

## 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 2015.

### Half year financial highlights

Half year to 31 December	2015	2014	% change
<b>Continuing operations:</b>			
Order book at 31 December (£m)	<b>27.4</b>	19.2	+42%
Revenue (£m)	<b>43.5</b>	45.2	-4%
Underlying profit before tax (£m)*	<b>4.0</b>	3.7	+8%
Underlying earnings per share (pence)*	<b>8.9</b>	8.1	+10%
Profit before tax (£m)	<b>3.2</b>	2.9	+12%
<b>Total group (including discontinued operations):</b>			
Basic earnings per share (pence)	<b>7.6</b>	6.6	+15%
Dividends per share (pence)	<b>2.7</b>	2.5	+8%
Net cash/(debt) at 31 December (£m)	<b>0.5</b>	(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 (2014: £0.1 million) and IAS19 pension costs of £0.7 million (2014: £0.7 million).

### Key points

- Alumasc's strategy is to focus on premium **Building Products & Solutions** and the Board believes there are numerous exciting organic and synergistic growth opportunities to capitalise on Alumasc's market leading positions in niche segments.
- In line with this strategic goal and further to last year's disposal of loss-making APC, the Board has initiated a process for the disposal of Dyson Diecastings, the group's last remaining Engineering Products business.
- Excluding two exceptionally large projects (Kitimat and Chiswick Park) completed last year, **Building Products** achieved 4% growth in underlying revenues with operating margins up to 10.8%, enabling divisional operating profit to rise 3% to £4.7m.
- **Building Products order books** rose to £27.4m at 31 December 2015 (30 June 2015: £24.0m; 31 December 2014: £19.2m). Most of the increase relates to Levolux and will benefit the group's 2016/17 financial year and beyond.
- **Solar Shading & Screening** saw Levolux establish a sustainable and growing business in North America and its UK business is being expanded to supply bespoke balconies to prestigious housing and commercial developments. Levolux's order book increased 28% to £19.9m. Financial performance as expected with operating profit up 20% to £462k on sales down 7% to £7.6m.
- **Roofing & Walling** revenue down 12% to £18.4m, in part reflecting last year's Kitimat project. Performance earlier in the financial year was impacted by delays to refurbishment projects caused by short-term factors in the wider contractual chain. The reduction in Green Deal funding is being offset by developing new build business including the Alumasc Ventilated System. Operating profit down 32% to £1.8m.

- **Water Management** operating profit up 64% to £1.9m on revenue up 8% to £14m with financial performance benefiting from the holistic approach to sales and customer service following the introduction of AWMS last July. Particularly strong performances came from Alumasc Rainwater and Gatic Slotdrain in domestic markets; new products (including Gatic Filcoten and Harmer SML Below Ground); and Gatic access covers, including some recovery of demand in South-East Asia. Relocation to new site in Kettering delayed 6 to 12 months.
- **Housebuilding & Ancillary Products** operating profit up 33% to £573k on revenue up 9% to £4.1m. Timloc delivered another record first half performance and, in order to facilitate future growth, will relocate to new leased premises in the Goole area over the next 12 to 18 months.

**Paul Hooper, Chief Executive, commented:**

*“Alumasc is pleased to announce earnings growth for the fourth consecutive first half year.*

*With the group expected to benefit from its normal seasonal trading bias in favour of the second half of the financial year, the Board’s previous expectations for the group’s full year performance remain unchanged.*

*Against a background of further UK growth in demand for premium building products for sustainable building, and with growing order books and continuing success in developing our overseas presence, Alumasc is well positioned to make further progress beyond this financial year.”*

**Enquiries:**

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## Alumasc at a glance

Alumasc is a UK based supplier of premium building and precision engineering products. The majority of the group's business is in the area of sustainable building products, which enable customers to manage energy and water use in the built environment. We believe that growth rates in these sectors, through the construction cycle, will exceed UK industry averages.

All Alumasc businesses have strong UK market positions within their individual market niches and several are market leaders. Alumasc sustains this strong strategic positioning by offering customers quality products, service and trust. For certain brands, Alumasc is seeking to leverage UK successes in international markets, with particular focus in North America and parts of the Middle East and Far East.

