



Dignity (2002) Limited
Unaudited Abridged Investor Report
for the 52 week period ended 24 September 2004

To: Bloombergs

From: Dignity (2002) Limited (as Borrower)

Terms defined in the Issuer / Borrower Loan Agreement ('IBLA') shall have the same meaning herein.

NOTICE TO THE READER

The information contained in this report represents information on Dignity (2002) Limited and its subsidiaries (the 'Dignity (2002) Group'), a sub-group of the Dignity plc group ('Group').

The information set out herein is not necessarily representative of the performance of the Group as a whole and should not be relied upon in this respect. For example it does not include the costs of non-executive directors or any dividends declared to shareholders of Dignity plc.

The reader's attention is also directed to the interim report and trading statement issued by Dignity plc today for general information on the performance of the Group as a whole during the 39 week period ended 24 September 2004.

Dignity (2002) Limited

Unaudited abridged Investor Report for the 52 week period ended 24 September 2004

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Dignity (2002) Limited

Consolidated EBITDA and Net Assets

for the 52 weeks ended 24 September 2004

	<i>Note</i>	<i>24 Sep. 2004</i>	<i>26 Dec. 2003</i>
EBITDA statement:		<i>£'000</i>	<i>£'000</i>
Net revenue		133,038	128,978
Operating expenses		(89,245)	(89,104)
EBITDA	1	43,793	39,874

Consolidated Net Assets	<i>Note</i>	<i>24 Sep. 2004</i>	<i>26 Dec. 2003</i>
Fixed assets		191,788	193,770
Total current assets	2	58,290	64,621
Creditors: amounts falling due within one year		(24,805)	(31,880)
Net current assets		33,485	32,741
Total assets less current liabilities		225,273	226,511
Creditors: amounts falling due after more than one year		(291,530)	(299,158)
Provisions for liabilities and charges		(10,763)	(10,020)
Net liabilities		(77,020)	(82,667)

Dignity (2002) Limited

Coverages and covenants

for the 52 week period ended 24 September 2004

	<i>Note</i>	<i>52 week period ending</i>	
		<i>24 Sep. 2004</i> <i>£'000</i>	<i>26 Dec 2003</i> <i>£'000</i>
EBITDA for the Relevant Period		43,793	39,874
Free Cashflow for the Relevant Period		36,500	32,832
Debt Service for the Relevant Period	3	16,816	17,721

Financial Covenant

EBITDA DSCR ('Debt Service cover ratio') :

Target	>= 1.5 : 1	>= 1.5 : 1
Actual	2.60 : 1	2.25 : 1

Restricted Payment Condition

Free Cashflow DSCR :

Target	>= 1.4 : 1	>= 1.4 : 1
Actual	2.17 : 1	1.85 : 1

EBITDA DSCR :

Target	>= 1.85 : 1	>= 1.85 : 1
Actual	2.60 : 1	2.25 : 1

Confirmations

The directors confirm that the Financial Covenant has been observed for the Relevant Period ending 30 September 2004.

During the Relevant Period, the following Restricted Payments (paid from the Loan Payments Account) have been made in respect of accrued interest and principal on the Mezz On-loan:

<i>Date</i>	<i>Total payment</i> <i>£'000</i>	<i>Interest</i> <i>£'000</i>	<i>Principal</i> <i>£'000</i>
30 January 2004	5,833	5,833	-
30 July 2004	9,224	3,650	5,574

The directors confirm that the Restricted Payment Condition was satisfied with regard to the above Restricted Payments.

On 18 March 2004, a dividend of £399,541 was declared and paid by the Company to its immediate parent undertaking, Dignity (2004) Limited (formerly Broomco (3369) Limited).

Dignity (2002) Limited

Notes to the abridged Investor Report

for the 52 week period ended 24 September 2004

1 EBITDA

EBITDA has been calculated in accordance with the definition in the IBLA. Pension costs are stated before any non-cash SSAP 24 adjustments.

Comparative figures have been extracted from the audited consolidated financial statements of Dignity (2002) Limited and differ slightly from the, unaudited, figures reported in the December 2003 Investor report.

