25 November 2014

Scapa Group plc
Interim Results

Scapa Group plc, a global manufacturer of bonding materials and solutions, today announces its Interim Results for the six months ended 30 September 2014.

Financial Highlights

- Revenue grew 2.8% to £114.7m (2013: £111.6m); on a constant currency basis revenue grew by 9.7%
- Trading profit‡ increased 14.9% to £8.5m (2013: £7.4m); on a constant currency basis trading profit grew by 28.8%
- Adjusted profit before tax‡ improved 13.9% to £8.2m (2013: £7.2m)
- Trading profit margins continued to improve to 7.4% (2013: 6.6%)
- Adjusted earnings per share‡ increased 25.0% to 4.0p (2013: 3.2p)
- Net cash was £1.7m (31 March 2014: £5.4m)

Operational Highlights

- Strong performance* across all our divisions and regions
- Europe grew 2.7%*, North America 14.8%*
- Healthcare revenue increased by 18.2%* to £35.8m (2013: £30.3m)
- Launched MEDIFIX Solutions™ to address fast growing wearable medical device market
- Industrial revenue increased by 4.8%* to £72.6m (2013: £69.3m)
- Electronics revenue increased by 26.0%* to £6.3m (2013: £5.0m)
- Continued improvement in trading profit margins

‡ Removing the impact of exceptional items, amortisation of intangible assets, legacy pension administration costs and pension finance costs, and the tax thereon
* On a constant currency basis

Commenting on the results Chief Executive, Heejae Chae said:

"We are pleased with the Group's continued strong performance, growing across all our divisions and regions on a constant currency basis. We remain confident in the growth potential of the business and that the Group will deliver full year results above current market expectations."

For further information:

Scapa Group plc	Heejae Chae – Chief Executive	Tel: 0161 301 7430
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Interim Management Report

Strategic priorities and business objectives

We are pleased with the Group's continued strong performance, growing revenues and trading profits across all our divisions and regions on a constant currency basis. Our trading margin continues to improve and our balance sheet remains strong. The Group again delivered on its core strategic priorities of creating sustainable value and delivering returns for our shareholders. We further diversified our business which helps to sustain performance by creating a balanced market and geographic portfolio.

Group results

Group revenue for the period increased 2.8% to £114.7m (2013: £111.6m); adjusting for the effects of exchange rates, the growth in revenue was 9.7%. Trading profit for the period increased 14.9% to £8.5m (2013: £7.4m), increasing margins to 7.4% (2013: 6.6%); adjusting for the effects of exchange rates, trading profit increased 28.8%. Pre-tax profit increased to £6.2m (2013: £5.8m). Taxation charges for the period were £2.2m (2013: £2.8m), with the underlying effective tax rate[1] for the period reduced to 28.0% (2013: 34.7%). Basic earnings per share was 2.7p (2013: 2.0p). When adjusted for exceptional items, legacy pension administration costs, amortisation and non-cash interest, earnings per share was 4.0p (2013: 3.2p).

Markets

Healthcare

Six months ended	**30 Sept 2014**	30 Sept 2013	
Revenue (£m)	**35.8**	32.3	+10.8%
Trading profit (£m)	**5.4**	4.7	+14.9%
Trading margin (%)	**15.1%**	14.6%	

In the first half of this year, our Healthcare business delivered another period of strong growth as we continue to concentrate on the strategic building blocks of advanced wound care, medical devices, consumer wellness and transdermal. In line with our strategy to expand our product portfolio and service platforms while focusing on Turn-Key solution opportunities, this year has seen Scapa Healthcare launch the MEDIFIX Solutions™ platform to support wearable device technologies for mobile monitoring and advance sensing. Wearable device technology is a US$5 billion, fast growing market driven by technological advancement and increased acceptance of remote patient monitoring.

Healthcare revenue increased 10.8% over the same period in the prior year and by 18.2% at constant exchange rates. This growth was driven by new and existing programmes, predominantly in the wound care sector.

Trading profit increased 14.9% to £5.4m (2013: £4.7m), or 25.6% at constant exchange rates, and accounted for 63.5% of the Group's total trading profit. Trading margin was 15.1%, slightly ahead of the prior period of 14.6% and the 12 months to 31 March 2014 of 14.7%. The strong rate of growth in the period reflects the launch phase of a new product and the filling of the distribution supply chain. While this is now largely complete, which will result in a lower rate of growth in the second half of the year, the pipeline of new programmes and customers remains strong. The trend towards outsourcing in the healthcare sector continues as healthcare market leaders look to form partnerships with manufacturing experts who have the appropriate capability, reputation and track record.

[1] Adjusting operating profit and taxation for exceptional items, legacy pension administration costs, amortisation and non-cash interest.

Industrial

Six months ended	**30 Sept 2014**	30 Sept 2013	
Revenue (£m)	**72.6**	73.8	-1.6%
Trading profit (£m)	**4.3**	4.1	+4.9%
Trading margin (%)	**5.9%**	5.6%	

Industrial revenue was £72.6m (2013: £73.8m). At constant exchange rates the segment showed good growth of 4.8% (2013: £69.3m).

