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# Trifast plc

**Half-yearly results for the six months ended 30 September 2010**

| **Key points - financial** | **H1 30 September 2010** | H1 30 September 2009 | H2 31 March 2010 | **Full year 31 March 2010** |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| Revenue | **£52.04m** | £39.85m | £46.09m | **£85.94m** |
| Gross profit | **£13.45m** | £9.81m | £11.20m | **£21.01m** |
| Underlying operating profit[1] | **£1.99m** | £0.06m | £1.01m | **£1.07m** |
| Operating profit/(loss) | **£1.75m** | £0.24m | (£2.38m) | **(£2.14m)** |
| Underlying pre-tax profit[1] | **£1.72m** | £0.00m | £0.92m | **£0.92m** |
| Pre-tax profit/(loss) | **£1.48m** | £0.18m | (£2.99m) | **(£2.81m)** |
| Net Debt | **£5.63m** | £5.57m | £4.68m | **£4.68m** |

[1] Underlying profit is calculated before intangible amortisation, IFRS 2 charges, restructuring costs and sale of associate.

- UK returns to profit, whilst Asia doubled operating profits to £2.09m
- Major investment programme in Asia to support growth in the region
- 'Automotive Centre of Excellence' to be established in Europe
- The TR business continues to focus on:
  - further penetration of globally spread multi-national high volume assemblers in electronics and automotive
  - increasing leverage of its low cost Asian manufacturing capabilities, and;
  - growth of TR branded and transactional sales mainly in the UK and EU

*"As the Group continues to advance, and despite some caution across certain global economies we are encouraged by year to date trading and the amount of 'self help' that is within reach. Given the market dynamics visible to us at this stage, the Board would expect profit for the year to 31 March 2011 to be significantly ahead of current expectations."*

**Malcolm Diamond MBE, Executive Chairman**


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**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-yearly results for the six months ended 30 September 2010**

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

## Introduction

The significant improvement in global trading and business opportunities, which we have already alluded to in our recent trading updates has continued. TR's UK business has been very encouraging, improving sales by 26% over the comparable period and turning an operating loss last half-year of £0.40 million to a profit of £0.89 million. On the same basis, Asia has also performed strongly, increasing sales by 54% and doubling its operating profit to £2.09 million.

## Results

The uplift in revenue and profitability has continued in the six months ended 30 September 2010 with overall Group revenue increasing half-on-half by 13% from £46.09 million to £52.04 million. By territory, Asia increased by 20%, UK 14% and Rest of the World remained at last year's levels.

Gross margins at the half-year improved to 25.8%, against 24.4% at March 2010 and 24.6% in the comparable period last year.

Underlying profits increased significantly and can be analysed as follows:

| | **H1 September 2010** | H1 September 2009 | Year end March 2010 |
|---|---|---|---|
| **Group Operating Profit** | **£1.99m** | £0.06m | £1.07m |
| - including separately disclosed items | **£1.75m** | £0.24m | (£2.14m) |
| **Group profit before tax** | **£1.72m** | £0.00m | £0.92m |
| - including separately disclosed items | **£1.48m** | £0.18m | (£2.81m) |

Basic earnings per share increased from 0.24 pence to 1.37 pence. (2010 March year-end loss (2.57p).

At 30 September 2010, shareholder equity stood at £41.51million (September 2009: £40.90m).

## Cash Flow and Working Capital

Whilst the Group's focus remains 'sales-led' with margin improvement, tight cost control and cash management remain important factors within Group performance.

Cash flow for the period showed a small outflow of £0.14 million reflecting the investment in stock of £2.98 million to support the significant growth achieved during the period. Despite this increase, we have reduced gross stock weeks from 23.0 to 21.4. Debtor days remain strong at 74, and once again, there are no significant bad debts to report in the period.

Capital expenditure in the period was £0.16 million. Due to increasing manufacturing demand and visibility in the Asia territory, the Board authorised the restoration of capital expenditure in this region to increase capacity and to support the intended move out of the 'free-trade zone' for our operation in Suzhou, China. The Group continues to be prudent with cash but will invest as necessary, remaining mindful of ROCE which at September 2010 was 8.5%, up from 2.4% at the end of March 2010.

## Financing and Banking Facilities

Net debt at the end of the Half-year period was £5.63 million compared with £4.68 million at the end of March 2010 and £5.57m in the comparable half-year 2009 resulting in overall gearing of 13.6% (HY 2009: 13.6%; at March 2010 year end 11.7%).

The current three-year banking facilities provide the Company with adequate headroom and working capital resources to achieve both its short-term financial objectives and to deliver our current strategy going forward.

Net interest has increased from £0.06 million in the comparable 2009 period to £0.27 million, however despite this increase EBITDA to net interest has remained strong at 9.1 times (September 2009: 10.1 times).

## Dividend

No dividend will be paid in respect of the Half–year but, as we have previously highlighted, the restoration of a yield remains a key focus for the Board and we are committed to address this at the earliest opportunity and once distributable reserves allow.

## Business Review

*Group Trading*

Demand and enquiries continue to increase across both TR's transactional and global sales business even in the traditionally quieter Summer months.

We remain keen to leverage our low cost manufacturing within TR Asia and whilst trading remains buoyant in terms of both this manufacturing and distribution, we do expect moderation from the exceptional growth rates seen in recent periods. Around the Rest of the World, TR is also witnessing demand and enquiries increasing across its operations. We expect this to show through during the second half, particularly within our European operations. Global sales continue to grow as we successfully win both new and improved multi-national contracts across our key sectors. This is particularly the case in automotive where long term contracts are being won at acceptable margins.

The Group has increased the focus on sales of branded products and higher margin transactional sales. Both are showing encouraging signs even at this early stage and we continue to build the relevant stock profile to support these business lines.

*Group Structure*

The Board's review of the TR Group business remains on-going so we not only ensure that we have the core requirements in place to drive the business forward but that they also continue to accurately reflect our commercial position. As a result of renewed growth, we have been required to put appropriate levels of cost back into certain parts of the business.

Within Asia, having increased utilisation of capacity from 20% in 2009 to circa 80% in this financial year and taking into account future visibility, we have agreed a significant investment programme to support growth from within this region in particular, China where we will relocate our operation out of the 'free-trade zone' and into a purpose-built facility that can service both local and international business. In the UK region, warehouse consolidation continues but with adjustments introduced to account for the rapid revenue recovery in several locations – especially the Midlands. Within the Rest of the World, Holland will become the 'Automotive Centre of Excellence' whilst Hungary will predominantly concentrate on our Eastern European sales. The reinvigorated Global sales team will make a concerted effort to drive and win new sales across the entire group, particularly within the electronics and automotive sectors.

*Our People*
It is always important as a Board to acknowledge the on-going 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.

The review and implementation of a progressive HR function will ensure that we continue to successfully retain and attract high level competence & core skills to the business. Training and communicating with our people is vital and over the 12 months, we have restored 'open to all' internal communications including TQM visits to most operations around the world. The success of these actions is already being reflected in staff morale, focus and productivity. Total staff numbers at the end of the first half-year was 883 people (September 2009: 864: 2010 March year-end 2010: 868).

## Current Trading

The TR business continues to advance on three main fronts:

- further penetration of globally spread multi-national high volume assemblers in electronics and automotive,
- the increasing leverage of our low cost Asian manufacturing capabilities, and;
- the growth of TR branded and transactional sales mainly in the UK and EU.

Supporting this growth, we continue to focus on "Lean" processes, logistics, purchasing and management information systems in order to reduce our direct and indirect cost of sales and to further improve our Quality and customer service and KPI's.

## Outlook

Our key objective remains to return this Group back to sustainable profitability. In addition to organic growth, we will continue to research and build key alliance partnerships and also to identify self-managing acquisitions within niche markets which will yield further benefits to the business, its customers and its stakeholders.

As the Group continues to advance, and despite some caution across certain global economies we are encouraged by year to date trading and the amount of 'self help' that is within reach. Given the market dynamics visible to us at this stage, the Board would expect profit for the year to 31 March 2011 to be significantly ahead of current expectations.

We look forward to updating shareholders on our progress.

## 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 (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
(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 MBE**
Executive Chairman

**Jim Barker**
Chief Executive Officer

**Notes:**

**Electronic Communications**

The Company is not proposing to bulk print and distribute hard copies of the full Half-yearly statement and financials unless specifically requested by individual shareholders. It is intended that a letter from the Chairman and summary of results will be sent to all shareholders today.

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.

**Forward Looking Statements**

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.

**15 November 2010**

**Condensed consolidated interim income statement**
**Unaudited results for the six months ended 30 September 2010**

| | Notes | **Six months Ended 30 September 2010 £000** | Six months Ended 30 September 2009 £000 | Year ended 31 March 2010 £000 |
|---|---|---|---|---|
| Revenue | | **52,036** | 39,846 | 85,935 |
| Cost of sales | | **(38,589)** | (30,039) | (64,927) |
| **Gross profit** | | **13,447** | 9,807 | 21,008 |
| Other operating income before the following items: | | **153** | 129 | 218 |
| - Sale of associate | | **-** | 332 | 332 |
| Total operating income | | **153** | 461 | 550 |
| Distribution expenses | | **(1,165)** | (1,151) | (2,146) |
| Administrative expenses before the following items: | | **(10,442)** | (8,723) | (18,015) |
| - Intangible amortisation | | **(131)** | (131) | (261) |
| - IFRS 2 (charge)/credit | | **(114)** | 87 | 143 |
| - Restructuring costs | | **-** | (111) | (3,420) |
| Total administrative expenses | | **(10,687)** | (8,878) | (21,553) |
| **Operating profit / (loss)** | | **1,748** | 239 | (2,141) |
| Financial income | | **14** | 43 | 96 |
| Financial expense before the following items: | | **(285)** | (102) | (246) |
| - Expense of changing banking facilities | | **-** | - | (517) |
| Total financial expenses | | **(285)** | (102) | (763) |
| **Net financing costs** | | **(271)** | (59) | (667) |
| **Profit / (loss) before tax** | | **1,477** | 180 | (2,808) |
| Taxation | *4* | **(310)** | 21 | 621 |
| **Profit / (loss) for the period** | | **1,167** | 201 | (2,187) |
| **Earnings / (loss) per share** | | | | |
| - Basic | *6* | **1.37p** | 0.24p | (2.57p) |
| - Diluted | *6* | **1.30p** | 0.24p | (2.57p) |
| **Dividends** | *5* | **-** | - | - |

**Condensed consolidated interim statement of comprehensive income**
**Unaudited results for the six months ended 30 September 2010**

| | **Six months ended 30 September 2010 £000** | Six months ended 30 September 2009 £000 | Year ended 31 March 2010 £000 |
|---|---|---|---|
| **Profit / (loss) for the period** | **1,167** | 201 | (2,187) |
| **Other comprehensive income** | | | |
| Foreign currency translation differences | **47** | (1,681) | 42 |
| Net loss on hedge of net investment in foreign subsidiary | **-** | (1) | (1) |
| **Other comprehensive income / (expense) recognised directly in equity, net of income tax** | **47** | (1,682) | 41 |
| **Total comprehensive income / (expense) recognised for the period** | **1,214** | (1,481) | (2,146) |

**Condensed consolidated interim statement of changes in equity**
**Unaudited results for the six months ended 30 September 2010**

| | Share Capital £000 | Share Premium £000 | Translation Reserve £000 | Retained Earnings £000 | Total Equity £000 |
|---|---|---|---|---|---|
| **Balance at 1 April 2010** | **4,262** | **12,167** | **8,999** | **14,753** | **40,181** |
| ***Total comprehensive income for the period*** | | | | | |
| Profit for the period | - | - | - | 1,167 | 1,167 |
| Other comprehensive income | | | | | |
| Foreign currency translation differences | - | - | 47 | - | 47 |
| Total other comprehensive income | - | - | 47 | - | 47 |
| **Total comprehensive expense for the period** | - | - | 47 | 1,167 | 1,214 |
| ***Transactions with owners, recorded directly in equity*** | | | | | |
| Share based payment transactions | - | - | - | 114 | 114 |
| **Total transactions with owners** | - | - | - | 114 | 114 |
| **Balance at 30 September 2010** | **4,262** | **12,167** | **9,046** | **16,034** | **41,509** |

**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 gain on hedge of net investment in foreign subsidiary | - | - | (1) | - | (1) |
| **Total other comprehensive income** | - | - | (1,682) | - | (1,682) |
| **Total comprehensive income 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 financial position**
**Unaudited results as at 30 September 2010**

| | **30 September 2010 £000** | 30 September 2009 £000 | 31 March 2010 £000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | **7,437** | 7,958 | 7,740 |
| Intangible assets | **16,434** | 15,935 | 16,358 |
| Deferred tax assets | **2,046** | 707 | 2,046 |
| **Total non-current assets** | **25,917** | 24,600 | 26,144 |
| **Current assets** | | | |
| Stocks | **23,119** | 20,137 | 20,141 |
| Trade and other receivables | **22,783** | 16,970 | 20,458 |
| Cash and cash equivalents | **7,657** | 9,248 | 7,420 |
| **Total current assets** | **53,559** | 46,355 | 48,019 |
| **Total assets** | **79,476** | 70,955 | 74,163 |
| **Current liabilities** | | | |
| Bank and other loans | **13,288** | 14,813 | 12,103 |
| Trade and other payables | **19,964** | 13,545 | 16,701 |
| Tax payable | **897** | 658 | 847 |
| Provisions | **401** | 129 | 841 |
| **Total current liabilities** | **34,550** | 29,145 | 30,492 |
| **Non-current liabilities** | | | |
| Provisions | **3,178** | 781 | 3,144 |
| Deferred tax liabilities | **239** | 127 | 346 |
| **Total non-current liabilities** | **3,417** | 908 | 3,490 |
| **Total liabilities** | **37,967** | 30,053 | 33,982 |
| **Net assets** | **41,509** | 40,902 | 40,181 |
| **Equity** | | | |
| Share capital | **4,262** | 4,262 | 4,262 |
| Share premium | **12,167** | 12,167 | 12,167 |
| Reserves | **9,046** | 7,276 | 8,999 |
| Retained earnings | **16,034** | 17,197 | 14,753 |
| **Total equity** | **41,509** | 40,902 | 40,181 |

**Condensed consolidated interim statement of cash flows**
**Unaudited results for the six months ended 30 September 2010**

| | Notes | **Six months ended 30 September 2010 £000** | Six months ended 30 September 2009 £000 | Year ended 31 March 2010 £000 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Profit/(loss) for the period | | **1,167** | 201 | (2,187) |
| Adjustments for: | | | | |
| Depreciation, amortisation & impairment | | **616** | 664 | 1,329 |
| Financial income | | **(14)** | (43) | (96) |
| Financial expense | | **285** | 102 | 763 |
| (Profit)/loss on sale of property, plant & equipment | | **(5)** | 1 | 10 |
| Equity settled share based payment charge/(credit) | | **114** | (87) | (143) |
| Gain on sale of associate | | **-** | (332) | (332) |
| Taxation charge/(credit) | | **310** | (21) | (621) |
| Operating profit/(loss) before changes in working capital and provisions | | **2,473** | 485 | (1,277) |
| Change in trade and other payables | | **(2,366)** | (1,548) | 1,599 |
| Change in stocks | | **(2,974)** | 3,286 | 3,748 |
| Change in trade and other receivables | | **3,136** | 1,064 | (1,983) |
| Change in provisions | | **(406)** | (1,037) | 1,821 |
| Cash (absorbed)/generated from operations | | **(137)** | 2,250 | 3,908 |
| Tax (paid)/received | | **(376)** | 471 | 119 |
| ***Net cash from operating activities*** | | **(513)** | 2,721 | 4,027 |
| **Cash flows from investing activities** | | | | |
| Acquisition of property, plant & equipment | | **(163)** | (127) | (220) |
| Proceeds from sale of property, plant & equipment | | **5** | - | 13 |
| Proceeds from sale of associate | | **-** | 332 | 332 |
| Interest received | | **14** | 43 | 97 |
| ***Net cash from investing activities*** | | **(144)** | 248 | 222 |
| **Cash flows from financing activities** | | | | |
| Proceeds from new loan | | **2,661** | - | 12,103 |
| Repayment of long term borrowings | | **(1,477)** | (1,225) | (14,818) |
| Interest paid | | **(285)** | (173) | (620) |
| *Net cash from financing activities* | | **899** | (1,398) | (3,335) |
| **Net change in cash and cash equivalents** | | **242** | 1,571 | 914 |
| **Cash and cash equivalents at start of period** | | **7,420** | 6,422 | 6,422 |
| *Effect of exchange rate fluctuations on cash held* | | **(5)** | (358) | 84 |
| **Cash and cash equivalents at end of period** | *7* | **7,657** | 7,635 | 7,420 |

**Notes to the condensed consolidated interim financial statements**
**Unaudited results for the six months ended 30 September 2010**

## 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 2010.

In the current financial year, the Group has adopted IFRS 3 (Revised 2008) *Business Combinations* and IAS 27. (Revised 2008) *Consolidated and Separate Financial Statements* as required, and will apply these principles throughout the year. Adoption of these standards did not have any significant effect on the financial position or performance of the Group.

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 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 2010.

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 at the end of this document.

The comparative figures for the financial year ended 31 March 2010 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 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 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 2010 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:

* As stated in our trading update of 21 September 2010, the improved demand for volume has continued and generated profits above the level required by our banking covenants. The Directors believe that whilst there will be some challenges as we come out of the recession, underlying demand is stable and will enable trading above the required levels under our banking facilities.

* In our 2010 financial statements the Directors stated their wish to renegotiate facilities in order to provide more long term security and flexibility. The increased trading has brought this into focus further and we have secured from HSBC a credit approved increase to the asset backed lending of £1.5m, bringing the total facility available to £14.35m (31 March 2010: £13.5m). The repayment date for the £3m remaining on the term loan has also been extended from 31 December 2010 to 31 December 2012 on a quarterly repayment basis.

The facility is subject to annual review in the normal course of business in October 2011. These changes to the facility provide additional headroom for the Group and also reduced debt service costs over the next 12 months.

The position described represents a significantly more secure financial position for the group, with a move from a situation of no secured facilities and a backdrop of uncertainty and falling demand to secured facilities that can be serviced with significant headroom against our expected results.

## 2. Underlying profit and separately disclosed items

| | **Six months ended 30 September 2010 £000** | Six months ended 30 September 2009 £000 | Year ended 31 March 2010 £000 |
|---|---|---|---|
| **Underlying profit before tax** | **1,722** | 3 | 915 |
| Separately disclosed items within other operating income*: | | | |
| Sale of associate | **-** | 332 | 332 |
| Separately disclosed items within administration expenses*: | | | |
| Restructuring costs | **-** | (111) | (3,420) |
| Intangible amortisation | **(131)** | (131) | (261) |
| IFRS 2 share based payment (charge)/credit | **(114)** | 87 | 143 |
| Separately disclosed items within financial expenses*: | | | |
| Expense of changing banking facilities | **-** | - | (517) |
| **Profit / (loss) before tax** | **1,477** | 180 | (2,808) |

* for 2010 details, see the Group's Published Accounts for the year ended 31 March 2010

## 3. Segment reporting

Segment information is presented in the condensed consolidated 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.

Performance is measured based on segment underlying profit before finance costs and income tax as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. This is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the industry.

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.

**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 and Mexico |
| 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 2010 and 2009 are disclosed in the table below:

| **September 2010** | **UK** | **Mainland Europe / USA** | **Asia** | **Common Costs** | **Total** |
|---|---|---|---|---|---|
| | **£000** | **£000** | **£000** | **£000** | **£000** |
| **Revenue*** | | | | | |
| Revenue from external customers | 27,688 | 9,979 | 14,369 | - | 52,036 |
| Inter segment revenue | 771 | 148 | 1,835 | - | 2,754 |
| Total revenue | 28,459 | 10,127 | 16,204 | - | 54,790 |
| **Operating result before separately disclosed items and financing costs** | **887** | **(138)** | **2,089** | **(845)** | **1,993** |
| Net financing costs | (187) | 2 | 6 | (92) | (271) |
| **Segment result before separately disclosed items** | **700** | **(136)** | **2,095** | **(937)** | **1,722** |
| Separately disclosed items (see note 2) | | | | | **(245)** |
| **Profit before tax** | | | | | **1,477** |
| **Specific disclosure items** | | | | | |
| Depreciation and amortisation | **140** | **31** | **285** | **160** | **616** |
| **Assets and liabilities** | | | | | |
| Segment assets | **31,944** | **8,790** | **32,068** | **6,674** | **79,476** |
| Segment liabilities | **(24,823)** | **(2,381)** | **(5,795)** | **(4,968)** | **(37,967)** |

| September 2009 | UK | Mainland Europe / USA | Asia | Common Costs | 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 |
| **Operating result before separately disclosed items and financing costs** | **(399)** | **(166)** | **1,077** | **(450)** | **62** |
| Net financing costs | (12) | (2) | 14 | (59) | (59) |
| **Segment result before separately disclosed items** | **(411)** | **(168)** | **1,091** | **(509)** | **3** |
| Separately disclosed items (see note 2) | | | | | **177** |
| **Profit before tax** | | | | | **180** |
| **Specific disclosure items** | | | | | |
| Depreciation and amortisation | **165** | **21** | **302** | **176** | **664** |
| **Assets and liabilities** | | | | | |
| Segment assets | **21,620** | **8,696** | **28,179** | **12,460** | **70,955** |
| Segment liabilities | **(12,853)** | **(1,665)** | **(3,304)** | **(12,231)** | **(30, 053)** |

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

There were no major customers that represent more than 10% of the revenue.

There was no material difference in the UK, Europe Mainland and USA regions between the external revenue based on location of the entities and the location of the customers.

## 4. Taxation

The charge for tax for this period is an estimate based on the anticipated effective rate of tax for the year ending 31 March 2011 and also takes into account deferred tax assets where recovery is foreseeable on losses carried forward.

| | **Six months ended 30 September 2010 £000** | Six months ended 30 September 2009 £000 | Year ended 31 March 2010 £000 |
|---|---|---|---|
| Current tax on income for the period | | | |
| UK tax | **(126)** | (161) | (1,160) |
| Foreign tax | **456** | 232 | 696 |
| Adjustments in respect of prior years | **(20)** | (92) | (157) |
| Total tax charge/(credit) | **310** | (21) | (621) |

## 5. Dividend

The Directors do not recommend an interim dividend (Sept 2009: £nil).

**6. 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 2009: 85,246,086; March 2010: 85,246,086).

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 89,517,478 (September 2009: 85,246,086; March 2010: 86,262,349).

The adjusted diluted earnings per share for the six months ended 30 September 2010 is as follows:

| | **Six months ended 30 September 2010 £000** | Six months ended 30 September 2009 £000 | Year ended 31 March 2010 £000 |
|---|---|---|---|
| Profit/(loss) for the period | **1,167** | 201 | (2,187) |
| Goodwill & intangible asset impairment | **131** | 131 | 261 |
| Sale of associate | **-** | (332) | (332) |
| Restructuring costs | **-** | 111 | 3,420 |
| IFRS Share option | **114** | (87) | (143) |
| Tax charge on adjusted items | **(78)** | 62 | (958) |
| Adjusted profit | **1,334** | 86 | 61 |
| | | | |
| Basic EPS | **1.37p** | 0.24p | (2.57p) |
| Diluted Basic EPS | **1.30p** | 0.24p | (2.57p) |
| Adjusted Diluted EPS | **1.49p** | 0.10p | 0.07p |

**7. Cash and cash equivalents at end of period**

| | **Six months ended 30 September 2010 £000** | Six months ended 30 September 2009 £000 | Year ended 31 March 2010 £000 |
|---|---|---|---|
| Cash and cash equivalents | **7,657** | 9,248 | 7,420 |
| Bank overdraft | **-** | (1,613) | - |
| **Net cash and cash equivalents** | **7,657** | 7,635 | 7,420 |

**8. Analysis of net debt**

| | **At 30 September 2010 £000** | At 30 September 2009 £000 | At 31 March 2010 £000 |
|---|---|---|---|
| Cash and cash equivalents | **7,657** | 9,248 | 7,420 |
| Bank overdraft | **-** | (1,613) | - |
| **Net cash and cash equivalents** | **7,657** | 7,635 | 7,420 |
| Debt due within one year | **(13,288)** | (13,200) | (12,103) |
| Debt due after one year | **-** | - | - |
| | **(13,288)** | (13,200) | (12,103) |
| **Total** | **(5,631)** | (5,565) | (4,683) |

## 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 2010 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 2010 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*

15 November 2010