





## Alumasc at a glance

Alumasc is a UK-based supplier of premium building and precision engineering products. An increasing majority of the business is in the area of sustainable building products, especially relating to energy and water management.

All Alumasc's trading operations enjoy considerable autonomy within the strategic framework set by the group, and benefit from Alumasc's financial strength, its achievement-orientated culture and track record of strong overhead control.

By offering its customers quality products, service and trust, Alumasc seeks to grow its business and to consolidate and achieve market-leading positions.

## Half year financial highlights

	<b>Half year to 31 December 2009</b>	Half year to 30 June 2009	Half year to 31 December 2008
Revenue (£m)	<b>44.5</b>	48.4	60.7
Underlying profit before tax <sup>1</sup> (£m)	<b>1.9</b>	1.7	3.5
Profit before tax (£m)	<b>1.6</b>	(0.9)	2.7
Underlying earnings per share <sup>1</sup> (pence)	<b>3.6</b>	3.2	6.8
Basic earnings per share (pence)	<b>3.1</b>	(1.9)	4.8
Dividends per share (pence)	<b>3.25</b>	6.75	3.25
Period end net debt <sup>2</sup> (£m)	<b>9.2</b>	10.3	10.8

<sup>1</sup> Underlying profit before tax and underlying earnings per share are stated prior to the deduction of restructuring costs, amortisation of brands and, in the year ended 30 June 2009, impairment charges. A reconciliation of reported profit before tax to underlying profit before tax and underlying earnings per share is given in note 10 on page 11 of this report.

<sup>2</sup> Net debt represents cash and short term deposits less interest bearing loans, borrowings and bank overdrafts.

## Review of Interim Results

### Overview

Alumasc has again delivered a resilient performance, in line with the Board's expectations, against a continuing background of challenging market conditions. The group's sustainable building product businesses have continued to perform relatively well, progress in the performance improvement programme at Alumasc Precision has been encouraging and total fixed cost and efficiency savings delivered since the start of the recession now amount to £7 million, some £1 million ahead of previous expectations.

In the six months to 31 December 2009, group revenues reduced by 27% to £44.5 million, as the first half of the previous financial year largely preceded the impact of the recession on the group. As a consequence, underlying profit before tax, stated prior to restructuring costs and brand amortisation, was £1.9 million (2008: £3.5 million). Reported profit before tax was £1.6 million (2008: £2.7 million), benefiting from lower restructuring costs and the absence of any impairment charges in the current financial year. Underlying earnings per share were 3.6 pence (2008: 6.8 pence) and basic earnings per share were 3.1 pence (2008: 4.8 pence).

When compared with the second half of last year, these first half results demonstrate that the actions taken by management to improve margin performance and control costs have begun to yield a recovery in group profits. Although revenues reduced by a further 8%, underlying profit before tax was 14% better than in the second half of last year and operating margins improved from 4.8% to 6.2%.

### Building Products

Divisional revenues reduced by 22% to £33.3 million, principally due to the recession causing contraction in UK demand for building and construction products over the last year. When measured against the second half of the prior

year, which is traditionally stronger as a result of seasonal factors, divisional revenues were more stable, reducing by only 7%.

Alumasc has been particularly impacted by lower demand for new commercial buildings which the Construction Products Association estimates has reduced across the UK construction market by 26% in the last 12 months. This market segment is of most relevance to Alumasc as it is where almost half of the group's building product sales are made. Against this background, we continue to believe our sustainable building products businesses, which focus on the management of energy and water in the built environment, are performing well despite being unable to repeat their strong track record of organic growth over recent years.

Levolux, the UK's leading solar shading company remained strongly profitable, but reported reduced profits reflecting the short-term decline in larger project work. Encouragingly, in recent months there have been some early signs that large projects are beginning to be funded once again. In the meantime, action has been taken to facilitate increased export sales into North America by appointing sales representatives into those territories where market research has identified the greatest potential. Since then, some initial specifications have been won for work on public buildings, which should benefit the business into its next financial year. Opportunities for further export sales into parts of Europe and the Middle East are also being developed. Levolux continues to invest in the development of active shading systems, particularly in the areas of light re-direction and the use of photovoltaics.

