LUPUS CAPITAL

LUPUS CAPITAL PLC
(“Lupus” or the “Group” or the “Company”)

INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2012

Lupus Capital plc, the leading international supplier of building products to the door and window industry, announces unaudited interim results for the six month period ended 30 June 2012.

HIGHLIGHTS – CONTINUING OPERATIONS

£’million except where stated	**H1 2012**	H1 2011	**Change**
Group Revenues	**118.4**	114.6	**+3.3%**
Underlying Operating Profit before Peterlee property provision releases	**9.8**	9.6	**+2.0%**
Underlying Operating Profit	**11.9**	9.6	**+23.0%**
Profit before tax	**3.5**	(1.1)	
Underlying EPS before Peterlee property provision releases	**4.02p**	3.48p	**+15.5%**
Interim Dividend per Share	**1.00p**	Nil	
Underlying Net Debt	**34.2**	94.6	**(63.8)%**

“Underlying” is defined as before amortisation of intangible assets, deferred tax on amortisation of intangible assets, exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.

Operating and corporate highlights

- £14 million acquisition of Fab & Fix combined with exit from loss-making composite doors operations since period end transforms UK business.
- Disposal of Gall Thomson to create a focused building products group.
- Continued growth in North America offset in part by weakness in Europe.
- Exit of surplus property commitments at Peterlee to save cash costs in excess of £3.0 million over the period to March 2018.

Financial Highlights

- Revenue of £118.4 million, 2.8 per cent. ahead of 2011 on a constant currency basis.
- Underlying Operating Profit before Peterlee property provision releases of £9.8 million, 1.3 per cent. ahead of last year on a constant currency basis.
- Underlying Net debt of £34.2 million significantly reduced following disposal of Gall Thomson.
- Underlying EPS before Peterlee property provision releases of 4.02p, 15.5 per cent. ahead of last year.
- Resumption of Interim Dividend payments and commitment to pay not less than 4.00p per share for the year as a whole.

Louis Eperjesi, Chief Executive Officer, commented:

"The first half of the financial year saw the Group deliver an encouraging overall result, with continued growth in North America offset in part by weakness in Europe.

"The acquisition of Fab & Fix, combined with the exit from loss-making composite door operations, transforms our grouphomesafe business and gives the Group a significant opportunity to enhance its hardware offering.

"An attractive and sustainable dividend is one of our key corporate objectives and this year we have reinstated the interim dividend with a payment of 1.00p per share, reflecting our confidence in the long term prospects of the Group.

"The Board is therefore confident in the outlook for the full year and that the Group's performance remains in line with expectations."

4 September 2012

Enquiries:

Lupus Capital plc	020 7976 8000
Louis Eperjesi	
James Brotherton	
Canaccord Genuity – NOMAD and Broker	020 7523 8350
Mark Dickenson	
Bruce Garrow	
MHP Communications	020 3128 8100
Reg Hoare	
Ian Payne	
Nick Hayns	

Lupus will host an analyst presentation at 09.30am on Tuesday 4th September 2012 at the offices of MHP Communications, 60 Great Portland Street, London, W1W 7RT.

Conference Call Dial In Details	
Dial-in number:	020 3140 0668
Participant PIN code:	813198#

OVERVIEW

The first half of the financial year saw the Group deliver an encouraging overall result. Improved market conditions in North America in both the new build residential and the RMI sectors led to a solid six month performance for Amesbury.

Markets in the UK and Europe remained subdued throughout the period and continued to contract, however our new UK and International management teams have provided us with increased focus in these regions and are starting to make progress against a difficult backdrop.

In the first half the Group has maintained or grown its market share positions in its key markets and has recovered increases in input costs, albeit that cost inflation pressures have been less marked in 2012 to date than in previous years.

The acquisition of Fab & Fix adds the UK's leading supplier of perfectly matching or suited hardware to the grouphomesafe portfolio. This acquisition, combined with the exit from loss-making composite door operations, provides the Group with an enhanced platform to accelerate growth across its hardware businesses.

Following the disposal of Gall Thomson and other corporate activity undertaken during the year to date, the Group is now a clearly focused building products company and a leader in the supply of components to the door and window industry worldwide. Our balance sheet has also been significantly strengthened providing the flexibility to make further complementary acquisitions and increase investment in the business.

RESULTS FOR THE PERIOD

For the six month period ended 30 June 2012, compared with the corresponding period in 2011:

REVENUES

Group revenues from continuing operations were £118.4 million (2011: £114.6 million), an increase of £3.8 million or 3.3 per cent.. On a constant currency basis, this represents an increase in total revenues of 2.8 per cent..

PROFITS

Administrative expenses decreased by £3.0 million in the period to £30.4 million (2011: £33.4 million). Underlying administrative expenses (before amortisation and exceptional items) and before the Peterlee property provision releases were marginally lower than the prior period at £26.8 million (2011: £27.1 million) reflecting the investment made in our management structures along with our continued focus on cost control.

Underlying Operating Profit from continuing operations in the period before Peterlee property provision releases was £9.8 million (2011: £9.6 million) an increase of 2.0 per cent.. Including Peterlee property provision releases, Underlying Operating Profit from continuing operations was £11.9 million (2011: £9.6 million).

Exceptional costs of £0.4 million (2011: £0.6 million) were incurred in the period, principally comprising transaction costs associated with M&A activity.

Net finance costs decreased to £2.8 million (2011: £4.4 million), reflecting the deleveraging of the balance sheet following the disposal of Gall Thomson and the associated lower interest margins. Net cash interest payable in the period decreased to £2.2 million (2011: £3.3 million).

Underlying profit before tax was £9.6 million (2011: £6.5 million) and the Group reported profit before tax for the period of £3.5 million (2011: loss of £1.1 million).

MARGINS

Gross profit margins for the continuing businesses of 31.0 per cent. were slightly behind the equivalent period last year (2011: 32.0 per cent.), principally due to the lower levels of trading seen in Europe and poor performance at Composite Doors.

