Final **30 November 2011**

Plastics Capital plc

("Plastics Capital", the "Company" or the "Group")

Interim Results for the six months ended 30 September 2011

Plastics Capital plc (AIM: PLA) the niche plastics products manufacturer, today announces its interim results for the six months ended 30 September 2011.

Financial highlights

	Six months ended 30 September 2011 £'000	Six months ended 30 September 2010 £'000	% Change
Revenue	16,255	16,302	-0.3%
EBITDA *	2,717	2,755	-1.4%
Operating profit *	2,285	2,356	-3.0%
Profit before tax *	1,972	1,785	10.5%
Adjusted EPS *+	5.3p	4.8p	10.5%
Net Debt	11,248	14,860	-24.3%

** excluding amortisation, exceptional costs, unrealised foreign exchange translation and derivative gains / losses (see Note 2).*
+ applying a standard tax charge of 26% and based on the average number of shares currently in issue in the year.

- Net debt reduced by £3.6m to £11.2m
- Maiden dividend of 0.33p per share announced

Operational highlights

- Good earnings per share growth in spite of challenging economic environment
- Strong cash conversion – 70% of EBITDA converted to operating cash flow
- New business wins continue - 11 new key accounts won during first half year
- Excellent progress with new operations in China, India and Thailand
- Bank refinancing completed in July '11 reduces interest costs

Commenting on these results, Faisal Rahmatallah, Executive Chairman, said:

"These results reflect progress in a difficult environment. Strong new business successes over the past 18 months have enabled us to maintain revenues, despite underlying demand weakness. We have improved value-added margins, allowing us to increase investment in business development activities, particularly in emerging markets. We have also refinanced our bank debt halfway through the period, significantly reducing our interest costs going forward.

Whilst the economic environment remains challenging, the Group will continue to pursue organic growth opportunities, particularly in emerging markets. Our new business pipeline remains strong and providing the economic environment does not worsen materially the Board expects progress to be broadly in line with expectations for the rest of the financial year."

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Notes to Editor

Plastics Capital manufactures innovative plastics products for global niche markets. The Group has four factories in the UK, one in Thailand and sales offices in the USA, Japan, China and India. Approximately 65 per cent of sales are sold outside the UK to over 80 countries worldwide. Production is concentrated in the UK where significant engineering know-how and automation underpins the Group's competitiveness. The Group has approximately 300 employees.

Further information can be found on www.plasticscapital.com

Chairman's Statement

Financial Review

Overall these interim results reflect continued earnings growth despite a difficult macroeconomic environment.

Compared to the same period last year, on an underlying basis the Group has:

- Maintained revenue at £16.3m.
- Operating performance broadly unchanged.
- Increased profit before tax and earnings per share by 10.5%.
- Reduced net debt by £3.6m to £11.2m.

Value-added margins have improved compared to the same period last year and have compensated for the investment in business development activity that has been made since then. Meanwhile, unit volumes were 5% down despite a good contribution from new business. The improvement in underlying profitability was primarily related to a reduction in interest costs caused by two factors; first, total debt has been reduced over the period, and, second, a refinancing was completed in July 2011, which has resulted in a lower average interest rate being paid.

Underlying operating cash flow has been good with £1.8m being generated for the six month period – this represents a 70% conversion from EBITDA. Working capital has been well managed and capital expenditure has been maintained at normal levels.

In addition to cash flow from operations, we were able to realise £0.4m from the sale of a 40% stake held in a private company called Skor Srl ("Skor"), based in San Marino. This minority stake was a legacy asset from the acquisition in August 2007 of Channel Matrix Limited and had a book value of £0.03m – the profit on the sale has been classified as an exceptional gain and is also excluded from underlying profitability. Skor had a complex and inefficient long term supply and distribution arrangement with C&T Matrix Limited ("C&T") which has now been restructured to the long term benefit of the Group. Finally, the Group redeemed £0.6m of outstanding deferred consideration associated with the acquisition in March 2008 of Palagan. The transformation of the Group's balance sheet since the 2008 crisis is evident.

The Company is pleased to announce that it intends to pay an interim dividend of 0.33p to all shareholders on 6 January 2012 in respect of the period ended 30 September 2011. The record date for the dividend is 9 December 2011 and the associated ex div date is 7 December 2011.