Alumasc fosters an entrepreneurial, achievement orientated culture whereby businesses are encouraged to innovate and respond quickly to local market needs within a cohesive group strategic and management framework. Alumasc businesses also benefit from the group's financial strength and access to capital.

## Half year financial highlights

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Underlying earnings per share (pence)*	8.9	8.1	+10%
Profit before tax (£m)	3.2	2.9	+12%
<b>Total group (including discontinued operations):</b>			
Basic earnings per share (pence)	7.6	6.6	+15%
Dividends per share (pence)	2.7	2.5	+8%
Net cash/(debt) at 31 December (£m)	0.5	(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 (2014: £0.1 million) and IAS19 pension costs of £0.7 million (2014: £0.7 million).

## REVIEW OF INTERIM RESULTS

### Overview and highlights

Alumasc is pleased to announce earnings growth for the fourth consecutive first half year:

- Underlying earnings per share from continuing operations advanced by 10% to 8.9 pence per share (2014: 8.1 pence) and basic earnings per share grew by 15% to 7.6 pence (2014: 6.6 pence).
- These improved results were driven by continued profitable growth in Alumasc's water management and housebuilding products businesses, lower financing charges and the successful disposal of the loss making Alumasc Precision Components business in June 2015.
- Cash remains well controlled and the group continues to be free of any net indebtedness. Net cash at 31 December 2015 was £0.5 million (30 June 2015: net cash of £0.9 million; 31 December 2014 net debt of £7.7 million).
- Building products order books rose to £27.4 million at 31 December 2015 (30 June 2015: £24.0 million; 31 December 2014: £19.2 million). Most of the increase relates to Levolux and will benefit the group's 2016/17 financial year and beyond.
- In view of all the above, the Board has decided to increase the interim dividend by 8% to 2.7 pence per share (2014: 2.5 pence).

### Strategic development

The group's strategy for future growth is to position Alumasc as a focused supplier of premium building products and solutions, particularly those which add value in conserving and managing the scarce resources of energy and water in the built environment. The Board believes there are numerous exciting organic and synergistic growth opportunities which have been identified to capitalise on Alumasc's market leading positions in niche segments.

In line with this strategic goal, and further to the successful disposal of Alumasc Precision Components last summer, the Board has initiated a sale process for the group's last remaining Engineering Products business, Dyson Diecastings ("Dyson"). Accordingly, Dyson has been treated as a discontinued operation in this interim statement.

### Operating Review

#### (a) Continuing operations - Building products

UK demand for Alumasc's building products continues to grow. While headline divisional revenues were 4% lower than in the first half of the prior year at £43.5 million, order books grew from £24.0 million to £27.4 million in the period under review. We also continue to develop export markets. Reported revenues for the half year reflect the non-repeat of the two exceptionally large projects, Kitimat and Chiswick Park building 7 ("CP7"), that benefited the first half of the previous financial year, and delays to a number of projects in our roofing and walling business. When Kitimat and CP7 are excluded from prior period comparators, our remaining building products revenues were ahead on a like-for-like basis by around 4%.

Divisional operating margins improved to 10.8% compared to 10.1% in the first half of the last financial year, reflecting a combination of the resolution of the operational and capacity issues described in this report a year ago and the benefit of operational gearing following further growth in our water management and housebuilding products businesses. This enabled divisional operating profits to grow by 3% to £4.7 million.

#### *Solar shading and screening*

Levolux's principal achievements in the first half of the financial year were the delivery of a substantial increase in its order book, further establishing a sustainable and growing business in North America and developing an exciting business to supply bespoke balconies to prestigious housing and commercial developments. The order book grew from £15.6 million at 30 June 2015 to £19.9 million at 31 December 2015, and order intake over the last 12 months of £23.0 million has been higher than that ever previously achieved by the business and significantly higher than revenues over the last twelve months of £15.4 million. Some £11.4 million of the order book is expected to convert into revenue in the 2016/17 financial year and beyond, including the £3 million project announced in October to screen a power plant on the eastern seaboard of the USA, Levolux's largest order so far in North America. The developing balconies business is complementary to the existing solar shading and control business,

building on Levolux's strengths of design, project management and delivery whilst leveraging existing sales channels and supply chains.

