28 September 2010

A.G. BARR p.l.c.

INTERIM RESULTS

A.G. BARR p.l.c. the soft drinks group announces its interim results for the six months ended 31 July 2010.

Key Points

- Total turnover versus the comparable period up **13.9%** at **£119.2m** (2009 – £104.7m).
- Profit on ordinary activities before tax, excluding exceptional items, increased by **18.8%** to **£16.0m** (2009 – £13.5m).
- Basic earnings per share (pre-exceptional) increased by **18.3%** to **30.35p** (2009 – 25.66p).
- Free cash flow in the period of **£8.4m**.
- Net debt reduced to **£20.2m**.
- The IRN-BRU brand grew revenue by **8.0%**, with increased marketing investment in particular in the North of England.
- Rubicon continued to deliver significant growth increasing sales by **37%** in the period.
- Investment in Cumbernauld production facilities progressing well and introduction of 3rd party (Eddie Stobart Ltd) logistics commenced in the period.
- Interim dividend of **6.75p** per share (2009 – 6.25p), an increase of **8.0%**.

Commenting on the results Chief Executive, Roger White, said:

"We are delighted to have built on last year's strong overall performance with a very positive start to the 2010/11 financial year.

We have achieved sales growth well in advance of the market for our core brands and during the period have further increased our marketing investment.

As planned, we have delivered significant operational changes across the summer which has proved to be testing however I am pleased to report good progress across our supply chain project and our production investment.

We are up against tougher comparatives in the second half of the year but, while we remain cautious regarding the overall economic and consumer outlook, we believe we are well positioned to meet our expectations for the full year."

For more information, please contact:

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Roger White, Chief Executive
Alex Short, Finance Director

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Tim Thompson / Christian Goodbody

Chairman and Chief Executive Statement

We are pleased to report that our strong sales and profit performance of 2009/10 has continued in the six months to 31 July 2010.

Trading

Total turnover in the 26 week period increased by 13.9% to £119.2m driven by strong performance across the business. Our core brands IRN-BRU, Rubicon and Barr all performed significantly ahead of the total soft drinks market with excellent growth across the U.K. as a whole.

Profit before tax, excluding exceptional items, increased by 18.8% to £16.0m. Basic earnings per share were 30.4 pence (2009 restated: 25.7 pence), an increase of 18.3%.

The soft drinks market gained momentum during the period benefiting from good weather in the early summer months of May, June and into early July. The market in total grew by 7% in value terms and 3% in volume terms. Within this, carbonated drinks increased volume by 2% and still drinks grew volume by 4%.

A.G. BARR's operating margins were resilient in the period. A combination of operational gearing due to strong volume performance and continued strong cost control underpinned margins. The volatility of raw material costs has become increasingly challenging. Input cost rises in the first half were partially offset by a combination of long-term purchasing contracts and hedging – inflationary pressure is expected to remain a feature of the second half.

The IRN-BRU brand maintained its growth rate, increasing revenue by 8% in the period. This was achieved by increased levels of distribution in England and Wales and increasing levels of marketing support both at a consumer and trade level across the U.K.

The Rubicon brand has benefited from significant trading activity in the period, in particular behind the new sponsorship activity associating Rubicon with cricket. With increasing levels of consumer awareness, improved levels of product distribution and a strong core consumer proposition, Rubicon increased its rate of like for like growth to 37% in the period. We remain confident in the future potential of Rubicon but anticipate that this accelerated rate of growth will not be maintained into the second half as we begin to meet very tough comparative figures from the prior year. We anticipate some additional commercial challenges for the second half as exotic fruit pulp prices have risen sharply over recent months.

The Barr brand continued to make excellent progress in the period building on the prior year's strong sales performance as the brand moves into new geographies and new channels outside of its Scottish heartland.

As part of our longer term strategy and despite the continued economic uncertainty and commercial challenges facing us we have once more increased marketing investment across all of our core brands as we aim to invest now, to further develop brand awareness and create future consumer demand.

