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Trifast plc

Interim results for the six months ended 30 September 2009
"TR: moving steadily from Recovery to Rebuild"

Continuing operations	**Six months ended 30 September 2009**	Six months ended 31 March 2009	Six months ended 30 September 2008
Revenue	**£39.85m**	£45.76m	£59.14m
Gross profit	**£9.81m**	£10.42m	£16.17m
Underlying operating profit/(loss)[1]	**£0.06m**	(£0.37m)	£3.71m
Operating profit/(loss)	**£0.24m**	(£13.63m)	£3.43m
Underlying pre-tax profit/(loss)[1]	**£0.00m**	(£0.70m)	£3.24m
Pre-tax profit/(loss)	**£0.18m**	(£13.96m)	£2.96m
Net Debt	**£5.57m**	£8.40m	£9.71m

[1] Underlying profit/(loss) is calculated before intangible amortisation, impairments, IFRS 2 charges, restructuring costs, sale of associate and settlement claims.

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"Our key objective remains to return this Group back to sustainable profitability through a focus on lean logistics, targeted sales and on-going margin improvement. In addition, we will also be looking not only to build key alliance partnerships, but also to identifying self-managing bolt-on acquisitions within niche markets which will yield further benefits to the business, its customers and its stakeholders."

Malcolm Diamond, Executive Chairman

Enquiries:
Trifast plc
Malcolm Diamond, Executive Chairman
Today:+44 (0)20 7398 1600 (up to 1pm)
Mobile: +44 (0)7979 518493 (MMD)
Thereafter: +44 (0)1825 747366

Arden Partners plc
Richard Day
Adrian Trimmings
Tel:+44 (0)20 7398 1600

Citigate Dewe Rogerson
Fiona Tooley, Director
Keith Gabriel, Senior Account Manager
Today:+44 (0)20 7398 1600 (up to 1pm)
Thereafter: +44(0)121 362 4035
Mobile: +44 (0)7785 703523 (FMT)
Mobile: +44 (0)7770 788624 (KG)

Editors Note:
Ticker: TRI
Group website: www.trifast.com

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, please visit www.trfastenings.com.

Trifast plc
Half Year results for the six months ended 30 September 2009

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

Introduction

The Trifast plc Group (TR) is now moving steadily from *Recovery to Rebuild*. As a Board we remain optimistic about our future business outlook and, although challenging, we are still firmly of the opinion that much of our recovery capabilities remain in our own hands.

Since the new Board formation in March 2009, the TR business has had to contend with challenging trading conditions and the recessionary impact on manufacturing. As a team, we have had to make some very difficult commercial decisions to ensure that the business model going forward can support the recovery strategy we have put in place.

Although the year began from a very low ebb, we have started to witness a recovery, albeit small, in some of the global markets and sectors we serve. As a management team, we are encouraged by the Group's performance in the first half which was in line with expectations. This gives us confidence that we will restore modest profitability by the end of this financial year.

Business and Finance Review

Compared to March 2009, the business has gone from a record loss in the second half of the last financial year to a breakeven position by the end of September 2009, with improvements being achieved across the Company in morale, sales focus and dynamics, purchasing and supplier development.

The reduction in the Group's first half revenue in this financial year reflects the demanding environment that TR and its customers are operating in across the globe. It is important to note that whilst markets weakened dramatically across all sectors, Trifast has not lost any key profitable customers.

Comparing this first half performance with last year's first half does not truly reflect the underlying strength and recovery of this business. The severe decline and damaging outcome of the global downturn did not start to impact manufacturing output and revenues until Q3 2008. It is therefore important that when reviewing our performance, we look at the second half trading performance of the previous financial year, in particular the Q4 period which showed revenue of c£20 million, consistent with the Group's first half revenue in this financial year, indicating that things may well have stabilised.

Looking at the Group's operational areas:

Our Far East operations have performed well under our new local management structure, performing ahead of expectations in the difficult economic conditions prevailing. Our presence and manufacturing capability in the Far East sets us apart from our competitors and gives us a competitive advantage by being able to offer our customers a mix of low-cost manufacturing, global distribution, technical design and support. This USP we believe can be further and better exploited through the creation of alliances and partnerships in the future.