Reflecting the current macroeconomic environment, we saw a strong performance in North America, delivering 10.2% growth on a constant currency basis. In Europe we grew by 2.0%, benefiting from some market share gains in conditions which continue to be challenging. Carrying on the momentum of last year, automotive continues to improve with growth of 17.8% (at constant exchange rates) in North America driven by the success of new programmes, with Europe showing lower growth as demand from our customer base slowed. The retail business continued to grow well with overall growth of 7.6% (at constant exchange rates) as we maintained the push to increase market share through the increasing points of sale. Retail includes our Barnier® branded construction products, sold through outlets in Europe, and Renfrew Tape®, our branded hockey tape sold throughout North America. Global distribution delivered growth of 10.8% (at constant exchange rates) as our distribution network saw good demand and we benefitted from a lower base following the destocking in prior years. Revenue from cable in the first six months of this year decreased by 7.0% (at constant exchange rates), driven essentially by infrastructure project delays related to global macro events. General industrial also showed a small decline of 1.5% (at constant exchange rates).

Trading profit for the period was £4.3m (2013: £4.1m) an increase of 4.9% over the prior period with trading margins increasing to 5.9% (2013: 5.6%). At constant exchange rates the growth increases to 16.2%. While the value of Sterling against the US Dollar has softened recently, the exchange rate against the Euro has remained strong and the headwind remains as the macroeconomic climate has become more uncertain. As we head into the second half of the financial year we will look to continue the process of self-help to gain further efficiencies including the ongoing optimisation of our manufacturing footprint.

Electronics

Six months ended	**30 Sept 2014**	30 Sept 2013	
Revenue (£m)	**6.3**	5.5	+14.5%
Trading profit (£m)	**0.2**	(0.2)	–
Trading margin (%)	**3.2%**	-3.6%	

Our customer base continues to develop as we extend our capabilities and reach into the consumer electronics, communication and home appliance markets. We maintain the strategy of building relationships with OEMs, responding quickly to customer needs and looking to develop products and solutions that solve their problems.

This year has seen us continue to make progress with the strategy. Revenue in the period was up 14.5% over the prior year; at constant exchange rates the growth was 26.0%. While still a relatively small part of the business, the improving performance ensured we delivered a profit for the first time since Electronics was separated out as a business unit. Trading profit was £0.2m (2013: £0.2m loss) and trading margin was 3.2% (2013: -3.6%).

The consumer electronics market is one of the largest segments within the manufacturing industry, characterised by innovation and growth. While we believe this market offers considerable opportunity for Scapa, Electronics lacks critical mass as a standalone division; from the start of our next financial year, it will be consolidated into our Industrial division, which reflects its current management structure.

Balance sheet
Net assets at 30 September 2014 totalled £52.9m (31 March 2014: £47.7m). The increase is mainly due to the increase in retained earnings of £4.0m and net actuarial movements of £1.2m with a small positive foreign exchange movement on the translation of assets and liabilities of £0.6m. The Group cash balance, net of debt, was £1.7m (31 March 2014: £5.4m). Working capital increased to £27.5m (31 March 2014: £23.3m).

Pensions
The retirement benefit obligation decreased to £37.3m (31 March 2014: £40.0m). A decrease in the interest rate used to discount the long term liabilities from 4.4% at March 2014 to 4.1% at September 2014 had a significant negative effect on the deficit. However this was entirely offset by strong asset growth and experience gains evidenced in the latest actuarial valuation that was agreed during the period. Overall the deficit decreased £2.7m from March 2014.

Cash resources
Net cash generated from operations was £5.0m (2013: £2.1m) after an increase in trading working capital of £3.6m (2013: £2.6m). Capital expenditure was £3.5m (2013: £2.0m) and included some initial build costs on an extension in France to absorb production from our other French site that was sold in April 2014 and which is being vacated in 2015. Other capital investments were mainly on initiatives to improve efficiency within existing factories. Pension payments in excess of operating charge were £2.0m (2013: £2.7m) and represent the deficit repair payments and contributions to scheme expenses as agreed at the latest triennial funding review. Tax and interest outflows were £3.3m (2013: £1.9m), with the increase being reflective of increasing profits and the taxable profit on disposal of the Branly site in France during the prior year. After dividends of £1.5m (2013: £0.7m), closing net cash was £1.7m (31 March 2014: £5.4m).

Dividend
A final dividend for the year ended 31 March 2014 of 1.0p per share was paid on 22 August 2014 to all shareholders registered on 25 July 2014. In line with last year, the Board does not propose an interim dividend but intends to maintain a progressive dividend policy at each year end.

Principal risks and uncertainties
There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. The Directors do not consider that the principal risks and uncertainties have changed since publication of the annual report for the year ended 31 March 2014. A more detailed explanation of the risks for the Group can be found later in this report.

Going concern
As stated in note 1 to these condensed financial statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these condensed financial statements.