Our internal operational environment has been as challenging as we expected. Good progress has been made in our project to increase capacity at our Cumbernauld site which is running to date, on time and to budget. In addition the planned changes in our supply chain have now largely been implemented with a faster than originally anticipated transfer to third party warehousing operated by Eddie Stobart Ltd. This supply chain change, which in the short-term has resulted in some double running costs, will allow for both the full consolidation of our customer deliveries in the south of the country and the planned closure of our Mansfield site which remains on course for the first quarter of 2011.

Balance Sheet

Our balance sheet remains strong. In the twelve month period our net assets have increased from £94.2m to £103.9m. This was driven by increases in both inventory and trade receivables, together with reduced levels of borrowings.

Intangible assets reduced by £0.5m in the reporting period. During the first six months of the year we wrote down to nil the value of our Vitsmart brand after making the decision to focus our activities on established categories. We plan to re-launch the Vitsmart brand only when the enhanced water category gains an appropriate level of consumer acceptance.

Capital expenditure totalled £3.1m in the six month period being a blend of normal replacement, project and commercial asset spend.

Higher inventory levels reflect increased turnover with an element of stock build to facilitate the operational and supply chain changes taking place across 2010. The Group's inventory holding period has increased slightly from an average of 55 to 56.5 days.

Free cash-flow of £8.4m was generated in the six month period and at the end of July the Group's net debt position had reduced to £20.2m, equating to an annualised net debt/EBITDA ratio of 0.5 times. Leverage and interest cover remain comfortably within the required covenant levels.

Dividend
Given the consistent increase in profits and the continued satisfactory financial position of the Company the board has declared an interim dividend of 6.75 pence per share, payable on 22 October 2010. This is an increase of 8.0% on the prior year.

Current Trading and Outlook
The excellent weather in the early summer helped maintain a strong overall soft drinks market. A.G. BARR has substantially outperformed the soft drinks market in this period reflecting the quality of our brands and the investment in our assets and people.

We are now entering a period of tough comparable trading performance. A.G. BARR has delivered a strong and balanced business performance across the first half and in the second half we plan to maintain our efforts to control costs at the same time as we continue to invest in our brands and infrastructure to drive future growth.

Despite poor late summer weather, trading in the first few weeks of the second half has continued to give us confidence that we will meet our full year expectations.

Ronnie Hanna	Roger White
CHAIRMAN	**CHIEF EXECUTIVE**

28 September 2010

Principal Risks and Uncertainties

There is an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group, which has operated throughout the financial period. This process involves quarterly assessment of the Group's risk register by the Audit Committee. In line with best practice the register includes an assessment of the impact and likelihood of each risk together with the controls in place to manage the risk.

The Group's risk management framework is designed to support this process and is the responsibility of the Finance Director. The risk framework governs the management and control of both financial and non-financial risks.

Internal audit is undertaken by an independent firm of chartered accountants who develop an annual internal audit plan having reviewed the Group's risk register and following discussions with external Auditors, management and members of the Audit Committee.

During the period the Audit Committee has reviewed reports covering the work undertaken as part of the annual internal audit plan. This has included assessment of the general control environment, identification of control weaknesses, quantification of any associated risk together with a review of the status of actions to mitigate these risks.

The Audit Committee has also received reports from management in relation to specific risk items together with reports from external Auditors, who consider controls only to the extent necessary to form an opinion as to the truth and fairness of the financial statements.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and it must be recognised that it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's activities also expose it to a variety of financial risks which include market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. Financial risks are reviewed and managed by the Treasury Committee whose remit and authority levels are set by the Board.

The Treasury Committee's remit focuses on the unpredictability of financial markets and seeks to minimise potential related adverse effects on the Group's financial performance.

