Interim Results

Released : 29 Nov 2007

Acal PLC
29 November 2007

FOR RELEASE 7:00AM 29 NOVEMBER 2007

ACAL plc

(Leading pan-European, value-added technology based distributor providing specialist design-in, sales and marketing services)

Unaudited Interim Results for the six months to 30 September 2007

	2007	2006 (restated**)	Change
Revenue - ongoing activities***	£77.6m	£79.0m	- 1.8%
EBIT* - ongoing activities	£2.8m	£2.7m	+ 3.7%
Profit before tax			
- ongoing activities	£2.6m	£2.4m	+ 8.3%
- including disposed activities	£4.3m	£8.8m	
Basic earnings per share			
- ongoing activities	6.7p	5.4p	+ 24%
- including disposed activities	10.9p	28.4p	
Dividends per share - relating to period	7.2p	7.2p	-

(*EBIT - Earnings before interest, tax, the Group's share of profit of associated companies and exceptional items stated after full allocation of central costs)

(** The restatement of the prior year's figures arises from the reclassification of the IT Solutions Business ("ITS") as discontinued, in the light of its proposed sale, the inclusion of the medical instrumentation business under Electronics following that reclassification and the reallocation of central costs)

(***Disposed activities represent the sold AC&R business together with the IT Solutions Business, the proposed sale of which was announced on 27 September 2007, and ongoing activities represent the remaining business of the Group)

• Sale of IT Solutions Business for £41 million

• Sales of ongoing activities 1.8% lower at £77.6 million, as a result of weaker market conditions

• Improved profitability in the first half:

- EBIT of ongoing activities up 3.7% at £2.8 million
- Profit before taxation and exceptionals from ongoing activities up 8.3% at £2.6 million
- EPS of ongoing activities up 24% reflecting, in part, the purchase of the minority interest in CPI in October 2006

• Interim dividend maintained at 7.2p

For further information:-

Acal plc
Tony Laughton Chief Executive 01483 544500
Jim Virdee Finance Director 01483 544500

Cubitt Consulting
Brian Coleman-Smith/James Verstringhe/Nicola Krafft 020 7367 5100

Notes to Editors:

1 The Acal Group is a leading European technology based distributor providing specialist design-in, sales, marketing and other services at present through three divisions: Electronics, Parts Services and IT Solutions. Its value-added philosophy and geographic coverage enables Acal to provide specialist knowledge and support to customers on a pan-European basis.

2 Design-in is the process by which Acal's sales engineers work with customers and suppliers to procure components which meet the specific technical and performance needs of the customers.

3 Acal has operating companies in the UK, Netherlands, Belgium, Germany, France, Italy, South Africa, Spain and Scandinavia. Westech Electronics, an associated company, is based in Singapore and covers the Far East region.

ACAL plc

(Leading pan-European, value-added technology based distributor providing specialist design-in, sales and marketing services)

Unaudited Interim Results for the six months to 30 September 2007

Chairman's Statement

On 27 September 2007 we announced the proposed sale of our IT Solutions Business, which comprises the IT Solutions Division excluding Vertec (our medical instrumentation business) for a cash consideration of £41m. Further details of the disposal were set out in the circular to shareholders dated 28 September 2007, a copy of which is available at www.acalplc.co.uk. Shareholders approved the proposed sale at an Extraordinary General Meeting held on 19 October 2007 and we are awaiting merger control clearance prior to completion. Accordingly, for the purposes of the interim results for the half year to 30 September 2007, the IT Solutions Business has been classified as discontinued.

The Group's ongoing activities have experienced weak market conditions throughout the first half of the current financial year. Sales from ongoing activities at £77.6m for the six months ended 30 September 2007 were 1.8% lower than the first half last year. However, both EBIT at £2.8m (2006: £2.7m) and profit before taxation and exceptionals at £2.6m (2006: £2.4m) were ahead of last year, reflecting some improvement in gross margins and continuing tight control over operating costs. Earnings per share from ongoing activities were up 24% at 6.7p for the half year reflecting the improved profitability as well as the purchase of the minority interest in CPI in October 2006. Net debt at 30 September 2007 was £11.1m compared to £5.4m at 31 March 2007, the increase primarily reflecting the reversal of the previously reported short-term working capital benefits at 31 March 2007 as well as the payment of the final dividend in respect of 2006/7. The Group made an annualised return on average capital employed of 30% (2006: 28%) from its ongoing activities during the half year ended 30 September 2007.

