

LUPUS CAPITAL PLC
 ("Lupus" or "the Group" or "the Company")

INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2010

Lupus Capital plc, a leading international supplier of building products to the door and window industry and the world's number one manufacturer of marine breakaway couplings, announces unaudited interim results for the period ended 30 June 2010.

HIGHLIGHTS

<i>£'million except where stated</i>	H1 2010	H1 2009	Change
Group Sales	133.2	117.0	+14%
Gross profit margin	35.0%	33.3%	
Underlying Operating Profit	17.3	12.1	+43%
Underlying Operating Margin	13.0%	10.3%	
Underlying Basic EPS	6.79p	4.05p	+68%
Net debt at 30 June	113.4	120.1	-6%

- Group sales increased by 14% and Underlying Operating Profit by 43%
- Continued improvement in gross and net margins
- Gall Thomson performance driven by high volumes of Marine Breakaway Coupling sales
- Further debt repayments made since 31 December 2009
- Net debt at half year was £113.4 million (H1 2009: £120.1 million)
- Board restructuring completed

Jamie Pike, Non-Executive Chairman, commented:

"The Group delivered an encouraging set of results for the first half of the financial year, demonstrating the strong market positions of our businesses. Continued tight controls over the cost base and working capital enabled the Group to improve margins and pay down debt in the period.

"In Building Products we expect to make further progress in the balance of the year, although we do not expect to see a repeat of the marked period on period increases evident in the first half. In Oil Services, the timing of sales favoured the first half of the year and, due to the discrete nature of its orders, Gall Thomson should not necessarily be expected to repeat this performance in the second half.

"Against this backdrop the Group will continue to focus on growing market share where possible, controlling costs in line with demand, cash generation and further pay down of debt. The Board remains cautiously optimistic about the overall prospects for the Group for the full year, and expects to report results for the year ahead of current expectations."

8 September 2010

Enquiries:

Lupus Capital plc

Today: 020 7457 2020 (thereafter: 020 7976 8000)

Jamie Pike

Louis Eperjesi

James Brotherton

Collins Stewart

020 7523 8350

Mark Dickenson

Tom Hulme

College Hill

020 7457 2020

Mark Garraway

Adam Aljewicz

Overview

The Group has had an encouraging first half, with sales and operating profits outperforming the significantly depressed prior year levels and with improvements to both gross and net margins.

At the operational level, the residential housing markets for both new build and the repair, maintenance and improvement sector ("RMI") were broadly stable during the period. Activity levels increased across our building products businesses worldwide, continuing the recovery that began in the second half of 2009. Gall Thomson, our oil and gas services business, enjoyed another period of strong performance.

Results for the period

For the six month period ended 30 June 2010, compared with the corresponding period in 2009:

SALES

Group sales were £133.2 million (2009: £117.0 million), an increase of £16.2 million or 14 per cent.. On a constant currency basis, this represents an increase in total sales of 15 per cent. compared with the equivalent period in 2009.

PROFITS

Underlying earnings before interest, tax, depreciation and amortisation were £17.3 million (2009: £12.1 million), an increase of £5.2 million or 43 per cent.. On a constant currency basis, this represents an increase of 44 per cent. compared with the equivalent period in 2009.

Administrative expenses increased by £0.8 million in the period to £35.4 million (2009: £34.6 million). Underlying administrative expenses (before amortisation and exceptional items) increased by £2.5 million in the period to £29.3 million (2009: £26.8 million), but decreased as a percentage of sales, reflecting the higher levels of activity within the Group.

Net finance costs increased by £0.5 million (9 per cent.) to £6.1 million (2009: £5.6 million), reflecting the increased margins and amortisation of borrowing costs arising from

the renegotiation of the bank facilities in 2009. Fair value losses on financial instruments increased during the period, principally due to out of the money interest rate hedges taken out in 2007 that expire in September 2010.

Bank interest costs payable in the period increased by £0.3 million to £5.1 million (2009: £4.8 million) as increases in interest margins were only partially offset by decreases in the underlying cost of funds.

Underlying profit before tax increased by £5.1 million to £12.6 million (2009: £7.5 million).

The Group reported a profit before tax for the period of £5.0 million (2009: loss of £1.1 million).

