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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 2014.

Half year to 31 December	**2014**	2013	% change
Continuing operations:			
Revenue (£m)	**49.0**	45.2	+8%
Underlying profit before tax (£m)*	**4.0**	3.5	+14%
Underlying earnings per share (pence)*	**8.9**	7.6	+17%
Total group:			
Profit before tax (£m)	**3.0**	2.4	+24%
Basic earnings per share (pence)	**6.6**	5.2	+27%
Dividends per share (pence)	**2.5**	2.2	+14%
Net debt at 31 December (£m)	**7.7**	7.7	-

*Underlying profits and earnings per share from continuing operations are stated prior to the deduction of brand amortisation charges of £0.1 million (2013: £0.1 million), IAS19 pension costs of £0.7 million (2013: £0.5 million) and pre-tax losses from discontinued operations of £0.2 million (2013: £0.5 million).

Key points

- The group's best first half performance since 2008
- Decision taken to focus the group's strategic development on accelerating the growth of its **Building Products** activities. Discussions with potential buyers of Alumasc Precision Components in progress
- All H1 growth driven by **Building Products** which increased revenue by 11% to £45.2m and underlying operating profit by 22% to £4.6m, outperforming UK Construction output growth of 6%.
- **Roofing & Walling** operating profit doubled on revenue up 24% with performance benefiting from a widened product range and increased sales in the South East. Facades experienced strong demand in Scotland and for

new products.

- **Solar Shading**profit up 18% and **Construction Products** profit down 37%, each mainly reflect timing of large contracts.
- Revenue from **Rainwater, Drainage and Housebuilding Products** up 17%. Capacity is being added to support growth.
- **H1** Building Products order intake up 30% on prior H1 to £48.9m.
- **14% interim dividend increase** reflects improved performance and prospects.

Paul Hooper, Chief Executive, commented:

"*...the Board believes the group is well positioned to continue to grow its Building Products business both in this financial year and beyond.*"

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REVIEW OF INTERIM RESULTS

Overview

Alumasc is pleased to report its best first half year result since 2008, with the strong performance attributable to ongoing profitable growth in the Building Products division where revenues again increased at a faster rate than the UK construction market as a whole:

- Group revenues from continuing operations increased by 8% to £49.0 million.

- Underlying profit before tax from continuing operations advanced by 14% to £4.0 million.

- Underlying earnings per share from continuing operations was 8.9 pence, some 17% ahead of a year ago.

- Statutory profit before tax of £3.0 million was 24% up on the prior year and basic earnings per share of 6.6p was 27% ahead. A reconciliation of underlying profits and earnings to the statutory figures is provided in note 5 to the interim financial statements.

- The Board has decided to increase the interim dividend by 14% to 2.5 pence.

As announced in October 2014, the Board has concluded that Alumasc Precision Components ("APC") no longer fits the group's strategy for growth. In line with this decision, the group is currently discussing the sale of APC with a number of potential trade buyers. The results of this business have therefore been presented in the interim financial statements as a discontinued operation. The net book value of APC, shown as a current asset available for sale in the group balance sheet, is £6.5 million.

Strategic Developments

In our 2014 Annual Report we stated that the Board would refresh its appraisal of how best to direct the group's resources in building value for shareholders.

Following this review:

1. The Board has decided to focus the group's strategic development on accelerating the growth of its Building Products activities:

    · the combination of the strategic positioning of these businesses in sectors that help manage the scarce resources of energy and water with initiatives to increase our share of those markets through new product development and geographic expansion has begun to deliver an acceleration in revenue and profit growth;

    · the group is more proactively seeking Building Products acquisitions to complement organic growth opportunities; and

    · having sold the non-core Pendock Profiles business in September 2014, the group does not intend to divest any other Building Products businesses.

2. The Board has decided to divest APC, the larger of our two engineering businesses and, as described above, is in discussions with a number of potential acquirers of that business.