Results

The performance of Acal's ongoing divisions in each of the half years ended 30 September 2007 and 2006 and for the year ended 31 March 2007 is set out below.

	Half year ended 30 September				Year ended 31 March	
	2007		2006 (restated**)		2007 (restated**)	
£m	Sales	EBIT*	Sales	EBIT*	Sales	EBIT*

Electronics	53.7	1.4	54.0	1.4	112.6	3.1
Parts Services	23.9	1.4	25.0	1.3	51.9	2.5
	77.6	2.8	79.0	2.7	164.5	5.6

(EBIT* - Earnings before interest, tax, the Group's share of profit of associated companies and exceptional items stated after full allocation of central costs)

(** The restatement of the prior year's figures arises from the reclassification of the IT Solutions Business ("ITS") as discontinued, in the light of its proposed sale, the inclusion of the medical instrumentation business under Electronics following that reclassification and the reallocation of central costs)

(Disposed activities represent the sold AC&R business together with the IT Solutions Business, the proposed sale of which was announced on 27 September 2007, and ongoing activities represent the remaining business of the Group)

Electronics

Industry statistics from the UK and Continental Europe indicate that the market for electronic components has weakened during the first half of the current financial year, particularly in the lower technology passive and electromechanical arena. Our Electronics division has not been immune from these market conditions. However, the growing success of our strategy of focusing on higher technology semiconductor, power, RF and wireless components continues to be of benefit in mitigating the effects of the market conditions.

Our "demand creation" approach to distribution means that there is inevitably a time lag, which can vary from 9 to 24 months, between introduction of a new product line and the generation of a revenue stream from that line. Therefore, in the short term the financial benefits of our enhanced product portfolio are unlikely to offset entirely the effects of the weak demand referred to above. Profitability of the Electronics division in the first half has also been affected by the costs arising from the major investment in people made in the second half last year to support new product lines, particularly in Germany and Italy, which are not yet generating significant revenue.

Vertec, our medical instrumentation business, has continued to grow with a helpful first contribution from its South African operations which were established at the end of last year.

Parts Services

As previously reported, 2006/7 was a difficult year for the Parts Services division as a consequence of weaker demand, some price erosion and cutbacks on a major contract. Although levels of activity in the first half of the current year have been similar to the first half last year, the price erosion referred to above has resulted in revenue 4% lower at £23.9m. The EBIT arising from this division showed a slight improvement at £1.4m, as a result of lower operating costs.

IT Solutions

The IT Solutions Business, which as explained above, is being sold, showed year-on-year improvement in sales with Networks and Security products and AVAS being particularly successful. Overall margins have continued to be relatively stable.

Dividend

The Board has declared an interim dividend of 7.2p per share unchanged from last year. This is to be paid on 25 January 2008 to shareholders on the register on 7 December 2007.

Strategy and Future

We expect the weak market conditions being experienced, both in the Electronics and Parts Services divisions, to continue until at least the year end. Consequently, at present we do not expect any year-on-year growth in the business in the second half year.

Our "funnel" of new designs in Electronics is strong and our customer base is expanding providing confidence, both in the effectiveness of our strategy and our ability to succeed in the longer term.

In Parts Services we are winning some new business and we continue to extend our

offerings to the supply chain in the IT infrastructure maintenance industry. There remain a number of good opportunities going forward, but they are proving slow to convert into contracts.

With the sale of the IT Solutions Business, Acal's strategy is to concentrate its management and other resources on the development and growth of its Electronics and Parts Services divisions. Both have opportunities for growth in the areas in which they are strong. Whilst Acal's strategy is primarily based on organic growth by gaining market share, the Board continues to consider selective acquisition opportunities in our core business.

