Tuesday, 11 November 2014
Immediate release

Trifast plc

Half-yearly financial report for the six months ended 30 September 2014

"Solid underlying organic growth - best trading period ever"

"The Board remains optimistic about the Group's outlook and expects trading to exceed its expectations for the financial year"

Key financials *Continuing operations*	Change HY 2014 v HY 2013	Half-year 30.9.14	Half-year 30.9.13	Full year 31.3.14
Group revenue	+13.4%	£74.03m	£65.26m	£129.78m
Gross profit %	+130bps	29.0%	27.7%	27.7%
Operating profit before separately disclosed items	+45.6%	£7.07m	£4.86m	£9.70m
Operating profit	+15.9%	£5.39m	£4.65m	£9.41m
Pre-tax profit before separately disclosed items	+45.6%	£6.63m	£4.55m	£9.16m
Pre-tax profit	+13.8%	£4.94m	£4.34m	£8.87m
Adjusted diluted earnings per share	+39.5%	4.10p	2.94p	5.95p
Basic earnings per share	+1.3%	3.10p	3.06p	6.08p
Dividend		-	-	1.40p
-interim	+50.0%	0.60p	0.40p	
Net (debt) / cash		(£17.53m)	£3.55m	£2.03m
Return on capital employed (ROCE)	+210bps	17.3%	15.2%	15.5%

2014 highlights

- **Best six month's profit in the Company's history**
- **Gross margin up 130bps to 29.0%**
- **Overheads as a percentage of revenue reduced by 80bps to 19.4% over HY2013 period**
- **VIC acquisition in May 2014 has integrated well and contributed as expected during the period**
- **New investment in manufacturing plant initiated in Italy, Malaysia and Taiwan**
- **Continue to extend our geographic boundaries in the USA, Central Europe and Thailand**
- **Additional sales engineers recruited, inducted and starting to introduce new business**
- **Sales to distributors from Lancaster Fastener growing well into most of EU**

"During the period VIC has performed and integrated well; both VIC and TR management are encouraged by the growth opportunities deriving from sales and marketing working together."

"By recruiting several additional sales engineers for the automotive and telecoms sectors during the first half year, we now have the necessary resources to continue the pace of organic growth. These investments have also been matched with new manufacturing plant for Italy and Asia, thus allowing more production to be placed in-house."

"Meanwhile, margin improvement continues to be driven by on-going operational process efficiencies, particularly in warehouse storage, order picking and packaging. The 'self-help' programme initiated back in 2011 keeps on giving with regard to productivity and cost efficiencies, and clearly forms a solid foundation to the now well established 'continuous improvement' philosophy and culture."

"In late October, we conducted an in-depth audit of our order pipeline and concluded that it was as strong, if not stronger than ever before. However, there are no grounds for complacency as market dynamics can change rapidly."

"The order book position and current levels of organic growth are such that the Board remains optimistic about the Group's outlook and expects trading to exceed its expectations for the financial year as a whole. At the same time the Board continues to identify, approach and assess the next strategic acquisition opportunity through adopting the well proven investment criteria that have recently served Trifast well in Malaysia and Italy."

FULL STATEMENT ATTACHED
Results briefing will be held at 12.15pm: The Purple Room, No.1 Cornhill, London EC3V 3ND
Conference dial-in facility: on request, please contact +44 (0)7785 703523 or email fiona@tooleystreet.com

("*TR*", "Group" or "Trifast")

Half-yearly financial report

Six months ended 30 September 2014

STATEMENT BY EXECUTIVE CHAIRMAN, MALCOLM DIAMOND MBE AND CHIEF EXECUTIVE, JIM BARKER

Introduction

Our ambition this year was to continue our pace of organic growth, to complete on the acquisition of **VIC** in Italy and to continue our search and assessment of further suitable bolt-on acquisitions.

Global market overview & *TR* strategy update

"over 40% sales comes from global OEMs"

While the recent negative impact of *macro*-economic data and political events have affected the financial markets; within the Group's key customer base, comprising automotive, electronics/telecom, domestic appliances and fastener distributors, there has been no evidence of demand contraction. In late October, we conducted an in-depth audit of our order pipeline and concluded that it was as strong, if not stronger than ever before. However, there are no grounds for complacency as market dynamics can change rapidly.

Our core business is supplying Multi-national high volume assembly OEMs around the world with assembly components. They demand consistent quality, price and availability in order to supply automotive assemblies, mobile phone base stations, computer enclosures, cash dispensers *etc.* in their often numerous sister plants spread globally. We are now approved suppliers to over 40 such Multi-nationals, several of which own over 200 plants making comparable or identical finished products – yet our average penetration into each network is at the moment around 10% of their potential spend in our product range. Supplying Multi-nationals accounts for over 40% of current Group revenue and developing this business further is our backbone growth strategy. This is supplemented by significant sales of our specialist ***TR*** Branded products, next day delivery of a broad range of more standardised fasteners to UK OEMs and to UK and EU distributors and our new growing range of lightweight plastic fasteners and spacers.