Operational review - continuing operations

Group revenues from continuing operations for the six months ended 31 December 2014 increased by 8% to £49.0 million (2013: £45.2 million), with underlying operating profits increasing by 12% to £4.3 million (2013: £3.8 million). Operating margins in 2014 improved to 8.8% from 8.5% in 2013. All of the growth came from the Building Products division. Group interest costs on bank borrowings were similar year on year, and the resultant group underlying profit before tax of £4.0 million (2013: £3.5 million) was ahead of the prior year by 14%.

Building Products revenues grew by 11% to £45.2 million (2013: £40.7 million) and divisional operating profits rose by 22% to £4.6 million (2013: £3.7 million) at operating margins of 10.1% (2013: 9.2%).

This improved performance was driven mainly by our Roofing and

Walling businesses, where actions taken over recent years to strengthen management and sales resources, introduce new products, and expand the product range and geographical reach are now bearing fruit against a backdrop of an improving UK market place. The large Kitimat smelter refurbishment contract is now very close to completion and made only a modest contribution to first half results in 2014.

Our Rainwater, Drainage and House Building Products businesses continued the strong momentum of the previous year, growing revenues by a further 17%. Investments in new product development and in adding new capacity gave rise to some additional costs in the transitional period, resulting in the generation of a similar level of operating profit to that delivered in the first half of the prior financial year.

In the Construction Products segment, Gatic had a satisfactory first half, without the benefit of any individual large project in the UK this year. The multi-million US Dollar project at Doha Port won last summer is under way and will also benefit the second half year. SCP, our scaffolding and related building products business, performed well benefiting from a broadening of both product ranges and routes to market.

Enquiry levels and order intake at Levolux is showing early signs of improvement, indicative of some recovery in the UK new build commercial market, particularly in London and the South East. However, market activity in this segment remains around 30% below its 2008 peak. Levolux's improved first half result benefited from ongoing works, now close to complete, on the large commercial building in London that commenced last year, and on the substantial final project at Chiswick Park where the majority of the work is now done. Steady progress continues in developing export markets, with most success so far in North America.

Dyson Diecasting had a solid first half performance without matching the record highs of the prior year which had benefited from the initial stocking of some new product lines.

Operational review - discontinued operations

APC incurred a modest trading loss in the period, a much improved performance compared with a year ago due to recovery plan actions taken. These included exiting loss making work last year, purchasing savings, operational efficiencies and strong overhead control. However, we were notified in the Autumn that certain export work to Europe would not be renewed as customer engine variants were updated. Unexpectedly at that time APC also received some significant retrospective claims for alleged quality and delivery issues on the work that had come to an end. Some of these claims have now been settled and we are in discussions to resolve the remaining matters. Provisions against the expected value of the settlement of the claims more than offset the improved trading performance of the business, resulting in an increase in APC's overall operating losses for the period to £1.1 million (2014: loss of £0.7 million).

Pendock Profiles made a small trading profit prior to the sale of this business in September 2014. The book gain made on the sale was £0.8 million.

Cash flow, balance sheet, pensions and risk

The group's cash performance was in line with expectations, with overall cash inflows and outflows balanced for the period as a whole. Net debt at 31 December of £7.7 million therefore remained unchanged compared to both 30 June 2014 and also 31 December 2013. The average level of net debt on a cleared funds basis was also similar to the prior half year, as was the net interest charge relating to bank borrowings for the period of £0.3 million.

Close to record low corporate bond yields used to discount pension liabilities to present values caused an increase in the valuation of the pension deficit shown on the group balance sheet to £21.4 million (30 June 2014: £17.9 million, 31 December 2013: £15.5 million). This in turn led to a reduction in shareholders' funds to £15.0 million (30 June 2014: £17.0 million, 31 December 2013: £18.3 million). The valuation of pension liabilities for accounting purposes has no direct impact on the level of deficit repair contributions of £3.0 million per annum (including scheme running expenses) that the company is committed to pay into the pension schemes. The next full triennial actuarial review is scheduled to take place in 2016. In the meantime, further actions are being taken to reduce gross pension liabilities and improve pension fund investment returns within an acceptable level of risk.

