



Dignity (2002) Limited
Unaudited Abridged Investor Report
for the 52 week period ended 26 March 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 trading statement issued by Dignity plc today for general information on the performance of the Group as a whole during the 13 week period ended 26 March 2004.

Dignity (2002) Limited

Unaudited abridged Investor Report for the 52 week period ended 26 March 2004

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Dignity (2002) Limited

Consolidated EBITDA and net assets for the 52 weeks ended 26 March 2004

	Note	52 week period ended	
		26 Mar. 2004	(As restated) 26 Dec. 2003
EBITDA statement		£'000	£'000
Net revenue		131,220	128,978
Operating expenses		(89,420)	(89,104)
EBITDA	1	41,800	39,874
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Net assets		26 Mar. 2004	(As restated) 26 Dec. 2003
	Note	£'000	£'000
Fixed assets		190,963	193,770
Total current assets	2	64,384	64,621
Creditors: amounts falling due within one year		(24,523)	(31,880)
Net current assets		39,861	32,741
Total assets less current liabilities		230,824	226,511
Creditors: amounts falling due after more than one year		(298,654)	(299,158)
Provisions for liabilities and charges		(9,668)	(10,020)
Net liabilities		(77,498)	(82,667)

Dignity (2002) Limited

Coverages and covenants for the 52 week period ended 26 March 2004

		26 Mar. 2004	26 Dec. 2003
	Note	£'000	£'000
EBITDA for the Relevant Period		41,800	39,874
Free Cashflow for the Relevant Period		34,701	32,832
Debt Service for the Relevant Period	3	16,919	17,721

Financial Covenant

EBITDA DSCR ('Debt Service cover ratio') :

Target	>= 1.5 : 1	>= 1.5 : 1
Actual	2.47 : 1	2.25 : 1

Restricted Payment Condition

Free Cashflow DSCR :

Target	>= 1.4 : 1	>= 1.4 : 1
Actual	2.05 : 1	1.85 : 1

EBITDA DSCR :

Target	>=1.84 :1	>=1.84 :1
Actual	2.47 : 1	2.25 : 1

Confirmations

The directors confirm that the Financial Covenant has been observed for the Relevant Period ending 31 March 2004.

£5,833,000 was paid (from the Loan Payments Account) in respect of accrued interest on the Mezz On-Loan on 30 January 2004. The same amount was then used by Dignity Mezzco Limited to repay accrued interest on the Mezzanine Loan.

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

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 Investor Report for the 52 week period ended 26 March 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 those reported in the, unaudited, 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) will be issued to the Note Trustee.

2 Total current assets

Total current assets include cash at bank and in hand of £29,533,000 (Dec 2003: £20,192,000) of which £17,709,000 (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 31 March 2004:

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

The transaction closed on 11 April 2003. During the period 11 April 2003 to 31 March 2004, the Company made the following debt repayments (paid on 30 June and 31 December 2003):

	Interest	Principal
	£'000	£'000
Class A Secured 6.310% Notes due 2023	4,965	2,273
Class B Secured 8.151% Notes due 2031	5,869	-

The interest payments above include the 1bp margin payable under the IBLA. The actual payments to bondholders were £4,957,000 and £5,862,000 under the Class A and Class B Notes respectively.

Dignity (2002) Limited

Notes to the Investor Report for the 52 week period ended 26 March 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 ¹	£'000	%	£'000
£110m Class A Notes	108,885	6.32%	5,143
£100m Class B Notes	100,000	8.161%	6,121
Working capital facility	5,000	0.45%	17
Liquidity facility	30,000	0.35%	79
Hedging documents	202,500	0.3404% ²	519
Senior interest accrued in the period			11,879
Other interest charges in the period			4
Interest received in the period	variable	variable	(833)
Scheduled repayments of principal in the period		n/a	1,158
Repayments of other Financial Indebtedness in the period		n/a	176
Actual Debt Service in the period¹			12,384
Plus adjustment per clause 14.3.3 of IBLA			4,535
Debt Service for the Relevant Period			16,919

The repayments of other Financial Indebtedness in the period relate to £156,000 floating rate unsecured Loan Notes and £20,000 in respect of deferred consideration outstanding at the 11 April 2003.

¹ For the period 01 July 2003 to 31 March 2004 (275 days) in accordance with clause 14.3 of the IBLA

² Net rate payable on principal

Dignity (2002) Limited

Notes to the Investor report for the 52 week period ended 26 March 2003

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.

Dignity (2002) Limited

Notes to the Investor report for the 52 week period ended 26 March 2003

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

6 Events after the balance sheet date

The Company's ultimate parent undertaking, Dignity plc, was admitted to the Official List of the London Stock Exchange on 08 April 2004.

Dignity plc raised c£115m after fees from the placing, which was used to repay existing indebtedness on borrowings outside the Dignity (2002) Group.

Whilst the flotation is not expected to alter the underlying financial position of the Dignity (2002) Group, the directors consider that the strengthening of the ultimate parent's equity position can only be of benefit to the Dignity (2002) Group.