We continue to extend our geographic boundaries in the USA, Central Europe and Thailand as we recruit new personnel resource in these regions.

Finally, the search for acquisition opportunities never ceases as we look to supplement organic growth with meaningful additions to our product range and customer reach within our strict acquisition criteria for niche businesses.

Reviewing our 2014 half year performance

"Strong organic and acquisitive growth"

On a constant currency basis the Group has grown organic revenue by 7.2% (18.7% including VIC), and actual organic profitability by 11.4% (45.6% including VIC). The acquisition of **VIC** was successfully concluded at the end of May this year and the MD, Carlo Perini has made rapid progress integrating into the senior management team within Europe and Asia – especially with new business development.

Our constant pursuit of improved operational efficiencies continues to yield margin and productivity gains, with no sign yet of reaching a level of diminishing returns, thus providing ongoing motivation to our managers to sustain our drive for '*continuous improvement*' of processes and resource utilisation.

Performance "hot spots" during the period were: sales of our ***TR* Branded** specialist products via **Lancaster Fastener** and ***TR* Fastenings** to distributors in the UK and Europe (distributor demand is a reliable "barometer" of the dynamics within industrial assembly sectors); Hungary winning extra revenue from the electronics sector; and both ***TR* UK** and **Holland** gaining strong growth from the automotive sector in the period.

Our Asian factories continue to make excellent progress in refining their processes to ensure '*zero-defect*' compliance with customer requirements within the telecoms/electronics and automotive sectors in order to offer a distinct competitive advantage.

We are pleased to confirm that, after many years of caution regarding new investment, the Group is now authorising expenditure on selective sophisticated component manufacturing plant in Asia and automated vertical product storage systems within the UK. We expect a maximum three year payback on these initiatives due to their high impact on productivity gains.

During this period we have also invested further in extensive leadership training programmes for all our UK main team leaders, as our succession planning objectives steadily take shape.

Viterie Italia Centrale Srl ('VIC') *"widening our offering and sector expertise"*

On 30 May 2014, **Trifast** completed the acquisition of the entire issued capital stock of **VIC**, a manufacturer and distributor of fastenings systems based in Italy. The initial consideration of €27.00 million (£22.02m), was satisfied by €24.15 million (£19.65m) in cash and €2.85m (£2.37m) by the issue and allotment of 3,000,000 shares of 5 pence each in the Company to Carlo Perini, the Managing Director and 30% owner of **VIC**. A further payment may become due to the vendors depending upon the performance of **VIC** over the year ending 31 December 2014. If **VIC** generates an adjusted post-tax profit (as defined in the Acquisition Agreement) for the year ending 31 December 2014 which exceeds €3.00 million then for each €1 above this sum an additional €5 is payable to the vendors, subject to a maximum amount of €5.00 million (£4.07m).

VIC is complementary to the Group's business model and significantly strengthens the Group's presence in the domestic appliance market whilst also offering ***TR*** additional opportunities in existing electronic and automotive Tier *1* markets. It will also provide an additional competitive manufacturing facility in Europe to complement the Group's existing resources in Asia.

During the period **VIC** has both performed and integrated well; both **VIC** and ***TR*** management are encouraged by the growth opportunities deriving from sales and marketing working together.

2014 half-year key financials *"strong underlying organic growth"*

The Group's revenue in the first six months of the financial year grew by 13.4% compared to HY 2013. This was largely due to the acquisition of **VIC**, which contributed £7.51 million during the period ended 30 September 2014. From an organic growth perspective the Group's revenue was up 1.9%. However, given that nearly 60% of the Group's revenue is now derived from its overseas operations and is earned in foreign currencies, the strong pound in the first half-year had a detrimental effect on the trading results compared to HY 2013. On a constant currency basis, revenue grew by 18.7% and organically by 7.2%. The effect of currencies on the individual regions is even more pronounced; ***TR* UK** showed organic revenue growth of 2.1%; ***TR* Asia** showed a decline in revenue of 5.9%, whereas on a constant currency basis it actually grew by 4.2%; ***TR* Europe** (excluding **VIC**) grew by 11.3% (constant currency 21.5%) and ***TR* USA** by 28.4% (constant currency 39.5%).

Gross profit increased by 130bps from HY 2013 to 29.0%, this was a combination of better sourcing, increased turnover over a relatively fixed base and improvement in warehouse efficiencies. Overheads remain tightly controlled and are currently running at 19.4% of revenue (HY 2013: 20.2%).