MARGINS

Gross profit margins in the period improved to 35.0 per cent. (2009: 33.3 per cent.) reflecting the focus on recovery of cost input prices and changes in mix of products sold.

Underlying Operating Profit margins for the Group increased to 13.0 per cent. (2009: 10.3 per cent.) in the period, reflecting the Group's operational leverage and continued focus on staffing levels and overheads.

EARNINGS AND DIVIDENDS

Underlying earnings per share increased by 68 per cent. to 6.79p (2009: 4.05p). Basic earnings/(loss) per share increased to 2.62p (2009: (0.83)p).

No interim dividend will be paid. As previously stated, the Board is committed to the resumption of dividend payments, once permitted by the Group's banking arrangements, and when it believes it is prudent to do so, taking into account the Group's earnings, cash flow and balance sheet position.

Financial Position

During the period the Group has continued its tight focus on working capital, operational cash generation and reductions in net debt.

CASHFLOW

The Group generated operating cash flow in the period of £8.7 million (2009: £11.0 million) despite investment in working capital of £10.2 million (2009: reduction of £0.6 million).

The working capital investment during the period has principally been in trade receivables in order to fund increased sales levels, with strong control retained over inventory levels and trade payables. Working capital metrics remain in line with our expectations and at 30 June 2010, trade working capital days were 63.4 days (2009: 72.2 days).

As a consequence of the investment in working capital, operating cash conversion in the period was 50 per cent., compared with 91 per cent. in 2009. In the twelve months to 30 June 2010, cash conversion was 110.7 per cent..

NET DEBT POSITION

At 30 June 2010 the Group's net debt was £113.4 million (2009: £120.1 million).

At 31 December 2009 the reported net debt was £111.0 million. Of the increase in net debt since the year end, approximately £4.4 million was attributable to exchange rate movements.

The Group made an early repayment of £3.0 million of debt in the first half of the financial year and expects to make further debt repayments in the second half.

HEDGING

During the period the Group entered into a number of interest rate swap transactions to lock-in the current low levels of market rates, providing increased certainty over the Group's future interest costs.

These have the economic effect of fixing the Group's cost of funds, before the applicable margin, at between 1.85 and 2.045 per cent. until July 2012.

COVENANT PERFORMANCE

At 30 June 2010, the Group had headroom on its banking covenants ranging from 46 per cent. to 77 per cent. and the Board remains confident that the Group will continue to operate within its banking covenants.

At 30 June 2010, the Group's net debt to EBITDA ratio was 3.14x (2009: 3.45x), calculated on the same basis as banking covenants.

Group 2009 Operational Performance

Despite the increased levels of demand for the Group's products seen during the period, the Group has maintained its close control over staffing levels and costs in general. Group headcount increased from 2,003 at 31 December 2009 to 2,146 at 30 June 2010 (2009: 2,098), reflecting the annual increase in short term seasonal employment and limited selective hiring of permanent personnel where merited by business activity levels.

The Group's tight focus on working capital has remained in place, with investment in inventory only permitted where there is clear evidence of demand. Concern over customer defaults, and continued limited availability of credit insurance, means that management of receivables remains a high priority. During the period we have been successful in partially extending credit insurance cover for some of our key suppliers which has had a beneficial effect on our payables position.

We have continued to flex our operational footprint in order to optimise our market position. The conversion of the Chinese manufacturing operation to a sourcing operation was completed in February, allowing for greater flexibility in obtaining the lowest cost, highest quality product; production levels have significantly increased at the Group's facility in Mexico; and we have exited our site at Tipton in the West Midlands.

BUILDING PRODUCTS (94% of Group Revenues)

<i>£'million except where stated</i>	H1 2010	H1 2009	Change
Sales	125.1	111.2	+13%
Underlying Operating Profit	13.1	9.7	+35%
<i>Underlying Operating Margin</i>	<i>10.5%</i>	<i>8.7%</i>	

The Building Products division comprises the Group's door and window hardware and seals operations. The division's businesses are market leaders and operate across the Americas, the UK, Europe and Asia.

Trading conditions in both the US and UK new build housing markets remained difficult in the first half of the year, however repair maintenance and improvement ("RMI"), which is the Division's principal market, showed more resilience. In the first half the division has gained market share and successfully passed on increases in input costs. The solid financial performance of the division demonstrates the benefits of its strong brands, niche products, close customer relationships, and relative financial strength.