R Moon
Chairman
29 November 2007

condensed consolidated income statement
(unaudited)
for the six months ended 30 September 2007

	notes	six months ended 30 Sept 2007 £m	six months ended 30 Sept 2006 restated* £m	year ended 31 Mar 2007 restated* £m
Continuing operations				
Revenue	3	77.6	79.0	164.5
Cost of sales		(54.5)	(56.0)	(116.7)
Gross profit		23.1	23.0	47.8
Selling and distribution costs		(11.7)	(11.2)	(24.0)
Administrative expenses		(8.6)	(9.2)	(18.4)
Other operating income		-	0.1	0.6
Other operating expenses		-	(1.8)	(1.8)
Operating profit		2.8	0.9	4.2
Analysed between:				
Ongoing activities:				
Operating profit before exceptional items	3	2.8	2.7	5.6
Exceptional items		-	-	0.4
Disposed activities:				
Exceptional items		-	(1.8)	(1.8)
Share of post-tax profits from associates		0.5	0.3	0.6
Finance costs		(0.9)	(0.9)	(1.5)
Finance income		0.2	0.3	0.4
Profit before tax		2.6	0.6	3.7
Analysed between:				
Ongoing activities:				
Profit before exceptional items		2.6	2.4	5.1
Exceptional items		-	-	0.4
Disposed activities:				
Exceptional items		-	(1.8)	(1.8)
Taxation		(0.8)	(0.2)	(1.2)
Analysed between:				
Ongoing activities:				
Taxation before exceptional items		(0.8)	(0.7)	(1.6)
Exceptional items		-	-	(0.1)
Disposed activities				
Exceptional items		-	0.5	0.5
Profit after taxation for the period from continuing operations		1.8	0.4	2.5
Discontinued operations				
Profit for the period from discontinued operations	4	1.1	7.3	9.4
Profit for the period		2.9	7.7	11.9
Attributable to:				
Equity holders of the parent		2.9	7.5	11.7

Minority interests		-	0.2	0.2
		2.9	7.7	11.9
Earnings per share	7			
Continuing operations				
Ongoing activities:				
Basic - before exceptional items		6.7p	5.4p	12.7p
Basic - after exceptional items		6.7p	5.4p	13.8p
Diluted - before exceptional items		6.7p	5.4p	12.7p
Diluted - after exceptional items		6.7p	5.4p	13.8p
Including discontinued operations				
Basic		10.9p	28.4p	44.4p
Diluted		10.9p	28.4p	44.4p
Dividends				
Dividends per share declared in respect of period		7.2p	7.2p	21.9p
Dividends per share paid in period		14.7p	14.4p	21.6p
Dividends paid in period		£ 3.9m	£3.8m	£5.7m

* see note 2

condensed consolidated statement of recognised income and expense (unaudited)
for the six months ended 30 September 2007

	six months ended 30 Sept 2007 £m	six months ended 30 Sept 2006 £m	Year ended 31 Mar 2007 £m
Actuarial gain on defined benefit pension scheme	-	-	0.9
Deferred tax relating to pension scheme	-	(0.1)	(0.5)
Foreign currency translation differences	0.3	(0.6)	(0.6)
Income and expense recognised directly in equity	0.3	(0.7)	(0.2)
Profit for the period	2.9	7.7	11.9
Total recognised income and expense for the period	3.2	7.0	11.7
Attributable to:			
Equity holders of the parent	3.2	6.8	11.5
Minority interests	-	0.2	0.2
	3.2	7.0	11.7

condensed consolidated balance sheet (unaudited)
at 30 September 2007

	notes	at 30 Sept 2007 £m	at 30 Sept 2006 £m	at 31 March 2007 £m
Non-current assets				
Property, plant and equipment		4.4	6.6	6.3
Goodwill		53.2	48.7	53.5
Intangible assets - software		3.5	4.5	3.9
Investments in associates		5.2	4.7	5.0
Other financial assets		0.3	0.3	0.3
Deferred tax assets		4.3	4.1	4.0
		70.9	68.9	73.0
Current assets				
Inventories		18.8	23.2	23.7
Trade and other receivables		28.2	49.4	58.8
Current tax assets		0.6	0.7	0.4
Cash and cash equivalents		7.4	10.6	11.9
		55.0	83.9	94.8
Current liabilities				