The group's key business risks are as set out on pages 16 and 17 of the group's 2014 Annual Report, except as stated in note 3 to the interim financial statements.

Outlook

Traditionally, Alumasc has experienced some seasonal bias in favour of second half year results, but in the current year this is expected to be offset by the timing of larger construction projects, which are anticipated to make a more significant contribution to the first half of the 2014/15 financial year.

This is reflected in order books, where Building Products order intake in the period was up by 30% to £48.9 million (2013: £37.5 million), some of this relating to projects scheduled beyond this financial year. The value of the Building Products order book of £19.2 million at 31 December 2014 was similar to the prior financial year end, as billings during the period on larger contracts offset the general growth in the order book.

More broadly, the Board believes the group is well positioned to continue to grow its Building Products business both in this financial year and beyond.

Dividend

In view of the strong first half performance and belief in the improving medium to longer term prospects for the group, the Board has decided to increase the interim dividend by 14% to 2.5 pence per share (2013/14: 2.2 pence). This will be paid on 7 April to shareholders on the register at 6 March.

Paul Hooper, Chief Executive

3 February 2015

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the half year to 31 December 2014

		Half year to 31 December 2014			Half year to 31 December 2013			Year to 30 June 2014
			Non-underlying			Non-underlying		
		Underlying (Unaudited)	(Unaudited)	Total (Unaudited)	Underlying (Unaudited)	(Unaudited)	Total (Unaudited)	Total (Audited)
Continuing operations	**Notes**	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue	4	48,995	-	48,995	45,175	-	45,175	88,857
Cost of sales		(34,289)	-	(34,289)	(30,528)	-	(30,528)	(59,249)
Gross profit		14,706	-	14,706	14,647	-	14,647	29,608
Net operating expenses								
Net operating expenses before non-underlying items		(10,397)	-	(10,397)	(10,815)	-	(10,815)	(21,843)
Brand amortisation	5	-	(134)	(134)	-	(134)	(134)	(268)
IAS 19 pension scheme administration costs	5	-	(270)	(270)	-	(200)	(200)	(452)
Net operating expenses		(10,397)	(404)	(10,801)	(10,815)	(334)	(11,149)	(22,563)
Operating profit	4	4,309	(404)	3,905	3,832	(334)	3,498	7,045
Finance income	6	2	-	2	5	-	5	10
Finance expenses	5,6	(264)	(400)	(664)	(279)	(320)	(599)	(979)
Profit before taxation		4,047	(804)	3,243	3,558	(654)	2,904	6,076
Tax (expense)/income	7,10	(890)	72	(818)	(861)	214	(647)	(1,287)
Profit for the period from continuing operations		3,157	(732)	2,425	2,697	(440)	2,257	4,789
Discontinued operations								
Loss after taxation for the period from discontinued operations	5	-	(58)	(58)	-	(393)	(393)	(748)
Profit for the period		3,157	(790)	2,367	2,697	(833)	1,864	4,041
Other comprehensive income								
Items that will not be recycled to profit or loss:								
Actuarial loss on defined benefit pensions	2			(4,334)			(6,156)	(9,350)
Tax on actuarial loss on defined benefit pensions				815			1,042	1,618
				(3,519)			(5,114)	(7,732)
Items that are or may be recycled subsequently to profit or loss:								
Effective portion of changes in fair value of cash flow hedges				34			(75)	(70)
Exchange differences on retranslation of foreign operations				20			(16)	(19)
Tax on cash flow hedge				(5)			19	20
				49			(72)	(69)
Other comprehensive loss for the period, net of tax				(3,470)			(5,186)	(7,801)
Total comprehensive loss for the period, net of tax				(1,103)			(3,322)	(3,760)
Earnings per share				Pence			Pence	Pence
Basic earnings per share								
- Continuing operations				6.8			6.3	13.4
- Discontinued operations				(0.2)			(1.1)	(2.1)
	10			6.6			5.2	11.3
Diluted earnings per share								
- Continuing operations				6.7			6.3	13.3
- Discontinued operations				(0.2)			(1.1)	(2.1)
	10			6.5			5.2	11.2