Steady demand from the infrastructure sectors both in the UK and overseas has led to continued buoyant Construction Products revenues, benefiting sales of specialist access covers in particular. The weakness in UK commercial and industrial construction markets

impacted domestic sales of Slotdrain, but this was offset by significantly higher export sales into Europe and the Middle East. Similarly to Levolux, a structure has now been put in place to exploit export sales opportunities for this product in the North American market in the next financial year and beyond.

The group's roofing sales were assisted by continuing good demand for extensive green roofs, including for the first time some direct export sales of green roof horticulture, albeit demand eased for waterproofing membranes sold independently from green roof systems. The group is awaiting news of tenders for a number of green roof projects connected with the London Olympics which, if won, could benefit the last few months of the current financial year. Alumasc recently acquired the UK sole distribution rights to the Firestone commercial single-ply waterproofing brand, with sales commencing in January and set to benefit the second half year. Sales of MR Façade systems, made mostly into the social housing refurbishment sector, held up reasonably well in Scotland. Sales in England and Wales were slower than expected, in part due to delays in funding from the Community Energy Saving Plan (CESP), which are now beginning to be resolved.

Sales of traditional cast iron and aluminium rainwater goods have been robust, supported by demand from refurbishment projects, although contemporary ranges and sales of drainage products into both new public and private sector projects have been more subdued. The launch of a technically innovative upgrade to the Harmer shower drain range should improve sales momentum in the coming months. Elsewhere, sales to the house building sector, mainly under the Timloc and Pendock brands, have benefited from better market conditions when compared with a year ago. The achievement of Forest Stewardship Council accreditation by Pendock in the early part of the year demonstrated real sector leadership and

Alumasc has again delivered a resilient performance against a continuing background of challenging market conditions, underpinned by relatively good performances from our sustainable building product businesses, encouraging progress in the performance improvement programme at Alumasc Precision and delivery of fixed cost and efficiency savings amounting to over £7 million since the start of the recession.



**Paul Hooper** Chief Executive

has been instrumental in further differentiating this brand as the premium product in the pre-formed pipe boxing market, benefiting both sales and margins.

#### **Engineering Products**

Divisional revenues reduced by 38% to £11.7 million, when compared with the first half of last year, and were 9% down on the second half of last year. Alumasc Precision's revenues have shown greater stability than those at Alumasc Dispense, with the former benefiting from new work won towards the end of the last financial year, from Mak, Jaguar and Rotork, and tooling work won in the current financial year, from Caterpillar/Perkins, Deutz, Aston Martin and McLaren.

Progress in the business recovery programme under the new management team at Alumasc Precision has been encouraging, with improvements in quality leading to an award from Caterpillar early in the year, and operational efficiencies and strong cost control bringing the business back closer to break-even levels despite overall sales volumes remaining low due to market conditions. However, enquiries for new work remain high, with existing and potential blue chip customers attracted by the combination of casting and machining capabilities offered by the business, continuing improvements in quality and process control, and the financial stability of the business as part of a well-funded public company. Alumasc Precision is also developing its capability to supply customers directly in China, working together with its locally-based manufacturing partner.

Market conditions for Alumasc Dispense remained difficult in the period, with large brewers continuing to delay investment in point of sale branding. In response, management has taken strong action to more than halve the break-even level of sales over the last two years and the business is now extremely well

positioned to benefit from new work wins including the supply of Tuborg fonts into export markets and the recent launch of the Carlsberg Draughtmaster 2 dispense system.

#### **Cash flow, financial position, pensions and risk review**

The group's first-half cash performance was strong, with working capital requirements generally managed downwards in line with trading activity, and capital expenditure carefully controlled. In a six month period where the group's borrowings usually rise due to seasonal factors, net debt was reduced by £1.1 million to £9.2 million at 31 December 2009 (30 June 2009: £10.3 million, 31 December 2008: £10.8 million).