Group operating profit before separately disclosed items increased by 45.6% to £7.07 million compared to the same period last year (HY 2013: £4.86m). **VIC** contributed an operating profit of £1.66 million in the period, resulting in the rest of the Group growing organically by 11.4%. Organically, Europe grew the most at 52.3%, giving a contribution return of 8.9% excluding **VIC** (13.6% including **VIC**); ***TR* Hungary** and ***TR* Holland** performed exceptionally well, the former on the back of key Multi-national electronic customers and the latter on automotive business secured over the previous years. ***TR* UK** profits have grown 13.0% on HY 2013 resulting from the increase in revenue, better sourcing and continual efficiency improvements; they are now delivering a 9.1% return. ***TR* Asia's** profits increased by 3.0% due to tight control of overheads and a reduction in inventory provisioning; ***TR* Asia's** current return is still an impressive 14.0%. ***TR* USA** profits have increased by 9.7%, principally due to the top line growth which is beginning to expand into the automotive sector.

During the first half of this financial year the Group incurred foreign exchange losses of £0.36 million against a gain of £0.19m for HY 2013.

Interest costs increased in the period by £0.14 million to £0.45 million compared to HY 2013 due to new banking facilities put in place during the period to fund the acquisition of **VIC**. Interest cover (defined as EBITDA to net finance costs, before one-off separately disclosed items) remains very strong at 17.1 times (HY 2013: 17.6 times)

For the period under review, the Group incurred £1.69 million of separately disclosed items, which in the Directors' opinion should be shown separately in order to better understand the underlying performance of the Group going forward. These can be broken down as follows:

Acquisition costs	£1.20m	Represents the estimated total professional costs incurred in acquiring VIC.
Intangible amortisation	£0.24m	Represents the amortisation charge on intangible assets purchased on acquisition. The increase on HY 2013 is due to the intangible assets purchased with the VIC acquisition.
NI on exercise of 2009 Director options	£0.23m	In 2009 when the share price had hit its historic low of 7.5p a new Board was formed to transform the business and as an incentive up to 6 million share options at 8.5p were approved by the shareholders. During HY 2014 some of the Directors exercised these options and the company incurred high National Insurance (NI) costs on the exercises. There are four million shares still outstanding.
IFRS 2 charge	£0.02m	Represents the IFRS 2 fair value charge.
TOTAL	**£1.69m**	

Pre-tax profit before separately disclosed items improved by 45.6% to £6.63 million (HY 2013: £4.55m). On a constant currency basis, this would have increased by a further £0.36 million with the biggest impact benefitting Asia. The Group's underlying EBITDA increased to £7.66 million (HY 2013: £5.43m) and represents 10.3% of Group revenue (HY 2013: 8.3%).

The taxation charge of £1.45 million (HY 2013: £1.02m) is recognised based on the estimated weighted average annual Group's effective corporate tax rates. The impact of **VIC**, which has an Effective Tax Rate ('ETR') of 35% has resulted in the estimated tax rate used for HY 2014 increasing to 29% (HY 2013: 26%).

The growth in organic earnings and the positive contribution from **VIC** has increased our ROCE by +210 bps to 17.3% (HY 2013: 15.2%) on a twelve month rolling basis.

Adjusted diluted earnings per share increased 39.5% to 4.10 pence (HY 2013: 2.94p) and basic earnings per share increased by 1.3% to 3.10 pence (HY 2013: 3.06p).

Balance sheet, cash flow and working capital

"tight controls and effective cash collection"

As at 30 September 2014, the total Shareholder equity amounted to £66.65 million, an increase of £4.98 million on 31 March 2014, predominantly from the retained earnings in the period of £1.92million and £2.56 million from the issue of shares being a mixture of options exercised and shares issued with respect to the acquisition of **VIC**.

Property, plant and equipment in the period increased by £3.83 million on 31 March 2014 and intangibles increased by £14.92 million as a result of **VIC**. The intangible assets purchased on the acquisition were made up of goodwill of £6.93 million, customer related and technology based intangibles of £8.05 million, which will be amortised over a weighted average 13.11 years and other intangibles of £0.05 million. Deferred tax liabilities have increased due to the liabilities of **VIC** acquired of £0.94 million, this will be reviewed in more depth at the year-end. The provisional fair value of the net assets acquired with **VIC** was £19.15 million.

Inventory, receivables and payables have all increased since 31 March 2014, in part to the acquisition, but also due to the increase in the level of business in the period. Net inventory weeks in the first half increased to 20.6 compared to 20.1 in HY 2013 and 19.1 weeks in FY 2014. Since the start of the current year, higher inventory levels were required to support the increase in demand largely from automotive customers and also to increase our branded product availability which carry longer inventory holding periods. We would expect these levels to reduce in the second half as new business starts to flow through the system.

Net debtor days have increased from 65 days in FY 2014 to 71 days (HY 2013: 69 days) reflecting the general increase in business and **VIC**'s receivables, which historically have a longer lead cycle. Although **VIC** has the ability to factor their receivables 'without recourse', we are consciously not currently using this facility to full effect. Elsewhere, cash collection remains effective with minimal bad debts during the period under review. The increase in payables also includes potential deferred consideration of £4.07 million, which may become due to **VIC**'s vendors.

Capex in the period was £0.46 million (HY 2013: £0.31m) with depreciation running at £0.58 million (HY 2013: £0.57m).