In the absence of work on any large projects in the period under review, Levolux's trading performance in the first half of this financial year was satisfactory, delivering slightly higher profits from slightly lower revenues when compared to the same period a year ago, reflecting good project execution and a higher number of project completions in the period under review.

### ***Roofing & walling***

These businesses again performed strongly by historical standards. However, as expected, it was not possible to improve on last year's record results in the absence of a replacement for the large Kitimat smelter refurbishment contract in Canada. Performance in the earlier part of the financial year was affected by delays to a number of refurbishment projects caused by short-term factors in the wider contractual chain beyond Alumasc's control. Alumasc Facades is also being impacted by lower housing refurbishment work in England and Wales as Green Deal funding comes to an end and therefore continues to develop its new build business. Specification banks for the recently launched Alumasc Ventilated System are promising and continue to grow.

### ***Water Management***

Alumasc's water management businesses grew both revenues and profits strongly, including benefiting from the more holistic approach to sales and customer service following the introduction of the Alumasc Water Management Solutions ("AWMS") umbrella brand last July. In particular, there were strong performances from Alumasc Rainwater and a much better first half than last year in domestic markets for Gatic Slotdrain. New products introduced during the period, including Gatic Filcoten and Harmer SML Below Ground, performed well and these should continue to gain traction. In addition, Gatic's access covers business performed well, including some recovery of demand in South-East Asia.

Plans to relocate Alumasc's rainwater & drainage businesses to a new site in the Kettering area have been delayed by 6 to 12 months due to issues with the initially preferred relocation site. A number of alternative options are being evaluated.

### ***Housebuilding & ancillary products***

Timloc delivered another record first half performance, benefiting from growing demand, an expanding product range and operational efficiencies. Further new products that will enable us to leverage existing sales channels are being planned for launch later in the year. As part of previously announced plans to facilitate future growth, Timloc will relocate to new leased premises in the Goole area over the next 12 to 18 months.

### **(b) Discontinued operation - Dyson Diecastings**

This was a difficult period for UK based die-casters supplying international OEMs in automotive and off highway diesel markets, characterised by slowing growth rates in developing markets, impacting the construction and mining equipment sub-sectors in particular and resulting in significant customer de-stocking. Against this background, Dyson, with its diversified customer base and focus on precision engineered, smaller die-cast and machined parts for niche applications, performed relatively well, with half year revenues down by 11% to £3.5 million and operating profits lower by £0.1 million at £0.2 million. The recently strengthened management team continues to develop opportunities for new work, whilst improving operational efficiencies.

In view of the success of Alumasc's strategy to increase its focus on building products activities over recent years and the successful sale last year of Alumasc Precision Components, Dyson's sister business, the Board believes that Dyson's future would be better served under different ownership. Accordingly, this business is now being actively marketed for sale.

## **Cash flow, pensions and balance sheet**

Cash management in Alumasc continues to be a key area of focus, and the group ended 2015 with net cash resources of £0.5 million (30 June 2014: net cash of £0.9 million; 31 December 2014: net debt of £7.7 million). There was a modest net cash outflow of £0.5 million in the six months to 31 December 2015 reflecting some investment in working capital to support anticipated growth and the purchase of £0.4 million of Alumasc shares by the group's employee share trust. Capital expenditure of £0.8 million in the period related mainly to routine replacement of assets and the completion of work on new business systems at Levolux and Timloc, both of which were successfully introduced in the period. The lower average level of net debt experienced in the half year under review resulted in a reduction in the group's interest costs on borrowings to £0.1 million from £0.3 million in the first six months of the prior financial year. Given the delay to the investment in the new Kettering property described above, the group is now unlikely to incur any significant net indebtedness for another 12 months.

The group's pension deficit measured for accounting purposes under IAS19 was £19.5 million at 31 December 2015, an improvement on the 30 June 2015 position of £20.9 million mainly due to lower long term inflation expectations. The deficit remains high by historical standards due to continued low discount rates that are used to discount future pension payments into present values. The company's current obligations to make deficit funding contributions to its legacy defined benefit pension schemes will be re-assessed following the forthcoming triennial valuation due in March 2016.