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
at 31 December 2014

	31 December 2014 (Unaudited) £'000	31 December 2013 (Unaudited) £'000	30 June 2014 (Audited) £'000
Assets			
Non-current assets			
Property, plant and equipment	**7,457**	12,605	12,039
Goodwill	**16,488**	16,488	16,488
Other intangible assets	**2,818**	2,857	2,770
Financial asset investments	**17**	17	17
Deferred tax assets	**4,285**	3,256	3,584
	31,065	35,223	34,898
Current assets			
Inventories	**10,259**	13,170	12,523
Biological assets	**144**	170	171
Trade and other receivables	**18,468**	19,568	23,693
Cash and cash equivalents	**3,205**	6,179	2,224
Derivative financial assets	**29**	50	40
Assets classified as held for sale	**9,799**	-	-
	41,904	39,137	38,651
Total assets	**72,969**	74,360	73,549
Liabilities			
Non-current liabilities			
Interest bearing loans and borrowings	**(10,918)**	(13,862)	(9,890)
Employee benefits payable	**(21,418)**	(15,504)	(17,922)
Provisions	**(954)**	(628)	(1,047)
Deferred tax liabilities	**(1,267)**	(1,435)	(1,220)
	(34,557)	(31,429)	(30,079)
Current liabilities			
Trade and other payables	**(18,966)**	(23,720)	(25,694)
Provisions	**(681)**	(366)	(221)
Income tax payable	**(417)**	(521)	(445)
Derivative financial liabilities	**(34)**	(73)	(68)
Liabilities classified as held for sale	**(3,346)**	-	-
	(23,444)	(24,680)	(26,428)
Total liabilities	**(58,001)**	(56,109)	(56,507)
Net assets	**14,968**	18,251	17,042
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	**(33)**	(68)	(62)
Foreign currency reserve	**52**	35	32
Profit and loss account reserve	**10,605**	13,940	12,728
Total equity	**14,968**	18,251	17,042

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
for the half year to 31 December 2014

	Half year to 31 December	Half year to 31 December	Year to 30 June

	2014 (Unaudited) £'000	2013 (Unaudited) £'000	2014 (Audited) £'000
Operating activities			
Operating profit	**3,905**	3,498	7,045
Adjustments for:			
Depreciation	**525**	545	1,175
Amortisation	**184**	238	381
Gain on disposal of property, plant and equipment	**(4)**	-	(3)
Increase in inventories	**(943)**	(788)	(344)
Decrease/(increase) in biological assets	**27**	(7)	(8)
(Increase)/decrease in receivables	**(510)**	3,775	306
Decrease in trade and other payables	**(1,191)**	(3,273)	(1,461)
Movement in provisions	**367**	(106)	168
Cash contributions to retirement benefit schemes	**(1,250)**	(1,034)	(1,992)
Share based payments	**27**	21	34
Cash generated from continuing operations	**1,137**	2,869	5,301
Cash generated from discontinued operations	**(110)**	(143)	(160)
Tax paid	**(456)**	(544)	(1,114)
Net cash inflow from operating activities	**571**	2,182	4,027
Investing activities			
Purchase of property, plant and equipment	**(587)**	(738)	(1,319)
Payments to acquire intangible fixed assets	**(232)**	(119)	(175)
Proceeds from sales of property, plant and equipment	**4**	-	10
Acquisition of subsidiary, net of cash and deferred consideration	**-**	(150)	(320)
Proceeds from sale of business activity	**1,408**	-	-
Interest received	**2**	5	10
Net cash inflow/(outflow) from investing activities	**595**	(1,002)	(1,794)
Financing activities			
Interest paid	**(207)**	(241)	(465)
Equity dividends paid	**(998)**	(891)	(1,675)
Draw down/(repayment) of amounts borrowed	**1,000**	(3,000)	(7,000)
Net cash outflow from financing activities	**(205)**	(4,132)	(9,140)
Net increase/(decrease) in cash and cash equivalents	**961**	(2,952)	(6,907)
Net cash and cash equivalents brought forward	**2,224**	9,147	9,147
Effect of foreign exchange rate changes	**20**	(16)	(16)
Net cash and cash equivalents carried forward	**3,205**	6,179	2,224
Cash and cash equivalents comprise:			
Cash and cash equivalents	**3,205**	6,179	2,224

