

**Company** Holders Technology PLC  
**TIDM** HDT  
**Headline** Interim Results  
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**HOLDERS TECHNOLOGY PLC**  
**ANNOUNCEMENT OF INTERIM RESULTS**  
**FOR THE SIX MONTH PERIOD TO 31 May 2006**

**CHAIRMAN'S STATEMENT**

**Results**

Turnover for the six month period to 31 May 2006 was £9,030,000 as compared with £7,190,000 for the similar period in the preceding year. Pre-tax profit increased to £403,000 (2005: £182,000). Earnings per share amounted to 5.81p (2005: 2.56p) and net assets totalled £5,157,000 (2005: £4,775,000).

**Dividend**

A net interim dividend of 2.0p per share (2005: 2.0p) will be paid on 19 September to shareholders on the Register of Members at the close of business on 25 August 2006. The shares will go ex-dividend on 23 August 2006.

**Activities**

I am pleased to be able to report a recovery in profitability across the Group with our subsidiaries in Holland and Sweden showing particularly marked improvements on the preceding year.

While UK operations experienced only a modest increase in turnover, all of our other European activities achieved significant growth in sales, despite supply limitations at times in respect of a number of products. The price of oil, aluminium and copper, all of which impact the prices of the products we supply to customers, increased in the period, but generally we have been able to maintain our margins. Exchange rate movements had a negligible effect on the results.

Due to the restructuring which we undertook last year, we have been able to contain overheads despite higher volumes and significant cost increases in some areas such as energy costs.

The growth in turnover in the half year caused an increase in the group's working capital, with notably higher debtors and prepayments. This resulted in a reduction in net cash balances of £409,000 since the end of the last financial year, however, the Group has a strong balance sheet and at 31 May 2006 net debt was £34,000 (2005: £110,000).

After a number of delays our Chinese WOFE (Wholly Owned Foreign Enterprise) was successfully registered in May 2006 and we are now able to look to expand our operations in China. As I have said in earlier statements, we believe there are significant opportunities open to us in this market but we will be taking a prudent approach. If we are successful the results will take time to show through and the impact on the current year will necessarily be modest.

We believe that the sound performance in the first half of the current year leaves us well placed to achieve a satisfactory result for the year as a whole.

The interim financial statements were approved by the Board on 18 July 2006 and signed on its behalf by:

Rudolf W. Weinreich  
*Chairman and Chief Executive*

18 July 2006

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

**GROUP PROFIT AND LOSS ACCOUNT**  
for the half-year ended 31 May 2006

	Notes	Unaudited half-year ended 31 May 2006 £'000	Unaudited half-year ended 31 May 2005 £'000	Audited full-year ended 30 Nov 2005 £'000
Turnover				
Continuing operations	1	<b>9,030</b>	7,190	14,740
Operating profit				
Continuing operations		<b>417</b>	202	509
Share of associates operating (loss)/profit		<b>(25)</b>	-	(25)
Total operating profit		<b>392</b>	202	484
Cost of fundamental restructuring		-	-	(215)
Deferred consideration arising on sale of former subsidiary		<b>6</b>	12	24
Profit on ordinary activities before interest and tax		<b>398</b>	214	293
Net interest receivable/(payable) and similar charges		<b>5</b>	(32)	(19)
Profit before taxation		<b>403</b>	182	274
Taxation	2	<b>(162)</b>	(72)	88
Profit after taxation		<b>241</b>	110	362
Minority interests – equity		-	(4)	(7)
Profit for the period		<b>241</b>	106	355
Dividends	3	<b>(114)</b>	(114)	(197)
Transfer to/(from) reserves		<b>127</b>	(8)	158
Earnings per share	4	<b>5.81p</b>	2.56p	8.57p
Diluted earnings per share	4	<b>5.61p</b>	2.52p	8.38p

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

Profit for the financial year	<b>241</b>	106	355
Currency translation differences	<b>(40)</b>	(41)	(32)
Total recognised gains and losses	<b>201</b>	65	323

## GROUP BALANCE SHEET AT 31 MAY 2006

	Unaudited half-year ended 31 May 2006 £'000	Unaudited half-year ended 31 May 2005 £'000	Audited full-year ended 30 Nov 2005 £'000
<b>Fixed assets</b>			
Intangible assets	393	404	410
Tangible assets	502	596	509
Investment in associated undertaking	65	121	103
	<b>960</b>	1,121	1,022
<b>Current assets</b>			
Stocks	2,643	2,737	2,624
Debtors	4,218	3,276	2,970
Cash at bank and in hand	376	377	734
	<b>6,390</b>	6,390	6,328
<b>Creditors</b>			
Amounts falling due within one year	(2,854)	(2,631)	(2,202)
<b>Net current assets</b>	<b>4,383</b>	3,759	4,126
<b>Total assets less current liabilities</b>	<b>5,343</b>	4,880	5,148
<b>Creditors: amounts falling due after one year</b>	<b>-</b>	(1)	(6)
<b>Provision for liabilities and charges</b>	<b>(186)</b>	(104)	(186)
	<b>5,157</b>	4,775	4,956
<b>Capital and reserves</b>			
Called up share capital	414	414	414
Share premium account	1,525	1,525	1,525
Capital redemption reserve	1	1	1
Profit and loss account	2,970	2,708	2,769
<b>Equity shareholders' funds</b>	<b>4,910</b>	4,648	4,709
<b>Minority interests - equity</b>	<b>247</b>	127	247
	<b>5,157</b>	4,775	4,956