Summary and outlook
The Group has delivered another good result for the half year. The impact of foreign exchange has eased somewhat since the summer period and Scapa's underlying performance is strong. The Group is well positioned to make further progress this year and the Board remains confident about the Group's outlook.

James A S Wallace

James A S Wallace
Chairman
25 November 2014

Consolidated Income Statement

For the half year ended 30 September 2014 (unaudited)

All on continuing operations	note	**Half year ended 30 Sept 2014 £m**	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Revenue	2	**114.7**	111.6	226.1
Operating profit	2	**7.4**	6.8	13.4
Trading profit*		**8.5**	7.4	15.5
Amortisation of intangible assets		**(0.8)**	(0.8)	(1.5)
Exceptional items	4	**–**	0.6	0.2
Pension administration costs		**(0.3)**	(0.4)	(0.8)
Operating profit	2	**7.4**	6.8	13.4
Finance costs	7	**(1.2)**	(1.0)	(2.2)
Profit on ordinary activities before tax		**6.2**	5.8	11.2
Tax on operating activities	8	**(2.3)**	(2.5)	(4.4)
Tax on exceptional items, amortisation and pension administration costs	8	**0.1**	–	(0.4)
Exceptional deferred tax write off		**–**	–	(11.3)
Impact of change in tax rate on deferred tax	8	**–**	(0.3)	(1.8)
Tax charge		**(2.2)**	(2.8)	(17.9)
Profit/(loss) for the period		**4.0**	3.0	(6.7)
Weighted average number of shares (m)		**146.8**	146.4	146.4
Basic earnings per share (p)		**2.7**	2.0	(4.6)
Diluted earnings per share (p)		**2.6**	1.9	(4.4)
Underlying earnings per share (p)		**4.0**	3.2	7.2

Consolidated Statement of Comprehensive Income

For the half year ended 30 September 2014 (unaudited)

All on continuing operations	**Half year ended 30 Sept 2014 £m**	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Profit/(loss) for the period	**4.0**	3.0	(6.7)
Exchange differences on translating foreign operations	**0.6**	(4.3)	(7.1)
Actuarial profit/(loss)	**1.5**	1.1	(2.2)
Deferred tax on actuarial (profit)/loss	**(0.3)**	(0.2)	0.1
Deferred tax through other comprehensive income	**0.3**	–	(0.4)
Exceptional deferred tax through other comprehensive income	–	–	(1.5)
Effect of reduction in UK corporation tax on deferred tax	–	(0.6)	(0.2)
Other comprehensive income/(expense) for the period	**2.1**	(4.0)	(11.3)
Total recognised profit/(loss) for the period	**6.1**	(1.0)	(18.0)

* Before exceptional items, amortisation of intangible assets and legacy pension administration and finance costs.

Consolidated Balance Sheet

As at 30 September 2014 (unaudited)

	note	**Half year ended 30 Sept 2014 £m**	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Assets				
Non-current assets				
Goodwill		**24.8**	24.8	24.1
Intangible assets		**2.7**	4.2	3.4
Property, plant and equipment		**36.5**	36.8	35.7
Deferred tax asset		**7.4**	22.7	8.0
		71.4	88.5	71.2
Current assets				
Inventory		**26.1**	23.6	24.1
Trade and other receivables		**39.6**	38.2	42.3
Current tax asset		**0.5**	0.1	0.3
Cash and cash equivalents	13	**13.1**	12.7	13.6
		79.3	74.6	80.3
Liabilities				
Current liabilities				
Financial liabilities:				
– borrowings and other financial liabilities		**–**	(0.2)	(0.1)
– derivative financial instruments		**(0.1)**	(0.1)	(0.1)
Trade and other payables		**(38.2)**	(36.7)	(43.1)
Deferred consideration		**–**	(4.3)	–
Current tax liabilities		**(0.5)**	(1.6)	(1.7)
Provisions	12	**(1.2)**	(0.6)	(1.4)
		(40.0)	(43.5)	(46.4)
Net current assets		**39.3**	31.1	33.9
Non-current liabilities				
Financial liabilities:				
– borrowings and other financial liabilities		**(11.4)**	(8.6)	(8.1)
Trade and other payables		**(0.1)**	(0.3)	(0.2)
Deferred tax liabilities		**(5.1)**	(5.0)	(5.1)
Non-current tax liabilities		**(1.9)**	(1.4)	(1.9)
Retirement benefit obligations	11	**(37.3)**	(38.0)	(40.0)
Provisions	12	**(2.0)**	(2.0)	(2.1)
		(57.8)	(55.3)	(57.4)
Net assets		**52.9**	64.3	47.7
Shareholders' equity				
Ordinary shares		**7.3**	7.3	7.3
Share premium		**0.2**	0.2	0.2
Translation reserve		**13.8**	16.0	13.2
Retained earnings		**31.6**	40.8	27.0
Total shareholders' equity		**52.9**	64.3	47.7

