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Alumasc Group PLC
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THE ALUMASC GROUP PLC - INTERIM RESULTS ANNOUNCEMENT

Alumasc (ALU.L), the premium building and engineering products group, announces interim results for the six months ended 31 December 2013.

Financial summary

	6 months to 31/12/13	6 months to 31/12/12	Year to 30/6/13**
Group revenues (£m)	57.2	59.5	116.8
Underlying profit before tax* (£m)	3.0	2.7	5.9
Reported profit before tax (£m)	2.4	1.1	2.8
Underlying earnings per share* (pence)	6.5	5.7	12.3
Basic earnings per share (pence)	5.2	2.2	5.3
Dividend per share (pence)	2.2	2.0	4.5

* Before brand amortisation charges of £0.1m (2012/13 H1: £0.1m; 2012/13 full year: £0.3m) and IAS19 (revised) pension costs of £0.5m (2012/13 H1 re-stated: £0.6m; 2012/13 full year re-stated: £1.4m). Also, 2012/13 H1 underlying profit before tax was before a restructuring charge of £0.3m (2012/13 full year: £0.8m) and an impairment charge of £0.6m (2012/13 full year: £0.6m).

** Reported and underlying PBT and reported and underlying earnings per share re-stated for IAS19 (revised) pension costs of £1.4m (£0.8m previously reported).

Key points

- Alumasc's best H1 earnings performance for five years.
- 11% increase in underlying profit before tax, on group revenues down 4%, reflects improved overall margins, better than expected cashflow and a lower interest charge for the period on reduced net debt.
- **Building Products** revenue down 5% to £42.4m, due to lower revenues from the £12m Kitimat contract in Canada and completion of work under the Community Energy Savings Plan last year. "Recurring" divisional revenues up 5%. Divisional profit close to prior H1 levels, assisted by recovery in roofing (with green roofing back in profit), a first full H1 contribution from Rainclear and a strong performance from rainwater and drainage, all resulting in improved margins.
- **Engineering Products** achieved operating profit of £0.1m (H1 2012/13: £0.3m loss) on revenues up 2% to £15.5m. Alumasc Precision Components remains in loss although

there is increasing confidence that further progress can be made to improve the operational performance of the business, with new work from existing customers expected in H2. Dyson Diecastings delivered a record H1 performance.

- **Net debt** of £7.7m at the period end was unchanged on the level at 30 June 2013 with advance payments on construction projects now expected to unwind in H2, giving rise to an anticipated cash outflow of £1.3m. Average net debt in the period was the lowest since 2007.
- **Interim dividend** increased by 10% to 2.2p (2012/13: 2.0p).

Paul Hooper, Chief Executive, commented:

"*On balance, in view of all the factors described in the interim statement, the first half result and the normal seasonality of the business, the Board expects the group to achieve its previous expectations for full year performance.*"

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REVIEW OF INTERIM RESULTS

Performance overview

I am pleased to report Alumasc's best first half year earnings performance for five years, achieved against a background of broadly unchanged market conditions.

Whilst optimism is growing that the wider UK building products market will show some recovery later this calendar year, short term demand has not yet shown any marked improvement outside the house building sector. Engineering Products demand recovered to levels similar to those seen prior to the de-stocking of last winter.

Compared with the first half of the prior financial year, group revenues were 4% lower at £57.2 million. However, despite lower group revenues, underlying[(1)] profit before tax increased by 11% to £3.0 million and statutory profit before tax more than doubled to £2.4 million. The increase in profitability was driven predominantly by:

- return to modest profit in our Engineering Products division;
- steadily improving performances in our Roofing businesses;
- continued profitable growth in our Rainwater & Drainage and house building businesses, including the benefit of the successful Rainclear acquisition made towards the end of the previous first half year;
- lower interest costs on borrowings due to another strong cash performance; and
- lower non-recurring costs in the first half of this financial year, as described in the footnote at the end of this statement.

