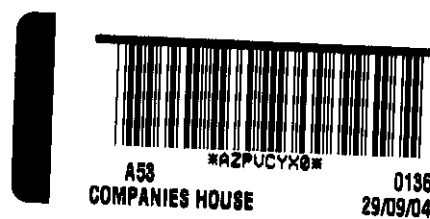


Company No: 1874486

S.G. WARBURG GROUP plc

Half-Year Report

For the six months ended 30 June 2004



Interim Statement

The Group, comprising the Company and its subsidiaries, carries on investment activities including the provision of finance to a number of companies within the UBS AG Group.

Dividends on the 7 5/8 per cent Cumulative Preference shares paid on 31 March 2004 amounted to £0.4m (2003 £0.4m). No dividends have been declared nor paid during the period on the Ordinary shares (2003 £nil) and the Directors do not currently intend to declare any dividends on the Ordinary shares for the six months ended 30 June 2004.

The Directors consider the state of the Company's, and its Group's, affairs to be satisfactory.

INDEPENDENT REVIEW REPORT TO S.G. WARBURG GROUP plc

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2004 which comprises the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Consolidated Cash Flow Statement and the related Note 1. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information 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 Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2004.

Ernst & Young LLP
London
28 September 2004

S.G. WARBURG GROUP plc

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2004

	Six months ended 30 June 2004 (unaudited) £m	Six months ended 30 June 2003 (unaudited) £m	Year ended 31 December 2003 (audited) £m
Turnover	-	1.0	1.6
Interest receivable	28.5	18.4	37.3
Interest payable and similar charges	(14.4)	(12.8)	(25.7)
Other operating income	0.3	-	5.9
Administrative expenses	-	(1.1)	(2.0)
Profit on ordinary activities before taxation	14.4	5.5	17.1
Taxation	(4.2)	(1.8)	(3.3)
Profit after taxation	10.2	3.7	13.8
Minority interests — equity	(0.3)	0.2	(6.5)
Profit after taxation and minority interests	9.9	3.9	7.3
Dividends on Preference Shares	(0.4)	(0.4)	(0.8)
Dividends on Ordinary Shares	-	-	(8.3)
Transfer to reserves	9.5	3.5	(1.8)
Earnings per Ordinary Share (basic and diluted)	4.05	1.51	2.74

There were no recognised gains or losses other than the profit for the period.

The financial information included in this Half-Year Report does not constitute statutory accounts as defined in Section 240 of the Companies Act 1985 but does qualify as interim accounts for the purposes of Sections 270 to 276 of the Companies Act 1985 and will be submitted to the Registrar of Companies for the purposes of Section 272(4) of the Companies Act 1985.

The financial information for the full preceding year is based on the statutory accounts for the financial year ended 31 December 2003. Those financial statements, upon which the auditors issued an unqualified opinion, have been delivered to the Registrar of Companies.

These interim accounts have been prepared on the basis of the accounting policies set out in the statutory accounts of SG Warburg Group plc for the year ended 31 December 2003.

S.G. WARBURG GROUP plc

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2004

	30 June 2004 £m	30 June 2003 £m	31 December 2003 £m
Fixed Assets			
Tangible Assets	0.1	0.1	0.1
Investments	0.1	9.3	0.1
	<u>0.2</u>	<u>9.4</u>	<u>0.2</u>
Current Assets			
Cash at bank and in hand	1.0	2.8	15.5
Current asset investments	-	1.1	-
Debtors	1,641.0	1,694.2	1,608.7
	<u>1,642.0</u>	<u>1,698.1</u>	<u>1,624.2</u>
Creditors			
Amounts falling due within one year	(484.6)	(561.0)	(476.7)
NET CURRENT ASSETS	<u>1,157.4</u>	<u>1,137.1</u>	<u>1,147.5</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>1,157.6</u>	<u>1,146.5</u>	<u>1,147.7</u>
Creditors			
Amounts falling due after more than one year	(113.0)	(113.0)	(113.0)
	<u>1,044.6</u>	<u>1,033.5</u>	<u>1,034.7</u>
Capital and Reserves			
Share Capital	69.6	69.6	69.6
Share Premium Account	291.1	291.1	291.1
Capital Redemption Reserve	64.9	64.9	64.9
Other Reserves	84.9	84.9	84.9
Profit and Loss Account	300.8	296.8	291.3
SHAREHOLDER FUNDS	<u>811.3</u>	<u>807.3</u>	<u>801.8</u>
Minority Interests	233.3	226.2	232.9
Total capital resources	<u>1,044.6</u>	<u>1,033.5</u>	<u>1,034.7</u>
Analysis of shareholder funds			
Equity Interests	800.4	796.4	790.9
Non- Equity Interests	10.9	10.9	10.9
	<u>811.3</u>	<u>807.3</u>	<u>801.8</u>

