AGA FOODSERVICE GROUP **PRESS RELEASE**

7th September 2007
FOR IMMEDIATE RELEASE

AGA FOODSERVICE GROUP PLC

2007 INTERIM RESULTS

HIGHLIGHTS

Aga Foodservice Group ("the Group"), which sells premium cookers and refrigerators into the domestic and commercial markets, is issuing its interim results for the half year ended 30th June 2007.

Half year to 30th June	**2007**	2006	Increase
Continuing operations	**£m**	£m	%
Revenue	**273.9**	253.1	8
Operating profit	**22.8**	21.1	8
Profit before tax	**22.0**	21.0	5
Basic earnings per share	**14.4p**	13.1p	10
Dividend per share proposed	**3.85p**	3.5p	10
Shareholders' equity	**319.0**	312.4	
Net (debt) / cash	**(79.7)**	10.7	

Highlights:

- Sixth successive first half year of revenue and profit growth.
- Consumer cooker sales up over 7% with Rangemaster sales particularly strong.
- Double digit increases in earnings per share and dividend per share : special dividend paid in June.
- Process to sell foodservice operations well underway.
- Review of strategic options for funding pension scheme announced.

"In 2007 focus is being placed on driving returns from the investments we have made. The consumer brands business emerging from the proposed sale of foodservice will have a strong record and great potential. With Aga and Rangemaster manufacturing and sourcing capability, the Group has an outstanding product offering and will look for further growth with confidence and determination."

William McGrath
Chief Executive

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AGA FOODSERVICE GROUP PLC

2007 INTERIM RESULTS

The first half of 2007 saw our strategy of "equipping the world's best kitchens" continue to pay dividends. Revenue and operating profits of our continuing operations progressed further. The first half year also saw the payment of a special dividend of £56 million (43 pence per share) and a share consolidation undertaken as part of the process of raising overall shareholder returns.

We announced on 6th July 2007 that the Group intended to further its objective of driving strategic change in foodservice by examining ways to separate foodservice from our consumer operations and that this could entail the sale of foodservice. There has been considerable interest in acquiring these operations and formal discussions are underway with a number of parties. With the sale of foodservice the Group will indicate its plans for using the cash proceeds received which can be expected to involve a further return of cash to shareholders alongside continuing investment in our exciting core consumer appliance-led businesses.

Trading Performance

In June 2007 we sold our US home fashions operation, Domain. As a consequence the 2006 results have been restated to exclude the Domain loss of £1.0 million; this compares to a net loss of £0.7 million in the first half of 2007.

Reported revenue in the first half of 2007 for continuing operations was £273.9 million; 8.2% ahead of the same period last year and operating profits were £22.8 million, up 8.1% from £21.1 million. At constant exchange rates revenues were up 11.1% to £281 million and operating profits up 10.4% to £23.3 million. Included in operating profit in 2007 is £1.4 million of property disposal profits. £1.8 million was included in 2006; such profits arise from our continuing work to upgrade and consolidate our production facilities.

Interest costs rose in the period from a net £0.1 million to £0.8 million reflecting the additional borrowings taken on after the purchase of Amana in September 2006 and the payment of the special dividend.

Profit before tax was up 4.8% at £22.0 million. The tax rate was 18.2% compared with 20.0% in the same period last year because UK deferred tax rates have been reduced.

The Group's current targets are 10% ROS (return on sales) and 15% ROCE (return on capital employed). Profit improvement was, to an extent, offset by raw material cost increases, notably the £1.0 million absorbed as a result of the rise in stainless steel prices.

Basic earnings per share from continuing operations, based on a weighted average number of shares in issue of 125.6 million, were 14.4 pence per share compared with 13.1 pence per share in the first half of 2006. This, in turn, allowed us to raise the dividend by 10.0% to 3.85 pence per share. This follows the special dividend of 43 pence per share paid in June and reflects the continuing progress we have made.

