	**197.2**	**1.0**	**198.2**

	Share capital $m	Share premium reserve $m	Share based payments reserve $m	Own shares reserve $m	Translation reserve $m	Retained earnings $m	Total $m	Non-controlling interests $m	Total equity $m
Balance at 1 January 2012	**22.2**	**111.4**	**3.7**	**(2.6)**	**(1.3)**	**63.8**	**197.2**	**1.0**	**198.2**
Comprehensive income									
Loss for the period	-	-	-	-	-	(6.5)	(6.5)	-	(6.5)
Other comprehensive income									
Currency translation differences	-	-	-	-	(0.4)	-	(0.4)	-	(0.4)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**(0.4)**	**(6.5)**	**(6.9)**	**-**	**(6.9)**
Transactions with owners									
Issue of share capital	0.4	1.4	-	-	-	-	1.8	-	1.8
Share based payments	-	-	0.2	-	-	-	0.2	-	0.2
Dividends paid	-	-	-	-	-	-	-	-	-
Own shares cancelled in the period	(0.4)	(2.2)	-	2.6	-	-	-	-	-
Total transactions with owners	**-**	**(0.8)**	**0.2**	**2.6**	**-**	**-**	**2.0**	**-**	**2.0**
Balance at 30 June 2012	**22.2**	**110.6**	**3.9**	**-**	**(1.7)**	**57.3**	**192.3**	**1.0**	**193.3**

Condensed consolidated statement of cash flows

For the period ended 30 June 2012

	Notes	6 months 30 Jun 2012 (Unaudited) $m	6 months 30 Jun 2011 (Unaudited) $m	12 months 31 Dec 2011 (Audited) $m
Net cash (used in)/generated by operations	11	**(36.2)**	37.1	25.9
Investing activities				
Cash payments to acquire debt securities		**(170.7)**	(669.7)	(1,144.8)
Cash receipts from sale or maturity of debt securities		**193.1**	606.3	1,113.1
Cash transferred from investing activities		**5.9**	26.9	(3.7)
Cash receipts from interest		**4.0**	2.4	6.8
Purchases of property, plant and equipment		**-**	-	(1.0)
Acquisition of investment in an associate		**(10.1)**	-	-
Acquisition of subsidiary net of cash and cash equivalents		**9.2**	2.4	2.4
Cash generated by/(used in) investing activities		**31.4**	(31.7)	(27.2)
Financing activities				
Dividends paid		**-**	(2.3)	(4.4)
Own shares purchased		**-**	(1.6)	(1.5)
Proceeds from financial borrowings		**23.2**	27.6	27.6
Repayments of financial borrowings		**-**	(23.4)	(24.1)
Cash flows generated by/(used in) financing activities		**23.2**	0.3	(2.4)
Net increase in cash and cash equivalents		**18.4**	5.7	(3.7)
Cash and cash equivalents at beginning of period		**44.7**	48.5	48.5
Effects of exchange rate changes on the balance of cash held in foreign currencies		**0.2**	-	(0.1)
Cash and cash equivalents at end of period		**63.3**	54.2	44.7

1 General information

Tawa plc (the "Company") and its subsidiaries (together the "Group") are engaged in four principal business activities:

- The acquisition and run-off of insurance companies that have ceased underwriting;
- The provision of insurance;
- The provision of run-off management services to acquired insurance companies; and
- The provision of insurance services to external clients.

On 26 January 2012, a consortium comprising Tawa plc, Skuld, and Paraline Group Limited completed the acquisition of Whittington Insurance Markets Limited. The company has since been renamed Asta Insurance Markets Limited under a new holding company set up by the consortium named Asta Capital Limited ("Asta"). This transaction provides Tawa with a platform through which to expand its range of services to the Lloyd's market. Asta is the leading franchise in the Lloyd's agency management market and provides the Group with real scale as a provider of insurance services to the live market. This is highly complementary with the range of consulting and outsourcing services currently provided through Pro.

On 20 April 2012, Tawa completed the acquisition of Hamburger Internationale Rückversicherung ("HIR"), the holding company for the Chiltington group of companies ("Chiltington"). Chiltington provides consultancy and outsource services to the international (re)insurance industry and specialises in compliance, audit and investigation work, litigation support, restructuring services, claims management and commutations. While strengthening our UK and US units, this transaction provides a strong footprint in Continental Europe and a platform of insurance consulting in South America.