Cash flow clearly has been adversely affected by the increase in inventory and receivable days as well as the payment of acquisition and NI costs as set out above. For the period under review, cash used in operations was £0.36 million compared to cash generated of £3.36 million in HY 2013. We envisage that this position will improve in the second half of this year.

Finance and banking facilities

In May 2014, the Group agreed additional banking facilities with HSBC, comprising a term loan facility of up to €25.00 million, which was fully utilised to fund the acquisition of **VIC**, and a revolving multi-currency credit facility ('RCF') of up to £10.00 million, which currently is not being utilised, to replace the Group's previous RCF of €5.00 million. The Group also has an £18.30 million Asset Based Lending facility, which is used in the UK.

As at 30 September 2014, gross debt was £31.08 million (FY 2014: £13.47m) and net debt was £17.53 million, compared to a net cash position of £2.03 million at 31 March 2014, giving a net gearing ratio of 26.3% (HY 2013: 6.0%).

Outlook

"World of opportunity - strong momentum"

With further recent enhancements to our globally linked customer enquiry portal, the Group is now in a position to measure more accurately its forward order pipeline and at the time of writing, the business teams are reporting it to be at an historic all-time high by value.

By recruiting several additional sales engineers for the automotive and telecoms sectors during the first half year, we now have the necessary resources to continue the pace of organic growth. These investments have also been matched with new manufacturing plant for Italy and Asia, thus allowing more production to be placed in-house.

Meanwhile, margin improvement continues to be driven by on-going operational process efficiencies, particularly in warehouse storage, order picking and packaging. The '*self-help*' programme initiated back in 2011 keeps on giving with regard to productivity and cost efficiencies, and clearly forms a solid foundation to the now well established '*continuous improvement*' philosophy and culture.

The order book position and current levels of organic growth are such that the Board remains optimistic about the Group's outlook and expects trading to exceed its expectations for the financial year as a whole. At the same time the Board continues to identify, approach and assess the next strategic acquisition opportunity through adopting the well proven investment criteria that have recently served Trifast well in Malaysia and Italy.

Dividend

"dividend underpins confidence in the future"

We are committed to a progressive dividend policy whilst balancing our investment in the business for the future benefit of all stakeholders, customers and colleagues alike. Given our confidence in our future, the Board is declaring an interim dividend of 0.60 pence per share, an increase of 50%, to be paid on 17 April 2015, to shareholders on the Register as at 20 March 2015. The shares will become ex-dividend on 19 March 2015.

Risks and uncertainties

The Directors do not consider that the principal risks and uncertainties of the Group have changed since the publication in July 2014 of the Group's Annual Report for the year ended 31 March 2014. A copy of this can be found on our website www.trifast.com.

No system can fully eliminate risk and therefore the understanding of operational risk is central to the management process within ***TR***. The Group operates a system of internal control and risk management in order to provide assurance that we are managing risk whilst achieving our business objectives. Risk assessment reviews are regularly carried out by Management, with responsibilities for monitoring and mitigating personally allocated to a broad spread of individual managers. The review is analysed and discussed at Audit Committee meetings chaired by our Senior Independent Non-Executive Director.

As with all businesses, the Group faces risks, with some not wholly within its control, which could have a material impact on the Group, and may affect its performance with actual results becoming materially different from both forecast and historic results. Although there are indications that the *macro*-economic climate is slowly improving, it is too soon in Management's opinion to assume the worst is reliably over, and so we continue to remain vigilant for any indications of a reversal that could adversely impact expected results going forward. Past and future acquisitions can also carry impairment risks on goodwill should there be a sustained downturn in trading within an acquired subsidiary.

The long-term success of the Group depends on the on-going review, assessment and control of the key business risks it faces.

Trifast plc - Responsibility statement

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

• the interim management report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Malcolm Diamond MBE, Executive Chairman
Jim Barker, Chief Executive Officer
Mark Belton, Group Finance Director

11 November 2014

Trifast plc

Condensed consolidated financial statements for the six months ended 30 September 2014

Condensed consolidated interim income statement
Unaudited results for the six months ended 30 September 2014

	Notes	**Six months ended 30 September 2014 £000**	Six months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Continuing operations				
Revenue		**74,033**	65,264	129,775
Cost of sales		**(52,575)**	(47,203)	(93,809)
Gross profit		**21,458**	18,061	35,966
Operating income		**165**	142	312
Distribution expenses		**(1,490)**	(1,542)	(2,927)
Administrative expenses before separately disclosed items:	*2*	**(13,059)**	(11,801)	(23,655)
Acquisition costs		**(1,200)**	-	-
Intangible amortisation		**(238)**	(166)	(221)
NI on exercise of 2009 Director options		**(228)**	-	-
IFRS 2 charge		**(22)**	(46)	(67)
Total administrative expenses		**(14,747)**	(12,013)	(23,943)
Operating profit		**5,386**	4,648	9,408
Financial income		**56**	19	85
Financial expenses		**(503)**	(328)	(619)
Net financing costs		**(447)**	(309)	(534)
Profit before tax		**4,939**	4,339	8,874
Taxation	*5*	**(1,453)**	(1,017)	(2,276)
Profit for the period (attributable to equity shareholders of the parent company)		**3,486**	3,322	6,598
Earnings per share (total)				
- Basic	*7*	**3.10p**	3.06p	6.08p
- Diluted	*7*	**2.97p**	2.90p	5.76p

