4th December 2013

International Greetings PLC ("the Company" or "the Group")
Interim Results

International Greetings PLC, one of the world's leading designers, innovators and manufacturers of gift packaging and greetings, stationery and creative play products, announces its interim results for the six months ended 30 September 2013.

Financial highlights

- Sales in line with expectations at £113.6 million (2012 H1: £115.2million), reflecting the phasing of deliveries to customer requirements, resulting in H2 weighting
- Gross margin improved to 19.0% (2012 H1:18.4%)
- Operating profit before exceptional items up £0.1 million at £5.3 million (2012 H1: £5.2 million)
- Profit before tax and exceptional items up 7.9% to £3.5 million (2012 H1: £3.3 million)
- Profit before tax in line with expectations at £1.7 million (2012 H1: £2.5 million) after planned exceptional costs of £1.8 million in respect of our new investment in Wales completed to planned timescales, costs and service levels.(2012 H1: £0.75 million)
- Debt reduction programme remains on track with net debt level at £84.8 million (2012 H1: £84.6 million) including the capital investment in Wales

Operational highlights

- Manufacturing season in China successfully completed on time and fully to customer requirements
- Strong manufacturing efficiencies and volume gains achieved in Europe following investment last year
- Investment programme in Wales remains on track and on budget
- Completed renegotiation of US banking facilities with Sun Trust on improved terms, building on improvements achieved with HSBC in April 2013
- Granted Royal Warrant for Gift Wrap, in addition to established Royal Warrant for Christmas crackers
- Robust order book for the full year 2013/14, in line with expectations

Paul Fineman, Chief Executive said:

"The first half of the year has seen a number of positive operational developments across the Group and we are pleased to report that all regions traded profitably during the period, with notable improved performance in the UK and Europe and a strong order book in the USA.

"We are particularly pleased to note the record levels of gift wrap production and profitable sales growth in Europe following the investment in our new, high definition printing facilities, which underpinned this success. This bodes well for the recently commenced project to bring similar technology to our gift wrap plant in Wales. This exciting initiative is on track and on budget to be operational in the Spring of 2014.

"We are confident that the Group remains well placed to meet the needs of our customers, whilst continuing to provide excellent customer service and innovation. We have a strong order book and are on course to deliver targeted growth in underlying earnings per share, whilst continuing to remain focussed on reducing leverage."

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Chief Executive Officer's review

Unwrapping progress

Paul Fineman

CEO

Key achievements

- Profit before tax and exceptional items up by 7.9% to £3.5 million (2012 H1: £3.3 million)
- Gross margin improved to 19.0% (2012 H1: 18.4%)
- Sales in line with expectations
- Christmas cracker manufacturing season in China successfully completed
- Gift wrap production efficiencies and volume gains yielded in Europe following investment last year
- Investment programme in Wales on track and on budget
- Re-negotiation of US banking facilities on improved terms

Overview

Sales and profit for the six months ended 30 September 2013 are overall in line with expectations.

Operational review

We are pleased to report that all regions traded profitably during the period, with notable improved performance in the UK and Europe, compared to the same period last year, and a strong order book in the USA. We are encouraged by the operational achievements, and, in particular, an excellent performance delivered by our manufacturing facilities throughout the Group.

In Europe, our investment during FY2013 in new state-of-the-art high-definition printing facilities, underpinned record levels of gift wrap production and profitable sales growth. This bodes well for the recently commenced project to bring similar technology to our gift wrap plant in Wales. This exciting initiative is on track and on budget and expected to be operational in the spring of 2014. In the meantime, our existing production facilities in the UK and also in the USA are delivering to plan and in line with annual forecasts.

We are also delighted with the performance of our relocated China-based Christmas cracker manufacturing operation, where we have produced on time and delivered in full, meeting targeted efficiencies whilst implementing initiatives for continued improvement.

The global nature of our business is demonstrated by the fact that during the period our products have been distributed to over 80 countries and are sold in excess of 100,000 retail outlets worldwide. Whilst providing our customers with a broad and flexible portfolio of products and brands, we are experiencing increased demand for the Group's generic brands, and, in particular, the Tom Smith™ range of products. The brand's profile was further enhanced by our participation in the Coronation Festival at Buckingham Palace in July, following which, we were proud to announce that the Royal Warrant granted to the Tom Smith™ brand now applies to gift wrap as well as to the long-established Christmas cracker category.