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half year to 31 December 2014

	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 2014	4,517	445	(618)	(62)	32	12,728	17,042
Profit for the period	-	-	-	-	-	2,367	2,367
Exchange differences on retranslation of foreign operations	-	-	-	-	20	-	20
Net gain on cash flow hedges	-	-	-	34	-	-	34
Tax on derivative financial liability	-	-	-	(5)	-	-	(5)
Actuarial loss on defined benefit pension schemes, net of tax	-	-	-	-	-	(3,519)	(3,519)
Dividends	-	-	-	-	-	(998)	(998)
Share based payments	-	-	-	-	-	27	27
At 31 December 2014	4,517	445	(618)	(33)	52	10,605	14,968

	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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
for the half year to 31 December 2014

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 2014.

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 2014 and in accordance with IAS34 "Interim Financial Reporting".

The consolidated financial statements of the group as at and for the year ended 30 June 2014 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 2014 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 comparative figures for the financial year ended 30 June 2014 and the six month period ended 31 December 2013 have been re-classified to show APC and Pendock Profiles as discontinued operations.

The condensed consolidated interim financial statements for the half year ended 31 December 2014 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 2014.

These condensed consolidated interim financial statements were approved by the Board of Directors on
3 February 2015.

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.

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 2014.

During the six months ended 31 December 2014, management reassessed and updated its estimates in respect of retirement benefit obligations based on market data available at 31 December 2014. The resulting impact was a £4.3 million pre-tax actuarial loss, calculated using IAS19 conventions, recognised in the six month period to 31 December 2014.

3. Risks and Uncertainties

A summary of the group's principal risks and uncertainties was provided on pages 16 and 17 of Alumasc's Report and Accounts 2014. The Board considers these risks and uncertainties remain relevant to the current financial year.

As described earlier in the Review of Interim Results Alumasc is in discussions with a number of trade buyers to sell the Alumasc Precision Components business. Current expectations are that the carrying value of the business will be more than recovered on sale. However, depending on the final outcome agreed, sales proceeds could potentially be either above or below the book value at 31 December 2014.

4. Segmental analysis

	External £'000	**Inter-segment £'000**	**Revenue Total £'000**	**Segmental Operating Result £'000**
Half Year to 31 December 2014				
Solar Shading & Screening	8,159	-	8,159	386
Roofing & Walling	16,947	-	16,947	2,210
Energy Management	**25,106**	**-**	**25,106**	**2,596**
Construction Products	8,081	2	8,083	556
Rainwater, Drainage & House Building Products	11,992	5	11,997	1,416
Water Management & Other	**20,073**	**7**	**20,080**	**1,972**
Building Products	**45,179**	**7**	**45,186**	**4,568**
Dyson Diecasting	3,816	122	3,938	338
Engineering Products	**3,816**	**122**	**3,938**	**338**
Elimination/Unallocated costs	-	(129)	(129)	(597)

Total	**48,995**	**-**	**48,995**	**4,309**

	£'000
Segmental operating result	4,309
Brand amortisation	(134)
IAS 19 pension scheme administration costs	(270)
Total operating profit from continuing operations	**3,905**