The Global sales team which the Board re-established at the beginning of the period has made tangible progress. As existing and target customers start to recover production volumes, for example in the automotive sub-assemblers sector, these companies are at the same time looking to reduce their supply base. This is where we are seeing the greatest opportunities, which is being evidenced through the increase in enquiries to TR for high value new business in Asia, USA and Europe. We are very encouraged by this and we expect to report further progress at the end of the year.

As previously reported, our US and European operations have also had to contend with the fall out of economic recession within their local markets and global customer base. TR's UK business has been the hardest hit by the recession with revenue falling 34.1% compared to the same period last year. This being said, there are clear signs of product demand returning and therefore we remain optimistic that we can restore the value to the UK operations through our focus on marketing and selling both branded and specialist products in clearly identified sectors that offer solid growth, quality earnings and margin improvement and re-aligning the cost base where designated.

We are pleased to report progress in the gross profit percentage which showed an increase over the second six months of last year. This is a direct result of the actions we initiated last year to reduce the fixed overheads and improve our manufacturing capacity utilisation. Coupled with the restructuring programme put in place, we have delivered a small underlying operational profit[1] of £0.06 million (£0.24 million including separately disclosed items) compared to an underlying loss[1] of £0.37 million (loss of £13.63 million including separately disclosed items) in the second half of last year. We expect to improve on this as we move forward.

Interest expense remains low due to the reduced net debt level that we have attained (see later) and the current low base interest rates.

[1] Underlying profit/(loss) is calculated before intangible amortisation, impairments, IFRS 2 charges, restructuring costs, sale of associate and settlement claims.

Cash Flow and Working Capital

Cash generated from operations remains strong at £2.25 million due to management's tight control over working capital (£3.55 million before separately disclosed provisions discussed below). Stock reductions continue to be a main focus with £3.29 million converted into cash during this period.

At year ended 31 March 2009, we held a £1.80 million provision in respect of restructuring costs and a long standing settlement claim going back to 2002. During the period £1.30 million has been paid leaving £0.50 million outstanding as at 30 September 2009, £0.30 million relating to the settlement claim is to be paid in December 2009.

Debtor days remain strong at 67, a similar level to last year and there are no significant bad debts to report in the period (March 2009: £0.79m).

Capital expenditure in the period was £0.13 million. Although at this stage the Group continues to conserve cash it will invest for cash generative reasons or obligatory requirements. However, as the business is overall equipped with modern plant and equipment across its operations, there are no major capital expenditure projects anticipated in the near term.

During the period being reported, we sold our 25% shareholding in our associate undertaking, Techfast Holding Bhd, a Company listed on the Kuala Lumpur Stock Exchange, which resulted in a net profit and cash inflow of £0.33 million.

Group Restructuring

The Board's review of the TR Group business will remain on-going so we not only ensure that we have the core skills to drive the business forward but that they also accurately reflect our commercial position.

The Purchasing and Sales teams have been radically overhauled and given clear guidance and objectives on quality, vendor management and price, and the benefits of this action will start to feed through during 2010.

The restructuring of our Asian and Mainland Europe operations is complete whilst TR's UK region remains in progress with further consolidation which is well advanced. We expect to complete our current UK programme by the end of this year.

Although some costs have been included in the Half-year being reported, further significant costs incurred in relation to the restructure and benefits arising from this programme will be reported in the published accounts for the year ending 31 March 2010.

Financing and Banking Facilities

During the first half-year, gross debt fell by £1.62 million to £13.20 million and, due to the tight control over our working capital, net debt further reduced by £2.83 million to £5.57 million resulting in a reduction in overall gearing from 17.5% in the comparable half year to 13.6% in September 2009 (year ended March 2009: 19.8%).