Condensed consolidated interim statement of comprehensive income
Unaudited results for the six months ended 30 September 2014

	Six months ended 30 September 2014 £000	Six months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Profit for the period	**3,486**	3,322	6,598
Other comprehensive income / (expense):			
Foreign currency translation differences	**(349)**	(3,495)	(5,083)
Net gain on hedge of net investment in foreign subsidiary	**857**	-	-
Other comprehensive income / (expense) recognised directly in equity, net of income tax	**508**	(3,495)	(5,083)
Total comprehensive income / (expense) recognised for the period (attributable to equity shareholders of the parent company)	**3,994**	(173)	1,515

Trifast plc

Condensed consolidated financial statements for the six months ended 30 September 2014

Condensed consolidated interim statement of changes in equity

Unaudited results for the six months ended 30 September 2014	Share Capital £000	Share Premium £000	Translation Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 April 2014	5,435	18,488	6,888	30,856	61,667
Total comprehensive income for the period					
Profit for the period	-	-	-	3,486	3,486
Other comprehensive income					
Foreign currency translation differences	-	-	(349)	-	(349)
Net gain on hedge of net investment in foreign subsidiary	-	-	857	-	857
Total other comprehensive income	-	-	508	-	508
Total comprehensive income for the period	-	-	508	3,486	3,994
Transactions with owners, recorded directly in equity					
Issue of share capital	240	2,316	-	-	2,556
Dividends	-	-	-	(1,568)	(1,568)
Total transactions with owners	240	2,316	-	(1,568)	988
Balance at 30 September 2014	**5,675**	**20,804**	**7,396**	**32,774**	**66,649**

Unaudited results for the six months ended 30 September 2013	Share Capital £000	Share Premium £000	Translation Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 April 2013	5,412	18,427	11,971	24,612	60,422
Total comprehensive income for the period					
Profit for the period	-	-	-	3,322	3,322
Other comprehensive expense					
Foreign currency translation differences	-	-	(3,495)	-	(3,495)
Total other comprehensive expense	-	-	(3,495)	-	(3,495)
Total comprehensive (expense) / income for the period	-	-	(3,495)	3,322	(173)
Transactions with owners, recorded directly in equity					
Issue of share capital	11	11	-	-	22
Share based payment transactions	-	-	-	46	46
Dividends	-	-	-	(868)	(868)
Total transactions with owners	11	11	-	(822)	(800)
Balance at 30 September 2013	5,423	18,438	8,476	27,112	59,449

Trifast plc

Condensed consolidated financial statements for the six months ended 30 September 2014

Condensed consolidated interim statement of financial position
Unaudited results for the six months ended 30 September 2014

Group	Notes	**30 September 2014 £000**	30 September 2013 £000	31 March 2014 £000
Non-current assets				
Property, plant and equipment		**15,655**	12,170	11,828
Intangible assets		**31,883**	17,347	16,959
Deferred tax assets		**1,257**	966	1,257
Total non-current assets		**48,795**	30,483	30,044
Current assets				
Inventories		**39,285**	30,940	30,574
Trade and other receivables		**35,532**	29,073	27,665
Cash and cash equivalents	*8*	**13,596**	13,680	15,535
Total current assets		**88,413**	73,693	73,774
Total assets		**137,208**	104,176	103,818
Current liabilities				
Bank overdraft	*8*	**47**	171	31
Other interest-bearing loans and borrowings	*8*	**11,691**	13,711	10,950
Trade and other payables		**33,277**	22,912	24,678
Tax payable		**2,256**	2,012	2,120
Dividends payable	*6*	**1,134**	868	-
Provisions		**-**	410	124
Total current liabilities		**48,405**	40,084	37,903
Non-current liabilities				
Other interest-bearing loans and borrowings	*8*	**19,389**	3,350	2,524
Provisions		**1,100**	793	938
Deferred tax liabilities		**1,665**	500	786
Total non-current liabilities		**22,154**	4,643	4,248
Total liabilities		**70,559**	44,727	42,151
Net assets		**66,649**	59,449	61,667
Equity				
Share capital		**5,675**	5,423	5,435
Share premium		**20,804**	18,438	18,488
Reserves		**7,396**	8,476	6,888
Retained earnings		**32,774**	27,112	30,856
Total equity		**66,649**	59,449	61,667

Trifast plc

Condensed consolidated financial statements for the six months ended 30 September 2014

Condensed consolidated interim statement of cash flows
Unaudited results for the six months ended 30 September 2014