At 31 December 2009, the group had utilised less than 50% of its committed banking facilities and only 35% of its total banking facilities. Overdrafts with both of the group's relationship banks were renewed routinely on unchanged terms in November. The group's gearing at 31 December 2009 was modest at 29% and interest costs on borrowings were covered 7.7 times by first-half underlying operating profits.

The group's pension deficit decreased from £12.5 million at 30 June 2009 to £7.9 million at 31 December 2009 due to a good investment performance and deficit reduction payments made by the group. There have been no other significant changes to the group's balance sheet since 30 June 2009. Net assets at 31 December 2009 were £31.7 million (30 June 2009: £30.8 million).

Following consultation with scheme members, the Board decided in December to close the Alumasc Group Pension Scheme to future accrual. This will become effective at the end of March and should enable the group to improve the management and funding of its ongoing retirement benefit obligations.

The Board considers that the principal risks and uncertainties set out on page 26 of the Report and Accounts 2009 remain relevant to the current financial year.

#### **Prospects**

Short-term market conditions are expected to remain challenging and there are uncertainties as to the level of public sector expenditure that can be sustained after the forthcoming UK general election. However, the second half should benefit from a combination of the various new product and business development initiatives described above, the seasonal bias that tends to favour the group's second half trading, and the actions already taken to reduce costs. The latter are now targeted to yield a further £1 million of savings in the second half, in addition to the £7 million already delivered. Accordingly, the Board is pleased to report that overall expectations for the group's full year performance are unchanged.

#### **Dividend**

In view of the resilient trading results, strong first-half cash performance, stable balance sheet, and the group's fundamentally sound strategic and market positioning in the fields of sustainable building products and precision components, the Board has decided to maintain the interim dividend at 3.25 pence per share. For fiscal reasons, the timing of the payment of the dividend has been accelerated slightly this year to 1 April 2010, and will be payable to shareholders on the register at the close of business on 5 March 2010.

**Paul Hooper**  
Chief Executive  
4 February 2010

## Condensed Consolidated Interim Statement of Comprehensive Income

For the half year to 31 December 2009

	Notes	Half year to 31 December 2009			Half year to 31 December 2008			Year to
		Before non-recurring items and brand amortisation (Unaudited) £000	Non-recurring items and brand amortisation (Unaudited) £000	Total (Unaudited) £000	Before non-recurring items and brand amortisation (Unaudited) £000	Non-recurring items and brand amortisation (Unaudited) £000	Total (Unaudited) £000	Total (Audited) £000
<b>Revenue</b>	4	<b>44,463</b>	–	<b>44,463</b>	60,741	–	60,741	109,088
Cost of sales		<b>(30,473)</b>	–	<b>(30,473)</b>	(43,241)	–	(43,241)	(73,337)
Cost of sales – Impairment charges	5	–	–	–	–	(354)	(354)	(2,176)
<b>Gross profit</b>		<b>13,990</b>	–	<b>13,990</b>	17,320	(354)	16,966	33,575
<b>Net operating expenses</b>								
Net operating expenses before non-recurring items and brand amortisation		<b>(11,254)</b>	–	<b>(11,254)</b>	(12,966)	–	(12,966)	(29,053)
Brand amortisation and fair value adjustments	4	–	<b>(156)</b>	<b>(156)</b>	–	(120)	(120)	(252)
Restructuring costs	4,5	–	<b>(102)</b>	<b>(102)</b>	–	(396)	(396)	(940)
<b>Operating profit</b>	4	<b>2,736</b>	<b>(258)</b>	<b>2,478</b>	4,354	(870)	3,484	3,330
Finance income		<b>1,985</b>	–	<b>1,985</b>	2,210	–	2,210	4,424
Finance expense		<b>(2,838)</b>	–	<b>(2,838)</b>	(3,038)	–	(3,038)	(5,950)
<b>Profit before taxation</b>		<b>1,883</b>	<b>(258)</b>	<b>1,625</b>	3,526	(870)	2,656	1,804
Tax expense	6	<b>(571)</b>	<b>72</b>	<b>(499)</b>	(1,058)	148	(910)	(744)
<b>Profit for the period</b>		<b>1,312</b>	<b>(186)</b>	<b>1,126</b>	2,468	(722)	1,746	1,060
<b>Other comprehensive income</b>								
Gains/(losses) recognised directly in equity:								
Actuarial gain/(loss) on defined benefit pensions				<b>3,051</b>			(410)	3,938
Effective portion of changes in fair value of cash flow hedges				<b>(8)</b>			(416)	(501)
Exchange differences on retranslation of foreign operations				<b>(3)</b>			8	63
Tax on items taken directly to or transferred from equity				<b>(854)</b>			115	(974)
<b>Other comprehensive income for the period, net of tax</b>				<b>2,186</b>			(703)	2,526
<b>Total comprehensive income for the period, net of tax</b>				<b>3,312</b>			1,043	3,586
Total comprehensive income for the period attributable to:								
Equity holders of the parent				<b>3,312</b>			1,034	3,551
Minority interest				–			9	35
				<b>3,312</b>			1,043	3,586
<b>Pence</b>								
<b>Earnings per share</b>							Pence	Pence
– Basic	10			<b>3.1</b>			4.8	2.9
– Diluted	10			<b>3.1</b>			4.8	2.9