The current bank facilities in place are secured by an unlimited multilateral guarantee between the main companies of the Group and are subject to quarterly covenant tests, based on 12-month rolling EBITDA. Given the losses incurred in the second half of last year and the flat turnover for the first six months of the current financial year, as at September 2009, the Group was in breach of the EBITDA to net interest and net debt to EBITDA covenants. As stakeholders are aware, the Group has been working very closely with its bank to restructure the facilities into an Asset-based Facility (ABL) and term loans (the details of which are discussed below). Despite the bank waiving these covenants on 1 October 2009, this waiver was not in place at the balance sheet date and therefore accounting standards require all loans to be treated as current. Even after reclassifying these loans as current, we show net current assets of £17.21 million, demonstrating the strength of our balance sheet.

As more fully explained in Note 1, the process of agreeing new banking facilities started in May 2009 and has taken longer than we had anticipated. However we are pleased to report that on 27 November 2009, the Company received formal notification of a revised offer from HSBC that they were prepared to enter into a committed 12 month facility from the date of signature of a formal loan agreement, which is anticipated to take place in early January 2010. During the intervening period, the bank has agreed to a temporary waiver of any further covenant breaches from 1 October 2009 until 31 December 2009. The new facilities are a mixture of asset based lending and term loans which total £19.50 million.

We believe that these new facilities will provide the Company with adequate resources to achieve its short term financial objectives and also form an important part of enabling us to deliver our strategy going forward.

The Directors are confident that adequate facilities will be agreed in advance of the expiry of the 12 month facility referred to above.

Our People

The Board has clearly had to make some very tough decisions over the last six months to allow the business to weather these current economic conditions. Our recovery strategy has included reviewing the TR cost base, and this has unfortunately resulted in a reduction in headcount of around 20% from September 2008. Although our review remains on-going, we are where possible preserving/retaining core skills throughout the Group.

Communicating with our people is vital and we have over the last six months been restoring ‘open to all’ internal communications. Already the morale of staff has noticeably improved which in turn will lead to higher focus and productivity.

It is therefore important for us to recognise the commitment of all our people around the world who are working with the management team to achieve our objectives in rebuilding profitability and shareholder value.

On behalf of all stakeholders and the Board, I thank our people for their understanding, on-going support and hard work, particularly at this time, having been through turbulent and probably the worst trading conditions we have seen for many years.

Total staff numbers at the end of the first half stands at 864 people (September 2008: 1,086: March 2009: 912).

Current Trading and 'Looking Ahead'

The restoration of highly capable sales resources is securing a healthier outlook for the 2010 calendar year as a whole. Global customers, both new and existing are looking to build on dialogue and opportunities to work together, whilst our Transactional sales over the last three months are up by an average of 11%, which with a good margin is very encouraging.

Although early days, we have started to see modest increases in our daily sales run rate. Our Asian and European operations are reporting an improved environment and, although modest, an increase in operational profitability. There also seems to be evidence now of a few green shoots appearing in the UK which encourages us and underpins our confidence in the future.

Our key objective remains to return this Group back to sustainable profitability through a focus on lean logistics, targeted sales and on-going margin improvement. In addition, we will also be looking not only to build key alliance partnerships, but also to identifying self-managing bolt-on acquisitions within niche markets which will yield further benefits to the business, its customers and its stakeholders.

Dividend

At this stage of our recovery we do not intend paying a dividend, however as we have previously indicated, it is the Board's intention to readdress this issue next year.

Electronic Communications

It is intended that the Company will distribute a letter from the Chairman and summary of results to all shareholders today.

The Company is not proposing to bulk print and distribute hard copies of the full half-year statement and financials unless specifically requested by individual shareholders.

The Board believes that by utilising electronic communication it will deliver savings to the Company in terms of administration, printing and postage, and environmental benefits through reduced consumption of paper and inks, as well as speeding up the provision of information to shareholders in the future.

The full statements and investor presentation will be available on-line and can be viewed on the Group's website, www.trifast.com.

Responsibility Statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements contained in this document has been prepared in accordance with International Accounting Standard 34 (“IAS 34”), “Interim Financial Reporting” as adopted by the European Union;
(b) the Interim management report contained in this document includes a fair review of the information required by the Financial Services Authority’s Disclosure and Transparency Rules (“DTR”) 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
(c) this document includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

Malcolm Diamond
Executive Chairman

Jim Barker
Chief Executive Officer

27 November 2009

Cautionary Statement

The Interim Management Report has been prepared for the Shareholders of the Company, as a body, and no other persons. Its purpose is to assist Shareholders of the Company to assess the strategies adopted by the Company and the potential for those strategies to succeed and for no other purpose. The Interim Management Report contains forward looking statements that are subject to risk factors associated with, amongst other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this Interim Management Report will be realised. The forward looking statements reflect the knowledge and information available at the date of preparation.

Condensed consolidated interim income statement
Unaudited results for the six months ended 30 September 2009

	Notes	**Six months Ended 30 September 2009**	Six months Ended 30 September 2008 Restated*	Year ended 31 March 2009
		£000	£000	£000
Continuing operations				
Revenue		**39,846**	59,144	104,901
Cost of sales		**(30,039)**	(42,971)	(78,312)
Gross profit		**9,807**	16,173	26,589
Other operating income before the following items:		**129**	17	156
- Sale of associate		**332**	-	-
Total operating income		**461**	17	156
Distribution expenses		**(1,151)**	(1,418)	(2,814)
Administrative expenses before the following items:		**(8,723)**	(11,061)	(20,593)
- Intangible amortisation		**(131)**	(132)	(266)
- IFRS 2 credit/(charge)		**87**	(150)	(55)
- Impairment of associate		**-**	-	(659)
- Goodwill impairment		**-**	-	(8,303)
- Restructuring costs		**(111)**	-	(3,701)
- Settlement claim		**-**	-	(555)
Total administrative expenses		**(8,878)**	(11,343)	(34,132)
Operating profit / (loss)		**239**	3,429	(10,201)
Financial income		**43**	65	99
Financial expenses		**(102)**	(533)	(896)
Net financing costs		**(59)**	(468)	(797)
Profit / (loss) before tax		**180**	2,961	(10,998)
Taxation	3	**21**	(846)	(520)
Profit / (loss) from continuing operations (attributable to equity shareholders of the parent company)		**201**	2,115	(11,518)
Loss from discontinued operations (net of income tax)		**-**	(153)	(3,792)
Profit / (loss) for the period		**201**	1,962	(15,310)
Earnings / (loss) per share				
- Basic	5	**0.24p**	2.31p	(17.98p)
- Diluted	5	**0.24p**	2.31p	(17.98p)
Dividends	4	**-**	0.93p	0.93p

***See discontinued operations note 9**

Condensed consolidated interim statement of comprehensive income
Unaudited results for the six months ended 30 September 2009

	Six months ended 30 September 2009	Six months ended 30 September 2008	Year ended 31 March 2009
	£000	£000	£000
Profit / (loss) for the period	**201**	1,962	(15,310)
Other comprehensive income			
Foreign currency translation differences	**(1,681)**	2,040	7,135
Net (loss)/gain on hedge of net investment in foreign subsidiary	**(1)**	10	7
Other comprehensive (expense) / income recognised directly in equity, net of income tax	**(1,682)**	2,050	7,142
Total comprehensive (expense) / income recognised for the period	**(1,481)**	4,012	(8,168)

Condensed consolidated interim statement of changes in equity
Unaudited results for the six months ended 30 September 2009

	Share Capital £000	Share Premium £000	Translation Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 April 2009	4,262	12,167	8,958	17,083	42,470
Total comprehensive income for the period					
Profit for the period	-	-	-	201	201
Other comprehensive income					
Foreign currency translation differences	-	-	(1,681)	-	(1,681)
Net loss on hedge of net investment in foreign subsidiary	-	-	(1)	-	(1)
Total other comprehensive income	-	-	(1,682)	-	(1,682)
Total comprehensive expense for the period	-	-	(1,682)	201	(1,481)
Transactions with owners, recorded directly in equity					
Share based payment transactions	-	-	-	(87)	(87)
Total transactions with owners	-	-	-	(87)	(87)
Balance at 30 September 2009	4,262	12,167	7,276	17,197	40,902

Condensed consolidated interim statement of changes in equity
Unaudited results for the six months ended 30 September 2008

	Share Capital £000	Share Premium £000	Translation Reserve £000	Retained Earnings £000	Total Equity £000
Balance at 1 April 2008	4,248	12,167	1,816	34,734	52,965
Total comprehensive income for the period					
Profit for the period	-	-	-	1,962	1,962
Other comprehensive income					
Foreign currency translation differences	-	-	2,040	-	2,040
Net gain on hedge of net investment in foreign subsidiary	-	-	10	-	10
Total other comprehensive income	-	-	2,050	-	2,050
Total comprehensive income for the period	-	-	2,050	1,962	4,012
Transactions with owners, recorded directly in equity					
Dividends to equity holders	-	-	-	(1,589)	(1,589)
Share based payment transactions	14	-	-	137	151
Total transactions with owners	14	-	-	(1,452)	(1,438)
Balance at 30 September 2008	4,262	12,167	3,866	35,244	55,539

Condensed consolidated interim statement of financial position
Unaudited results as at 30 September 2009

	Notes	**30 September 2009 £000**	30 September 2008 £000	31 March 2009 £000
Non-current assets				
Property, plant and equipment		**7,958**	8,749	8,606
Intangible assets		**15,935**	24,311	16,380
Investment in associate		**-**	659	-
Deferred tax assets		**707**	383	707
Total non-current assets		**24,600**	34,102	25,693
Current assets				
Stocks		**20,137**	28,078	23,952
Trade and other receivables		**16,970**	26,903	18,362
Cash and cash equivalents		**9,248**	5,660	9,063
Total current assets		**46,355**	60,641	51,377
Total assets		**70,955**	94,743	77,070
Current liabilities				
Bank and other loans		**14,813**	2,407	5,188
Trade and other payables		**13,545**	19,810	14,838
Tax payable		**658**	1,137	8
Dividends payable		**-**	1,589	-
Provisions		**129**	35	1,166
Total current liabilities		**29,145**	24,978	21,200
Non-current liabilities				
Bank and other loans		**-**	12,961	12,271
Provisions		**781**	871	781
Deferred tax liabilities		**127**	394	348
Total non-current liabilities		**908**	14,226	13,400
Total liabilities		**30,053**	39,204	34,600
Net assets		**40,902**	55,539	42,470
Equity				
Share capital		**4,262**	4,262	4,262
Share premium		**12,167**	12,167	12,167
Reserves		**7,276**	3,866	8,958
Retained earnings	*6*	**17,197**	35,244	17,083
Total equity		**40,902**	55,539	42,470

Condensed consolidated interim statement of cash flows
Unaudited results for the six months ended 30 September 2009

	Notes	**Six months ended 30 September 2009 £000**	Six months ended 30 September 2008 £000	Year ended 31 March 2009 £000
Cash flows from operating activities				
Profit/(loss) for the period		**201**	1,962	(15,310)
Adjustments for:				
Depreciation, amortisation & impairment		**664**	697	9,780
Financial income		**(43)**	(65)	(99)
Financial expense		**102**	533	896
Gain on sale of property, plant & equipment		**1**	5	436
Equity settled share based payment (credit)/expense		**(87)**	150	55
Gain on sale of associate		**(332)**	-	-
Impairment of associate		**-**	-	659
Loss on disposal of subsidiary		**-**	-	2,950
Taxation		**(21)**	846	585
Operating profit/(loss) before changes in working capital and provisions		**485**	4,128	(48)
Change in trade and other payables		**(1,548)**	(638)	(5,847)
Change in stocks		**3,286**	(1,994)	2,746
Change in trade and other receivables		**1,064**	(977)	8,078
Change in provisions		**(1,037)**	(65)	976
Cash generated from operations		**2,250**	454	5,905
Tax received/(paid)		**471**	(1,167)	(2,270)
Net cash from operating activities		**2,721**	(713)	3,635
Cash flows from investing activities				
Acquisition of property, plant & equipment		**(127)**	(443)	(730)
Proceeds from sale of property, plant & equipment		**-**	1	41
Proceeds from sale of associate		**332**	-	-
Interest received		**43**	55	103
Disposal of discontinued operation, net of cash		**-**	-	(104)
Net cash from investing activities		**248**	(387)	(690)
Cash flows from financing activities				
Repayment of long term borrowings		**(1,225)**	(1,091)	(2,732)
Dividends paid		**-**	-	(2,382)
Interest paid		**(173)**	(524)	(1,030)
Net cash from financing activities		**(1,398)**	(1,615)	(6,144)
Net change in cash and cash equivalents		**1,571**	(2,715)	(3,199)
Cash and cash equivalents at start of period		**6,422**	8,247	8,247
Effect of exchange rate fluctuations on cash held		**(358)**	128	1,374
Cash and cash equivalents at end of period	7	**7,635**	5,660	6,422

Notes to the condensed consolidated interim financial statements
Unaudited results for the six months ended 30 September 2009

1. Basis of preparation

This interim statement has been prepared on the basis of accounting policies set out in the full Annual Report and Accounts for the year ended 31 March 2009 except as detailed below:

In these interim financial statements the following amendments have been adopted for the first time:

- *IAS 1 Presentation of Financial Statements (Revised).* The application of the revision to IAS 1 has changed the format of the financial statements but has not fundamentally changed the reported financial position or performance.
- Amendment to *IFRS 2 Share based payments, IAS 23 Borrowing Costs (Revised),* Amendments to *IAS 32 Financial Instruments: Presentation*, *IFRIC 13 Customer loyalty programmes* and *IFRIC 16 Hedges of a net investment in a foreign operation* had no significant impact on the interim financial statements.

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and International Financial Reporting Standard (IFRS) IAS 34: Interim Financial Reporting as adopted in 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 2009.

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 Audit Plc and their report is set out below.

The comparative figures for the financial year ended 31 March 2009 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 auditors 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 auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

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 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 27 to the Company's previously published financial statements for the year ended 31 March 2009 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 consolidated interim financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

- The current overdraft facility was due for renewal in September 2009 and the company started negotiations with its banker, HSBC, in May 2009 to put facilities onto a longer term basis with a new set of covenants with appropriate headroom against the forecasts. At the date of the issue of our results for the year ended 31 March 2009, HSBC had proposed terms for a three year asset backed facility and term loans for three years to replace the current overdraft and existing loans. The Board were confident at that time of concluding final agreement of the new facility within a short period of time.
- Whilst trading for the first six months of this financial year has been broadly in line with our expectations resulting in a small profit, given the losses incurred in the second six months of last year and the flat turnover for the first six months of the current financial year, the Group was in breach of two of its banking covenants as at 30 September 2009.
- HSBC granted a formal waiver of these covenant breaches on 1 October for the period up to 30 November 2009, pending finalisation of the negotiations for the new facility. However, as the formal waiver had not been put in place as at the date of these interim financial statements, accounting standards require us to reclassify as current all the Group's debt as at 30 September 2009.
- In October, HSBC, as part of their continuing due diligence process to finalise the new facility, commissioned a review of our forecasts from a firm of independent accountants which has proceeded satisfactorily.
- On 27 November, the Company received formal notification of a revised offer from HSBC that it was prepared to enter into a committed 12 month facility from the date of signature of a formal loan agreement. A summary of these details are as follows:
    - Term loan £4 million (libor + 3.75%)
    - Bridging loan £2 million (base + 4%)
    - ABL £13.50 million (base + between 2.25% and £2.75%)
- This offer has full credit approval and includes some revised covenants.
- The proposed revised covenants have taken account of the Company's projections and based on current trading, and the Directors do not forecast a breach will occur in the next 12 months. The Directors are confident that adequate facilities will be agreed in advance of the expiry of the 12 month facility referred to above.
- During the intervening period, the bank has agreed to a temporary waiver of any further covenant breaches from 30 November 2009 until 31 December 2009.
- As at the date of this report, leaving aside the breaches as referred to earlier, the Company currently is trading well within its current facilities.
- Given that the Company's bank has confirmed formal terms which are acceptable to the Company, the directors have a reasonable expectation that the agreements will be formally concluded successfully. In addition, the directors have reconsidered the Company's forecasts for the next twelve months and concluded that under the new proposed facility the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of preparation in these financial statements.

2. Segment reporting

Segment information is presented in the condensed consolidation interim financial statements in respect of the Group's geographical segments. This reflects the Group's management and internal reporting structure, and the operating basis on which individual operations are reviewed by the Chief Operating decision maker.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Geographical operating segments

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

UK	
Mainland Europe / USA:	includes Norway, Sweden, Hungary, Southern Ireland, Holland, Poland, USA, Mexico and Costa Rica
Asia:	includes Malaysia, China, Singapore and Taiwan

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.

Segment revenue and result under primary reporting format for the 6 months ended 30 September 2009 and 2008 are disclosed in the table below:

September 2009	**UK**	**Mainland Europe / USA**	**Asia**	**Central**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Revenue*					
Revenue from external customers	**22,196**	**8,166**	**9,484**	**-**	**39,846**
Inter segment revenue	**422**	**78**	**1,048**	**-**	**1,548**
Total revenue	**22,618**	**8,244**	**10,532**	**-**	**41,394**
Segment result before separately disclosed items	**(599)**	**28**	**1,077**	**(444)**	**62**
Sale of associate	**-**	**-**	**-**	**332**	**332**
Intangible amortisation	**(131)**	**-**	**-**	**-**	**(131)**
Restructuring costs	**(111)**	**-**	**-**	**-**	**(111)**
Equity settled share based payments	**-**	**-**	**-**	**87**	**87**
Operating (loss)/profit before financing costs	**(841)**	**28**	**1,077**	**(25)**	**239**
Net financing costs					**(59)**
Profit on ordinary activities before taxation					**180**
Taxation					**21**
Profit for the year					**201**
Assets and liabilities					
Segment net assets/ (liabilities)	**17,647**	**10,114**	**22,659**	**(9,518)**	**40,902**

September 2008 (restated)	**UK**	**Mainland Europe / USA**	**Asia**	**Central**	**Subtotal**	**Discontinued Turkish business**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Revenue*							
Revenue from external customers	**33,680**	**11,616**	**13,848**	**-**	**59,144**	**1,555**	**60,699**
Inter segment revenue	**707**	**137**	**2,320**	**-**	**3,164**	**95**	**3,259**
Total revenue	**34,387**	**11,753**	**16,168**	**-**	**62,308**	**1,650**	**63,958**
Segment result before separately disclosed items	**1,143**	**844**	**2,622**	**(898)**	**3,711**	**(153)**	**3,558**
Intangible amortisation	**(132)**	**-**	**-**	**-**	**(132)**	**-**	**(132)**
Equity settled share based payments		**-**	**-**	**(150)**	**(150)**	**-**	**(150)**
Operating profit/(loss) before financing costs	**1,011**	**844**	**2,622**	**(1,048)**	**3,429**	**(153)**	**3,276**
Net financing costs					**(468)**	**-**	**(468)**
Profit/(loss) on ordinary activities before taxation					**2,961**	**(153)**	**2,808**
Taxation					**(846)**	**-**	**(846)**
Profit/(loss) for the year					**2,115**	**(153)**	**1,962**
Assets and liabilities							
Segment net assets/ (liabilities)	**27,310**	**11,827**	**22,226**	**(8,649)**	**52,714**	**2,825**	**55,539**

*Revenue is derived from the manufacture and logistical supply of industrial fasteners and Category 'C' components.

3. Taxation

The credit for tax for this period is an estimate based on the anticipated effective rate of tax for the year ending 31 March 2010 and also takes into account deferred tax assets where recovery is foreseeable on losses carried forward.