Financial review

Revenue from continuing operations for the period was in line with expectations at £113.6 million (2012 H1: £115.2 million), with particularly good progress in Europe where sales increased by 21%. The timing of sales at the half year merely reflects the phasing of deliveries to customer requirements, with several major international retailers now ordering deliveries later in the year, resulting in H2 weighting for FY2013.

Gross profit margins at 19.0% (2012 H1: 18.4%) were 0.6% higher with improved operational performance, particularly in China, being the main driver. Overhead costs were steady at £16.5 million (2012 H1: £16.5 million).

Operating profit before exceptional costs was up slightly at £5.3 million (2012 H1: £5.2 million) while profit before tax and exceptional items was up 7.9% to £3.5 million from £3.3 million in the equivalent period last year.

The planned exceptional charges of £1.8 million in respect of our new investment in Wales and associated accelerated amortisation of bank fees resulted in profit before tax and after exceptional items being down 32% to £1.7 million (2012 H1: £2.5 million). Of this charge, £0.6 million represents accelerated depreciation (non-cash) on assets that will no longer be required once the new machinery is operational and a further £0.8 million represents provisions for redundancy and decommissioning costs and associated costs that are only expected to flow out as cash in the next financial year. The remaining £0.4 million is included within finance expenses and relates to accelerated amortisation of bank arrangement fees as a result of renegotiation of banking facilities to accommodate the financing of the new investment.

Finance expenses before exceptional items in the period were £1.8 million (2012 H1: £1.9 million). The Group's borrowing costs are falling as certain qualifying leverage ratios are achieved, triggering reduced margins on our banking facilities. Our facilities with HSBC were increased and renewed in April 2013 on improved terms, providing the capacity for the Group to make an important capital investment at our manufacturing facilities in Wales. Furthermore our US banking facilities were also renegotiated and extended on favourable terms and at a reduced margin with SunTrust just after the period end in October 2013. Reduction of debt and the associated interest cost remains a key focus and our programme for this is on-track. Finance costs after exceptional items of £0.4 million (2012 H1: nil) were £2.2 million (2012 H1: £1.9 million).

The effective underlying tax rate was 25% (2012 H1: 26%). This rate has fallen again, reflecting reductions in the UK rate of taxation and our ability to recognise tax losses in the USA as profitable growth continues. There are still unrecognised losses with a tax value of $3.2 million in the USA and £0.7 million in the UK which can be reflected in the balance sheet as US profitability progresses.

Stated before exceptional items, basic earnings per share were in line with expectations at 3.8p (2012 H1: 3.9p), and 1.4p (2012 H1: 3.4p) after exceptional items. Our primary measure of fully diluted earnings per share before exceptional items was also in line with expectations at 3.7p (2012 H1: 3.7p). See note 6 of the interim financial statements.

Capital expenditure in the six months was £2.3 million (2012 H1: £1.4 million) reflecting the initial outlays on the investment in Wales. Provided certain criteria are met, a government grant is receivable against this investment and the first contribution of £0.1 million was received in the period slightly earlier than expected.

Cash used by operations was £38.9 million in line with the prior year (2012 H1: £39.1 million), which reflects the seasonality of the business as 53% of the sales in the six month period occurred in the last two months.

Debtors and receivables at £68.1 million were lower than at H1 2012 (£69.3 million) whereas stock levels were higher at £67.0 million (2012 H1: £60.6 million). Both reflect the variable phasing of deliveries to customer requirements in the current year and stock build including that associated with a stronger order book in Europe.

Net debt at 30 September 2013 was steady at £84.8 million (2012 H1: £84.6 million) despite the effect of exchange rates which increased debt by £0.2 million compared with the prior year, and capital investment in Wales amounting to £1.0 million at the end of H1.

The Board will not be declaring an interim dividend and will keep this policy under review (2012 H1: nil).

Current trading outlook

We have a strong order book and are well placed to meet the needs of our customers, whilst continuing to provide excellent service levels as demonstrated by acknowledgements and awards we are so pleased to receive.

Operational improvements, prudent investment in projects with early pay back and a focus on customer service and innovation continue to deliver margin and profit growth.

Sales achieved in the first half of the year reflect the changing platform of delivery phasing required by several of the world's major retailers.