## Condensed Consolidated Interim Statement of Financial Position

At 31 December 2009

	Notes	31 December 2009 (Unaudited) £000	31 December 2008 (Unaudited) £000	30 June 2009 (Audited) £000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		15,776	19,372	16,704
Goodwill		16,888	16,888	16,888
Other intangible assets		4,281	4,300	4,538
Financial assets		17	17	17
Deferred tax assets		2,206	5,150	3,501
		<b>39,168</b>	45,727	41,648
<b>Current assets</b>				
Inventories		12,454	13,569	12,524
Biological assets		450	191	341
Trade and other receivables		16,448	21,648	19,474
Cash and short term deposits		5,700	–	1,019
Income tax receivable		–	–	161
Derivative financial assets		17	149	25
		<b>35,069</b>	35,557	33,544
<b>Total assets</b>		<b>74,237</b>	81,284	75,192
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Interest bearing loans and borrowings		(14,923)	(9,891)	(11,331)
Employee benefits payable		(7,878)	(18,392)	(12,504)
Provisions		(660)	(844)	(499)
Deferred tax liabilities		(1,638)	(2,437)	(1,905)
		<b>(25,099)</b>	(31,564)	(26,239)
<b>Current liabilities</b>				
Bank overdraft		–	(876)	–
Interest bearing loans and borrowings		(3)	(10)	(6)
Trade and other payables		(16,608)	(18,340)	(17,657)
Provisions		–	(116)	–
Income tax payable		(324)	(394)	–
Derivative financial liabilities		(468)	(517)	(461)
		<b>(17,403)</b>	(20,253)	(18,124)
<b>Total liabilities</b>		<b>(42,502)</b>	(51,817)	(44,363)
<b>Net assets</b>		<b>31,735</b>	29,467	30,829
<b>Equity</b>				
Called up share capital		4,517	4,517	4,517
Share premium		452	383	452
Revaluation reserve		876	1,026	951
Capital reserve – own shares		(178)	(178)	(178)
Hedging reserve		(340)	(376)	(332)
Foreign currency reserve		34	9	37
Profit and loss account reserve		26,341	24,055	25,349
<b>Equity attributable to equity holders of the parent</b>		<b>31,702</b>	29,436	30,796
Non-controlling interest		33	31	33
<b>Total equity</b>	12	<b>31,735</b>	29,467	30,829