Underlying earnings per share increased by 14% to 6.5 pence, and basic earnings per share more than doubled to 5.2 pence, both benefiting from higher profits and a lower UK tax rate.

In view of all the above, the Board has decided to increase the interim dividend by 10%, from 2.0 pence per share to 2.2 pence per share, which will be paid on 8 April to shareholders on the register on 7 March.

Building Products division

Reported divisional revenues reduced by 5% to £42.4 million. However, adjusting for the reduction in revenues relating to Alumasc's £12 million contract to refurbish part of the large aluminium smelter at Kitimat in Canada, and sales of insulated render systems under the Community Energy Saving Plan ("CESP"), both of which peaked in the prior first half year, the remaining divisional revenues increased by around 5%.

Divisional operating profits, at £3.9 million, fell just short of prior year levels, with the impact of the anticipated lower Kitimat and Insulated Renders revenues largely offset by the recovery of our core roofing and green roofing businesses back into profit, the first full half year contribution from Rainclear following its acquisition in December 2012, and the strong performance from our Rainwater & Drainage business. The latter benefited from penetration into new market sub-segments, further assisted by new product launches and reduced lead times.

Timloc benefited from operational efficiencies, new product launches and improved demand from the house building sector.

While the overall Kitimat project has been subject to some delay, our own works have progressed well. Some additional work was won during the first half year, and Alumasc's contribution to the project is expected to be substantially complete by the end of this financial year.

The UK Government's announcement in the Autumn Statement of reduced annual spending commitments under the Energy Company Obligation ("ECO") was not helpful to our Insulated Renders business, which is a major provider of exterior wall insulation systems. Nonetheless, this business has continued to be successful in winning traditional exterior wall insulation work, without energy company subsidies, particularly in Scotland.

Our Construction Products businesses had a strong start to the year in the UK as the large London Gateway project completed successfully in the first quarter. A solid result was recorded for the half year as a whole, with progress temporarily impacted by subdued demand in Hong Kong and Singapore following completion of a number of airport improvement projects in the second half of the last financial year.

Our solar shading company, Levolux, had a satisfactory first half. Financial results were constrained by a number of larger construction contracts that were subject to delays beyond our control. These remained in relatively early stages of completion at our half year end. Successful delivery and completion of these projects in the second half of the year will result in improved revenue and profit recognition. The business continues to develop export market potential, particularly in North America.

Engineering Products division

Overall, the division recovered to modest profitability, delivering a half year profit of £0.1m (2012: loss of £0.3m) from revenues 2% higher at £15.5 million.

Customer demand was recovering as we entered the financial year, but has since stabilised. Major OEM customers remain affected by the global slow-down in demand for vehicles used in the mining and construction industries, including those in developing market economies.

Alumasc Precision Components remains in loss, but there is increasing confidence that further progress can be made to improve the operational performance of the business. Investments in supply chain and production management, and training are currently taking place to increase operational efficiency, and improve both quality and customer service. The business will also benefit from additional work with existing customers in the second half year.

Meanwhile, Dyson Diecastings delivered a record first half year performance, winning new work with both existing and new customers.

Cash flow, balance sheet and pensions

Period end net debt of £7.7 million was unchanged compared to 30 June 2013 (31 December 2012: £8.4 million) with cash performance exceeding our expectations. Payments received in advance of profit recognised on construction contracts are expected to unwind in the second half of this financial year, giving rise to an anticipated cash outflow of £1.3 million. Average net debt during the six month period was the lowest recorded since the acquisition of Levolux in 2007, and this benefited the group's net interest charge on borrowings which reduced to £0.3 million in the period, compared with £0.4 million a year ago.

The main change in the group balance sheet was the increase in the IAS19 pension deficit to £15.5 million (31 December 2012: £13.7 million, 30 June 2013: £10.1 million), mainly due to a reduction in long term AA corporate bond yields used to discount pension liabilities to present values. This increase exceeded retained profit in the period, and therefore shareholders' funds reduced from £22.4 million at the last financial year end to £18.3 million at 31 December 2013.