In addition to financial risks the Group's results could be materially affected by:

Risks Relating to the Group

- A decline in the sales of certain key brands
- Adverse publicity in relation to the Group or its brands
- Consolidation or reduction of the customer base
- Failure or unavailability of the Group's operational infrastructure
- Interruption in, or change in the terms of, the Group's supply of packaging and raw materials
- Failure in IT systems
- Inability to protect the intellectual property rights associated with current and future brands
- Litigation or changes in legislation including changes in accounting principles and standards

Risks Relating to the Market

- Changes in consumer preferences, perception or purchasing behaviour
- Poor economic conditions and weather
- Changes in regulatory requirements
- Actions taken by customers
- Actions taken by competitors

Consolidated Condensed Income statement

	6 months ended 31 July 2010						6 months ended 1 August 2009	
	Before exceptional items		**Exceptional items**		**Total**		Total	
	£000		**£000**		**£000**		£000	
Revenue	**119,207**		**-**		**119,207**		104,658	
Cost of sales	**(58,106)**		**-**		**(58,106)**		(50,390)	
Gross profit	**61,101**		**-**		**61,101**		54,268	
Net operating expenses	**(44,349)**		**(590)**		**(44,939)**		(40,048)	
Operating profit	**16,752**		**(590)**		**16,162**		14,220	
Finance income	**26**		**-**		**26**		46	
Finance costs	**(781)**		**-**		**(781)**		(804)	
Profit before tax	**15,997**		**(590)**		**15,407**		13,462	
Tax on profit	**(4,371)**		**165**		**(4,206)**		(3,589)	
Profit attributable to equity holders	**11,626**		**(425)**		**11,201**		9,873	
Earnings per share							Restated	
Basic earnings per share	**30.35**	**p**	**(1.11)**	**p**	**29.24**	**p**	25.66	p
Diluted earnings per share	**30.10**	**p**	**(1.10)**	**p**	**29.00**	**p**	25.51	p
Dividends							Restated	
Dividend per share paid					**16.85**	**p**	15.20	p
Dividend paid (£000)					**6,450**		5,837	
Dividend per share proposed					**6.75**	**p**	6.25	p
Dividend proposed (£000)					**2,627**		2,433	

Ex Div date: 06/10/10
Record Date: 08/10/10

Note: There were no exceptional items in the 6 months ended 1 August 2009.

Consolidated Condensed Income statement

	Year ended 30 January 2010					
	Before exceptional items		Exceptional items		Total	
	£000		£000		£000	
Revenue	201,410		-		201,410	
Cost of sales	(98,153)		-		(98,153)	
Gross profit	103,257		-		103,257	
Net operating expenses	(73,497)		(3,432)		(76,929)	
Operating profit	29,760		(3,432)		26,328	
Finance income	117		-		117	
Finance costs	(1,995)		-		(1,995)	
Profit before tax	27,882		(3,432)		24,450	
Tax on profit	(7,462)		960		(6,502)	
Profit attributable to equity holders	20,420		(2,472)		17,948	
Earnings per share						
Basic earnings per share	53.29	p	(6.45)	p	46.84	p
Diluted earnings per share	52.89	p	(6.40)	p	46.49	p
Dividends						
Dividend per share paid					21.45	p
Dividend paid (£000)					8,250	
Dividend per share proposed					16.85	p
Dividend proposed (£000)					6,559	

Consolidated Condensed Statement of Comprehensive Income

	6 months ended 31 July 2010	6 months ended 1 August 2009	Year ended 30 January 2010
	£000	£000	£000
Profit after tax for the period	**11,201**	9,873	17,948
Other comprehensive income			
Actuarial loss recognised on defined benefit pension plans	**(2,400)**	(5,009)	(3,498)
Effective portion of changes in fair value of cash flow hedges	**388**	280	419
Deferred tax movements on items taken direct to equity	**1,044**	1,493	1,322
Other comprehensive income for the period, net of tax	**(968)**	(3,236)	(1,757)
Total comprehensive income attributable to equity holders of the parent	**10,233**	6,637	16,191