## Condensed Consolidated Interim Statement of Cash Flows

For the half year to 31 December 2009

	Notes	Half year to 31 December 2009 (Unaudited) £000	Half year to 31 December 2008 (Unaudited) £000	Year to 30 June 2009 (Audited) £000
<b>Operating activities</b>				
Operating profit from operations		2,478	3,484	3,330
Adjustments for:				
Depreciation		1,282	1,647	3,004
Amortisation		357	196	541
Impairment		–	354	2,176
Gain on disposal of property, plant and equipment		(5)	–	(49)
Decrease/(increase) in inventories		70	(713)	329
Increase in biological assets		(109)	(60)	(210)
Decrease in receivables		3,026	8,092	10,290
Decrease in trade and other payables		(1,049)	(7,962)	(8,627)
Movement in provisions		161	13	(448)
Movement in retirement benefit obligations		(2,079)	(2,286)	(4,276)
Share based payments		24	20	20
<b>Cash generated from operations</b>		<b>4,156</b>	<b>2,785</b>	<b>6,080</b>
Tax repaid/(paid)		165	(93)	(454)
<b>Net cash inflow from operating activities</b>		<b>4,321</b>	<b>2,692</b>	<b>5,626</b>
<b>Investing activities</b>				
Purchase of property, plant and equipment		(377)	(1,253)	(1,727)
Payments to acquire intangible fixed assets		(100)	–	(430)
Proceeds from sales of property, plant and equipment		28	31	51
Proceeds from sales of other intangible assets		–	–	73
Acquisition of brand		–	–	(126)
Interest received		17	68	149
<b>Net cash outflow from investing activities</b>		<b>(432)</b>	<b>(1,154)</b>	<b>(2,010)</b>
<b>Financing activities</b>				
Interest paid		(348)	(433)	(854)
Equity dividends paid		(2,430)	(2,381)	(3,607)
Equity dividends paid to non-controlling interests		–	–	(24)
Draw down/(repayment) of borrowings	9	4,997	(5,008)	(5,017)
Purchase of own shares		–	(124)	(124)
Proceeds from refund of share issue costs		–	–	69
<b>Net cash inflow/(outflow) from financing activities</b>		<b>2,219</b>	<b>(7,946)</b>	<b>(9,557)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>6,108</b>	<b>(6,408)</b>	<b>(5,941)</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>(405)</b>	<b>5,529</b>	<b>5,529</b>
Effect of foreign exchange rate changes		(3)	3	7
<b>Cash and cash equivalents at end of period</b>		<b>5,700</b>	<b>(876)</b>	<b>(405)</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and short term deposits		5,700	–	1,019
Bank overdrafts		–	(876)	–
Bank overdrafts included within non-current interest bearing loans and other borrowings		–	–	(1,424)
		<b>5,700</b>	<b>(876)</b>	<b>(405)</b>



## Notes to the Condensed Consolidated Interim Financial Statements

For the half year to 31 December 2009

### 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 2009.

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 2009 and in accordance with IAS 34 "Interim Financial Reporting" except as described below:

The following new standards and amendments to standards are mandatory for the first time in the current financial year.

Revised IAS 1 "Presentation of Financial Statements" introduces the term 'total comprehensive income' which represents changes in equity during the period other than those changes from transactions with owners in their capacity as owners. The group has elected to present one performance statement being the statement of comprehensive income which replaces the income statement and statement of recognised income and expense.

The group has adopted IFRS 8 "Operating Segments" for the first time this financial year. This accounting standard requires that the segmentation of the group results follows the group's internal management structure and this has resulted in a more detailed segmentation analysis and some re-allocation of brands between segments previously reported.

The consolidated financial statements of the group as at and for the year ended 30 June 2009 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](http://www.alumasc.co.uk).

The comparative figures for the financial year ended 30 June 2009 are not the company's statutory accounts for that financial year but have been extracted from these 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 2009 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 2009.

These condensed consolidated interim financial statements were approved by the Board of Directors on 4 February 2010.

### 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 2009.

During the six months ended 31 December 2009, management reassessed and updated its estimates in respect of retirement benefit obligations based on market data available at 31 December 2009. The resulting impact was a £3.1 million pre-tax actuarial gain that has been recognised in the six month period to 31 December 2009.

### 3 Risks and uncertainties

A summary of the group's principal risks and uncertainties was provided on page 26 of Alumasc's Report and Accounts 2009. The Board considers these risks and uncertainties remain relevant to the current financial year and discusses the impact of changes in the UK economy in the review of the interim results section of this report.