The interim consolidated financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2011. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not include a reference to any matters to which the auditors draw attention by way of emphasis without qualifying the report, and did not contain any statements under section 498(2) or 498(3) of the Companies Act 2006.

The Directors have considered the position of the Group's investments and assets compared to the technical provisions and other liabilities. In addition they have assessed the Group's liquidity with regard to expected future cash flows. They have also considered the performance of the business, as discussed in the interim results. In light of these reviews the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the interim report.

The Directors confirm that the risks disclosed in the Company's consolidated financial statements for the year ended 31 December 2011 are still relevant for the current period and the remaining period to the year end. A description of these risks is included in note 5 to the 31 December 2011 consolidated financial statements, namely; insurance risk, market risk (including interest rate risk), currency risk, credit risk, liquidity risk, and risk related to the Group's deferred assets.

The interim results have been reviewed by the Group's auditors, Mazars LLP, and their review report is set out on page 23.

2 Significant accounting policies

The annual financial statements of Tawa plc are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2011.

3 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2011. There have been no changes since the year end in any risk management policies.

4 Acquisition of subsidiaries

Hamburger Internationale Rückversicherung AG

On 20 April 2012 the Group acquired 100% of the issued share capital of Hamburger Internationale Rückversicherung AG ("HIR"). HIR is the parent company of a group of companies detailed below which are involved in reinsurance, management and advisory services:

Chiltington Holdings Limited
Chiltington International Limited
Professional Resources Limited
C.I.R.A.S. Limited
Stopstart Limited
Chiltington International Holdings Limited
Chiltington International Holding GmbH
Chiltington International Inc
Chiltington International GmbH
Chiltington Internacional S.A.
Professional Resources S.A.
Chiltington Internacional S.A. de CV
Chiltington Internacional S.L
Pavant International Re S.A. ("PIR")
Hamburg International Reinsurance Limited
PlusPunkt Marketing AG i.L. (in liquidation)

This transaction has been accounted for by the purchase method of accounting. The initial accounting for the business combination is incomplete and the amounts recognised in these financial statements are provisional. The fair values of the acquired intangible assets are provisional pending the final valuations of these assets. The net assets acquired in the transaction, and the goodwill arising, are as follows:

	Book value $m	Fair Value adjustments $m	**Fair value on acquisition $m**
Assets			
Cash and cash equivalents	13.7	-	**13.7**
Financial assets - investments	32.9	0.2	**33.1**
Loans and receivables including insurance receivables	6.0	-	**6.0**
Reinsurers' share of technical provisions	0.6	-	**0.6**
Property, plant and equipment	0.1	-	**0.1**
Other intangible assets	-	1.0	**1.0**
Liabilities			
Creditors arising out of insurance operations	(5.1)	-	**(5.1)**
Other liabilities	(14.8)	(1.2)	**(16.0)**
Technical provisions	(26.8)	0.4	**(26.4)**
	6.6	0.4	**7.0**
Consideration paid in cash			**4.5**
Consideration paid in shares			**1.9**
Deferred consideration payable			**0.9**
Consideration paid net of cash and cash equivalents			**(9.2)**
Goodwill on acquisition			**0.3**

The goodwill arising on acquisition is a result of expected synergies from combining operations and intangible assets that do not qualify for separate recognition.

4 Acquisition of subsidiaries continued

Hamburger Internationale Rückversicherung AG continued

Deferred consideration payable as reserved dividends are due to the sellers as illustrated in the table below:

		Maximum settlements per annum $m
Dividends paid by HIR prior to 31 Mar 2012	100%	3.8
Dividends paid by HIR between 1 Apr 2012 - 31 Dec 2012	90%	3.4
Dividends paid by HIR between 1 Apr 2013 - 31 Dec 2013	75%	2.8
Dividends paid by HIR between 1 Apr 2014 - 31 Dec 2014	60%	2.3
Dividends paid by HIR between 1 Apr 2015 - 31 Dec 2015	45%	1.7
Dividends paid by HIR between 1 Apr 2016 - 31 Dec 2016	30%	1.1
Dividends paid by HIR between 1 Apr 2017 - 31 Dec 2017	15%	0.6

Since acquisition the HIR group of companies have contributed no profit or loss after the elimination of intra-group income and expenses. If the acquisition of the HIR group of companies had been completed on the first day of the financial year, Group loss attributable to equity holders of the parent would have increased by $0.5 million.