Consolidated Statement of Changes in Equity

For the half year ended 30 September 2014 (unaudited)

	Share capital £m	Share premium £m	Translation reserves £m	Retained earnings £m	Total equity £m
Balance at 31 March 2013 (restated)[ǂ]	7.3	0.2	20.3	37.8	65.6
Employee share option scheme – value of employee services	–	–	–	0.4	0.4
Dividends	–	–	–	(0.7)	(0.7)
Currency translation differences	–	–	(4.3)	–	(4.3)
Actuarial profit on pension schemes	–	–	–	1.1	1.1
Deferred tax on actuarial profit	–	–	–	(0.2)	(0.2)
Effect of reduction in UK corporation rate on deferred tax	–	–	–	(0.6)	(0.6)
Net income recognised directly in equity	–	–	(4.3)	0.3	(4.0)
Profit for the period	–	–	–	3.0	3.0
Total comprehensive income	–	–	(4.3)	3.3	(1.0)
Balance at 30 September 2013	7.3	0.2	16.0	40.8	64.3
Employee share option scheme – value of employee services	–	–	–	0.4	0.4
Currency translation differences	–	–	(2.8)	–	(2.8)
Actuarial loss on pension schemes	–	–	–	(3.3)	(3.3)
Deferred tax on actuarial loss	–	–	–	0.3	0.3
Deferred tax through other comprehensive income	–	–	–	(0.4)	(0.4)
Exceptional deferred tax through other comprehensive income	–	–	–	(1.5)	(1.5)
Effect of reduction in UK corporation rate on deferred tax	–	–	–	0.4	0.4
Net income recognised directly in equity	–	–	(2.8)	(4.5)	(7.3)
Loss for the period	–	–	–	(9.7)	(9.7)
Total comprehensive income	–	–	(2.8)	(14.2)	(17.0)
Balance at 31 March 2014	7.3	0.2	13.2	27.0	47.7
Employee share option scheme – value of employee services	–	–	–	0.6	0.6
Dividends	–	–	–	(1.5)	(1.5)
Currency translation differences	–	–	0.6	–	0.6
Actuarial profit on pension schemes	–	–	–	1.5	1.5
Deferred tax on actuarial profit	–	–	–	(0.3)	(0.3)
Deferred tax through other comprehensive income	–	–	–	0.3	0.3
Net income recognised directly in equity	–	–	0.6	1.5	2.1
Profit for the period	–	–	–	4.0	4.0
Total comprehensive income	–	–	0.6	5.5	6.1
Balance at 30 September 2014	**7.3**	**0.2**	**13.8**	**31.6**	**52.9**

[ǂ] This relates to the IAS1 restatement for the change in accounting policy at 31 March 2013 arising from the adoption of IAS 19 (revised)

Consolidated Cash Flow Statement

For the half year ended 30 September 2014 (unaudited)

All on continuing operations	note	**Half year ended 30 Sept 2014 £m**	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Cash flows from operating activities				
Net cash flow from operations	13	**5.0**	2.1	10.3
Cash generated from operations before exceptional items*	13	**5.0**	2.7	10.1
Cash (outflows)/inflows from exceptional items*	13	**–**	(0.6)	0.2
Net cash flow from operations		**5.0**	2.1	10.3
Net interest paid		**(0.3)**	(0.2)	(0.5)
Income tax paid		**(3.0)**	(1.7)	(2.7)
Net cash generated from operating activities		**1.7**	0.2	7.1
Cash flows (used in)/from investing activities				
Acquisition of subsidiary		**–**	–	(2.2)
Purchase of property, plant and equipment		**(3.5)**	(2.0)	(4.9)
Proceeds from sale of property, plant and equipment		**–**	4.2	4.3
Net cash (used in)/from investing activities		**(3.5)**	2.2	(2.8)
Cash flows (used in)/from financing activities				
Other non-current investment movement		**–**	–	–
Dividends		**(1.5)**	(0.7)	(0.7)
Increase in borrowings		**3.0**	1.5	9.8
Repayment of borrowings		**(0.1)**	(2.5)	(11.5)
Net cash (used in)/from financing activities		**1.4**	(1.7)	(2.4)
Net (decrease)/increase in cash and cash equivalents		**(0.4)**	0.7	1.9
Cash and cash equivalents at beginning of the period		**13.6**	12.6	12.6
Exchange losses on cash and cash equivalents		**(0.1)**	(0.6)	(0.9)
Cash and cash equivalents at end of period	13	**13.1**	12.7	13.6

* Exceptional items include provision movements on items charged to the Income Statement in prior years.

Notes

1. General information
Scapa Group plc (the Company) and its subsidiaries (together the Group) manufacture and sell technical adhesive tapes. The Group has manufacturing plants around the world and sells mainly in countries within Europe, North America and Asia.

The Company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is 997 Manchester Road, Ashton-under-Lyne, Greater Manchester OL7 0ED. The Company has its listing on the Alternative Investment Market.