There have been no significant changes to the group's balance sheet in the period under review. Shareholders' funds increased over the six months to 31 December 2015 to £17.3 million from £15.9 million at 30 June 2015, mainly reflecting retained post tax profits.

## **Outlook**

With the group expected to benefit from its normal seasonal trading bias in favour of the second half of the financial year, the Board's previous expectations for the group's full year performance remain unchanged.

More broadly, against a background of further UK growth in demand for premium building products for sustainable building, and with growing order books and continuing success in developing our overseas presence, Alumasc is well positioned to make further progress beyond this financial year.

**Paul Hooper, Chief Executive**  
**2 February 2016**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
for the half year to 31 December 2015

	Notes	Half year to 31 December 2015 (Unaudited) £'000	Half year to 31 December 2014 (Unaudited) £'000	Year to 30 June 2015 (Audited) £'000
<b>Continuing operations:</b>				
<b>Revenue</b>	4	43,468	45,179	90,295
Cost of sales		<u>(28,904)</u>	<u>(31,104)</u>	<u>(60,741)</u>
<b>Gross profit</b>		14,564	14,075	29,554
Net operating expenses		<u>(10,849)</u>	<u>(10,508)</u>	<u>(21,963)</u>
<b>Operating profit</b>	4	3,715	3,567	7,591
Finance income	6	-	2	5
Finance expenses	6	<u>(473)</u>	<u>(664)</u>	<u>(1,308)</u>
<b>Profit before taxation</b>		3,242	2,905	6,288
Tax expense	8	<u>(663)</u>	<u>(744)</u>	<u>(1,483)</u>
<b>Profit for the period</b>		2,579	2,161	4,805
<b>Discontinued operations:</b>				
Profit/(loss) after taxation for the period from discontinued operations	5	132	206	(429)
<b>Profit for the period</b>		<u>2,711</u>	<u>2,367</u>	<u>4,376</u>
<b>Other comprehensive income</b>				
<b>Items that will not be recycled to profit or loss:</b>				
Actuarial gain/(loss) on defined benefit pensions	2	542	(4,334)	(4,726)
Tax on actuarial (gain)/loss on defined benefit pensions		<u>(517)</u>	<u>815</u>	<u>945</u>
		25	(3,519)	(3,781)
<b>Items that are or may be recycled subsequently to profit or loss:</b>				
Effective portion of changes in fair value of cash flow hedges		170	34	(179)
Exchange differences on retranslation of foreign operations		(4)	20	17
Tax on cash flow hedge		<u>(35)</u>	<u>(5)</u>	<u>43</u>
		131	49	(119)
<b>Other comprehensive profit/(loss) for the period, net of tax</b>		<u>156</u>	<u>(3,470)</u>	<u>(3,900)</u>
<b>Total comprehensive profit/(loss) for the period, net of tax</b>		<u>2,867</u>	<u>(1,103)</u>	<u>476</u>
<b>Earnings per share</b>				
		Pence	Pence	Pence
<b>Basic earnings per share</b>				
- Continuing operations		7.2	6.0	13.5
- Discontinued operations		<u>0.4</u>	<u>0.6</u>	<u>(1.2)</u>
	11	7.6	6.6	12.3
<b>Diluted earnings per share</b>				
- Continuing operations		7.0	5.9	13.3
- Discontinued operations		<u>0.4</u>	<u>0.6</u>	<u>(1.2)</u>
	11	7.4	6.5	12.1