## Notes to the Condensed Consolidated Interim Financial Statements

For the half year to 31 December 2009

### 4 Segmental analysis

The group has adopted IFRS 8 "Operating Segments" for the first time this financial year. This accounting standard requires that the segmentation of results follows the group's internal management structure and this has resulted in a more detailed segmental analysis and some re-allocation of Building Products' brands between the segments previously reported. The previous segmentation was based on the nature and end-use of the products.

#### Half year to 31 December 2009

	Revenue			Operating Result			
	External £000	Inter- segment £000	Total £000	Underlying Segmental Result £000	Brand Amortisation £000	Restructuring Costs £000	Total Segmental Result £000
Solar Shading & Control	9,197	–	9,197	1,280	(84)	–	1,196
Roofing & Walling	8,394	35	8,429	285	(36)	–	249
<b>Energy Management</b>	<b>17,591</b>	<b>35</b>	<b>17,626</b>	<b>1,565</b>	<b>(120)</b>	<b>–</b>	<b>1,445</b>
Construction Products	6,085	–	6,085	1,267	–	(22)	1,245
Rainwater, Drainage & Other	9,582	–	9,582	68	(36)	–	645
<b>Water Management &amp; Other</b>	<b>15,667</b>	<b>–</b>	<b>15,667</b>	<b>1,948</b>	<b>(36)</b>	<b>(22)</b>	<b>1,890</b>
<b>Building Products</b>	<b>33,258</b>	<b>35</b>	<b>33,293</b>	<b>3,513</b>	<b>(156)</b>	<b>(22)</b>	<b>3,335</b>
Precision Components	8,692	473	9,165	(87)	–	–	(87)
Alumasc Dispense	2,513	–	2,513	(174)	–	(48)	(222)
<b>Engineering Products</b>	<b>11,205</b>	<b>473</b>	<b>11,678</b>	<b>(261)</b>	<b>–</b>	<b>(48)</b>	<b>(309)</b>
Elimination/Unallocated costs	–	(508)	(508)	(516)	–	(32)	(548)
<b>Total</b>	<b>44,463</b>	<b>–</b>	<b>44,463</b>	<b>2,736</b>	<b>(156)</b>	<b>(102)</b>	<b>2,478</b>

#### 4 Segmental analysis (continued)

Half year to 31 December 2008

	Revenue			Operating Result				
	External £000	Inter- segment £000	Total £000	Underlying Segmental Result £000	Brand Amortisation £000	Restructuring Costs £000	Impairment £000	Total Segmental Result £000
Solar Shading & Control	13,605	–	13,605	3,007	(84)	–	–	2,923
Roofing & Walling	11,582	–	11,582	553	(56)	(60)	(80)	377
<b>Energy Management</b>	<b>25,187</b>	<b>–</b>	<b>25,187</b>	<b>3,560</b>	<b>(120)</b>	<b>(60)</b>	<b>(80)</b>	<b>3,300</b>
Construction Products	6,648	–	6,648	1,176	–	–	–	1,176
Rainwater, Drainage & Other	10,718	–	10,718	436	–	(94)	–	342
<b>Water Management &amp; Other</b>	<b>17,366</b>	<b>–</b>	<b>17,366</b>	<b>1,612</b>	<b>–</b>	<b>(94)</b>	<b>–</b>	<b>1,518</b>
<b>Building Products</b>	<b>42,553</b>	<b>–</b>	<b>42,553</b>	<b>5,172</b>	<b>(120)</b>	<b>(154)</b>	<b>(80)</b>	<b>4,818</b>
Precision Components	13,661	654	14,315	(324)	–	(242)	(274)	(840)
Alumasc Dispense	4,527	–	4,527	62	–	–	–	62
<b>Engineering Products</b>	<b>18,188</b>	<b>654</b>	<b>18,842</b>	<b>(262)</b>	<b>–</b>	<b>(242)</b>	<b>(274)</b>	<b>(778)</b>
Elimination/Unallocated costs	–	(654)	(654)	(556)	–	–	–	(556)
<b>Total</b>	<b>60,741</b>	<b>–</b>	<b>60,741</b>	<b>4,354</b>	<b>(120)</b>	<b>(396)</b>	<b>(354)</b>	<b>3,484</b>