The financial information for the period ended 30 September 2014 and similarly the period ended 30 September 2013 has been neither audited nor reviewed by the auditor. The financial information for the year ended 31 March 2014 has been based on information in the audited financial statements for that period.

The information for the year ended 31 March 2014 and the interim condensed financial statements for the period ended 30 September 2014 do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2014 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

Basis of preparation
The annual financial statements for Scapa Group plc are prepared in accordance with IFRSs as adopted by the European Union. AIM listed companies are not required to issue IAS34 compliant interims. Scapa Group plc complies with the majority of IAS34 but does not produce a number of additional disclosures that are not considered significant.

Accounting policies
The same accounting policies, presentation and methods of computation are followed in the interim condensed financial statements as applied in the Group's latest annual audited financial statements.

Critical accounting estimates, judgements and risks
The preparation of the interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed 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 for the year ended 31 March 2014.

A summary of the risks is below and a more detailed explanation and how the Group seeks to mitigate the risks can be found on pages 18 to 23 of the annual report which is available at www.scapa.com

Acquisitions – poor decision-making on acquisitions could adversely affect the Group's results

Financial and treasury – the Group has significant operations outside the UK and as such is exposed to movement in exchange rates

Pensions – retirement liabilities fluctuate with changes in life expectancy, inflation, asset performance and discount rate assumptions

Customers – the Group benefits from good commercial relationships with a number of key customers. Damage to these relationships could have a direct, detrimental effect on the Group's results

Raw material pricing – Group margin is susceptible to supplier price increase

Human resources – may impact on our ability to achieve sustainable growth

ICT systems and infrastructure – The Group is reliant on ICT systems in the effective planning and manufacture of product. Significant disruption can interrupt manufacturing and support process and potentially impact sales

Product quality – the Group is exposed to financial risk around product liability, customer returns and ultimately customer trust in Scapa as a supplier

Health and safety – failure to work safely could damage the reputation of the Group and incur regulator intervention or fines

Going concern

The Directors are satisfied that the Group's forecasts and projections show that the Group should be able to operate within its banking facilities and comply with its banking covenants. The Group is exposed to a number of significant risks and uncertainties, which could affect the Group's ability to meet its banking covenants. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the interim condensed financial statements.

2. Segmental reporting

The Group trades across three business units: Healthcare, Industrial and Electronics, and in three main geographical areas: Europe, North America and Asia. All inter-segment transactions are made on an arm's length basis. The Group has continued to focus more on business units than geographical areas for strategic planning. Geographical information is presented to provide supplementary information about the areas in which the Group operates for the benefit of investors.

The chief operating decision maker relies primarily on turnover and trading profit to assess the performance of the Group and make decisions about resources to be allocated to the segment; assets and liabilities are looked at geographically. Trading profit is reconciled to operating profit on the face of the Income Statement.

The Board reviews the performance of the business using information presented at constant exchange rates. The prior year results have been restated as shown on the following pages.

Segment results – 30 September 2014

The segment results for the half year ended 30 September 2014 are as follows:

	Healthcare £m	Industrial £m	Electronics £m	Head office £m	Group £m
External revenue	35.8	72.6	6.3	–	114.7
Trading profit/(loss)	5.4	4.3	0.2	(1.4)	8.5
Amortisation of intangible assets	(0.8)	–	–	–	(0.8)
Pension administration costs	–	(0.1)	–	(0.2)	(0.3)
Operating profit/(loss)	4.6	4.2	0.2	(1.6)	7.4
Net finance costs					(1.2)
Profit on ordinary activities before tax					**6.2**
Tax charge					(2.2)
Profit for the period					**4.0**

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
External revenue	50.3	57.4	7.0	–	114.7
Trading profit/(loss)	3.3	6.6	–	(1.4)	8.5
Amortisation of intangible assets	–	(0.8)	–	–	(0.8)
Pension administration costs	(0.1)	–	–	(0.2)	(0.3)
Operating profit/(loss)	3.2	5.8	–	(1.6)	7.4
Net finance costs					(1.2)
Profit on ordinary activities before tax					**6.2**
Tax charge					(2.2)
Profit for the period					**4.0**

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

	Europe £m	N America £m	Asia £m	Other £m	Group £m
External revenue	46.3	53.5	5.6	9.3	114.7

Segment results – 30 September 2013

The segment results for the half year ended 30 September 2013 are as follows:

	Healthcare £m	Industrial £m	Electronics £m	Head office £m	Group £m
External revenue	32.3	73.8	5.5	–	111.6
Trading profit/(loss)	4.7	4.1	(0.2)	(1.2)	7.4
Amortisation of intangible assets	(0.8)	–	–	–	(0.8)
Exceptional items	–	0.9	–	(0.3)	0.6
Pension administration costs	–	(0.1)	–	(0.3)	(0.4)
Operating profit/(loss)	3.9	4.9	(0.2)	(1.8)	6.8
Net finance costs					(1.0)
Profit on ordinary activities before tax					**5.8**
Tax charge					(2.8)
Profit for the period					**3.0**