We are on course to achieve targeted growth in underlying earnings per share and remain focused on reducing leverage through converting profit into cash.

Paul Fineman
CEO

Consolidated income statement
six months ended 30 September 2013

	2013	Unaudited six months ended 30 Sep 2013	2013	2012	Unaudited six months ended 30 Sep 2012	2012	2013	12 months ended 31 Mar 2013	2013
	Before exceptional items £000	**Exceptional items (note 3) £000**	**Total £000**	Before exceptional items £000	Exceptional items (note 3) £000	Total £000	Before exceptional items £000	Exceptional items (note 3) £000	Total £000
Continuing operations									
Revenue	**113,556**	**—**	**113,556**	115,207	—	115,207	225,211	—	225,211
Cost of sales	**(91,995)**	**(1,478)**	**(93,473)**	(94,056)	—	(94,056)	(183,941)	(953)	(184,894)
Gross profit	**21,561**	**(1,478)**	**20,083**	21,151	—	21,151	41,270	(953)	40,317
	19.0%		**17.7%**	18.4%		18.4%	18.3%		17.9%
Selling expenses	**(6,308)**	**—**	**(6,308)**	(6,723)	(750)	(7,473)	(12,790)	(455)	(13,245)
Administration expenses	**(10,228)**	**—**	**(10,228)**	(9,849)	—	(9,849)	(18,789)	(195)	(18,984)
Other operating income	**315**	**72**	**387**	382	—	382	803	—	803
(Loss)/profit on sales of property, plant, and equipment	**(6)**	**—**	**(6)**	251	—	251	252	—	252
Operating profit/(loss)	**5,334**	**(1,406)**	**3,928**	5,212	(750)	4,462	10,746	(1,603)	9,143
Finance expenses	**(1,792)**	**(403)**	**(2,195)**	(1,929)	—	(1,929)	(3,466)	—	(3,466)
Profit/(loss) before tax	**3,542**	**(1,809)**	**1,733**	3,283	(750)	2,533	7,280	(1,603)	5,677
Income tax (charge)/credit	**(886)**	**416**	**(470)**	(854)	224	(630)	(1,890)	289	(1,601)
Profit/(loss) from continuing operations for the period	**2,656**	**(1,393)**	**1,263**	2,429	(526)	1,903	5,390	(1,314)	4,076
Attributable to:									
Owners of the Parent Company			**792**			1,874			3,401
Non-controlling interest			**471**			29			675

Earnings per ordinary share

	Unaudited six months ended 30 Sep 2013		Unaudited six months ended 30 Sep 2012		12 months ended 31 Mar 2013	
	Diluted	**Basic**	Diluted	Basic	Diluted	Basic
Adjusted earnings per share excluding exceptional items	**3.7p**	**3.8p**	3.7p	3.9p	7.8p	8.1p
Loss per share on exceptional items	**(2.4p)**	**(2.4p)**	(0.5p)	(0.5p)	(2.0p)	(2.1p)
Earnings per share from continuing operations	**1.3p**	**1.4p**	3.2p	3.4p	5.8p	6.0p
Earnings per share	**1.3p**	**1.4p**	3.2p	3.4p	5.8p	6.0p

Consolidated statement of comprehensive income
six months ended 30 September 2013

	six months ended 30 Sep 2013 £000	six months ended 30 Sep 2012 £000	12 months ended 31 Mar 2013 £000
At 1 April 2013	**1,263**	1,903	4,076
Other comprehensive income:			
Exchange difference on translation of foreign operations	**(1,558)**	(473)	633
Net (loss)/profit on cash flow hedges (net of tax)	**220**	(181)	(5)
Other comprehensive income for period, net of tax	**(1,338)**	(654)	628
Total comprehensive income for the period, net of tax	**(75)**	1,249	4,704
Attributable to:			
Owners of the Parent Company	**42**	1,260	3,796
Non-controlling interests	**(117)**	(11)	908
	(75)	1,249	4,704

