TYMAN PLC
("Tyman" or the "Group" or the "Company")

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

Tyman plc, a leading international supplier of components to the door and window industry, announces preliminary audited results for the year ended 31 December 2014.

Financial highlights

£'million unless stated	**2014**	2013	**Change**	***CC LFL*** [(1)]
Revenue	**350.9**	298.1	**+ 17.7 %**	***+ 7.4 %***
Underlying Operating Profit	**46.1**	32.3	**+ 42.4 %**	***+ 25.1 %***
Underlying Profit before taxation	**41.6**	28.6	**+ 45.6 %**	***+ 23.4 %***
Underlying EPS	**18.61p**	13.71p	**+ 35.7 %**	
Dividend Per Share	**8.00p**	6.00p	**+ 33.3 %**	
Underlying Net Debt	**90.7**	80.9	**+ 12.0 %**	***+ 2.7 %***
Leverage	**1.56x**	1.81x	**(0.25)x**	
Return on Capital Employed	**11.4 %**	9.0 %	**+ 240 bps**	

(1) CC LFL = Constant Currency Like for Like

Statutory financial highlights

£'million unless stated	**2014**	2013	**Change**
Profit before taxation	**11.9**	0.8	**+ 1,399.2 %**
Basic EPS	**5.56p**	0.63p	**+ 782.5 %**
Net Debt	**88.7**	78.7	**+ 12.7 %**

Business highlights

- Sustained strong trading performance from AmesburyTruth against a backdrop of improving market conditions in the United States
- Cumulative AmesburyTruth synergies delivered in 2014 of US$5.5 million; 2015 guidance confirmed as at least US$8.0 million
- Next phase of transformation of AmesburyTruth into a world class manufacturing business through rationalisation of the North American footprint announced. Will generate at least US$10.0 million of annual benefit by 2020
- Rebranding of Grouphomesafe as ERA following strong performance in 2014 with significant market share gains

- Acquisition of Vedasil and closure of European Industrial Products business in Schlegel International
- Leverage ratio reduced to 1.56x, despite significant investment in the balance sheet, and ROCE improved by 240 bps to 11.4 per cent.

2015 Trading To Date

- The current year has started with order book levels ahead of 2014 and in line with our expectations across each of the Divisions

Louis Eperjesi, Chief Executive, commented:

"2014 has seen another year of good operational and financial progress for Tyman with continued top line growth and margin expansion in our two largest divisions - AmesburyTruth and ERA.

"The integration of Amesbury and Truth has now completed and we are moving forward with the next phase of the transformation of AmesburyTruth into a world class manufacturing business through rationalisation of the North American footprint.

"Schlegel International has again seen difficult end markets in Continental Europe however we continue to regard Europe as a significant medium term opportunity for the Group and have made further progress with the restructuring of the Division.

"The integration of Vedasil into our South American business has progressed well and the business has performed strongly in the first ten months of ownership.

"2015 has started with order book levels ahead of 2014 and in line with our expectations across each of the Divisions. We continue to improve our manufacturing efficiency and cost base and expect to see further growth in our key end markets of the UK and North America, enhanced by a number of new products that will come to market this year in each of the Divisions."

Enquiries:

Tyman plc 020 7976 8000
Louis Eperjesi – Chief Executive Officer www.tymanplc.com
James Brotherton – Chief Financial Officer

MHP Communications 020 3128 8100
Reg Hoare
Jamie Ricketts
Jennifer Iveson

Tyman will host an analyst presentation at 09:30am on Tuesday 10th March 2015 at the offices of MHP Communications, 60 Great Portland Street, London, W1W 7RT. The presentation will be webcast at www.tymanplc.com and the audio conference call details are set out below.

Conference Call Dial In Details

Dial in number	020 3139 4830
Participant PIN code	10729454#

Forthcoming dates

Ex-dividend date	23 April 2015
Dividend record date	24 April 2015
Annual General Meeting	15 May 2015
Dividend payment date	20 May 2015
Half Year Results Announcement	29 July 2015

Notes to editors

Tyman plc is a leading international supplier of components to the door and window industry. The Group's three Divisions – AmesburyTruth, ERA and Schlegel International – are market leaders in their respective geographies.

The Group employs over 2,900 people and operates facilities in 13 countries worldwide. Tyman is listed on the London Stock Exchange under the ticker TYMN.

Further information on the Group and the Group's products is available at www.tymanplc.com.

RESULTS OVERVIEW

2014 has been another year of progress for Tyman with a good overall result delivered against a backdrop of improving market conditions in North America and the UK; however markets continued to be weak and less predictable in Continental Europe. We gained further share in North America during the year, predominately in Canada, and our UK business grew well ahead of the market.

For 2014 we have reported a 17.7 per cent. increase in Revenue to £350.9 million and a 42.4 per cent. increase in Underlying Operating Profit to £46.1 million. Despite the adverse impact of currency movements in the year, on a constant currency, like for like basis, Revenue increased by 7.4 per cent. and Underlying Operating Profit by 25.1 per cent. on a constant currency like for like basis. We demonstrated good dropthrough in 2014 with Underlying Operating Margins increasing by 220 bps to 13.1 per cent. (2013: 10.9 per cent.). Underlying Earnings Per Share increased by 35.7 per cent. to 18.61 pence.

The Group as a whole has delivered a further material improvement in its ROCE of 240 bps to 11.4 per cent. as we continue to make progress towards our medium term target of a ROCE of 15 per cent..

Leverage at the year end of 1.56x was 0.25x lower than 12 months ago and towards the lower end of our core target range of 1.50x to 2.00x from the half year peak of 2.21x. This was despite the investments made in the balance sheet during the year and the acquisition of Vedasil for cash.

The integration of Amesbury and Truth has now completed and we are moving forward with the next phase of the transformation of AmesburyTruth into a world class manufacturing business through rationalisation of the North American footprint. This will generate at least US$10.0 million of incremental profit to AmesburyTruth by 2020.

We have today also announced the rebranding of Grouphomesafe as ERA, leveraging off the market presence and heritage of the UK's longest standing lock brand. In 2014, ERA had another year of strong performance, growing well ahead of the market, and saw its Net Operating Margin expand from 12.2 per cent. to 14.9 per cent..

Schlegel International again had a challenging year, reflecting continued difficult markets in Europe; however Vedasil has performed strongly in its first ten months of ownership and provides the Group with a platform for growth in South America. We have made further progress with the restructuring of the Division and the closure of the European Industrial Products business removes a significant management distraction.

Dividend

The Board is recommending a final dividend for 2014 of 6.00 pence per share (2013: 4.50 pence per share) which, together with the interim dividend of 2.00 pence per share, gives a 33.3 per cent. increase in the total dividend for the year to 8.00 pence per share (2013: 6.00 pence per share).

2015 Priorities

Our key priorities for 2015 are a continuation of the themes we developed in 2014 and include:

1. Optimisation of our footprint in each of the Divisions with a particular focus on AmesburyTruth where we will start the five year project to rationalise our North American footprint.

   Our aim is to ensure that each Division's footprint is appropriate for the medium term needs of the business, taking into account opportunities for near shoring of those products best made or sourced close to the point of consumption.

2. Continuing to encourage strong communication, consistency of approach and standards of excellence across each of the Divisions. For our end customer, wherever they are located, this should mean the availability of a differentiated product offering at an appropriate price, delivered to specification, on time and in full.

3. Key financial objectives for each of our Divisions remain centred on sustained margin improvement and cash generation along with continued growth in the Group's average return on capital. We expect developed markets will offer pricing opportunities in 2015 as markets and volumes recover.

4. Continued investment in and improvement of the businesses; in particular in the areas of new product development, people, supply chain – where we intend to consolidate our Divisional sourcing arrangements in the Far East - and capital projects with a focus on automation and lean manufacturing to ensure we differentiate ourselves from our competitors and continue to take market share.

5. Supplementing our organic and self-help initiatives through our active acquisition programme, prioritising European markets where we currently have a niche seals and limited hardware range, and emerging markets where market position can best be obtained through acquisition.

Outlook

The current year has started in line with our expectations across each of the Divisions. At the end of February, order book levels in each of the Divisions are running ahead of 2014. Currency movements will again have a significant impact on reported numbers in 2015, however the strengthening of the US Dollar relative to international currencies, if sustained, should mean that reported profitability is enhanced relative to 2014.

We expect further improvement in our North American markets in 2015 with continued growth in new build in the United States, supported by the sustained gradual acceleration in repair and remodelling expenditure. We expect the Canadian market will contract further in 2015 as housing starts continue to moderate; however we still intend to take additional market share, in line with our strategic goal.

The UK market is expected to show further growth in 2015, albeit probably at a slower rate than we saw in 2013 and 2014. In 2015, we have a number of new product introductions for ERA coming to market and we continue to explore opportunities in distribution where we remain relatively underweight.

For Schlegel International, following the closure of the European Industrial Products business and the conclusion of our incremental investment programme, 2015 should see an improved performance. Material profit improvement, however, remains dependent on significantly increased European volumes which, given the macroeconomic environment, we do not expect to come through in 2015.

Across Europe as a whole we expect to see broadly flat markets in 2015 with some isolated pockets of growth. We expect continued improvement in Australasia and South East Asian markets and, while the overall Brazilian macroeconomic backdrop is subdued, construction markets are expected to show further growth in 2015. We are well positioned in the Brazilian market and are developing distribution into adjacent geographies.

OPERATIONAL REVIEW

AMESBURYTRUTH

£'million except where stated	2014	2013	Change	CC LFL
Revenue	**220.7**	175.3	**+ 25.9 %**	***+ 9.6 %***
Underlying Operating Profit	**33.2**	22.3	**+ 49.1 %**	***+ 28.9 %***
Underlying Operating Margin	**15.0 %**	12.7 %	**+ 230 bps**	

US$'million except where stated	2014	2013	Change	LFL
Revenue	**363.7**	274.2	**+ 32.6 %**	***+ 9.6 %***
Underlying Operating Profit	**54.7**	34.8	**+ 57.0 %**	***+ 28.9 %***
Underlying Operating Margin	**15.0 %**	12.7 %	**+ 230 bps**	

Markets

The housing market in the United States continued to recover through 2014 with residential private housing starts up 5.3 per cent. in the year to 1,089,000 and completions (our most relevant in-year new build indicator) up 19.6 per cent. to 927,000. Single family housing starts increased by approximately 7.9 per cent. across the year and completions by 17.4 per cent.. Repair and remodelling continued to grow, with the NAHB Remodelling Market Index for Q4 2014 some 4.8 per cent. higher than at Q4 2013 and we estimate that the commercial market grew by approximately 12.0 per cent. in the year.

Overall we believe the market for our products in the United States improved by c. 9.0 - 10.0 per cent. in 2014.

The Canadian market continued to weaken in 2014, despite the stronger levels of permits and starts seen in the first half of the year. Across the year as a whole, housing starts increased only marginally and completions contracted by 2.2 per cent.; with single family completions contracting by some 5.3 per cent.. Overall, we believe that the Canadian market for our products decreased by approximately 3.5 per cent. across the year as a whole.

Combining the United States and Canadian statistics would indicate the addressable North American market grew by around 6.5 – 7.0 per cent. over the year.

Performance

AmesburyTruth's reported Revenue increased by 32.6 per cent. to US$363.7 million (2013: US$274.2 million) and by 9.6 per cent. on a like for like basis. We saw consistent gains across the majority of product lines and strong performance from our hardware and foam sealing products in particular. Our more structured approach to pricing in North America saw us exit from some lower margin pile sealing business and meant that overall AmesburyTruth conceded a small amount of uneconomic share in the United States while gaining significant share in Canada.

Underlying Operating Profit increased by 57.0 per cent. to US$54.7 million (2013: US$34.8 million) and Underlying Operating Margin improved from 12.7 per cent. to 15.0 per cent. due to operational gearing, automation benefits, some incremental pricing, scrap reduction and synergy delivery.