US BUILDING PRODUCTS (42% of Group Revenues)

The Amesbury Group, our North American Building Products business, saw a significant increase in US dollar sales compared with the corresponding period in 2009. This was driven through a combination of customers rebuilding inventories and net gains in market share.

Local currency sales in the period for the Amesbury Group were \$86.3 million (2009: \$75.5 million), an increase of 14 per cent. and Underlying Operating Profit was \$10.1 million (2009: \$7.0 million), an increase of 44 per cent.. In sterling, sales were £56.7 million (2009: £50.7 million) and Underlying Operating Profit was £6.6 million (2009: £4.7 million).

The Homebuyer Tax Credit which expired in April 2010, provided some underpinning to new housing activity in the first four months of the year, however housing starts declined in May and June. RMI activity showed some signs of recovery during the period, although not to the extent forecast by independent commentators.

Key initiatives in the period included the expansion of the National Accounts Program, to leverage our product offering within the North American customer base, the continued ramp up of manufacturing at the Group's Mexican facility and a restructured approach to Amesbury marketing.

UK BUILDING PRODUCTS (35% of Group Revenues)

Grouphomesafe, our UK Building Products business, generated encouraging sales in the first half despite the depressed nature of some of our end markets.

Sales in the period increased by 17 per cent. to £46.3 million (2009: £39.7 million) and Underlying Operating Profit was £4.1 million (2009: £3.5 million), which represented an increase of 17 per cent.. Grouphomesafe has seen significant input cost pressures affecting both raw materials and imported finished goods, however has successfully managed to implement price increases to offset these.

The UK market, which is predominately RMI, remained difficult and showed little sign of sustained recovery.

During the period we have consolidated our UK sales force teams into a single customer facing unit and successfully launched “grouphomesafe” as the new umbrella brand for our UK Building Products business. These initiatives have been well received by both customers and employees and have started to generate incremental sales for the Group.

Ventrolla, our UK sash window renovation business, has successfully launched its product offering in the Republic of Ireland.

Our composite door business, which is principally focused on the social housing market, has been restructured in the period to streamline its manufacturing processes ahead of what are expected to be significant reductions in end market demand in 2011. This business, which historically was self contained, has now been integrated into the wider grouphomesafe business. Going forward, this should enable the business to leverage off the grouphomesafe customer base to access a greater share of the trade and retail composite door markets.

INTERNATIONAL BUILDING PRODUCTS (17% of Group Revenues)

Our International Building Products division has seen local currency sales increase in the first half compared with the corresponding period in 2009, with encouraging increases in demand in Australasia, South America, Germany and Eastern Europe, tempered by more muted demand for products in Southern Europe.

The closure during the period of our Ningbo, China manufacturing facility, which sold low margin product, meant that reported sales in the division grew at a slower rate than in our other divisions but enhanced the division’s profitability.

Excluding Ningbo, sales in the period were £21.6 million (2009: £18.0 million), which represented an increase of 19 per cent. in constant currency terms and Underlying Operating Profit was £2.5 million (2009: £1.5 million), which represented an increase of 57 per cent. in constant currency terms.

During the period we continued to focus on cross selling opportunities within the International business with Australasia achieving some notable successes. We have also bolstered our presence in South America with the expansion of our Brazilian sales office, which is starting to generate revenues and gain market share, and is being used as a base to target other South American markets.

OIL SERVICES (6% of Group Revenues)

<i>£'million except where stated</i>	H1 2010	H1 2009	Change
Sales	8.1	5.8	+39%
Underlying Operating Profit	4.2	2.4	+75%
<i>Underlying Operating Margin</i>	51.9%	41.3%	

Our oil services division operates through the Gall Thomson and Klaw businesses. Gall Thomson Environmental, is the world’s leading supplier of marine breakaway couplings (“MBC”s) and, through its KLAWE subsidiary, is a supplier of industrial couplings including quick release and breakaway couplings.

During the period the division performed strongly and has delivered further growth in sales and underlying profits, principally due to higher sales of our core MBC product. The division’s order book and enquiry levels remain healthy.

Board

The restructuring of the Board is now complete and the Board comprises two executive directors - Louis Eperjesi (Chief Executive Officer) and James Brotherton (Chief Financial Officer) - and three independent non-executive directors - Jamie Pike (Chairman), Les Tench and Martin Towers.