Half Year to 31 December 2013 (Restated)	**External £'000**	**Inter-segment £'000**	**Revenue Total £'000**	**Segmental Operating Result £'000**
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 & House Building Products	10,203	28	10,231	1,454
Water Management & Other	**17,821**	**30**	**17,851**	**2,336**
Building Products	**40,663**	**30**	**40,693**	**3,742**
Dyson Diecasting	4,512	186	4,698	779
Engineering Products	**4,512**	**186**	**4,698**	**779**
Elimination/Unallocated costs	-	(216)	(216)	(689)
Total	**45,175**	**-**	**45,175**	**3,832**

	£'000
Segmental operating result	3,832
Brand amortisation	(134)
IAS 19 pension scheme administration costs	(200)
Total operating profit from continuing operations	**3,498**

Full Year to 30 June 2014 (Restated)	**External**	**Inter-segment**	**Revenue Total**	**Segmental Operating Result**
Solar Shading & Screening	16,339	-	16,339	507
Roofing & Walling	26,927	-	26,927	2,929
Energy Management	**43,266**	**-**	**43,266**	**3,436**
Construction Products	15,534	-	15,534	1,676
Rainwater, Drainage & House Building Products	21,501	60	21,561	2,865
Water Management & Other	**37,035**	**60**	**37,095**	**4,541**
Building Products	**80,301**	**60**	**80,361**	**7,977**
Dyson Diecasting	8,556	322	8,878	1,120
Engineering Products	**8,556**	**322**	**8,878**	**1,120**
Elimination/Unallocated costs	-	(382)	(382)	(1,332)
Total	**88,857**	**-**	**88,857**	**7,765**

	£'000
Segmental operating result	7,765
Brand amortisation	(268)
IAS 19 pension scheme administration costs	(452)
Total operating profit from continuing operations	**7,045**

5. Discontinued operations

a) Results of discontinued operations

Half Year to 31 December 2014	Alumasc Precision Components £'000	Pendock Profiles £'000	Total £'000
Revenue	10,269	785	11,054
Operating (loss)/profit	(1,117)	55	(1,062)
Income tax	246	(12)	234
Gain on disposal of discontinued operation	-	770	770
	(871)	**813**	**(58)**

Half Year to 31 December 2013	Alumasc Precision Components £'000	Pendock Profiles £'000	Total £'000
Revenue	10,359	1,688	12,047
Operating (loss)/profit	(737)	218	(519)
Income tax	179	(53)	126
	(558)	**165**	**(393)**

Full Year to 30 June 2014	Alumasc Precision Components £'000	Pendock Profiles £'000	Total £'000
Revenue	21,420	3,125	24,545
Operating (loss)/profit	(1,318)	331	(987)
Income tax	319	(80)	239
	(999)	**251**	**(748)**

b) Effect of disposal on the financial position of the group

	Half year to 31 December 2014 £'000
Net consideration received, satisfied in cash	1,408
Net assets and liabilities sold	(638)
Gain on disposal of discontinued operation	**770**

c) Underlying to statutory profit reconciliation

Half Year to 31 December 2014	Continuing Operations £'000	Discontinued Operations £'000	Total £'000
Underlying profit before tax	4,047	-	4,047
IAS19 pension costs	(670)	-	(670)
Brand amortisation	(134)	-	(134)
Alumasc Precision Components	-	(1,117)	(1,117)
Pendock Profiles	-	55	55
Pendock Profiles gain on disposal of discontinued operation	-	770	770
Statutory profit/(loss) before tax	**3,243**	**(292)**	**2,951**

Taxation	(818)	234	(584)
Statutory profit/(loss) after tax	**2,425**	**(58)**	**2,367**

Half Year to 31 December 2013	**Continuing Operations £'000**	**Discontinued Operations £'000**	**Total £'000**
Underlying profit before tax	3,558	-	3,558
IAS19 pension costs	(520)	-	(520)
Brand amortisation	(134)	-	(134)
Alumasc Precision Components	-	(737)	(737)
Pendock Profiles	-	218	218
Statutory profit/(loss) before tax	**2,904**	**(519)**	**2,385**
Taxation	(647)	126	(521)
Statutory profit/(loss) after tax	**2,257**	**(393)**	**1,864**