The group's formal triennial pension valuation at 31 March 2013, which uses more prudent assumptions than the IAS19 accounting valuation, remains under discussion with the Pension Trustees. Draft calculations show that this deficit has more than doubled from the £11.5 million recorded at the previous valuation in 2010, mainly due to a reduction in gilt yields to almost record low levels in the intervening period. Despite the steady recovery in gilt yields since the valuation date, it is now likely that company funding of the pension schemes will have to increase from July 2014 onwards. The group is seeking to agree a longer deficit recovery period with the Pension Trustees, such that future deficit recovery payments remain proportionate, and balanced with the need to continue to invest in and grow the business.

Outlook

Group order books at 31 December 2013 stood at £35 million, compared with £44 million at 30 June 2013 and £46 million at 31 December 2012. The reduction can be explained by billings on the Kitimat contract and other large construction contracts over the last year. Levels of enquiries, specifications and "spot" orders remain healthy.

On balance, in view of all the factors described in this statement, the first half result and the normal seasonality of the business, the Board expects the group to achieve its previous expectations for full year performance.

Paul Hooper, Chief Executive
4 February 2014

(1) Underlying profits are stated prior to the deduction of brand amortisation charges of £0.1 million (2012: £0.1million), and IAS19 (revised) pension costs of £0.5 million (2012 re-stated: £0.6 million). Also, in 2012, underlying profits were stated prior to deducting restructuring and acquisition costs of £0.3 million and an impairment charge of £0.6m.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

for the half year to 31 December 2013

	Half year to 31 December 2013			Half year to 31 December 2012 (re-stated)*			Year to 30 June 2013 (re-stated)*
	Underlying (Unaudited)	**Non - underlying (Unaudited)**	**Total (Unaudited)**	Underlying (Unaudited)	Non - underlying (Unaudited)	Total (Unaudited)	Total (Re-statement* unaudited)
Notes	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000

Revenue	**4**	**57,222**	-	**57,222**	59,519	-	59,519	116,769
Cost of sales		**(42,026)**	-	**(42,026)**	(44,767)	-	(44,767)	(86,087)
Gross profit		**15,196**	-	**15,196**	14,752	-	14,752	30,682
Net operating expenses								
Net operating expenses before non-underlying items	**5**	**(11,883)**	**-**	**(11,883)**	(11,596)	-	(11,596)	(24,033)
Brand amortisation	**5**	**-**	**(134)**	**(134)**	-	(128)	(128)	(273)
IAS19 (revised) - pension scheme administration costs	**5,6**	**-**	**(200)**	**(200)**	-	(125)	(125)	(400)
Restructuring and acquisition costs	**5**	**-**	**-**	**-**	-	(241)	(241)	(814)
Impairment	**5**	**-**	**-**	**-**	-	(625)	(625)	(625)
Net operating expenses		**(11,883)**	**(334)**	**(12,217)**	(11,596)	(1,119)	(12,715)	(26,145)
Operating profit	**4**	**3,313**	**(334)**	**2,979**	3,156	(1,119)	2,037	4,537
Finance income	**7**	**5**	**-**	**5**	7	-	7	16
Finance expenses	**5,6,7**	**(279)**	**(320)**	**(599)**	(437)	(498)	(935)	(1,779)
Profit before taxation		**3,039**	**(654)**	**2,385**	2,726	(1,617)	1,109	2,774
Tax (expense)/income	**8**	**(735)**	**214**	**(521)**	(709)	380	(329)	(888)
Profit for the period		**2,304**	**(440)**	**1,864**	2,017	(1,237)	780	1,886
Other comprehensive income								
Items that will not be recycled to profit or loss:								
Actuarial (loss)/gain on defined benefit pensions	**2**			**(6,156)**			215	3,597
Tax on actuarial loss/(gain) on defined benefit pensions				**1,042**			(196)	(924)
				(5,114)			19	2,673
Items that are or may be recycled subsequently to profit or loss:								
Effective portion of changes in fair value of cash flow hedges				**(75)**			-	5
Exchange differences on retranslation of foreign operations				**(16)**			(13)	15
Tax on cash flow hedge				**19**			3	5
				(72)			(10)	25
Other comprehensive (loss)/income for the period, net of tax				**(5,186)**			9	2,698
Total comprehensive (loss)/income for the period, net of tax				**(3,322)**			789	4,584
Earnings per share				**Pence**			Pence	Pence
Basic earnings per share	**11**			**5.2**			2.2	5.3
Diluted earnings per share	**11**			**5.2**			2.2	5.3

