3223028

Amazon.co.uk Limited

Report and Financial Statements

31 December 2006

Registered No 3223028

Directors

Michael D Deal	
Brian McBride	(appointed 1 June 2007)
Shaun McCabe	(appointed 1 April 2008)
Martin Sharples	(appointed 1April 2008)
Michael Roth	(appointed 1 June 2007, resigned 1 April 2008)

Co –Secretary

Mitre Secretaries Limited	
Vincent Collins	(appointed 1 April 2008)

Auditors

Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
Berkshire
RG1 1YE

Bankers

Deutsche Bank AG
Winchester House
1 Great Winchester Street
London
EC2N 2DB

Solicitors

Cameron McKenna
Mitre House
160 Aldersgate Street
London
EC1A 4DD

Registered office

Patriot Court
1-9 The Grove
Slough
Berkshire
SL1 1QP

Directors' report

The directors present their report and financial statements for the year ended 31 December 2006

Results and dividends

The profit for the year amounted to £507,687 (2005 *Restated* £ 2,499,564) The directors do not recommend the payment of any dividends (2005 £nil)

Principal activities and review of the business

The principal activity of the company during the year was the provision of fulfilment, marketing and support services to other group undertakings

The key performance indicator for the company is administrative expense As part of the budgetary process, targets are set with respect to administrative expenses in order to effectively manage the activities of the company Performance against targets is reviewed on a regular basis and appropriate actions taken as required

Future developments

The directors aim to maintain the management policies which have resulted in the company's growth in the last year The company is in a good position to take advantage of any opportunities which may arise in the future

Principal Risk and Uncertainties

The company is dependent on the continued success of the Amazon com group companies The principal risks and uncertainties they face include, among others, risks related to competition, management of growth, new products, services and technologies, potential fluctuations in operating results, international expansion, outcomes of legal proceedings and claims, fulfilment centre optimization, seasonality, commercial agreements, acquisitions and strategic transactions, foreign exchange rates, system interruption, significant amount of indebtedness, inventory, government regulation and taxation, payments and fraud More information about the principal risks and uncertainties facing the group are included in Amazon com, Inc 's filings with the U S Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2006, and subsequent filings

Employees

The company is committed to providing equal opportunities for everyone who works at the company, including anyone who applies to work for the company or has worked for the company This policy applies to all employees, anyone working for any of the company's business units or anyone visiting the company's premises

All applications from disabled persons are fully considered Should an employee become disabled, it is the group's practice to continue their current employment where possible or offer suitable alternatives It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

The company's aim is to ensure that everyone achieves their full potential and that employment decisions and actions are not taken on discriminatory grounds

Health and Safety

The company considers that the health and safety of its workforce is very important The company's policy therefore sets out its commitment to health and safety The policy applies to all employees and anyone working for the company in any of its business units or who are visiting any of the company's premises It is the company's policy to operate its business in accordance with the Health and Safety at Work Act 1974 and all applicable regulations made under this legislation so far as is reasonably practicable This policy

Directors' report

will be regularly reviewed and revised, as appropriate, to take into account changes in circumstances or in legal requirements

Corporate responsibility

The company recognises that, as part of a wider community of employees, shareholders, customers suppliers and others, it has a responsibility to act in a way that respects the environment and minimises any adverse impacts caused by its operations

The company believes that the Online shopping business it supports is inherently more environmentally friendly than traditional retailing and the company is constantly looking for ways to further reduce our environmental impact Through our corporate responsibility practices, the company aims to

- Meet all relevant legislative requirements on environmental issues, and
- Conserve energy and natural resources by minimising waste and recycling where possible

Directors' Liability

The company has indemnified one or more of the directors of the company against liability in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 1985 Such qualifying third party indemnity provisions were in force during the year and are in force as at the date of approving the director's report

Supplier Payment Policy

The company's policy is to abide by the agreed terms of payment with suppliers where the goods and services have been supplied in accordance with the relevant terms and conditions of the contract

Financial Risk Management

The directors have not disclosed the company's financial risk management objectives and policies nor the company's exposure to price risk, credit risk, liquidity risk and cash flow risk as such information is not considered material for the assessment of company's assets, liabilities, financial position, profit after taxation and profit for the financial year

Directors and their interests

The directors who served the company during the year and to the date of this report were as follows

Amanda Minshull-Beech	(resigned 31 May 2007)
Allan Lyall	(resigned 1April 2008)
Ryan Regan	(resigned 9 March 2007)
Michael D Deal	

Directors and their interests (continued)

The following directors were appointed after the end of the year

Brian McBride	(appointed 1 June 2007)
Michael Roth	(appointed 1 June 2007)
Shaun McCabe	(appointed 1 April 2008)
Martin Sharples	(appointed 1 April 2008)

The following directors resigned after the end of the year

Amanda Minshull- Beech	(resigned 31 May 2007)
Allan Lyall	(resigned 1April 2008)
Michael Roth	(resigned 1 April 2008)
Ryan Regan	(resigned 9 March 2007)

Directors' report

No directors held any interest in the share capital of the company during the year

Directors statement as to disclosure of information to Auditors

So far as each Director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware

Each Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and a resolution confirming their re-appointment will be proposed at the Annual General Meeting

On behalf of the Board

Shaun McCabe
Director

Date 19 May 07.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report
to the members of Amazon.co.uk Limited

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16 These financial statements have been prepared on the basis of the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Independent auditors' report

to the members of Amazon.co.uk Limited

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Ernst & Young LLP Ernst + Young LLP
Registered Auditor
Reading

Date 25/5/08

Profit and loss account

for the year ended 31 December 2006

	Notes	2006 £	Restated 2005 £
Turnover	2	77,646,460	71,736,895
Administrative expenses		(76,850,599)	(69,843,954)
Operating profit	3	795,861	1,892,941
Interest receivable, net	6	143,022	331,959
Other income		362,667	-
Profit on ordinary activities before taxation		1,301,550	2,224,900
Tax (expense)/benefit on profit from ordinary activities	7	(793,863)	274,664
Profit retained for the financial year		507,687	2,499,564

Statement of total recognised gains and losses

for the year ended 31 December 2006

There are no recognised gains or losses other than the profit of £507,687 attributable to the shareholders for the year ended 31 December 2006 (2005 *Restated* £2,499,564)

Balance sheet
at 31 December 2006

	Notes	2006 £	*Restated* 2005 £
Fixed assets			
Tangible assets	8	15,995,850	15,659,252
Current assets			
Debtors	9	36,057,342	28,827,203
Cash at bank		348,602	1,126,697
		36,405,944	29,953,900
Creditors: amounts falling due within one year	10	(20,497,251)	(17,037,262)
Net current assets		15,908,693	12,916,638
Total assets less current liabilities		31,904,543	28,575,890
Capital and Reserves			
Called up share capital	13	9,366,036	9,366,036
Other reserves	14	11,802,395	11,802,395
Share based payments		4,026,252	1,205,286
Profit and loss account	14	6,709,860	6,202,173
Equity shareholders' funds	14	31,904,543	28,575,890

Approved by the Board

Shaun McCabe
Director

Date 17 May 08.

Notes to the financial statements

at 31 December 2006

1. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention The principal accounting policies which have been continuously followed are set out below, with the exception of the adoption of FRS 20 Share based payments

Changes in accounting policy

The financial statements for the current year adopt the UK Accounting Standard, FRS 20 "Share-based payment" that results in a change in accounting policy for share-based payment transactions In accordance with FRS 20, the fair value of equity-settled share-based payments to eligible employees is determined at the date of grant and is expensed over the vesting period based on the company's estimate of equity awards that will eventually vest A corresponding entry is recognised in equity (further details set out in note 16)

The effect of the change was to decrease profit on ordinary activities before taxation for the year by £2,820,966 *(2005 £1,205,286)*

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Plant & Machinery	-	10 years
Office Equipment	-	2 - 5 years
Leasehold Improvements	-	Lower of expected useful life or lease term
Computer Equipment	-	2 years

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Notes to the financial statements
at 31 December 2006

1. Accounting policies (continued)

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pension costs

The company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to other group companies and is attributable to the company's principal activities

Turnover by geographical segment has not been disclosed because, in the opinion of the directors, it would be seriously prejudicial to the interests of the company to do so

3. Operating profit

This is stated after charging/(crediting)

		2006 £	*2005* £
Auditors' remuneration	- audit of the financial statements	46,273	40,352
Depreciation of owned fixed assets		3,953,880	3,467,882
Operating lease rentals	- land and buildings	4,854,020	4,277,691
	- plant and machinery	306,377	339,355
Net (profit)/loss on foreign currency translation		193,299	(2,979)

4. Staff costs

	2006 £	*Restated 2005* £
Wages and salaries	36,755,850	32,699,176
Social security costs	4,533,466	3,166,436
Staff pension contributions	784,671	523,974
Share based awards	2,820,966	1,205,286
	44,894,953	37,594,872

Notes to the financial statements

at 31 December 2006

4. Staff costs (continued)

The monthly average number of employees during the year was as follows

	2006	*2005*
	No	*No*
Management and Administration Staff	1477	1505

5. Directors' emoluments

	2006	*2005*
	£	*£*
Emoluments	193,741	244,561
Value of company pension contributions to money purchase schemes	9,844	12,045

	2006	*2005*
	No	*No*
Members of money purchase pension schemes	2	2

The amounts in respect of the highest paid director are as follows

	2006	*2005*
	£	*£*
Emoluments	98,050	98,757
Value of company pension contributions to money purchase schemes	4,294	4,937

Certain directors' emoluments have been borne by the parent company, Amazon com Inc, or one of its affiliated companies These directors are also directors or officers of a number of the companies within the Amazon Group These directors' services to the company do not occupy a significant amount of their time As such these directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2006 and 31 December 2005

6. Interest receivable

	2006	*2004*
	£	*£*
Interest receivable, net	143,022	331,959

Notes to the financial statements
at 31 December 2006

7. Taxation

7(a) Tax on profit on ordinary activities
The tax (credit)/charge is made up as follows

	2006 £	Restated 2005 £
Current tax		
UK corporation tax	46,259	99,588
Adjustment in respect of prior years	588,646	34,910
Total current tax (note 7(b))	634,905	134,498
Deferred Tax		
Current year	171,480	(409,162)
Adjustment in respect of prior years	(12,522)	
Total deferred tax	158,958	(409,162)
Tax expense (benefit) on profit from ordinary activities	793,863	(274,664)

7(b) Factors affecting current tax charge
The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are reconciled below

	2006 £	Restated 2005 £
Profit on ordinary activities before taxation	1,301,550	2,224,900
Profit on ordinary activities by rate of tax of 30%	390,465	667,470
Expenses not deductible for tax	514,687	413,462
Timing differences on share based awards	(70,730)	(829,290)
Timing differences on general provisions	(9,659)	(501)
Timing differences on capital allowance claims	(42,440)	(138,961)
Carry forward tax losses claimed	(723,542)	(12,592)
Adjustments in respect of prior years	576,124	34,910
Total current tax (note 7(a))	634,905	134,498

7(c) Deferred tax
The deferred taxation asset recognised in the financial statements is as follows

	2006 £	Restated 2005 £
Timing differences on capital allowance claims	(773,997)	(731,587)
Timing differences related to shared based awards	898,207	281,554
Tax losses available	125,994	849,536
Other timing differences	-	9,659
	250,204	409,162

Notes to the financial statements
at 31 December 2006

7. Taxation (continued)

From financial year 2008, the UK corporation tax rate will reduce from 30% to 28% This rate change will both affect the amount of future cash tax payments to be made by the company and will also reduce the size of the company's deferred tax asset Changes to the UK capital allowance regime have also been proposed, the most significant of these changes for the company is the reduction in the rate of capital allowances applicable to plant and machinery expenditure from 25% to 20% per annum on a reducing balance basis from 1 April 2008 The effect on the company of these proposed changes to the UK tax system will be fully reflected in the company's financial statements for the year ending 31 December 2008

8. Tangible fixed assets

	Leasehold Improvements	*Plant & Machinery*	*Office Equipment*	*Computer Equipment*	*Total*
	£	*£*	*£*	*£*	*£*
Cost					
At 1 January 2006	9,459,012	12,021,769	4,896,986	4,159,251	30,537,018
Additions	385,478	2,366,171	923,430	661,551	4,336,630
Disposals	-	(62,987)	(9,199)	(4,302)	(76,488)
At 31 December 2006	9,844,490	14,324,953	5,811,217	4,816,500	34,797,160
Depreciation					
At 1 January 2006	4,705,263	4,070,861	2,811,778	3,289,864	14,877,766
Provided during the year	848,229	1,231,835	1,068,503	805,313	3,953,880
Disposals	-	(16,835)	(9,199)	(4,302)	(30,336)
At 31 December 2006	5,553,492	5,285,861	3,871,082	4,090,875	18,801,310
Net book value					
At 31 December 2006	4,290,998	9,039,092	1,940,135	725,625	15,995,850
At 31 December 2005	4,753,749	7,950,908	2,085,208	869,387	15,659,252

9. Debtors

	2006	*Restated 2005*
	£	*£*
Trade debtors	-	39,306
Amounts owed by group undertakings	33,316,697	18,588,761
Corporation tax repayable	1,574,104	1,621,182
Cash Equivalent	-	6,558,828
Other debtors	553,555	506,998
Deferred tax assets	250,204	409,162
Prepayments and accrued income	362,782	1,102,966
	36,057,342	28,827,203

Notes to the financial statements

at 31 December 2006

10. Creditors: amounts falling due within one year

	2006	*2005*
	£	*£*
Trade creditors	4,254,603	3,810,976
Amounts owed to group undertakings	6,828,947	5,272,528
Other taxation and social security	4,093,798	2,356,064
Accruals and deferred income	5,319,903	5,597,694
	20,497,251	17,037,262

11. Commitments under operating leases

At 31 December 2006 the total of future minimum lease payments under non cancellable operating leases for each of the following periods was

	2006		*2005*	
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£	*£*	*£*	*£*
Within one year	4,168,850	-	4,689,594	13,854
Later than one year and not later than five years	14,501,670	-	12,584,887	-
Later than five years	12,357,716	-	19,608,550	-
	31,028,236	-	36,883,031	13,854

12. Related party transactions

In accordance with the exemption stated in FRS 8 no details are shown of related party transactions with the company's parent and fellow subsidiaries within the Amazon com Inc group, as it holds 90% or more of the voting rights

13. Share capital

		Authorised
	2006	*2005*
	£	*£*
Ordinary shares of £1 each	40,000,000	40,000,000
	40,000,000	40,000,000

	Allotted, called up and fully paid			
		2006		*2005*
	No	*£*	*No*	*£*
Ordinary shares of £1 each	9,366,036	9,366,036	9,366,036	9,366,036

Notes to the financial statements
at 31 December 2006

14. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	*Other Reserve* £	*Share Based Payments* £	*Profit and loss account* £	*Total share-holders' funds* £
At 31 December 2004	9,366,036	11,802,395	-	3,702,609	24,871,040
Profit for the year	-	-	-	3,295,688	3,295,688
At 31 December 2005 as previously reported	9,366,036	11,802,395	-	6,998,297	28,166,728
Prior Period adjustment – Share based awards	-	-	1,205,286	(796,124)	409,162
At 31 December 2005 *(restated)*	9,366,036	11,802,395	1,205,286	6,202,173	28,575,890
Profit for the year	-	-	-	507,687	507,687
Share based awards	-	-	2,820,966	-	2,820,966
At 31 December 2006	9,366,036	11,802,395	4,026,252	6,709,860	31,904,543

15 Ultimate parent company

The company's parent undertaking and controlling party is Amazon com Inc , a company incorporated in the United States of America It has included the company in its group financial statements, copies of which are available from its headquarter at 1200 12th Avenue South, Suite 1200, Seattle, Washington 98144, USA, or online at the investor relations tab on the amazon com website (www amazon com)

16. Share Based Payment Plans

Amazon com, Inc ("Amazon") may grant equity awards to employees, officers and directors of Amazon and its subsidiaries which include Amazon co uk Limited, as well as to consultants, agents, advisors and independent contractors, pursuant to Amazon's 1997 Stock Incentive Plan (the "1997 Plan") and Amazon's 1999 Nonofficer Employee Stock Option Plan (the "1999 Plan") Amazon may grant equity awards in the form of stock options, stock, or restricted stock units ("RSUs") Equity awards are evidenced by, and subject to the terms and conditions of, an agreement between the recipient and Amazon, as well as the terms and conditions of the applicable plan (and, where applicable, sub-plans in jurisdictions where local tax law or other regulations merit their adoption, such as in the U K) The following paragraphs describe the terms and conditions generally applicable to equity awards granted by Amazon under the 1997 and 1999 Plans

During 2005 and 2006, RSUs were the primary type of equity award granted RSUs are granted from the 1997 Plan RSUs represent the right to receive shares of common stock of Amazon, on a one-for-one basis, upon vesting There is no exercise price associated with an RSU Employees vest in RSUs and stock options over a specified course of time that the employee provides service to Amazon or one or more of its subsidiaries Typically, the service terms for vesting are between two and five years

To exercise the stock option, the optionee must submit full payment of the exercise price to Amazon, in cash or check, by tendering shares the optionee has owned for at least six months, by a broker-assisted cashless exercise, by a combination of the foregoing, or with such other consideration as the plan administrator may permit Stock options generally have a term of ten years from the date of grant

Unvested portions of equity awards are subject to forfeiture if the holder's employment or other service relationship with Amazon (including its subsidiaries) terminates

Notes to the financial statements
at 31 December 2006

16. Share Based Payment Plans (continued)

In accordance with the transition provisions, FRS 20 has been applied to all grants after 7 November 2002 that were unvested as of 1 January 2005 Since October 2002, Amazon has only granted restricted stock units which are valued at the average of the high and low share price on the date of grant

The following table reconciles the number of stock options outstanding and the Weighted Average Exercise Price (WAEP) of the stock options outstanding

	2006		*2005*	
Stock Options	*Options*	*WAEP* £	*Options*	*WAEP* £
Outstanding at the beginning of the year	302,433	9 22	612,312	8 02
Granted during the year	-	-	-	-
Forfeited during the year (cancelled)	20,683	11 17	83,111	8 75
Exercised during the year	124,754	6 68	226,768	8 09
Outstanding at the end of the year	156,996	9 22	302,433	9 22
Exercisable as at 31 December	125,198	9 23	180,410	9 39
Range of exercise price		£3 62 to £47 75		£2 19 to £54 35

For stock options exercised during the period, the weighted average share price at the date of exercise for the options is £20 81 in 2006 and £22 78 in 2005

For the stock options outstanding as at 31 December 2006 and 31 December 2005, the weighted average remaining contractual life is 4 76 years in 2006 and 4 45 years in 2005

At 31 December 2006, the company had 547,133 (2005 285,741) RSUs outstanding The weighted average fair value of these RSUs was £19 66 at 31 December 2006 (2005 £22 16)