Consolidated Condensed Statement of Changes in Equity

	Share capital	Share premium account	Share options reserve	Cash flow hedge reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
At 30 January 2010	**4,865**	**905**	**1,595**	**(955)**	**94,099**	**100,509**
Cash flow hedge - recognition of fair value	**-**	**-**	**-**	**388**	**-**	**388**
Actuarial loss on defined benefit pension plans	**-**	**-**	**-**	**-**	**(2,400)**	**(2,400)**
Deferred tax on items taken direct to equity	**-**	**-**	**577**	**-**	**467**	**1,044**
Profit for the period	**-**	**-**	**-**	**-**	**11,201**	**11,201**
Total comprehensive income for the period	**-**	**-**	**577**	**388**	**9,268**	**10,233**
Company shares purchased for use by employee benefit trusts	**-**	**-**	**-**	**-**	**(1,705)**	**(1,705)**
Proceeds on disposal of shares by employee benefit trusts	**-**	**-**	**-**	**-**	**874**	**874**
Recognition of share-based payment costs	**-**	**-**	**470**	**-**	**-**	**470**
Transfer of reserve on share award	**-**	**-**	**(378)**	**-**	**378**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**(6,450)**	**(6,450)**
At 31 July 2010	**4,865**	**905**	**2,264**	**(567)**	**96,464**	**103,931**
At 31 January 2009	4,865	905	716	(1,374)	87,553	92,665
Cash flow hedge - recognition of fair value	-	-	-	280	-	280
Actuarial loss on defined benefit pension plans	-	-	-	-	(5,009)	(5,009)
Deferred tax on items taken direct to equity	-	-	90	-	1,403	1,493
Profit for the period	-	-	-	-	9,873	9,873
Total comprehensive income for the period	-	-	90	280	6,267	6,637
Company shares purchased for use by employee benefit trusts	-	-	-	-	(228)	(228)
Proceeds on disposal of shares by employee benefit trusts	-	-	-	-	726	726
Recognition of share-based payment costs	-	-	243	-	-	243
Transfer of reserve on share award	-	-	(211)	-	211	-
Dividends paid	-	-	-	-	(5,837)	(5,837)
At 1 August 2009	4,865	905	838	(1,094)	88,692	94,206

Consolidated Condensed Statement of Changes in Equity

	Share capital £000	Share premium account £000	Share options reserve £000	Cash flow hedge reserve £000	Retained earnings £000	Total £000
At 31 January 2009	4,865	905	716	(1,374)	87,553	92,665
Cash flow hedge – recognition of fair value	-	-	-	419	-	419
Actuarial loss on defined benefit pension plans	-	-	-	-	(3,498)	(3,498)
Deferred tax on items taken direct to equity	-	-	343	-	979	1,322
Profit for the year	-	-	-	-	17,948	17,948
Total comprehensive income for the year	-	-	343	419	15,429	16,191
Company shares purchased for use by employee benefit trusts	-	-	-	-	(1,632)	(1,632)
Proceeds on disposal of shares by employee benefit trusts	-	-	-	-	772	772
Recognition of share-based payment costs	-	-	763	-	-	763
Transfer of reserve on share award	-	-	(227)	-	227	-
Dividends paid	-	-	-	-	(8,250)	(8,250)
At 30 January 2010	4,865	905	1,595	(955)	94,099	100,509