Our Tier 1 customers saw good growth in 2015 with the larger higher-end window manufacturers starting to regain traction in the market place and our Tier 2 and 3 customers saw significant growth during the year as they started to derive benefits from our segmented coverage model.

We have also seen some further consolidation among the overall customer base during the year, which should allow AmesburyTruth further opportunities to sell its differentiated product offering.

We made good progress in developing our three strategic priorities with door hardware Revenue increasing in the year by some 13.2 per cent., Canadian Revenue increasing by some 13.0 per cent. and commercial Revenue increasing by some 23.6 per cent.. In each case growth was achieved through a mix of deeper penetration of existing accounts and new customer wins.

Business developments

2014 saw the completion of the integration of Amesbury and Truth into a single entity structured on a functional basis. We announced the formal rebranding of the businesses as "AmesburyTruth", at a leading industry trade show in September and the new brand has been well received by customers and employees. A leadership team, comprising individuals from both Truth and Amesbury and complemented by external hires, has been formed and the corporate office has been relocated to Minneapolis, closer to the Division's principal facilities and customer base.

Integration initiatives have continued at all levels of the business, the most notable of which was the restructuring of the respective sales organisations into a single sales and marketing function.

During 2014 the integration generated approximately US$5.5 million of cost and revenue synergies and we expect at least US$8.0 million of synergies will be generated in 2015 - an increase of 60 per cent. over the original synergy target announced at the time of the acquisition.

We made good progress in the development of the consolidated AmesburyTruth ERP system with a second implementation completed at the Fremont, NE plant and preparations made for an additional three sites to join the ERP system during the course of 2015.

During the year we closed the Covington, GA facility and moved production to our Cannon Falls, MN facility, reflecting the focus of our extrusion business on high value added engineered component manufacture. Since the year end we have announced the exit from the Ontario, CA facility with core extrusion manufacturing also transferring to Cannon Falls, coupler manufacturing transferring to the Fremont facility and the disposal of approximately US$7.0 million of non-fenestration extrusion business.

Automation of inefficient manual processes remains a key focus for the Group and a further five automation projects were delivered in 2014 with a total investment of approximately US$2.5 million. The most significant automation project completed was the US$1.0 million investment made at our Owatonna, MN facility in a new acrylic E-Gard Plus process which significantly enhances the quality and durability of our painted finish compared with our competitors, improves efficiency by allowing us to paint components in line and eliminates environmentally unfriendly barrel plating processes.

New product development initiatives continued in 2014 with a focus on the development of the next generation of products across certain key segments of our portfolio including foam door and window seals, window balances and casement operators.

North American footprint review and evaluation

At the time of the acquisition of Truth, the North American footprint comprised 14 manufacturing sites and two offsite warehouses in 12 locations. The two off site warehouses in Owatonna, MN were closed shortly after acquisition and the Covington, GA site was closed in May 2014. Since the 2014 year end, the disposal of the Ontario, CA site has also been announced.

The Group believes that there are significant potential benefits to be gained from rationalising the number of sites we operate within North America; while still ensuring that AmesburyTruth retains sufficient flexibility to service its customer base and take share in a market that remains some way below its long run average.

Accordingly AmesburyTruth has launched a manufacturing footprint review and evaluation with the goal of ensuring that by 2020 our North American production and distribution footprint is refined and is appropriate for the needs of the business in the future.

This project will bring significant opportunities to drive efficiencies and better manage revenue growth for AmesburyTruth as we combine operations and add new capabilities to the portfolio. The benefits of the rationalisation are expected to include more efficient manufacturing processes, shorter development times for bringing new products to market, a reduction in internal freight costs, a more efficient deployment of personnel and a reduction in divisional overheads. Each of these benefits will improve the AmesburyTruth business and will translate into a tangible improvement in our customers' overall experience.

The footprint rationalisation will centre around creating four manufacturing centres of excellence supported by a number of satellite manufacturing and distribution facilities. The creation of the Group's manufacturing centres of excellence is expected to be phased over five years as individual sites are appropriately configured and we take advantage of lease breaks on surplus facilities. The project will be executed in two overlapping phases, the first beginning now and ending in early 2017 and the second phase beginning in 2017 and ending by 2020.

The cash costs for implementing the footprint rationalisation are expected to range from US$25.0 million to US$33.0 million. This comprises between US$15.0 million and US$23.0 million of net incremental capital investment in facilities and equipment and approximately US$10.0 million of incremental restructuring costs. The restructuring costs, together with certain non-cash costs incurred, are expected to be accounted for as exceptional items in the Income Statement over the rationalisation period.

We expect that the annualised cost benefits of the successful implementation of the footprint restructuring will be not less than US$10.0 million per annum, with incremental benefits from the restructuring starting to flow from 2017 and full benefits from 2020.

The table below presents the estimated total costs (both cash and non cash) associated with the footprint rationalisation, the net capital expenditure required to execute the plan and the savings expected to be realised. We will provide further updates as to progress over the coming months.

US$'million	2015	2016	2017-19	Total
P&L cash costs	2.5	2.5	5.0	10.0
P&L non cash costs	1.0	3.0	4.0 – 8.0	8.0 – 12.0
Total P&L costs	3.5	5.5	9.0 – 13.0	18.0 – 22.0
Capital Expenditure (Net)	2.0	5.0	8.0 - 16.0	15.0 – 23.0
P&L saving	**-**	**-**	**2.0 → 7.0**(1)	**10.0**(2)

(1) c. US$2.0 million in 2017 rising to c. US$7.0 million in 2019
(2) Annual run rate P&L savings from 2020

North American outlook

We expect the recovery in the USA new build market will continue into 2015, supported by the continued growth in repair and remodelling. The Canadian market is expected to contract further in 2015; however we still intend to take additional market share, in line with our strategic goal.

2015 initiatives include the additional ERP implementations across a number of sites, further targeted automation projects to improve our manufacturing capabilities, investment in training and development with the creation of the first AmesburyTruth training academy, which we expect will help improve shop floor retention rates, further enhancements to our customer segmentation model and the start of the five year project to rationalise our North American footprint.

ERA (formerly Grouphomesafe)

£'million except where stated	2014	2013	Change
Revenue	**92.4**	86.0	**+ 7.4 %**
Underlying Operating Profit	**13.7**	10.5	**+ 30.9 %**
Underlying Operating Margin	**14.9 %**	12.2 %	**+ 270 bps**

Market

The UK market saw continued progress during 2014 with significant growth in the first half against soft comparative data, moderating somewhat over the summer and then a strong finish to the year.

New build activity in 2014 increased by approximately 10.0 per cent. and we estimate that RMI, which comprises substantially all of the UK market, increased by approximately 6.0 per cent.. Overall, we believe that the market for our products grew by approximately 6.0 per cent. in the year.

Rebranding as ERA

We have today announced the rebranding of Grouphomesafe as ERA, leveraging off the market presence and heritage of the UK's longest standing lock brand. ERA will be supported by the strong family of product brands that the Division goes to market with in the UK, including the ERA lock brand, Balance UK, EWS, Fab & Fix, Schlegel and Ventrolla and 2015 will see the further development of the ERA brand.

Performance

ERA had another strong year, generating market share gains across the entire components portfolio. These share gains arose from deeper penetration of the OEM customer base, as well as a number of new customer wins. Revenue increased overall by 7.4 per cent. to £92.4 million (2013: £86.0 million) with our core components business growing by 10.8 per cent. year on year. Underlying Operating Profit increased by 30.9 per cent. to £13.7 million (2013: £10.5 million) with around £1.3 million of the increase due to the relative strength of sterling over the year.

As expected, the share gains in the components portfolio have led to a margin mix improvement for the division with Underlying Operating Margins increasing on a reported basis by 270 bps to 14.9 per cent. (2013: 12.2 per cent.) and by c. 110 bps once the beneficial impact of currency is stripped out.

EWS, our specialist cold rolled steel reinforcer business, increased its output in metres and Operating Profit contribution year on year; however the continued decline in steel prices meant that its overall Revenue was broadly flat. Ventrolla, our sash window refurbishment business, had another strong year with Revenue increasing some 14.4 per cent. and continues to make good progress in developing its domestic and commercial businesses.

Our routes to market saw particularly strong performance from our core OEM fabricator customers; contrasting with more subdued performance from the builders merchants and general distribution channels.

Business developments

Our new range of Bi-Fold hardware was successfully introduced into the market during the year and has seen strong take up from the systems houses. Our premium Fab & Fix product range grew rapidly in 2014 and took significant share, supported by the additional supplier capacity that was put in place by the Group in 2013 and the inventories laid down in 2014.

UK outlook

The UK market has now seen seven consecutive quarters of progress and appears to be well set for a further year of growth, albeit probably at a slightly lower rate than that seen in 2013 and 2014. ERA expects that it will be able to take further market share during 2015 through growth in both the OEM and distribution channels.

2015 initiatives include the launch of the Division's full service e-commerce platform "ERA Everywhere" for the UK market and the further development of the ERA brand. This includes "ERA Expert" to bring all of the Division's support functions under a common sub brand and the "ERA 5 Star Guarantee" that offers consumers a cash sum in the event that an ERA security product fails in the field.

The Division also has a number of new products coming to market in 2015, including the proprietary Invincible™ cylinder lock, a new range of PVC window hardware and a smartphone enabled cylinder lock as well as a new range of electromechanical security related products.

SCHLEGEL INTERNATIONAL

£'million except where stated	2014	2013	Change	CC LFL
Revenue	**37.8**	36.8	**+ 2.9 %**	***(3.2) %***
Underlying Operating Loss	**(0.8)**	(0.4)	**n/a**	***n/a***
Underlying Operating Margin	**(2.2) %**	(1.1) %		

Markets and Performance

Schlegel reported increased Revenue of £37.8 million (2013: £36.8 million) however, Revenue decreased by some 3.2 per cent. on a constant currency like for like basis. Difficult trading in Europe was offset in part by a stronger performances in Brazil, where the Division benefited from its increased scale following the acquisition of Vedasil, and in Australia where the Division benefited from the addition of the full Truth product range to the portfolio.

Quarter by Quarter Revenue performance in each of Schlegel's key geographies is broken out in the table below.

Country	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Year on Year
Europe	+ 7 %	-	(7) %	(8) %	(2) %
Germany	(3) %	+ 6 %	(7) %	(21) %	(6) %
France	+ 7 %	(22) %	(12) %	(9) %	(9) %
Italy	+ 17 %	-	(9) %	(2) %	+ 2 %
Russia	+ 24 %	+ 45 %	(22) %	-	+ 8 %
Poland	+ 26 %	+ 20 %	+8 %	(31) %	+ 3 %
Norway	(2) %	(10) %	-	(9) %	(6) %
Belgium	(7) %	(8) %	(1) %	+ 1 %	(4) %
Spain	+ 10 %	(10) %	(2) %	(1) %	(1) %
Australia (1)	+ 12 %	+ 12 %	+ 20 %	+ 15 %	+ 15 %
Brazil (2)	+ 26 %	(7) %	(23) %	+ 1 %	(2) %
Singapore (3)	+ 28 %	+ 20 %	+ 15 %	+ 17 %	+ 20 %

(1) Australia excluding Truth product Revenue: FY + 8 %

(2) Brazil SAL Revenue compared with proforma 2013 SAL Revenue

(3) Singapore excluding Truth product Revenue: FY + 2 %

Europe remained a difficult trading environment with our two largest end markets, Germany and France, registering year on year declines and demand patterns across the customer base remaining variable. Our significant Eastern European markets of Russia and Poland did see improved demand during the first half of the year, however this was largely due to inventory restocking by distributors and reversed in the second half. We continued to outperform the market in Italy, where we have benefited from competitors exiting the market in recent years, and demand in Spain has begun to stabilise over the past 12 months.

Our Australian and Singapore businesses had good years and continued to take share in markets that were stronger than in 2013. Both businesses benefited from the introduction of the Truth product range to the portfolio. The market in Brazil recovered somewhat in the second half of the year following the World Cup and the presidential election and our enlarged business was assisted by the addition of the established Vedasil customer base as well as the proximity to market that our new manufacturing capabilities present.

Profitability in Schlegel International at the operational level benefited from the initial contributions of Vedasil and sale of Truth products, offset by higher levels of overhead as a result of the significant investment made in developing the Schlegel International management team. This incremental investment programme is now complete and we believe that Schlegel International remains well positioned for growth as and when European markets recover.

Business developments

At the end of 2014 we closed our Belgian facility and discontinued the manufacture of industrial products in Europe. Industrial products are not integral to the Group's fenestration component offering and the European Industrial Products business had run at a small operating loss for the past two years. The closure removes a significant management distraction and allows the Divisional management team to focus on the development of the building products business in Europe.

Efforts to sell the Industrial Products business as a going concern were not successful and accordingly the closure of the facility resulted in costs of approximately £2.4 million, tangible asset write downs of approximately £0.7 million and intangible asset write downs of £3.8 million. 2014 Revenue for the Industrial Products business was £1.7 million (2013: £2.5 million) and the Operating Loss was approximately £(0.7) million (2013: £(0.4) million).

We made good progress with the restructuring of the Division and, in the light of the sustained downturn in European markets, continue to evaluate the size and locations of our European footprint. In addition, we continue to look actively for opportunities in Europe to give the Division the scale it requires, remaining mindful of our acquisition criteria, including our focus on absolute returns.

Schlegel International has continued to develop its product portfolio during the year, as it aims to offer a complete range of sealing solutions to the market. New product introductions in 2014 included the launch at the Fensterbau Trade Show of the high performance Nova-Seal range and the introduction of the North American Foam-Tite seal to the European market. In conjunction with AmesburyTruth, the Division is also developing a lockable casement operator for the Australasian market which will come to market in 2015.

Schlegel América Latina

Following the acquisition of Vedasil in February, we combined the businesses of Vedasil and our existing Brazilian business into a single operating entity – Schlegel América Latina. We closed our São Paolo distribution centre and consolidated all activities at the Vedasil site. Integration has progressed well and the enlarged business has performed ahead of our expectations in its first ten months of operation, making a meaningful contribution to the Division.

Outlook

Following the closure of the European Industrial Products business and the conclusion of our incremental investment programme, 2015 should see an improved performance from the Division. Material profit improvement, however, remains dependent on significantly increased European volumes which, given the macroeconomic environment, we do not expect to come through in 2015.

Across Europe as a whole we expect to see broadly flat markets in 2015 with some isolated pockets of growth. We expect continued improvement in Australasia and South East Asian markets and, while the overall Brazilian macroeconomic backdrop is subdued, construction markets are expected to show further growth in 2015. We are well positioned in the Brazilian market and are developing distribution into adjacent geographies.

TYMAN PLC

FINANCIAL REVIEW

Revenue and profit

Group Revenue increased by 17.7 per cent. to £350.9 million (2013: £298.1 million), in large part due to the consolidation of Truth for a full 12 months compared with six months in 2013, and despite the adverse impact of currency movements in the year. On a constant currency, like for like basis, Group Revenue increased by approximately 7.4 per cent. year on year.

Reported Gross Margin decreased slightly to 32.7 per cent. (2013: 33.3 per cent.), principally arising from the realignment of costs accounted for in SG&A in 2013 into Direct Overhead in 2014 following the integration of AmesburyTruth. On a like for like basis, after the realignment of these costs, the Group's ongoing Gross Margin improved by 100 bps.

Underlying Administrative Expenses increased slightly to £68.7 million (2013: £66.9 million), despite the increased levels of trading, principally reflecting the successful delivery of cost synergy benefits in AmesburyTruth along with tight cost control in the other Divisions.

Underlying Operating Profit increased by 42.4 per cent. to £46.1 million (2013: £32.3 million), and by 25.1 per cent. on a constant currency like for like basis. We demonstrated good dropthrough during the year with Underlying Operating Margins increasing by 220 bps to 13.1 per cent. (2013: 10.9 per cent.).

Underlying Profit before Taxation increased by 45.6 per cent. to £41.6 million (2013: £28.6 million) and by 23.4 per cent. on a constant currency like for like basis.

Finance costs

Interest payable on bank loans and overdrafts increased to £4.6 million (2013: £3.5 million) reflecting a full year of interest charges on the Group's higher absolute level of indebtedness following the acquisition of Truth.

Capitalised borrowing costs written off through the income statement in the year totalled £2.5 million (2013: £1.0 million) of which £1.3 million related to accelerated amortisation following the repayment and cancellation of both the 2011 banking facility and the 2013 Truth acquisition facility.

Net finance costs in 2013 were reduced by £1.3 million as a result of the exceptional foreign exchange gain which arose on the conversion of equity proceeds into Dollars to finance the acquisition of Truth.

Interest rates

The Group's average cost of funds and margin payable over the year as a whole was approximately 2.8 per cent. (2013: 2.9 per cent.). The Group holds interest rate contracts to swap around 70.9 per cent. of the Group's outstanding debt under its revolving credit facility at the year end from floating rates to a weighted average fixed rate of 1.2 per cent. with a range of maturities between 2016 and 2020.

As at 31 December 2014, the Group's portfolio of swap contracts at fair value amounted to a liability of £0.3 million (2013: £0.8 million). Any changes in fair value until maturity, classified as an effective hedge, will be recognised directly in other comprehensive income, with only the ineffective portion taken through the income statement.

Taxation

The Group incurred a tax charge on profit before taxation of £2.6 million (2013: tax credit of £0.2 million). Taxation before adjustments for deferred tax rate changes, amortisation and impairment of acquired intangibles and exceptional items amounted to £10.4 million, which represents an effective Underlying tax rate of 25.0 per cent. (2013: 26.7 per cent.). The Group paid £6.3 million (2013: £6.2 million) of corporate taxes in the year which equates to a cash tax rate of 15.0 per cent. (2013: 21.7 per cent.).

The effective Underlying tax rate was reduced by approximately 170 bps due to the impact of the 2010 and 2011 LTIP awards both vesting in 2014 and the significant share price appreciation over the lifetime of those awards.

Earnings per share

Underlying Earnings Per Share increased by 35.7 per cent. to 18.61 pence (2013: 13.71 pence). The increase reflects the improvement in Underlying Operating Profit, the continued delivery of synergies and the slightly lower effective tax rate for the year, offset in part by the increased finance charge and the higher weighted average number of shares in issue.

Basic Earnings Per Share from was 5.56 pence (2013: 0.63 pence).

Dividend

A final dividend of 6.00 pence per share (2013: 4.50 pence), equivalent to £10.1 million (2013: £7.6 million), will be proposed at the Annual General Meeting. The total dividend declared for the 2014 financial year is therefore 8.00 pence per share (2013: 6.00 pence per share), an increase of 33.3 per cent. over 2013 and which equates to dividend cover of 2.33x.

The ex-dividend date will be 23 April 2015 and the final dividend will be paid on 20 May 2015 to shareholders on the register at close on 24 April 2015.

In accordance with IFRS, only dividends paid during the year have been charged in the 2014 financial statements. Dividends declared and paid in 2014 were the 2013 final dividend of 4.50 pence per share and the 2014 interim dividend of 2.00 pence per share.

Exceptional items

£'000	2014	2013
Redundancy and restructuring costs	**4,236**	1,763
Inventory obsolescence alignment	**-**	887
M&A and integration costs	**1,718**	5,949
Write-off of inventory fair value adjustment	**-**	2,304
Gain on property disposal	**(398)**	-
	5,556	10,903

Exceptional items of £5.6 million were incurred during the year (2013: £10.9 million).

Redundancy and restructuring costs principally concern the closures of the manufacturing facilities in Belgium (Gistel) and the US (Covington, GA). Costs of £3.1 million incurred in respect of the Gistel closure include tangible asset write downs of approximately £0.7 million, and redundancy costs and impairment of other assets of £2.4 million. Costs of £0.6 million incurred in respect of the Covington closure principally relate to an onerous lease provision made during the year. The remaining £0.5 million comprises costs incurred across various entities as part of redundancy and restructuring programmes, primarily in Schlegel International.

M&A costs of £0.4 million reflect directly attributable transaction costs and expenses incurred in connection with the acquisition of Vedasil together with other M&A activity in the year. Integration costs primarily comprise £1.1 million in relation to the ongoing integration of AmesburyTruth and £0.2 million in relation to the integration of Vedasil. These costs predominantly relate to office closures, relocation, and redundancy costs. The costs in 2013 primarily related to the transaction costs and expenses directly attributable to the acquisition of Truth Hardware and associated integration costs.

The £2.3 million charge for the year ended 31 December 2013 relates to the one-off write off of the acquisition fair value adjustment to the book value of inventories acquired in the Truth acquisition.

The exceptional costs comprise £2.2 million of costs cash settled in 2014 (2013: £6.0 million) and £3.7 million of non cash costs (2013: £4.9 million).

Offsetting the exceptional costs incurred was the gain of £0.4 million (US$0.7 million) realised on the disposal of the surplus property in Sioux Falls, SD, sold in February 2014 for £1.1 million (US$1.7 million).

These items are regarded by the Group as exceptional as they are significant and non-recurring in nature.

Materials and input costs

We track the pricing of key raw materials closely within the Divisions in order to ensure we are procuring at the best price for the quantities we consume and that we are in a position to secure price increases where necessary. We were again successful with our continued policy of full input cost recovery; most notably with zinc in North America where we implemented a price surcharge in the fourth quarter.

We focus on three key categories of raw material – steel, oil derivatives and zinc. Our largest raw material and component purchase is steel across a number of different types and grades. Oil derivatives are used in the manufacture of our seal, extrusion and injection moulded products. Zinc has increased significantly in importance to the Group since the acquisition of Truth. In addition, we track closely the pricing of a representative basket of those products we source from the Far East into the UK - which will be influenced by local labour and overhead rates, raw material price changes and the exchange rate.

The raw material cost price backdrop continued to be relatively benign in 2014, although was slightly more volatile than in recent years. The table below sets out the direction of pricing in 2014 of certain specific tracker purchases - galvanised steel in the UK, polypropylene in Europe, zinc in North America and the representative UK basket of components – which are tracked on a weekly basis at Group level. Each of these tracker purchases will also tend to be used in the manufacture of those products we source from third parties.

Overall Category	2014 Materials COS (£'m) (1)	Tracker Purchases	Average Tracker Price Mvt.(2)	Spot Tracker Price Mvt.(3)
Steel	42.9	UK Galvanised	(5.1) %	(12.2) %
Oil Derivatives	32.6	Euro Polypro	+ 3.9 %	(11.3) %
Zinc	25.3	US Zinc	+ 7.4 %	+19.0 %
UK Far East Components	35.7	UK Basket	(5.4) %	+3.9 %

(1) Estimated 2014 materials cost of sales for raw materials, components and hardware for overall category
(2) Average 2014 tracker price compared with average 2013 tracker price
(3) Spot tracker price as at 31 December 2014 compared with spot tracker price at 31 December 2013

Acquisitions

The Group made one acquisition during 2014, which was the acquisition of Vedasil in Brazil. Annualised Returns on Acquisition Investment ("ROAI") for the four businesses of size acquired since 2010 are as follows:

	Date of Acquisition	Original Acquisition Investment '000	ROAI in 2014	Annualised ROAI since date of Acquisition
Overland	Dec 2011	$16,493	16.6 %	12.8 %
Fab & Fix	Aug 2012	£15,217	28.4 %	19.2 %
Truth	Jul 2013	$206,437	14.6 %	13.6 %
Vedasil	Feb 2014	BR26,639	19.6 %	23.7 %

The Group requires that all acquisitions target a run rate ROAI greater than 15 per cent. in the first two years following acquisition. Achievement of this hurdle rate of return should ensure that any acquisition delivers a return significantly in excess of the Group's cost of capital.

Fab & Fix has sustained its strong performance for the Group since acquisition and delivered a return significantly in excess of the minimum threshold. The cost and revenue synergies derived from the integration of Truth means that Truth's run rate ROAI will exceed the threshold prior to its second anniversary and Vedasil has performed very strongly for the Group in the ten months since acquisition.

Goodwill and acquired intangible assets

A goodwill impairment charge of £3.4 million was taken in the year following the decision to close the European Industrial Products business. The intangible amortisation charge of £18.2 million (2013: £16.6 million) increased principally due to a full year of amortisation of the intangible assets created as a result of the Truth acquisition together with the initial amortisation of the intangible assets acquired with Vedasil.

In accordance with accounting standards, the Board has reviewed the carrying value of goodwill and other intangible assets across the Group by Cash Generating Unit ("CGU") in the light of current trading and prospects and progress towards achieving the Divisions' strategic plans. The Board concluded that the carrying value of goodwill and other intangible assets remained appropriate and that no further impairment had occurred.

The CGU with the lowest headroom remains the Schlegel International CGU, which is a function of the current reduced levels of demand currently seen within that Division. In the event that there was a further material contraction in demand for Schlegel International's products that leads to an expectation of a future permanent reduction in EBITDA levels, then a further impairment might be required. The Board will keep this under review.

During 2014 Amesbury and Truth were treated as separate CGUs. The two businesses now operate as an integrated division under a common leadership team, and as product categories start to be consolidated, it is becoming increasingly difficult to allocate revenue and cash flows to the correct CGU. Accordingly the Board intends to combine the Amesbury and Truth CGUs into a single AmesburyTruth CGU during 2015 and future impairment testing will be conducted on that basis.

Bank Facilities and US Private Placement Notes

	Maturity	Currency	Committed	Uncommitted
Revolving Credit Facility	Jun 2019	Multicurrency	£180.0m	£60.0m
4.97% USPP notes	Nov 2021	US$	US$55.0m	-
5.37% USPP notes	Nov 2024	US$	US$45.0m	-

On 10 June 2014 the Group entered into an enlarged new banking facility (the "2014 Facility") of up to £240 million with six relationship banks, comprising a £180 million committed revolving credit facility and a £60 million uncommitted accordion facility. The 2014 Facility offers the Group improved pricing, increased flexibility, and relaxation or removal of certain covenants. On completion of the 2014 Facility, the 2011 facility was repaid in full and cancelled.

In November 2014 the Group raised a total of US$100 million through its inaugural US private placement offering. The US$100 million acquisition facility put in place in 2013 to acquire Truth was repaid and cancelled in November 2014.

Liquidity

At 31 December 2014 the Group had gross outstanding borrowings of £130.0 million (2013: £124.6 million), cash balances of £39.3 million (2013: £43.6 million) and committed but undrawn facilities of £114.7 million (2013: £29.7 million) as well as access to the uncommitted £60.0 million accordion facility.

Underlying Net Debt at the year end was £90.7 million (2013: £80.9 million) with £4.7 million of the increase due to exchange movements year on year. Under IFRS, which reduces gross debt by the unamortised portion of finance arrangement fees, net debt at 31 December 2014 was £88.7 million (2013: £78.7 million).

The Group maintains sufficient cash balances and undrawn borrowing facilities to finance all investment and capital expenditure included in its strategic plan; while retaining sufficient flexibility to be able to react to changes in market conditions and complete bolt on acquisitions without the need to raise external finance.

Covenant performance

At 31 December 2014	Test	Covenant performance	Headroom £'m	Headroom %
Leverage	< 3.0x	1.56x	26.6	48.1 %
Interest Cover	> 4.0x	12.22x	37.0	67.2 %

At the year end, the Group had significant headroom on its banking covenants. Leverage, calculated on the same basis as our banking covenant tests, strengthened over the year by 0.25x to 1.56x (2013: 1.81x), towards the bottom of our target range of 1.50x to 2.00x and despite the levels of investment made in the balance sheet during the year. Interest Cover also strengthened over the year by 0.49x to 12.22x (2013: 11.73x).

Shares in issue

The total number of shares in issue at 31 December was 170.1 million with the basic weighted average number of shares in issue 167.8 million (2013: 152.8 million) and the fully diluted weighted average number of shares 169.7 million (2013: 155.1 million).

At 31 December 2014 the Group had 0.6 million shares in Treasury (2013: 0.6 million) and the Tyman Employee Benefit Trust held 1.6 million shares (2013: 2.2 million).

Cash and cash conversion

The Group made significant investment in the balance sheet during the year; with capital expenditure running well ahead of depreciation and trade working capital increasing. An element of the investment in trade working capital is due to timing of inventory shipments and should reverse in 2015.

Reconciliation from Net cash generated from operations to Operational Cash Flow:

£'000	**2014**	2013 (restated)
Net cash generated from operations	**33,805**	32,643
Add: Pension contributions	1,012	909
Add: Income tax paid	6,257	6,209
Less: Purchases of property, plant and equipment	(9,342)	(7,359)
Less: Purchases of intangible assets	(2,122)	(1,286)
Add: Proceeds on disposal of property, plant and equipment	1,265	559
Operational Cash Flow before exceptional cash costs	**30,875**	31,675
Exceptional cash costs	2,212	5,990
Operational Cash Flow	**33,087**	37,665

The Group generated Operational Cash Flow in the year of £33.1 million (2013: £37.7 million) after adding back £2.2 million (2013: £6.0 million) of exceptional costs cash settled in the year. Operating Cash Conversion of 71.8 per cent. was accordingly lower than in the previous year (2013: 116.4 per cent.). Since 2011, Operating Cash Conversion has averaged 89.9 per cent. and we continue to target our Divisions on 100 per cent. cash conversion.

Capital expenditure

Gross capital expenditure increased to £11.5 million (2013: £8.6 million) or 1.43x depreciation (2013: 1.31x depreciation) as we continued our programme of targeted capital investment ahead of depreciation across each of the businesses. Capital expenditure receipts in the year benefitted from the proceeds of the Sioux Falls property disposal.

Of this amount, intangible capital expenditure comprised £2.1 million (2013: £1.3 million) principally as a result of our continuing investment in the AmesburyTruth ERP system.

Working capital

We retained our strong focus on management of working capital within each of the Divisions, with the aim of achieving an appropriate balance between commercial priorities and financial efficiency. Each Division is allocated specific cash targets which are monitored throughout the year and flexed according to demand levels and the Divisions are encouraged to seek out opportunities to secure permanent reductions in working capital.

Some investment in working capital was required in 2014 to support the increased activity levels in the two largest divisions. The overall movement of working capital in 2014 was a net cash outflow of £10.9 million (2013: £12.4 million inflow).

Inventories on the balance sheet at the year end increased to £47.6 million (2013: £40.7 million) with £2.0 million of the increase due to exchange movements and Vedasil. The majority of the increase year on year was due to targeted investment in inventory at ERA to support the significantly higher levels of trading in Fab & Fix product. In addition, certain Far East shipments of inventory in advance of Chinese New Year fell into 2014 when provisional scheduling had indicated they would be shipped in 2015.

Despite the increased levels of trading, our trade receivables increased only marginally to £31.5 million (2013: £29.9 million) with substantially all of the increase due to exchange movements and Vedasil. This reflects the continued proactive management of the trade receivables book and bad debts written off in the year amounted to only 0.1 per cent. of Revenue (2013: 0.1 per cent.).

Our more structured approach to supply chain in each of the Divisions required some extension of trading terms with key suppliers and accordingly trade payables year on year decreased to £26.8 million (2013: £31.2 million). The Group will benefit in terms of service levels and responsiveness from its supplier base from this investment.

Net trade working capital to Revenue at the year end increased by 170 bps to 14.9 per cent. (2013: 13.2 per cent.).

Pensions and post retirement medical benefits

The Group's gross pension and post retirement medical benefit obligations under IAS 19 at 31 December 2014 were £24.9 million (2013: £21.1 million) with the majority of the movement over the course of the year being due to exchange differences and actuarial losses following reassessments of discount rates. The principal schemes are located in North America where the pension scheme is closed to new entrants and post-retirement healthcare benefits are capped.

Cash contributions made to the schemes during the year were £1.0 million (2013: £0.9 million).

Summary 2015 guidance

Underlying tax rates for the Group for 2015 are expected to be slightly higher than in 2014 at c. 27 – 28 per cent.. The final Underlying tax rate for the year will principally depend on the Group's geographical mix of taxable profits. Cash taxation rates are expected to be slightly below the Group's Underlying tax rate.

Gross capital expenditure for the year (excluding capital expenditure associated with the North American footprint project) is expected to be in the range £12.0 - £14.0 million.

Interest payable on borrowings for the full year under the existing facilities is expected to be £6.0 - £7.0 million – although the actual amount will be dependent on Leverage. The non cash amortisation of capitalised borrowing costs will reduce in 2015 to c. £0.5 million.

Trade working capital trough to peak for the year is expected to be £15.0 - £20.0 million.

LTIP purchases by the employee benefit trust are expected to be £3.0 - £4.0 million.

Currency

Currency in the consolidated income statement

The principal foreign currencies that impact our results are the US Dollar, the Euro, the Australian Dollar and the Canadian Dollar. Following the acquisition of Vedasil, the Brazilian Real has also become a more important currency for the Group. Each of these currencies was on average weaker versus Sterling in 2014 compared with the previous year.

The net effect of currency translation caused Revenue and Underlying Operating Profit from ongoing operations to decrease by £15.2 million and £2.3 million respectively compared with 2013 as shown below.

Currency	US$	Euro	AUS$	CA$	BR Real	Total[1]
Average Rate 2014	1.6479	1.2407	1.8269	1.8189	3.8711	
Average Rate 2013	1.5646	1.1780	1.6224	1.6117	3.3798	
% movement	5.3 %	5.3 %	12.6 %	12.9 %	14.5 %	
£'m Revenue impact	(11.5)	(1.1)	(1.1)	(0.5)	(1.0)	(15.2)
£'m Profit impact [2]	(1.9)	-	(0.1)	(0.1)	(0.2)	(2.3)
1c movement impact [3]	£218k	£2k	£6k	£2k	£3k	

(1) Impact of other currencies is de minimis
(2) Underlying Operating Profit impact
(3) Defined as the approximate translation impact of a 1c movement in the currency on Underlying Operating Profit

In addition there are transactional exposures for those Divisions that purchase or sell products in currencies other than their functional currency. These are principally Sterling/ US Dollar or Reminbi for purchases by ERA from the Far East and Aus Dollar/ US Dollar/ Reminbi for purchases by Schlegel International's Australian business from the USA and the Far East. In 2014, we estimate that the strength of Sterling benefited ERA's reported profitability by approximately £1.3 million and the unhedged impact on ERA of a 1c movement in the Dollar is approximately £200k. Other transactional exposures benefit from the existence of natural hedges or are de minimis in size.

The Group's policy is to recover adverse transactional currency movements through price increases or surcharges.

Currency in the balance sheet

The Group aims to mitigate the translational impact of exchange rate movements by denominating a proportion of total borrowings in those currencies where there is a material contribution to Underlying Operating Profit. The 2014 Facility allows the Group to draw funds in a number of different currencies.

Financial reporting

This financial information has been prepared under IFRS and in accordance with the Group's accounting policies. There have been no changes to the Group's accounting policies during the year ended 31 December 2014.

Going concern

The Group's strategic plan covers the period to 31 December 2018 and the Group's banking and private placement facilities are committed beyond the period of the strategic plan and contain significant covenant headroom. The Group's published year end Leverage target of 1.5x to 2.0x is designed to ensure that the Group has structural headroom on its financial covenants as it comes into each financial year such that it could withstand a material downturn in its end markets and any normalisation of interest rates.

The Directors are therefore confident, on the basis of current financial projections and the banking facilities available, and after considering sensitivities, that the Company and the Group has sufficient resources for its operational needs that will enable the Group to remain in compliance with its financial covenants in its bank facilities for at least the next 12 months. Accordingly the Directors continue to adopt the going concern basis.

Definitions

Where appropriate "Underlying" is defined as before Amortisation of acquired intangible assets, deferred tax on Amortisation of acquired intangible assets, Impairment of acquired intangible assets, Impairment of goodwill, Exceptional items, Unwinding of discount on provisions, Amortisation of borrowing costs, Accelerated amortisation of borrowing costs, and the associated tax effect.

"Underlying Administrative Expenses" is defined as Administrative Expenses before Exceptional items, Amortisation of acquired intangible assets, Impairment of acquired intangible assets and Impairment of acquired goodwill.

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

"Operational Cash Flow" is defined as Net cash inflow from operating activities before Income tax paid, exceptional costs cash settled in the year and Pension contributions, and after Proceeds on disposal of property, plant and equipment, Payments to acquire property, plant and equipment and Payments to acquire intangible assets.

"Operating Cash Conversion" is defined as Operational Cash Flow divided by Underlying Operating Profit.

"Return on Acquisition Investment" or "ROAI" is defined as Annualised Underlying Operating Profit attributable to the acquired business divided by the Acquisition Enterprise Value less the fair value of controllable capital employed as at the date of acquisition plus the value of controllable capital employed at the date of measurement. The denominator is also adjusted for seasonality where appropriate.

"Acquisition Enterprise Value" is defined as the gross consideration paid to the seller less cash acquired with the acquired business plus debt acquired with the acquired business plus the expenses of the acquisition, excluding financing expenses, plus any integration expenses booked as exceptional items.

"Return on Capital Employed" or "ROCE" is defined as Underlying Operating Profit as a percentage of the 12 month average capital employed.

"Leverage" is defined as Underlying Net Debt divided by Adjusted EBITDA. Underlying Net Debt is translated at the average rate for the year. Adjusted EBITDA is Underlying Operating Profit with Depreciation and Share-based payments expenses added back plus the pre-acquisition EBITDA of businesses acquired during the year covering the relevant pre-acquisition period less the EBITDA of businesses disposed of during the year.

"Like for Like" is defined as the comparison of Revenue or Operating Profit, as appropriate, excluding the impact of any acquisitions made during the current year and, for acquisitions made in the comparative year, excluding from the current year result the impact of the equivalent current year pre-acquisition period.

"RMI" is defined as Renovation, Maintenance and Improvement.

"OEM" is defined as Original Equipment Manufacturer.

Exchange Rates

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

Closing Rates:	2014	2013
US Dollars	**1.5533**	1.6490
Euros	**1.2779**	1.1978
Australian Dollars	**1.9043**	1.8583
Canadian Dollars	**1.8062**	1.7637
Brazilian Real	**4.1686**	3.8845

Average Rates:	2014	2013
US Dollars	**1.6479**	1.5646
Euros	**1.2407**	1.1780
Australian Dollars	**1.8269**	1.6224
Canadian Dollars	**1.8189**	1.6117
Brazilian Real	**3.8711**	3.3798

Roundings

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

TYMAN PLC
CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2014

	Note	**2014 £'000**	2013 £'000
Revenue	3	**350,899**	298,054
Cost of sales	3	**(236,129)**	(198,758)
Gross profit		**114,770**	99,296
Administrative expenses		**(95,833)**	(94,985)
Operating profit		**18,937**	4,311
Analysed as:			
Underlying[1] operating profit	3	**46,077**	32,348
Exceptional items	4	**(5,556)**	(10,903)
Amortisation of acquired intangible assets	8.3	**(17,814)**	(16,605)
Impairment of acquired intangible assets	8.3	**(359)**	(529)
Impairment of acquired goodwill	8.2	**(3,411)**	-
Operating profit		**18,937**	4,311
Finance income	5	**454**	137
Finance costs	5	**(7,487)**	(4,925)
Exceptional foreign exchange gain	5	**-**	1,271
Net finance costs	5	**(7,033)**	(3,517)
Profit before taxation		**11,904**	794
Income tax (charge)/credit	6	**(2,573)**	162
Profit for the year		**9,331**	956
Basic earnings per share	7	**5.56p**	0.63p
Diluted earnings per share	7	**5.50p**	0.62p
Non-GAAP measure			
Basic earnings per share	7	**18.61p**	13.71p
Diluted earnings per share	7	**18.40p**	13.51p
Underlying[1] profit before taxation	7	**41,629**	28,586

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

TYMAN PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 **£'000**	2013 £'000
Profit for the year	**9,331**	956
Other comprehensive (expense)/income:		
Items that will not be reclassified to profit or loss		
Remeasurements of post-employment benefit obligations	**(1,081)**	2,300
Total items that will not be reclassified to profit or loss	**(1,081)**	2,300
Items that may be reclassified subsequently to profit or loss		
Exchange differences on retranslation of foreign operations	**11,719**	(10,566)
Effective portion of changes in value of cash flow hedges	**518**	(163)
Total items that may be reclassified subsequently to profit or loss	**12,237**	(10,729)
Other comprehensive income/(expense) for the year, net of tax	**11,156**	(8,429)
Total comprehensive income/(expense) for the year	**20,487**	(7,473)

Items in the statement above are disclosed net of tax.

TYMAN PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

	Share capital £'000	Share premium £'000	Other reserves[1] £'000	Treasury reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2013	6,864	101	8,920	(8,161)	(605)	24,321	216,449	247,889
Total comprehensive (expense)/income	-	-	-	-	(163)	(10,566)	3,256	(7,473)
Profit for the year	-	-	-	-	-	-	956	956
Other comprehensive (expense)/income	-	-	-	-	(163)	(10,566)	2,300	(8,429)
Transactions with owners	1,641	63,155	-	3,314	-	-	(5,586)	62,524
Issue of shares	1,641	69,390	-	-	-	-	-	71,031
Share-based payments[2]	-	-	-	-	-	-	1,453	1,453
Dividends paid	-	-	-	-	-	-	(7,039)	(7,039)
Sale of treasury shares	-	(6,235)	-	6,235	-	-	-	-
Purchase of own shares for employee benefit trust	-	-	-	(2,921)	-	-	-	(2,921)
At 31 December 2013	8,505	63,256	8,920	(4,847)	(768)	13,755	214,119	302,940
Total comprehensive income	-	-	-	-	518	11,719	8,250	20,487
Profit for the year	-	-	-	-	-	-	9,331	9,331
Other comprehensive income/(expense)	-	-	-	-	518	11,719	(1,081)	11,156
Transactions with owners	-	-	-	105	-	-	(14,516)	(14,411)
Share-based payments[2]	-	-	-	-	-	-	852	852
Dividends paid	-	-	-	-	-	-	(10,926)	(10,926)
Issue of own shares by employee benefit trust	-	-	-	4,442	-	-	(4,442)	-
Purchase of own shares for employee benefit trust	-	-	-	(4,337)	-	-	-	(4,337)
At 31 December 2014	**8,505**	**63,256**	**8,920**	**(4,742)**	**(250)**	**25,474**	**207,853**	**309,016**

1 Other reserves are non-distributable capital reserves which arose on previous acquisitions.
2 Share-based payments include a deferred tax debit of £51,000 (2013: deferred tax credit £772,000).

TYMAN PLC

TYMAN PLC
CONSOLIDATED BALANCE SHEET
As at 31 December 2014

	Note	2014 £'000	2013 £'000
ASSETS			
Non-current assets			
Goodwill	8.2	**254,375**	244,740
Intangible assets	8.3	**101,290**	109,595
Property, plant and equipment	9	**42,854**	39,869
Deferred tax assets	6.3	**15,028**	12,102
		413,547	406,306
Current assets			
Inventories		**47,579**	40,668
Trade and other receivables		**36,708**	34,555
Cash and cash equivalents		**39,332**	43,607
Derivative financial instruments		**355**	-
Current tax assets		**-**	162
		123,974	118,992
TOTAL ASSETS		**537,521**	525,298
LIABILITIES			
Current liabilities			
Trade and other payables		**(45,563)**	(51,393)
Current tax liabilities		**(1,113)**	-
Borrowings	10	**-**	(6,834)
Provisions	11	**(5,597)**	(2,463)
		(52,273)	(60,690)
Non-current liabilities			
Borrowings	10	**(128,017)**	(115,464)
Derivative financial instruments		**(250)**	(767)
Deferred tax liabilities	6.3	**(30,115)**	(29,292)
Retirement benefit obligations		**(9,742)**	(7,478)
Provisions	11	**(6,597)**	(7,100)
Other payables		**(1,511)**	(1,567)
		(176,232)	(161,668)
TOTAL LIABILITIES		**(228,505)**	(222,358)
NET ASSETS		**309,016**	302,940
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**8,505**	8,505
Share premium		**63,256**	63,256
Other reserves		**8,920**	8,920
Treasury reserve		**(4,742)**	(4,847)
Hedging reserve		**(250)**	(768)
Translation reserve		**25,474**	13,755
Retained earnings		**207,853**	214,119
TOTAL EQUITY		**309,016**	302,940

TYMAN PLC
CONSOLIDATED CASH FLOW STATEMENT
As at 31 December 2014

	Note	**2014** **£'000**	2013 £'000
Cash flow from operating activities			
Profit before taxation		**11,904**	794
Adjustments	13	**41,207**	28,802
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):			
Inventories		**(4,922)**	759
Trade and other receivables		**(818)**	1,275
Trade and other payables		**(5,156)**	10,363
Provisions utilised		**(1,141)**	(2,232)
Pension contributions		**(1,012)**	(909)
Income tax paid		**(6,257)**	(6,209)
Net cash generated from operations		**33,805**	32,643
Cash flow from investing activities			
Purchases of property, plant and equipment	9	**(9,342)**	(7,359)
Purchases of intangible assets	8.3	**(2,122)**	(1,286)
Proceeds on disposal of property, plant and equipment		**1,265**	559
Acquisition of subsidiary undertakings, net of cash acquired		**(6,535)**	(131,244)
Interest received		**101**	150
Net cash used in investing activities		**(16,633)**	(139,180)
Cash flows from financing activities			
Interest paid		**(4,696)**	(2,740)
Dividends paid	12	**(10,926)**	(7,039)
Purchase of own shares for employee benefit trust		**(4,337)**	(2,921)
Proceeds from issuance of ordinary shares		**-**	71,031
Proceeds from borrowings		**63,922**	65,738
Repayments of borrowings		**(126,642)**	(8,059)
Refinancing costs paid		**(2,280)**	(1,510)
Proceeds from drawdown of revolving credit facility		**91,665**	2,642
Repayment of revolving credit facility		**(29,578)**	(2,552)
Net cash (used in)/generated from financing activties		**(22,872)**	114,590
Net (decrease)/increase in cash and cash equivalents		**(5,700)**	8,053
Exchange gains/(losses) on cash and cash equivalents		**1,425**	(303)
Cash and cash equivalents at the beginning of the year		**43,607**	35,857
Cash and cash equivalents at the end of the year		**39,332**	43,607

TYMAN PLC
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2014

1. General information

Tyman plc ("the Company") and its subsidiaries (together, "the Group") is a leading international manufacturer and supplier components to the door and window industry. The Group has 22 manufacturing sites in 8 countries along with a further 6 sourcing and distribution sites across the Americas, Europe, Asia and Australasia with its products being found in homes and buildings worldwide.

The Company is a public limited company listed on the London Stock Exchange. The Company is incorporated and domiciled in England and Wales. The address of its registered office is 29 Queen Anne's Gate, London, SW1H 9BU .

2. Basis of preparation

The consolidated financial statements of Tyman plc have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The consolidated financial statements are principally prepared on the basis of historic cost. Where other bases are applied, these are identified in the relevant accounting policy.

The 2013 consolidated balance sheet has been restated for fair value adjustments to the net assets acquired with acquisitions in 2013.

3. Segment reporting

3.1 Accounting policy

3.1.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue represents the amounts receivable for goods supplied, stated net of discounts, returns and value added taxes.

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Group and when the amount of revenue can be reliably measured. Revenue from the sale of goods is recognised when the risks and rewards of ownership of the goods have been substantially transferred to the buyer, usually on dispatch of the goods.

3.1.2 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, defined as the Board of Directors, are responsible for allocating resources and assessing performance of the operating segments.

3. Segment reporting (continued)

3.2 Segment information

The reporting segments reflect the manner in which performance is evaluated and resources allocated. The Group operates through three clearly defined divisions, namely: AmesburyTruth, ERA and Schlegel International. Each division is headed up by a Divisional CEO and management team, and each reporting to the Board via the CEO and CFO on a regular basis. Accordingly, the Board has concluded that the most appropriate segmental analysis for stakeholders is that of the three reporting divisions with an allocation of Group central overheads made to each Division.

From January 2014, our North American businesses have been managed as a single functional organisation with an integrated management team. The Truth and Amesbury operating segments have therefore been combined from the start of 2014 and are no longer included in the segmental analysis as distinct operating segments.

Each reporting segment broadly represents the Group's geographical focus, being the North American, the United Kingdom and International operations respectively. The Schlegel International segment includes Schlegel Building Products, the Group's UK-based manufacturer of pile weatherstrip and extrusions. In the opinion of the Board, there is no material difference between the Group's operating segments and segments based on geographical splits. Accordingly, the Board does not consider geographically defined segments to be reportable.

The following tables present Group revenue and profit information for the Group's product segments, which have been generated using the Group accounting policies, with no differences of measurement applied, other than those noted above.

3.2.1 Revenue

	2014 **£'000**	2013 £'000
AmesburyTruth	**220,689**	175,252
ERA	**92,406**	86,047
Schlegel International	**37,804**	36,755
Total revenue	**350,899**	298,054

Included within the Schlegel International segment is revenue attributable to the United Kingdom of £5,751,000 (2013: £6,401,000).

No revenue from any single customer exceeds 10 per cent of total revenue from continuing operations.

3.2.2 Result

	Note	**2014** **£'000**	2013 £'000
AmesburyTruth		**33,168**	22,250
ERA		**13,739**	10,496
Schlegel International		**(830)**	(398)
Underlying operating profit		**46,077**	32,348
Exceptional items	4	**(5,556)**	(10,903)
Amortisation of acquired intangible assets	8.3	**(17,814)**	(16,605)
Impairment of acquired intangible assets	8.3	**(359)**	(529)
Impairment of acquired goodwill	8.2	**(3,411)**	-
Operating profit		**18,937**	4,311
Net finance costs	5	**(7,033)**	(3,517)
Profit before taxation		**11,904**	794

3. Segment reporting (continued)

3.2.3 Operating profit disclosures

	Cost of goods sold		Depreciation	
	2014	2013	**2014**	2013
	£'000	£'000	**£'000**	£'000
AmesburyTruth	**(153,256)**	(119,332)	**(5,376)**	(4,143)
ERA	**(60,199)**	(55,966)	**(1,394)**	(1,374)
Schlegel International	**(22,674)**	(23,460)	**(906)**	(820)
Total	**(236,129)**	(198,758)	**(7,676)**	(6,337)

3.2.4 Segment assets and liabilities

At 31 December 2014	AmesburyTruth £'000	ERA £'000	Schlegel International £'000	**Total Group £'000**
Segment assets				
Total segment assets	371,980	125,115	39,308	**536,403**
Unallocated assets				**1,118**
Consolidated total assets				**537,521**
Segment liabilities				
Total segment liabilities	(59,433)	(27,035)	(10,441)	**(96,909)**
Unallocated liabilities[1]				**(131,596)**
Consolidated total liabilities				**(228,505)**
Non-current assets[2]	294,623	80,025	23,871	**398,519**
Other segment information				
Employee benefit liability	(9,742)	-	-	**(9,742)**
Goodwill	178,947	61,909	13,519	**254,375**
Intangible assets	83,446	13,427	4,417	**101,290**
Capital expenditure				
Property, plant and equipment	6,993	1,543	806	**9,342**
Intangible assets	1,747	352	23	**2,122**

At 31 December 2013	AmesburyTruth £'000	ERA £'000	Schlegel International £'000	**Total Group £'000**
Segment assets				
Total segment assets	357,529	117,310	37,479	512,318
Unallocated assets				12,980
Consolidated total assets				525,298
Segment liabilities				
Total segment liabilities	(61,064)	(28,068)	(7,422)	(96,554)
Unallocated liabilities[1]				(125,804)
Consolidated total liabilities				(222,358)
Non-current assets[2]	287,633	83,197	23,374	394,204
Other segment information				
Employee benefit liability	(7,478)	-	-	(7,478)
Goodwill	167,797	61,910	15,033	244,740
Intangible assets	90,464	16,708	2,423	109,595
Capital expenditure				
Property, plant and equipment	5,470	1,271	618	7,359
Intangible assets	969	233	84	1,286

[1] Included within unallocated segment liabilities are borrowings of £127,990,000 (2013: £122,253,000), provisions of £1,200,000 (2013: £1,200,000) and other liabilities of £2,406,000 (2013: £2,351,000).

[2] Non-current assets exclude amounts relating to deferred tax assets.

Non-current assets of the Schlegel International segment include £3,593,000 (2013: £3,650,000) attributable to the United Kingdom.

4. Exceptional items

4.1 Accounting policy

Where certain income or expense items recorded in the period are material by their size or incidence, the Group presents such items as exceptional within a separate line on the income statement, except for those exceptional items that relate to net finance costs and tax. Separate presentation provides an improved understanding of the elements of financial performance during the year so as to facilitate comparison with prior periods and to assess trends in financial performance.

Exceptional items include one-off redundancy and restructuring costs, and transactions costs associated with merger and acquisition activity.

4.2 Exceptional items

	2014 £'000	2013 £'000
Redundancy and restructuring costs	**(4,236)**	(1,763)
Inventory obsolescence alignment	**-**	(887)
M&A and integration costs	**(1,718)**	(5,949)
Write-off of inventory fair value adjustment	**-**	(2,304)
Gain on property disposal	**398**	-
	(5,556)	(10,903)

Redundancy, restructuring, inventory obsolescence alignment and warranty costs
Redundancy and restructuring costs principally concern the closures of the manufacturing facilities in Belgium (Gistel) and the US (Covington, Georgia).

Costs of £3,106,000 incurred in respect of the Gistel closure include tangible asset write downs of £694,000, and redundancy costs and impairment of other assets of £2,412,000.

Costs of £562,000 incurred in respect of the Covington closure principally relate to an onerous lease provision made during the year.

The remaining £568,000 comprises costs incurred across various entities as part of redundancy and restructuring programmes, primarily in Schlegel International.

M&A and integration costs
M&A costs of £436,000 reflect directly attributable transaction costs and expenses incurred in connection with the acquisition of Vedasil Brasil together with other M&A activity in the year.

Integration costs primarily comprise £1,112,000 in relation to the ongoing integration of AmesburyTruth and £170,000 in relation to the integration of Vedasil. These costs predominantly relate to office closures, relocation, and redundancy costs.

The costs in 2013 primarily related to the transaction costs and expenses directly attributable to the acquisition of Truth Hardware and associated integration costs.

Write-off of inventory fair value adjustment
The £2,304,000 charge for the year ended 31 December 2013 relates to the one-off write off of the acquisition fair value adjustment to the book value of inventories acquired in the Truth acquisition.

4. Exceptional items (continued)

Gain on property disposal

The gain on property disposal relates to the disposal of surplus freehold property in Sioux Falls, South Dakota, in February 2014, for a net cash consideration of US$1,770,000 (£1,074,000), realising a net profit on disposal of US$656,000 (£398,000).

5. Finance income and costs

	Note	**2014 £'000**	2013 £'000
Finance income			
Interest income from short-term bank deposits		**99**	137
Gain on revaluation of fair value hedge		**355**	-
		454	137
Finance costs			
Interest payable on bank loans and overdrafts		**(4,601)**	(3,494)
Amortisation of borrowing costs		**(1,260)**	(997)
Accelerated amortisation of borrowing costs		**(1,283)**	-
Unwinding of discount on provisions	11	**(42)**	(29)
Pension interest costs		**(301)**	(405)
		(7,487)	(4,925)
Exceptional foreign exchange gain		**-**	1,271
Net finance costs		**(7,033)**	(3,517)

6. Taxation

6.1 Accounting policy

Income tax credit comprises current tax and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity; in which case it is recognised in other comprehensive income or directly in equity.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred tax liabilities are recognised if it arises from the initial recognition of:

- goodwill;
- an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising on investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same tax entity or different taxable entities where there is an intention to settle the balances on a net basis.

6.1.1 Key source of estimation uncertainty: Deferred tax assets

Estimation is required of temporary differences between the carrying amount of assets and liabilities and their tax base. Deferred tax liabilities are recognised for all taxable temporary differences but, where deductible temporary differences exist, management's judgement is required as to whether a deferred tax asset should be recognised based on the availability of future taxable profits. It is possible that the deferred tax assets actually recoverable may differ from the amounts recognised if actual taxable profits differ from management's estimates.

6. Taxation (continued)

6.2 Taxation – income statement and other comprehensive income

6.2.1 Tax on profit on ordinary activities

	2014 £'000	2013 £'000
Current taxation:		
Current tax on profit for the year	**(8,385)**	(4,162)
Adjustments in respect of prior years	**800**	373
Exceptional adjustment in respect of prior years	**1,700**	-
Total current taxation	**(5,885)**	(3,789)
Deferred taxation:		
Origination and reversal of temporary differences	**3,404**	2,273
Adjustment due to deferred tax rate change	**-**	1,455
Adjustments in respect of prior years	**(92)**	223
Total deferred taxation	**3,312**	3,951
Income tax (charge)/credit in the income statement	**(2,573)**	162
Tax (charge)/credit relating to components of other comprehensive income is as follows:		
Deferred tax charge on actuarial gains and losses	**(982)**	(1,313)
Deferred tax credit on share-based payments	**(51)**	772
Income tax charge in the statement of comprehensive income	**(1,033)**	(541)
Total current taxation	**(5,885)**	(3,789)
Total deferred taxation	**2,279**	3,410
Total taxation	**(3,606)**	(379)

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly, the Group's UK profits for this accounting period are taxed at an effective rate of 21.50% (2013: 23.25%). A tax rate of 20% from 1 April 2015 was substantively enacted on 2 July 2013. This reduction in the UK corporation tax rate is likely to lead to a further reduction in the future UK current tax charge.

The Group's UK deferred tax assets and liabilities have been remeasured at a rate of 20%, being the rate applicable during the period the deferred tax assets and liabilities are expected to be utilised.

Taxation for other jurisdictions is calculated at rates prevailing in those respective jurisdictions.

Exceptional adjustment in respect of prior years arose from the release of a pre-acquisition tax accrual originally made at the time of the LSS acquisition in 2007, for which the Group is no longer liable.

6.2.2 Reconciliation of the total tax credit

The tax assessed for the year differs from the standard rate of tax in the UK of 21.50% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Profit before taxation	**11,904**	794
Rate of corporation tax in the UK of 21.50% (2013: 23.25%)	**(2,559)**	(185)
Effects of:		
Income not taxable	**(650)**	(43)
Overseas tax rate differences	**(1,772)**	(1,661)
Adjustment due to deferred tax rate change	**-**	1,455
Adjustments in respect of prior years	**2,408**	596
Income tax (charge)/credit	**(2,573)**	162

6. Taxation (continued)

6.3 Taxation – balance sheet

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2014 £'000	2013 £'000
Deferred tax assets	**15,028**	12,102
Deferred tax liabilities	**(30,115)**	(29,292)
Deferred tax liabilities (net)	**(15,087)**	(17,190)

The net movement in deferred tax is as follows:

	2014 £'000	2013 £'000
At 1 January	**(17,190)**	(1,992)
Acquisition of subsidiary	**(1,288)**	(20,074)
Income statement credit	**3,312**	3,951
Tax credit/(charge) relating to components of other comprehensive income	**931**	(541)
Exchange difference	**(852)**	1,466
At 31 December	**(15,087)**	(17,190)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets	Accelerated tax depreciation £'000	Post-retirement benefit provisions £'000	Purchased goodwill £'000	Other timing differences £'000	Total £'000
At 1 January 2013	101	3,830	4,721	1,122	9,774
Reclassification to deferred tax liabilities	-	-	3,822	638	4,460
Income statement (charge)/credit	(70)	42	(2,299)	872	(1,455)
Tax (charge)/credit relating to components of other comprehensive income	-	(1,313)	-	772	(541)
Exchange difference	17	(11)	(23)	(119)	(136)
At 31 December 2013	48	2,548	6,221	3,285	12,102
Reclassification to deferred tax liabilities	(9)	-	-	2,146	2,137
Reclassification between deferred tax categories	22	33	(458)	403	-
Acquisition of subsidiary	-	-	-	-	-
Income statement credit/(charge)	438	(6)	(494)	(674)	(736)
Tax credit/(charge) relating to components of other comprehensive income	-	982	-	(51)	931
Exchange difference	(26)	218	205	197	594
At 31 December 2014	**473**	**3,775**	**5,474**	**5,306**	**15,028**

6. Taxation (continued)

Deferred tax liabilities	Accelerated tax depreciation £'000	Intangible assets on acquisition £'000	Other timing differences £'000	Total £'000
At 1 January 2013	(2,007)	(9,741)	(18)	(11,766)
Transfer between categories	-	(656)	656	-
Reclassification from deferred tax assets	-	(3,822)	(638)	(4,460)
Acquisition of subsidiary	-	(19,897)	(177)	(20,074)
Income statement (charge)/credit	(821)	6,227	-	5,406
Exchange difference	82	1,507	13	1,602
At 31 December 2013	(2,746)	(26,382)	(164)	(29,292)
Transfer from deferred tax assets	9	-	(2,146)	(2,137)
Reclassification between deferred tax categories	(898)	(1,013)	1,911	-
Acquisition of subsidiary	-	(1,288)	-	(1,288)
Income statement (charge)/credit	(150)	4,607	(409)	4,048
Tax (charge)/credit relating to components of other comprehensive income	-	-	-	-
Exchange difference	(233)	(1,200)	(13)	(1,446)
At 31 December 2014	**(4,018)**	**(25,276)**	**(821)**	**(30,115)**

6.3.1 Factors that may affect future tax charges

The estimated tax losses within the Group are as follows:

	2014 £'000	2013 £'000
Capital losses	**3,992**	4,581
Trading losses	**16,578**	11,543
	20,570	16,124

As the future use of these losses is uncertain, in accordance with the Group's accounting policy, only a portion of these losses have been recognised as a deferred tax asset. The amounts of deferred tax not recognised are as follows:

	2014 £'000	2013 £'000
Trading losses	**(3,780)**	(1,542)
Capital losses	**(798)**	(916)
	(4,578)	(2,458)

No deferred tax liability is recognised on temporary differences of £53,800,000 (2013: £49,300,000) relating to the unremitted earnings of overseas subsidiaries. As a result of UK legislation, which largely exempts from UK tax the overseas dividends received, the temporary differences arising on unremitted profits are unlikely to lead to additional UK corporate taxes. Furthermore, although the remittance to the UK of those earnings could still result in a tax liability, arising as a result of withholding taxes levied by the overseas tax jurisdictions in which those subsidiaries operate, such jurisdictions provide currently for zero dividend withholding tax in their tax agreements with the UK.

7. Earnings per share

7.1 Non-GAAP measure accounting policy

The Directors believe that the "underlying" profit and earnings per share measures provide additional useful information to shareholders on the underlying performance of the business. These measures are consistent with how business performance is measured internally. The adjusted profit before tax measure is not recognised under IFRS and may not be comparable with "underlying" profit measures used by other companies.

The adjustments made to reported profit before tax is to include the following:
- Exceptional items – these are largely one-off in nature and therefore create volatility in reported earnings.
- Amortisation of borrowing costs, amortisation and accelerated amortisation of intangible assets, impairment of intangible assets and goodwill, and unwinding of discount on provisions – these are non-cash in nature and the events giving rise to them are expected to be infrequent.

7.2 Earnings per share

	2014 **£'000**	2013 £'000
Profit for the year	**9,331**	956
Basic earnings per share	**5.56p**	0.63p
Diluted earnings per share	**5.50p**	0.62p

Basic earnings amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the diluted potential ordinary shares into ordinary shares.

7.2.1 Weighted average number of shares

The weighted average number of shares was:

	2014 **'000**	2013 '000
Weighted average number of shares (including treasury shares)	**170,104**	157,337
Treasury and employee benefit trust shares	**(2,276)**	(4,492)
Weighted average number of shares - basic	**167,828**	152,845
Effect of dilutive potential ordinary shares - LTIP awards and options	**1,896**	2,229
Weighted average number of shares - diluted	**169,724**	155,074

7.2.2 Non-GAAP measure: Underlying earnings per share

The Group presents an underlying earnings per share measure which excludes the impact of exceptional items, certain non-cash finance costs, amortisation of acquired intangible assets, impairment of acquired intangible assets and certain non-recurring items. Underlying earnings per share has been based on underlying earnings for each financial year and on the weighted average number of shares in issue as the earnings per share calculation.

7. Earnings per share (continued)

Underlying profit after taxation is derived as follows:

	Note	2014 £'000	2013 £'000
Profit before taxation		**11,904**	794
Exceptional items	4	**5,556**	10,903
Exceptional foreign exchange gain	5	**-**	(1,271)
Amortisation of borrowing costs	5	**1,260**	997
Accelerated amortisation of borrowing costs	5	**1,283**	-
Unwinding of discount on provisions	5	**42**	29
Amortisation of acquired intangible assets	8.3	**17,814**	16,605
Impairment of acquired intangible assets	8.3	**359**	529
Impairment of acquired goodwill	8.2	**3,411**	-
Underlying profit before taxation		**41,629**	28,586
Income tax (charge)/credit	6	**(2,573)**	162
Add back: Adjustment due to deferred tax rate change	6	**-**	(1,455)
Add back: Adjustment due to exceptional prior year adjustments	6	**(1,700)**	-
Add back: Tax effect of exceptional items, exceptional foreign exchange gain, amortisation of borrowing costs, accelerated amortisation of borrowing costs, ineffective portion of fair value hedge, amortisation of acquired intangible assets, impairment of acquired intangible assets and unwinding of discount on provisions		**(6,132)**	(6,345)
Underlying profit after taxation		**31,224**	20,948

Underlying earnings per share is summarised as follows:

	2014	2013
Basic earnings per share	**18.61p**	13.71p
Diluted earnings per share	**18.40p**	13.51p

8. Goodwill and intangible assets

8.1 Accounting policy

8.1.1 Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units (“CGUs”), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

8. Goodwill and intangible assets (continued)

8.1.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment. On acquisition of Group companies, the Group recognises any separately identifiable intangible assets separately from goodwill, initially measuring the intangible assets at fair value.

Purchased intangible assets acquired through a business combination, including purchased brands, customer relationships, trademarks and licences, are initially measured at fair value and amortised on a straight-line basis over their estimated useful economic lives as follows:

- Acquired brands – 5 to 20 years.
- Customer relationships – 9 to 15 years.
- Internally developed computer software – 10 years.
- Purchased computer software – 3 to 4 years.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use it or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Computer software development costs recognised as assets are amortised when the intangible assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives of acquired intangible assets are reviewed whenever events or circumstances indicate that there has been a change in the expected pattern of consumption of the future economic benefits embodied in the asset. Any amendments to the estimated useful lives of intangible assets are recorded as a change in estimate in the period the change occurred.

8. Goodwill and intangible assets (continued)

8.1.3 Impairment of goodwill and intangible assets

Intangible assets, including goodwill, that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (CGUs). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date. Goodwill previously impaired cannot be reversed at a later date.

8.1.4 Critical accounting estimates and judgements: Carrying amount of goodwill and intangibles

As at 31 December 2014, the Group had goodwill of £254,375,000 with intangible assets amounting in total to £101,290,000. An impairment review using a value in use calculation has been performed for each CGU. There is significant judgement involved in determining appropriate assumptions to use in the calculations, including the forecasted cash flows of each CGU and appropriate discount rates relative to the Company's cost of capital. These assumptions have been subjected to sensitivity analyses. Details of estimates used and sensitivities in the impairment reviews are set out in this note.

8.2 Carrying amount of goodwill

	£'000
Cost and net carrying value	
At 1 January 2013	184,896
Acquisition of subsidiary	68,873
Exchange difference	(9,029)
At 31 December 2013 (restated)	244,740
Impairment charge for the year	(3,411)
Acquisition of subsidiary	2,782
Exchange difference	10,264
At 31 December 2014	**254,375**

Goodwill is monitored principally on an operating segment basis and the net book value of goodwill is allocated by CGU as follows:

	2014 £'000	2013 £'000
Amesbury	**112,622**	104,397
Truth Hardware	**66,325**	63,400
AmesburyTruth	**178,947**	167,797
ERA	**61,909**	61,910
Schlegel International	**13,519**	15,033
	254,375	244,740

8.2.1 Impairment tests for goodwill

Assumptions

The recoverable amounts of CGUs are determined from value in use calculations. Value in use is determined by discounting the future pre-tax cash flows generated from the continuing use of the CGU, using a pre-tax discount rate.

8. Goodwill and intangible assets (continued)

Cash flow projections are derived from financial plans approved by the Board and cover a five year period. They reflect management's expectations of revenue growth, operating cost and margin for each CGU based on past experience. Cash flows after the five year forecast period were extrapolated using a long-term growth rate of 1.50% in order to calculate the terminal recoverable amount.

Discount rates are estimated using pre-tax rates that reflect current market assessments of the time value of money and the risk profiles of the CGUs.

The key assumptions used in the value in use calculations in each of the Group's CGUs at 31 December 2014 are as follows:

	Average pre-tax discount rate		Average revenue growth for years one to five	
	2014	2013	**2014**	2013
Amesbury	**13.3%**	14.1%	**4.8%**	12.5%
Truth Hardware	**13.2%**	13.7%	**6.8%**	4.5%
ERA	**9.4%**	10.2%	**6.0%**	6.0%
Schlegel International	**12.7%**	12.6%	**5.9%**	10.0%

Impairment review results: 2014

The closure of the Belgium operations has given rise to a £3,411,000 impairment of goodwill, previously forming part of the Schlegel International CGU. Impairment of goodwill is included in administrative expenses in the income statement.

A review of the carrying amount of goodwill and intangibles assets across the Group has been carried out at year end in light of current trading conditions and future prospects. The annual impairment review did not result in any further impairment losses being recognised in the 2014 year.

Whilst economic conditions in European markets continue to be challenging, the carrying amounts of goodwill and intangible assets in Schlegel International are considered to be sustainable based on current projections. If markets continue to deteriorate, this could give a further impairment charge at a future date.

Impairment review results: 2013

No impairment arose from the impairment review process in 2013.

Sensitivity of assumptions

A sensitivity analysis was conducted on the basis of lowering the forecast EBITDA margin, the assumption the model was most sensitive to, by a constant percentage each year from year one onwards in perpetuity until the excess of value in use over the carrying amount of the CGU's assets was reduced to zero. The EBITDA margin would need to lower by 1.54 percentage points for each year from year one onwards in perpetuity before any impairment would arise in respect of the CGU with the lowest impairment headroom. Given the strengthened management structure and significant investment made in this CGU, it is considered unlikely that such a sustained deterioration in revenue will occur.

8. Goodwill and intangible assets (continued)

8.3 Carrying amount of intangible assets

	Note	Computer software £'000	Acquired brands £'000	Customer relationships £'000	Total £'000
Cost					
At 1 January 2013		1,910	29,514	121,213	152,637
Additions		1,178	108	-	1,286
Acquisition of subsidiary		56	15,108	41,419	56,583
Exchange difference		(217)	(1,649)	(5,200)	(7,066)
At 31 December 2013		2,927	43,081	157,432	203,440
Additions		2,112	10	-	2,122
Transfers to property, plant and equipment	9	(301)	-	-	(301)
Acquisition of subsidiary		8	14	3,778	3,800
Exchange difference		276	1,670	6,699	8,645
At 31 December 2014		**5,022**	**44,775**	**167,909**	**217,706**
Accumulated amortisation					
At 1 January 2013		(347)	(17,055)	(61,401)	(78,803)
Amortisation charge for the year		(262)	(3,293)	(13,050)	(16,605)
Impairment charge for the year		-	-	(529)	(529)
Exchange difference		117	460	1,515	2,092
At 31 December 2013		(492)	(19,888)	(73,465)	(93,845)
Amortisation charge for the year		(337)	(3,653)	(14,161)	(18,151)
Impairment charge for the year		(27)	(173)	(186)	(386)
Exchange difference		(90)	(889)	(3,055)	(4,034)
At 31 December 2014		**(946)**	**(24,603)**	**(90,867)**	**(116,416)**
Net book value					
At 1 January 2013		1,563	12,459	59,812	73,834
At 31 December 2013		2,435	23,193	83,967	109,595
At 31 December 2014		**4,076**	**20,172**	**77,042**	**101,290**

The amortisation charge for the year comprises £17,814,000 relating to amortisation of acquired intangible assets and £337,000 relating to amortisation of other intangible assets.

The charge for the year has been included in administrative expenses in the income statement.

8.3.1 Impairment of intangible assets

2014 Impairment charge

The closure of the Belgium operations (part of the Schlegel International division) has given rise to a £386,000 impairment of acquired intangible assets and computer software in 2014.

2013 Impairment charge

The impairment charge on customer relations of £529,000 relates to intangibles acquired as part of the Unique acquisition in 2012. The impairment was necessitated by the transfer and integration of the Unique business and assets to the Group's Statesville facility (part of the AmesburyTruth division).

9. Property, plant and equipment

9.1 Accounting policy

Property, plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the specific asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Freehold land is not depreciated. Depreciation is provided on all other property, plant and equipment at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life, at the following annual rates:

- Freehold buildings – 2% to 5%.
- Plant and machinery – 7.5% to 33%.

The carrying amounts of property, plant and equipment are reviewed for impairment periodically if events or changes in circumstances indicate that the carrying amount may not be recoverable. The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

9. Property, plant and equipment (continued)

9.2 Carrying amount of property, plant and equipment

	Note	Freehold land and buildings £'000	Plant and machinery £'000	Total £'000
Cost				
At 1 January 2013		15,603	59,326	74,929
Additions		144	7,215	7,359
Disposals		(593)	(3,257)	(3,850)
Transfers between fixed asset type		66	(66)	-
Acquisition of subsidiary (restated)		4,338	6,605	10,943
Exchange difference		(459)	(6,059)	(6,518)
At 31 December 2013 (restated)		19,099	63,764	82,863
Additions		59	9,283	9,342
Disposals		(1,115)	(10,317)	(11,432)
Transfers from intangible assets	8.3	-	301	301
Transfers between fixed asset type		287	(287)	-
Acquisition of subsidiary		-	514	514
Exchange difference		590	4,342	4,932
At 31 December 2014		**18,920**	**67,600**	**86,520**
Accumulated amortisation				
At 1 January 2013		(4,044)	(41,100)	(45,144)
Depreciation charge for the year		(617)	(5,720)	(6,337)
Disposals		264	2,985	3,249
Exchange difference		42	5,196	5,238
At 31 December 2013		(4,355)	(38,639)	(42,994)
Depreciation charge for the year		(684)	(6,992)	(7,676)
Disposals		339	10,018	10,357
Exchange difference		(97)	(3,256)	(3,353)
At 31 December 2014		**(4,797)**	**(38,869)**	**(43,666)**
Net book value				
At 1 January 2013		11,559	18,226	29,785
At 31 December 2013		14,744	25,125	39,869
At 31 December 2014		**14,123**	**28,731**	**42,854**

Depreciation of £7,676,000 (2013: £6,337,000) is included in administrative expenses in the income statement.

10. Interest-bearing loans and borrowings

10.1 Accounting policy

Interest-bearing loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Interest-bearing loans and borrowings are subsequently carried at amortised cost using the effective interest method.

10.2 Carrying amount of interest bearing loans and borrowings

	2014 £'000	2013 £'000
Unsecured borrowing at amortised cost		
Bank borrowings	**(65,603)**	(124,509)
Senior Notes	**(64,379)**	-
Capitalised borrowing costs	**1,993**	2,256
	(127,989)	(122,253)
Secured borrowing at amortised cost		
Bank borrowings	**(28)**	(45)
	(128,017)	(122,298)
Analysed as:		
Current liabilities	**-**	(6,834)
Non-current liabilities	**(128,017)**	(115,464)
	(128,017)	(122,298)

There were no defaults in interest payments in the year under the terms of the existing loan agreements.

The carrying amount of interest bearing loans and borrowings are denominated in the following currencies:

	2014 £'000	2013 £'000
British Pounds	**(33,610)**	(21,247)
US Dollars	**(94,407)**	(101,051)
	(128,017)	(122,298)

10.2.1 Bank borrowings

On 10 June 2014, the Group entered into a new banking facility of up to £240,000,000, comprising a £180,000,000 committed multicurrency revolving credit facility and a £60,000,000 uncommitted accordion facility. On completion of the new facility, the September 2011 facility was repaid in full and cancelled. The new banking facility extends to 10 June 2019, is unsecured and guaranteed by Tyman plc and its principal subsidiary undertakings.

The proceeds from the private debt placement (see 10.2.2) were used to repay and cancel the 2013 US$100,000,000 acquisition facility put in place in order to acquire Truth.

The Group has the following undrawn bank borrowings facility:

	2014 £'000	2013 £'000
Floating rate		
Expiring beyond 12 months	**(114,742)**	(29,674)

10. Interest-bearing loans and borrowings (continued)

10.2.2 Private debt

On 19 November 2014, the Group completed the issuance of a debut private debt placement with US financial institutions totalling US$100,000,000.

The debt placement is unsecured and comprises US$55,000,000 debt with a seven year maturity at a coupon of 4.97 per cent and US$45,000,000 with a ten year maturity at a coupon of 5.37 per cent.

The debt placement successfully accomplishes the Group's objectives of diversifying its sources of debt finance along with extending the tenor of its overall facilities.

11. Provisions

11.1 Accounting policy

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of a past event;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to the passage of time is recognised in the income statement within net finance costs. Provisions are not recognised for future operating losses.

11.1.1 Critical accounting estimates and judgements: Carrying amount of provisions

Provisions, by their nature, are uncertain and highly judgemental. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date based on the nature of the provisions, the potential outcomes, any developments relating to specific claims, and previous experience.

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11. Provisions (continued)

11.2 Carrying amounts of provisions

	Property related £'000	Restructuring £'000	Warranty £'000	Other £'000	Total £'000
At 1 January 2013	(6,468)	(14)	(1,836)	(1,651)	(9,969)
Acquisition of subsidiary	-	-	(1,292)	(393)	(1,685)
(Charged)/ Credited to the income statement					
- Additional provision in the year	(69)	(613)	(718)	(200)	(1,600)
- Unused amounts reversed	322	-	127	650	1,099
Utilised in the year	649	262	1,321	-	2,232
Unwinding of discount	(29)	-	-	-	(29)
Reclassification to other payables	-	-	256	-	256
Exchange differences	(1)	20	68	46	133
At 31 December 2013 (restated)	(5,596)	(345)	(2,074)	(1,548)	(9,563)
Acquisition of subsidiary	-	-	(76)	(151)	(227)
(Charged)/ Credited to the income statement					
- Additional provision in the year	(392)	(3,074)	(196)	-	(3,662)
- Unused amounts reversed	-	16	157	-	173
Utilised in the year	685	27	234	195	1,141
Unwinding of discount	(42)	-	-	-	(42)
Exchange differences	(12)	72	(70)	(4)	(14)
At 31 December 2014	**(5,357)**	**(3,304)**	**(2,025)**	**(1,508)**	**(12,194)**

Analysed as:

	2014 £'000	2013 (restated) £'000
Current liabilities	**(5,597)**	(2,463)
Non-current liabilities	**(6,597)**	(7,100)
	(12,194)	(9,563)

Current liabilities are those aspects of provisions that are expected to be utilised within the next 12 months.

11.2.1 Property related

Property provisions include provisions for onerous leases of £3,951,000 (2013: £4,210,000) and leasehold dilapidations of £1,406,000 (2013 restated: £1,386,000). Property provisions are expected to be utilised by 2018.

For onerous leases, the Group has provided for the rental payments due over the remaining term of existing operating lease contracts where a period of vacancy is ongoing. The provision has been calculated after taking into account both the periods over which properties are likely to remain vacant and any likely sub-lease income on a property-by-property basis. The provision covers potential transfer of economic benefit over the full range of current lease commitments.

The provision for leasehold dilapidations relates to contractual obligations to reinstate leasehold properties to their original state of repair.

The transfer of economic benefits will occur at the end of the leases.

11. Provisions (continued)

11.2.2 Restructuring

Restructuring provisions include provisions for employee redundancy costs at restructured business units and are expected to be utilised by 2016.

11.2.3 Warranty

Warranty provisions are calculated based on historical experience of the ultimate cost of settling product warranty claims and potential claims. Warranty provisions are expected to be utilised by 2017.

11.2.4 Other

Other provisions relate to the tax consequences of international intragroup transactions for which the fiscal authorities may be expected to adopt opposing treatments in respect of revenue and cost recognition. Other provisions are expected to be utilised by 2016.

12. Dividends

	2014 £'000	2013 £'000
Amounts recognised as distributions to owners in the year:		
Final dividend for the year ended 31 December 2013 of 4.50p per share (2012: 3.50p)	**7,558**	4,511
Interim dividend for the year ended 31 December 2014 of 2.00p per share (2013: 1.50p)	**3,368**	2,528
Total amounts recognised as distributions to owners in the year	**10,926**	7,039
Amounts not recognised in the financial statements:		
Final dividend proposed for the year 31 December 2014 of 6.00p per share (2013: 4.50p)	**10,070**	7,546

The proposed final dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in the financial statements for the year ended 31 December 2014.

13. Adjustments to cash flows from operating activities

The following non-cash and financing adjustments have been made to profit before taxation to arrive at operating cash flow:

	Note	**2014 £'000**	2013 £'000
Net finance costs	5	**7,033**	3,517
Depreciation	9	**7,676**	6,337
Amortisation of acquired intangible assets	8.3	**17,814**	16,605
Amortisation of other intangible assets	8.3	**337**	-
Impairment of acquired intangible assets	8.3	**359**	529
Impairment of other intangible assets	8.3	**27**	-
Impairment of acquired goodwill	8.2	**3,411**	-
Disposal of property, plant and equipment		**(190)**	42
Non-cash adjustments		**3,888**	1,091
Share-based payments		**852**	681
		41,207	28,802