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
at 31 December 2015

	<b>31 December 2015 (Unaudited) £'000</b>	31 December 2014 (Unaudited) £'000	30 June 2015 (Audited) £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5,310	7,457	7,473
Goodwill	16,488	16,488	16,488
Other intangible assets	2,802	2,818	2,831
Financial asset investments	17	17	17
Deferred tax assets	3,509	4,285	4,187
	<u>28,126</u>	<u>31,065</u>	<u>30,996</u>
<b>Current assets</b>			
Inventories	9,639	10,259	10,592
Biological assets	47	144	75
Trade and other receivables	14,915	18,468	20,317
Cash and cash equivalents	5,404	3,205	5,914
Derivative financial assets	-	29	-
Assets classified as held for sale	3,978	9,799	-
	<u>33,983</u>	<u>41,904</u>	<u>36,898</u>
<b>Total assets</b>	<u><u>62,109</u></u>	<u><u>72,969</u></u>	<u><u>67,894</u></u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest bearing loans and borrowings	(4,893)	(10,918)	-
Employee benefits payable	(19,492)	(21,418)	(20,935)
Provisions	(1,129)	(954)	(1,224)
Deferred tax liabilities	(415)	(1,267)	(390)
	<u>(25,929)</u>	<u>(34,557)</u>	<u>(22,549)</u>
<b>Current liabilities</b>			
Interest bearing loans and borrowings	-	-	(5,000)
Trade and other payables	(16,832)	(18,966)	(23,338)
Provisions	(396)	(681)	(402)
Corporation tax payable	(574)	(417)	(429)
Derivative financial liabilities	(77)	(34)	(247)
Liabilities classified as held for sale	(1,018)	(3,346)	-
	<u>(18,897)</u>	<u>(23,444)</u>	<u>(29,416)</u>
<b>Total liabilities</b>	<u><u>(44,826)</u></u>	<u><u>(58,001)</u></u>	<u><u>(51,965)</u></u>
<b>Net assets</b>	<u><u>17,283</u></u>	<u><u>14,968</u></u>	<u><u>15,929</u></u>
<b>Equity</b>			
Called up share capital	4,517	4,517	4,517
Share premium	445	445	445
Capital reserve - own shares	(968)	(618)	(618)
Hedging reserve	(63)	(33)	(198)
Foreign currency reserve	45	52	49
Profit and loss account reserve	13,307	10,605	11,734
<b>Total equity</b>	<u><u>17,283</u></u>	<u><u>14,968</u></u>	<u><u>15,929</u></u>



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
for the half year to 31 December 2015

	<b>Half year to 31 December 2015 (Unaudited) £'000</b>	Half year to 31 December 2014 (Unaudited) £'000	Year to 30 June 2015 (Audited) £'000
<b>Operating activities</b>			
Operating profit	3,715	3,567	7,591
Adjustments for:			
Depreciation	431	433	905
Amortisation	194	184	332
Gain on disposal of property, plant and equipment	(3)	(4)	(14)
Decrease/(increase) in inventories	129	(880)	(1,216)
Decrease in biological assets	28	27	96
Decrease/(increase) in receivables	3,936	(597)	(1,963)
(Decrease)/increase in trade and other payables	(4,944)	(809)	2,510
Movement in provisions	(101)	367	358
Cash contributions to retirement benefit schemes	(1,250)	(1,250)	(2,500)
Share based payments	123	27	300
<b>Cash generated from continuing operations</b>	<b>2,258</b>	<b>1,065</b>	<b>6,399</b>
Operating profit/(loss) from discontinued operations	167	(724)	(896)
Depreciation and amortisation	70	506	1,050
Movement in working capital from discontinued operations	26	180	526
<b>Cash generated/(absorbed) from/(by) discontinued operations</b>	<b>263</b>	<b>(38)</b>	<b>680</b>
Tax paid	(401)	(456)	(907)
<b>Net cash inflow from operating activities</b>	<b>2,120</b>	<b>571</b>	<b>6,172</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	(617)	(587)	(1,114)
Payments to acquire intangible fixed assets	(160)	(232)	(322)
Proceeds from sales of property, plant and equipment	18	4	60
Proceeds from sale of business activity	-	1,408	6,168
Interest received	-	2	5
<b>Net cash (outflow)/ inflow from investing activities</b>	<b>(759)</b>	<b>595</b>	<b>4,797</b>
<b>Financing activities</b>			
Interest paid	(112)	(207)	(408)
Equity dividends paid	(1,248)	(998)	(1,889)
Draw down of amounts borrowed	5,000	1,000	-
Repayment of amounts borrowed	(5,000)	-	(5,000)
Refinancing costs	(119)	-	-
Purchase of own shares	(388)	-	-
<b>Net cash outflow from financing activities</b>	<b>(1,867)</b>	<b>(205)</b>	<b>(7,297)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(506)</b>	<b>961</b>	<b>3,672</b>
Net cash and cash equivalents brought forward	5,914	2,224	2,224
Effect of foreign exchange rate changes	(4)	20	18
<b>Net cash and cash equivalents carried forward</b>	<b>5,404</b>	<b>3,205</b>	<b>5,914</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the half year to 31 December 2015