* Pension costs in 2012/13 have been re-stated in accordance with IAS19 (revised), which became effective this financial year. Further details are provided in notes 1
and 6. The re-statement has not yet been audited.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

at 31 December 2013

	31 December 2013 (Unaudited) £'000	31 December 2012 (Unaudited) £'000	30 June 2013 (Audited) £'000
Assets			
Non-current assets			
Property, plant and equipment	**12,605**	13,462	12,872
Goodwill	**16,488**	16,488	16,488
Other intangible assets	**2,857**	3,252	2,976
Financial asset investments	**17**	17	17
Deferred tax assets	**3,256**	3,156	2,314
	35,223	36,375	34,667
Current assets			
Inventories	**13,170**	14,015	12,131
Biological assets	**170**	125	163

Trade and other receivables	**19,568**	19,774	23,529
Cash and cash equivalents	**6,179**	11,434	9,147
Derivative financial assets	**50**	71	63
	39,137	45,419	45,033
Total assets	**74,360**	81,794	79,700
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	**(13,862)**	(19,807)	(16,834)
Employee benefits payable	**(15,504)**	(13,723)	(10,062)
Provisions	**(628)**	(595)	(572)
Deferred tax liabilities	**(1,435)**	(1,652)	(1,515)
	(31,429)	(35,777)	(28,983)
Current liabilities			
Trade and other payables	**(23,720)**	(25,941)	(27,162)
Provisions	**(366)**	(246)	(528)
Income tax payable	**(521)**	(454)	(584)
Derivative financial liabilities	**(73)**	(3)	-
	(24,680)	(26,644)	(28,274)
Total liabilities	**(56,109)**	(62,421)	(57,257)
Net assets	**18,251**	19,373	22,443
Equity			
Called up share capital	**4,517**	4,517	4,517
Share premium	**445**	445	445
Capital reserve - own shares	**(618)**	(618)	(618)
Hedging reserve	**(68)**	(19)	(12)
Foreign currency reserve	**35**	23	51
Profit and loss account reserve	**13,940**	15,025	18,060
Total equity	**18,251**	19,373	22,443

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

for the half year to 31 December 2013

	Half year to 31 December 2013	Half year to 31 December 2012	Year to 30 June 2013
	(Unaudited)	(Re-stated) (Unaudited)	(Re-stated) (Re-statement unaudited)
	£'000	£'000	£'000
Operating activities			
Operating profit	**2,979**	2,037	4,537
Adjustments for:			
Depreciation	**992**	1,116	2,331
Amortisation	**238**	247	543
Impairment	**-**	625	625
Gain on disposal of property, plant and equipment	**-**	(58)	(67)
(Increase) / decrease in inventories	**(1,039)**	352	2,236
Increase in biological assets	**(7)**	(34)	(72)
Decrease in receivables	**3,961**	6,940	3,188
Decrease in trade and other payables	**(3,279)**	(3,454)	(1,951)
Movement in provisions	**(106)**	(244)	15
Movement in retirement benefit obligations	**(1,234)**	(1,224)	(2,276)
Share based payments	**21**	12	-
Other non-cash items	**200**	125	400
Cash generated from operations	**2,726**	6,440	9,509
Tax (paid) / received	**(544)**	182	(267)
Net cash inflow from operating activities	**2,182**	6,622	9,242
Investing activities			
Purchase of property, plant and equipment	**(738)**	(623)	(1,476)
Payments to acquire intangible fixed assets	**(119)**	(23)	(43)