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
External revenue	50.8	54.7	6.1	–	111.6
Trading profit/(loss)	2.9	6.2	(0.5)	(1.2)	7.4
Amortisation of intangible assets	–	(0.8)	–	–	(0.8)
Exceptional items	0.9	–	–	(0.3)	0.6
Pension administration costs	(0.1)	–	–	(0.3)	(0.4)
Operating profit/(loss)	3.7	5.4	(0.5)	(1.8)	6.8
Net finance costs					(1.0)
Profit on ordinary activities before tax					**5.8**
Tax charge					(2.8)
Profit for the period					**3.0**

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

	Europe £m	N America £m	Asia £m	Other £m	Group £m
External revenue	46.6	52.3	6.2	6.5	111.6

The Board reviews the performance of the business using information presented at constant exchange rates. The prior half year results have been restated using this year's exchange rates as follows:

	Healthcare £m	Industrial £m	Electronics £m	Head office £m	Group £m
External revenue	32.3	73.8	5.5	–	111.6
Foreign exchange	(2.0)	(4.5)	(0.5)	–	(7.0)
Underlying external revenue	30.3	69.3	5.0	–	104.6
Trading profit/(loss)	4.7	4.1	(0.2)	(1.2)	7.4
Foreign exchange	(0.4)	(0.4)	–	–	(0.8)
Underlying trading profit/(loss)	4.3	3.7	(0.2)	(1.2)	6.6

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
External revenue	50.8	54.7	6.1	–	111.6
Foreign exchange	(1.8)	(4.7)	(0.5)	–	(7.0)
Underlying external revenue	49.0	50.0	5.6	–	104.6
Trading profit/(loss)	2.9	6.2	(0.5)	(1.2)	7.4
Foreign exchange	(0.1)	(0.7)	–	–	(0.8)
Underlying trading profit/(loss)	2.8	5.5	(0.5)	(1.2)	6.6

Segment results – 31 March 2014

The segment results for the year ended 31 March 2014 are as follows:

	Healthcare £m	Industrial £m	Electronics £m	Head office £m	Group £m
External revenue	69.2	145.7	11.2	–	226.1
Trading profit/(loss)	10.2	7.9	(0.2)	(2.4)	15.5
Amortisation of intangible assets	(1.5)	–	–	–	(1.5)
Exceptional items	1.2	(0.7)	–	(0.3)	0.2
Pension administration costs	–	(0.3)	–	(0.5)	(0.8)
Operating profit/(loss)	9.9	6.9	(0.2)	(3.2)	13.4
Net finance costs					(2.2)
Profit on ordinary activities before tax					11.2
Tax charge					(17.9)
Profit for the year					(6.7)

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
External revenue	103.1	110.5	12.5	–	226.1
Trading profit/(loss)	**6.7**	**11.8**	**(0.6)**	**(2.4)**	**15.5**
Amortisation of intangible assets	–	(1.5)	–	–	(1.5)
Exceptional items	(0.5)	1.0	–	(0.3)	0.2
Pension administration costs	(0.3)	–	–	(0.5)	(0.8)
Operating profit/(loss)	5.9	11.3	(0.6)	(3.2)	13.4
Net finance costs					(2.2)
Profit on ordinary activities before tax					11.2
Tax charge					(17.9)
Profit for the year					(6.7)

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

	Europe £m	N America £m	Asia £m	Other £m	Group £m
External revenue	94.5	105.1	12.1	14.4	226.1

The Board reviews the performance of the business using information presented at constant exchange rates. The prior year results have been restated using this year's exchange rates as follows:

	Healthcare £m	Industrial £m	Electronics £m	Head office £m	Group £m
External revenue	69.2	145.7	11.2	–	226.1
Foreign exchange	(2.7)	(6.5)	(0.6)	–	(9.8)
Underlying external revenue	66.5	139.2	10.6	–	216.3
Trading profit/(loss)	10.2	7.9	(0.2)	(2.4)	15.5
Foreign exchange	(0.5)	(0.5)	–	–	(1.0)
Underlying trading profit/(loss)	9.7	7.4	(0.2)	(2.4)	14.5

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
External revenue	103.1	110.5	12.5	–	226.1
Foreign exchange	(3.2)	(6.0)	(0.6)	–	(9.8)
Underlying external revenue	99.9	104.5	11.9	–	216.3
Trading profit/(loss)	6.7	11.8	(0.6)	(2.4)	15.5
Foreign exchange	(0.2)	(0.8)	–	–	(1.0)
Underlying trading profit/(loss)	6.5	11.0	(0.6)	(2.4)	14.5

Geographical information

The Group's revenue from external customers, based upon the location where the sale occurred, and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) are detailed below:

	Revenue from external customers Sept 2014 £m	Revenue from external customers Sept 2013 £m	Revenue from external customers March 2014 £m	**Non-current assets Sept 2014 £m**	Non-current assets Sept 2013 £m	Non-current assets March 2014 £m
USA	**44.5**	43.1	89.2	**38.2**	39.4	37.8
France	**19.4**	19.5	40.8	**4.0**	3.3	3.3
UK	**14.8**	15.0	30.2	**5.1**	5.0	5.0
Canada	**13.1**	11.6	21.3	**6.5**	7.5	6.4
Other countries	**22.9**	22.4	44.6	**10.2**	10.6	10.7
	114.7	111.6	226.1	**64.0**	65.8	63.2

3. Segment assets and liabilities

The chief operating decision maker does not review assets and liabilities by business unit but by geographical area. The assets and liabilities at 30 September 2014 and capital expenditure for the period then ended can be analysed into geographical segments as follows:

	Europe £m	**N America £m**	**Asia £m**	**Head office £m**	**Group £m**
Inventory	11.5	12.1	2.5	–	26.1
Trade receivables	17.1	17.6	2.8	–	37.5
Trade payables	(17.7)	(8.1)	(0.9)	(0.3)	(27.0)
Cash	6.3	3.3	1.8	1.7	13.1
Additions of property, plant and equipment	2.0	1.4	–	0.1	3.5

The assets and liabilities at 30 September 2013 and capital expenditure for the period then ended were as follows:

	Europe £m	**N America £m**	**Asia £m**	**Head office £m**	**Group £m**
Inventory	10.9	10.8	1.9	–	23.6
Trade receivables	18.4	15.8	2.1	–	36.3
Trade payables	(16.2)	(8.5)	(0.6)	(0.2)	(25.5)
Cash	6.6	3.9	1.8	0.4	12.7
Additions of property, plant and equipment	0.9	1.3	0.2	0.1	2.5

The assets and liabilities at 31 March 2014 and capital expenditure for the year then ended were as follows:

	Europe £m	**N America £m**	**Asia £m**	**Head office £m**	**Group £m**
Inventory	11.1	11.2	1.8	–	24.1
Trade receivables	21.4	15.6	2.4	–	39.4
Trade payables	(19.8)	(9.3)	(0.6)	(0.9)	(30.6)
Cash	6.7	4.5	1.8	0.6	13.6
Additions of property, plant and equipment	2.2	2.5	0.3	0.2	5.2

Unallocated head office items relate to assets and liabilities incurred in the normal course of business for the Parent Company.

4. Exceptional items

	Half year ended 30 Sept 2014 £m	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Operating income:			
Disposal of properties	**–**	1.2	–
Building sale and demolition	**–**	–	0.8
WEBTEC deferred consideration adjustment	**–**	–	2.2
UK pension settlement gain	**–**	–	0.2
Operating expenses:			
Contract start-up costs	**–**	–	(0.5)
Exceptional bonus payments	**–**	–	(0.8)
Reorganisation costs	**–**	(0.3)	(1.4)
Abortive acquisition costs	**–**	(0.3)	(0.3)
	–	0.6	0.2

5. Key management compensation and directors' remuneration

	Half year ended 30 Sept 2014 £m	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Short-term employment benefits	**1.5**	1.5	3.2
Post employment benefits	**0.1**	0.1	0.2
Termination benefit	**–**	0.2	0.3
Share based payments (including share incentive plan)	**0.8**	0.4	1.5
	2.4	2.2	5.2

Key management is defined as the Leadership Team, as defined in the annual financial statements.

The short-term employment benefits include wages and salaries, bonuses, social security contributions and non-monetary benefits.

6. Related party transactions

The pension schemes are related parties to the Group. There were no contributions outstanding at the period end.

7. Net financial expenses

	Half year ended 30 Sept 2014 £m	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Interest payable	**(0.3)**	(0.2)	(0.5)
Other finance charges	**–**	–	(0.1)
Expected return on pension scheme assets less interest on scheme liabilities	**(0.9)**	(0.8)	(1.6)
Financial expenses	**(1.2)**	(1.0)	(2.2)

8. Taxation

	Half year ended 30 Sept 2014 £m	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Current tax:			
Tax on ordinary activities – current period	**(1.7)**	(2.5)	(4.0)
Tax on ordinary activities – prior period	**0.1**	0.2	0.3
Tax on exceptional items	**–**	–	0.1
	(1.6)	(2.3)	(3.6)
Deferred tax:			
Tax on ordinary activities – current period	**(0.7)**	(0.1)	(0.7)
Tax on ordinary activities – prior period	**–**	(0.1)	–
Effect of reduction in UK corporation tax rate	**–**	(0.3)	(1.8)
Tax on exceptional items, amortisation and pension administration costs	**0.1**	–	(0.5)
Exceptional deferred tax write off	**–**	–	(11.3)
	(0.6)	(0.5)	(14.3)
Tax charge for the period	**(2.2)**	(2.8)	(17.9)

9. Earnings per share

Basic
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. Diluted earnings per share has been calculated on share options in existence at 30 September 2014.