**GROUP CASH FLOW**  
for the half-year ended 31 May 2006

	<b>Unaudited half-year ended 31 May 2006 £'000</b>	Unaudited half-year ended 31 May 2005 £'000	Audited full-year ended 30 Nov 2005 £'000
<b>Net cash (outflow)/inflow from operating activities</b> <sup>1</sup>	<b>(309)</b>	144	753
<b>Returns on investment and servicing of finance</b>			
Interest received	<b>3</b>	2	5
Interest paid	<b>(4)</b>	(5)	(21)
Finance lease interest	<b>(1)</b>	(2)	(3)
<b>Net cash flow from returns on investment and servicing of finance</b>	<b>(2)</b>	(5)	(19)
<b>Taxation</b>	<b>64</b>	(193)	(264)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	<b>(65)</b>	(61)	(116)
Receipts from sales of tangible fixed assets	<b>18</b>	14	58
	<b>(47)</b>	(47)	(58)
<b>Acquisitions and disposals</b>			
Net cash acquired with subsidiary undertaking	-	-	9
Investment in associated undertaking	-	(24)	(31)
Deferred consideration arising on sale of former subsidiary	<b>6</b>	12	24
	<b>6</b>	(12)	2
<b>Equity dividends paid</b>	<b>(114)</b>	(114)	(197)
<b>Cash flow before financing</b>	<b>(402)</b>	(227)	217
<b>Financing</b>			
Capital element of finance leases	<b>(7)</b>	(25)	(42)
(Decrease)/increase in cash <sup>2</sup>	<b>(409)</b>	(252)	175

**1. Reconciliation of operating profit to net cash inflow from operating activities**

	<b>Unaudited half-year ended 31 May 2006 £'000</b>	Unaudited half-year ended 31 May 2005 £'000	Audited full-year ended 30 Nov 2005 £'000
Operating profit	417	202	509
Depreciation	69	86	(187)
Amortisation of goodwill	16	17	30
Currency translation	(26)	(28)	(4)
Cost of fundamental restructuring	-	-	(215)
Loss on sale of tangible fixed assets	(15)	(5)	(7)
Change in stocks	(19)	(130)	(17)
Change in debtors	(1,366)	(478)	215
Change in creditors	615	480	55
Net cash inflow from operating activities	<b>(309)</b>	144	753

**2. Reconciliation of net cash flow to movement in net (debt) / funds**

(Decrease)/increase in cash	<b>(409)</b>	(252)	175
Cash flow from change in debt and lease finance	7	25	42
Exchange gains/(losses) on currency balances	7	(27)	-
	<b>(395)</b>	(254)	217
Opening net funds	<b>361</b>	144	144
Closing net (debt) / funds	<b>(34)</b>	(110)	361

Notes:

1. The interim results are prepared on the basis of accounting policies set out in the financial statements for the year ended 30 November 2005, except that FRS21 (Events after the Balance Sheet Date) has been adopted. The effect of this is that dividends paid by the company are accounted for in the period in which the company is liable to pay them. Previously, the company accrued dividends in the period in which the net profit, to which those dividends related, was accounted for. The unaudited comparative figures for May 2005 have been restated in accordance with the new policy; however the audited figures for 30 November 2005, which have not been restated, will be restated in the audited accounts for the year ending 30 November 2006.
2. The tax charge for the six months ended 31 May 2006 is calculated based on the tax rates applicable in the country in which each company operates. The effective rate of tax is 40.2% (2005: 39.6%). Taxation includes a charge of £129,000 (2005: £42,000) relating to overseas operations.
3. The dividend expense represents the final dividend of 4.75p per share on the total issued share capital of 4,144,551 10p ordinary shares, which was paid on 23 May 2006 in respect of the year ended 30 November 2005.

An interim dividend payment of 2.0p per share will be payable on 19 September 2006. The interim dividend was not approved by the board at 31 May 2006 and accordingly, has not been included as a liability as that date.

4. The earnings per ordinary share (basic and diluted) for the six months ended 31 May 2006 have been calculated using Financial Reporting Standard 14. The calculation of basic earnings per share, for the six months, is based on the profit attributable to equity shareholders of £241,000 (2005: £106,000) and on 4,144,551 ordinary shares (2005: 4,144,551) being the weighted average number of shares in issue during the period. Diluted earnings per share is based on 4,299,551 ordinary shares (2005: 4,209,551), being the weighted average number of ordinary shares after an adjustment of 155,000 shares (2005: 65,000) in relation to share options.
5. The results for the half year to 31 May 2006 are unaudited. The results for the year ended 30 November 2005 are taken from the full accounts filed with the Registrar of Companies, which contained an unqualified audit report and did not contain statements under s237 (2) or (3).
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.

For further information please contact:

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