Consumer Operations

The return on sales in UK and European Consumer was 10.5% (9.3% excluding property).

Aga and Rangemaster continued to perform well. The number of cast iron cookers sold in the first half was 9,700, up 7%. Aga saw a continuing increase in electric model sales – a trend that will accelerate further now that the Aga Intelligent Management System ("AIMS") has become available. For both the Stanley and Rayburn lines, the renewed interest in carbon neutral wood burning models provided impetus. We continue to place an onus on explaining the environmental case for our cookers. The cooking and home heating features of the products; the long life and recyclability; the avoidance of a multitude of secondary appliances and the potential links to micro-generation all mean the case for our products is cast iron. Sales outside Britain and Ireland continue to grow as a percentage of total sales and were 16% in the first half of 2007. The progress of Fired Earth and Grange was encouraging but returns remain too low and the £55 million of our annual turnover which they provide is currently making a modest contribution.

Rangemaster had another strong six months with sales up close to 10% to 36,000 units. The expansion in international markets is an important growth factor – 22% of sales were overseas. The French business in particular is performing well and has excellent prospects. Rangemaster growth continues to be led by product innovation and by the multi brand strategy. Providing products for sales under the Aga Ranges, Falcon and La Cornue brands and now the Heartland brand in Canada too, underpins the financial success of Rangemaster's Leamington Spa production facility. The overall first half performance also saw noteworthy progress from La Cornue and Divertimenti, the London based cookware business.

In the US, Marvel leads the Group in refrigeration and continued to perform well even though the premium appliance market in the USA has softened this year. In constant currency, overall revenues rose including those for Heartland and Aga Ranges and profits moved ahead to £0.9 million. The efficiencies of the Marvel facilities continue to improve and with a new generation of electronic controls now being rolled out, the potential of this business has increased considerably. Marvel is adopting Rangemaster's process management standards as the links between the operations becomes tighter.

The operational gearing of our businesses after the work on upgrading facilities and products is significant. Rangemaster has recently seen further sales momentum. Aga sales have been quiet over the summer but with AIMS now available there is optimism for the key autumn selling period given strong enquiry levels.

Foodservice Operations

The European foodservice operations performed satisfactorily in the first half of the year boosted by supplying a further phase of the HM Prison refurbishment programme. The UK commercial oven and refrigeration businesses saw larger roll out programmes starting as the first half wore on, notably from the pub chains. Eloma, the German combi-oven maker acquired last year had a good first half with the number of project specifications obtained growing steadily. Efficiency initiatives continue. Williams Refrigeration, for example, is set to consolidate production on one expanded site following the exit from the Downham Market site after its sale last year.

Bakery, after a good start slowed towards the end of the period as a number of customers pushed back projects, notably in France. Recent activity shows this was temporary. Led by the new head of European Bakery, Alain Peru, we are looking at projects to raise efficiencies and cut costs within the bakery operations. One success in the UK was with Whole Foods Markets. This US based premium supermarket chain has fitted out its London flagship store with products from across the Group's bakery and foodservice ranges – a number of our lines are now specified in its satellite stores in the South East.

Overall margins in the US improved to 9.4%, well on the way towards hitting 10%. Amana, the microwave operation, had a buoyant first half backed by major QSR roll outs. Our bakery operations continued to perform well through doughnut lines for WalMart and Dunkin' Donuts. The lower margin, Victory Refrigeration, finally saw some operational gearing benefits appear for its New Jersey facility as it strengthened its buying group position. It is also enjoying the high profile from Aga Foodservice being, for a second year, US Environmental Protection Agency Manufacturing Energy Star Partner of the Year. We continue to press the case for more efficient equipment in foodservice – a factor in the Group being rated eleventh amongst the FTSE 350 companies in recent research into corporate responsibility.