On 5 June 2012 Swiss Re transferred 74% of its shares of ASS Assekuranz Service-und Sachverständigen GmbH ("ASS") to Chiltington International Holding GmbH (73%) and Pro Insurance Solutions Limited (1%). ASS is a specialised service provider in disability claims handling. Swiss Re retain 26% of the shares.

5 Investment in associate

Asta Capital Limited

On 26 January 2012, the consortium comprising Tawa plc, Skuld, and Paraline Group Limited completed the acquisition of Whittington Insurance Markets Limited. The company has since been renamed Asta Insurance Markets Limited under a new holding company set up by the consortium named Asta Capital Limited ("Asta"). Tawa's share of associate as at 30 June 2012 is:

	30 Jun 2012 $m
Revenue	**8.1**
Loss for the year	**(2.2)**
Group's share of associate's loss at 33.33%	**(0.8)**
Total assets	**50.7**
Total liabilities	**(23.7)**
Net assets	**27.0**
Group's share of associate's net assets at 33.33%	**9.0**

6 Segmental information

The Group's reportable segments under IFRS 8 are identified as follows:

- Underwriting run-off and insurance;
- CX Re (associate) underwriting run-off;
- Service providers; and
- Other corporate activities.

The other corporate activities segment includes corporate expenses and other activities not related to the core business segments and which are not reportable segments due to their immateriality. Certain expenses and taxes are not allocated across the segments.

6 Segmental information continued

The accounting policies of the reportable segments are not the same as the Group's accounting policies. The segmental reporting includes the results for associate CX Re in relation to all equity holders as an operating segment, whereas the financial statements show the results for CX Re as a non-operating activity; namely share of results of associate and loss for the year from discontinued operations. A reconciliation to the financial statements has been performed.

Segment income and results

The following is an analysis of the Group's revenue and result by reportable segment.

For the period ended 30 June 2012	Underwriting run-off and insurance $m	CX Re underwriting run-off $m	Service providers $m	Other corporate activities $m	Intra-group $m	Reconciliation to financial statements $m	Total $m
Income from continuing operations							
Insurance premium revenue	0.2	(0.7)	-	-	-	0.7	**0.2**
Insurance premium ceded to reinsurers	(0.2)	(0.4)	-	-	-	0.4	**(0.2)**
Commission income	-	-	-	0.1	-	-	**0.1**
Net earned premium revenue	-	(1.1)	-	0.1	-	1.1	**0.1**
Revenue from consultancy and run-off services	-	-	18.0	7.6	(9.5)	-	**16.1**
Investment return	4.0	2.7	-	-	-	(2.7)	**4.0**
Other income	1.9	-	2.1	-	-	-	**4.0**
Income	5.9	2.7	20.1	7.6	(9.5)	(2.7)	**24.1**
Total income	**5.9**	**1.6**	**20.1**	**7.7**	**(9.5)**	**(1.6)**	**24.2**
Insurance claims and loss adjustment expenses	(3.8)	(1.9)	-	-	-	1.9	**(3.8)**
Insurance claims and loss adjustment expenses recovered from reinsurers	0.7	0.8	-	-	-	(0.8)	**0.7**
Net insurance claims	(3.1)	(1.1)	-	-	-	1.1	**(3.1)**
Segment expenses	(2.1)	(0.8)	(19.6)	(12.8)	9.5	0.8	**(25.0)**
Segment results of operating activities before recognising negative goodwill	**0.7**	**(0.3)**	**0.5**	**(5.1)**	**-**	**0.3**	**(3.9)**
Negative goodwill recognised	-	-	-	-	-	-	**-**
Segment results of operating activities	**0.7**	**(0.3)**	**0.5**	**(5.1)**	**-**	**0.3**	**(3.9)**
Share of results of associate	-	-	-	(0.8)	-	-	**(0.8)**
Finance costs	(0.1)	-	-	(1.4)	-	-	**(1.5)**
Taxation	(2.0)	-	(0.2)	2.2	-	-	**-**
Loss for the period from discontinued operations	-	-	-	-	-	(0.3)	**(0.3)**
Segment (loss)/profit for the period	**(1.4)**	**(0.3)**	**0.3**	**(5.1)**	**-**	**-**	**(6.5)**