The Board has an excellent balance of industrial, financial and investor knowledge and looks forward to working on behalf of all shareholders to create shareholder value.

Outlook

The Group expects that the second half of the financial year will see a continuation of mixed trading conditions in our key building products markets. While we expect to make further progress in the second half of the financial year we do not expect to see a repeat of the marked period on period increases that were evident in the first half.

Gall Thomson had a strong first half and given the variable profile of MBC orders, which depend on the timing of platforms and rigs coming on stream, should not necessarily be expected to repeat its first half out-performance.

We continue to see upward pricing pressure affecting certain input costs and the removal of the Chinese Renminbi "dollar peg" may also increase the costs of imported goods and raw materials from China to the UK and US. Where possible we will continue to recover these cost increases without sacrificing market position.

Against this backdrop the Group will continue to focus on growing market share where possible, controlling costs in line with demand, cash generation and further pay down of debt. The Board remains cautiously optimistic about the overall prospects for the Group for the full year, and expects to report results for the year ahead of current expectations.

8 September 2010

Definitions

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 cash conversion is defined as Net Cash inflow from Operating Activities divided by Underlying Operating Profit.

Trade working capital days is defined as the aggregate of inventory days and trade debtor days less trade payable days.

Exchange Rates

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

Closing Rates:	H1 2010	H1 2009	FY 2009
US Dollars	1.5071	1.6520	1.5928
Euros	1.2348	1.1760	1.1113
Average Rates:	H1 2010	H1 2009	FY 2009
US Dollars	1.5265	1.4934	1.5659
Euros	1.1491	1.1184	1.1230

Condensed consolidated income statement
For the six months ended 30 June 2010

	Note	Six months ended 30 June 2010 (unaudited) £'000	Six months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Revenue	3	133,238	117,009	241,621
Cost of sales		(86,651)	(78,079)	(161,104)
Gross profit		46,587	38,930	80,517
Administrative expenses		(35,433)	(34,606)	(68,527)
Operating profit		11,154	4,324	11,990
Analysed as:				
Operating profit before exceptional items and amortisation of intangible assets	3	17,322	12,091	25,598
Exceptional items	4	(238)	(2,006)	(2,055)
Amortisation of intangible assets		(5,930)	(5,761)	(11,553)
Operating profit		11,154	4,324	11,990
Finance income	5	290	239	450
Finance costs	5	(6,396)	(5,849)	(13,089)
Net finance costs		(6,106)	(5,610)	(12,639)
Profit/(loss) before taxation		5,048	(1,286)	(649)
Income tax (expense)/credit	6	(1,652)	211	1,062
Profit/(loss) for the period from continuing operations		3,396	(1,075)	413
Earnings per share				
- Basic EPS from continuing operations	7	2.62p	(0.83)p	0.32p
- Diluted EPS from continuing operations	7	2.57p	(0.83)p	0.32p

All results relate to continuing operations.

	Note	Six months ended 30 June 2010 (unaudited) £'000	Six months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Non GAAP measure				
Underlying¹ profit before taxation		12,569	7,515	15,718
Earnings per share				
Underlying ¹ basic EPS from continuing operations	7	6.79p	4.05p	9.39p
Underlying ¹ diluted EPS from continuing operations	7	6.67p	4.05p	9.39p

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.

Condensed consolidated statement of comprehensive income
For the six months ended 30 June 2010

	Six months ended 30 June 2010 (unaudited) £'000	Six months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Profit/(loss) for the period	3,396	(1,075)	413
Actuarial loss on defined benefit plans	-	-	(1,403)
Exchange differences on retranslation of foreign operations	2,619	(19,156)	(11,892)
Effective portion of changes in value of cash flow hedges	(578)	841	1,449
Tax on items recognised directly in equity	-	-	477
Other comprehensive income/(expense) for the period	2,041	(18,315)	(11,369)
Total comprehensive income/(expense) for the period, attributable to equity shareholders of the Company	5,437	(19,390)	(10,956)

Condensed consolidated statement of changes in equity
For the six months ended 30 June 2010