Upgrading production facilities to place our businesses at the forefront in their sector is an important part of our planning. In this respect 2007 is a particular milestone. Amana will shortly move to a new production and warehouse facility close to its current Whirlpool base where it has remained housed since acquisition. Belshaw will also move to a new facility in Seattle this year, providing scope for further growth and production efficiencies in our US Bakery operations.

Financial Position

Following the payment of the special dividend the Group ended the period with net debt of £79.7 million. Operating cashflow was reduced by the high stock levels as we prepared for the three planned factory moves. As this reverses it will add significantly to the second half cash inflow the Group typically sees. The possible sale of the foodservice operations will bring in cash and provide a changed business profile. After a transaction the Group will restate its financial targets. A factor to be taken into account is the Group's pension schemes which, with assets at 30th June 2007 of £791.9 million and a significant surplus of £73.4 million on an IAS 19 basis, are large in relation to the business. As previously announced a £4.5 million payment was due to the pension scheme in 2007 after the 2005 actuarial valuation. £1 million was paid in the first half with a further £3.5 million paid in the second half. The Group has appointed KPMG Pensions to assist in assessing how best to address the financial strategy for the scheme against a changing market for risk management of such schemes.

The tax charge was £4.0 million in the period and represented 18.2% of the pre-tax profits from continuing operations. The net finance charge in the period was £0.8 million reflecting the higher debt levels post the special dividend and the 2006 acquisitions of Amana and Eloma.

Strategy

In 2007 we are seeking to highlight the value embedded in the market positions we have created in our consumer and foodservice operations.

The Group's current performance is on track to produce results in line with the Board's expectations for the year. The consumer markets will provide a single focus for us with the likely sale of our foodservice operations. The production capacity, the product ranges, the brands, the routes to market in the UK and beyond and combined customer databases are all great assets. The plans to increase the resources committed to driving top line growth are being finalised. The Board is also considering the options to drive shareholder value from a focussed consumer-led business. A statement of the Group's strategy will be made when the proposals for foodservice are put to shareholders.

V Cocker CBE **Chairman**	**W B McGrath** **Chief Executive**

7th September 2007

AGA FOODSERVICE GROUP PLC
INTERIM RESULTS

CONSOLIDATED INCOME STATEMENT

	Note	**Half year to June 2007**	Half year to June 2006	Year to December 2006
		£m	£m	£m
Continuing operations				
Revenue	**3**	**273.9**	253.1	528.9
Net operating costs		**(251.1)**	(232.0)	(481.2)
Group operating profit	**3**	**22.8**	21.1	47.7
Non-recurring cost		**-**	-	(1.0)
Profit before net finance costs and income tax		**22.8**	21.1	46.7
Finance income		**0.9**	0.4	1.3
Finance costs		**(1.7)**	(0.5)	(2.0)
Profit before income tax		**22.0**	21.0	46.0
Income tax expense	**4**	**(4.0)**	(4.2)	(9.0)
Profit for the period from continuing operations		**18.0**	16.8	37.0
Discontinued operation				
Post tax loss from discontinued operation	**8**	**(0.7)**	(1.0)	(5.9)
Profit for the period		**17.3**	15.8	31.1
Profit attributable to equity shareholders		**17.4**	15.9	31.1
Loss attributable to minority interests		**(0.1)**	(0.1)	-
Profit for the period		**17.3**	15.8	31.1
Earnings per share - continuing	**5**	**p**	p	p
Basic		**14.4**	13.1	28.7
Diluted		**14.3**	13.0	28.5
Earnings per share - total	**5**	**p**	p	p
Basic		**13.9**	12.4	24.1
Diluted		**13.8**	12.3	23.9
		p	p	p
Dividend per share	**6**	**3.85**	3.5	10.5