6 Segmental information continued

Segment income and results continued

For the period ended 30 June 2011	Underwriting run-off and insurance $m	CX Re underwriting run-off $m	Service providers $m	Other corporate activities $m	Intra-group $m	Reconciliation to financial statements $m	Total $m
Income from continuing operations							
Insurance premium revenue	57.8	-	-	-	-	-	**57.8**
Insurance premium ceded to reinsurers	2.0	0.2	-	-	-	(0.2)	**2.0**
Net earned premium revenue	59.8	0.2	-	-	-	(0.2)	**59.8**
Revenue from consultancy and run-off services	-	-	23.6	16.8	(22.5)	-	**17.9**
Investment return	2.5	3.1	-	0.1	-	(3.1)	**2.6**
Other income	1.0	-	1.3	(0.4)	-	-	**1.9**
Income	3.5	3.1	24.9	16.5	(22.5)	(3.1)	**22.4**
Total income	**63.3**	**3.3**	**24.9**	**16.5**	**(22.5)**	**(3.3)**	82.2
Insurance claims and loss adjustment expenses	(43.8)	(9.1)	-	-	-	9.1	**(43.8)**
Insurance claims and loss adjustment expenses recovered from reinsurers	3.0	0.6	-	-	-	(0.6)	**3.0**
Net insurance claims	(40.8)	(8.5)	-	-	-	8.5	**(40.8)**
Segment expenses	(2.5)	(0.9)	(21.6)	(21.9)	22.5	0.9	**(23.5)**
Segment results of operating activities before recognising negative goodwill	**20.0**	**(6.1)**	**3.3**	**(5.4)**	**-**	**6.1**	17.9
Negative goodwill recognised	-	-	-	1.5	-	-	**1.5**
Segment results of operating activities	**20.0**	**(6.1)**	**3.3**	**(3.9)**	**-**	**6.1**	19.4
Share of results of associate	-	-	-	-	-	(0.8)	**(0.8)**
Finance costs	(1.1)	-	-	(1.0)	-	-	**(2.1)**
Taxation	(0.1)	0.1	(0.9)	0.7	-	-	**(0.2)**
Loss for the period from discontinued operations	-	-	-	-	-	(5.3)	**(5.3)**
Segment profit/(loss) for the period	**18.8**	**(6.0)**	**2.4**	**(4.2)**	**-**	**-**	**11.0**

6 Segmental information continued

Segment assets, liabilities and other information

The following is an analysis of the Group's net assets, capital expenditure, impairment losses, depreciation and amortisation by reportable segment.

As at 30 June 2012	Underwriting run-off insurance $m	CX Re underwriting run-off $m	Service providers $m	Other corporate activities $m	Intra-group $m	Reconciliation to financial statements $m	**Total $m**
Segment assets	424.2	195.6	24.6	100.7	(15.3)	(194.6)	**535.2**
Segment liabilities	(268.4)	(156.9)	(14.4)	(74.4)	15.3	156.9	**(341.9)**
Segment net assets	**155.8**	**38.7**	**10.2**	**26.3**	**-**	**(37.7)**	**193.3**
Depreciation	-	-	(0.4)	-	-	-	**(0.4)**
Amortisation of intangible assets	-	-	(0.1)	-	-	-	**(0.1)**
Amortisation of risk premium	0.2	-	-	-	-	-	**0.2**

As at 30 June 2011	Underwriting run-off insurance $m	CX Re underwriting run-off $m	Service providers $m	Other corporate activities $m	Intra-group $m	Reconciliation to financial statements $m	**Total $m**
Segment assets	413.0	231.7	19.4	90.4	(8.5)	(229.7)	**516.3**
Segment liabilities	(226.7)	(184.5)	(10.4)	(53.1)	8.5	184.5	**(281.7)**
Segment net assets	**186.3**	**47.2**	**9.0**	**37.3**	**-**	**(45.2)**	**234.6**
Depreciation	-	-	(0.3)	-	-	-	**(0.3)**
Amortisation of intangible assets	-	-	(0.4)	-	-	-	**(0.4)**
Amortisation of risk premium	1.3	-	-	-	-	-	**1.3**

For the purposes of monitoring segment performance and allocating resources between segments, the Group Chief Executive monitors the tangible, intangible and financial assets and liabilities of each segment. All assets and liabilities are allocated to reportable segments.