Key Accounts

Our key account strategy is successfully moving forward. 65 key accounts (customers with annual sales potential exceeding £100,000) now account for 59% of group sales. 11 new key accounts have been converted during the first six months of the year, including:

- Leading creasing matrix distributors in Italy, Germany and China.
- Initial projects for new customers in automotive, business and postal machinery sectors.
- First production orders from major hydraulic hose manufacturers in Japan and Korea.

Much of this success results from increased sales pressure focused on the application segments where we already have strong "beachheads", together with new product innovation which has also played a key role in some cases.
We are confident that these new accounts will deliver significant revenue growth over the medium term.

New Products

The overriding focus across the Group is to find new plastic material technologies and product designs which deliver improved solutions for customers– these may, for example, be related to requirements for lower weight, better integration, and higher yield/quality. The flexibility that highly engineered plastics can provide continues to result in numerous and diverse opportunities for new customer solutions through product innovation.

During the first six months of the year we have:

- Introduced a new range of creasing matrix, called Traxplus, which has a material technology that is targeted at a substantial segment of the market in which we have not competed effectively until now – The new product was launched successfully and a full scale marketing and sales campaign will commence in January 2012.
- Introduced a new range of high strength/high flexibility mandrels for the manufacture of very high pressure hydraulic hoses.
- Developed new plastic bearing solutions for automotive interior/instrument panel applications. This is a completely new application segment with enormous potential. A number of live projects are currently under evaluation.
- Installed new production equipment enabling us to make thinner protective films. These new films open up new high growth market segments.

New Territories

The newly established sales offices in China has won further business in the poultry conveyor bearings market and completed its first project with a division of Pacific Century, a Chinese state controlled enterprise. Also, we have appointed two further distributors of creasing matrix, both with national coverage. Our presence in Shanghai simplifies existing and new trading relationships and signifies our commitment to the region.

In India, we have appointed six sub-distributors serving the key territories across the region, whilst major accounts are being dealt with direct by our team in Mumbai, where we have a distribution facility.

In Thailand, where we have a significant manufacturing presence, we have won our first local customer and will be looking to develop further business through direct sales efforts.

Demand

Ignoring new business, volumes compared to the same period last year on a like-for-like basis are down by 7%. There are three underlying causes of this, each contributing in similar proportion were:

- Firstly, this year has not benefitted from last year's restocking by customers as the global economy emerged from recession – with the benefit of hindsight, it is clear that some customers overstocked in anticipation of a strong and sustained recovery, which of course has not happened.

- Secondly, the Japanese tsunami interrupted supply chains for our Japanese customers leading to a significant reduction in demand.
- Thirdly, a generally depressed global demand environment – no doubt as a result of uncertainty fed by the Eurozone and US debt crises.

The first two factors will gradually recede in importance during the rest of the financial year – the third is more difficult to judge.

Operations and Costs

The operational side of the business has been managed tightly given the difficult environment.

Raw material costs have either been steady or slightly declining in price, which has helped us to improve value added margin. Margins have also benefitted from our currency hedging strategy in the first half of the year. Having added business development staff last year we have decided that this investment was the right thing to do and will pay dividends in the long run. No significant cost cutting exercise has been deemed sensible or necessary despite the poor economic conditions. Therefore in the half year overall, improved value-added margin has been negated by increased business development costs.

Management

There have been two significant changes of senior personnel within the Group. At C&T, Simon Shenton took over as CEO at the end of the prior financial year and has now been in position for eight months. I am pleased to report that he has already addressed and successfully resolved important issues that had applied to C&T for some time. At BNL (UK) Limited, we expect to announce in the coming days the appointment of a new CEO to replace Neil Partlett. In the meantime, the experienced management team is maintaining the momentum that the business has established.

Outlook

Trading continues to be rather patchy. Looking ahead into next year, on the positive side there are the following factors:

- the adverse effect of the Japanese tsunami on our customers' global supply chains has largely passed;
- order books are currently satisfactory, except for the relatively small part of our business which focuses on industrial capital goods end-markets; and
- we expect new business to contribute increasingly in the second half of the year.

On the negative side:

- some of our customers remain overstocked due to this year's slowdown compared to last year;
- the flooding around Bangkok is causing some disruption to the supply chains of our customers – we should stress that our factory is completely unaffected as it is located 200 km away and above the flood basin; and
- extreme political and economic uncertainty is a dominant factor in Europe and the USA.

It is difficult to judge how these opposing forces, some of which are unprecedented, will combine and impact second half performance. We are well placed to weather a storm should it come, as our costs are well controlled, cash flow is strong and our banking position is robust. We remain very confident about the direction and the potential growth of the Group.