	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 2015	4,517	445	(618)	(198)	49	11,734	15,929
Profit for the period	-	-	-	-	-	2,711	2,711
Exchange differences on retranslation of foreign operations	-	-	-	-	(4)	-	(4)
Net gain on cash flow hedges	-	-	-	170	-	-	170
Tax on derivative financial liability	-	-	-	(35)	-	-	(35)
Actuarial gain on defined benefit pension schemes, net of tax	-	-	-	-	-	25	25
Dividends	-	-	-	-	-	(1,248)	(1,248)
Share based payments	-	-	-	-	-	123	123
Acquisition of own shares	-	-	(350)	-	-	-	(350)
Exercise of share based incentives	-	-	-	-	-	(38)	(38)
<b>At 31 December 2015</b>	<b>4,517</b>	<b>445</b>	<b>(968)</b>	<b>(63)</b>	<b>45</b>	<b>13,307</b>	<b>17,283</b>

  

	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
<b>At 31 December 2014</b>	<b>4,517</b>	<b>445</b>	<b>(618)</b>	<b>(33)</b>	<b>52</b>	<b>10,605</b>	<b>14,968</b>

## **NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS for the half year to 31 December 2015**

### **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 2015.

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 2015 and in accordance with IAS34 "Interim Financial Reporting".

The consolidated financial statements of the group as at and for the year ended 30 June 2015 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 2015 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 2015 and the six month period ended 31 December 2014 have been re-classified to show Dyson Diecastings as a discontinued operation.

The condensed consolidated interim financial statements for the half year ended 31 December 2015 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 2015.

These condensed consolidated interim financial statements were approved by the Board of Directors on 2 February 2016.

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 twelve months from the date of signing this report 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 2015.

During the six months ended 31 December 2015, management reassessed and updated its estimates in respect of retirement benefit obligations based on market data available at 31 December 2015. The resulting impact was a £0.5 million pre-tax actuarial gain, calculated using IAS19 conventions, recognised in the six month period to 31 December 2015.

### **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 2015. The Board considers these risks and uncertainties remain relevant to the current financial year.

Alumasc can experience changes to the timing of construction projects, including those installed by third parties, that are beyond the group's control. Such changes could impact the timing of revenue and profit recognition in the second half year.

### 3. Risks and Uncertainties (continued)

Alumasc is in discussions with a number of parties to sell the Dyson Diecastings business. Current expectations are that the carrying value of the business of £3.0 million will be recovered on sale. However, depending on the final outcome agreed, sales proceeds could differ from the book value at 31 December 2015.

### 4. Segmental analysis – continuing operations

Since Alumasc's Report and Accounts 2015, the operating segments of The Alumasc Group have been re-aligned to reflect changes to internal management responsibilities. Dyson Diecastings, as a discontinued operation, has also now been excluded from this disclosure. The segmental analysis of comparative data for the periods ending 31 December 2014 and 30 June 2015 have therefore been re-presented.

	External £'000	Inter- segment £'000	Revenue Total £'000	Segmental Operating Result £'000
<b>Half Year to 31 December 2015</b>				
Solar Shading & Screening	7,620	-	7,620	462
Roofing & Walling	18,409	2	18,411	1,755
Water Management	13,342	688	14,030	1,907
Housebuilding & Ancillary Products	4,097	-	4,097	573
<b>Sub-total</b>	<b>43,468</b>	<b>690</b>	<b>44,158</b>	<b>4,697</b>
Elimination/Unallocated costs	-	(690)	(690)	(570)
<b>Total</b>	<b>43,468</b>	<b>-</b>	<b>43,468</b>	<b>4,127</b>
				<b>£'000</b>
Segmental operating result				4,127
Brand amortisation				(134)
IAS 19 pension scheme administration costs				(278)
<b>Total operating profit from continuing operations</b>				<b>3,715</b>
<b>Half Year to 31 December 2014 (re-stated)</b>				
Solar Shading & Screening	8,159	-	8,159	386
Roofing & Walling	20,870	5	20,875	2,589
Water Management	12,383	584	12,967	1,161
Housebuilding & Ancillary Products	3,767	-	3,767	432
<b>Sub-total</b>	<b>45,179</b>	<b>589</b>	<b>45,768</b>	<b>4,568</b>
Elimination/Unallocated costs	-	(589)	(589)	(597)
<b>Total</b>	<b>45,179</b>	<b>-</b>	<b>45,179</b>	<b>3,971</b>
				<b>£'000</b>
Segmental operating result				3,971
Brand amortisation				(134)
IAS 19 pension scheme administration costs				(270)
<b>Total operating profit from continuing operations</b>				<b>3,567</b>