Consolidated Condensed Statement of Financial Position

	As at 31 July 2010 £000	As at 1 August 2009 £000	As at 30 January 2010 £000
Non-current assets			
Intangible assets	**75,912**	76,612	76,416
Property, plant and equipment	**55,439**	56,265	55,902
Financial instruments	**39**	98	27
	131,390	132,975	132,345
Current assets			
Inventories	**17,983**	15,178	16,041
Trade and other receivables	**50,416**	39,505	30,157
Financial instruments	**61**	-	-
Cash and cash equivalents	**9,769**	10,469	10,926
Assets classified as held for sale	**2,400**	2,864	2,400
	80,629	68,016	59,524
Total assets	**212,019**	200,991	191,869
Current liabilities			
Borrowings	**10,000**	10,000	8,000
Trade and other payables	**51,146**	41,895	31,836
Financial instruments	**956**	-	-
Provisions	**1,783**	75	1,962
Current tax	**4,250**	4,098	3,928
	68,135	56,068	45,726
Non-current liabilities			
Borrowings	**19,777**	25,702	24,739
Deferred income	**72**	110	76
Financial instruments	**81**	1,197	1,024
Deferred tax liabilities	**12,942**	14,808	13,940
Retirement benefit obligations	**7,081**	8,900	5,855
	39,953	50,717	45,634
Capital and reserves attributable to equity shareholders			
Called up share capital	**4,865**	4,865	4,865
Share premium account	**905**	905	905
Share options reserve	**2,264**	838	1,595
Cash flow hedge reserve	**(567)**	(1,094)	(955)
Retained earnings	**96,464**	88,692	94,099
	103,931	94,206	100,509
Total equity and liabilities	**212,019**	200,991	191,869

Consolidated Condensed Cash Flow Statement

	6 months ended 31 July 2010	6 months ended 1 August 2009	Year ended 30 January 2010
	£000	£000	£000
Operating activities			
Profit before tax	**15,407**	13,462	24,450
Adjustments for:			
Interest receivable	**(26)**	(46)	(117)
Interest payable	**781**	804	1,995
Depreciation of property, plant and equipment	**3,561**	3,781	7,494
Impairment of plant and machinery	**-**	-	1,031
Impairment of assets classified as held for sale	**-**	-	464
Fair value adjustment to financial instruments	**328**	(65)	(6)
Amortisation of intangible assets	**196**	195	391
Impairment of intangible assets	**308**	-	-
Share options costs	**470**	243	763
(Gain) /loss on sale of plant and equipment	**(62)**	3	(35)
Government grants released	**(4)**	(34)	(68)
Operating cash flows before movements in working capital	**20,959**	18,343	36,362
Increase in inventories	**(1,983)**	(815)	(1,889)
Increase in receivables	**(20,259)**	(12,582)	(3,234)
Increase in payables	**19,058**	11,146	2,863
Movements in relation to retirement benefit obligation	**(1,174)**	(1,098)	(3,003)
Cash generated by operations	**16,601**	14,994	31,099
Tax on profit paid	**(3,838)**	(2,104)	(6,226)
Net cash from operating activities	**12,763**	12,890	24,873
Investing activities			
Refund of payment for subsidiaries	-	216	216
Purchase of property, plant and equipment	**(3,067)**	(1,381)	(5,358)
Proceeds on sale of plant and equipment	**142**	94	62
Interest received	**31**	43	114
Net cash used in investing activities	**(2,894)**	(1,028)	(4,966)
Financing activities			
New loans received	**7,000**	5,000	5,000
Loans repaid	**(10,000)**	(7,000)	(10,000)
Purchase of Company shares via employment benefit trust	**(1,705)**	(228)	(1,632)
Proceeds from disposal of Company shares via employee benefit trust	**874**	726	772
Dividends paid	**(6,450)**	(5,837)	(8,250)
Interest paid	**(745)**	(734)	(1,551)
Net cash used in financing activities	**(11,026)**	(8,073)	(15,661)
Net (decrease) / increase in cash and cash equivalents	**(1,157)**	3,789	4,246
Cash and cash equivalents at beginning of period	**10,926**	6,680	6,680
Cash and cash equivalents at end of period	**9,769**	10,469	10,926

1. General information

The Company is a public limited company incorporated and domiciled in the U.K. The address of its registered office is A.G. BARR p.l.c., Westfield House, 4 Mollins Road, Cumbernauld G68 9HD.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 January 2010 were approved by the board of directors on 22 March 2010 and delivered to the Registrar of Companies. The comparative figures for the financial year ended 30 January 2010 are an extract of the Company's statutory accounts for that year. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

This condensed consolidated interim financial information is unaudited but has been reviewed by the Company's Auditors.