CONSOLIDATED BALANCE SHEET

	Note	**Half year to June 2007**	Half year to June 2006*	Year to December 2006*
		£m	£m	£m
Non-current assets				
Goodwill		**169.7**	157.9	171.5
Intangible assets		**29.1**	20.1	29.1
Property, plant and equipment		**84.6**	86.1	85.7
Investments in associates		**0.3**	0.3	0.3
Retirement benefit surplus	**10**	**76.8**	4.3	29.9
Deferred tax assets		**6.5**	5.6	6.5
		367.0	274.3	323.0
Current assets				
Inventories		**105.4**	98.6	94.8
Trade and other receivables		**106.3**	87.9	93.0
Current tax assets		**7.2**	-	7.2
Cash and cash equivalents		**42.6**	48.9	43.2
		261.5	235.4	238.2
Assets held for sale		**-**	-	8.1
Total assets		**628.5**	509.7	569.3
Current liabilities				
Borrowings		**(3.7)**	(3.9)	(2.4)
Trade and other payables		**(117.0)**	(113.1)	(115.2)
Current tax liabilities		**(16.5)**	(11.1)	(14.4)
Current provisions		**(5.7)**	(6.7)	(5.4)
		(142.9)	(134.8)	(137.4)
Net current assets		**118.6**	100.6	100.8
Non-current liabilities				
Borrowings		**(118.6)**	(34.3)	(51.7)
Other payables		**(1.0)**	(0.8)	(1.0)
Retirement benefit obligation	**10**	**(3.4)**	(3.3)	(5.5)
Deferred tax liabilities		**(33.1)**	(11.4)	(20.1)
Provisions		**(8.6)**	(10.5)	(10.1)
		(164.7)	(60.3)	(88.4)
Liabilities held for sale		**-**	-	(8.1)
Total liabilities		**(307.6)**	(195.1)	(233.9)
Net assets		**320.9**	314.6	335.4
Shareholders' equity				
Share capital	**9**	**32.4**	32.2	32.3
Share premium account		**68.6**	67.4	67.8
Other reserves		**28.3**	31.6	28.5
Retained earnings		**189.7**	181.2	204.9
Shareholders' equity		**319.0**	312.4	333.5
Minority interest in equity		**1.9**	2.2	1.9
Total equity		**320.9**	314.6	335.4

* Adjusted for fair value movements as required by IFRS (see note 11).

CONSOLIDATED CASH FLOW STATEMENT

	Note	**Half year to June 2007**	Half year to June 2006	Year to December 2006
		£m	£m	£m
Cash flows from operating activities				
Cash generated from operations		**2.2**	11.9	38.3
Finance income		**0.9**	0.4	1.3
Finance costs		**(1.4)**	(0.5)	(1.8)
Tax payment		**(0.7)**	(1.7)	(8.5)
Net cash generated from operating activities		**1.0**	10.1	29.3
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired		**-**	(5.0)	(31.8)
Proceeds from sale of subsidiary, net of cash disposed	**8**	**1.8**	-	-
Purchase of property, plant and equipment		**(7.0)**	(6.4)	(14.5)
Expenditure on intangibles		**(1.3)**	(2.1)	(4.1)
Proceeds from disposal of property, plant and equipment		**-**	2.6	4.6
Net cash used in investing activities		**(6.5)**	(10.9)	(45.8)
Cash flows from financing activities				
Dividends paid to shareholders		**(64.7)**	(8.0)	(12.5)
Net proceeds from issue of ordinary share capital		**0.9**	1.7	2.2
Repayment of borrowings acquired with acquisitions		**-**	(3.0)	(3.0)
Finance lease repayment		**-**	(1.7)	(1.8)
Repayment of borrowings		**-**	(0.8)	-
New bank loans raised		**68.8**	5.6	21.6
Net cash generated from / (used in) financing activities		**5.0**	(6.2)	6.5
Effects of exchange rate changes		**(0.1)**	0.5	(2.2)
Net decrease in cash and cash equivalents		**(0.6)**	(6.5)	(12.2)
Cash and cash equivalents at beginning of period		**43.2**	55.4	55.4
Cash and cash equivalents at end of period		**42.6**	48.9	43.2

