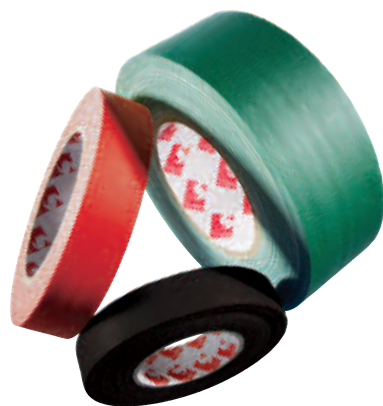


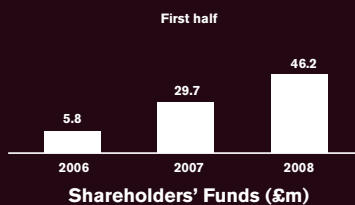
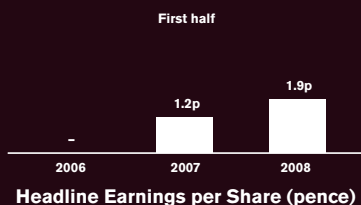
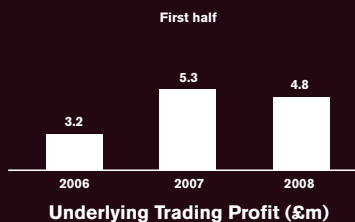
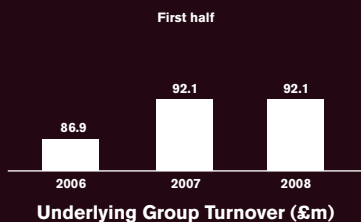
Interim Report and Accounts
2008



What we do

Scapa is one of the world's leading technical adhesive tapes and film manufacturers. Our wide variety of standard and bespoke products are used in a host of different industries with applications for assembly, insulation, protection, repair and identification. We have manufacturing facilities in 12 locations and we sell our products in over 100 countries across the globe. We are managed and structured around three principal regions; Europe, North America and Asia. We employ 1,395 staff.

Financial Highlights



Results Summary

	Half year ended 30 Sept 2008	Half year ended 30 Sept 2007	Year ended 31 March 2008
Revenue £m	92.1	85.2	170.1
Operating profit £m	3.7	4.5	9.2
Trading profit* £m	4.8	4.8	9.5
Profit before tax £m	2.7	3.6	7.4
Trading profit before tax* £m	3.8	3.9	7.7
Earnings per share (p)	1.2	1.0	3.1
Headline earnings per share* (p)	1.9	1.2	3.3
Dividend per share (p)	-	-	0.75

*Definitions

Throughout the entirety of this document, the following definitions apply.

- Underlying** – Sales or profit before exceptionals, foreign currency movements, the effect of business disposals and any tax impact thereof.
- Trading** – Operating profit before exceptional items. Trading figures are presented to provide a more meaningful indication of underlying business performance and trends. These are the primary performance figures used by management.
- Return on Sales** – Trading profit divided by sales.
- Headline** – Profit or loss on an underlying basis.

Report of the Directors

The year started with no sign of a recovery in the North American economy and a weakening in the European markets. Turnover of £92.1m was £6.9m higher than the previous year due to favourable currency movements with underlying sales flat year-on-year. The underlying sales result included growth of 2.2% in Europe and 11.9% in Asia, offset by a 5% fall in North America where trading conditions remain extremely challenging.

Margins in the first half were impacted by rising input costs, particularly on raw materials and energy. The combination of price rises already put in place together with an easing of the raw material price environment should see margins recover in the second half of the year.

Operating profit before exceptional costs (trading profit) was maintained at £4.8m, the same as last year's strong first half. The result benefited from £0.5m of favourable currency movements which helped offset continued weakness in our North American markets. Exceptional charges in the period of £1.1m include £0.4m of restructuring and a £0.7m provision for a shortfall in land valuation associated with the Megolon disposal in 2006/07. The fall in value of the land reflects the current market conditions for development land in the UK.