Consolidated statement of changes in equity
six months ended 30 September 2013

	Share capital £000	Share premium and capital redemption reserve £000	Merger reserves £000	Hedging reserves £000	Translation reserve £000	Retained earnings £000	Shareholder equity £000	Non-controlling interest £000	Total £000
At 31 March 2013	**2,838**	**4,658**	**17,164**	**(451)**	**846**	**26,833**	**51,888**	**4,684**	**56,572**
Profit for the year	**—**	**—**	**—**	**—**	**—**	**792**	**792**	**471**	**1,263**
Other comprehensive income	**—**	**—**	**—**	**220**	**(970)**	**—**	**(750)**	**(588)**	**(1,338)**
Total comprehensive income for the year	**—**	**—**	**—**	**220**	**(970)**	**792**	**42**	**(117)**	**(75)**
Equity-settled share-based payment	**—**	**—**	**—**	**—**	**—**	**5**	**5**	**—**	**5**
Options exercised	**51**	**91**	**—**	**—**	**—**	**—**	**142**	**—**	**142**
Equity dividends paid	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(1,014)**	**(1,014)**
At 30 September 2013	**2,889**	**4,749**	**17,164**	**(231)**	**(124)**	**27,630**	**52,077**	**3,553**	**55,630**

For the six months ended 30 September 2012

	Share capital £000	Share premium and capital redemption reserve £000	Merger reserves £000	Hedging reserves £000	Translation reserve £000	Retained earnings £000	Shareholder equity £000	Non-controlling interest £000	Total £000
At 1 April 2012	2,750	4,480	17,164	(446)	446	23,410	47,804	4,744	52,548
Profit for the period	—	—	—	—	—	1,874	1,874	29	1,903
Other comprehensive income	—	—	—	(181)	(433)	—	(614)	(40)	(654)
Total comprehensive income for the year	—	—	—	(181)	(433)	1,874	1,260	(11)	1,249
Equity-settled share-based payment	—	—	—	—	—	55	55	—	55
Options exercised	78	159	—	—	—	—	237	—	237
Equity dividends paid	—	—	—	—	—	—	—	(968)	(968)
At 30 September 2012	2,828	4,639	17,164	(627)	13	25,339	49,356	3,765	53,121

For the year ended 31 March 2013

	Share capital £000	Share premium and capital redemption reserve £000	Merger reserves £000	Hedging reserves £000	Translation reserve £000	Retained earnings £000	Shareholder equity £000	Non-controlling interest £000	Total £000
At 1 April 2012	2,750	4,480	17,164	(446)	446	23,410	47,804	4,744	52,548
Profit for the year	—	—	—	—	—	3,401	3,401	675	4,076
Other comprehensive income	—	—	—	(5)	400	—	395	233	628
Total comprehensive income for the year	—	—	—	(5)	400	3,401	3,796	908	4,704
Equity-settled share-based payment	—	—	—	—	—	22	22	—	22
Options exercised	88	178	—	—	—	—	266	—	266
Equity dividends paid	—	—	—	—	—	—	—	(968)	(968)
At 31 March 2013	2,838	4,658	17,164	(451)	846	26,833	51,888	4,684	56,572

Consolidated balance sheet
six months ended 30 September 2013

	Note	**Unaudited as at 30 Sep 2013 £000**	Unaudited as at 30 Sep 2012 £000	As at 31 March 2013 £000
Non-current assets				
Property, plant and equipment		**28,732**	30,360	29,993
Intangible assets		**32,397**	32,502	32,795
Deferred tax assets		**4,007**	4,159	4,250
Total non-current assets		**65,136**	67,021	67,038
Current assets				
Inventory		**67,032**	60,615	50,114
Trade and other receivables		**68,140**	69,289	23,285
Cash and cash equivalents	4	**1,275**	3,403	2,301
Total current assets		**136,447**	133,307	75,700
Total assets		**201,583**	200,328	142,738
Equity				
Share capital		**2,889**	2,828	2,838
Share premium		**3,409**	3,299	3,318
Reserves		**18,149**	17,890	18,899
Retained earnings		**27,630**	25,339	26,833
Equity attributable to owners of the Parent Company		**52,077**	49,356	51,888
Non-controlling interests		**3,553**	3,765	4,684
Total equity		**55,630**	53,121	56,572
Non-current liabilities				
Loans and borrowings	4	**27,205**	28,854	29,479
Deferred income		**1,096**	1,604	1,329
Provisions		**861**	899	862
Other financial liabilities		**1,667**	526	1,803
Total non-current liabilities		**30,829**	31,883	33,473
Current liabilities				
Bank overdraft	4	**3,019**	5,820	336
Loans and borrowings	4	**54,256**	53,199	12,847
Deferred income		**555**	550	550
Provisions		**104**	172	107
Income tax payable		**1,332**	580	904
Trade and other payables		**44,707**	45,191	28,995
Other financial liabilities		**11,151**	9,812	8,954
Total current liabilities		**115,124**	115,324	52,693
Total liabilities		**145,953**	147,207	86,166
Total equity and liabilities		**201,583**	200,328	142,738