The reconciliation between the December 2003 Investor Report and the audited financial statements (required under clause 13.2.4 of the IBLA) has been issued to the Note Trustee.

2 Total current assets

Total current assets include cash at bank and in hand of £27,877,000 (Dec 2003: £29,262,000) of which £18,366,000 (Dec 2003: £3,631,000) is cash held for operations.

3 Debt Service and Financial Covenant

The directors confirm that none of the following occurred in the Relevant Period ending 30 September 2004:

- Loan Event of Default
- Potential Loan Event of Default
- Financial Adviser Appointment Event

During the Relevant Period to 30 September 2004, the Company made the following debt repayments (paid on 30 June and 31 December):

	Interest	Principal
	£'000	£'000
Class A Secured 6.310% Notes due 2023	6,845	2,360
Class B Secured 8.151% Notes due 2031	8,161	-

The interest payments above include the 1bp margin payable under the IBLA. The actual payments to bondholders were £6,834,000 and £8,151,000 under the Class A and Class B Notes respectively.

Dignity (2002) Limited

Notes to the abridged Investor Report

for the 52 week period ended 24 September 2004

3 Debt Service and Financial Covenant (continued)

Debt Service for the Relevant Period has been calculated as follows:

	Principal	Annual rate	Interest
Senior Interest accruing in the period	£'000	%	£'000
£110m Class A Notes	108,885	6.32%	6,807
£100m Class B Notes	100,000	8.161%	8,161
Working capital facility	5,000	0.45%	23
Liquidity facility	30,000	0.35%	105
Hedging documents	202,500	0.3404% ¹	690
Senior Interest accrued in the period			15,786
Other interest charges in the period			5
Interest received in the period	variable	variable	(1,355)
Scheduled repayments of principal in the period		n/a	2,360
Repayments of other Financial Indebtedness in the period		n/a	20
Debt Service for the Relevant Period			16,816

The repayment of other Financial Indebtedness in the period relates to £20,000 in respect of deferred consideration outstanding at the 30 September 2003.

¹ Net rate payable on principal

Dignity (2002) Limited

Notes to the abridged Investor Report

for the 52 week period ended 24 September 2004

4 Dignity plc

For the avoidance of doubt, the financial information contained elsewhere in this report relates to the unaudited consolidated results and financial position of Dignity (2002) Limited and its subsidiaries ('the Dignity (2002) Group') as required under the IBLA. The ultimate parent undertaking of Dignity (2002) Limited is Dignity plc.

Consequently, the financial information set out elsewhere in this report does not include the results of either the ultimate or intermediate parent undertakings of Dignity (2002) Limited, nor any adjustments necessary as to present the consolidated results and financial position of the combined groups.

Specifically, the financial information set out elsewhere in this report does not include certain adjustments, including, but not limited to, the following:

- Certain administrative expenses accruing to the parent undertakings of the Dignity (2002) Group;
- Interest payable and receivable on borrowings or loans between the Dignity (2002) Group and its parent undertakings;
- Interest payable or receivable on borrowings or loans held by either the ultimate or intermediate parent undertakings of Dignity (2002) Limited;
- Dividends declared or receivable by either the ultimate or intermediate parent undertakings of Dignity (2002) Limited;
- The non-cash effects of SSAP24 in the Relevant Period;
- The net assets of either the ultimate or intermediate parent undertakings of Dignity (2002) Limited; and
- Any adjustments necessary in order to present the combined results and financial position of any entity outside the control of the Dignity (2002) Group.

5 Terminology

The following capitalised terms and phrases used in this report are defined in the Issuer / Borrower Loan Agreement ('IBLA') and have the same meanings in this report as defined in the IBLA:

Debt Service	EBITDA	Free Cashflow	Financial Adviser Appointment Event	Financial Covenant	Financial Indebtedness
Funeral Home Start-Ups	Loan Event of Default	Maintenance Capex	Permitted Acquisition	Permitted Development	Permitted Disposal
Portfolio	Potential Loan Event of Default	Relevant Period	Restricted Payment	Restricted Payment Condition	Senior Interest