Trade and other payables		(23.2)	(48.1)	(58.9)
Short-term borrowings		(8.4)	(7.1)	(7.2)
Current tax liabilities		(2.2)	(2.3)	(2.8)
Provisions		(1.9)	(1.8)	(2.1)
		(35.7)	(59.3)	(71.0)
Net current assets		19.3	24.6	23.8
Assets of discontinued operations classified as held for sale	4	28.4	-	-
Non-current liabilities				
Long-term borrowings		(10.1)	(6.2)	(10.1)
Pension liability		(6.8)	(8.9)	(7.4)
Deferred tax liabilities		(1.5)	(1.9)	(1.6)
Provisions		(1.8)	(1.6)	(1.9)
		(20.2)	(18.6)	(21.0)
Liabilities of discontinued operations classified as held for sale	4	(23.2)	-	-
Net assets		75.2	74.9	75.8
Equity				
Share capital	9	1.3	1.3	1.3
Share premium account	9	38.0	38.0	38.0
Share scheme reserve	9	0.4	0.3	0.3
Other reserves	9	1.5	1.2	1.2
Retained earnings	9	34.0	32.2	35.0
Equity attributable to equity holders of the parent		75.2	73.0	75.8
Minority interests	9	-	1.9	-
Total equity	9	75.2	74.9	75.8

condensed consolidated cash flow statement (unaudited)
for the six months ended 30 September 2007

	six months ended 30 Sept 2007	six months ended 30 Sept 2006	year ended 31 Mar 2007
	£m	£m	£m
Profit for the period	2.9	7.7	11.9
Taxation expense	1.4	1.0	2.9
Share of results from associates	(0.5)	(0.3)	(0.6)
Net finance costs	0.9	0.7	1.3
Depreciation of property, plant and equipment	0.8	1.0	1.9
Amortisation of intangible assets - software	0.5	0.5	1.2
Change in provisions	(0.3)	1.8	2.3
Gain on disposal of business	-	(5.9)	(6.0)
Gain on disposal of property, plant and equipment	-	(0.1)	-
Pension scheme funding	(0.6)	(0.4)	(1.0)
Equity-settled share-based payment expense	0.1	0.1	0.1
Operating cash flows before changes in working capital	5.2	6.1	14.0
Decrease/(increase) in inventories	0.3	(1.9)	(2.5)
Decrease/(increase) in trade and other receivables	9.4	7.4	(1.9)
(Decrease)/increase in trade and other payables	(14.0)	(9.2)	1.6
Increase in working capital	(4.3)	(3.7)	(2.8)
Cash generated from operations	0.9	2.4	11.2
Interest paid	(1.0)	(0.9)	(1.5)
Income taxes paid	(1.7)	(1.5)	(3.4)
Net cash flow from operating activities	(1.8)	0.0	6.3
Cash flows from investing activities			
Acquisition of shares in subsidiaries	-	-	(6.7)
Proceeds from sale of subsidiaries	-	8.3	8.3
Net overdrafts disposed of with subsidiaries	-	0.2	0.4
Purchases of property, plant and equipment	(0.7)	(1.1)	(1.8)
Proceeds from sale of property, plant and equipment	0.5	0.2	0.2

Purchases of intangible assets - software	(0.1)	(0.2)	(0.4)
Interest received	0.2	0.2	0.4
Dividends received from associates	0.2	0.2	0.2
Net cash flow from investing activities	0.1	7.8	0.6
Cash flows from financing activities			
Repayments of borrowings	-	(11.0)	(7.1)
Dividends paid to company's shareholders	(3.9)	(3.8)	(5.7)
Dividends paid to minority interests	-	(0.1)	(0.1)
Net cash flow from financing activities	(3.9)	(14.9)	(12.9)
Net decrease in cash and cash equivalents	(5.6)	(7.1)	(6.0)
	4.8	10.8	10.8
Cash and cash equivalents at beginning of period			
Cash and cash equivalents at end of period	(0.8)	3.7	4.8
Reconciliation to cash and cash equivalents in the balance sheet			
Cash and cash equivalents shown above	(0.8)	3.7	4.8
Add back overdrafts	8.2	6.9	7.1
Cash and cash equivalents shown within current assets in the balance sheet	7.4	10.6	11.9

notes to the interim results
for the six months ended 30 September 2007

1. Corporate information

Acal plc is a company incorporated and domiciled in England and Wales. The Company's ordinary shares are traded on the London Stock Exchange. The condensed interim financial statements consolidate the financial statements of Acal plc, entities controlled by the Company (its subsidiaries) and include the Group's share of the results of associates.

2. Basis of preparation and accounting policies

The condensed consolidated interim financial statements for the six months to 30 September 2007 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and IAS34 'Interim Financial Reporting' as adopted by the European Union. They do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year to 31 March 2007, which were prepared in accordance with IFRS as adopted by the European Union. The condensed consolidated interim financial statements are unaudited and were approved by the Board of Directors for issue on 29 November 2007.