Consolidated cash flow statement
six months ended 30 September 2013

	Unaudited six months ended 30 Sep 2013 £000	Unaudited six months ended 30 Sep 2012 £000	12 months ended 31 Mar 2013 £000
Cash flows from operating activities	**1,263**	1,903	4,076
Profit for the year			
Adjustments for:	**2,649**	1,914	3,807
Depreciation			
Amortisation of intangible assets	**176**	318	494
Finance expenses – continuing operations	**2,195**	1,929	3,466
Income tax credit – continuing operations	**470**	630	1,601
Loss/(profit) on sales of property, plant and equipment	**6**	(251)	(252)
Loss on external sale of intangible fixed assets	**10**	1	—
Equity-settled share-based payment	**5**	55	22
Operating profit after adjustments for non-cash items	**6,774**	6,499	13,214
Change in trade and other receivables	**(46,879)**	(48,675)	(1,965)
Change in inventory	**(17,142)**	(18,116)	(7,171)
Change in trade and other payables	**18,657**	21,754	4,356
Change in provisions and deferred income	**(352)**	(524)	(901)
Cash (used by)/generated from operations	**(38,942)**	(39,062)	7,533
Tax paid	**(39)**	(452)	(937)
Interest and similar charges paid	**(1,759)**	(1,757)	(3,285)
Receipts from sales of property for resale	**—**	—	—
Net cash (outflow)/inflow from operating activities	**(40,740)**	(41,271)	3,311
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	**33**	403	421
Acquisition of intangible assets	**(105)**	(88)	(242)
Acquisition of property, plant and equipment	**(2,147)**	(1,339)	(1,884)
Receipt of government grant	**120**	—	—
Net cash (outflow) from investing activities	**(2,099)**	(1,024)	(1,705)
Cash flows from financing activities			
Proceeds from issue of share capital	**142**	237	266
Repayment of secured borrowings	**(4,336)**	(3,504)	(4,060)
Net movement in credit facilities	**42,642**	43,543	2,748
Payment of finance lease liabilities	**(125)**	(37)	(115)
New bank loans raised	**3,100**	—	—
New finance leases (a)	**2**	—	1,764
Loan arrangement fees	**—**	(444)	(444)
Dividends paid to non-controlling interests	**(1,014)**	(968)	(968)
Net cash inflow/(outflow) from financing activities	**40,411**	38,827	(809)
Net increase in cash and cash equivalents	**(2,428)**	(3,468)	797
Cash and cash equivalents at end of period	**1,965**	1,223	1,223
Effect of exchange rate fluctuations on cash held	**(1,281)**	(172)	(55)
Cash and cash equivalents at end of the period	**(1,744)**	(2,417)	1,965

(a) In 2011/12 fixed assets of £1,764,000 shown as acquisition of property, plant and equipment were purchased, cash inflow from new finance leases represents proceeds received in respect of these assets which are now held by the Group under finance leases.

1 Accounting policies

Basis of preparation
The financial information contained in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and is unaudited.

The Group interim report has been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"). The financial information for the year ended 31 March 2013 is extracted from the statutory accounts of the Group for that financial year and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The auditor's report was (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under Section 498 (2) of the Companies Act 2006.

Going concern basis
The borrowing requirement of the Group increases steadily over the period from July and peaks between September and November before then reducing due to the seasonality of the business. This is due to the sales of wrap and crackers which are mainly for the Christmas market.

As with any company placing reliance on external entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of this interim report, they have no reason to believe that it will not do so.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The interim report does 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 ended 31 March 2013.

Significant accounting policies
The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

2 Segmental information

The Group has one material business activity being the design, manufacture, import and distribution of gift packaging and greetings, social expression giftware, stationery and creative play products.

For management purposes the Group is organised into four geographic business units.