Proceeds from sales of property, plant and equipment	**-**	64	83
Acquisition of subsidiary, net of cash and deferred consideration	**(150)**	(399)	(399)
Interest received	**5**	7	16
Net cash outflow from investing activities	**(1,002)**	(974)	(1,819)
Financing activities			
Interest paid	**(241)**	(395)	(764)
Equity dividends paid	**(891)**	(356)	(1,069)
Repayment of amounts borrowed	**(3,000)**	-	(3,000)
Net cash outflow from financing activities	**(4,132)**	(751)	(4,833)
Net (decrease) / increase in cash and cash equivalents	**(2,952)**	4,897	2,590
Cash and cash equivalents at beginning of period	**9,147**	6,550	6,550
Net (decrease) / increase in cash and cash equivalents	**(2,952)**	4,897	2,590
Effect of foreign exchange rate changes	**(16)**	(13)	7
Cash and cash equivalents at end of period	**6,179**	11,434	9,147
Cash and cash equivalents comprise:			
Cash and short term deposits	**6,179**	11,434	9,147

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year to 31 December 2013

	Share capital £'000	Share premium £'000	Capital reserve - own shares £'000	Hedging reserve £'000	Foreign currency reserve £'000	Profit and loss account reserve £'000	Total £'000
At 1 July 2013	**4,517**	**445**	**(618)**	**(12)**	**51**	**18,060**	**22,443**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**1,864**	**1,864**
Exchange differences on retranslation of foreign operations	**-**	**-**	**-**	**-**	**(16)**	**-**	**(16)**
Net loss on cash flow hedges	**-**	**-**	**-**	**(75)**	**-**	**-**	**(75)**
Tax on derivative financial liability	**-**	**-**	**-**	**19**	**-**	**-**	**19**
Actuarial loss on defined benefit pension schemes, net of tax	**-**	**-**	**-**	**-**	**-**	**(5,114)**	**(5,114)**
Dividends	**-**	**-**	**-**	**-**	**-**	**(891)**	**(891)**
Share based payments	**-**	**-**	**-**	**-**	**-**	**21**	**21**
At 31 December 2013	**4,517**	**445**	**(618)**	**(68)**	**35**	**13,940**	**18,251**

	Share capital £'000	Share premium £'000	Capital reserve - own shares £'000	Hedging reserve £'000	Foreign currency reserve £'000	Profit and loss account reserve £'000	Total £'000
At 1 July 2012	4,517	445	(618)	(22)	36	14,570	18,928
Profit for the period	-	-	-	-	-	780	780
Exchange differences on retranslation of foreign operations	-	-	-	-	(13)	-	(13)
Tax on derivative financial liability	-	-	-	3	-	-	3
Actuarial gain on defined benefit pension schemes, net of tax	-	-	-	-	-	19	19
Dividends	-	-	-	-	-	(356)	(356)
Share based payments	-	-	-	-	-	12	12
At 31 December 2012	4,517	445	(618)	(19)	23	15,025	19,373

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL

STATEMENTS
for the half year to 31 December 2013

1. Basis of preparation

The condensed consolidated interim financial statements of The Alumasc Group plc and its subsidiaries have been prepared on the basis of International Financial Reporting Standards (IFRS), as adopted by the European Union, that are effective at 31 December 2013.

The condensed consolidated interim financial statements have been prepared using the accounting policies set out in the statutory accounts for the financial year to 30 June 2013 and in accordance with IAS34 "Interim Financial Reporting".

The consolidated financial statements of the group as at and for the year ended 30 June 2013 are available on request from the company's registered office at Burton Latimer, Kettering, Northants, NN15 5JP or at the website www.alumasc.co.uk.