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Half year to June 2007	Half year to June 2006	Year to December 2006
	£m	£m	£m
Profit for the period	**17.3**	15.8	31.1
Exchange adjustments on net investments	**(0.2)**	(5.4)	(9.8)
Actuarial gains on defined benefit pension schemes	**43.7**	15.3	33.3
Deferred tax on items taken directly to reserves	**(11.8)**	(4.6)	(9.9)
Net gains not recognised in income statement	**31.7**	5.3	13.6
Total recognised income for period	**49.0**	21.1	44.7
Attributable to:			
Equity shareholders	**49.1**	21.2	44.7
Minority interests	**(0.1)**	(0.1)	-
Total recognised income for period	**49.0**	21.1	44.7

CONSOLIDATED CASH FLOW STATEMENT - RECONCILIATION

Reconciliation of operating profit to cash flows from operating activities

	Half year to June 2007	Half year to June 2006	Year to December 2006
	£m	£m	£m
Operating profit – continuing operations	**22.8**	21.1	47.7
Loss – discontinued operations	**(2.1)**	(1.0)	(5.9)
Non-recurring cost	**-**	-	(1.0)
Amortisation of intangible assets	**1.0**	1.0	2.5
Fair value adjustment of assets held for sale	**-**	-	3.0
Depreciation	**5.4**	5.2	11.1
Profit on disposal of property, plant and equipment	**(1.4)**	(1.8)	(2.4)
Increase in inventories	**(11.3)**	(8.9)	(8.6)
(Increase) / decrease in receivables	**(3.7)**	2.6	(0.7)
(Decrease) / increase in payables	**(2.0)**	(2.0)	6.1
(Decrease) / increase in provisions	**(1.2)**	(0.4)	(3.7)
Increase in pensions	**(5.3)**	(3.9)	(9.8)
Cash flows from operating activities	**2.2**	11.9	38.3

AGA FOODSERVICE GROUP PLC
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

Financial information presented here is unaudited but has been reviewed by the Group's auditor, Ernst & Young LLP. Its review opinion appears below. Comparatives for the year ended 31st December 2006 are not the Group's statutory accounts for that year as defined by Section 240 of the Companies Act 1985. Those accounts have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31st December 2006.

2. ACCOUNTING POLICIES

The interim financial statements have been prepared using the same accounting policies as used in the preparation of the Group's annual financial statements for the year ended 31st December 2006, except for the adoption of new standards and interpretations, noted below. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

In the current financial year, the Group will adopt IFRS 7 'Financial Instruments: Disclosures' for the first time. As IFRS 7 is a disclosure standard, there is no impact of that change in accounting policy on the half-yearly financial report. The Group also adopted IFRIC Interpretation 10 which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

3. SEGMENTAL ANALYSIS

For management purposes, the Group is organised into four operating divisions and these divisions are the basis on which the Group reports its primary segmental information.

By primary business group	**Half year to June 2007**		Half year to June 2006		Year to December 2006	
	Revenue	**Operating profit**	Revenue	Operating profit	Revenue	Operating profit
	£m	**£m**	£m	£m	£m	£m
UK & European Consumer	**125.3**	***13.1**	116.1	11.5	243.1	25.1
US Consumer	**17.1**	**0.8**	18.9	0.8	35.5	1.4
UK & European Foodservice	**94.4**	**5.4**	95.3	**8.1	194.8	18.0
US Foodservice	**37.1**	**3.5**	22.8	0.7	55.5	3.2
Total continuing operations	**273.9**	**22.8**	253.1	21.1	528.9	47.7
Non-recurring cost	**-**	**-**	-	-	-	(1.0)
Finance income	**-**	**0.9**	-	0.4	-	1.3
Finance cost	**-**	**(1.7)**	-	(0.5)	-	(2.0)
Total	**273.9**	**22.0**	253.1	21.0	528.9	46.0
Income tax expense	**-**	**(4.0)**	-	(4.2)	-	(9.0)
Discontinued operations	**12.8**	**(0.7)**	20.2	(1.0)	38.8	(5.9)
Total	**286.7**	**17.3**	273.3	15.8	567.7	31.1