Full year to 30 June 2009

	Revenue			Operating Result				
	External £000	Inter- segment £000	Total £000	Underlying Segmental Result £000	Brand Amortisation £000	Restructuring Costs £000	Impairment £000	Total Segmental Result £000
Solar Shading & Control	23,606	–	23,606	4,916	(168)	(46)	–	4,702
Roofing & Walling	21,891	20	21,911	1,178	(72)	(93)	(80)	933
<b>Energy Management</b>	<b>45,497</b>	<b>20</b>	<b>45,517</b>	<b>6,094</b>	<b>(240)</b>	<b>(139)</b>	<b>(80)</b>	<b>5,635</b>
Construction Products	13,028	–	13,028	2,476	–	(49)	–	2,427
Rainwater, Drainage & Other	19,962	11	19,973	640	(12)	(191)	–	437
<b>Water Management &amp; Other</b>	<b>32,990</b>	<b>11</b>	<b>33,001</b>	<b>3,116</b>	<b>(12)</b>	<b>(240)</b>	<b>–</b>	<b>2,864</b>
<b>Building Products</b>	<b>78,487</b>	<b>31</b>	<b>78,518</b>	<b>9,210</b>	<b>(252)</b>	<b>(379)</b>	<b>(80)</b>	<b>8,499</b>
Precision Components	23,025	1,102	24,127	(1,503)	–	(554)	(2,096)	(4,153)
Alumasc Dispense	7,576	–	7,576	54	–	(7)	–	47
<b>Engineering Products</b>	<b>30,601</b>	<b>1,102</b>	<b>31,703</b>	<b>(1,449)</b>	<b>–</b>	<b>(561)</b>	<b>(2,096)</b>	<b>(4,106)</b>
Elimination/Unallocated costs	–	(1,133)	(1,133)	(1,063)	–	–	–	(1,063)
<b>Total</b>	<b>109,088</b>	<b>–</b>	<b>109,088</b>	<b>6,698</b>	<b>(252)</b>	<b>(940)</b>	<b>(2,176)</b>	<b>3,330</b>

## Notes to the Condensed Consolidated Interim Financial Statements

For the half year to 31 December 2009

### 5 Non-recurring items

Non-recurring items comprise:

	<b>Half year to 31 December 2009 (Unaudited) £000</b>	Half year to 31 December 2008 (Unaudited) £000	Year to 30 June 2009 (Audited) £000
Impairment charges	–	354	2,176
Restructuring costs	<b>102</b>	396	940
	<b>102</b>	750	3,116

Restructuring costs of £22,000 in the Building Products division, £48,000 arose in the Engineering Products division and £32,000 were incurred centrally.

### 6 Tax expense

	<b>Half year to 31 December 2009 (Unaudited) £000</b>	Half year to 31 December 2008 (Unaudited) £000	Year to 30 June 2009 (Audited) £000
Current tax:			
UK corporation tax	<b>320</b>	441	338
Amounts overprovided in previous years	–	(192)	(282)
	<b>320</b>	249	56
Deferred tax:			
Origination and reversal of timing differences	<b>179</b>	661	567
Tax overprovided in previous years	–	–	121
Total deferred tax	<b>179</b>	661	688
Tax charge in the income statement	<b>499</b>	910	744

### 7 Dividends

The directors have approved an interim dividend per share of 3.25p (2008: 3.25p) which will be paid on 1 April 2010 to shareholders on the register at the close of business on 5 March 2010. The cash cost of the dividend is expected to be £1.2 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 6.75p in respect of the 2008/09 financial year was paid at a cash cost of £2.4 million during the period.

### 8 Share based payments

During the period, the group awarded 140,000 (2008: nil) options under the Executive Share Option Plan ("ESOP"). These options have an exercise price of £1.04 and require certain criteria to be fulfilled before vesting. 18,000 (2008: 41,523) existing ESOP options lapsed during the period.