The results for the year to 31 March 2007 are based on full audited accounts prepared in accordance with IFRS as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. The consolidated financial statements of the Group for the year ended 31 March 2007 are available on request from the Company's registered office or on its website.

Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2007.

In the current financial year, the Group will adopt International Financial Reporting Standard 7 'Financial Instruments: Disclosures' (IFRS7) for the first time. As IFRS 7 is a disclosure standard, there is no impact of that change in accounting policy on the half-yearly financial report. Full details of the change will be disclosed in our annual report for the year ending 31 March 2008.

Restatement of prior year comparatives

Following the announced conditional sale of the IT Solutions division excluding

Vertec ("the IT Solutions Business") that business has been classified as discontinued operations, and the comparatives for the six months to 30 September 2006 and the year to 31 March 2007 restated accordingly. The assets and liabilities of the IT Solutions Business are presented as being held for sale in the balance sheet as at 30 September 2007.

The sale remains conditional upon merger control clearance. Therefore, no profit on disposal and no provision for the associated costs of disposal have been recognised.

3. Segmental reporting

Segmental information is presented in respect of the Group's business segments, which are the primary basis of segmental reporting. This format reflects the Group's management and internal reporting structures. Inter segment revenue is insignificant.

Six months to 30 September 2007

	Electronics £m	Parts Services £m	Total ongoing activities £m	Disposed activities £m	Total operations £m
Revenue	53.7	23.9	77.6	45.8	123.4
Segment result	1.4	1.4	2.8	1.9	4.7
Net finance costs			(0.7)	(0.2)	(0.9)
Share of post-tax profits from associates	0.5		0.5	-	0.5
Profit before taxation			2.6	1.7	4.3
Taxation			(0.8)	(0.6)	(1.4)
Profit for the period			1.8	1.1	2.9

The figures for total operations in the table above may be analysed between continuing and discontinued operations as follows:

	Continuing operations £m	Discontinued operations £m	Total operations £m
Revenue	77.6	45.8	123.4
Segment result	2.8	1.9	4.7
Net finance costs	(0.7)	(0.2)	(0.9)
Share of post-tax profits from associates	0.5	-	0.5
Profit before taxation	2.6	1.7	4.3
Taxation	(0.8)	(0.6)	(1.4)
Profit for the period	1.8	1.1	2.9

Six months to 30 September 2006

	Electronics £m	Parts Services £m	Total ongoing activities £m	Disposed activities £m	Total operations £m
Revenue	54.0	25.0	79.0	49.2	128.2
Segment result	1.4	1.3	2.7	2.3	5.0
Provision for retained obligations			-	(1.8)	(1.8)
Profit on disposal of business			-	6.0	6.0
Net finance costs			(0.6)	(0.1)	(0.7)
Share of post-tax profits from associates	0.3		0.3	-	0.3
Profit before taxation			2.4	6.4	8.8

Taxation	(0.7)	(0.4)	(1.1)
Profit for the period	1.7	6.0	7.7

The figures for total operations in the table above may be analysed between continuing and discontinued operations as follows:

	Continuing operations £m	Discontinued operations £m	Total operations £m
Revenue	79.0	49.2	128.2
Segment result	2.7	2.3	5.0
Provision for retained obligations	(1.8)	-	(1.8)
Profit on disposal of business	-	6.0	6.0
Net finance costs	(0.6)	(0.1)	(0.7)
Share of post-tax profits from associates	0.3	-	0.3
Profit before taxation	0.6	8.2	8.8
Taxation	(0.2)	(0.9)	(1.1)
Profit for the period	0.4	7.3	7.7

The results for the six months to 30 September 2006 have been restated to reflect the IT Solutions Business within discontinued operations (see note 4), and the inclusion of the medical instrumentation business within Electronics.

