Trifast plc

Trifast, leading international specialists in the engineering, manufacturing and distribution of high quality industrial fastenings to major global assembly industries

Half Year Report

for the six months ended

30 September 2017

LSE Premium listing
Stock Code: TRI

The information contained within this announcement
is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014.
Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

TRIFAST PLC

HALF-YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

"Another six months of strong growth, with increased trading driving up our underlying PBT"

KEY FINANCIALS

Continuing operations (Actual Exchange Rate, AER)	Change HY2018 v HY2017	HY2018	HY2017	FY2017
Group revenue	+9.0%	£97.8m	£89.7m	£186.5m
Gross profit %	-140bps	30.2%	31.6%	31.1%
Underlying operating profit*	+8.5%	£11.1m	£10.3m	£21.0m
Operating profit	+6.4%	£9.3m	£8.8m	£17.9m
Underlying profit before tax*	+9.7%	£10.9m	£9.9m	£20.5m
Profit before tax	+7.7%	£9.1m	£8.5m	£17.3m
Underlying diluted earnings per share*	+8.1%	6.78p	6.27p	12.82p
Diluted earnings per share	+23.1%	6.56p	5.33p	10.40p
Basic earnings per share	+22.2%	6.72p	5.50p	10.72p
Interim/total dividend^	+10.0%	1.10p	1.00p	3.50p
Net debt	-£6.3m	£7.9m	£14.2m	£6.4m
Return on capital employed (ROCE)*	+150bps	20.1%	18.6%	19.9%

* Before separately disclosed items (see notes 2, 6 and 9).
^ Change is in interim dividend only.

OPERATIONAL HIGHLIGHTS

- Revenue up by 4.8% at Constant Exchange Rate (CER), 9.0% at AER, all organic growth
- Underlying diluted earnings per share up by 8.1% at AER
- Confidence for the future and continued profitable growth in a period of investment, drives an interim dividend increase of 10.0% to 1.10p
- Ongoing investment for growth in our sales teams and operations around the world
- Capital investment of £1.3m increases our manufacturing capacity and capability, with more to follow
- Expanded distribution facilities in Shanghai, with plans in place for Holland and Northern Ireland
- New *TR* Innovation and Technical Centre to be set up in Gothenburg, Sweden's electric vehicle development area
- *TR* Fastenings Espana up and running, with a strong pipeline in place

"HY2018 delivered another six months of strong growth, with ongoing investment across all of our regions.

Our strong first half results, together with a robust balance sheet, good access to banking facilities and a proven track record of profitable investment, means the Group is in a great position to keep moving forward. The second half has started well and, with a robust pipeline in place, the Board remain confident of delivering its expectations for the current financial year.

As an international business with over 70% of our revenue being generated outside of the UK, and a very well-balanced geographical and sector spread, the Board remains confident we have the flexibility and foresight to continue to grow, while facing any challenges head on as and when they arise."

Malcolm Diamond MBE**,** Non-Executive Chairman

Presentation of Results:
This will be held at 8.45am (UK) today at, The Lounge - 1 Cornhill, London, EC3V 3ND.
Conference dial-in facility: on request, please contact Fiona Tooley on +44 (0)7785 703523
or email fiona@tooleystreet.com.

Enquiries please contact:

***Trifast* plc**
Malcolm Diamond MBE, Non-Executive Chairman
Mark Belton, Chief Executive Officer
Clare Foster, Chief Financial Officer
Today: Mobile: +44 (0) 7979 518493 (MMD)

Office: +44 (0) 1825 747630
Email: corporate.enquiries@trifast.com

Peel Hunt LLP
Stockbroker & financial adviser
Justin Jones
Mike Bell
Matthew Brooke-Hitching
Tel: +44 (0)20 7418 8900

TooleyStreet Communications
IR & media relations
Fiona Tooley
Tel : +44 (0)7785 703523
Email : fiona@tooleystreet.com

Editors' note:
LSE Premium Listing: Ticker: TRI
LEI number: 213800WFIVE6RUK3CR22

Group website: www.trifast.com

About us: *Trifast*, leading international specialists in the engineering, manufacturing and distribution of high quality industrial fastenings to major global assembly industries. Key sectors are automotive, domestic appliances, electronics and distributors. The Group employs *c.*1,200 staff across 28 global locations across the UK, Europe, Asia and the USA.

For more information, visit
Commercial website: www.trfastenings.com
LinkedIn: www.linkedin.com/company/tr-fastenings
Twitter: www.twitter.com/trfastenings
Facebook: www.facebook.com/trfastenings

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 2017 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.

Forward-looking statements
This announcement contains certain forward-looking statements. These reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.

TRIFAST PLC
HALF-YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2017

"WE ARE FOCUSSED ON LEVERAGING OUR COMBINED STRENGTHS AS AN INTEGRATED AND INTERACTIVE GROUP"

INTRODUCTION

We continue to develop the depth and scope of our business from a position of financial strength and stability that derives from continuing organic growth, supported by effective cash management and overhead controls.

Global market overview

We imagine that there are very few of us in commerce that have failed to be influenced by the recent geopolitical uncertainty that has abounded, and which shows every sign of continuing.

The *Trifast* Board and management team have concluded, that in our view, global market demand will remain dynamic, and so we have increased our focus on our customers and our supply chain, including our pricing negotiations with key suppliers. This is coupled with our ongoing forward investment in plant and machinery, automation and people skills.

TR strategy update

Our commitment to continuous operational improvement over the past five years has been rewarded with positive KPI performance against targets on a consistent annual basis, together with financial reward for our investors and staff.

Building on this success, the Board, led by Mark Belton, has initiated a major long-term project to provide the Group with improved real-time management information (including an innovative customer relationship management (CRM) and global enquiry system), paralleled with regular senior team training and operational meetings. This is aimed at significantly developing and integrating our existing IT infrastructure around the world so as to support our ongoing growth plans and meet our multinational OEM customers' evolving demands. One early benefit of this improved approach is that our six Asian factories are now sharing factory capacity data to enable work to be shared at times of feast and famine production issues – previously these were managed on a local basis, thus restricting revenue and cost recovery opportunities.

Furthermore, this enhanced use of collective resources is supported by major capital investments in Italy, Singapore and Taiwan, plus distribution and engineering capacity investment in the UK, Sweden, Spain and China.

Our search for suitable acquisitions continues to be a major strategic aim. Since we last reported in June 2017, two larger international targets were thoroughly investigated over several months by our newly formed global acquisitions team, but regrettably, both were finally rejected - more due to future revenue growth risk than to high valuations. Our team brings together the skills and experience needed to conduct initial due diligence without the need to appoint costly external financial advisers. These advisers will only be appointed in the future following the successful agreement of non-binding heads of terms.

Succession and people

It has been a real pleasure to sign an increasing number of long service award certificates for our burgeoning loyal members of staff – some of whom have now reached forty-years service, along with many overseas employees being recognised for service of ten years and more.

Across the Group, skills and personal development training are high on the list for resource funding and management focus, especially as our ever-improving operational efficiencies are creating the need for heightened individual capabilities as opposed to the need for always increasing head count to accommodate business growth.

I am personally proud and delighted to oversee the further capability development of our business whilst the core *Trifast* caring and informal interpersonal culture is jealously guarded by our management.

Malcolm Diamond MBE, Non-Executive Chairman
13 November 2017

BUSINESS REVIEW

Unless stated otherwise, comparisons with prior year are calculated at constant currency (CER) and where we refer to 'underlying', this is defined as being before separately disclosed items (see note 2). CER calculations have been calculated by translating the HY2018 figures by the average HY2017 exchange rate.

The above reflects a change in calculation from the HY2017 statement where the average FY2016 rate was used. Given the marked movement in the rates following the Brexit vote in June 2016, management consider using the average HY2017 rate presents a more accurate reflection of our CER growth in HY2018 than an average FY2017 rate would allow.

The impact of foreign exchange movements has increased our revenue by an additional 4.2%, £3.8m (HY2017: 6.8%, £5.3m), our underlying profit before tax by a further 5.2%, £0.5m (HY2017: 12.3%, £1.0m) and our underlying diluted EPS by 5.2%, 0.33p (HY2017: 13.9%, 0.70p).

Our Group performance

	HY2018 CER	HY2018 AER	HY2017	Change at CER	Change at AER
Revenue	£94.0m	£97.8m	£89.7m	4.8%	9.0%
Gross profit (GP)	£28.4m	£29.5m	£28.4m	0.0%	3.9%
GP%	30.2%	30.2%	31.6%	-140bps	-140bps
Underlying EBITDA	£11.5m	£12.1m	£11.2m	2.4%	7.4%
Underlying operating profit (UOP)*	£10.6m	£11.1m	£10.3m	3.4%	8.5%
UOP%	11.3%	11.4%	11.4%	-10bps	0bps
Underlying profit before tax*	£10.4m	£10.9m	£9.9m	4.5%	9.7%
Underlying diluted EPS*	6.45p	6.78p	6.27p	2.9%	8.1%

*The non-underlying measures are included in the Key Financials table at the start of this report. Reconciliation to equivalent IFRS measures are in notes 2, 6 & 9.

In HY2018 we have seen another six months of good revenue growth, up 4.8% to £94.0m (AER: up 9.0% to £97.8m; HY2017: £89.7m).

This growth has come from our successful ongoing organic growth strategy. Sales to our top 100 multinational OEMs have grown by 4.4% in the period, reflecting the ever-increasing share of wallet we are securing with these key customers. Complementing this, we have also continued to see very strong growth, up 19.0%, across our master distributor network, predominantly into Europe.

Gross margins have been maintained slightly ahead of our 30.0% target at 30.2% (AER: 30.2%), although as expected these have reduced from the HY2017 high of 31.6%. This reduction is the result of known inflationary purchase pricing pressures which to date have been most keenly felt in Europe, arising in the main from the protracted weakness of the € against the US$. Despite this decrease in gross margins, underlying operating margins have remained steady at 11.3% (AER: 11.4%; HY2017: 11.4%), reflecting our ongoing focus on strong overhead control, even in a period of investment driven growth.

Our underlying PBT continues to grow, up by 9.7% at AER to £10.9m (HY2017: £9.9m) and 4.5% at CER. This has resulted in a strong increase in our underlying diluted earnings per share (EPS) at AER, up 8.1% to 6.78p (HY2017: 6.27p).

Revenue (CER)

Revenues have increased across all our regions and this has been strongest in Asia, up by 10.7% to £28.0m (AER: up 16.8% to £29.6m; HY2017: £25.3m). This has largely been driven by increases in our domestic appliances business in Singapore and automotive wins for our Chinese, Malaysian and Taiwanese operations. In PSEP, Malaysia, it is especially encouraging to see that the increase in intercompany co-operation we put in place following the downturn in the domestic economy has continued to bear fruit, with total PSEP revenues increasing strongly in the period and up by 7.1% against the HY2017.

In the UK, we have seen good growth in what is a mature market, up 4.1% to £35.4m (HY2017: £34.0m). Our ability to deliver high quality products from our extensive range within 48 hours across the whole of mainland Europe has led to significant increases in our distributor revenues, which has been coupled with an increase in contract sales to several of our key multinational OEMs.

In Europe, growth overall has been steady at 2.4% to £33.7m (AER: up 9.8% to £36.1m; HY2017: £32.9m). Our automotive sector is experiencing the greatest growth, most specifically in Holland and Sweden with increases of 10.5% and 8.9% respectively. In Italy, the importance of automotive is also building, with sales to this sector increasing by 27.5% in HY2017, albeit off a small base. Consistent with the second half of FY2017, volume reductions at one of the Group's largest domestic appliances multinational OEMs, have partly offset other increases across the region. Trading volumes with this customer had been abnormally high in both the second half of FY2016 and HY2017, as we supported a significant global product recall programme.

In the USA, growth in the period has been good at 3.7% to £3.1m (AER: up 10.0% to £3.3m; HY2017: £3.0m), although lower than the double-digit rate anticipated. This reflects a reduction in our sales to the electronics sector, largely because of the manufacturing issues some of our key customers are experiencing in the wake of Hurricane Harvey. However, the start of production on new automotive wins in the region have helped to offset the negative impact of this.

Underlying operating profit (CER)
Underlying operating margins have remained steady at 11.3% (AER: 11.4%; HY2017: 11.4%), generating an overall increase in underlying operating profit of 3.4% to £10.6m (AER: up 8.5% to £11.1m; HY2017: £10.3m).

Asia has driven a large element of the increase with underlying operating margins climbing by an impressive 170bps to 14.7% (AER: up 180bps to 14.8%; HY2017: 13.0%) mainly due to increased sales levels across a semi-fixed cost base. Offsetting this gain, regional gross margins fell slightly, by 60bps, largely due to the ongoing weakness of both £ and the US$ against the NT$.

In line with the second half of FY2017, our European region has seen a marked decrease in underlying operating margins against HY2017, reporting a 540bps fall to 10.9% (AER: fall of 540bps to 10.9%; HY2017: 16.3%). Most of the reduction arises from a decline in the gross profit margin. This is most specifically in our Italian operation where, as expected, the impact of increases in purchase costs at the end of HY2017 have continued into HY2018. This has been in addition to a planned increase in fixed production costs in Italy as we invest for future growth. Whilst investment costs to successfully get our new Spanish greenfield site up and running, represent most of the overhead led decrease in the region's underlying operating margin.

In the UK, underlying operating margins have improved strongly by 190bps to 11.1% (HY2017: 9.2%). Most of this rise comes through at gross profit level due to increases in revenues as well as several high margin sales in the period. Foreign exchange gains made on our € distributor sales reflecting a weak £, have to date, been able to offset the negative impact of inflationary pricing pressures following the Brexit vote. The rest of the increase reflects a reduction in our overhead spend. This is in line with our ongoing commitment to control costs wherever possible, so as to allow us to continue to invest in those areas where we see the greatest opportunities for growth.

In the USA, underlying operating margins have fallen sharply by 190bps to 3.7% (AER: fall of 200bps to 3.6%; HY2017: 5.6%) although, as this is our smallest region, the total decrease equates to less than £0.1m. The majority of this reduction reflects lower gross margins as our electronics sales have decreased in a large part due to Hurricane Harvey. As in prior periods, low underlying operating margins are to be expected in this region given the level of investments for future growth being made here.

Net financing costs (AER)
These have continued to fall to £0.2m (HY2017: £0.3m) in line with the reduction in average net debt.

Taxation (AER)
The HY2018 effective tax rate (ETR) of 11.2% is significantly lower than our underlying FY2018 ETR of c.23.5%. The main reason for this difference is due to the finalisation of a fully provided historic tax position in the UK relating to a combination of EU loss relief claims (£0.6m) for losses made in the run up to the closure of *TR* France in 2007 and EU dividend relief claims (£0.6m) to cover dividends paid up to *Trifast* plc between the years of 2007 to 2009.

The provision in the accounts at 31 March 2017 was £1.2m and the final settlement agreed on 7 September 2017 was £0.3m, leading to a prior year corporation tax adjustment of £0.9m. Due to the size and the nature of this amount, we have removed the positive impact of this release from our underlying ETR (see note 9).

Earnings per share (AER)
Our ongoing growth in underlying profit before tax, and foreign exchange translation tailwinds, has led to a strong increase in our underlying diluted EPS of 8.1% to 6.78p (HY2017: 6.27p).

Dividend
Confidence for the future and continued profitable growth in a period of investment, has driven an interim dividend increase of 10.0% to 1.10p (HY2017: 1.00p). The interim dividend will be paid on 12 April 2018, to shareholders on the Register as at 16 March 2018. The shares will become ex-dividend on 15 March 2018.

Shareholder equity (AER)
As at 30 September 2017, the Group's shareholders' equity increased to £104.0m (FY2017: £101.7m). The £2.3m uplift reflects retained earnings of £4.8m (HY2017: £3.8m), net of a foreign exchange reserve loss of £1.4m and share purchases (net of share issues) totalling £1.1m.

In HY2018, the Group used the *Trifast* Qualifying Employee Benefit Trust (EBT) for the first time to purchase 500,000 ordinary 5p shares in the market at 220p. At the 30 September 2017, these shares were still held by the EBT and will be used to honour future equity award commitments as required.

Net debt (AER)

Our net debt position at the end of HY2018 has increased by £1.5m to £7.9m (FY2017: £6.4m). Some £1.2m of this increase is due to the payment out of cash held specifically at 31 March 2017 to settle the national insurance and income tax payments relating to the Chairman, Malcolm Diamond's exercise of 1,000,000 share options on 17 February 2017.

Capital expenditure of £1.3m in the period supports the Board's ongoing investment in the business, most specifically within our manufacturing sites with additional capacity projects underway in Italy, Singapore and Taiwan. In addition, as previously mentioned, £1.1m has been used to acquire 500,000 5p ordinary shares on the open market via the *Trifast* EBT. Although our cash is held across a number of currencies around the world, our gross debt continues to be held predominantly in € and this has led to a £1.3m net increase in net debt mainly from the relative strengthening of the € in the period.

Outside of these movements, our cash generation has reduced with a conversion rate of underlying EBITDA to underlying cash of 52.3% (FY2017: 97.3%; HY2017: 82.6%). Our investment in gross stock in the period includes an extra £2.5m to normalise the very low position we ended FY2017 on and to bring stock weeks back up to 22.8 weeks (FY2017: 21.8 weeks, HY2017: 24.5 weeks). Without the impact of this, our conversion rate of underlying EBITDA to underlying cash would be higher at 73.1%.

As at 30 September the headroom on our banking facility was £16.2m (FY2017: £13.1m). The net debt to EBITDA ratio is 0.3x which is significantly less than our covenant limit of 2.75x. In addition, we continue to have access to an accordion facility of £20.0m within our Group banking facilities with HSBC. These provide the potential flexibility to debt finance future acquisitions and further investments as required.

Ongoing and future investment plans

In Asia, over the course of FY2018, we will be investing £1.0m in the construction of a mezzanine level at our Singapore facility to expand capacity, initially by 25%, and to increase R&D capabilities. While in Shanghai, we have just expanded our warehousing and inspection facilities to support the double-digit growth we are seeing both in the Chinese domestic market and via our recent expansion into the Japanese market.

In Europe, our greenfield site in Spain is now up and running. First orders have been processed, stock is on the shelves and the pipeline is looking strong. In Italy, the investments we have made in the heat treatment plant in FY2017 are beginning to pay back, bringing an end to the production bottlenecks that were limiting our ability to expand capacity at the plant. Looking ahead, we have further investment planned to support the ongoing growth in our European distribution sites including a warehouse expansion in Holland and a *TR* Innovation and Technical centre situated in the heart of Sweden's electric vehicle development area, Lindholmen, Gothenburg.

In the UK, we are in the process of expanding our warehousing facilities in Northern Ireland to support the strong ongoing growth we are seeing at this site. Whilst in the USA, despite the immediate difficulties following on from Hurricane Harvey, we plan to carry on investing to build the local team and to support future growth in this important market.

Complementing all of the above, we are continuing to invest in both our global and local sales resources and supporting teams. In addition, investments are also being made to improve our digital and business management systems to help facilitate the improved integration of our global business. A major part of this investment is the commencement of a long-term project to significantly develop and integrate our existing IT infrastructure platform across the world. The consistent levels of growth we have enjoyed over recent years, as well as our future growth plans, necessitate this in order to future proof the business and ensure we remain both fit for purpose and able to continue to meet the demands of our multinational OEM customers.

As ever, the search for the next successful acquisition remains an important strategic aim for the Group and one that is further supported by our newly formed global acquisitions team.

Outlook

HY2018 delivered another six months of strong growth, with ongoing investment across all our regions.

Our strong first half results, together with a robust balance sheet, good access to banking facilities and a proven track record of profitable investment, means the Group is in a great position to keep moving forward. The second half has started well and, with a robust pipeline in place, the Board remain confident of delivering its expectations for the current financial year. There are, of course, some macroeconomic factors we cannot fully mitigate, including the ongoing volatility in the foreign currency and raw materials markets, input cost pressures in the UK due to the protracted weakness of £, as well as the wider potential implications of Brexit on our business and the UK economy.

However, as an international business with over 70% of our revenue being generated outside of the UK, and a very well-balanced geographical and sector spread, the Board remains confident we have the flexibility and foresight to continue to grow, while facing any challenges head on as and when they arise.

RISKS AND UNCERTAINTIES

The Directors do not consider that the principal risks and uncertainties of the Group have changed since the publication in June 2017 of the Group's Annual Report for the year ended 31 March 2017. A copy of this publication can be found on the 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 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. There are indications that the macroeconomic climate is still under pressure, and so, we continue to remain vigilant for any indications 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 ongoing 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.

Mark Belton, Chief Executive Officer
13 November 2017

Condensed consolidated interim income statement

Unaudited results for the six months ended 30 September 2017

	Notes	**Six months ended 30 September 2017 £000**	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Continuing operations				
Revenue		**97,813**	89,747	186,512
Cost of sales		**(68,311)**	(61,347)	(128,495)
Gross profit		**29,502**	28,400	58,017
Other operating income		**238**	203	395
Distribution expenses		**(2,043)**	(1,806)	(3,964)
Administrative expenses before separately disclosed items	2	**(16,566)**	(16,535)	(33,430)
Acquired intangible amortisation		**(558)**	(721)	(1,273)
IFRS 2 charge		**(988)**	(670)	(1,512)
Sale of fixed assets		—	194	195
Cost on exercise of executive share options		**(245)**	(287)	(567)
Total administrative expenses		**(18,357)**	(18,019)	(36,587)
Operating profit		**9,340**	8,778	17,861
Financial income		**24**	27	60
Financial expenses		**(246)**	(340)	(581)
Net financing costs		**(222)**	(313)	(521)
Profit before tax		**9,118**	8,465	17,340
Taxation	4	**(1,025)**	(1,995)	(4,642)
Profit for the period (attributable to equity shareholders of the parent company)		**8,093**	6,470	12,698
Earnings per share				
Basic	6	**6.72p**	5.50p	10.72p
Diluted	6	**6.56p**	5.33p	10.40p

Condensed consolidated interim statement of comprehensive income

Unaudited results for the six months ended 30 September 2017

	Six months ended 30 September 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Profit for the period	**8,093**	6,470	12,698
Other comprehensive income/(expense):			
Exchange differences on translation of foreign operations	**(703)**	8,231	8,486
Net loss on hedge of net investment in foreign subsidiary	**(722)**	(2,433)	(2,155)
Other comprehensive income/(expense) recognised directly in equity, net of income tax	**(1,425)**	5,798	6,331
Total comprehensive income recognised for the period (attributable to equity shareholders of the parent company)	**6,668**	12,268	19,029

Condensed consolidated interim statement of changes in equity
Unaudited results for the six months ended 30 September 2017

Unaudited results for the six months ended 30 September 2017	Share capital £000	Share premium £000	Treasury shares £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2017	6,014	21,378	—	14,900	59,406	101,698
Total comprehensive income for the period:						
Profit for the period	—	—	—	—	8,093	8,093
Other comprehensive expense:						
Foreign currency translation differences	—	—	—	(703)	—	(703)
Net loss on hedge of net investment in foreign subsidiary	—	—	—	(722)	—	(722)
Total other comprehensive expense	—	—	—	**(1,425)**	—	**(1,425)**
Total comprehensive (expense)/income for the period	—	—	—	**(1,425)**	**8,093**	**6,668**
Transactions with owners, recorded directly in equity:						
Issue of share capital	42	12	—	—	(40)	14
Treasury shares acquired	—	—	(1,100)	—	—	(1,100)
Share based payment transactions (including tax)	—	—	—	—	950	950
Dividends	—	—	—	—	(4,231)	(4,231)
Total transactions with owners	**42**	**12**	**(1,100)**	—	**(3,321)**	**(4,367)**
Balance at 30 September 2017	**6,056**	**21,390**	**(1,100)**	**13,475**	**64,178**	**103,999**

Unaudited results for the six months ended 30 September 2016	Share capital £000	Share premium £000	Treasury shares £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2016	5,837	21,161	—	8,569	48,183	83,750
Total comprehensive income for the period:						
Profit for the period	—	—	—	—	6,470	6,470
Other comprehensive income/(expense):						
Foreign currency translation differences	—	—	—	8,231	—	8,231
Net loss on hedge of net investment in foreign subsidiary	—	—	—	(2,433)	—	(2,433)
Total other comprehensive income	**—**	**—**	—	**5,798**	**—**	**5,798**
Total comprehensive income for the period	**—**	**—**	—	**5,798**	**6,470**	**12,268**
Transactions with owners, recorded directly in equity:						
Issue of share capital	104	42	—	—	(52)	94
Share based payment transactions (including tax)	—	—	—	—	698	698
Dividends	—	—	—	—	(3,310)	(3,310)
Total transactions with owners	**104**	**42**	—	**—**	**(2,664)**	**(2,518)**
Balance at 30 September 2016	**5,941**	**21,203**	—	**14,367**	**51,989**	**93,500**

Condensed consolidated interim statement of financial position

Unaudited results for the six months ended 30 September 2017

Group	Notes	**30 September 2017 £000**	30 September 2016 £000	31 March 2017 £000
Non-current assets				
Property, plant and equipment		**18,421**	18,176	19,258
Intangible assets		**39,285**	40,350	39,682
Deferred tax assets		**2,139**	2,121	2,359
Total non-current assets		**59,845**	60,647	61,299
Current assets				
Inventories		**46,942**	43,713	41,926
Trade and other receivables		**49,251**	46,230	49,360
Assets held for sale	11	**1,023**	—	—
Cash and cash equivalents	7	**25,095**	22,783	24,645
Total current assets		**122,311**	112,726	115,931
Total assets		**182,156**	173,373	177,230
Current liabilities				
Bank overdraft	7	—	94	—
Other interest-bearing loans and borrowings	7	**18,453**	20,900	14,872
Trade and other payables		**35,309**	33,421	37,145
Tax payable		**2,331**	2,089	2,471
Dividends payable	5	**3,028**	2,376	—
Provisions		—	70	76
Total current liabilities		**59,121**	58,950	54,564
Non-current liabilities				
Other interest-bearing loans and borrowings	7	**14,512**	16,020	16,221
Provisions		**1,086**	1,117	1,111
Deferred tax liabilities		**3,438**	3,786	3,636
Total non-current liabilities		**19,036**	20,923	20,968
Total liabilities		**78,157**	79,873	75,532
Net assets		**103,999**	93,500	101,698
Equity				
Share capital		**6,056**	5,941	6,014
Share premium		**21,390**	21,203	21,378
Treasury shares	10	**(1,100)**	—	—
Reserves		**13,475**	14,367	14,900
Retained earnings		**64,178**	51,989	59,406
Total equity		**103,999**	93,500	101,698

Condensed consolidated interim statement of cash flows

Unaudited results for the six months ended 30 September 2017

Group	Notes	**Six months ended 30 September 2017 £000**	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Cash flows from operating activities				
Profit for the period		**8,093**	6,470	12,698
Adjustments for:				
Depreciation, amortisation & impairment		**1,493**	1,697	3,123
Unrealised foreign currency loss		**26**	46	165
Financial income		**(24)**	(27)	(60)
Financial expense		**246**	340	581
Loss/(gain) on sale of property, plant & equipment and investments		**2**	(206)	(184)
Equity settled share based payment charge		**956**	670	1,512
Taxation charge		**1,025**	1,995	4,642
Operating cash inflow before changes in working capital and provisions		**11,817**	10,985	22,477
Change in trade and other receivables		**129**	(127)	(3,075)
Change in inventories		**(5,348)**	(2,087)	(273)
Change in trade and other payables		**(1,631)**	228	3,764
Change in provisions		**(101)**	(6)	(6)
Net cash generated from operations		**4,866**	8,993	22,887
Tax paid		**(1,219)**	(2,830)	(5,136)
Net cash generated from operating activities		**3,647**	6,163	17,751
Cash flows from investing activities				
Proceeds from sale of property, plant & equipment		**2**	206	198
Interest received		**26**	29	60
Acquisition of subsidiary, net of cash acquired		**—**	(1,471)	(1,471)
Acquisition of property, plant & equipment		**(1,269)**	(928)	(2,948)
Net cash used in investing activities		**(1,241)**	(2,164)	(4,161)
Cash flows from financing activities				
Proceeds from the issue of share capital		**14**	94	341
Repurchase of treasury shares	10	**(1,100)**	—	—
Proceeds from new loan		**2,316**	2,773	2,236
Repayment of borrowings		**(1,315)**	(2,036)	(7,030)
Payment of finance lease liabilities		**86**	(4)	(6)
Dividends paid		**(1,203)**	(934)	(3,310)
Interest paid		**(247)**	(340)	(581)
Net cash used in from financing activities		**(1,449)**	(447)	(8,350)
Net change in cash and cash equivalents		**957**	3,552	5,240
Cash and cash equivalents at 1 April		**24,645**	17,581	17,581
Effect of exchange rate fluctuations on cash held		**(507)**	1,556	1,824
Cash and cash equivalents at end of period	7	**25,095**	22,689	24,645

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
Unaudited results for the six months ended 30 September 2017

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 2017.

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.

However, two events occurred during the six months to 30 September 2017 that require disclosure of appropriate accounting policies. These are:

- Treasury shares
  The Group's accounting policy for these repurchased shares (classified as treasury shares) is to recognise the amount of the consideration paid, which includes directly attributable costs, as a deduction from equity. They are presented separately in equity in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

- Asset held for sale
  Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

  Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

  Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

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 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 2017. 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 on page 18.

The comparative figures for the financial year ended 31 March 2017 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 financial report from the Non-Executive Chairman, Chief Executive Officer and Chief Financial Officer. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are also described in the same report. In addition, note 26 to the Company's previously published financial statements for the year ended 31 March 2017 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 Directors 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.

Following a review, 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 updated from those disclosed in the consolidated financial statements for the year ended 31 March 2017. The key sources of estimation uncertainty are:

- Recoverable amount of goodwill
- Inventory valuation
- Income taxes

The only change to the key sources of estimation uncertainty has been the removal of the Fair values for IFRS2 charge as it is considered unlikely that there will be a material adjustment to these amounts within the next financial year.

2. Underlying performance (before separately disclosed items)

	Six months ended 30 September 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Underlying profit before tax	**10,909**	9,949	20,497
Separately disclosed items within administrative expenses:			
Acquired intangible amortisation	**(558)**	(721)	(1,273)
IFRS 2 share based payment charge	**(988)**	(670)	(1,512)
Sale of fixed assets	—	194	195
Cost on exercise of executive share options	**(245)**	(287)	(567)
Profit before tax	**9,118**	8,465	17,340

	Six months ended 30 September 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Underlying EBITDA	**12,066**	11,238	22,868
Separately disclosed items within administrative expenses:			
IFRS 2 share based payment charge	**(988)**	(670)	(1,512)
Sale of fixed assets	—	194	195
Cost on exercise of executive share options	**(245)**	(287)	(567)
EBITDA	**10,833**	10,475	20,984
Acquired intangible amortisation	**(558)**	(721)	(1,273)
Depreciation and non-acquired amortisation	**(935)**	(976)	(1,850)
Operating profit	**9,340**	8,778	17,861

Management feel it is appropriate to remove the one-off costs and certain non-trading items discussed above to better allow the reader of the accounts to understand the underlying performance of the Group. Further reconciliations of underlying measures to IFRS measures can be found in note 9.

3. Geographical operating segments

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

- UK
- Europe includes Norway, Sweden, Germany, Hungary, Ireland, Italy, Holland, Spain and Poland
- USA includes USA and Mexico
- Asia includes Malaysia, China, Singapore, Taiwan, Thailand, Philippines 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 consolidated into the four distinct geographical regions, which the Board use to monitor and assess the Group.

Goodwill and intangible assets acquired on business combinations are included in the region to which they relate. This is consistent with the internal management reports that are reviewed by the Chief Operating Decision Maker.

Segment revenue and results under the primary reporting format for the six months ended 30 September 2017 and 2016 are disclosed in the table below:

September 2017	**UK £000**	**Europe £000**	**USA £000**	**Asia £000**	**Central costs, assets and liabilities £000**	**Total £000**
Revenue*						
Revenue from external customers	34,037	35,568	3,185	25,023	—	97,813
Inter segment revenue	1,336	496	65	4,567	—	6,464
Total revenue	**35,373**	**36,064**	**3,250**	**29,590**	—	**104,277**
Underlying operating profit	**3,914**	**3,940**	**116**	**4,368**	**(1,207)**	**11,131**
Net financing costs	(38)	(26)	—	24	(182)	(222)
Underlying segment profit	**3,876**	**3,914**	**116**	**4,392**	**(1,389)**	**10,909**
Separately disclosed items (see note 2)						(1,791)
Profit before tax						**9,118**
Specific disclosure items						
Depreciation and amortisation	123	832	9	483	46	1,493
Assets and liabilities						
Segment assets	38,079	73,803	3,699	57,181	9,394	182,156
Segment liabilities	(18,399)	(15,843)	(364)	(11,630)	(31,921)	(78,157)

September 2016	**UK £000**	**Europe £000**	**USA £000**	**Asia £000**	**Central costs, assets and liabilities £000**	**Total £000**
Revenue*						
Revenue from external customers	32,612	32,570	2,917	21,648	—	89,747
Inter segment revenue	1,375	286	39	3,681	—	5,381
Total revenue	**33,987**	**32,856**	**2,956**	**25,329**	**—**	**95,128**
Underlying operating profit	**3,131**	**5,349**	**166**	**3,302**	**(1,686)**	**10,262**
Net financing costs	(87)	(42)	—	1	(185)	(313)
Underlying segment profit	**3,044**	**5,307**	**166**	**3,303**	**(1,871)**	**9,949**
Separately disclosed items (see note 2)						(1,484)
Profit before tax						**8,465**
Specific disclosure items						
Depreciation and amortisation	298	874	12	480	33	1,697
Assets and liabilities						
Segment assets	40,408	69,868	3,810	55,131	4,156	173,373
Segment liabilities	(21,086)	(13,949)	(410)	(11,195)	(33,233)	(79,873)

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

4. Taxation

	Six months ended 30 September 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Current tax on income for the period			
UK tax	**276**	241	520
Foreign tax	**1,856**	2,122	4,756
Deferred tax expense	**24**	(175)	(454)
Adjustments in respect of prior years	**(1,131)**	(193)	(180)
	1,025	1,995	4,642

A release of £0.9m was recognised in adjustments in respect of prior years following the settlement of a fully provided open enquiry with the UK tax authority relating to EU loss relief and EU dividend relief claims. The provision was for a total of £1.2m, of which £0.3m was utilised. This has had a significant impact on our effective tax rate reducing it to 11.2%. Removing the impact of the adjustments in respect of prior years would lead to a normalised effective tax rate of c.23.5% (FY2017: 26.8%). The tax rate reduction since year end is due to a deferred tax asset not recognised last year for trapped tax losses in the UK as a result of the share option exercised in the year; as well as reducing tax rates in Italy and a change in the mix of overseas profits for HY2018.

5. Dividend

The dividend payable of £3.0m represents the final dividend for the year ended 31 March 2017 which was approved by Shareholders at the AGM on 27 July 2017 and paid on 13 October 2017 to Members on the Register on 15 September 2017.

6. 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 120,401,805 (HY2017: 117,594,097; FY2017: 118,493,886).

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 123,420,081 (HY2017: 121,352,678; FY2017: 122,143,769).

The underlying 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 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Profit after tax for the period	**8,093**	6,470	12,698
Acquired intangible amortisation	**558**	721	1,273
IFRS 2 share based payment charge	**988**	670	1,512
Sale of fixed assets	—	(194)	(195)
Cost on exercise of executive share options	**245**	287	567
Tax adjustment	**(1,516)**	(341)	(193)
Underlying profit after tax	**8,368**	7,613	15,662
Basic EPS	**6.72p**	5.50p	10.72p
Diluted EPS	**6.56p**	5.33p	10.40p
Underlying diluted EPS	**6.78p**	6.27p	12.82p

7. Analysis of net debt

	At 30 September 2017 £000	At 30 September 2016 £000	At 31 March 2017 £000
Cash and cash equivalents	**25,095**	22,783	24,645
Bank overdraft	—	(94)	—
Net cash and cash equivalents	**25,095**	22,689	24,645
Debt due within one year	**(18,453)**	(20,900)	(14,872)
Debt due after one year	**(14,512)**	(16,020)	(16,221)
Gross debt	**(32,965)**	(36,920)	(31,093)
Net debt	**(7,870)**	(14,231)	(6,448)

8. Reconciliation of net cash flow to movement in net debt

	Six months ended 30 September 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Net increase in cash and cash equivalents	**957**	3,552	5,240
Net (increase)/decrease in borrowings	**(1,087)**	(733)	4,794
	(130)	2,819	10,034
Exchange rate differences	**(1,292)**	(1,055)	(487)
Movement in net debt	**(1,422)**	1,764	9,547
Opening net debt	**(6,448)**	(15,995)	(15,995)
Closing net debt	**(7,870)**	(14,231)	(6,448)

9. Alternative Performance Measure

The half-yearly financial report includes both IFRS measures and Alternative Performance Measures (APMs). The latter of which are considered by management to better allow the readers of the accounts to understand the underlying performance of the Group. A number of these APMs are used by management to measure the KPIs of the business (see the Business Review on pages 4 to 6) and are therefore aligned to the Group's strategic aims. They are also used at Board level to monitor financial performance throughout the year.

The APMs used in the half-yearly financial report (including the basis of calculation, assumptions, use and relevance) are detailed in note 2 (underlying profit before tax, EBITDA and underlying EBITDA) and below.

• Constant Exchange Rate (CER) figures

These are used predominantly in the Business review and give the readers a better understanding of the performance of the Group, regions and entities from a trading perspective. They have been calculated by translating the HY2018 income statement results (of subsidiaries whose presentational currency is not sterling) using HY2017 average exchange rates to provide a comparison which removes the foreign currency translational impact. The impact of translational gains and losses made on non-functional currency net assets held around the Group have not been removed.

• Underlying diluted EPS

A key measure for the Group as it is one of the measures used to set the Directors' variable remuneration. The calculation has been disclosed in note 6.

• Return on capital employed (ROCE)

Return on capital employed is a key metric used by investors to understand how efficient the Group is with its capital employed. The calculation is underlying EBIT divided by average capital employed (net assets + net debt), multiplied by 100%. Underlying EBIT has been reconciled to operating profit below. Note 2 explains why the separately disclosed items have been removed to aid understanding of the underlying performance of the Group.

	Six months ended 30 September 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Underlying EBIT/Underlying operating profit	**11,131**	10,262	21,018
Separately disclosed items within administrative expenses			
IFRS2 share based payment charge	**(988)**	(670)	(1,512)
Acquired intangible amortisation	**(558)**	(721)	(1,273)
Profit on sale of fixed assets	**—**	194	195
Cost on exercise of executive share options	**(245)**	(287)	(567)
Operating profit	**9,340**	8,778	17,861

9. Alternative performance measures (continued)

• Normalised net debt

The adjustment to opening net debt reduces our cash holding at 31 March 2017 to take into account the £1.2m of cash specifically held to settle the NI and income tax payments (paid in April 2017) relating to Malcolm Diamond's exercise of 1,000,000 share options on 17 February 2017.

• Underlying cash conversion as a percentage of underlying EBITDA

This is another key metric used by investors to understand how effective the Group were at converting profit into cash. Since the underlying cash conversion is compared to underlying EBITDA, which has removed the impact of IFRS2 share based payment charges (see note 2), the impact of these have also been removed from the underlying cash conversion. The adjustments made to arrive at underlying cash conversion from cash generated from operations are detailed below. To reconcile operating profit to underlying EBITDA, see note 2.

	Six months ended 30 September 2017 £000	Six months ended 30 September 2016 £000	Year ended 31 March 2017 £000
Underlying cash conversion	**6,316**	9,280	22,249
Cost on exercise of executive share options	**(245)**	(287)	(567)
Movement in trade payables due to exercise of share options	**(1,205)**	—	1,205
Cash generated from operations	**4,866**	8,993	22,887

• Underlying effective tax rate

This is used in the underlying diluted EPS calculation. It removes the tax impact of separately disclosed items in the year to arrive at a tax rate based on the underlying profit before tax.

One off tax adjustments have also been removed from the calculation as they are unlikely to repeat and therefore do not reflect recurring trading performance. In HY2018 the one-off adjustments relate to the release of the tax provision (see note 4) and the change in deferred tax of acquired intangibles relating to VIC following a reduction in tax rate in Italy. In FY2017 the one-off adjustment relates to a deferred tax asset not recognised for losses in the year due to significant tax deductions available from the exercise of executive share options.

10. Treasury shares

The treasury shares reserve comprises the cost of the Company's shares held by the Group. At 30 September 2017 the Group held 500,000 of the Company's shares (30 September 2016: nil; 31 March 2017: nil).

11. Assets held for sale

In the six months to 30 September 2017 management committed to a plan to sell a factory owned by our Malaysian entity, Power Steel & Electro-Plating Works (PSEP). Accordingly, this factory is presented as an asset held for sale on the balance sheet. A buyer has been identified for the asset and management are expecting the transaction to be completed before 31 March 2018.

The fair value less costs to sell has been estimated at Malaysian Ringgit (MYR) 8.9m (£1.6m). Final figures will be calculated for this as the sale of the asset is finalised.

The carrying amount of the factory at 30 September 2017 is MYR 5.8m (£1.0m) and since this is lower than the fair value, it has continued to be held at this amount on the balance sheet.

INDEPENDENT REVIEW REPORT TO *TRIFAST* PLC

Conclusion
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 2017 which comprises the condensed consolidated interim income statement, the condensed consolidated interim statement of comprehensive income, the condensed consolidated interim statement of changes in equity, the condensed consolidated interim statement of financial position, the condensed consolidated interim statement of cash flows and the related explanatory notes.

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 2017 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

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. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) 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.

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 International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 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.

The purpose of our review work and to whom we owe our responsibilities
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 DTR of 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.

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

13 November 2017

Trifast plc

Trifast House,
Bellbrook Park,
Uckfield,
East Sussex,
TN22 1QW
Tel: +44 (0)1825 747366
Fax: +44 (0)1825 747368