The comparative figures for the financial year ended 30 June 2013 are not the company's statutory accounts for that financial year but have been extracted from those accounts. Those accounts have been reported on by the company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements for the half year ended 31 December 2013 are not statutory accounts and have been neither audited nor reviewed by the group's auditors. They do not contain all of the information required for full financial statements, and should be read in conjunction with the consolidated financial statements of the group as at and for the year ended 30 June 2013.

These condensed consolidated interim financial statements were approved by the Board of Directors on
4 February 2014.

On the basis of the group's financing facilities and current financial plans and sensitivity analyses, the Board is satisfied that the group has adequate resources to continue in operational existence for the foreseeable future and accordingly continues to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

As required, the group has adopted amendments to IAS19 (revised) Employee Benefits in the current financial year, and has re-stated the prior year's results accordingly. As a consequence, the group has changed its accounting policies with respect to the basis for accounting for finance income/expense on the value of the defined benefit pension schemes' assets/liabilities and with respect to the costs of administering defined benefit pension schemes. The group determines finance income/expense for the period relating to defined benefit pension schemes by applying the discount rate used for valuing the schemes' liabilities to the value of the net pension asset/liability at the beginning of the year. Previously, the group calculated finance income by applying the expected return on assets to the value of the schemes' assets at the beginning of the year and finance expense by applying the discount rate to the value of the schemes' liabilities at the beginning of the year (taking in to account any changes during the period as a result of contributions and benefit payments). Additionally, the expense of administering the pension schemes is now charged separately to operating profit within the income statement. Previously it was accounted for as a reduction in the expected return on schemes' assets. The re-statement has not yet been audited.

The definition of underlying earnings has been amended from 1 July 2013 as stated in the group's annual report. Pension costs under IAS19 (revised) are now excluded from underlying earnings. Further details are given on pages 23 and 92 of Alumasc's Report and Accounts 2013. All comparators have been re-stated on this basis, see note 6 for further details.

2. Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expense. Actual results may differ from these estimates.

Except as described below, in preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2013.
During the six months ended 31 December 2013, management reassessed and updated its estimates in respect of retirement benefit obligations based on market data available at 31 December 2013. The resulting impact was a £6.2 million pre-tax actuarial loss, calculated using IAS19 (revised) conventions, recognised in the six month period to 31 December 2013.

3. Risks and Uncertainties

A summary of the group's principal risks and uncertainties was provided on pages 24 and 25 of Alumasc's Report and Accounts 2013. The Board considers these risks and uncertainties remain relevant to the current financial year.

4. Segmental analysis

	External £'000	**Inter-segment £'000**	**Revenue Total £'000**	**Segmental Operating Result £'000**
Half Year to 31 December 2013				
Solar Shading & Screening	9,152	-	9,152	328
Roofing & Walling	13,690	-	13,690	1,078
Energy Management	**22,842**	**-**	**22,842**	**1,406**
Construction Products	7,618	2	7,620	882
Rainwater, Drainage, Plastics & Casings	11,891	28	11,919	1,672
Water Management & Other	**19,509**	**30**	**19,539**	**2,554**
Building Products	**42,351**	**30**	**42,381**	**3,960**
Alumasc Precision	14,871	596	15,467	42
Engineering Products	**14,871**	**596**	**15,467**	**42**
Elimination/Unallocated costs	-	(626)	(626)	(689)
Total	**57,222**	**-**	**57,222**	**3,313**

	£'000
Segmental operating result	3,313
Brand amortisation	(134)
IAS19 (revised) - pension scheme administration costs	(200)
Total operating profit	**2,979**

Half Year to 31 December 2012	External £'000	Inter-segment £'000	Revenue Total £'000	Segmental Operating Result £'000
Solar Shading & Screening	9,582	-	9,582	484
Roofing & Walling	17,564	-	17,564	1,595
Energy Management	**27,146**	**-**	**27,146**	**2,079**
Construction Products	7,538	-	7,538	950
Rainwater, Drainage, Plastics & Casings	10,060	37	10,097	1,032
Water Management & Other	**17,598**	**37**	**17,635**	**1,982**
Building Products	**44,744**	**37**	**44,781**	**4,061**
Alumasc Precision	14,775	384	15,159	(294)
Engineering Products	**14,775**	**384**	**15,159**	**(294)**
Elimination/Unallocated costs	-	(421)	(421)	(611)
Total	**59,519**	**-**	**59,519**	**3,156**