	Half year ended 30 Sept 2014	Half year ended 30 Sept 2013	Year ended 31 March 2014
Profit/(loss) attributable to equity holders of the Company (£m)	**4.0**	3.0	(6.7)
Weighted average number of ordinary shares in issue (m)	**146.8**	146.4	146.4
Basic earnings per share (p)	**2.7**	2.0	(4.6)
Weighted average number of shares in issue, including potentially dilutive shares (m)	**152.6**	156.1	151.4
Diluted earnings per share (p)	**2.6**	1.9	(4.4)
Underlying earnings per share (p)	**4.0**	3.2	7.2

10. Dividends

A final dividend for the year ended 31 March 2014 of 1p per share was declared by the Directors at their meeting on 27 May 2014. The dividend was paid on 22 August 2014 to shareholders registered on 25 July 2014.

11. Retirement benefit schemes

Defined benefit schemes
The defined benefit obligation as at 30 September 2014 is calculated on a year-to-date basis, using the latest actuarial valuation.

The defined benefit plan assets have been updated to reflect their market value at 30 September 2014. Differences between the expected return on assets have been recognised as an actuarial gain or loss in the Statement of Comprehensive Income in accordance with the Group’s accounting policy.

12. Provisions

	Reorganisation and leasehold commitments £m	Environmental £m	Total £m
At 31 March 2013	2.6	0.3	2.9
Additions in the period	0.1	–	0.1
Released in the period	(0.2)	–	(0.2)
Utilised in the period	(0.1)	(0.1)	(0.2)
At 30 September 2013	2.4	0.2	2.6
Exchange differences	(0.1)	–	(0.1)
Additions in the period	0.6	0.6	1.2
Released in the period	0.2	(0.1)	0.1
Utilised in the period	(0.3)	–	(0.3)
At 31 March 2014	2.8	0.7	3.5
Additions in the period	0.1	0.1	0.2
Released in the period	(0.1)	–	(0.1)
Utilised in the period	(0.2)	(0.2)	(0.4)
At 30 September 2014	**2.6**	**0.6**	**3.2**
Analysis of provisions:			
Current	0.6	0.6	1.2
Non-current	2.0	–	2.0
At 30 September 2014	**2.6**	**0.6**	**3.2**

13. Reconciliation of operating profit to operating cash flow and reconciliation of net cash

	Half year ended 30 Sept 2014 £m	Half year ended 30 Sept 2013 £m	Year ended 31 March 2014 £m
Operating profit	**7.4**	6.8	13.4
Adjustments for:			
Depreciation and amortisation	**3.4**	3.4	6.7
Profit on disposal of fixed assets	**–**	(1.2)	(1.3)
Exceptional items:			
– pension curtailment	**–**	–	(0.2)
Pensions payments in excess of charge	**(2.0)**	(2.7)	(4.6)
Movement in fair value of financial instruments	**–**	(0.1)	(0.2)
Share options charge	**0.6**	0.4	0.8
Grant income released	**(0.1)**	(0.1)	(0.2)
Changes in working capital:			
Inventories	**(2.0)**	(0.9)	(2.2)
Trade debtors	**1.5**	–	(3.9)
Trade creditors	**(3.1)**	(1.7)	4.2
Changes in trading working capital	**(3.6)**	(2.6)	(1.9)
Other debtors	**0.8**	0.6	–
Other creditors	**(1.2)**	(2.1)	(0.7)
Deferred consideration	**–**	–	(2.2)
Net movement in environmental provisions	**(0.1)**	(0.1)	0.4
Net movement in reorganisation provisions	**(0.2)**	(0.2)	0.3
Cash generated from operations	**5.0**	2.1	10.3
Cash generated from operations before exceptional items	**5.0**	2.7	10.1
Cash (outflows)/inflows from exceptional items	**–**	(0.6)	0.2
Cash generated from operations	**5.0**	2.1	10.3

Analysis of cash and cash equivalents and borrowings

	At 1 April 2014 £m	Cash flow £m	Exchange movement £m	**At 30 Sept 2014 £m**
Cash and cash equivalents	13.6	(0.4)	(0.1)	**13.1**
Borrowings due within one year	(0.1)	0.1	–	**–**
Borrowings and other financial liabilities due after more than one year	(8.1)	(3.0)	(0.3)	**(11.4)**
	(8.2)	(2.9)	(0.3)	**(11.4)**
Total	5.4	(3.3)	(0.4)	**1.7**

Company Information

Key Dates

Next year end (to be reported)	31 March 2015
Next preliminary announcement	27 May 2015
Next annual report due	June 2015
Next Annual General Meeting	21 July 2015
Next interim results	24 November 2015

Shareholder information

Shareholder enquiries should be directed to the Company's registrars, Capita Asset Services, at their Customer Support Centre, details as follows:

By phone – UK – 0871 664 0300 (UK calls cost 10p per minute plus network extras)
From overseas – +44 20 8639 3399
Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays
By email – ssd@capita.co.uk
By post – Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU

Further information regarding the various services offered by Capita Asset Services, including the Share Portal and Share Dealing Service, can be obtained from the above or directly from Capita's website www.capitaassetservices.com.