	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 2009	6,864	101	10,389	(6,764)	(3,938)	40,819	189,929	237,400
Share based payments	-	-	-	-	-	-	13	13
Transactions with owners	-	-	-	-	-	-	13	13
Total comprehensive income/(expense) for the period	-	-	-	-	841	(19,156)	(1,075)	(19,390)
At 30 June 2009	6,864	101	10,389	(6,764)	(3,097)	21,663	188,867	218,023
Share based payments	-	-	-	-	-	-	10	10
Transactions with owners	-	-	-	-	-	-	10	10
Total comprehensive income/(expense) for the period	-	-	-	-	608	7,264	562	8,434
At 31 December 2009	6,864	101	10,389	(6,764)	(2,489)	28,927	189,439	226,467
Share based payments	-	-	-	-	-	-	27	27
Transactions with owners	-	-	-	-	-	-	27	27
Total comprehensive (expense)/income for the period	-	-	-	-	(578)	2,619	3,396	5,437
At 30 June 2010	6,864	101	10,389	(6,764)	(3,067)	31,546	192,862	231,931

Condensed consolidated balance sheet
At 30 June 2010

	30 June 2010 (unaudited) £'000	30 June 2009 (unaudited) £'000	31 December 2009 (audited) £'000
ASSETS			
Non-current assets			
Intangible assets	335,219	328,909	333,998
Property, plant and equipment	32,941	35,366	34,296
Deferred tax	7,596	6,740	7,792
	<u>375,756</u>	<u>371,015</u>	<u>376,086</u>
Current assets			
Current tax receivable	-	-	395
Inventories	29,656	27,960	26,036
Trade and other receivables	39,988	36,641	29,850
Cash and cash equivalents	25,224	29,904	24,955
	<u>94,868</u>	<u>94,505</u>	<u>81,236</u>
TOTAL ASSETS	<u>470,624</u>	<u>465,520</u>	<u>457,322</u>
LIABILITIES			
Current liabilities			
Current tax payable	(1,824)	(309)	-
Trade and other payables	(40,887)	(40,531)	(36,815)
Provisions	(3,421)	(2,545)	(3,353)
Finance lease obligations	(9)	(134)	(8)
Derivative financial instruments	(1,351)	-	(2,534)
Interest bearing loans and borrowings	(8,146)	(6,348)	(3,063)
	<u>(55,638)</u>	<u>(49,867)</u>	<u>(45,773)</u>
Non-current liabilities			
Finance lease obligations	(6)	(14)	(10)
Deferred tax	(25,572)	(25,164)	(26,091)
Interest bearing loans and borrowings	(130,512)	(143,482)	(132,887)
Employee benefit liability	(7,932)	(6,438)	(7,650)
Provisions	(16,737)	(19,146)	(17,662)
Derivative financial instruments	(1,739)	(3,097)	-
Other creditors	(557)	(289)	(782)
	<u>(183,055)</u>	<u>(197,630)</u>	<u>(185,082)</u>
TOTAL LIABILITIES	<u>(238,693)</u>	<u>(247,497)</u>	<u>(230,855)</u>
NET ASSETS	<u>231,931</u>	<u>218,023</u>	<u>226,467</u>
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	10,389	10,389	10,389
Treasury reserve	(6,764)	(6,764)	(6,764)
Hedging reserve	(3,067)	(3,097)	(2,489)
Translation reserve	31,546	21,663	28,927
Retained earnings	192,862	188,867	189,439
	<u>231,931</u>	<u>218,023</u>	<u>226,467</u>
TOTAL EQUITY	<u>231,931</u>	<u>218,023</u>	<u>226,467</u>

Condensed consolidated cash flow statement

For the six months ended 30 June 2010

	Note	6 months ended 30 June 2010 (unaudited) £'000	6 months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Cash flows from operating activities				
Profit/(loss) before tax		5,048	(1,286)	(649)
Adjustments to profit/(loss) before tax	8	15,905	15,344	32,839
Movement in inventories		(3,113)	6,911	9,752
Movement in trade and other receivables		(10,046)	(2,693)	3,840
Movement in trade and other payables		3,004	(3,570)	(2,878)
Provisions utilised		(1,348)	(1,727)	(2,981)
Pension contributions		(428)	(441)	(1,317)
Income tax paid		(322)	(1,516)	(2,155)
Net cash inflow from operating activities		8,700	11,022	36,451
Investing activities				
Payments to acquire property, plant and equipment		(1,325)	(1,250)	(2,144)
Payments to acquire intangible assets		(96)	-	(91)
Interest received		290	233	450
Net cash outflow from investing activities		(1,131)	(1,017)	(1,785)
Financing activities				
Interest paid		(4,556)	(7,811)	(10,981)
Refinancing costs paid		(20)	-	(7,405)
Repayment of short term borrowings		(3,000)	(2,500)	(22,780)
Repayment of capital element of finance leases		(3)	(137)	(242)
Net cash outflow from financing activities		(7,579)	(10,448)	(41,408)
Decrease in cash and cash equivalents		(10)	(443)	(6,742)
Effect of exchange rates on cash and cash equivalents		279	(2,060)	(710)
Cash and cash equivalents at the beginning of the period		24,955	32,407	32,407
Cash and cash equivalents at the period end		25,224	29,904	24,955

Notes to the Interim Report

1. Basis of preparation

The Group's interim financial statements for the six months ended 30 June 2010 were authorised for issue by the directors on 8 September 2010. The consolidated interim financial information, which is unaudited, does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. Accordingly, this condensed report is to be read in conjunction with the Annual Report for the year ended 31 December 2009, which has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, and any public announcements made by the Group during the interim reporting period.

The statutory accounts for the year ended 31 December 2009 have been reported on by the Group's auditors, received an unqualified audit report and have been filed with the registrar of companies at Companies House. The unaudited condensed interim financial statements for the six months ended 30 June 2010 have been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ending 31 December 2010, which are not expected to be significantly different to those set out in note 1 to the Group's audited financial statements for the year ended 31 December 2009.

The interim financial information has not been audited but it has been reviewed under the International Standard on Review Engagements (UK and Ireland) 2410 of the Auditing Practices Board.

After review of the Group's operations, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the unaudited condensed interim financial statements.

2. Accounting policies

The interim financial information has been prepared on the basis of the recognition and measurement requirements of IFRS, which were the accounting policies used in the Report and Accounts for the Group for the year ended 31 December 2009. The accounting policies are unchanged from those used in the last annual accounts.

3. Segmental analysis

	Americas £'000	United Kingdom £'000	Rest of the World £'000	Building Products Total £'000	Oil Services United Kingdom £'000	Total £'000
Revenue from continuing operations						
Six months ended 30 June 2010	56,716	46,292	22,125	125,133	8,105	133,238
Six months ended 30 June 2009	50,741	39,732	20,717	111,190	5,819	117,009
Year ended 31 December 2009	105,666	79,718	43,647	229,031	12,590	241,621
Operating profit before exceptional items and amortisation of intangible assets						
Six months ended 30 June 2010	6,583	4,056	2,464	13,103	4,219	17,322
Six months ended 30 June 2009	4,665	3,480	1,531	9,676	2,415	12,091
Year ended 31 December 2009	10,836	6,276	2,586	19,698	5,900	25,598

4. Exceptional Items

	6 months ended 30 June 2010 (unaudited) £'000	6 months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Redundancy and restructuring costs	-	685	695
Costs associated with negotiating new debt facilities	-	1,321	1,232
Other corporate costs including EGM costs	238	-	708
Other	-	-	(580)
	<u>238</u>	<u>2,006</u>	<u>2,055</u>

Other exceptional items mainly relate to the release of unused provisions set up on the acquisition of Schlegel in 2006.

5. Finance income and costs

	6 months ended 30 June 2010 (unaudited) £'000	6 months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Finance income			
Bank interest receivable	290	239	450
Finance Costs			
Interest payable on bank loans and overdraft	(3,439)	(4,036)	(7,905)
Fair value losses on financial instruments			
- Interest rate swap - cash flow hedge, transfer from equity	(1,625)	(764)	(1,996)
Bank finance costs payable	(5,064)	(4,800)	(9,901)
Ineffective portion of changes in value of cash flow hedges	22	-	(45)
Finance charges payable under finance leases and hire purchase contracts	(1)	(15)	(29)
Amortisation of borrowing costs	(1,072)	(734)	(2,125)
Unwinding of discount on provisions	(281)	(300)	(634)
Pension scheme and other finance costs	-	-	(355)
	<u>(6,396)</u>	<u>(5,849)</u>	<u>(13,089)</u>
Net finance costs	<u>(6,106)</u>	<u>(5,610)</u>	<u>(12,639)</u>

6. Income tax expense

	6 months ended 30 June 2010 (unaudited) £'000	6 months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Current income tax:			
Current income tax charge	2,532	1,162	1,703
Adjustments in respect of prior periods	23	3	(766)
Total current income tax	<u>2,555</u>	<u>1,165</u>	<u>937</u>
Deferred tax:			
Origination and reversal of temporary differences	(910)	(1,383)	(1,911)
Adjustments in respect of prior periods	-	-	(88)
Other items	7	7	-
Total deferred tax	<u>(903)</u>	<u>(1,376)</u>	<u>(1,999)</u>
Income tax expense/(credit) in the income statement	<u>1,652</u>	<u>(211)</u>	<u>(1,062)</u>

7. Earnings per share

(a) Basic and diluted earnings per share

Basic earnings per share amounts are calculated by dividing the 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.

	6 months ended 30 June 2010 (unaudited) '000	6 months ended 30 June 2009 (unaudited) '000	Year ended 31 December 2009 (audited) '000
Weighted average number of shares (including treasury shares)	137,287	137,287	137,287
Treasury shares	(7,447)	(7,447)	(7,447)
Weighted average number of shares - basic	<u>129,840</u>	<u>129,840</u>	<u>129,840</u>
Effect of dilutive potential ordinary shares - options	2,200	-	-
Weighted average number of shares - diluted	<u>132,040</u>	<u>129,840</u>	<u>129,840</u>

(b) Underlying earnings per share

Underlying earnings per share is based on the profit or loss for the period for continuing operations, adjusted for the specific items excluded from operating profit in arriving at underlying operating profit and the associated tax effect of those items.

Underlying earnings per share is calculated as follows and shown on a basic and diluted basis:

	6 months ended 30 June 2010 (unaudited) £'000	6 months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Profit/(loss) for the period from continuing operations	3,396	(1,075)	413
Exceptional costs	238	2,006	2,055
Amortisation of intangible assets, unwinding discount on provisions and amortisation of borrowing costs	7,283	6,795	14,312
Tax effect on exceptional costs and amortisation of intangible assets	(2,098)	(2,465)	(4,582)
Underlying profit after tax	<u>8,819</u>	<u>5,261</u>	<u>12,198</u>
Underlying basic earnings per share	6.79p	4.05p	9.39p
Underlying diluted earnings per share	6.67p	4.05p	9.39p

8. Adjustments to profit/(loss) before tax

The following non-cash and financing adjustments have been made to profit/(loss) before tax for the period to arrive at cashflow from operating activities:

	6 months ended 30 June 2010 (unaudited) £'000	6 months ended 30 June 2009 (unaudited) £'000	Year ended 31 December 2009 (audited) £'000
Net finance costs	6,106	5,610	12,639
Depreciation	3,406	3,530	6,741
Amortisation	5,930	5,761	11,553
Intangible and fixed assets written off	-	240	479
Non cash adjustments	436	190	1,404
Share based payments	27	13	23
	<u>15,905</u>	<u>15,344</u>	<u>32,839</u>

Independent review report to Lupus Capital plc**Introduction**

We have been engaged by the company to review the financial information in the half-yearly financial report for the six months ended 30 June 2010 which comprises the condensed income statement, consolidated condensed statement of comprehensive income, condensed consolidated statement of changes in equity, condensed consolidated statement of financial position, condensed cashflow statement and notes. We have read the other information contained in the half yearly financial report which comprises only the Chairman's statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review 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 conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The AIM rules of the London Stock Exchange require that the accounting policies and presentation applied to the interim figures are consistent with those which will be adopted in the annual accounts having regard to the accounting standards applicable for such accounts. As disclosed in note 1, the annual financial statements of the group are prepared in accordance with the basis of preparation.

Our responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the 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 financial information in the half-yearly financial report for the six months ended 30 June 2010 is not prepared, in all material respects, in accordance with the basis of accounting described in Note 1.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
LONDON

7 September 2010

The maintenance and integrity of the Lupus Capital plc website is the responsibility of the directors: the interim review does not involve consideration of these matters and, accordingly, the company's reporting accountants accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the website.