Scapa has continued to make further headway on a number of fronts, despite the storms blowing through the world economies. Our increased capital investment programme is on time and on budget and benefits will soon flow from these projects. Capital additions in the first half amounted to £3.6m, compared to £0.7m in the prior year. Significant planned investment in Research and Development, as set out last year, was also made as well as further expansion of our sales and marketing team. Encouraging progress continues to be made on the Group's tax affairs with an adjusted effective rate of 30% in the period considered sustainable in the medium term. In addition a number of smaller legacy issues have also been closed out during the period with a full and final exit from an environmental liability in North America (£0.2m)

and, in early October, the buy-out of the Canadian defined benefit pension liability of £0.7m at a net cash cost to the Group of £0.2m (equal to the accounting deficit).

In line with normal policy, no interim dividend is proposed. The current expectation is that the full year results will allow us to continue the dividend policy initiated last year.

Review of operations

Europe

Sales in Europe of £54.9m increased £6.5m, an underlying increase of 2.2% against the first half of 2007/08, when adjusted for the impact of positive foreign exchange movements. The picture on a market sector basis was mixed with no clear overall trend. Half of our business by sector (automotive and industrial assembly) fell by around 5% year-on-year. However, just under half of the business saw year-on-year growth rates of between 7% and 15%, with infrastructure and medical standing out with strong double-digit growth. Customer service levels were kept strong during the period at 94% on-time delivery, with scope to improve this further. The 55% increase in trading profit to £3.1m (2007/08: £2.0m) reflects the combination of higher turnover, benefits of recent capital investments and £0.3m of foreign exchange benefit. The result is also supported by the Business Improvement Plans at all sites which are making good progress on further reducing our cost base. The turnaround in the performance of the UK business in the previous two years has continued with the UK now achieving the average underlying Return on Sales for the European Business of 5.6%, a long way from the result of three years ago of a loss of 9.7% on sales. Major investment continues to be made in the efficiency of our UK operations with additional focus also now on our Italian business.

North America

The North American trading environment continued to be very challenging. Sales of £32.5m (2007/08: £32.8m) showed an underlying decrease of 5%, reduced to a fall of just under 1% after the benefits of foreign currency

Report of the Directors

movements. Once again the picture at a market sector level was mixed; the consumer wound care and printing and graphics markets saw falls in revenue whereas the infrastructure and sports markets saw strong growth. Trading profit of £2.3m (2007/08: £3.9m), helped by £0.2m of foreign exchange movements, was clearly disappointing. The result was, however, similar to the result achieved in the second half of 2007/08. Investment has continued in new production equipment for our North American business and the major SAP systems project is on schedule to 'Go Live' in the third quarter which will bring Group-wide benefits to the quality of our business information and business process efficiency.

Asia

The Asian business continued its strong growth and profit improvement profile of the last two years with sales for the half year now at £4.7m (2007/08: £4.0m), 18% higher year-on-year, underpinned by £0.5m of real growth and £0.2m of favourable foreign exchange movements. Once again, sales into the electronics and regional infrastructure markets have been the bedrock for the growth story. Trading profit increased by almost 70% to £0.5m (2007/08: £0.3m) based on sales growth and a continued switch in mix to higher value added technical products. To support further growth we have recruited additional sales personnel and are also putting in place small but flexible local conversion facilities to improve market penetration and customer service.

Corporate

Our corporate costs of £1.1m have fallen by £0.3m compared to the prior year. This is largely as a result of a reduction in adviser costs, particularly with respect to pensions following completion of the triennial review discussions with the trustees of the funds.

Interest income and expense

The Group's positive cash balances have continued to generate interest income of £0.2m (2007/08: £0.3m) during the period, with the reduction being due to the lower deposit interest

rates on our restricted deposit of US\$10m. Other finance charges were flat year-on-year at £1.2m (2007/08: £1.2m) and comprise £1.0m of IAS19 charge and £0.2m charge on the unwinding of the discounted litigation provision.