2. Segment Reporting

The Group's management committee has been identified as the chief operating decision-maker. The management committee reviews the Group's internal reporting in order to assess performance and allocate resources. The management committee has determined the operating segments based on these reports.

The management committee considers the business from a product perspective. This has led to the operating segments identified in the table below. The performance of the operating segments is assessed by reference to their gross profit.

All of the assets of the Group are managed by the management committee on a central basis rather than at a segment level. As a result no reconciliation of segment assets to the total assets figure on the Consolidated Condensed Statement of Financial Position has been disclosed for any of the periods presented.

6 months ended 31 July 2010

	Carbonates	**Still drinks and water**	**Other**	**Total**
	£000	**£000**	**£000**	**£000**
Total revenue	**91,814**	**27,101**	**292**	**119,207**
Gross profit	**52,704**	**8,153**	**244**	**61,101**

6 months ended 1 August 2009

	Carbonates	Still drinks and water	Other	Total
	£000	£000	£000	£000
Total revenue	81,136	23,222	300	104,658
Gross profit	46,622	7,385	261	54,268

12 months ended 30 January 2010

	Carbonates	Still drinks and water	Other	Total
	£000	£000	£000	£000
Total revenue	155,706	45,168	536	201,410
Gross profit	88,867	13,931	459	103,257

There are no intersegment sales. All revenue is from external customers.

Other segments represent income from water coolers for the Findlays 19 litre water business, rental income for can vendors and other soft drink related items such as water cups.

The gross profit from the segment reporting is reconciled to the total profit before income tax as shown in the Consolidated Condensed Income Statement.

3. Operating Profit

The following items have been charged to operating profit during the period:

	6 months ended 31 July 2010	6 months ended 1 August 2009	Year ended 30 January 2010
	£000	£000	£000
Inventory write down	**87**	199	34
Exchange rate differences	**221**	13	237
The following exceptional items have been charged before operating profit:			
Double running costs	**327**	-	-
Impairment of assets held for sale	**-**	-	464
Redundancy cost for Group reorganisation	**51**	-	84
Redundancy (cost release) / provision for production site closure	**(96)**	-	1,820
Environmental provision for site closure	**-**	-	66
Impairment of plant related to production site closure	**-**	-	998
Impairment of intangibles (note 6)	**308**	-	-
Exceptional items	**590**	-	3,432

The double running costs of £327,000 relate to the dual running of a third party distribution site during the six months to 31 July 2010. The Mansfield production site includes a distribution operation and both are planned to close in the first quarter of 2011. A third party distribution company has taken over the distribution operations and as there is an element of double running over the period of Mansfield closure, these double running costs have been classified as exceptional.

The exceptional items for the year to 30 January 2010 relate to the closure of the Mansfield production site and the reorganisation of the Group following the acquisition of Rubicon Drinks Limited.

4. Tax on profit

The interim period tax charge is accrued based on the estimated average annual effective income tax rate of 27.3% (six months ended 1 August 2009: 26.7%).

A number of changes to the U.K. Corporation tax system were announced in the June 2010 Budget Statement which was enacted on 27 July 2010. The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 24% by 1 April 2014. As the reduction in the rate from 28% to 27% had been enacted at the statement of financial position date the effect of this rate change is reflected in these financial statements.

The effect of the change on the results for the year commencing 31 January 2010 will be to reduce the deferred tax liability provided by £501,000, resulting in an increase in profits after tax by the same amount.

The proposed reductions of the main rate of corporation tax by 1% per year to 24% by 1 April 2014 are expected to be enacted separately each year. It has not yet been possible to accurately quantify the effect of this at 31 July 2010.