Underlying Operating Profit margins for the continuing businesses before Peterlee property provision releases were broadly flat at 8.3 per cent. (2011: 8.4 per cent.).

Underlying Operating Profit margins for the continuing businesses of 10.0 per cent. (2011: 8.4 per cent.) were enhanced by the Peterlee property provision releases.

TAXATION

Excluding the effect of the change in tax rates on deferred tax, the Underlying tax rate on the Underlying profit before taxation on continuing operations in the period was 30.0 per cent. (2011: 31.5 per cent.). Taxation paid in the period ended 30 June 2012 of £3.3 million reflected a full level of taxation payments on account as available tax losses have reduced. Taxation paid of £0.5 million in the prior period ended 30 June 2011 was reduced by a US tax refund and lower payments on account as a result of available tax losses.

EARNINGS

Underlying earnings per share before Peterlee property provision releases increased to 4.02p (2011: 3.48p) reflecting the growth in Underlying Operating Profit and the continued improvements in the balance sheet and taxation position of the Group. Underlying earnings per share increased to 5.19p (2011: 3.48p). Basic earnings per share from continuing operations increased to 2.27p (2011: loss per share of 0.42p).

DIVIDENDS

The Board is pleased to announce today a resumption of interim dividend payments. The interim dividend of 1.00p per share will be paid on 25 October 2012 to shareholders on the register on 14 September 2012. The ex-dividend date will be 12 September 2012 and the interim dividend payment will absorb approximately £1.3 million of cash resources.

In the absence of unforeseen circumstances, the Board would expect to declare a final dividend of not less than 3.00p per share in March 2013 which would make the total dividend for the year ending 31 December 2012 not less than 4.00p per share (2011: 3.50p).

In future years, the Board expects that the interim dividend will be around one third of the total dividend for the year.

GROUP 2012 OPERATIONAL PERFORMANCE

AMESBURY - US BUILDING PRODUCTS (49% of Group Revenues)

£'million except where stated	**H1 2012**	H1 2011	**Change**	Constant Currency Like For Like
Revenues	**58.5**	50.9	**+ 15.0%**	6.0%
Underlying Operating Profit	**5.9**	4.7	**+ 26.2%**	13.2%
Underlying Operating Margin	***10.1%***	*9.2%*		

In North America, Amesbury had an encouraging first half with revenue increasing by 6.0 per cent. on a constant currency like for like basis and by 12.0 per cent. on a constant currency basis once acquisitions are included. Milder weather in the first quarter of the year assisted market demand and the positive trend has been sustained into the summer months, underpinned by increased levels of quoting activity across each of the businesses.

Our Hardware businesses generated good growth in the period with the integration of Overland, acquired in December 2011, progressing well. Our Sealing businesses saw significant operating profit drop-through as a result of increased demand for pile and foam seal products. Our Extrusion businesses saw strong revenue growth in the period although profitability was impacted by the investment in the new Atlanta extrusion facility that opened in February. All of our Amesbury businesses have continued to take market share.

Dollar revenues in the period for the Amesbury Group were $92.3 million (2011: $82.3 million) and Underlying Operating Profit was $9.3 million (2011: $7.6 million).

GROUPHOMESAFE - UK AND IRELAND BUILDING PRODUCTS (36% of Group Revenues)

£'million except where stated	**H1 2012**	H1 2011	**Change**	Constant Currency Like for Like
Revenues	**42.6**	44.8	**(4.8)%**	n/a
Underlying Operating Profit	**2.6**	3.2	**(16.9)%**	n/a
Underlying Operating Margin	***6.2%***	*7.1%*		

Grouphomesafe has seen a similar trading pattern to 2011 in the first half of the financial year. There were further declines seen in the OEM sector, with consumers continuing to be reluctant to commit to large scale home improvement projects, offset in part by increases in demand for component products into the distribution sector. The social housing sector continued to contract as Housing Associations and Local Authorities reduced expenditure. Our smaller niche portfolio businesses in the UK continue to gain market share and performed well in the period.

Performance in the period was severely impacted by the losses sustained by Composite Doors. In the six month period ended 30 June 2012 Composite Doors generated revenues of £6.5 million (2011: £6.8 million) and made an operating loss of £1.1 million (2011 Loss: £0.4 million).

Raw material cost inflation was less marked in the UK than in the first half of 2011 with initial increases in steel and oil derivative pricing easing as the period unfolded.

A new management team and structure was put in place during the period which, along with the Fab & Fix acquisition and the exit from Composite Doors, significantly improves the shape and prospects of this business going forward.

SCHLEGEL INTERNATIONAL - INTERNATIONAL BUILDING PRODUCTS (15% of Group Revenues)

£'million except where stated	**H1 2012**	H1 2011	**Change**	Constant Currency Like for Like
Revenues	**17.2**	18.9	**(8.7)%**	(4.6)%
Underlying Operating Profit	**1.3**	1.8	**(28.0)%**	(25.0)%
Underlying Operating Margin	***7.4%***	*9.4%*		

Our International Building Products division has seen local currency revenues slightly behind the corresponding period in 2011.

Southern European markets remain very depressed, and reduced demand has impacted all of our European businesses with exports to Scandinavian markets also affected. Our largest International business, Germany, continued to generate encouraging growth through its exposure to Eastern European export markets.

Our Australasian business grew its market share and traded in line with 2011, which was satisfactory given the sustained decline in housing starts seen in the Australian market since the start of 2011. Brazil saw continued growth and took further market share and our Singapore business has had a solid first six months to the year.

Profitability in the period in this division was affected by the mix of products sold and by the high levels of operational gearing in our European businesses outside Germany. A new management team and structure has been put in place during the period, with additional hires made in Singapore and Brazil. These actions provide increased focus to the International regions against a difficult market backdrop.

TRANSFORMATION OF GROUPHOMESAFE

Background

Historically our UK business has generated lower operating margins than our US and International businesses and in recent years, losses at Composite Doors have acted as a further drag on profitability.

The acquisition of Fab & Fix adds the UK's leading supplier of perfectly matching hardware to the grouphomesafe portfolio. This acquisition, combined with the exit from loss-making composite door operations, provides the Group with an enhanced platform to accelerate growth across its hardware businesses.

