

Holdings Technology

Holdings Technology plc
Interim Results 2008

INTERIM RESULTS

for the half-year ended 31 May 2008 (Unaudited)

HIGHLIGHTS

	Half year ended 31 May	
	2008	2007
Revenue	£8.8m	£9.5m
PBT	£0.4m	£0.5m
Operating cash flow before tax	£0.3m	£0.4m
Earnings per share	8.10p	8.70p
Interim dividend per share	2.10p	2.10p
Net assets per share at 31 May	155p	134p

CHAIRMAN'S STATEMENT

Activities

In the Chairman's statement accompanying the Annual Report and Accounts for the year to 30 November 2007 I stated that we were basing our plans for the current year on an assumed weakening of economic activity in Europe. This has proved to be the case with all our European activities experiencing the impact of this slow down; the UK has experienced the least impact and Scandinavia the most. As is always the case special factors have impacted each of our operations but the overall position is one of reduced volumes.

Exact comparisons with the first half of last year are complicated by exchange rate movements. The first half of the current year saw the Euro strengthening significantly particularly against both sterling and the dollar. The period also saw a change of accounting treatment in respect of certain of our Chinese activities which now, as associated companies, are no longer consolidated in the group accounts.

In general we have maintained margins and where possible we have taken steps to reduce overheads. Post tax profits have benefited from lower rates of corporation tax in both the UK and Germany.

The group as a whole continues to be cash generative with the increase in inventories in the first half being caused by special factors including the build up of launch stocks for a new product in certain markets. We maintain our policy of continuing to hold a strong balance sheet with negligible borrowings and £823,000 net cash at the balance sheet date.

Outlook

Our continuing policy of seeking to identify new suppliers of innovative materials is being successfully realised but the impact of this on the current year is too early to forecast. Whilst we expect the second half of the current year to continue to be challenging in Europe we believe that in both China and India we will see some growth, albeit from a modest base.

The interim financial statements were approved by the board on 15 July 2008 and signed on its behalf by:

Rudolf W. Weinreich
Chairman and Chief Executive

Holders Technology plc
Devonshire House
Manor Way
Borehamwood
Hertfordshire WD6 1QQ

15 July 2008

CONSOLIDATED INTERIM INCOME STATEMENT
for the half-year ended 31 May 2008 (Unaudited)

		Half-year ended 31 May 2008	Half-year ended 31 May 2007	Full-year ended 30 Nov 2007
	Notes	£'000	£'000	£'000
Revenue	1	8,783	9,458	18,853
Operating profit		420	542	1,202
Finance income		18	6	27
Finance expense		(13)	(7)	(23)
Share of loss of associate		(3)	-	-
Profit before taxation		422	541	1,206
Taxation	2	(118)	(200)	(454)
Profit after taxation		304	341	752
Attributable to:				
Equity shareholders of the company		317	362	744
Minority interest		(13)	(21)	8
		304	341	752
Earnings per share	5	8.10p	8.70p	17.97p
Diluted earnings per share	5	8.10p	8.66p	17.78p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the half-year ended 31 May 2008 (Unaudited)

	Half-year ended 31 May 2008	Half-year ended 31 May 2007	Full-year ended 30 Nov 2007
	£'000	£'000	£'000
Exchange differences on translation of foreign operations	349	(125)	121
Profit for the period	304	362	752
	653	237	873

CONSOLIDATED INTERIM BALANCE SHEET
at 31 May 2008 (Unaudited)

	Notes	Half-year ended 31 May 2008 £'000	Half-year ended 31 May 2007 £'000	Full-year ended 30 Nov 2007 £'000
Assets				
Non-current assets				
Goodwill		403	413	397
Property, plant and equipment		693	627	622
Investments in associates		26	-	28
		<u>1,122</u>	<u>1,040</u>	<u>1,047</u>
Current assets				
Inventories		3,150	2,976	2,645
Trade and other receivables		2,870	3,676	2,637
Cash and cash equivalents		1,039	701	1,275
		<u>7,059</u>	<u>7,353</u>	<u>6,557</u>
Liabilities				
Current liabilities				
Trade and other payables		(1,552)	(2,020)	(1,399)
Borrowings		(216)	(335)	(174)
Current tax		(109)	(277)	(275)
		<u>(1,877)</u>	<u>(2,632)</u>	<u>(1,848)</u>
Net current assets		<u>5,182</u>	<u>4,721</u>	<u>4,709</u>
Non-current liabilities				
Retirement benefit liability		(149)	(99)	(139)
Deferred consideration		(104)	(104)	(104)
		<u>(253)</u>	<u>(203)</u>	<u>(243)</u>
Net assets		<u>6,051</u>	<u>5,558</u>	<u>5,513</u>
Shareholders' equity				
Share capital	3	416	416	416
Share premium account	3	1,531	1,531	1,531
Capital redemption reserve	3	1	1	1
Retained earnings	3	3,633	3,534	3,431
Cumulative translation adjustment	3	370	(75)	37
Equity attributable to the equity shareholders of the company		<u>5,951</u>	<u>5,407</u>	<u>5,416</u>
Minority interests in equity	3	<u>100</u>	<u>151</u>	<u>97</u>
		<u>6,051</u>	<u>5,558</u>	<u>5,513</u>