Geographical information

The Group's revenue and information about its segment net assets by geographical location are as follows:

As at 30 June 2012	United Kingdom $m	United States of America $m	**Total $m**
Segment revenue	19.3	4.9	**24.2**
Segment net assets	92.4	100.9	**193.3**
As at 30 June 2011	$m	$m	**$m**
Segment revenue	20.2	62.0	**82.2**
Segment net assets	111.3	123.3	**234.6**

Information about major customers

The Group does not derive revenue from an individual policyholder or intermediary that represents 10% or more of the Group's total revenue.

7 Discontinued operation

On 21 March 2006, the Company sold a significant proportion (87.35%) of its "A" shareholding in CX Re to a consortium in which the Company participates. The majority of the consideration receivable is in the form of deferred consideration, any adjustments to the deferred consideration are accounted for as a profit / (loss) on sale of investment in the period in which the adjustments to the deferred consideration arise. The results of the discontinued operation which have been included in the consolidated income statement are as follows:

	30 Jun 2012 $m	30 Jun 2011 $m	31 Dec 2011 $m
Loss on sale of investment	**(0.3)**	(5.3)	(12.5)
Loss for the period	**(0.3)**	(5.3)	(12.5)

8 Earnings per share

Earnings	**30 Jun 2012 $m**	30 Jun 2011 $m	31 Dec 2011 $m
Earnings for the purposes of basic earnings per share from continuing and discontinued operations being net (loss)/profit attributable to equity holders of the Group	**(6.5)**	11.0	(21.9)
Earnings for the purposes of basic earnings per share from continuing operations being net (loss)/profit attributable to equity holders of the Group	**(6.2)**	16.3	(9.4)

Number of shares	**30 Jun 2012**	30 Jun 2011	31 Dec 2011
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**112,481,734**	110,451,131	110,451,131
Effect of dilutive potential Ordinary Shares: Share options	**-**	-	-
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	**112,481,734**	110,451,131	110,451,131

Basic earnings per share	**30 Jun 2012 US cents**	30 Jun 2011 US cents	31 Dec 2011 US cents
From continuing and discontinued operations			
Basic: Ordinary Shares (cents per share)	**(5.78)**	9.96	(19.83)
Diluted: Ordinary Shares (cents per share)	**(5.78)**	9.96	(19.83)
From continuing operations			
Basic: Ordinary Shares (cents per share)	**(5.51)**	14.76	(8.51)
Diluted: Ordinary Shares (cents per share)	**(5.51)**	14.76	(8.51)
From discontinued operations			
Basic: Ordinary Shares (cents per share)	**(0.27)**	(4.80)	(11.32)
Diluted: Ordinary Shares (cents per share)	**(0.27)**	(4.80)	(11.32)

9 Dividends

The Group does not propose the payment of a dividend to shareholders in relation to the interim period (June 2011: nil).

No dividend will be distributed in 2012 in relation to the results for the 2011 financial year.

10 Deferred assets

Deferred assets relate to the consideration outstanding on the disposal of a subsidiary CX Re, as described in note 7, and a transaction facilitation fee. Part of the deferred consideration is related to the net asset value of CX Re and is subject to net asset value adjustments through the income statement.

	30 Jun 2012 $m	30 Jun 2011 $m	31 Dec 2011 $m
Facilitation fee	**14.2**	20.6	19.7
Deferred consideration	**33.8**	41.3	34.1
Deferred assets	**48.0**	61.9	53.8

11 Cash generated by/(used in) operating activities

	30 Jun 2012 $m	30 Jun 2011 $m	31 Dec 2011 $m
Operating (loss)/profit for the period	**(3.9)**	19.4	(4.6)
Adjustments for:			
- negative goodwill	**-**	(1.5)	(1.5)
- income tax expense	**-**	(0.2)	1.0
- investment return for the period transferred to investing activities	**(4.0)**	(2.6)	(6.8)
- realised losses/(gains) on investments	**0.3**	(0.8)	(1.7)
- unrealised (gains)/losses on investments	**(0.3)**	0.8	(2.5)
- depreciation	**0.4**	0.3	0.6
- share based payment expense	**0.2**	0.3	0.5
- amortisation of risk premium	**(0.2)**	(1.3)	(1.9)
- amortisation of intangible asset	**(0.1)**	(0.4)	(1.0)
- adjustment to amortised cost	**0.7**	(0.4)	2.3
- other gains and losses	**(5.3)**	0.4	0.7
	(12.2)	14.0	(14.9)
Change in operating assets and liabilities			
Net (increase)/decrease in insurance receivables and liabilities	**(16.1)**	36.2	55.4
Net increase/(decrease) in loans and receivables	**0.4**	(3.9)	(6.7)
Net decrease in other operating liabilities	**(7.1)**	(7.2)	(4.7)
Cash used in operations	**(35.0)**	39.1	29.1
Finance costs	**(1.2)**	(2.0)	(3.2)
Net cash used in operations	**(36.2)**	37.1	25.9

12 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions and balances between the Group and its associate are disclosed below.