5. Earnings per share

Basic earnings per share have been calculated by dividing the earnings attributable to equity holders of the parent by the weighted average number of shares in issue during the period, excluding shares held by the employee share scheme trusts.

As disclosed in the annual report for the year ended 30 January 2010, a two for one share subdivision of the Company's issued and to be issued share capital was approved at a general meeting on 18 September 2009. This subdivision doubled the number of ordinary shares in issue.

As a result of the change in the number of shares in issue and in line with the requirements of IAS 33 Earnings per share, the earnings per share figures for the 6 months ended 1 August 2009 have been restated as if the subdivision had taken place at 31 January 2009, the first day of that financial period.

	6 months ended 31 July 2010	6 months ended 1 August 2009 restated	Year ended 30 January 2010
Profit attributable to equity holders of the Company (£000)	**11,201**	9,873	17,948
Weighted average number of ordinary shares in issue	**38,307,258**	38,476,228	38,318,076
Basic earnings per share (pence)	**29.24**	25.66	46.84

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	6 months ended 31 July 2010	6 months ended 1 August 2009 restated	Year ended 30 January 2010
Profit attributable to equity holders of the Company (£000)	**11,201**	9,873	17,948
Weighted average number of ordinary shares in issue	**38,307,258**	38,476,228	38,318,076
Adjustment for share options	**323,481**	226,242	283,115
Diluted weighted average number of ordinary shares in issue	**38,630,739**	38,702,470	38,601,191
Diluted earnings per share (pence)	**29.00**	25.51	46.49

6. Intangible Assets

	6 months ended 31 July 2010	6 months ended 1 August 2009	Year ended 30 January 2010
	£000	£000	£000
Opening net book value	**76,416**	76,807	76,807
Amortisation	**(196)**	(195)	(391)
Impairment	**(308)**	-	-
Closing net book value	**75,912**	76,612	76,416

The amortisation charge for the six months to 31 July 2010 represents £126,000 (six months ended 1 August 2009: £126,000; year ended 30 January 2010: £252,000) of charges for the Rubicon customer list and £70,000 (six months ended 1 August 2009: £69,000; year ended 30 January 2010: £139,000) for the amortisation of the Strathmore customer list.

During the six months to 31 July 2010 a decision was made to discontinue the Vitsmart brand products. As a result the related goodwill of £18,000 and brand of £290,000 were fully impaired.

7. Property, plant and equipment

	6 months ended 31 July 2010	6 months ended 1 August 2009	Year ended 30 January 2010
	£000	£000	£000
Opening net book value	**55,902**	58,861	58,861
Additions	**3,187**	1,265	5,684
Disposals	**(89)**	(80)	(118)
Depreciation	**(3,561)**	(3,781)	(7,494)
Impairment of assets	**-**	-	(1,031)
Closing net book value	**55,439**	56,265	55,902

The closing balance includes £3,641,000 (1 August 2009: £151,000; 30 January 2010: £3,606,000) of assets under construction.

8. Financial instruments

The financial instrument non-current asset of £39,000 (1 August 2009: £98,000; 30 January 2010: £27,000) includes an interest rate swaption and forward exchange rate contracts with maturity date more than 12 months away.

Current assets of £61,000 (1 August 2009 and 30 January 2010: £nil) relate to foreign currency forward contracts with a maturity of less than 12 months.

Both current and non-current assets are classified as assets at fair value through profit and loss.

Current liabilities of £956,000 (1 August 2009 and 30 January 2010: £nil) represent both forward currency contracts (classified at fair value through the profit and loss account) and an interest rate hedge which is classified as a derivative used for hedging.

The non-current liability of £81,000 relates to foreign currency forward contracts. These are also classified at fair value through the profit and loss account. The non-current liability at 1 August 2009 and 30 January 2010 was in relation to the interest rate hedge.

9. Assets classified as held for sale

Assets classified as held for sale relate to the Atherton production site closed during the year to 26 January 2008.The land and buildings qualify as an asset classified as held for sale. The carrying value of the asset was reduced to the current market value following a number of offers made to the Group and on the basis of a formal independent valuation during the year to 30 January 2010.

Despite the downturn in the property market, management are confident based on indicators from interested parties that they will be able to dispose of the property within 12 months of the period end date.

10. Provisions

	6 months ended 31 July 2010	6 months ended 1 August 2009	Year ended 30 January 2010
	£000	£000	£000
Opening provision	**1,962**	80	80
Provision recognised in the period	**63**	-	1,886
Provision utilised during the period	**(146)**	(1)	-
Provision released during the period	**(96)**	(4)	(4)
Closing provision balance per statement of financial position	**1,783**	75	1,962

The provision balance relates to the expected restructuring costs, including employee termination costs and environmental costs, associated with the closure of the Atherton and Mansfield production sites.

11. Borrowings and loans

Movements in borrowings are analysed as follows:

	6 months ended 31 July 2010	6 months ended 1 August 2009	Year ended 30 January 2010
	£000	£000	£000
Opening loan balance	**33,000**	38,000	38,000
Borrowings made	**7,000**	5,000	5,000
Repayments of borrowings	**(10,000)**	(7,000)	(10,000)
Closing loan balance	**30,000**	36,000	33,000
Unamortised arrangement fee	**(223)**	(298)	(261)
Closing loan balance	**29,777**	35,702	32,739

The Group has sufficient headroom to enable it to meet the covenants on its existing borrowings. There is sufficient working capital and undrawn funding facilities available to meet the Group's ongoing requirements.

The closing balance of £29.8m is split between current liabilities of £10m and non-current liabilities of £19.8m on the Consolidated Condensed Statement of Financial Position at 31 July 2010.

12. Retirement benefit obligations

The deficit on the defined benefit retirement benefit obligation has increased by £1.226m since 30 January 2010.

The key financial assumptions used to value the liabilities at 31 July 2010, 1 August 2009 and 30 January 2010 were as follows:

	As at 31 July 2010	As at 1 August 2009	As at 30 January 2010
	%	%	%
Discount rate	**5.40**	6.00	5.70
Expected return on scheme assets	**6.42**	6.25	6.25
Salary inflation	**4.45**	4.80	4.75
Price inflation	**3.20**	3.60	3.50

The change in the discount rate has resulted in approximately £2.1m of the increase in the liability. In addition the return on assets has been slightly below expectations. The changes in valuation have been partially offset by an ongoing deficit funding programme.

13. Movements in Company shares held by employee benefit trusts

On 18 September 2009 a general meeting passed a resolution to subdivide the Company's issued and to be issued share capital. Each ordinary share of 25 pence was subdivided into two ordinary shares of 12.5 pence each. The comparative share numbers for the six months to 1 August 2009 have been restated to reflect the share subdivision. There has been no change to the costs reported for the period to 1 August 2009.

During the six months to 31 July 2010 the employee benefit trusts of the Group acquired 165,688 (six months to 1 August 2009: 36,798; year to 30 January 2010: 199,939) of Company shares at a cost of £1,705,000 (six months to 1 August 2009: £228,000; year to 30 January 2010: £1,632,000). These are held in trust and are expected to be used to meet the future requirements of the Company's employee share schemes. The total amount paid to acquire the shares has been deducted from the retained earnings.

123,321 (1 August 2009: 162,240; 30 January 2010: 225,051) shares were utilised in satisfying share options from the Company's employee share schemes during the same period.

The related weighted average share price at the time of exercise for the six months to 31 July 2010 was £11.90 (six months to 1 August 2009: £6.23; year to 30 January 2010: £7.21) per share.

14. Events occurring after the reporting period

The interim dividend of 6.75p per share was approved by the board on 28 September 2010 and will be paid on 22 October 2010 to shareholders on record as at 8 October 2010.