The Group estimates that on a pro-forma basis the exit and acquisition together would have improved 2011 UK operating profit margins to approximately 11.7 per cent. (2011 Reported: 8.2 per cent.) on revenues that would have been broadly flat.

Fab & Fix

In August 2012 Lupus completed the acquisition of Window Fabrication and Fixing Supplies Limited, ("Fab & Fix") for an enterprise value of approximately £14 million. Fab & Fix is the leading supplier of perfectly matching hardware to the window and door market in the UK. The company is a design-led business with a focus on total quality and customer service, based in Coventry. This acquisition significantly deepens the grouphomesafe hardware offering and further diversifies our supply chain.

In the year ended 31 March 2012, Fab & Fix generated sales of £14.7 million. Despite difficult market conditions, in recent years Fab & Fix has grown market share and improved profitability.

Fab & Fix will operate as an autonomous unit within grouphomesafe, with the existing executive management team remaining in place under the leadership of managing director Will Butler.

Over time it is expected that the benefits of the high quality Fab & Fix product range will be made available to other Group companies, with a particular focus on Schlegel International.

Composite Doors

Our UK composite doors business ("Composite Doors") operated in the same markets as a number of customers of grouphomesafe's components businesses. In recent years, with the UK market becoming increasingly competitive in nature, this perceived conflict of interest has led to some customers reviewing their components purchases from the Group. In addition, the sustained decline in the social housing market meant that Composite Doors has struggled to generate an acceptable return for the Group and has been loss-making for the past three financial years.

Against this backdrop, the Board concluded that the prospects of Composite Doors returning to a sustained level of acceptable profitability under the Group's ownership were remote. Accordingly, earlier this year the Board decided to explore the strategic options available to the Group for Composite Doors.

Following a targeted sales process, the Group has completed the disposal of the business and assets of Composite Doors to Britdoors Limited for consideration of approximately £730,000. The Group has also agreed to supply component products, including Fab & Fix products, into Britdoors on commercial terms following the disposal.

In the year ended 31 December 2011, Composite Doors employed net assets of £1.3 million, generated revenues of £14.1 million and made an operating loss of £1.0 million.

The disposal is expected to lead to tangible asset write downs of approximately £3.0 million, incurred in the second half of 2012.

OTHER CORPORATE ACTIVITY

Gall Thomson

The disposal of Gall Thomson to Phoenix Private Equity was announced on 12 March 2012 and has led to a profit on disposal of £54.2 million.

Unique Balance International

During the period our Hardware business acquired the business and assets of Unique Balance International; a Canadian based balance manufacturer that specialises in heavy duty and commercial balances. This small acquisition rounds out our North American balance offering as well as giving us opportunities in certain export markets.

PROPERTY

During the first half we successfully assigned the lease on Unit A at Peterlee and have been released from all remaining obligations in connection with the Peterlee site. This has resulted in a release to the income statement in 2012 of approximately £2.0 million of property provisions.

This follows the successful assignment of the lease on Unit B at Peterlee in 2011. Together the exit of Units A and B will save the Group in excess of £3.0 million in cash costs of rent, rates, utilities and services over the period to March 2018.

The exit from Composite Doors means that the Group no longer has interests in its Newent and Bromyard sites. Fab & Fix is based at a 25,000 sq ft distribution facility in Coventry which we intend to retain.

FINANCIAL POSITION

CASHFLOW

Operational Cashflow from continuing operations was approximately £(0.8) million (2011: £2.2million). Operating Cash Conversion from continuing operations, excluding the Peterlee property provision releases, of 3.9 per cent. (2011: 14.4 per cent.) was less than the previous year mainly due to the £1.2 million of incremental capital expenditure made in the period. In the twelve months to 30 June 2012, the Operating Cash Conversion from continuing operations, excluding the Peterlee property provision releases, was 84.6 per cent..

Working capital investment during the period was lower than in the equivalent period last year due to improved management of inventory build particularly in North America. Our working capital metrics remain in line with our expectations.

Net tangible and intangible capital expenditure in the period was £3.6 million (2011 £1.9 million). As indicated at the time of the full year results, over the next few years we intend to increase investment in the business to take full advantage of the Group's strong balance sheet.

NET DEBT POSITION

At 30 June 2012 the Group's Underlying Net Debt was £34.2 million (2011: £94.6 million). Under the IFRS definition, which reduces debt by the unamortised bank fees, net debt at the half year was £32.1 million (2011: £92.6 million).

The Group has a strong liquidity position with cash balances of £48.5 million and undrawn ancillary facilities available of up to £29.6 million as at 30 June 2012.

COVENANT PERFORMANCE

At 30 June 2012, the Group had headroom on its banking covenants under the revised bank facilities entered into in September 2011 ranging from 36.6 per cent. to 74.8 per cent..

At 30 June 2012, the Group's net debt to Underlying EBITDA ratio was 1.10x (2011: 2.52x), calculated on the same basis as banking covenants.

OUTLOOK

The trading environment in North America has been encouraging in the first eight months of 2012 and we expect Amesbury will trade satisfactorily across the balance of the year.

The acquisition of Fab & Fix combined with the exit from Composite Doors transforms the profitability and prospects of grouphomesafe and gives the Group a significant opportunity to enhance its UK hardware offering and to continue to take market share.

We expect UK and European markets will remain difficult and uncertain for the foreseeable future. We are therefore taking further steps to realign our Continental European businesses for a sustained period of low macroeconomic growth. Our other International businesses are expected to continue to demonstrate good growth and to take market share.

Overall, trading in the first half was in line with our expectations and early second half trading patterns have been consistent with the first half. The second half will benefit from four months contribution from Fab & Fix and the exit from Composite Doors which should more than offset any further decline in European trading.

The Board is therefore confident in the outlook for the full year and that the Group's performance remains in line with expectations.

4 September 2012

Definitions

Where appropriate "Underlying" is defined as before amortisation of intangible assets, deferred tax on amortisation of intangible assets, exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.

"Underlying Net Debt" is defined as interest bearing loans and borrowings, net of cash and cash equivalents, plus unamortised borrowing costs added back.

"Operational Cashflow" is defined as Net cash inflow from operating activities before Income tax paid and after Payments to acquire property, plant and equipment.

"Operating Cash Conversion" is defined as Operational Cashflow divided by Underlying operating profit.

"Continuing Operations" is defined as the operations of the Lupus Capital Group excluding Gall Thomson Environmental Limited and its subsidiaries.

"RMI" – Repair Maintenance and Improvement.

Exchange Rates

The following foreign exchange rates have been used in the financial statements:

Closing Rates:	**H1 2012**	**H1 2011**	**FY 2011**
US Dollars	1.5616	1.6018	1.5453
Euros	1.2417	1.1131	1.1933

Average Rates:	**H1 2012**	**H1 2011**	**FY 2011**
US Dollars	1.5768	1.6162	1.6040
Euros	1.2152	1.1525	1.1523

Roundings

Percentages have been calculated using figures rounded to the nearest thousand extracted from the financial statements, which may lead to small differences in some figures and percentages quoted.

Lupus Capital plc
Condensed consolidated income statement
Six months ended 30 June 2012

	Note	**Six months ended 30 June 2012 (unaudited) £'000**	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Continuing operations				
Revenue	3	**118,377**	114,571	230,372
Cost of sales		**(81,704)**	(77,863)	(157,869)
Gross profit		**36,673**	36,708	72,503
Administrative expenses		**(30,439)**	(33,410)	(61,499)
Operating profit		**6,234**	3,298	11,004
Analysed as:				
Operating profit before exceptional items and amortisation of intangible assets	3	**11,851**	9,638	22,399
Exceptional items	4	**(420)**	(603)	(830)
Amortisation of intangible assets		**(5,197)**	(5,737)	(10,565)
Operating profit		**6,234**	3,298	11,004
Finance income	5	**161**	177	287
Finance costs	5	**(2,912)**	(4,556)	(9,982)
Net finance costs		**(2,751)**	(4,379)	(9,695)
Profit/(loss) before taxation		**3,483**	(1,081)	1,309
Income tax (expense)/credit	6	**(541)**	534	6,775
Profit/(loss) for the period from continuing operations		**2,942**	(547)	8,084
Discontinued operations				
Profit for the period from discontinued operations	7	**54,972**	4,348	7,399
Profit for the period		**57,914**	3,801	15,483

Lupus Capital plc
Condensed consolidated income statement (continued)
Six months ended 30 June 2012

	Note	**Six months ended 30 June 2012 (unaudited) £'000**	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Basic earnings/(loss) per share				
From continuing operations	9	**2.27p**	(0.42p)	6.23p
From discontinued operations	9	**42.39p**	3.35p	5.71p
		44.66p	2.93p	11.94p
Diluted earnings/(loss) per share				
From continuing operations	9	**2.25p**	(0.42p)	6.18p
From discontinued operations	9	**42.03p**	3.34p	5.66p
		44.28p	2.92p	11.84p
Non GAAP measure				
Basic earnings per share				
Underlying1 basic EPS from continuing operations	9	**5.19p**	3.48p	9.04p
Underlying1 basic EPS from discontinued operations	9	**42.39p**	3.35p	5.71p
		47.58p	6.83p	14.75p
Underlying1 profit before taxation from continuing operations	9	**9,585**	6,495	16,344
Underlying1 profit before taxation from discontinued operations	9	**55,228**	5,933	10,109
		64,813	12,428	26,453

1 Before amortisation of intangible assets, deferred tax on amortisation of intangible assets, exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.

Lupus Capital plc

Condensed consolidated statement of comprehensive income

Six months ended 30 June 2012

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Year ended 31 December 2011 (audited)
	£'000	£'000	£'000
Profit for the period	**57,914**	3,801	15,483
Other comprehensive income:			
Exchange differences on retranslation of foreign operations	**(3,103)**	(3,610)	(354)
Actuarial losses on defined benefit plans	**-**	-	(4,699)
Effective portion of changes in value of cash flow hedges	**737**	455	1,228
Tax on items included in other comprehensive income	**-**	-	1,659
Other comprehensive loss for the period, net of tax	**(2,366)**	(3,155)	(2,166)
Total comprehensive income for the period attributable to equity shareholders	**55,548**	646	13,317

Lupus Capital plc

Condensed consolidated statement of changes in equity

Six months ended 30 June 2012

	Share capital £'000	Share premium £'000	Other reserves £'000	Treasury reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2011 (audited)	6,864	101	10,389	(6,764)	(1,925)	33,438	196,472	238,575
Total comprehensive income	-	-	-	-	455	(3,610)	3,801	646
Profit for the period	-	-	-	-	-	-	3,801	3,801
Other comprehensive income	-	-	-	-	455	(3,610)	-	(3,155)
Transactions with owners	-	-	-	(250)	-	-	(2,523)	(2,773)
Share-based payments	-	-	-	-	-	-	73	73
Dividends paid	-	-	-	-	-	-	(2,596)	(2,596)
Purchase of treasury shares	-	-	-	(250)	-	-	-	(250)
At 30 June 2011 (unaudited)	6,864	101	10,389	(7,014)	(1,470)	29,828	197,750	236,448
Total comprehensive income	-	-	-	-	773	3,256	8,642	12,671
Profit for the period	-	-	-	-	-	-	11,682	11,682
Other comprehensive income	-	-	-	-	773	3,256	(3,040)	989
Transactions with owners	-	-	-	-	-	-	99	99
Share-based payments	-	-	-	-	-	-	99	99
At 31 December 2011 (audited)	6,864	101	10,389	(7,014)	(697)	33,084	206,491	249,218
Total comprehensive income	-	-	(1,469)	-	737	(3,103)	59,383	55,548
Profit for the period	-	-	-	-	-	-	57,914	57,914
Disposal of subsidiary	-	-	(1,469)	-	-	-	1,469	-
Other comprehensive income	-	-	-	-	737	(3,103)	-	(2,366)
Transactions with owners	-	-	-	-	-	-	(4,424)	(4,424)
Share-based payments	-	-	-	-	-	-	111	111
Dividends paid	-	-	-	-	-	-	(4,535)	(4,535)
At 30 June 2012 (unaudited)	**6,864**	**101**	**8,920**	**(7,014)**	**40**	**29,981**	**261,450**	**300,342**

Lupus Capital plc
Condensed consolidated balance sheet
As at 30 June 2012

	Note	**30 June 2012 (unaudited) £'000**	30 June 2011 (unaudited) £'000	31 December 2011 (audited) £'000
ASSETS				
Non-current assets				
Goodwill	11	**212,356**	219,782	213,866
Intangible assets		**93,794**	96,925	99,047
Property, plant and equipment		**30,717**	29,919	30,461
Deferred tax assets		**8,857**	7,289	9,618
		345,724	353,915	352,992
Current assets				
Inventories		**28,426**	29,831	26,427
Trade and other receivables		**33,297**	39,455	28,200
Cash and cash equivalents	12	**48,510**	25,302	20,426
		110,233	94,588	75,053
Discontinued operations		**-**	-	21,114
		110,233	94,588	96,167
TOTAL ASSETS		**455,957**	448,503	449,159
LIABILITIES				
Current liabilities				
Current tax payable		**(83)**	(5,288)	(1,976)
Trade and other payables		**(34,700)**	(40,082)	(34,632)
Provisions		**(2,491)**	(3,302)	(1,510)
Finance lease obligations		**-**	(6)	-
Derivative financial instruments		**(14)**	(1,543)	(777)
Interest bearing loans and borrowings		**(7,434)**	(5,081)	(12,930)
		(44,722)	(55,302)	(51,825)
Discontinued operations		**-**	-	(3,271)
		(44,722)	(55,302)	(55,096)
Non-current liabilities				
Deferred tax liabilities		**(17,324)**	(20,966)	(18,941)
Interest bearing loans and borrowings		**(73,215)**	(112,832)	(100,235)
Employee benefit liability		**(9,420)**	(6,753)	(9,732)
Provisions		**(9,550)**	(14,641)	(14,487)
Other creditors		**(1,384)**	(1,561)	(1,450)
		(110,893)	(156,753)	(144,845)
TOTAL LIABILITIES		**(155,615)**	(212,055)	(199,941)
NET ASSETS		**300,342**	236,448	249,218

Lupus Capital plc
Condensed consolidated balance sheet (continued)
As at 30 June 2012

	30 June 2012 (unaudited) £'000	30 June 2011 (unaudited) £'000	31 December 2011 (audited) £'000
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Called up share capital	**6,864**	6,864	6,864
Share premium	**101**	101	101
Other reserves	**8,920**	10,389	10,389
Treasury reserve	**(7,014)**	(7,014)	(7,014)
Hedging reserve	**40**	(1,470)	(697)
Translation reserve	**29,981**	29,828	33,084
Retained earnings	**261,450**	197,750	206,491
TOTAL EQUITY	**300,342**	236,448	249,218

Lupus Capital plc
Condensed consolidated cash flow statement
Six months ended 30 June 2012

	Note	**Six months ended 30 June 2012 (unaudited) £'000**	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Cash flows from operating activities				
Profit/(loss) before tax - continuing operations		**3,483**	(1,081)	1,309
Profit before tax - discontinued operations	7	**55,228**	5,933	10,108
Adjustments	14	**(46,138)**	13,209	26,335
Movement in inventories		**(2,093)**	(4,047)	(263)
Movement in trade and other receivables		**(4,378)**	(6,684)	965
Movement in trade and other payables		**(239)**	600	(2,830)
Provisions utilised		**(1,402)**	(878)	(1,854)
Pension contributions		**(467)**	(658)	(1,191)
Income tax paid		**(3,262)**	(527)	(1,870)
Net cash inflow from operating activities		**732**	5,867	30,709
Cash flows from investing activities				
Payments to acquire property, plant and equipment		**(2,827)**	(1,735)	(4,384)
Payments to acquire intangible assets		**(750)**	(230)	(492)
Acquisition of subsidiary undertakings	13	**(1,883)**	-	(10,280)
Proceeds on disposal of subsidiary undertakings	8	**67,537**	-	-
Interest received		**194**	204	340
Net cash inflow/(outflow) from investing activities		**62,271**	(1,761)	(14,816)
Cash flows from financing activities				
Interest paid		**(2,383)**	(3,472)	(7,011)
Dividends paid	10	**(4,535)**	(2,596)	(2,596)
Purchase of treasury shares		**-**	(250)	(250)
New bank loans raised		**-**	-	112,551
Refinancing costs paid		**-**	-	(2,643)
Repayment of borrowings		**(31,724)**	-	(119,621)
Repayment of capital element of finance leases		**-**	(4)	(10)
Net cash outflow from financing activities		**(38,642)**	(6,322)	(19,580)
Increase/(decrease) in cash and cash equivalents		**24,361**	(2,216)	(3,687)
Effect of exchange rates on cash and cash equivalents		**(237)**	(230)	325
Cash and cash equivalents at the beginning of the period		**24,386**	27,748	27,748
Cash and cash equivalents at the end of the period	**12**	**48,510**	25,302	24,386

Lupus Capital plc
Notes to the condensed consolidated financial statements
Six months ended 30 June 2012

1. General information

The Group's condensed consolidated financial statements for the six months ended 30 June 2012 were authorised for issue by the Board of Directors on 4 September 2012.

The condensed consolidated financial information in this report is not audited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The annual financial statements for the year ended 31 December 2011, approved by the Board of Directors on 20 April 2012, which represent statutory accounts for that year, have been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The interim financial information has been reviewed under the International Standard on Review Engagements (UK and Ireland) 2410 of the Auditing Practices Board.

2. Accounting policies

Basis of preparation
The annual financial statements of Lupus Capital plc are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). The condensed set of financial statements included in the half-yearly financial report has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the EU.

Going concern
The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Changes in accounting policy
The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest audited financial statements.

During the current period, the following accounting standards became effective and the Group's condensed consolidated financial statements have been prepared in accordance with these changes where relevant:

- Amendments to International Accounting Standard 12 'Income taxes'.
- Amendments to International Financial Reporting Standard 1 'First time adoption of IFRS' on hyperinflation and fixed dates.
- Amendments to International Financial Reporting Standard 7 'Financial instruments: Disclosures on derecognition'.

3. Business segments

The Board of Directors are the Group's chief operating decision makers. Management have determined the operating segments based on the information reviewed by the chief operating decision makers for the purposes of allocating resources and assessing performance.

Product analysis

The following tables present Group revenue and profit information regarding the Group's product segments. There has been no change in the basis of measurement of segment profit or loss in the period.

In the current period, the Group had two operating segments: Building Products and Oil Services (now discontinued, refer notes 7 and 8), which have been analysed geographically.

Segment revenue and results

	Continuing operations - Building Products				Discontinued operations - Oil Services	
Six months ended 30 June 2012	**United Kingdom £'000**	**United States £'000**	**Rest of the World £'000**	**Total £'000**	**United Kingdom £'000**	**Total £'000**
Revenue	**42,596**	**58,536**	**17,245**	**118,377**	**2,103**	**120,480**
Trading operating profit before exceptional items and amortisation of intangible assets	**2,647**	**5,910**	**1,273**	**9,830**	**980**	**10,810**
Property provision release[1]				**2,021**	**-**	**2,021**
Total operating profit before exceptional items and amortisation of intangible assets				**11,851**	**980**	**12,831**
Exceptional items (note 4)				**(420)**	**-**	**(420)**
Amortisation of intangible assets				**(5,197)**	**-**	**(5,197)**
Operating profit				**6,234**	**980**	**7,214**

	Continuing operations - Building Products				Discontinued operations - Oil Services	
Six months ended 30 June 2011	**United Kingdom £'000**	**United States £'000**	**Rest of the World £'000**	**Total £'000**	**United Kingdom £'000**	**Total £'000**
Revenue	44,764	50,917	18,890	114,571	10,117	124,688
Operating profit before exceptional items and amortisation of intangible assets	3,187	4,683	1,768	9,638	5,906	15,544
Exceptional items (note 4)				(603)	-	(603)
Amortisation of intangible assets				(5,737)	-	(5,737)
Operating profit				3,298	5,906	9,204

3. Business segments (continued)

Year ended 31 December 2011	Continuing operations - Building Products United Kingdom £'000	United States £'000	Rest of the World £'000	Total £'000	Discontinued operations - Oil Services United Kingdom £'000	Total £'000
Revenue	88,984	105,370	36,018	230,372	19,088	249,460
Trading operating profit before exceptional items and amortisation of intangible assets	7,312	10,708	3,158	21,178	10,056	31,234
Property provision release[1]				1,221	-	1,221
Total operating profit before exceptional items and amortisation of intangible assets				22,399	10,056	32,455
Exceptional items (note 4)				(830)	-	(830)
Amortisation of intangible assets				(10,565)	(1)	(10,566)
Operating profit				11,004	10,055	21,059

1 On 2 March 2012, the Group concluded an agreement with a third party to assign the lease and exit Unit A, the remaining property on the Peterlee site. This resulted in the release to the income statement of £2.0 million of provisions (2011: £1.2 million). Comparative figures for the year ended 31 December 2011 have been changed to more appropriately reflect the release.

4. Exceptional items

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Redundancy and restructuring costs	**-**	603	813
Transaction costs associated with M&A activity	**420**	-	282
Adjustments to fair value accounting of acquisitions	**-**	-	(265)
	420	603	830

5. Finance income and costs

Finance income and costs from continuing operations:

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Finance income			
Bank interest receivable	**161**	177	287
Finance costs			
Interest payable on bank loans and overdraft	**(2,309)**	(3,245)	(6,205)
Amortisation of borrowing costs	**(340)**	(992)	(3,148)
Ineffective portion of changes in value of cash flow hedges	**26**	(10)	(8)
Unwinding of discount on provisions	**(145)**	(244)	(492)
Pension scheme and other finance costs	**(144)**	(65)	(129)
	(2,912)	(4,556)	(9,982)
Net finance costs	**(2,751)**	(4,379)	(9,695)

6. Income tax expense

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Continuing operations			
Current income tax:			
UK Corporation tax expense/(credit)	**229**	528	(986)
Foreign tax expense	**1,100**	673	3,168
Current income tax charge	**1,329**	1,201	2,182
Exceptional adjustments in respect of prior periods	**-**	-	(3,767)
Total current income tax expense/(credit)	**1,329**	1,201	(1,585)
Deferred tax:			
Origination and reversal of temporary differences	**25**	(1,227)	(1,850)
Adjustment due to deferred tax rate change	**(813)**	(508)	(2,137)
Exceptional adjustments in respect of prior periods	**-**	-	(1,203)
Total deferred tax credit	**(788)**	(1,735)	(5,190)
Income tax expense/(credit) in the income statement	**541**	(534)	(6,775)
Discontinued operations			
Current income tax:			
UK Corporation tax expense	**256**	1,585	2,778
Total current income tax expense	**256**	1,585	2,778
Deferred tax:			
Origination and reversal of temporary differences	**-**	-	(3)
Adjustments in respect of prior periods	**-**	-	(66)
Total deferred tax credit	**-**	-	(69)
Income tax expense in the income statement	**256**	1,585	2,709

6. Income tax expense (continued)

The Group's continuing operations' profits for the six month period are taxed at an effective rate of 30.0% (2011: 31.5%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period.

Exceptional adjustments in respect of the year ended 31 December 2011 arose from the clarification with the tax authorities of the tax treatment of provisions, mainly those originally made at the time of the Schlegel acquisition in 2006 and the LSS acquisition in 2007.

7. Discontinued operations

On 13 March 2012, Lupus Capital plc entered into an unconditional agreement to sell the Group's Oil Services division, Gall Thomson, to Copper Bidco Limited, a company controlled by Phoenix Equity Partners for a total cash consideration of approximately £75 million, subject to certain post-completion adjustments relating to the amounts of cash and net working capital held in the Gall Thomson Group at the date of disposal.

The disposal was completed on 13 March 2012, on which date control of the Gall Thomson Group passed to the acquirer.

Of the disposal proceeds, £29.2 million were applied in permanent pay down of the Group's debt facilities, offsetting future scheduled repayments. Approximately £1.8 million of the disposal proceeds were spent on fees and expenses relating to the disposal.

The results of the discontinued operations which have been included in the consolidated income statement were as follows:

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Discontinued operations			
Revenue	**2,103**	10,117	19,088
Cost of sales	**(641)**	(2,916)	(5,856)
Gross profit	**1,462**	7,201	13,232
Administrative expenses	**(482)**	(1,295)	(3,177)
Operating profit	**980**	5,906	10,055
Analysed as:			
Operating profit before amortisation of intangible assets	**980**	5,906	10,056
Amortisation of intangible assets	**-**	-	(1)
Operating profit	**980**	5,906	10,055
Net finance income	**33**	27	53
Result from discontinued operations before taxation	**1,013**	5,933	10,108
Income tax expense	**(256)**	(1,585)	(2,709)
Result from discontinued operations after taxation	**757**	4,348	7,399
Profit on disposal of discontinued operations	**54,215**	-	-
Net profit attributable to discontinued operations	**54,972**	4,348	7,399

7. Discontinued operations (continued)

The net cash flows attributable to the Gall Thomson Group are as follows:

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Year ended 31 December 2011 (audited)
	£'000	£'000	£'000
Net cash inflow from operating activities	1,535	3,689	9,676
Net cash inflow/(outflow) from investing activities	29	(90)	(120)
Net cash inflow	1,564	3,599	9,556

8. Disposal of subsidiary

As referred to in note 7, on 13 March 2012, the Group disposed of its interest in its Oil Services business, comprising Gall Thomson and its subsidiaries.

The profit on disposal and the net assets of the Gall Thomson Group at the date of disposal were as follows:

	13 March 2012
	£'000
Goodwill	11,421
Intangible assets	35
Property, plant and equipment	389
Deferred tax asset	80
Inventories	1,242
Trade and other receivables	3,235
Cash and cash equivalents	5,374
Current tax payable	(836)
Trade and other payables	(2,454)
	18,486
Profit on disposal of discontinued operations	54,215
Accrued disposal costs	210
Net consideration	72,911
Satisfied by:	
Cash and cash equivalents	72,911

The net cash inflow arising on disposal:

	£'000
Initial consideration	74,672
Less: disposal costs	(1,761)
Net consideration	72,911
Less: cash and cash equivalents disposed of	(5,374)
	67,537

9. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the period attributable to ordinary equity shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share takes into account the dilutive effect of potential ordinary shares.

The weighted average number of shares was:

	Six months ended 30 June 2012 (unaudited) '000	Six months ended 30 June 2011 (unaudited) '000	Year ended 31 December 2011 (audited) '000
Weighted average number of shares (including treasury shares)	**137,287**	137,287	137,287
Treasury shares	**(7,619)**	(7,541)	(7,580)
Weighted average number of shares - basic	**129,668**	129,746	129,707
Effect of dilutive potential ordinary shares - LTIP awards and options	**1,139**	589	1,011
Weighted average number of shares - diluted	**130,807**	130,335	130,718

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Profit/(loss) for the period - continuing operations	**2,942**	(547)	8,084
Profit for the period - discontinued operations	**54,972**	4,348	7,399
	57,914	3,801	15,483
Basic earnings/(loss) per share			
From continuing operations	**2.27p**	(0.42p)	6.23p
From discontinued operations	**42.39p**	3.35p	5.71p
	44.66p	2.93p	11.94p
Diluted earnings/(loss) per share			
From continuing operations	**2.25p**	(0.42p)	6.18p
From discontinued operations	**42.03p**	3.34p	5.66p
	44.28p	2.92p	11.84p

9. Earnings per share (continued)

Underlying earnings per share

Basic and diluted underlying earnings per share information is presented as an additional measure using the weighted average number of ordinary shares for both basic and diluted amounts as per the table above.

Underlying profit after taxation from continuing operations is derived as follows:

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Profit/(loss) before taxation from continuing operations	**3,483**	(1,081)	1,309
Exceptional costs	**420**	603	830
Amortisation of intangible assets	**5,197**	5,737	10,565
Unwinding discount on provisions	**145**	244	492
Amortisation of borrowing costs	**340**	992	3,148
Underlying profit before taxation from continuing operations	**9,585**	6,495	16,344
Income tax (expense)/credit	**(541)**	534	6,775
Add back: Adjustment due to tax rate change	**(813)**	(508)	(2,137)
Add back: Exceptional prior year tax adjustments	**-**	-	(4,970)
Add back: Tax effect on exceptional costs and amortisation of intangible assets	**(1,495)**	(2,008)	(4,285)
Underlying profit after taxation from continuing operations	**6,736**	4,513	11,727

Underlying profit after taxation from discontinued operations is derived as follows:

	Six months ended 30 June 2012 (unaudited) £'000	Six months ended 30 June 2011 (unaudited) £'000	Year ended 31 December 2011 (audited) £'000
Profit before taxation from discontinued operations	**55,228**	5,933	10,108
Amortisation of intangible assets	-	-	1
Underlying profit before taxation from discontinued operations	**55,228**	5,933	10,109
Income tax expense	**(256)**	(1,585)	(2,709)
Underlying profit after taxation from discontinued operations	**54,972**	4,348	7,400

Underlying earnings per share is summarised as follows:

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Year ended 31 December 2011 (audited)
Basic earnings per share			
From continuing operations	**5.19p**	3.48p	9.04p
From discontinued operations	**42.39p**	3.35p	5.71p
	47.58p	6.83p	14.75p
Diluted earnings per share			
From continuing operations	**5.15p**	3.46p	8.97p
From discontinued operations	**42.03p**	3.34p	5.66p
	47.18p	6.80p	14.63p

10. Dividends

	Six months ended 30 June 2012 (unaudited)	Six months ended 30 June 2011 (unaudited)	Year ended 31 December 2011 (audited)
	£'000	£'000	£'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2011 of 3.5p (2010: 2.0p) per share	**4,535**	2,596	2,596
Amounts not recognised in the financial statements:			
Proposed interim dividend of 1.00p per share	**1,297**	-	-

11. Goodwill

	Note	£'000
Cost and net carrying value		
At 1 January 2011		223,531
Foreign exchange		(3,749)
At 30 June 2011		219,782
Acquisition of subsidiary (restated)	13.1	2,069
Transfer of assets of disposal group classified as held for sale		(11,421)
Exchange difference		3,436
At 31 December 2011 (restated)		213,866
Acquisition of subsidiary	13.2	902
Exchange difference		(2,412)
At 30 June 2012		**212,356**

12. Cash and cash equivalents

	30 June 2012 (unaudited)	30 June 2011 (unaudited)	31 December 2011 (audited)
	£'000	£'000	£'000
Cash at bank and in hand	**35,222**	26,644	25,822
Short-term deposits	**33,164**	16,369	14,945
Bank overdrafts	**(19,876)**	(17,711)	(16,381)
	48,510	25,302	24,386
Cash held in disposal group classified as held for sale	**-**	-	(3,960)
	48,510	25,302	20,426

13. Acquisitions of subsidiaries

13.1 Overland Products Company, Inc

On 20 December 2011, the Group acquired 100 per cent of the issued share capital of Overland Products Company, Inc. At 30 June 2012, the recognised amounts of identifiable assets and liabilities at acquisition were as follows:

	Provisional fair value to the Group 31 December 2011 £'000	Fair value adjustments £'000	**Final fair value to the Group 30 June 2012 £'000**
Property, plant and equipment	704	-	**704**
Intangible assets	4,094	427	**4,521**
Inventories	1,220	-	**1,220**
Trade and other receivables	447	-	**447**
Trade and other payables	(443)	-	**(443)**
Loan borrowings	(85)	-	**(85)**
Deferred taxation	1,954	(107)	**1,847**
Total identifiable net assets	7,891	320	**8,211**
Goodwill arising on acquisition	2,389	(320)	**2,069**
Total consideration	10,280	**-**	**10,280**

Satisfied by:

	£'000
Cash	**10,280**

13.2 Unique Balance International

On 24 April 2012, the Group acquired the net assets of Unique Balance International ("Unique"), located in Montreal, Canada.

The following table summarises the amounts of assets acquired and liabilities assumed, recognised at the acquisition date:

	Provisional fair value to the Group 24 April 2012 £'000
Property, plant and equipment	**395**
Intangible assets	**518**
Inventories	**283**
Trade and other receivables	**88**
Trade and other payables	**(179)**
Deferred taxation	**(124)**
Total identifiable net assets	**981**
Goodwill arising on acquisition	**902**
Total consideration	**1,883**

13. Acquisitions of subsidiaries (continued)

Satisfied by:

	£'000
Cash	**1,883**

Net cash flow arising on acquisition	
Cash consideration	**1,883**

Fair values remain provisional in relation to this acquisition and the Group will complete this review by 31 December 2012. Any adjustment to the carrying value is unlikely to be significant to the individual acquisition.

14. Adjustments to cash flows from operating activities

The following non-cash and financing adjustments have been made to profit before tax for the year to arrive at operating cash flow:

	Note	**30 June 2012 (unaudited) £'000**	30 June 2011 (unaudited) £'000	31 December 2011 (audited) £'000
Net finance costs		**2,718**	4,352	9,642
Depreciation		**2,598**	2,871	5,303
Amortisation		**5,197**	5,737	10,566
Intangible and non-current assets written off		**-**	-	314
Non-cash adjustments		**(2,547)**	176	338
Share based payments		**111**	73	172
Profit on disposal of discontinued operations	8	**(54,215)**	-	-
		(46,138)	13,209	26,335

15. Related party transactions

There are no material related party transactions requiring disclosure under International Accounting Standard 24 ‘Related Party Disclosures’, other than compensation of key management personnel which will be disclosed in the Group’s Annual Report for the year ending 31 December 2012.

16. Post-balance sheet events

Acquisition

On 2 August 2012, the Group completed the acquisition of Window Fabrication and Fixing Supplies Limited (Fab & Fix) for an enterprise valuation of approximately £14 million.

Fab & Fix, based in Coventry, is the leading supplier of "perfectly matching hardware" to the window and door market in the UK. Despite difficult market conditions, in recent years, Fab & Fix has grown market share and improved profitability. For the year ended 31 March 2012, Fab & Fix generated sales of £14.7 million.

The acquisition will provide the Group with an enhanced platform to accelerate growth across all of its hardware businesses.

Disposal

Following a targeted sales process, the Group has completed the disposal of the business and assets of Composite Doors to Britdoors Limited for consideration of approximately £730,000. The Group has also agreed to supply component products, including Fab & Fix products, into Britdoors on commercial terms following the disposal.

In the year ended 31 December 2011, Composite Doors employed net assets of £1.3 million, generated revenues of £14.1 million and made an operating loss of £1.0 million.

The disposal is expected to lead to tangible asset write downs of approximately £3.0 million, incurred in the second half of 2012.

Statement of Directors' responsibilities

The directors' confirm that these condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report.

By order of the Board

Louis Eperjesi
Chief Executive Officer

James Brotherton
Chief Financial Officer

4 September 2012

Independent review report to Lupus Capital plc

Introduction
We have been engaged by the company to review the condensed consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2012, which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement and related 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.

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 AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed consolidated financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom. 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 consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2012 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the AIM Rules for Companies.

PricewaterhouseCoopers LLP
Chartered Accountants
4 September 2012
London