Trading transactions

Tawa Management Limited provides insurance run-off management services to CX Re an associate of the Group in which the Company has a 12.65% equity interest and a 49.95% voting interest.

Run-off services are provided on a negotiated fee basis, the terms and pricing of which are at arm's length. Run-off management expenses are recharged at cost by Tawa Management Limited.

During the period Group companies entered into the following transactions with related parties who are not members of the Group:

	Group income received		
	30 Jun 2012 $m	30 Jun 2011 $m	31 Dec 2011 $m
From associate CX Re for a management fee	**0.6**	1.3	2.5
From associate CX Re for expenses recharged	**2.5**	2.8	6.5
	3.1	4.1	9.0

At the period end, the following balances with related parties who are not members of the Group were outstanding:

	Amounts owed (to)/from related parties		
	30 Jun 2012 $m	30 Jun 2011 $m	31 Dec 2011 $m
Amounts due from associate CX Re	**0.2**	-	-

Key management personnel

The Group considers its key management personnel to include its Executive and Non-Executive Directors and those members of management reporting directly to its Board that have executive management responsibility for Group-wide operations.

Remuneration of key management personnel

The remuneration of key management included in the income statement is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	30 Jun 2012 $m	30 Jun 2011 $m	31 Dec 2011 $m
Short-term employee benefits	**2.0**	2.9	5.1
Post-employment benefits	**0.2**	0.2	0.5
Termination benefits	**-**	-	-
Share based payments	**0.2**	0.2	0.5
Management remuneration	**2.4**	3.3	6.1

Immediate and ultimate parent company

In the opinion of the Directors, the immediate and ultimate parent is Financière Pinault S.C.A., a Société en commandite par actions incorporated in France. The group financial statements of Financière Pinault S.C.A. may be obtained from the Tribunal de Commerce de Paris, 1 Quai de Corse, 75004 Paris, France.

13 Contingent liabilities

Certain of the Group's subsidiaries and its associate CX Re are routinely involved in litigation or potential litigation related to primarily the settlement of insurance claims liabilities. However, none of such actual or proposed litigation that had not been provided for met the definition of a contingent liability. Consequently, the Group had no insurance related, or other, contingent liabilities as at 30 June 2012 (30 June 2011 and 31 December 2011: no contingent liabilities).

14 Events after reporting period

On 10 September 2012 it was announced that Tawa is seeking potential offerors by means of a formal sale process in accordance with Rule 2.6 of the Takeover Code.

The aim of this process is to benchmark the shareholder value creation of the other strategic options available against the potential immediate value to our shareholders of a bid for the entire company. There can be no certainty that an offer will be made or as to the terms of any such offer, be it from strategic investors or financial shareholders.

We have been engaged by Tawa plc to review the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2012 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and related notes 1 to 14. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Respective responsibilities of directors and auditor

The interim report, including the condensed set of consolidated financial statements contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the AIM Rules issued by the London Stock Exchange, which require that the interim report be presented and prepared in a form consistent with that which will be adopted in the Company’s annual accounts having regard to the accounting standards applicable to such annual accounts.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the European Union. The condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, as adopted by the European Union.

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the interim report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules issued by the London Stock Exchange.

Mazars LLP
Chartered Accountants
Tower Bridge House
St Katharine’s Way
London E1W 1DD

19 September 2012

Notes:

(a) The maintenance and integrity of the Tawa plc web site is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Company information

Directors

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Chairman

Gilles Erulin
Chief Executive Officer

Anthony Hamilton
Independent Non-Executive Director

Tim Carroll
Independent Non-Executive Director

Gilles Pagniez
Non-Executive Director

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Company registration number

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Christopher Jones

Nominated Advisor and Broker

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