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THE ALUMASC GROUP PLC – INTERIM MANAGEMENT STATEMENT

Alumasc (ALU.L), the premium building and engineering products company, is publishing its second interim management statement relating to the year ending 30 June 2009.

The group's trading performance has shown some seasonal improvement during the Spring, following the very challenging conditions experienced by the Engineering Products division in particular during the Winter. The group's Building Products division has continued to deliver a robust performance, with year to date revenues across the sustainable building product businesses exceeding strong prior period comparators.

- In the first ten months of the year, Building Products' divisional revenues (representing over 70% of group revenues) were similar to those in the prior period. Sustainable building product revenues were over 5% ahead, assisted by the acquisition of the Blackdown green roof business in March 2008, but still ahead on a like-for-like basis. Levolux, the UK's leading solar shading company, acquired two years ago, has continued to deliver an outstanding performance. Blackdown has performed strongly in recent months, reflecting continued growth in the market for green roofs. Demand for MR Façade systems, sold principally into the social housing refurbishment market, also remains buoyant. Year to date divisional operating margins are around 1 percentage point lower than in the prior period, largely reflecting the impact of currency appreciation on imported products, as described in our interim report. Whilst the group's Building Products businesses continue to perform relatively well, these activities are not immune to current economic and market conditions and there is increasing evidence from both external commentators and in our own order books that demand for new commercial buildings will continue to weaken in the short-term.
- Engineering Products' divisional revenues (which now represent less than 30% of group revenues) were over 20% below those in the first ten months of the prior year, reflecting the significant downturn in demand from OEM customers that began to impact Alumasc just prior to the calendar year end. Activity levels remain subdued in this division, with revenues since December down by some 40% compared with a year ago. Since our interim report, the new management team at Alumasc Precision has taken further action to drive operational efficiencies and re-align the cost base to reflect the lower levels of demand.
- The group's cash performance has remained strong, with working capital requirements reduced and capital expenditure controlled carefully. Net debt at 30 April of £13.1 million was higher than at the interim stage, largely due to seasonal factors (including the recent payment of the interim dividend and quarterly VAT) but is expected to reduce to around £10-11 million by the year end (30 June 2008: £9.4 million), implying gearing of just over 30%. There have been no other significant changes to the group's balance sheet since 31 December 2008.

Although overall trading results have shown some recent seasonal improvement, in view of the continuing low level of demand in the Engineering Products division, the Board now expects that overall results for the current year will be marginally lower than its previous expectations.

Nonetheless, the Board has confidence that the group is increasingly well positioned to benefit from opportunities arising from the recession and from economic recovery when it comes. The level of customer enquiries for potential new work at Alumasc Precision is higher than it has been for a number of years. Alumasc's overall cost base has been reduced by almost £6 million on an annualised basis this year, and management is working hard to develop some exciting opportunities for further export sales.

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This Interim Management Statement has been drawn up and presented for the purposes of complying with English law. Any liability arising out of or in connection with this Interim Management Statement will also be determined in accordance with English law.

This Interim Management Statement may contain 'forward-looking statements'. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Many of these risks and uncertainties relate to factors beyond The Alumasc Group's control or which cannot be estimated precisely, such as future market conditions and the behaviour of the market participants. Actual outcomes and results may therefore differ materially from any outcomes or results expressed or implied by any such forward-looking statements.

Nothing in this Interim Management Statement is intended to be a profit forecast.