Approved by the Board of Directors on 28 September 2004 and signed on their behalf by:



Julian V Ozanne, Director

S.G. WARBURG GROUP plc

COMPANY BALANCE SHEET AS AT 30 JUNE 2004

	30 June 2004 £m	30 June 2003 £m	31 December 2003 £m
Fixed Assets			
Investments	161.1	186.8	161.1
	<u>161.1</u>	<u>186.8</u>	<u>161.1</u>
Current Assets			
Debtors	1,228.1	1,284.9	1,216.6
	<u>1,228.1</u>	<u>1,284.9</u>	<u>1,216.6</u>
Creditors			
Amounts falling due within one year	(468.9)	(540.7)	(462.7)
NET CURRENT ASSETS	759.2	744.2	753.8
TOTAL ASSETS LESS CURRENT LIABILITIES	920.3	931.0	914.9
Creditors			
Amounts falling due after more than one year	(113.0)	(113.0)	(113.0)
	<u>807.3</u>	<u>818.0</u>	<u>801.9</u>
Capital and Reserves			
Share Capital	69.6	69.6	69.6
Share Premium Account	291.1	291.1	291.1
Other Reserves	149.8	149.8	149.8
Profit and Loss Account	296.8	307.5	291.4
SHAREHOLDER FUNDS	<u>807.3</u>	<u>818.0</u>	<u>801.9</u>
Analysis of shareholder funds			
Equity Interests	796.4	807.1	791.0
Non- Equity Interests	10.9	10.9	10.9
	<u>807.3</u>	<u>818.0</u>	<u>801.9</u>

Approved by the Board of Directors on 28 September 2004 and signed on their behalf by:


Julian V Ozanne, Director

S.G. WARBURG GROUP plc

CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2004

	Six months ended 30 June 2004 £m	Six months ended 30 June 2003 £m	Year ended 31 December 2003 £m
Net cash (outflow)/inflow from operating activities (Note 1)	(14.0)	0.1	17.6
Returns on investments and servicing of finance:			
Preference dividend paid	(0.4)	(0.4)	(0.8)
Receipts from sale of fixed assets	-	-	14.7
Receipts from sale of current asset investments	-	-	1.4
Taxation paid	(0.1)	(0.3)	(20.9)
(Decrease)/increase in cash	(14.5)	(0.6)	12.0

Reconciliation of net cash flow to movement in net funds

	Six months ended 30 June 2004 £m	Six months ended 30 June 2003 £m	Year ended 31 December 2003 £m
(Decrease)/increase in cash	(14.5)	(0.6)	12.0
Opening net funds	15.5	3.4	3.5
Closing net funds	1.0	2.8	15.5

NOTES TO THE CASH FLOW STATEMENT

1) Reconciliation of profit before tax to net cash (outflow)/inflow from operating activities

	Six months ended 30 June 2004 £m	Six months ended 30 June 2003 £m	Year ended 31 December 2003 £m
Profit before tax	14.4	5.5	17.1
Revaluation of Fixed Asset Investments	-	0.1	-
Revaluation of Current Asset Investments	-	(0.1)	-
Loss on sale on investments	-	-	(5.9)
(Increase)/decrease in debtors	(32.3)	(23.0)	62.6
Increase/(decrease) in creditors	3.9	17.6	(56.2)
Net cash (outflow)/inflow from operating activities	(14.0)	0.1	17.6