The results below are allocated based on the region in which the businesses are located; this reflects the Group's management and internal reporting structure. The decision was made during 2011 to focus Asia as a service provider of manufacturing and procurement operations, whose main customers are our UK businesses. Both the China factory and the majority of the Hong Kong procurement operations are now overseen by our UK operational management team and we therefore continue to include Asia within the internal reporting of the UK operations, such that UK and Asia comprise an operating segment. The chief operating decision maker is the Board.

Intra-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Financial performance of each segment is measured on operating profit. Interest expense or revenue and tax are managed on a Group basis and not split between reportable segments.

Segment assets are all non-current and current assets, excluding deferred tax and income tax receivable. Where cash is shown in one segment, which nets under the Group's banking facilities, against overdrafts in other segments, the elimination is shown in the eliminations column. Similarly inter-segment receivables and payables are eliminated.

	UK and Asia £000	Europe £000	USA £000	Australia £000	Eliminations £000	Group £000
Six months ended 30 September 2013						
Continuing operations						
Revenue – external	**57,631**	**13,316**	**28,323**	**14,286**	**—**	**113,556**
– inter-segment	**1,015**	**290**	**—**	**—**	**(1,305)**	**—**
Total segment revenue	**58,646**	**13,606**	**28,323**	**14,286**	**(1,305)**	**113,556**
Segment result before exceptional items	**3,223**	**679**	**705**	**1,363**	**—**	**5,970**
Exceptional items	**(1,406)**	**—**	**—**	**—**	**—**	**(1,406)**
Segment result	**1,817**	**679**	**705**	**1,363**	**—**	**4,564**
Central administration costs						**(636)**
Net finance expenses						**(2,195)**
Income tax						**(470)**
Profit from continuing operations for the six months ended 30 September 2013						**1,263**
Balances at 30 September 2013						
Continuing operations						
Segment assets	**134,248**	**24,703**	**25,921**	**13,691**	**3,020**	**201,583**
Segment liabilities	**(75,054)**	**(21,032)**	**(41,555)**	**(7,248)**	**(1,064)**	**(145,953)**
Capital expenditure						
– property, plant and equipment	**1,470**	**198**	**392**	**87**	**—**	**2,147**
– intangible	**24**	**9**	**72**	**—**	**—**	**105**
Depreciation	**1,810**	**394**	**333**	**112**	**—**	**2,649**
Amortisation	**84**	**27**	**22**	**43**	**—**	**176**

	UK and Asia £000	Europe £000	USA £000	Australia £000	Eliminations £000	Group £000
Six months ended 30 September 2012						
Continuing operations						
Revenue – external	63,527	11,122	27,322	13,236	—	115,207
– inter-segment	968	143	—	—	(1,111)	—
Total segment revenue	64,495	11,265	27,322	13,236	(1,111)	115,207
Segment result before exceptional items	3,277	488	1,519	826	—	6,110
Exceptional items	—	—	—	(750)	—	(750)
Segment result	3,277	488	1,519	76	—	5,360
Central administration costs						(898)
Net finance expenses						(1,929)
Income tax						(630)
Profit from continuing operations for the six months ended 30 September 2012						1,903
Balances at 30 September 2012						
Continuing operations						
Segment assets	137,888	23,891	23,225	12,559	2,765	200,328
Segment liabilities	(80,031)	(21,370)	(40,100)	(6,520)	814	(147,207)
Capital expenditure						
– property, plant and equipment	405	91	159	684	—	1,339
– intangible	49	8	19	12	—	88
Depreciation	1,079	403	342	90	—	1,914
Amortisation	228	28	18	44	—	318

	UK and Asia £000	Europe £000	USA £000	Australia £000	Eliminations £000	Group £000
Year ended 31 March 2013						
Continuing operations						
Revenue – external	118,765	28,499	50,104	27,843	—	225,211
– inter-segment	1,433	143	—	—	(1,576)	—
Total segment revenue	120,198	28,642	50,104	27,843	(1,576)	225,211
Segment result before exceptional items	3,974	1,151	3,796	2,431	—	11,352
Exceptional items	(1,084)	—	(64)	(455)	—	(1,603)
Segment result	2,890	1,151	3,732	1,976	—	9,749
Central administration costs						(606)
Net finance expenses						(3,466)
Income tax						(1,601)
Profit from continuing operations for the year ended 31 March 2013						4,076
Balances at 31 March 2013						
Continuing operations						
Segment assets	100,336	17,605	11,170	9,852	3,775	142,738
Segment liabilities	(41,297)	(14,025)	(27,286)	(3,129)	(429)	(86,166)
Capital expenditure						
– property, plant and equipment	795	153	230	706	—	1,884
– intangible	159	11	40	32	—	242
Depreciation	2,237	716	644	210	—	3,807
Amortisation	310	57	39	88	—	494