Year to 31 March 2007

	Electronics £m	Parts Services £m	Total ongoing activities £m	Disposed activities £m	Total operations £m
Revenue	112.6	51.9	164.5	101.7	266.2
Segment result	3.1	2.5	5.6	5.3	10.9
Exceptional item - recovery of impaired receivable			0.4	-	0.4
Provision for retained obligations			-	(1.8)	(1.8)
Profit on disposal of business			-	6.0	6.0
Net finance costs			(1.1)	(0.2)	(1.3)
Share of post-tax profits from associates	0.6		0.6	-	0.6
Profit before taxation			5.5	9.3	14.8
Taxation			(1.7)	(1.2)	(2.9)
Profit for the year			3.8	8.1	11.9

The figures for total operations in the table above may be analysed between continuing and discontinued operations as follows:

	Continuing operations £m	Discontinued operations £m	Total operations £m
Revenue	164.5	101.7	266.2
Segment result	5.6	5.3	10.9
Exceptional item - recovery of impaired receivable	0.4	-	0.4
Provision for retained			

obligations	(1.8)	-	(1.8)
Profit on disposal of business	-	6.0	6.0
Net finance costs	(1.1)	(0.2)	(1.3)
Share of post-tax profits from associates	0.6	-	0.6
Profit before taxation	3.7	11.1	14.8
Taxation	(1.2)	(1.7)	(2.9)
Profit for the year	2.5	9.4	11.9

The results for the year to 31 March 2007 have been restated to reflect the IT Solutions Business within discontinued operations (see note 4), and the inclusion of the medical instrumentation business within Electronics.

4. Discontinued operations

On 27 September 2007, the Company announced that it had conditionally agreed to sell its IT Solutions Business ("ITS") to Avnet, Inc. for a cash consideration of £41 million. Completion of the sale is expected in December 2007. The results of ITS have been presented under discontinued operations in the consolidated income statement and its assets and liabilities classified as held for sale. The comparative income statements have been restated to show ITS as a discontinued operation.

The results of the discontinued operations for the comparative periods also include the results of the Air Conditioning and Refrigeration ("AC&R") division which was sold in July 2006.

Profits attributable to the discontinued operations were as follows:

	Six months to 30 September 2007	Six months to 30 September 2006			Year to 31 March 2007		
	ITS £m	ITS £m	AC&R £m	Total £m	ITS £m	AC&R £m	Total £m
Revenue	45.8	43.9	5.3	49.2	96.4	5.3	101.7
Expenses	(43.9)	(42.0)	(4.9)	(46.9)	(91.5)	(4.9)	(96.4)
Profit before financing and tax	1.9	1.9	0.4	2.3	4.9	0.4	5.3
Finance costs (net)	(0.2)	(0.1)	-	(0.1)	(0.2)	-	(0.2)
Profit before tax	1.7	1.8	0.4	2.2	4.7	0.4	5.1
Income tax expense	(0.6)	(0.6)	(0.2)	(0.8)	(1.4)	(0.2)	(1.6)
Profit for the period from trading of discontinued operations	1.1	1.2	0.2	1.4	3.3	0.2	3.5
Profit on disposal of business	-	-	5.9	5.9	-	5.9	5.9
Profit for the period from discontinued operations	1.1	1.2	6.1	7.3	3.3	6.1	9.4

As at 30 September 2007, the major classes of assets and liabilities of ITS classified as held for sale were:

	£m
Property, plant and equipment	1.4
Goodwill	0.4
Inventories	4.8
Trade and other receivables	21.8
Total assets	28.4
Trade and other payables	(22.4)
Current tax liabilities	(0.6)
Deferred tax liabilities	(0.2)
Total liabilities	(23.2)

The Group will incur costs, estimated to amount in aggregate to approximately

£3.5 million, to cover certain obligations of the IT Solutions business which will be retained by the Group following the disposal. These obligations represent costs relating to people, properties and the impairment of IT systems which will be met in future periods.

5. Taxation

The effective tax rate on profit before tax of ongoing activities, excluding the share of post-tax profits from associates, for the six months to 30 September 2007 is 38.9 % (2006: 38.7 %, year to 31 March 2007: 38.4 %).

The effective rates for the period have been calculated by applying the Group's best estimates of the effective tax rate for the current year.

6. Dividends

The directors have declared an interim dividend of 7.2 pence per share (2006: 7.2 pence) payable on 25 January 2008 to shareholders on the register at 7 December 2007. In accordance with IAS 10, this dividend has not been reflected in the interim results. The amount of this interim dividend is £1.9 million (2006: £1.9 million).