* Includes £1.4m property profits (** includes £1.8m property profits).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

3. SEGMENTAL ANALYSIS (CONTINUED)

Revenue by secondary segment – geographical origin

	Half year to June 2007		Half year to June 2006		Year to December 2006	
	£m	**%**	£m	%	£m	%
United Kingdom	**143.6**	**50.1**	139.3	51.0	274.9	48.4
North America	**55.3**	**19.3**	42.2	15.4	93.1	16.4
Europe	**67.8**	**23.7**	65.6	24.0	147.2	26.0
Rest of World	**7.2**	**2.5**	6.0	2.2	13.7	2.4
Total continuing operations	**273.9**	**95.6**	253.1	92.6	528.9	93.2
Discontinued operations	**12.8**	**4.4**	20.2	7.4	38.8	6.8
Total	**286.7**	**100.0**	273.3	100.0	567.7	100.0

4. TAXATION

Corporation tax for the interim period to 30th June 2007 has been charged at the estimated rates chargeable for the full year in the respective jurisdictions as follows:

	Half year to June 2007	Half year to June 2006	Year to December 2006
	£m	£m	£m
Current tax			
UK corporation tax	**0.5**	2.7	3.1
Overseas tax	**2.3**	1.5	4.3
	2.8	4.2	7.4
Deferred tax			
UK corporation tax	**1.2**	-	2.2
Overseas tax	**-**	-	(0.6)
	1.2	-	1.6
Total income tax expense	**4.0**	4.2	9.0

NOTES TO THE INTERIM FINANCIAL STATEMENTS

5. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	Half year to June 2007	Half year to June 2006	Year to December 2006
	£m	£m	£m
Earnings			
Profit after tax from continuing operations	**18.0**	16.8	37.0
Minority interests	**0.1**	0.1	-
Earnings – basic and diluted EPS	**18.1**	16.9	37.0
Loss from discontinued operations	**(0.7)**	(1.0)	(5.9)
Profit attributable to equity shareholders	**17.4**	15.9	31.1
Weighted average number of shares in issue	**million**	million	million
For basic EPS calculation	**125.6**	128.7	128.9
Dilutive effect of share options	**0.9**	1.1	1.1
For diluted EPS calculation	**126.5**	129.8	130.0
Earnings per share			
Continuing operations	**p**	p	p
Basic	**14.4**	13.1	28.7
Diluted	**14.3**	13.0	28.5
Discontinued operations	**p**	p	p
Basic	**(0.5)**	(0.7)	(4.6)
Diluted	**(0.5)**	(0.7)	(4.6)
Total operations	**p**	p	p
Basic	**13.9**	12.4	24.1
Diluted	**13.8**	12.3	23.9

6. DIVIDENDS

Amounts recognised as distributions to equity shareholders in the period:	**Half year to June 2007**	Half year to June 2006
	£m	£m
Final dividend of 7.0p for the year ended 31st December 2006 (2005: 6.2p) per share	**9.1**	8.0
Special dividend of 43.0p per share	**55.6**	-

The directors are proposing an interim dividend in respect of the financial year ending 31st December 2007 of 3.85p per share (2006: 3.5p).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

7. ACQUISITION OF SUBSIDIARIES

Prior year fair value adjustments relating to Amana of £0.1m have been made finalising the provisional fair values made in 2006.

8. DISCONTINUED OPERATION

In December 2006, the Board announced its decision to sell Domain Inc. which operates in the soft furnishings market in the US. On 21st June 2007 the Group completed the disposal for a total consideration of £4.1m, including £2.0m of loan notes, resulting in a gain on disposal of £1.4m. The results of the discontinued operation are as follows:

	Half year to June 2007	Half year to June 2006	Year to December 2006
	£m	£m	£m
Revenue	**12.8**	20.2	38.8
Net operating costs	**(14.9)**	(21.2)	(41.5)
Loss before income tax	**(2.1)**	(1.0)	(2.7)
Finance costs	**-**	-	(0.2)
Loss recognised on remeasurement to fair value	**-**	-	(3.0)
Loss for the period	**(2.1)**	(1.0)	(5.9)
Profit on disposal of operation	**1.4**	-	-
Loss after tax for the period	**(0.7)**	(1.0)	(5.9)

Net cash inflow arising on disposal:	**£m**
Net consideration received	**1.8**
Net cash disposed of	-
Total cash inflow	**1.8**

The operating outflows in the period were £2.2m (half year to June 2006: £1.6m, year to December 2006: nil) and the investing cash outflows were £0.7m (half year to June 2006: £0.3m, year to December 2006: £0.6m).

As Domain was sold prior to 30th June 2007, the assets and liabilities classified as part of a disposal group held for sale as at 31st December 2006 are no longer included in the balance sheet.

9. SHARE CAPITAL

During the period 405,765 ordinary shares (nominal value £105,341) were issued in connection with the Company's share option schemes for an aggregate consideration of £0.9m.

During the period, the Company undertook a share consolidation by which nine existing ordinary shares with a nominal value of 25 pence were exchanged for eight new ordinary shares with a nominal value of 28 1/8 pence. The new ordinary shares carry the same rights as the old ordinary shares.

The number of shares in issue amounted to 115,137,149 on 30th June 2007.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. RETIREMENT BENEFIT SCHEMES

Defined benefit schemes

Scheme assets have been valued at a market value of £791.9m and the defined benefit liabilities at £718.5m, giving a £73.4m net surplus at the interim date. The liabilities have been rolled forward from 31st December 2006 and adjusted to take account of the increase in bond yields, which have increased the discount rate from 5.2% to 5.9%.

11. IMPACT OF IFRS - RESTATEMENT OF COMPARATIVE INFORMATION

Since transition to IFRS the Group has continued to assess the detailed impact of IFRS on the presentation of the Group's consolidated financial statements. It has now been concluded that deferred taxation liabilities on brands acquired, since the transition date, which are deemed to have an indefinite life should be recognised and in accordance with IAS 8, the 2006 deferred taxation and goodwill balances have been restated by £3.0m.

Under IFRS 3 fair values of the net assets of acquired businesses are finalised within twelve months of the acquisition date. All fair value adjustments are recorded with effect from the date of acquisition and as a consequence may result in the restatement of previously reported financial results. Fair values of the net assets acquired for Eloma and Amana, both 2006 acquisitions, have now been finalised. This has resulted in a restatement of 2006 deferred taxation and goodwill balances, relating to the brands, of £0.5m and £2.0m for Eloma and Amana respectively.

The above adjustments do not affect the consolidated income statement, cashflow or retained earnings.

12. EVENTS AFTER THE BALANCE SHEET DATE

On 6th July the Group announced it was considering the sale of the foodservice operations.

Independent Review Report to Aga Foodservice Group plc

Introduction

We have been instructed by the Company to review the financial information for the six months ended 30th June 2007 which comprises the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Cash Flow Statement, Consolidated Statement of Recognised Income and Expense, Consolidated Cash Flow Statement - Reconciliation and the related notes 1 to 12. 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 International Standards on Auditing (UK and Ireland) 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 30th June 2007.

Ernst & Young LLP
Birmingham
7th September 2007

MAIN ADDRESSES AND ADVISERS

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Auditors

Ernst & Young LLP

Joint Financial Advisers and Stockbrokers

Dresdner Kleinwort Securities Limited
Citigroup Global Markets Limited

2007 FINANCIAL CALENDAR

Record date for interim ordinary dividend	9th November 2007
Interim ordinary dividend payable	5th December 2007
2007 year end	31st December 2007