Faisal Rahmatallah
Executive Chairman.

Plastics Capital plc
Consolidated Income Statement
for the six months ended 30 September 2011

	Note	**Before foreign exchange & exceptional items 2011 £'000**	**Foreign exchange impact on derivative and loans 2011 £'000**	**Exceptional items 2011 £'000**	**Total 2011 £'000**	Restated Before foreign exchange & exceptional items 2010 £'000	Restated Foreign exchange impact on derivatives and loans 2010 £'000	Restated Exceptional items 2010 £'000	Restated Total 2010 £'000
Revenue		**16,255**	**-**	**-**	**16,255**	16,302	-	-	16,302
Cost of sales		**(10,123)**	**201**	**(6)**	**(9,928)**	(9,885)	(205)	(63)	(10,153)
Gross profit		**6,132**	**201**	**(6)**	**6,327**	6,417	(205)	(63)	6,149
Distribution expenses		**(1,041)**	**-**	**-**	**(1,041)**	(1,019)	-	-	(1,019)
Administration expenses		**(3,567)**	**-**	**(67)**	**(3,634)**	(3,395)	-	-	(3,395)
Profit on sale on investment		**-**	**-**	**399**	**399**	-	-	-	-
Operating profit		**1,524**	**201**	**326**	**2,051**	2,002	(205)	(63)	1,734
Financial income	*5*	**202**	**71**	**-**	**273**	165	807	-	972
Finance expense	*5*	**(353)**	**(371)**	**(1,036)**	**(1,760)**	(606)	-	-	(606)
Net financing (costs) / income		**(151)**	**(300)**	**(1,036)**	**(1,487)**	(441)	807	-	366
Profit before tax		**1,373**	**(99)**	**(710)**	**564**	1,561	602	(63)	2,100
Tax	*6*	**(150)**	**-**	**-**	**(150)**	(214)	-	-	(214)
Profit for the period		**1,223**	**(99)**	**(710)**	**414**	1,347	602	(63)	1,886
Foreign exchange translation differences		**93**	**-**	**-**	**93**	(229)	-	-	(229)
Total comprehensive income		**1,316**	**(99)**	**(710)**	**507**	1,118	602	(63)	1,657
Earnings per share									
Basic	*8*				**1.5p**				7.0p
Diluted	*8*				**1.5p**				7.0p

Plastics Capital plc
Consolidated Income Statement *(continued)*
for the year ended 31 March 2011

	Note	Audited Before foreign exchange & exceptional items	Audited Foreign exchange impact on derivatives and loans	Audited Exceptional items	Audited Total
		2011	2011	2011	2011
		£'000	£'000	£'000	£'000
Revenue		33,509	-	-	33,509
Cost of sales		(20,303)	(294)	(103)	(20,700)
Gross profit		13,206	(294)	(103)	12,809
Distribution expenses		(1,934)	-	-	(1,934)
Administration expenses		(7,266)	-	(75)	(7,341)
Operating profit		4,006	(294)	(178)	3,534
Financial income	*5*	250	849	-	1,099
Finance expense	*5*	(1,036)	-	-	(1,036)
Net financing costs		(786)	849	-	63
Profit before tax		3,220	555	(178)	3,597
Tax	*6*	(501)	-	-	(501)
Profit for the year		2,719	555	(178)	3,096
Foreign exchange translation differences		(264)	-	-	(264)
Total comprehensive income		2,445	555	(178)	2,832

Earnings per share		
Basic	*8*	11.4p
Diluted	*8*	11.3p

Plastics Capital plc
Consolidated Balance Sheets

	Unaudited As at 30 September 2011 £000	Unaudited As at 30 September 2010 £000	Audited As at 31 March 2011 £000
Non-current assets			
Property, plant and equipment	**4,275**	5,161	4,362
Investments	**-**	33	38
Intangible assets	**21,832**	22,868	22,239
	26,107	28,062	26,639
Current assets			
Inventories	**3,278**	2,824	3,194
Trade and other receivables	**6,875**	6,516	7,381
Other financial assets	**-**	-	167
Cash and cash equivalents	**1,902**	903	1,647
	12,055	10,243	12,389
Total assets	**38,162**	38,305	39,028
Current liabilities			
Interest-bearing loans and borrowings	**4,527**	2,890	2,901
Trade and other payables	**4,818**	4,661	5,505
Corporation tax liability	**693**	431	540
	10,038	7,982	8,946
Non-current liabilities			
Interest-bearing loans and borrowings	**8,623**	12,873	11,088
Other financial liabilities	**2**	111	-
Deferred tax liabilities	**1,194**	1,021	1,196
	9,819	14,005	12,284
Total liabilities	**19,857**	21,987	21,230
Net assets	**18,305**	16,318	17,798
Equity attributable to equity holders of the parent			
Share capital	**275**	274	275
Share premium	**14,098**	13,854	14,098
Reverse acquisition reserve	**2,640**	2,640	2,640
Translation reserve	**442**	384	349
Capital redemption reserve	**(214)**	15	(214)
Retained earnings	**1,064**	(849)	650
Total equity	**18,305**	16,318	17,798