Taxation charge

On an adjusted basis (excluding exceptional items and the tax thereon) the tax charge of £1.1m on profit before tax of £3.8m represents an effective rate of just under 30% (2007/08: 54%). This rate reflects the full year benefits of the increasing UK operating profits and changes to the Group's internal capital structure in the current and prior year. Reduced operating profits in North America have also had an impact. This further reduction in the effective tax rate builds on the gains in the full year to 31 March 2008 when the rate was 38%. The charge in the period is made up of £0.9m of current tax and £0.1m of deferred tax (2007/08: £0.9m and £1.2m respectively). The tax impact of the exceptional items is £0.1m in the current year. The Group expects to maintain or improve the current effective tax rate for the medium term.

Earnings per share

Profit attributable to shareholders for the current period amounts to £1.7m or, on an adjusted basis, £2.7m (2007/08: £1.5m and £1.8m respectively). This equates to earnings per share of 1.2p (2007/08: 1.0p) or 1.9p on an adjusted basis (2007/08: 1.2p), an increase of almost 60%.

Cash flow

Cash balances at the half year were £9.6m (2007/08: £13.2m). Net cash outflow from operating activities was £0.3m (2007/08: £2.7m cash inflow). The reduction is primarily due to an increase in trading working capital of £2.3m (2007/08: £0.4m increase) largely due to rising input costs (raw materials). Actions are being taken to reduce working capital levels. Spend against existing provisions was £0.7m (2007/08: £0.6m) and included £0.2m incurred in a full and final exit from a fully provided environmental liability in North America.

Additional funding costs of pension deficits amounted to £3.2m (2007/08: £2.8m including the curtailment credit of £0.5m).

Capital investment in the period of £3.6m (2007/08: £0.7m) reflects our commitment to continue improving the efficiency of our operations following low expenditure in recent years. We remain on target to deliver value-enhancing capital projects at an expenditure level twice that of the prior year.

Pensions

The pension deficit at 30 September 2008 has narrowed further to £40.7m (31 March 2008: £43.1m). The improvement is due to current market conditions for corporate bonds (and hence discount rates) offset by falling equity values. During the period the Company made deficit payments of £3.2m (2007/08: £2.8m) the increase being the result of the late issue of Pension Protection Fund ('PPF') invoices in respect of the prior year (£0.3m) and indexation of the annual contributions (£0.1m). The impact of the doubling in the PPF levy factor is expected to be a further additional cash cost of £0.3m in the current year which is fully provided for in the deficit provision. This is despite a 50% improvement in the Group's Dun & Bradstreet failure score following various management actions in the prior year. The Company continues to work actively with the trustees to evaluate options for possible liability management solutions.

Asbestos litigation

The period under review has seen a reduced level of external activity in asbestos litigation with no new trials coming to court. Dismissals continue to be received (approximately 200 in the period) and ways of accelerating the dismissal process in a number of key states in the USA are being explored. Three adverse judgements are currently at the appeal stage. In the USA no Scapa Group company, nor any of our insurance carriers, has admitted liability to date, nor made any payment to any plaintiff. Accordingly, our insurance cover

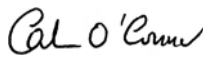
remains intact and the Board will continue to defend vigorously the outstanding claims.

Strategic review

The Board has initiated a review of the Strategic Plan for the next five years. The Group is able to press on with such a review in the current economic environment given both the progress made in recent years and our commitment to develop the business further. The review is focused on finding an appropriately balanced approach to market driven commercial opportunities (such as new market sectors, production technologies and geographical representation), continuing operational improvements and further progress in managing down the Group's exposure to legacy matters. The strategy will take full account of the need today for a conservative financial framework.

Prospects

Second half sales levels to date are almost 10% lower than last year and our order visibility remains relatively short, with automotive particularly weak. Shift-working patterns and indirect cost structures have been adjusted accordingly. Scapa continues to invest in operational efficiency, research and development and sales and marketing expenditure. Our healthy balance sheet and cash position put Scapa in a strong position both to weather the severe challenges of the current trading environment and to fully support our developing strategy.