7. Earnings per share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	six months ended 30 Sept 2007 £m	six months ended 30 Sept 2006 £m	Year ended 31 Mar 2007 £m
Profit for the year from ongoing activities attributable to equity holders of the parent - before exceptionals	1.8	1.5	3.3
Exceptional items net of tax - ongoing activities	-	-	0.3
Profit for the year from ongoing activities attributable to equity holders of the parent	1.8	1.5	3.6
Profit for the year from disposed activities attributable to equity holders of the parent	-	(1.3)	(1.3)
Profit for the year from continuing operations	1.8	0.2	2.3
Profit for the year from discontinued operations attributable to equity holders of the parent	1.1	7.3	9.4
Profit for the year attributable to equity holders of the parent	2.9	7.5	11.7
Weighted average number of shares for basic earnings per share	26.4	26.4	26.4
Effect of dilution - share options	-	-	-
Adjusted weighted average number of shares for diluted earnings per share	26.4	26.4	26.4

At the period end there were 1.1 million ordinary share options in issue that could potentially dilute earnings per share in the future but are not included in the calculation at the year end because they are currently non-dilutive (2006: 1.2 million, 31March 2007: 1.0 million).

8. Reconciliation of movement in net debt

	six months ended 30 Sept 2007 £m	six months ended 30 Sept 2006 £m	year ended 31 Mar 2007 £m

Net decrease in cash and cash equivalents	(5.6)	(7.1)	(6.0)
Cash outflow from decrease in debt and lease financing	-	11.0	7.1
Translation differences	(0.1)	(0.1)	-
(Increase)/decrease in net debt	(5.7)	3.8	1.1
Net debt at beginning of the period	(5.4)	(6.5)	(6.5)
Net debt at end of the period	(11.1)	(2.7)	(5.4)

9. Reserves

	Attributable to equity holders of the parent							
	Share capital	Share premium account	Share scheme reserve	Retained earnings	Other reserves	Total	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2007	1.3	38.0	0.3	35.0	1.2	75.8	-	75.8
Total recognised income and expense	-	-	-	2.9	0.3	3.2	-	3.2
Share-based payments	-	-	0.1	-	-	0.1	-	0.1
Equity dividends	-	-	-	(3.9)	-	(3.9)	-	(3.9)
At 30 Sept 2007	1.3	38.0	0.4	34.0	1.5	75.2	-	75.2

	Attributable to equity holders of the parent							
	Share capital	Share premium account	Share scheme reserve	Retained earnings	Other reserves	Total	Minority interests	Total equity
	£m	£m	£m	£m	£m	£m	£m	£m
At 1 April 2006	1.3	38.0	0.2	28.6	1.8	69.9	1.8	71.7
Total recognised income and expense	-	-	-	7.4	(0.6)	6.8	0.2	7.0
Share-based payments	-	-	0.1	-	-	0.1	-	0.1
Equity dividends	-	-	-	(3.8)	-	(3.8)	-	(3.8)
Dividends paid to minority interests	-	-	-	-	-	-	(0.1)	(0.1)
At 30 Sept 2006	1.3	38.0	0.3	32.2	1.2	73.0	1.9	74.9
	1.3	38.0	0.2	28.6	1.8	69.9	1.8	71.7
At 1 April 2006								
Total recognised income and expense	-	-	-	12.1	(0.6)	11.5	0.2	11.7
Share-based payments	-	-	0.1	-	-	0.1	-	0.1
Equity dividends	-	-	-	(5.7)	-	(5.7)	-	(5.7)
Dividends paid to minority interests	-	-	-	-	-	-	(0.1)	(0.1)
Acquisition of minority interests	-	-	-	-	-	-	(1.9)	(1.9)
At 31 March 2007	1.3	38.0	0.3	35.0	1.2	75.8	-	75.8

10. Other reserves

	Merger reserve	Currency Translation reserve	Total
	£m	£m	£m
At 1 April 2007	0.8	0.4	1.2

Total recognised income and expense	-	0.3	0.3
At 30 September 2007	0.8	0.7	1.5
At 1 April 2006	0.8	1.0	1.8
Total recognised income and expense	-	(0.6)	(0.6)
At 30 September 2006	0.8	0.4	1.2
At 1 April 2006	0.8	1.0	1.8
Total recognised income and expense	-	(0.6)	(0.6)
At 31 March 2007	0.8	0.4	1.2

11. Statement of Directors' Responsibilities

The directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the condensed consolidated interim financial statements include a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

By order of the Board

R Moon
Chairman
29 November 2007

This information is provided by RNS
The company news service from the London Stock Exchange