3 Exceptional items

	Six months ended 30 Sep 2013 £000	Six months ended 30 Sep 2012 £000	12 months ended 31 Mar 2013 £000
Restructuring of operational activities			
Efficiency programmes in the UK (note a)	**1,406**	—	195
Accelerated amortisation of bank fees (note b)	**403**	—	—
Bad debt provision (note c)	**—**	750	455
China factory disruption (note d)	**—**	—	953
Total restructuring costs	**1,809**	750	1,603
Income tax credit	**(416)**	(224)	(289)
	1,393	526	1,314

(a) Costs associated with major upgrade to manufacturing facilities in Wales and restructuring of UK operations.
(b) Accelerated amortisation of bank arrangement fees as a result of renegotiating banking facilities to fund the investment in Wales.
(c) Bad debt arising from a major customer entering administration.
(d) Cost associated with disruption caused by a strike in the China factory.

4 Cash, loans and borrowing

	Six months ended 30 Sep 2013 £000	Six months ended 30 Sep 2012 £000	12 months ended 31 Mar 2013 £000
Secured bank loan (short term)	**(5,242)**	(4,685)	(4,763)
Secured bank loan (long term)	**(27,321)**	(29,340)	(29,775)
Asset backed loans	**(35,925)**	(30,860)	(7,683)
Revolving credit facilities	**(13,272)**	(17,839)	(658)
Loan arrangement fees	**299**	671	553
Total loans	**(81,461)**	(82,053)	(42,326)
Cash and bank deposits	**1,275**	3,403	2,301
Bank overdraft	**(3,019)**	(5,820)	(336)
Cash and cash equivalents per cash flow statement	**(1,744)**	(2,417)	1,965
Finance leases	**(1,639)**	(89)	(1,777)
Net debt used in the Chief Executive Officer's review	**(84,844)**	(84,559)	(42,138)

5 Taxation

	Six months ended 30 Sep 2013 £000	Six months ended 30 Sep 2012 £000	12 months ended 31 Mar 2013 £000
Current tax expenses			
Current income tax charge	**467**	149	998
Deferred tax expense			
Relating to original and reversal of temporary differences	**3**	481	603
Total tax in income statement	**470**	630	1,601

Taxation for the six months ended 30 September 2013 is based on the effective rate of taxation, which is estimated to apply in each country for the year ended 31 March 2014.

6 Earnings per share

	As at 30 Sep 2013		As at 30 Sep 2012		As at 31 Mar 2013	
	Diluted	**Basic**	Diluted	Basic	Diluted	Basic
Adjusted earnings per share excluding exceptional items	**3.7p**	**3.8p**	3.7p	3.9p	7.8p	8.1p
Loss per share on exceptional items	**(2.4p)**	**(2.4p)**	(0.5p)	(0.5p)	(2.0p)	(2.1p)
Earnings per share from continuing operations	**1.3p**	**1.4p**	3.2p	3.4p	5.8p	6.0p
Earnings per share	**1.3p**	**1.4p**	3.2p	3.4p	5.8p	6.0p

The basic earnings per share is based on the profit attributable to equity holders of the Parent Company of £792,000 (2012: £1,874,000) and the weighted average number of ordinary shares in issue of 57,215,000 (2012: 55,799,000) calculated as follows:

Weighted average number of shares in thousands of shares	**As at 30 Sep 2013**	As at 30 Sep 2012	As at 31 Mar 2013
Issued ordinary shares at 1 April	**56,768**	55,007	55,007
Shares issued in respect of exercising of share options	**447**	792	1,238
Weighted average number of shares at end of the period	**57,215**	55,799	56,245

Total number of options, over 5p ordinary shares, in issue at 30 September 2013 was 2,128,685.
Adjusted basic earnings per share excludes exceptional items charged of £1,809,000 (2012: £375,000) along with the tax relief attributable to those items of £416,000 (2012: £112,000). This gives an adjusted profit of £2,185,000 (2012: £2,137,000).