Plastics Capital plc
Consolidated Cash Flow Statements

	Unaudited Six months ended 30 September 2011 £000	Unaudited Six months ended 30 September 2010 £000	Audited Year ended 31 March 2011 £000
Profit after tax for the period	**312**	1,886	3,096
Adjustments for:			
Income tax adjustment	**152**	214	501
Depreciation, amortisation and impairment	**992**	958	2,045
Financial income	**(273)**	(972)	(1,099)
Financial expense	**1,760**	606	1,036
Gain on disposal of plant, property and equipment	**(399)**	-	(249)
Equity settled share based payment expenses	**-**	-	289
Changes in working capital:			
Decrease / (Increase) in trade and other receivables	**506**	88	(777)
(Increase) / Decrease in inventories	**(84)**	(207)	(577)
(Decrease) / Increase in trade and other payables	**(687)**	56	1,110
Cash generated from operations	**2,279**	2,629	5,375
Interest paid	**(314)**	(586)	(884)
Income tax paid	**-**	-	(12)
Net cash from operating activities	**1,965**	2,043	4,479
Cash flows from investing activities			
Acquisition of property, plant and equipment	**(399)**	(350)	(1,044)
Interest received	**-**	-	2
Acquisition of investments	**-**	-	(5)
Proceeds from disposal of investments	**443**	-	-
Proceeds from disposal of PPE	**-**	-	1,300
Development expenditure capitalised	**(150)**	-	-
Net cash from investing activities	**(106)**	(350)	253
Cash flows from financing activities			
Net proceeds from the issue of share capital	**-**	-	36
Proceeds from new borrowings	**11,000**	-	-
Repayment of borrowings and fees	**(12,604)**	(1,396)	(3,727)
Net cash from financing activities	**(1,604)**	(1,396)	(3,691)
Increase in cash and cash equivalents	**255**	297	1,041
Cash and cash equivalents at 1 April	**1,647**	606	606
Cash and cash equivalents at 30 September and 31 March	**1,902**	903	1,647

Plastics Capital plc
Consolidated statement of changes in equity

	Share capital £000	Share premium £000	Translation reserve £000	Reverse acquisition reserve £000	Capital redemption reserve £000	Retained earnings £000	Total £000
Balance at 31 March 2010	**270**	**13,854**	**613**	**2,640**	**15**	**(2,735)**	**14,657**
Profit or loss	-	-	(229)	-	-	1,886	1,657
Issue of new shares	4	-	-	-	-	-	4
Balance at 30 September 2010	**274**	**13,854**	**384**	**2,640**	**15**	**(849)**	**16,318**
Profit or loss	-	-	(35)	-	-	1,210	1,175
Issue of new shares	1	244	-	-	-	-	245
Purchase of shares by EBT	-	-	-	-	(229)	-	(229)
Equity-settled share based payment transactions	-	-	-	-	-	289	289
Balance at 31 March 2011	**275**	**14,098**	**349**	**2,640**	**(214)**	**650**	**17,798**
Profit or loss	-	-	93	-	-	414	507
Balance at 30 September 2011	**275**	**14,098**	**442**	**2,640**	**(214)**	**1,064**	**18,305**

1 Basis of preparation and accounting policies

Basis of preparation

The interim financial information has been prepared on the basis of the recognition and measurement requirements of adopted IFRSs as at 30 September 2011 that are effective (or available for early adoption) as at 31 March 2012. Based on these adopted IFRSs, the directors have applied the accounting policies, as set out below, which they expect to apply to the annual IFRS financial statements for the year ending 31 March 2012.

However, the adopted IFRSs that will be effective (or available for early adoption) in the annual financial statements for the period ending 31 March 2012 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the period ending 31 March 2012.