6. Net finance costs

	Half year to 31 December 2014 £'000	Half year to 31 December 2013 £'000	Year to 30 June 2014 £'000
Finance income - Bank interest	**(2)**	(5)	(10)
Finance costs - Bank loans and overdrafts	**24**	35	68
- Revolving credit facility	**240**	244	463
	264	279	531
- IAS19 net pension scheme finance costs	**400**	320	448
	664	599	979

7. Tax expense

	Half year to 31 December 2014 £'000	Half year to 31 December 2013 £'000	Year to 30 June 2014 £'000
Current tax:			
UK corporation tax - continuing operations	**657**	602	1,210
- discontinued operations	**(208)**	(104)	(197)
Overseas tax	**2**	4	30
Amounts over provided in previous years	**-**	-	(26)
Total current tax	**451**	502	1,017
Deferred tax:			
Origination and reversal of temporary differences:			
- continuing operations	**159**	120	249
- discontinued operations	**(26)**	(22)	(42)
Rate change adjustment	**-**	(79)	(176)
Total deferred tax	**133**	19	31
Total tax expense	**584**	521	1,048
Tax charge on continuing operations	**818**	647	1,287
Tax credit on discontinued operations	**(234)**	(126)	(239)
Total tax expense	**584**	521	1,048
Tax recognised in other comprehensive income			
Deferred tax:			
Actuarial losses on pension schemes	**(815)**	(1,042)	(1,618)
Cash flow hedges	**5**	(19)	(20)

Tax credited to other comprehensive income	**(810)**	(1,061)	(1,638)
Total tax credit in the statement of comprehensive income	**(226)**	(540)	(590)

8. Dividends

The directors have approved an interim dividend per share of 2.5p (2013: 2.2p) which will be paid on 7 April 2015 to shareholders on the register at the close of business on 6 March 2015. The cash cost of the dividend is expected to be £0.9 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 2.8p in respect of the 2013/14 financial year was paid at a cash cost of £1.0 million during the six months to 31 December 2014.

9. Share Based Payments

During the period, the group awarded no options (2013: 170,000) under the Executive Share Option Scheme ("ESOS"). 164,000 (2013: 136,000) existing ESOS options lapsed during the period.

No awards were granted under the group's Long Term Incentive Plans ("LTIP") during the period (2013: 289,882). LTIP awards have no exercise price but are dependent on certain vesting criteria being met. During the period 259,328 (2013: 290,217) existing LTIP awards lapsed.

10. 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 2014 £'000	Half year to 31 December 2013 £'000	Year to 30 June 2014 £'000
Profit attributable to equity holders of the parent - continuing	**2,425**	2,257	4,789
Loss attributable to equity holders of the parent - discontinued	**(58)**	(393)	(748)
Net profit attributable to equity holders of the parent	**2,367**	1,864	4,041

	Half year to 31 December 2014 000s	Half year to 31 December 2013 000s	Year to 30 June 2014 000s
Basic weighted average number of shares	**35,648**	35,648	35,648
Dilutive potential ordinary shares - employee share options	**546**	-	447
Diluted weighted average number of shares	**36,194**	35,648	36,095

Calculation of underlying earnings per share:

	Half year to 31 December 2014 £'000	Half year to 31 December 2013 £'000	Year to 30 June 2014 £'000
Reported profit before taxation from continuing operations	**3,243**	2,904	6,076
Add: brand amortisation	**134**	134	268
Add: IAS19 pension scheme administration costs	**270**	200	452
Add: IAS19 net pension scheme finance costs	**400**	320	448
Underlying profit before taxation	**4,047**	3,558	7,244
Tax at underlying group rate of 22.0% (2013: 24.2%; 2013/14: 24.2%)	**(890)**	(861)	(1,753)
Underlying earnings	**3,157**	2,697	5,491
Underlying earnings per share	**8.9p**	7.6p	15.4p

11. 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 2014. 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 — Chief Executive

A Magson — Group Finance Director

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Half Yearly Report
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