#### 4. Segmental analysis (Continued)

	External	Inter-segment	Revenue Total	Segmental Operating Result
<b>Full Year to 30 June 2015 (re-stated)</b>				
Solar Shading & Screening	16,007	-	16,007	929
Roofing & Walling	40,577	8	40,585	4,461
Water Management	25,935	1,109	27,044	3,272
Housebuilding & Ancillary Products	7,776	-	7,776	1,137
<b>Sub-total</b>	<b>90,295</b>	<b>1,117</b>	<b>91,412</b>	<b>9,799</b>
Elimination/Unallocated costs	-	(1,117)	(1,117)	(1,485)
<b>Total</b>	<b>90,295</b>	<b>-</b>	<b>90,295</b>	<b>8,314</b>
				<b>£'000</b>
Segmental operating result				8,314
Brand amortisation				(268)
IAS 19 pension scheme administration costs				(455)
<b>Total operating profit from continuing operations</b>				<b>7,591</b>

#### 5. Discontinued operations

	Alumasc Precision Components £'000	Pendock Profiles £'000	Dyson Diecastings £'000	Total £'000
<b>Half Year to 31 December 2015</b>				
Revenue	-	-	3,465	3,465
Operating profit	-	-	167	167
Tax charge	-	-	(35)	(35)
<b>Profit after taxation</b>	<b>-</b>	<b>-</b>	<b>132</b>	<b>132</b>

	Alumasc Precision Components £'000	Pendock Profiles £'000	Dyson Diecastings £'000	Total £'000
<b>Half Year to 31 December 2014 (re-stated)</b>				
Revenue	10,269	785	3,816	14,870
Operating (loss)/profit	(1,117)	55	338	(724)
Gain on disposal of discontinued operation	-	770	-	770
Tax credit/(charge)	246	(12)	(74)	160
<b>(Loss)/profit after taxation</b>	<b>(871)</b>	<b>813</b>	<b>264</b>	<b>206</b>

## 5. Discontinued operations (continued)

	Alumasc Precision Components £'000	Pendock Profiles £'000	Dyson Diecastings £'000	Total £'000
<b>Full Year to 30 June 2015 (re-stated)</b>				
Revenue	16,672	785	7,787	25,244
Operating (loss)/profit	(1,659)	55	708	(896)
(Loss)/gain on disposal of discontinued operations	(1,340)	770	-	(570)
Tax credit/(charge)	1,205	(12)	(156)	1,037
<b>(Loss)/profit after taxation</b>	<b>(1,794)</b>	<b>813</b>	<b>552</b>	<b>(429)</b>

## 6. Net finance costs

	Half year to 31 December 2015 £'000	Half year to 31 December 2014 £'000	Year to 30 June 2015 £'000
Finance income - Bank interest	-	(2)	(5)
Finance costs - Bank loans and overdrafts	14	24	85
- Revolving credit facility	110	240	512
	124	264	597
- IAS19 net pension scheme finance costs	349	400	711
	473	664	1,308

## 7. Reported to underlying profit reconciliation

	Half year to 31 December 2015 £'000	Half year to 31 December 2014 (re-stated) £'000	Year to 30 June 2015 (re-stated) £'000
Reported profit before tax	3,242	2,905	6,288
Add: Brand amortisation	134	134	268
Add: IAS19 pension scheme administration costs	278	270	455
Add: IAS19 net pension scheme finance costs	349	400	711
<b>Underlying profit before tax</b>	<b>4,003</b>	<b>3,709</b>	<b>7,722</b>