	Notes	**Six months ended 30 September 2014 £000**	Six months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Group				
Cash flows from operating activities				
Profit for the period		**3,486**	3,322	6,598
Adjustments for:				
Depreciation, amortisation & impairment		**820**	735	1,323
Financial income		**(56)**	(19)	(85)
Financial expense		**503**	328	619
(Gain) / loss on sale of property, plant & equipment and investments		**(14)**	11	26
Equity settled share-based payment charge		**22**	46	67
Taxation charge		**1,453**	1,017	2,276
Operating cash inflow before changes in working capital and provisions		**6,214**	5,440	10,824
Change in trade and other receivables		**(3,700)**	(2,770)	(1,336)
Change in inventories		**(3,059)**	(1,622)	(1,605)
Change in trade and other payables		**148**	2,505	4,281
Change in provisions		**37**	(198)	(339)
Net cash generated (used in) / from operations		**(360)**	3,355	11,825
Tax paid		**(2,546)**	(724)	(1,809)
Net cash (used in) / from operating activities		**(2,906)**	2,631	10,016
Cash flows from investing activities				
Proceeds from sale of property, plant & equipment		**16**	3	12
Interest received		**56**	9	85
Acquisition of subsidiary, net of cash acquired		**(18,610)**	-	-
Acquisition of property, plant & equipment		**(456)**	(309)	(838)
Net cash used in investing activities		**(18,994)**	(297)	(741)
Cash flows from financing activities				
Proceeds from the issue of share capital		**2,556**	22	84
Proceeds from new loan		**20,337**	2,543	-
Repayment of borrowings		**(1,955)**	(779)	(1,679)
Purchase / (payment) of finance lease liabilities		**38**	(50)	(51)
Dividends paid		**(434)**	-	(867)
Interest paid		**(503)**	(328)	(619)
Net cash from / (used in) financing activities		**20,039**	1,408	(3,132)
Net change in cash and cash equivalents		**(1,861)**	3,742	6,143
Cash and cash equivalents at start of period 1 April		**15,504**	10,555	10,555
Effect of exchange rate fluctuations on cash held		**(94)**	(788)	(1,194)
Cash and cash equivalents at end of period	*8*	**13,549**	13,509	15,504

Notes to the condensed consolidated interim financial statements
Unaudited results for the six months ended 30 September 2014

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies set out in the full Annual Report and Accounts for the year ended 31 March 2014 except as detailed below:

There are no new standards effective for the first time in the current financial period with significant impact on the Group's consolidated results or financial position.

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority and International Financial Reporting Standard (IFRS) IAS 34: Interim Financial Reporting as adopted by the EU. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2014. The annual financial statements of the Group are prepared in accordance with International Reporting Standards (IFRSs) as adopted by the EU.

This statement does not comprise full financial statements within the meaning of Section 495 and 496 of the Companies Act 2006. The statement is unaudited but has been reviewed by KPMG LLP and their Report is set out at the end of this document.

The comparative figures for the financial year ended 31 March 2014 are not the Company's statutory accounts for that financial year and have been extracted from the full Annual Report and Accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The Report of the Auditors 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) or (3) of the Companies Act 2006.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the accompanying half-yearly statement by the Executive Chairman and Chief Executive. The financial position of the Company, its cash flows, liquidity position and borrowing facilities also are described in the same statement. In addition, note 26 to the Company's previously published financial statements for the year ended 31 March 2014 include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

These condensed consolidated interim financial statements have been prepared on a going concern basis which the Director's consider to be appropriate.

Estimates

The preparation of financial statements in conformity with IFRSs requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions take account of the circumstances and facts at the period end, historical experience of similar situations and other factors that are believed to be reasonable and relevant, the results for which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may ultimately differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were in the same areas as those that applied to the consolidated financial statements as at and for the year ended 31 March 2014. These were as follows:-

- Recoverable amount of goodwill
- Provisions
- Inventory valuation

2. Pre-tax profit before separately disclosed items

	Six months ended 30 September 2014 £000	Six months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Pre-tax profit before separately disclosed items	**6,627**	4,551	9,162
Separately disclosed items within administration expenses:			
Acquisition costs	**(1,200)**	-	-
Intangible amortisation	**(238)**	(166)	(221)
NI on exercise of 2009 Director options	**(228)**	-	-
IFRS 2 share-based payment charge	**(22)**	(46)	(67)
Profit from continuing operations before tax	**4,939**	4,339	8,874

3. **Geographical operating segments***:*

The Group is comprised of the following main geographical operating segments:

- UK
- Mainland Europe *includes Norway, Sweden, Hungary, Ireland, Italy, Holland and Poland*
- USA *includes USA and Mexico*
- Asia *includes Malaysia, China, Singapore, Taiwan, Thailand and India*

In presenting information on the basis of geographical operating segments, segment revenue and segment assets are based on the geographical location of our entities across the world, and are consolidated into the four distinct geographical regions, which the Board use to monitor and assess the Group.