CONSOLIDATED INTERIM CASH FLOW STATEMENT
for the half-year ended 31 May 2008 (Unaudited)

	Half-year ended 31 May 2008	Half-year ended 31 May 2007	Full-year ended 30 Nov 2007
	£'000	£'000	£'000
Cash flows from operating activities			
Operating profit	420	542	1,202
Share-based payment charge	12	12	12
Depreciation	92	98	288
Currency translation	301	7	102
(Gain)/loss on sale of tangible fixed assets	-	-	1
(Increase)/Decrease in inventories	(505)	177	508
(Increase)/Decrease in trade and other receivables	(218)	(835)	231
Increase/(Decrease) in trade and other payables	163	357	(362)
	<u>265</u>	<u>358</u>	<u>1,982</u>
Cash generated from operations			
Tax paid	(299)	(180)	(418)
	<u>(34)</u>	<u>178</u>	<u>1,564</u>
Net cash generated (used in)/from operations			
Cash flows from investing activities			
Disposal of investment in associate	-	119	119
Purchase of property, plant and equipment	(123)	(217)	(403)
Proceeds from sale of property, plant and equipment	1	-	15
Interest received	18	6	27
	<u>(104)</u>	<u>(92)</u>	<u>(242)</u>
Net cash generated used in investing activities			
Cash flows from financing activities			
Purchase of treasury shares	-	-	(398)
Interest paid	(13)	(7)	(23)
Equity dividends paid	(127)	(125)	(212)
Finance lease principal repayments	-	(6)	(6)
	<u>(140)</u>	<u>(138)</u>	<u>(639)</u>
Net cash used in financing activities			
Net change in cash and cash equivalents	(278)	(52)	683
Cash and cash equivalents at start of period	1,101	418	418
Cash and cash equivalents at end of period	823	366	1,101

Notes:

1. Basis of preparation

The consolidated interim financial statements have been prepared in accordance with the AIM Rules for Companies and prepared on a basis consistent with International Financial Reporting Standards ("IFRS") as adopted by the EU and the accounting policies set out in the group's financial statements for the year ended 30 November 2007.

The consolidated interim financial statements are unaudited and include all adjustments which management considers necessary for a fair presentation of the group's financial position, operating results and cash flows for the 6 month periods ended 31 May 2008 and 31 May 2007.

The interim financial statements do not constitute statutory accounts as defined by Section 240 of the Companies Act 1985. A copy of the group's financial statements for the year ended 30 November 2007 prepared in accordance with IFRS has been filed with the Registrar of Companies. The auditors' report on those financial statements was not qualified and did not contain statements under s237(2) of s237(3) of the Companies Act 1985.

As permitted, the group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing these interim financial statements and therefore the interim financial information is not in full compliance with IFRS.

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

These interim financial statements have been prepared under the historical cost convention.

The board of Holders Technology plc approved this interim report on 15 July 2008.

2. The tax charge for the six months ended 31 May 2008 is calculated based on the tax rates applicable in the country in which each company operates. The effective rate of tax is 28.0% (2007: 37.0%). Taxation includes a charge of £54,000 (2007: £76,000) relating to overseas operations.
3. Statement of changes in shareholders' equity

Group	Share	Share	Capital	Cumulative	Retained	Shareholders'	Minority	Total
	capital	premium	redemption	translation				
	£'000	£'000	reserve	adjustment				
	£'000	£'000	£'000	£'000	earnings	Equity	interest	equity
Balance at 1 December 2007	416	1,531	1	37	3,431	5,416	97	5,513
Profit/(loss) for the period	-	-	-	-	317	317	(13)	304
Dividends	-	-	-	-	(127)	(127)	-	(127)
Currency translation differences	-	-	-	333	-	333	16	349
Share-based payment credit	-	-	-	-	12	12	-	12
Balance at 31 May 2008	416	1,531	1	370	3,633	5,951	100	6,051

4. A final dividend of 3.25p per share on the total issued share capital, excluding treasury shares, of 3,914,551 10p ordinary shares was paid on 20 May 2008 in respect of the year ended 30 November 2007.

An interim dividend payment of 2.1p per share (2007: 2.1p per share) will be payable on 23 September 2008 to shareholders on the register at 29 August 2008. The shares will go ex-dividend on 27 August 2008. The interim dividend was not approved by the board at 31 May 2008 and accordingly, has not been included as a liability as at that date.

5. The basic earnings per share are based on the profit for the period of £317,000 (2007: £362,000) and on ordinary shares 3,914,551 (2007: 4,159,551), the weighted average number of shares in issue during the year. Diluted earnings per share are based on 3,914,551 ordinary shares (2007: 4,178,518), being the weighted average number of ordinary shares after an adjustment of nil shares (2007: 18,967) in relation to share options.
6. A copy of this interim report is being sent to shareholders and is available for inspection at the company's registered office, Devonshire House, Manor Way, Borehamwood, Herts WD6 1QQ and via its website www.holderstechnology.com.

Holder's Technology

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