C J O'Connor
Chief Executive
20 November 2008



J A S Wallace
Chairman
20 November 2008

Consolidated Income Statement

For the half year ended 30 September 2008 (unaudited)

All on continuing operations

		Half year ended 30 Sept 2008 £m	Half year ended 30 Sept 2007 £m	Year ended 31 March 2008 £m
	note			
Revenue	2	92.1	85.2	170.1
Operating profit	2	3.7	4.5	9.2
Trading profit*		4.8	4.8	9.5
Exceptional items and movements in exceptional provisions:				
– Business disposals	3	(0.7)	(0.3)	(0.3)
– Reorganisation costs and exceptional provision movements	3	(0.4)	–	–
Operating profit	2	3.7	4.5	9.2
Interest payable		–	(0.1)	(0.1)
Interest receivable		0.2	0.4	0.7
		0.2	0.3	0.6
Discount on provisions		(0.2)	(0.2)	(0.4)
IAS 19 finance costs		(1.0)	(1.0)	(2.0)
Net finance costs		(1.0)	(0.9)	(1.8)
Profit on ordinary activities before taxation		2.7	3.6	7.4
Taxation on operating activities	4	(1.0)	(2.1)	(2.9)
Profit for the period		1.7	1.5	4.5
Weighted average number of shares		144.8	144.8	144.8
Basic and diluted earnings per share (p)		1.2	1.0	3.1
Dividend per share (p)		–	–	0.75

Consolidated Statement of Recognised Income and Expense

For the half year ended 30 September 2008 (unaudited)

		Half year ended 30 Sept 2008 £m	Half year ended 30 Sept 2007 £m	Year ended 31 March 2008 £m
Profit for the period		1.7	1.5	4.5
Exchange differences on translating foreign operations		4.0	0.3	4.5
Actuarial gains		0.3	8.4	12.7
Deferred tax on actuarial gains		–	–	(0.1)
Total recognised income for the period		6.0	10.2	21.6

*Operating profit before business disposals, impairments, reorganisation costs and movements in exceptional provisions.

Consolidated Balance Sheet

As at 30 September 2008 (unaudited)

		Half year ended 30 Sept 2008 £m	Half year ended 30 Sept 2007 £m	Year ended 31 March 2008 £m
	note			
Assets				
Non-current assets				
Goodwill		10.8	9.4	9.7
Property, plant and equipment		38.6	32.7	35.6
Deferred tax asset		6.2	5.9	5.8
Other non-current asset investments		5.6	4.9	5.0
		61.2	52.9	56.1
Current assets				
Inventory		25.6	19.8	22.2
Trade and other receivables		40.8	37.9	40.4
Financial assets – derivative financial instrument		–	0.1	–
Current tax asset		0.6	0.1	0.7
Cash and cash equivalents	7	10.2	14.0	15.5
		77.2	71.9	78.8
Liabilities				
Current liabilities				
Financial liabilities				
– Borrowings and other financial liabilities	7	(0.2)	(1.1)	(0.3)
– Derivative financial instruments		–	(0.1)	(0.3)
Trade and other payables		(34.8)	(29.8)	(32.3)
Current tax liabilities		(0.3)	–	(0.7)
Provisions for other liabilities and charges	5	(1.3)	(1.3)	(1.2)
		(36.6)	(32.3)	(34.8)
Net current assets		40.6	39.6	44.0
Non-current liabilities				
Financial liabilities				
– Borrowings and other financial liabilities	7	(0.4)	(0.4)	(0.4)
Trade and other payables		(1.0)	(1.2)	(2.3)
Deferred tax liabilities		(2.8)	(2.2)	(2.5)
Non-current tax liabilities		(2.6)	(3.1)	(2.5)
Retirement benefit obligations		(40.7)	(48.0)	(43.1)
Provisions for other liabilities and charges	5	(8.1)	(7.9)	(8.1)
		(55.6)	(62.8)	(58.9)
Net assets		46.2	29.7	41.2
Shareholders' equity				
Ordinary shares	6	7.2	7.2	7.2
Retained earnings	6	32.2	23.9	31.2
Translation reserve	6	6.8	(1.4)	2.8
Total shareholders' equity	6	46.2	29.7	41.2