Segment revenue and results under the primary reporting format for the six months ended 30 September 2014 and 2013 are disclosed in the table below:

September 2014	**UK**	**Mainland Europe**	**USA**	**Asia**	**Central costs, assets and liabilities**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Revenue*						
Revenue from external customers	31,989	21,171	1,903	18,970	-	74,033
Inter segment revenue	929	184	25	2,868	-	4,006
Total revenue	32,918	21,355	1,928	21,838	-	78,039
Underlying operating result	**2,920**	**2,877**	**193**	**2,661**	**(1,577)**	**7,074**
Net financing costs	(147)	(46)	(1)	(38)	(215)	(447)
Underlying segment result	**2,773**	**2,831**	**192**	**2,623**	**(1,792)**	**6,627**
Separately disclosed items (see note 2)						**(1,688)**
Profit before tax						**4,939**
Specific disclosure items						
Depreciation and amortisation	**79**	**74**	**7**	**426**	**234**	**820**
Assets and liabilities						
Segment assets	**38,016**	**29,768**	**1,728**	**47,148**	**20,548**	**137,208**
Segment liabilities	**(22,616)**	**(9,159)**	**(300)**	**(11,081)**	**(27,403)**	**(70,559)**

September 2013	**UK**	**Mainland Europe**	**USA**	**Asia**	**Central costs, assets and liabilities**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Revenue*						
Revenue from external customers	31,345	12,274	1,482	20,163	-	65,264
Inter segment revenue	796	230	56	2,555	-	3,637
Total revenue	32,141	12,504	1,538	22,718	-	68,901
Underlying operating result	2,585	799	176	2,584	(1,284)	4,860
Net financing costs	(185)	(14)	-	(83)	(27)	(309)
Underlying segment result	2,400	785	176	2,501	(1,311)	4,551
Separately disclosed items (see note 2)						(212)
Profit before tax						4,339
Specific disclosure items						
Depreciation and amortisation	71	25	7	473	159	735
Assets and liabilities						
Segment assets	37,383	10,760	1,514	48,648	5,871	104,176
Segment liabilities	(26,500)	(2,737)	(111)	(12,134)	(3,245)	(44,727)

*Revenue is derived from the manufacture and logistical supply of industrial fasteners and category ‘C’ components.

4. Acquisition of Viterie Italia Centrale Srl ('VIC')

On 30 May 2014, the Group acquired the entire issued capital stock of **VIC** for an initial consideration of €27.00 million (£22.02m), satisfied by way of €24.15 million (£19.65m) in cash and €2.85m (£2.37m) by the issue and allotment of 3,000,000 shares of 5 pence each in the Company to Carlo Perini, the Managing Director and 30% owner of **VIC**.

In addition, a further payment of maximum €5.00 million (£4.07m) may be due to the Vendors depending upon the performance of **VIC** over the 12 month period ending 31 December 2014. If **VIC** generates an adjusted post-tax profit (as defined in the Acquisition Agreement) for the year ending 31 December 2014 which exceeds €3.00 million then for each €1 above this sum an additional €5 is payable to the Vendors, subject to a maximum amount of €5.00 million.

VIC is a manufacturer and distributor of fastenings systems and is complementary to the Group's business model; it significantly strengthens the Group's presence in the domestic appliance market whilst also offering ***TR*** additional opportunities in existing electronic and automotive Tier *1* markets. The business will also provide an additional competitive manufacturing facility in Europe to complement the Group's existing resources in Asia.

In the four months since acquiring **VIC** to 30 September 2014, the subsidiary contributed £1.63 million to the consolidated net profit for the period and £7.51 million to the Group's revenue. If the acquisition had occurred on 1 April 2014, Group revenue would have increased by an estimated £11.08 million and net profit would have been increased by an estimated £2.36 million. In determining these amounts management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same as if the acquisition had occurred on 1 April 2014.

Effect of Acquisition	**Recognised values on acquisition**
	£000
Property, plant and equipment	**3,950**
Intangible assets	**8,108**
Inventory	**5,967**
Trade and other receivables	**4,589**
Cash and cash equivalents	**3,405**
Trade and other payables	**(4,703)**
Corporation tax payable	**(1,225)**
Deferred tax liabilities	**(941)**
Net identifiable assets and liabilities	**19,150**
Consideration paid:	
Initial cash price paid	**22,015**
Deferred consideration at fair value	**4,067**
Total consideration	**26,082**
Goodwill on acquisition	**6,932**

Intangible assets that arose on the acquisition include the following:-

- £5.45 million of customer relationships, with an amortisation period deemed to be 15 years
- £2.33 million of technology knowhow, with an amortisation period deemed to be 10 years
- £0.27 million of technological patents, with an amortisation period deemed to be 15 years
- £0.05 million of other intangibles, with an amortisation period deemed to be between 3-5 years

Goodwill is the excess of the purchase price over the fair value of the net assets acquired and is not deductible for tax purposes. It mostly represents potential synergies, e.g. cross-selling opportunities between **VIC** and **Trifast** Group and **VIC**'s assembled workforce.