Accounting policies

The accounting policies applied to the Interim Results for six months ended 30 September 2011 are consistent with those of the Company's annual accounts for the year ended 31 March 2011 with the exception of the Research and Development policy.

Research and development

During the current year, the Group made improvements to the internal systems by which it captures the development costs of its projects. In prior years these development costs had been expensed, in line with IAS38, on the basis that they could not be reliably and separately identified. The Group can now identify specific costs relating to products that meet the criteria within IAS38 for capitalization. Therefore, the Group is now capitalizing development costs using the accounting policy as given below. As the system changes did not allow for the retrospective capture of costs, the prior period comparatives have not been restated

Accounting policy

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the direct labour costs.

Other development expenditure is recognized in profit or loss as incurred.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

Going concern

The Financial Reporting Council issued “Going Concern and Liquidity Risk: Guidance for Directors of UK Companies” in October 2009 and the Directors have considered this when preparing the financial statements. These have been prepared on a going concern basis and the Directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate.

Restatement of 2010 half year figures

Reclassification

The 2010 half year profit and loss account has been restated in order to reclassify some costs between cost of sales, distribution expenses and administration expenses. This has been done in order to ensure that there is consistency between the current and previous half year’s profit and loss accounts.

As a result of the restatement of the 2010 half year profit and loss; the cost of sales figure has decreased by £21,000, distribution expenses have increased by £237,000 and administration expenses have fallen by £216,000. There was no effect on the profit for the half year 2010.

Restatement

Impact on non-GAAP measures - the Financial Highlights table on page 1 has restated the half year 2010 to show underlying results (i.e. excluding amortization, exceptional costs, unrealized foreign exchange translation and derivatives gains and losses) rather than statutory results. This has resulted in the following changes for the half year 2010 numbers: (i) profit before tax changing from £2,100,000 (statutory) to £1,785,000 (underlying); (ii) EPS changing from 7.0p (statutory) to 4.8p (underlying). Also net debt has been restated to £14,860,000 (which included the PLA4 Limited deferred consideration) compared to previously disclosed net bank debt of £14,273,000 (which excluded the PLA4 Limited deferred consideration).

In addition, the amortization charge associated with capitalized deal fees has been excluded from underlying profit before tax for half year 2010 and 2011.

2 Reconciliation of financial highlights table to the consolidated income statement

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	**Change %**
Revenue	**16,255**	**16,302**	**-0.3%**
Gross profit	**6,228**	**6,149**	**1.3%**
Operating profit	**2,051**	**1,734**	**18.3%**
Add back: Depreciation	432	399	
Add back: Amortisation and impairment	560	559	
EBITDA	**3,043**	**2,692**	**13.0%**
Add back: Exceptional (gain) / cost	(326)	63	
EBITDA before exceptional costs	**2,717**	**2,755**	**-1.4%**
Profit before tax	564	2,100	
Add back: Amortisation and impairment	560	559	
Add back: Exceptional costs	710	63	
Add back: Capitalised deal fee amortisation	40	35	
Add back: Unrealised foreign exchange gains	(71)	(231)	
Add back: Unrealised derivative losses / (gains)	169	(741)	
Profit before tax*	**1,972**	**1,785**	**10.5%**
Taxation	(150)	(214)	
Profit after tax*	**1,822**	**1,571**	**16.0%**
Basic adjusted EPS*+	**5.3p**	**4.8p**	**10.5%**
Basic EPS	**1.5p**	**7.0p**	**-78.6%**
Capital expenditure	**399**	**350**	**14.0%**
Net Debt	**11,248**	**14,860**	**-24.3%**

* excluding amortisation, exceptional costs, unrealised foreign exchange translation and unrealised derivative gains/losses
+ applying a standard tax charge of 26% and based on the average number of shares in issue in the year

3 Operating segment information

The following summary describes the operations in each of the Group's reportable segments:

- Printing and Packaging – includes creasing matrix and films
- Power Transmission – includes hose mandrel and plastic bearings