The notes on pages 07 to 12 form an integral part of this interim financial report

Consolidated Cash Flow Statement

For the half year ended 30 September 2008 (unaudited)

	note	Half year ended 30 Sept 2008 £m	Half year ended 30 Sept 2007 £m	Year ended 31 March 2008 £m
Net cash flow (used in)/from operating activities				
Net cash flow (used in)/from operations	7	(0.3)	2.7	8.5
Cash flow from operations before reorganisation and movements in exceptional provisions	7	0.4	3.3	9.5
Cash flow from reorganisation and movements in exceptional provisions	7	(0.7)	(0.6)	(1.0)
Net cash flow (used in)/from operations		(0.3)	2.7	8.5
Net interest received		0.2	0.3	0.6
Income tax paid		(0.9)	(1.0)	(1.9)
Net cash flow (used in)/from operating activities		(1.0)	2.0	7.2
Cash flow from investing activities				
Purchase of property, plant and equipment		(3.6)	(0.7)	(3.7)
Net cash used in investing activities		(3.6)	(0.7)	(3.7)
Cash flow from financing activities				
Repayment of borrowings		(0.1)	(0.1)	(0.3)
Dividends paid to shareholders		(1.1)	–	–
Net cash used in financing activities		(1.2)	(0.1)	(0.3)
Net (decrease)/increase in cash and cash equivalents				
Cash and cash equivalents at beginning of the period		15.3	12.0	12.0
Exchange gains on cash and cash equivalents		0.5	–	0.1
Cash and cash equivalents at end of the period	7	10.0	13.2	15.3

Notes

1. Basis of preparation

This interim financial report has been prepared under the historical cost accounting convention as modified by the revaluation of financial assets and liabilities at fair value through profit and loss, and in accordance with the policies used in the Group's financial statements for the year ended 31 March 2008. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. The IFRS interpretations that will be applicable as at 31 March 2009, including those that will be applicable on an optional basis, are not yet known with certainty at the time of preparing this report.

The financial information included in this interim financial report for the six months ended 30 September 2008 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985 and is unaudited. The comparative information for the six months ended 30 September 2007 is also unaudited. The comparative figures for the year ended 31 March 2008 have been extracted from the Group's financial statements as filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain a statement under duties of auditors section 237 of the Companies Act 1985.

2. Segmental reporting

Primary Reporting Format – Geographical Segments

The Group operates in three main geographical areas: Europe, North America and Asia. All inter-segment transactions are made on an arms-length basis.

The home country of the Company is the United Kingdom.

Segment results

The segment results for the half year ended 30 September 2008 are as follows:

	Europe £m	N America £m	Asia £m	Elimina- tions £m	Corporate £m	Group £m
External sales	54.9	32.5	4.7	–	–	92.1
Inter-segment sales	3.0	1.4	0.6	(5.0)	–	–
Total revenue	57.9	33.9	5.3	(5.0)	–	92.1
Segment result (before exceptional items)	3.1	2.3	0.5	–	(1.1)	4.8
Exceptional items and movements in exceptional provisions:						
– Other	(1.0)	(0.1)	–	–	–	(1.1)
Exceptional items	(1.0)	(0.1)	–	–	–	(1.1)
Operating profit/(loss)	2.1	2.2	0.5	–	(1.1)	3.7
Net finance costs						(1.0)
Profit on ordinary activities before taxation						2.7
Tax charge						(1.0)
Profit for the period						1.7

Sales are allocated based on the country in which the order is received. All revenue relates to the sale of goods. The sales analysis based on the location of the customer is as follows:

	Europe £m	N America £m	Other £m	Corporate £m	Group £m
External sales	47.7	31.0	13.4	–	92.1

Notes

2. Segmental reporting continued

Segment results

The segment results for the half year ended 30 September 2007 are as follows:

	Europe £m	N America £m	Asia £m	Elimina- tions £m	Corporate £m	Group £m
External sales	48.4	32.8	4.0	–	–	85.2
Inter-segment sales	2.0	1.3	0.7	(4.0)	–	–
Total revenue	50.4	34.1	4.7	(4.0)	–	85.2
Segment result (before exceptional items)	2.0	3.9	0.3	–	(1.4)	4.8
Exceptional items and movements in exceptional provisions:						
– Other	(0.3)	–	–	–	–	(0.3)
Exceptional items	(0.3)	–	–	–	–	(0.3)
Operating profit/(loss)	1.7	3.9	0.3	–	(1.4)	4.5
Net finance costs						(0.9)
Profit on ordinary activities before taxation						3.6
Tax charge						(2.1)
Profit for the period						1.5

Sales are allocated based on the country in which the order is received. All revenue relates to the sale of goods. The sales analysis based on the location of the customer is as follows:

	Europe £m	N America £m	Other £m	Corporate £m	Group £m
External sales	43.2	30.8	11.2	–	85.2

2. Segmental reporting continued

Segment results

The segment results for the year ended 31 March 2008 are as follows:

	Europe £m	N America £m	Asia £m	Elimina- tions £m	Corporate £m	Group £m
External sales	99.0	63.4	7.7	–	–	170.1
Inter-segment sales	4.1	2.3	1.3	(7.7)	–	–
Total revenue	103.1	65.7	9.0	(7.7)	–	170.1
Segment result (before exceptional items)	5.0	6.5	0.7	–	(2.7)	9.5
Exceptional items and movements in exceptional provisions:						
– Business disposals	–	–	–	–	(0.3)	(0.3)
Exceptional items	–	–	–	–	(0.3)	(0.3)
Operating profit/(loss)	5.0	6.5	0.7	–	(3.0)	9.2
Net finance costs						(1.8)
Profit on ordinary activities before taxation						7.4
Tax charge						(2.9)
Profit for the year						4.5

Sales are allocated based on the country in which the order is received. All revenue relates to the sale of goods. The sales analysis based on the location of the customer is as follows:

	Europe £m	N America £m	Other £m	Corporate £m	Group £m
External sales	89.0	59.7	21.4	–	170.1

3. Exceptional items

Exceptional charges in the period totalled £1.1m. Of this, £0.7m relates to the Megolon disposal in 2007. Under the Sale and Purchase Agreement the acquirer can require Scapa to make good any shortfall to an agreed value on the sale of certain property within 42 months of acquisition. The acquirer has indicated their intention to exercise this right and, based on third party valuations, a shortfall of £0.7m has been provided within accruals. This shortfall reflects the collapse of commercial property price in the Ashton area. The balance of the exceptional charge (£0.4m) relates to restructuring across the Group.

4. Taxation

The tax charge of £1.0m (2007/08: £2.1m) represents current tax of £0.9m (2007/08: £0.9m) and movements in deferred tax balances of £0.1m (2007/08: £1.2m). No benefit has been recognised for potential future tax credits in loss-making jurisdictions (primarily the UK) where there is not yet sufficient certainty of recovery within the foreseeable future (2008/09: £17.9m, 2007/08: £21.4m). This position is kept under continual review.

Notes

5. Provisions

	Asbestos litigation costs £m	Reorganisation and leasehold commitments £m	Environmental £m	Total £m
At 30 September 2007	6.3	1.8	1.1	9.2
Exchange differences	0.3	0.1	–	0.4
Released in the period	–	–	(0.1)	(0.1)
Unwinding of discount	0.1	0.1	–	0.2
Utilised in the period	(0.3)	–	(0.1)	(0.4)
At 31 March 2008	6.4	2.0	0.9	9.3
Exchange differences	0.6	–	–	0.6
(Released)/provided in the period	–	(0.1)	0.1	–
Unwinding of discount	0.2	–	–	0.2
Utilised in the period	(0.3)	(0.2)	(0.2)	(0.7)
At 30 September 2008	6.9	1.7	0.8	9.4

6. Reserves

	Share capital £m	Translation reserves £m	Retained earnings £m	Total equity £m
Balance at 30 September 2007	7.2	(1.4)	23.9	29.7
Currency translation differences	–	4.2	–	4.2
Actuarial gain on pension schemes	–	–	4.3	4.3
Deferred tax on actuarial gains and losses	–	–	(0.1)	(0.1)
Net income recognised directly in equity	–	4.2	4.2	8.4
Profit for the period	–	–	3.0	3.0
Total recognised income for the period	–	4.2	7.2	11.4
Employee share option scheme – value of employee services	–	–	0.1	0.1
Balance at 31 March 2008	7.2	2.8	31.2	41.2
Currency translation differences	–	4.0	–	4.0
Actuarial gain on pension schemes	–	–	0.3	0.3
Dividends paid to shareholders	–	–	(1.1)	(1.1)
Net income recognised directly in equity	–	4.0	(0.8)	3.2
Profit for the period	–	–	1.7	1.7
Total recognised income for the period	–	4.0	0.9	4.9
Employee share option scheme – value of employee services	–	–	0.1	0.1
Balance at 30 September 2008	7.2	6.8	32.2	46.2

On 7 August 2008 a dividend per share of 0.75p was paid to the Ordinary shareholders on the register at 27 June 2008. This was the final dividend for the year ending 31 March 2008.

7. Reconciliation of operating profit to operating cash flow, and reconciliation of net debt

	Half year ended 30 Sept 2008 £m	Half year ended 30 Sept 2007 £m	Year ended 31 March 2008 £m
Operating profit	3.7	4.5	9.2
Adjustments for:			
Depreciation	2.3	2.1	4.3
Loss on disposal of businesses	0.7	–	0.3
Pensions payments in excess of charge	(3.2)	(2.3)	(4.3)
Pension curtailment	–	(0.5)	(0.6)
Movement in fair value of financial instruments	(0.3)	(0.1)	0.2
Share options charge	0.1	0.1	0.2
Grant income released	(0.1)	(0.1)	(0.1)
Changes in working capital:			
Inventories	(2.5)	(1.1)	(2.2)
Trade debtors	(0.8)	0.3	1.6
Trade creditors	1.0	0.4	(0.8)
Changes in trading working capital	(2.3)	(0.4)	(1.4)
Other debtors	1.1	0.8	0.6
Other creditors	(1.6)	(0.8)	1.7
Deferred consideration	–	–	(0.4)
Net movement in other provisions	(0.1)	–	(0.3)
Net movement in reorganisation provisions	(0.3)	(0.3)	(0.3)
Net movement in asbestos litigation provision	(0.3)	(0.3)	(0.6)
Net cash flow (used in)/from operations	(0.3)	2.7	8.5
Cash flow from operations before reorganisation and movements in exceptional provisions	0.4	3.3	9.5
Cash flow from reorganisation and movements in exceptional provisions	(0.7)	(0.6)	(1.0)
Net cash flow (used in)/from operations	(0.3)	2.7	8.5

Notes

7. Reconciliation of operating profit to operating cash flow, and reconciliation of net debt continued

Analysis of cash and cash equivalents and borrowings

	At 1 April 2008 £m	Cash flow £m	Exchange movement £m	At 30 Sept 2008 £m
Cash and cash equivalents	15.5	(5.8)	0.5	10.2
Overdrafts	(0.2)	–	–	(0.2)
	15.3	(5.8)	0.5	10.0
Borrowings within one year	(0.1)	0.1	–	–
Borrowings after more than one year	(0.4)	–	–	(0.4)
	(0.5)	0.1	–	(0.4)
Total	14.8	(5.7)	0.5	9.6

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