Total awards granted under the group's Long Term Incentive Plans ("LTIP") amounted to 316,781 (2008: 335,203). These awards have no exercise price but are dependent on certain vesting criteria being met. 126,757 (2008: 71,287) existing LTIP awards lapsed during the period.

## 9 Borrowings

In order to increase treasury efficiency, the group drew down the remaining £5.0 million of its committed five year revolving credit facility during the period. This draw down is reflected in the £6.1 million increase in cash and cash equivalents shown in the statement of cash flows. Consequently, the overall reduction in net debt during the period was £1.1 million. The group's net debt at 31 December 2009 was £9.2 million (2008: £10.8 million) equivalent to 46% (2008: 72%) of committed debt facilities and 35% (2008: 42%) of total debt facilities.

## 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 underlying earnings per share figure is based on profit adjusted for brand amortisation, restructuring costs and impairment charges. The figure is based on the same weighted average number of shares used in the basic earnings per share calculation.

	<b>Half year to 31 December 2009 (Unaudited) £000</b>	Half year to 31 December 2008 (Unaudited) £000	Year to 30 June 2009 (Audited) £000
Profit for the period	<b>1,126</b>	1,746	1,060
Less: amount attributable to non-controlling interest	–	(9)	(8)
Profit for the period attributable to equity holders of the parent	<b>1,126</b>	1,737	1,052

	<b>Half year to 31 December 2009 (Unaudited) £000</b>	Half year to 31 December 2008 (Unaudited) £000	Year to 30 June 2009 (Audited) £000
Basic weighted average number of shares	<b>35,998</b>	36,134	36,023
Dilutive potential ordinary shares	–	–	–
Diluted weighted average number of shares	<b>35,998</b>	36,134	36,023

### Reconciliation of reported profit before taxation to underlying profit before taxation and underlying earnings per share:

	<b>Half year to 31 December 2009 (Unaudited) £000</b>	Half year to 31 December 2008 (Unaudited) £000	Year to 30 June 2009 (Audited) £000
Reported profit before taxation	<b>1,625</b>	2,656	1,804
Add: brand amortisation	<b>156</b>	120	252
Add: restructuring costs	<b>102</b>	396	940
Add: impairment charges	–	354	2,176
Underlying profit before taxation	<b>1,883</b>	3,526	5,172
Tax at underlying group tax rate of 30.3% (2008: 30%; 2008/09: 30.4%)	<b>(571)</b>	(1,058)	(1,572)
Underlying earnings	<b>1,312</b>	2,468	3,600
Underlying earnings per share	<b>3.6p</b>	6.8p	10.0p

## Notes to the Condensed Consolidated Interim Financial Statements

For the half year to 31 December 2009

### 11 Related party disclosure

The group has a related party relationship with its directors and with the UK pension schemes. There has been no material change in the nature of the related party transactions described in the Report and Accounts 2009. Related party information is disclosed in note 29 of that document.

### 12 Reconciliation of net movements in equity

	<b>Half year to 31 December 2009 (Unaudited) £000</b>	Half year to 31 December 2008 (Unaudited) £000	Year to 30 June 2009 (Audited) £000
At beginning of period	<b>30,829</b>	30,909	30,909
Net losses on the effective portion of cash flow hedges	<b>(8)</b>	(416)	(501)
Exchange differences on retranslation of foreign operations	<b>(3)</b>	8	63
Actuarial (loss)/gain on defined benefit pensions net of tax	<b>2,197</b>	(295)	2,835
Dividends	<b>(2,430)</b>	(2,381)	(3,631)
Profit for the period	<b>1,126</b>	1,746	1,060
Acquisition of own shares	–	(124)	(124)
Share based payments	<b>24</b>	20	20
Share premium costs refund	–	–	69
Tax on derivative financial liability	–	–	129
<b>At end of period</b>	<b>31,735</b>	29,467	30,829

## Responsibility Statement

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

- a) The condensed set of financial statements has been prepared in accordance with IAS 34 “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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