	£'000
Segmental operating result	3,156
Brand amortisation	(128)
IAS19 (revised) - pension scheme administration costs	(125)
Restructuring and acquisition costs	(241)
Impairment	(625)
Total operating profit	**2,037**

Full Year to 30 June 2013	External	Inter-segment	Revenue Total	Segmental Operating Result
Solar Shading & Screening	18,086	-	18,086	841
Roofing & Walling	32,569	-	32,569	3,094
Energy Management	**50,655**	**-**	**50,655**	**3,935**
Construction Products	17,109	-	17,109	2,415
Rainwater, Drainage, Plastics & Casings	20,448	77	20,525	2,029
Water Management & Other	**37,557**	**77**	**37,634**	**4,444**
Building Products	**88,212**	**77**	**88,289**	**8,379**
Alumasc Precision	28,557	859	29,416	(461)
Engineering Products	**28,557**	**859**	**29,416**	**(461)**
Elimination/Unallocated costs	-	(936)	(936)	(1,269)
Total	**116,769**	**-**	**116,769**	**6,649**

	£'000
Segmental operating result	6,649
Brand amortisation	(273)
IAS19 (revised) - pension scheme administration costs	(400)
Restructuring and acquisition costs	(814)
Impairment	(625)
Total operating profit	**4,537**

5. Non-underlying items

	Half year to 31 December 2013	Half year to 31 December 2012 (Re-stated)	Year to 30 June 2013 (Re-stated)

	£'000	£'000	£'000
Brand amortisation	**(134)**	(128)	(273)
IAS19 (revised) - pension scheme administration costs	**(200)**	(125)	(400)
IAS19 (revised) - net pension scheme finance costs	**(320)**	(498)	(996)
Restructuring and acquisition costs	**-**	(241)	(814)
Impairment	**-**	(625)	(625)
	(654)	(1,617)	(3,108)

Restructuring and acquisition costs in the prior year relate to restructuring and redundancy costs, and the costs of acquiring Rainclear Systems Limited.

The impairment charge in the prior year of £625,000 related to a partial write down of the carrying value of goodwill in Blackdown Greenroofs, which was reduced from £1,251,000 to £626,000 at 31 December 2012.

6. Impact of IAS19 (revised) re-statements

	Half year to 31 December 2012 £'000	Year to 30 June 2013 £'000
IAS19 - net pension scheme finance costs, as originally stated	402	768
Adjustments to IAS19 methodology for calculating returns on pension scheme assets	96	228
IAS19 (revised) - net pension scheme finance costs, re-stated	498	996
IAS19 (revised) - pension scheme administration costs*	125	400
Re-stated total IAS19 (revised) - pension costs	623	1,396

* Pension scheme administration costs were previously accounted for as a reduction in the expected return on scheme assets.

7. Net finance costs

	Half year to 31 December 2013 £'000	Half year to 31 December 2012 (Re-stated) £'000	Year to 30 June 2013 (Re-stated) £'000
Finance income - Bank interest	**(5)**	(7)	(16)
Finance costs - Bank loans and overdrafts	**35**	66	106
- Revolving credit facility	**244**	371	677
	279	437	783
- IAS19 (revised) - net pension scheme finance costs	**320**	498	996
	599	935	1,779

8. Tax expense

	Half year to 31 December 2013 £'000	Half year to 31 December 2013 (Re-stated) £'000	Year to 30 June 2013 (Re-stated) £'000
Current tax:			
UK corporation tax	**476**	336	909
Overseas Tax	**4**	9	40