## 8. Tax expense

	<b>Half year to 31 December 2015</b>	Half year to 31 December 2014 (re-stated)	Year to 30 June 2015 (re-stated)
	<b>£'000</b>	£'000	£'000
Current tax:			
UK corporation tax – continuing operations	<b>545</b>	553	922
– discontinued operations	<b>(4)</b>	(104)	(81)
Overseas tax	<b>4</b>	2	11
Amounts under provided in previous years	<b>-</b>	-	39
Total current tax	<b>545</b>	451	891
Deferred tax:			
Origination and reversal of temporary differences:			
- continuing operations	<b>150</b>	189	543
- discontinued operations	<b>39</b>	(56)	(956)
Amounts over provided in previous years	<b>-</b>	-	(56)
Rate change adjustment	<b>(36)</b>	-	24
Total deferred tax	<b>153</b>	133	(445)
Total tax expense	<b>698</b>	584	446
Tax charge on continuing operations	<b>663</b>	744	1,483
Tax charge/(credit) on discontinued operations	<b>35</b>	(160)	(1,037)
Total tax expense	<b>698</b>	584	446
Tax recognised in other comprehensive income:			
Deferred tax:			
Actuarial gains/(losses) on pension schemes	<b>517</b>	(815)	(945)
Cash flow hedges	<b>35</b>	5	(43)
Tax charged/(credited) to other comprehensive income	<b>552</b>	(810)	(988)
Total tax charge/(credit) in the statement of comprehensive income	<b>1,250</b>	(226)	(542)

## 9. Dividends

The directors have approved an interim dividend per share of 2.7p (2014: 2.5p) which will be paid on 7 April 2016 to shareholders on the register at the close of business on 4 March 2016. The cash cost of the dividend is expected to be £1.0 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 3.5p in respect of the 2014/15 financial year was paid at a cash cost of £1.2 million during the six months to 31 December 2015.

## 10. Share Based Payments

During the period, the group awarded 180,000 options (2014: none) under the Executive Share Option Scheme (“ESOS”). These options have an exercise price of 188p and require certain criteria to be fulfilled before vesting. 80,000 existing options (2014: none) were exercised during the period and no ESOS options (2014: 164,000) lapsed during the period.

Total awards granted under the group’s Long Term Incentive Plans (“LTIP”) amounted to 194,413 (2014: nil). LTIP awards have no exercise price but are dependent on certain vesting criteria being met. During the period no existing LTIP awards lapsed (2014: 259,328).

## 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:

	<b>Half year to 31 December 2015 £'000</b>	Half year to 31 December 2014 (re-stated) £'000	Year to 30 June 2015 (re-stated) £'000
Profit attributable to equity holders of the parent – continuing	<b>2,579</b>	2,161	4,805
Profit/(loss) attributable to equity holders of the parent – discontinued	<b>132</b>	206	(429)
Net profit attributable to equity holders of the parent	<b>2,711</b>	2,367	4,376

  

	<b>Half year to 31 December 2015 000s</b>	Half year to 31 December 2014 000s	Year to 30 June 2015 000s
Basic weighted average number of shares	<b>35,646</b>	35,648	35,648
Dilutive potential ordinary shares – employee share options	<b>903</b>	546	567
Diluted weighted average number of shares	<b>36,549</b>	36,194	36,215

### Calculation of underlying earnings per share:

	<b>Half year to 31 December 2015 £'000</b>	Half year to 31 December 2014 (re-stated) £'000	Year to 30 June 2015 (re-stated) £'000
Reported profit before taxation from continuing operations	<b>3,242</b>	2,905	6,288
Add: brand amortisation	<b>134</b>	134	268
Add: IAS19 pension scheme administration costs	<b>278</b>	270	455
Add: IAS19 net pension scheme finance costs	<b>349</b>	400	711
Underlying profit before taxation	<b>4,003</b>	3,709	7,722
Tax at underlying group rate of 21.0% (2014: 22%; 2014/15: 22%)	<b>(841)</b>	(816)	(1,699)
Underlying earnings	<b>3,162</b>	2,893	6,023
Underlying earnings per share	<b>8.9p</b>	8.1p	16.9p

## 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 2015. Related party information is disclosed in note 31 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