	Six months ended 30 September 2009	Six months ended 30 September 2008
	£000	£000
Current tax on income for the period		
UK tax	**(161)**	28
Foreign tax	**232**	773
Adjustments in respect of prior years	**(92)**	45
	(21)	846

4. Dividends

The Directors do not recommend an interim dividend (Sept 2009 : 0.93p per ordinary share).

5. Earnings per share

The calculation of earnings per 5p ordinary share is based on profit for the period after taxation and the weighted average number of shares in the period of 85,246,086 (September 2008: 85,130,004; March 2009: 85,136,525).

The calculation of the fully diluted earnings per 5p 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 85,246,086 (September 2008: 85,130,004; March 2009: 85,136,525).

The adjusted diluted earnings per share for the six months ended 30 September 2009 is as follows:

	Six months ended 30 September 2009 £000	Six months ended 30 September 2008 £000	Year ended 31 March 2009 £000
Profit/(loss) for the period	**201**	1,962	(15,310)
Associate impairment	**-**	-	659
Goodwill & intangible asset impairment	**131**	132	8,569
Sale of associate	**(332)**	-	-
Restructuring costs	**111**	-	3,701
Settlement claim	**-**	-	555
IFRS Share option	**(87)**	150	55
Tax charge on adjusted items	**62**	-	(1,036)
Adjusted Profit/(loss)	**86**	2,244	(2,807)
Basic EPS	**0.24p**	2.31p	(17.98p)
Diluted Basic EPS	**0.24p**	2.31p	(17.98p)
Adjusted Diluted EPS	**0.10p**	2.64p	(3.30p)

6. Retained earnings

	Six months ended 30 September 2009 £000	Six months ended 30 September 2008 £000	Year ended 31 March 2009 £000
Opening balance	**17,083**	34,734	34,734
Retained profit/(loss) for period	**201**	1,962	(15,310)
Equity–settled share based payment transactions	**(87)**	137	41
Dividends	**-**	(1,589)	(2,382)
Closing balance	**17,197**	35,244	17,083

7. Cash and cash equivalents at end of period.

	Six months ended 30 September 2009 £000	Six months ended 30 September 2008 £000	Year ended 31 March 2009 £000
Cash and cash equivalents	**9,248**	5,660	9,063
Bank overdraft	**(1,613)**	-	(2,641)
Net cash and cash equivalents	**7,635**	5,660	6,422

8. Post balance sheet events

The UK restructuring and consolidation plans have continued to progress since the period end. As significant elements of these plans are only at the initial consultation stage, management are currently not able to make a reliable estimate of the expected financial effect.

9. Discontinued operations

In March 2009 the Group sold the Turkish business (TR Keba Ltd) back to Keba's original management team. The segment was not a discontinued operation or classified as held for sale as at 30 September 2008 and the comparative income statement has been re-stated to show the discontinued operation separately from continuing operations.

	Year ended 31 March 2009 £000	Six months ended 30 September 2008 £000
Results of discontinued operation		
Revenue	**2,697**	1,555
Expenses	**(3,474)**	(1,708)
Results from operating activities	**(777)**	(153)
Income tax	**(65)**	-
Results from operating activities, net of income tax	**(842)**	(153)
Loss on sale of discontinued operation (including goodwill impairment)	**(2,950)**	-
Loss for the period	**(3,792)**	(153)

10. Analysis of net debt

	At 30 September 2009 £000	At 30 September 2008 £000	At 31 March 2009 £000
Cash and cash equivalents	**9,248**	5,660	9,063
Bank overdraft	**(1,613)**	-	(2,641)
Net cash and cash equivalents	**7,635**	5,660	6,422
Debt due within one year	**(13,200)**	(2,407)	(2,547)
Debt due after one year	**-**	(12,961)	(12,271)
	(13,200)	(15,368)	(14,818)
Total	**(5,565)**	(9,708)	(8,396)

Independent review report by KPMG Audit Plc 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 2009 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 Services Authority ("the UK FSA"). 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 FSA.

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 2009 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

P Alex Sanderson
for and on behalf of KPMG Audit Plc
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
West Sussex RH11 9PT
27 November 2009