Amounts over provided in previous years	**-**	-	(21)
Total current tax	**480**	345	928
Deferred tax:			
Origination and reversal of temporary differences	**120**	28	1
Rate change adjustment	**(79)**	(44)	(41)
Total deferred tax	**41**	(16)	(40)
Total tax expense	**521**	329	888
Tax recognised in other comprehensive income:			
Deferred tax:			
Tax (credit)/charge on actuarial (losses)/gains on pension schemes	**(1,042)**	196	924
Tax credit on losses on cash flow hedges	**(19)**	(3)	(5)
Tax (credited)/charged to other comprehensive income	**(1,061)**	193	919
Total tax (credit)/charge in the statement of comprehensive income	**(540)**	522	1,807

9. Dividends

The directors have approved an interim dividend per share of 2.2p (2012: 2.0p) which will be paid on 8 April 2014 to shareholders on the register at the close of business on 7 March 2014. The cash cost of the dividend is expected to be £0.8 million. In accordance with IFRS accounting requirements, as the dividend was approved after the balance sheet date, it has not been accrued in the interim consolidated financial statements. A final dividend per share of 2.5p in respect of the 2012/13 financial year was paid at a cash cost of £0.9 million during the six months to 31 December 2013.

10. Share Based Payments

During the period, the group awarded 170,000 (2012: 100,000) options under the Executive Share Option Scheme ("ESOS"). These options have an exercise price of 128.5p and require certain criteria to be fulfilled before vesting. 136,000 (2012: 184,000) existing ESOS options lapsed during the period.

Total awards granted under the group's Long Term Incentive Plans ("LTIP") amounted to 289,882 (2012: nil). LTIP awards have no exercise price but are dependent on certain vesting criteria being met. During the period 290,217 (2012: 290,272) existing LTIP awards lapsed.

11. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity shareholders of the parent by the weighted average number of ordinary shares in issue during the period, after allowing for the exercise of outstanding share options. The following sets out the income and share data used in the basic and diluted earnings per share calculations:

	Half year to 31 December 2013	Half year to 31 December 2012 (Re-stated)	Year to 30 June 2013 (Re-stated)

	£'000	£'000	£'000
Profit attributable to equity holders of the parent	**1,864**	780	1,886

	Half year to 31 December 2013 000s	Half year to 31 December 2012 000s	Year to 30 June 2013 000s
Basic weighted average number of shares	35,648	35,648	35,648
Dilutive potential ordinary shares	-	-	-
Diluted weighted average number of shares	35,648	35,648	35,648

Calculation of underlying earnings per share:

	Half year to 31 December 2013 £'000	Half year to 31 December 2012 (Re-stated) £'000	Year to 30 June 2013 (Re-stated) £'000
Reported profit before taxation	**2,385**	1,109	2,774
Add: brand amortisation	**134**	128	273
Add: IAS19 (revised) - pension scheme administration costs	**200**	125	400
Add: IAS19 (revised) - net pension scheme finance costs	**320**	498	996
Add: impairment	**-**	625	625
Add: restructuring and acquisition costs	**-**	241	814
Underlying profit before taxation	**3,039**	2,726	5,882
Tax at underlying group rate of 24.2% (2012: 26.0%; 2012/13: 25.7%)	**(735)**	(709)	(1,512)
Underlying earnings	**2,304**	2,017	4,370
Underlying earnings per share	**6.5p**	5.7p	12.3p

12. Related party disclosure

The group has a related party relationship with its directors and with its UK pension schemes. There has been no material change in the nature of the related party transactions described in the Report and Accounts 2013. Related party information is disclosed in note 30 of that document.

Responsibility Statement

The Directors confirm that, to the best of their knowledge:

a) the condensed consolidated interim financial statements have been prepared in accordance with IAS34 "Interim Financial Reporting" as adopted by the EU; and

b) the interim management report includes a fair review of the information required by:

- DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

- DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the group during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board

G P Hooper	**A Magson**
Chief Executive	Group Finance Director

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