	Power transmission	**Printing & packaging**	**Unallocated and reconciling items**	**Total**
	Unaudited Six months to 30 September 2011 £000	**Unaudited Six months to 30 September 2011 £000**	**Unaudited Six months to 30 September 2011 £000**	**Unaudited Six months to 30 September 2011 £000**
External sales*	**7,716**	**8,539**	**-**	**16,255**
Profit before tax**	**590**	**777**	**(74)**	**1,293**
Depreciation and amortisation	**310**	**119**	**563**	**992**
	Unaudited Six months to 30 September 2010 £000	Unaudited Six months to 30 September 2010 £000	Unaudited Six months to 30 September 2010 £000	Unaudited Six months to 30 September 2010 £000
External sales*	7,786	8,516	-	16,302
Profit / (loss) before tax	686	692	540	1,918
Depreciation and amortisation	253	219	487	959
	Audited 2011 £000	Audited 2011 £000	Audited 2011 £000	Audited 2011 £000
External sales*	16,066	17,443	-	33,509
Profit before tax	1,899	1,493	375	3,767
Depreciation and amortisation	559	258	1,228	2,045

** All revenue is attributable to external customers, there are no transactions between operating segments*

*** Profit before tax for unallocated and reconciling items includes the following material items: management income of £1,475,000, exceptional costs of £1,077,000, head office costs of £528,000, net interest of £353,000, realised fx gain of £201,000, unrealised fx gain of £71,000 and rental income of £60,000*

3 Operating segment information *(continued)*

Reconciliation of reportable segment revenue

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	Audited 2011 £000
Printing & packaging			
Creasing matrix	**2,836**	3,469	6,502
Specialist films	**5,703**	5,047	10,941
Power Transmission			
Plastics bearings	**5,792**	5,910	12,409
Hose mandrel	**1,924**	1,876	3,657
Turnover per consolidated income statement	**16,255**	16,302	33,509

Reconciliation of reportable segment profit

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	Audited 2011 £000
Total profit for reportable segments	**1,293**	1,918	3,767
	1,293	1,918	3,767
Unallocated amounts:			
Amortisation	**(560)**	(559)	(1,189)
Unrealised (losses)/gains on derivatives	**(169)**	741	1,019
Consolidated profit before income tax	**564**	2,100	3,597

4 Exceptional items

Cost of Sales

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	Audited 2011 £000
Restructuring/integration costs	**6**	22	30
Costs associated with sale & leaseback	**-**	-	50
Stock provisions and write-off on integration of businesses	**-**	41	23
	6	63	103

Administrative Expenses

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	Audited 2011 £000
Company set up costs	**-**	-	31
Restructuring/integration costs	**67**	-	-
Recruitment costs	**-**	-	30
LTIP charge and EBT scheme cancellation charge	**-**	-	289
Gain on sale of property	**-**	-	(275)
Gain on sale of investment	**(399)**	-	-
	(332)	-	75

Finance Expenses

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	Audited 2011 £000
Write off of capitalised deal fees and interest rate hedge break fees	**1,036**	-	-
	1,036	-	-

5 Financial income and expenses

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	Audited Year to 31 March 2011 £000
Financial income:			
Interest income	**-**	-	1
Gains on derivatives used to manage interest rate risk	**202**	165	249
Financial income	**202**	165	250
Financial expenses:			
Bank interest	**301**	532	848
Amortisation of capitalised deal fees	**38**	39	114
Deferred consideration interest	**14**	35	74
Financial expenses	**353**	606	1,036
Financial income and expenses included within foreign exchange:			
Net foreign exchange gain / (loss)	**71**	(231)	79
Unrealised (losses) / gains on derivatives used to manage foreign exchange risk	**(371)**	(576)	770
Exceptional items	**(300)**	(807)	849

The net foreign exchange gain / (loss) represent unrealized gains / (losses) arising on the translation of foreign currency loans back into Sterling.

6 Taxation

The taxation charge is calculated by applying the Directors' best estimate of the annual tax rate for the profit/(loss) for the period.

7 Dividends

The Directors recommend the payment of an interim dividend of 0.33p per share *(*30 September 2010*: nil).*

8 Earnings per share

	Unaudited Six months to 30 September 2011 £000	Unaudited Six months to 30 September 2010 £000	Audited Year to 31 March 2011 £000
Numerator			
Profit for the period	**414**	1,886	3,096
Denominator			
Weighted average number of shares used in basic EPS	**27,542,543**	26,953,463	27,233,414
Effect of employee share options	**100,000**	50,000	75,000
Weighted average number of shares used in diluted EPS	**27,642,543**	27,003,463	27,308,414
Basic earnings per share (total)	**1.5p**	7.0p	11.4p
Diluted earnings per share (total)	**1.5p**	7.0p	11.3p

9 Accounts

Copies of the interim accounts may be obtained from the Company Secretary at the Registered Office of the Company: St Mary's House, 42 Vicarage Crescent, London, SW11 3LD.