Fair values determined on a provisional basis	**£000**
Corporation tax payable	**(1,225)**
Deferred tax liabilities	**(941)**

The above have been determined on a provisional basis because an in-depth tax analysis has not yet been undertaken on the fair value adjustments - this will be completed by the financial year end.

4. Acquisition of Viterie Italia Centrale Srl *(continued)*

Effect of Acquisition

The Group estimates that it will incur costs of £1.20 million in relation to the acquisition of VIC. These costs have been included in administrative expenses in the Group's consolidated statement of comprehensive income.

5. Taxation

	Six months ended 30 September 2014 £000	Six months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Current tax on income for the period			
UK tax	**(69)**	294	510
Foreign tax	**1,562**	842	1,603
Deferred tax expense	**(50)**	-	49
Adjustments in respect of prior years	**10**	(119)	114
	1,453	1,017	2,276

6. Dividend

The dividend payable of £1.13 million represents the final dividend recommended for the year ended 31 March 2014, approved by shareholders at the AGM on 18 September 2014 and paid to shareholders on the Register on 17 October 2014.

7. Earnings per share

The calculation of earnings per 5 pence ordinary share is based on profit for the period after taxation and the weighted average number of shares in the period of 113,495,406 (HY2013: 108,439,566; FY2014: 108,533,645).

The calculation of the fully diluted earnings per 5 pence ordinary share is based on profit for the period after taxation. In accordance with IAS 33 the weighted average number of shares in the period has been adjusted to take account of the effects of all dilutive potential ordinary shares. The number of shares used in the calculation amount to 117,436,525 (HY2013: 114,411,329; FY2014: 114,485,387).

The adjusted diluted earnings per share, which in the Directors' opinion best reflects the underlying performance of the Group is detailed below:

	Six months ended 30 September 2014 £000	Six months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Profit for the period	**3,486**	3,322	6,598
Acquisition costs	**1,200**	-	-
Intangible amortisation	**238**	166	221
NI on exercise of 2009 Director options	**228**	-	-
IFRS 2 Share option	**22**	46	67
Tax adjustment	**(354)**	(170)	(66)
Adjusted profit	**4,820**	3,364	6,820
Basic EPS	**3.10p**	3.06p	6.08p
Diluted basic EPS	**2.97p**	2.90p	5.76p
Adjusted diluted EPS	**4.10p**	2.94p	5.95p

8. Analysis of net (debt)/ cash

	At 30 September 2014 £000	At 30 September 2013 £000	At 31 March 2014 £000
Cash and cash equivalents	**13,596**	13,680	15,535
Bank overdraft	**(47)**	(171)	(31)
Net cash and cash equivalents	**13,549**	13,509	15,504
Debt due within one year	**(11,691)**	(13,711)	(10,950)
Debt due after one year	**(19,389)**	(3,350)	(2,524)
	(31,080)	(17,061)	(13,474)
Total	**(17,531)**	(3,552)	2,030

Reconciliation of net cash flow to movement in net debt

	Six months ended 30 September 2014 £000	Six months ended 30 September 2013 £000	Year ended 31 March 2014 £000
Net (decrease) / increase in cash and cash equivalents	**(1,861)**	3,742	6,143
Net (increase) / decrease in borrowings	**(18,420)**	(1,714)	1,679
	(20,281)	2,028	7,822
Exchange rate differences	**720**	(383)	(595)
Movement in net debt	**(19,561)**	1,645	7,227
Opening net cash / (debt)	**2,030**	(5,197)	(5,197)
Closing net (debt) / cash	**(17,531)**	(3,552)	2,030

Independent review report by KPMG LLP to Trifast plc

Introduction
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 which comprises the consolidated income statement, the consolidated statement of comprehensive Income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This Report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this Report, or for the conclusions we have reached.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this Half-yearly financial report has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Martin Newsholme
for and on behalf of KPMG LLP
Chartered Accountants**,** *1 Forest Gate, Brighton Road, Crawley, West Sussex, RH11 9PT*

11 November 2014

Editor's Note
Trifast's trading business ***TR* Fastenings** is a leading international manufacturer and distributor of industrial fastenings to the assembly industries, with operations in Europe, the Americas and Asia.

For more information:
LSE Listing: **Ticker: TRI** **FTSE index sector**: FTSE Small Cap and FTSE All-share indices
Group website: www.trifast.com
Follow us on: Twitter: www.twitter.com/trfastenings ; www.facebook.com/trfastenings : www.linkedin.com/company/tr-fastenings

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Electronic Communications
The Company is not proposing to bulk print and distribute hard copies of this half-yearly financial report for the six months ended 30 September 2014 unless specifically requested by individual shareholders. News updates, Regulatory News, and Financial statements, can be viewed and downloaded from the Group's website, www.trifast.com. Copies can also be requested via corporate.enquiries@trifast.com or, in writing to, The Company Secretary, Trifast plc, Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW