LUPUS CAPITAL PLC

("Lupus" or "the Group" or "the Company")

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

Lupus Capital plc, a leading international supplier of innovative building products solutions and the world's number one manufacturer of marine breakaway couplings, announces preliminary results for the year ended 31 December 2009.

Year ended 31 December	**2009**	2008
Group Sales	**£241.6m**	£266.6m
Operating profit*	**£25.6m**	£36.6m
Gross profit margin	**33.3%**	34.1%
Profit before tax*	**£15.7m**	£27.7m
Earnings per share*	**9.39p**	14.83p
Net debt	**£111.0m**	£145.3m

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

- Successful refinancing of the Group's debt facilities to 30 June 2012
- Limited fall in gross margins despite decline in constant currency sales of 17.6 per cent.
- Net debt decreased by 23.6 per cent. to £111.0 million
- Strengthened Board with appointment of new Chairman, Chief Executive Officer and Non-Executive Directors
- Group well positioned to benefit from any increase in activity levels

Jamie Pike, Non-Executive Chairman, commented:

"2009 was a difficult year for the business. While revenues reduced sharply across the Group's building products business, it was encouraging that the decline in gross margins was significantly less marked, and that Gall Thomson continued to perform robustly.

2010 has started steadily under the new management team and the Group is well positioned to benefit from any increase in activity levels.

We have a strong platform to take Lupus forward and to create value for all shareholders."

25 March 2010

Chairman's and Chief Executive Officer's Statement

2009 was a year of significant change for Lupus. As has been widely reported, in the first half of the year the Group defaulted on its loan repayments. Accordingly, the Group was required to renegotiate its debt facilities.

During the year there were a number of changes to the composition of the Board and, since the year end, the Group has appointed a new Chief Executive Officer, Louis Eperjesi. Louis joined the Board on 22 February 2010 after a successful career at Kingspan Group plc, and has an extensive track record in the building materials and manufacturing sectors.

At the operational level, the residential housing markets for both new build and the repair, maintenance and improvement sector ("RMI") remained depressed throughout the year. Activity levels were lower across our building products businesses in the USA, UK and Rest of the World, continuing the slowdown experienced in the latter half of 2008. Gall Thomson, our oil and gas services business, nonetheless maintained its strong performance.

The businesses of Lupus are strong, profitable and cash generative, and these attributes enabled the Group to limit the decline in gross profit margins, gain market share in certain sectors and record a significant profit (albeit lower than 2008), as well as to repay a material amount of debt. While the outlook for 2010 remains uncertain, the Group's businesses are well positioned within their markets to take advantage of any increase in activity levels.

Results for the year

For the year ended 31 December 2009, compared with the prior year:

SALES

Group sales decreased by £25.0 million (9.4 per cent.) to £241.6 million (2008: £266.6 million). On a constant currency basis, this represents a fall in total sales of 17.6 per cent. compared with 2008.

PROFITS

Underlying earnings before interest, tax, depreciation and amortisation were £32.3 million (2008: £42.9 million).

Net finance costs increased by £2.6 million (25.7 per cent.) to £12.6 million, reflecting the increased amortisation of borrowing costs arising from the renegotiation of the new bank facilities.

Administrative expenses were reduced in aggregate by £1.5 million in the year to £68.5 million (2008: £70.0 million). During the year, the Group took a number of active steps to realign its cost base in markets where demand had fallen and was expected to remain depressed. A £3.5 million saving, representing 5.0 per cent. of 2008 administrative expenses, was achieved through operational cost reductions, offset by exchange rate movements of £3.7 million and movements in depreciation, amortisation and exceptional items.

Total bank interest costs payable in the year fell by £0.6 million to £9.9 million (2008: £10.5 million). In constant currency terms this decrease was £1.8 million, reflecting the reduction in base interest rates, despite the increase in bank margins payable as a result of the refinancing.

Underlying profit before tax reduced by £12.0 million (43.3 per cent.) to £15.7 million (2008: £27.7 million).

Amortisation of acquired intangibles increased by £1.8 million to £11.6 million, reflecting the impact of exchange rate movements on the intangible assets associated with our US and European business units.

The Group reported a loss before tax for the year of £0.6 million (2008: profit of £10.8 million).

MARGINS

In response to the sharp decline in volume, the Group exerted a tight grip on staffing levels and succeeded in converting some fixed overheads into variable overheads, thereby mitigating the effect on gross profit margins which fell slightly to 33.3 per cent. (2008: 34.1 per cent.). Underlying operating profit margins for the Group declined from 13.7 per cent. to 10.6 per cent. during the year, reflecting the weaker trading conditions experienced across all of our businesses.

EXCEPTIONAL COSTS

Exceptional costs of £2.1 million were incurred during the period, the majority of which (£1.2 million) related to bank and professional fees incurred as part of the bank refinancing. Also included are the costs relating to the General Meeting held on 31 October 2009.

TAXATION

The tax credit of £1.1 million (2008: tax charge £4.3 million) on the loss before taxation has been augmented by £0.9 million of credit adjustments relating to prior years.

EARNINGS AND DIVIDENDS

Underlying earnings per share decreased by 36.7 per cent. to 9.39p (2008: 14.83p). Basic earnings per share decreased by 4.69p to 0.32p (2008: 5.01p).

No dividend will be paid with regard to the year 2009. As part of the refinancing, the Group has been required to undertake that dividends will not be paid until the Group and subsidiary net debt ratios have reduced.

The Board is committed to the resumption of dividend payments, once permitted by the Group's banking arrangements, and when it believes it is prudent to do so, taking into account the Group's earnings, cash flow and balance sheet position.

Financial Position

During 2009, a number of operational measures were implemented to reduce working capital, improve cash generation and reduce net debt.

CASHFLOW

The Group generated operating cash flow of £36.5 million (2008: £30.9 million) and reduced net working capital by £10.7 million. Operating cash conversion was 142 per cent., compared with 84 per cent. in 2008.

NET DEBT POSITION

In 2009, the Group generated strong free cash and was able to repay just under £23.0 million of debt, with net debt falling by £34.3 million. £14.7 million of the reduction in gross debt related to movements in exchange rates. At 31 December 2009 the Group's net debt was £111.0 million (2008: £145.3 million) with cash balances of £25.0 million (2008: £32.4 million).

DEFINED BENEFIT PENSION AND POST RETIREMENT BENEFIT SCHEMES

The Group's principal defined benefit ("DB") pension scheme and post retirement healthcare benefit scheme is operated in the US. The pension scheme is closed to new entrants and post retirement healthcare benefit contributions are capped.

At 31 December 2009, the defined benefit obligation for all Group DB pension and post retirement healthcare benefit schemes was £17.4 million (2008: £15.8 million) and the schemes had plan assets of £9.9 million (2008: £8.5 million).

The Group's net deficit on the schemes was £7.5 million (2008: £7.3 million).

New Debt Facility

The Group successfully concluded the renegotiation of its banking facilities on 30 June 2009. The new facilities provide the Group with sufficient flexibility to manage and invest in its operations as required. The amendments included:

- Roll-over of the existing US$230.0 million LSS facilities and £25.0 million Schlegel facilities, including the reduction of the revolving credit facilities to US$14.0 million and £5.0 million respectively;
- Extension of the term of the Schlegel facilities by one year until mid 2012 to match the final maturity date of the LSS facilities;
- Significant reduction in the fixed repayment profile, with a focus on debt amortisation serviced from free available cash flow of LSS, Schlegel and Gall Thomson and full repayment at maturity, with no penalties attached to voluntary pre-payment of facilities;
- Changes to the debt and interest cover financial covenants, the inclusion of a cash flow cover covenant and removal of all other financial covenants. The new debt and interest covenants have been set at levels that are robust against various scenarios, including allowance for the possibility of a significant further reduction in activity levels;

- Increased, although not disproportionate, interest margins to reflect prevailing banking conditions at the time of negotiations. Interest margins will step down as the Group's net debt: underlying EBITDA ratio falls;
- Provision of security over the majority of the LSS and Schlegel assets, including a share pledge over Gall Thomson by Lupus; and
- Undertakings from the Group not to pay dividends until the net debt ratio has been reduced at both Group and subsidiary levels.

Fees and expenses incurred in connection with the new debt facilities were £7.4 million. Of this, £6.2 million was capitalised and will be written off over the life of the facilities. The balance of £1.2 million was expensed during the year as an exceptional cost.

In December 2009, US$66 million of debt was redenominated into Sterling, thereby aligning the Group's debt profile more closely with its earnings flows, and in February 2010 the Group entered into a number of interest rate swap transactions to lock-in the current low levels of market rates, providing increased certainty over the Group's future interest costs. Further details on both of these transactions will be contained in the Report and Accounts.

The revised banking covenants are more suited to the prevailing macroeconomic environment. At 31 December 2009, the Group had headroom on its banking covenants ranging from 38 per cent. to 69 per cent. and the Board remains confident that the Group will continue to operate within its banking covenants.

Group 2009 Operational Performance

During the year, the Group's management teams kept close control over staffing levels and costs in general to great effect and succeeded in converting a number of historically fixed costs to variable costs. This improvement in the operational gearing of the businesses will stand the Group in good stead in the early stages of the recovery cycle.

Group headcount was reduced from 2,272 at 31 December 2008 to 2,003 at the year end and, since 2007, Group headcount has been reduced overall by 28 per cent.. Across all the businesses, including those situated in mainland Europe, measures have been successfully put in place to flex the retained workforce in line with sales demand.

As demand has softened, management has responded quickly to the need to reduce working capital, the benefits of which are evident in the Group's operating cash conversion. Concern over customer defaults, and the continued restrictions on the availability of credit insurance, has meant that management of receivables has remained a high priority and as a consequence the Group experienced few bad debts.

Factory rationalisation has continued with a number of closures and consolidations around the world. This included the conversion of the Chinese manufacturing operation to a sourcing operation, the relocation of the Chicago plant to Statesville, the merger of the ERA Products and LSH businesses to create ERA Security Hardware and significantly increased production levels at the Group's facility in Mexico.

BUILDING PRODUCTS

The Building Products division comprises the Group's residential security solutions businesses and door and window seals operations. The division's businesses are market leaders and operate across North America, the UK, Europe and Asia.

Residential markets, our major sector of interest, were weak throughout the year. Consequently, the division recorded sales of £229.0 million (2008: £254.3 million) with underlying operating profit of £19.7 million (2008: £30.7 million).

US BUILDING PRODUCTS

The North American economy remained weak with housing starts at record lows and reduced RMI activity. Consumer demand was dampened by the debt crises and increasing unemployment, although partially offset by certain short term Government stimulus measures. Demand in the US began to stabilise in the final quarter of the year.

In the US sales decreased by 3.8 per cent. to £105.7 million (2008: £109.9 million). However, in constant currency terms the fall was significantly more marked at 18.4 per cent. Reported underlying operating profit was £10.8 million (2008: £15.8 million), which represented a decline of 42.7 per cent. in constant currency terms.

UK BUILDING PRODUCTS

The UK market, which is predominately RMI, remained poor and showed little sign of sustained recovery. Sales fell by 14.2 per cent. to £79.7 million (2008: £92.9 million) and underlying operating profit was £6.3 million (2008: £10.9 million), which represented a decline of 42.2 per cent..

ROW BUILDING PRODUCTS

In our European markets demand for our products was muted, particularly in Southern Europe, although order intake did improve in the latter months of the year. Our Australasian business performed robustly in the year. Sales in the year were £43.6 million (2008: £51.5 million), a fall in constant currency terms of 25.4 per cent. and underlying operating profit was £2.6 million (2008: £4.0 million), which represented a decline of 43.0 per cent. in constant currency terms.

GALL THOMSON

Gall Thomson Environmental, is the world's leading supplier of marine breakaway couplings and, through its KLAW subsidiary, is a supplier of industrial couplings including quick release and breakaway couplings. Primarily serving the oil and gas services sector, the division performed strongly and has delivered another solid sales and profit performance.

In 2009 sales increased to £12.6 million (2008: £12.3 million), and underlying operating profit was £5.9 million (2008: £5.9 million). The small decrease in overall margins reflects a change in mix and some incremental investment in overhead to drive future growth.

Board

There were a number of changes to the Board during the year. The Board currently comprises three executive directors, Louis Eperjesi (Chief Executive Officer), Paul Felton-Smith (Interim Chief Financial Officer) and Denis Mulhall (Chief Operating Officer). There are three independent non-executive directors, Jamie Pike (Chairman), Les Tench and Martin Towers.

Denis Mulhall will retire as a director on 31 March 2010 and Paul Felton-Smith is expected to step down from the Board prior to the Annual General Meeting.

Louis Eperjesi, Jamie Pike, Martin Towers and Les Tench will submit themselves for re-election by the shareholders at this year's Annual General Meeting. The new Board has an excellent balance of industrial, financial and investor knowledge and looks forward to working on behalf of all shareholders to create shareholder value.

Strategy

The Board believes that there are a number of strong long term drivers for Lupus to achieve growth, including an increased need for residential housing due to shifts in population and demographic changes. Increased regulation and focus on environmental efficiency means that a number of the Group's products that provide significant environmental benefits to end users should see increased demand over time. In addition, new geographic markets for the Group's products continue to evolve, most notably in Eastern Europe and Australasia.

Gall Thomson and KLAW will look to build on their excellent reputations for offering critical environmental solutions, and their high quality product offerings in the marine and industrial sectors. Breakaway couplings have a range of potential applications, including the fast developing fields of cryogenics and LPG transfer, which offer further opportunities for growth.

In the short term, the Group will remain focussed on the continued reduction in overall debt levels through growing sales and improving the profitability of our existing businesses. We will seek to achieve this through organic growth generated by initiatives such as the introduction of new products, winning greater market share through improved customer service, and cross selling the Group's product offering to a greater number of customers, as well as our ongoing cost reduction programmes.

In time, we expect this to facilitate the Group's return to the dividend list and the possibility of targeted acquisitions.

Outlook

2010 has started steadily with sales and orders across each of our Building Products businesses outperforming the significantly depressed prior year levels. However, the seasonal nature of our building products businesses means that the first quarter of the financial year offers little visibility of future trading trends.

Gall Thomson has seen an encouraging start to the year with a steady inflow of orders.

The Board continues to monitor developments across each of the Group's businesses very closely and local management will continue their focus on controlling costs in line with demand. While the outlook for 2010 remains uncertain, the Group's businesses are well positioned within their markets to take advantage of any increase in activity levels.

We have a strong platform to take Lupus forward and to create value for all shareholders.

Jamie Pike	**Louis Eperjesi**
Non-Executive Chairman	**Chief Executive Officer**

25 March 2010

Definitions

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

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

Exchange Rates

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

Closing Rates:	2009	2008
US Dollars	1.5928	1.4479
Euros	1.1113	1.0272
Average Rates		
US Dollars	1.5659	1.8552
Euros	1.1230	1.2597

Consolidated income statement
for the year ended 31 December 2009

	Note	**2009**	2008
		£'000	£'000
Revenue	2	**241,621**	266,559
Cost of sales		**(161,104)**	(175,666)
Gross profit		**80,517**	90,893
Administrative expenses		**(68,527)**	(70,046)
Operating profit		**11,990**	20,847
Analysed as:			
Operating profit before exceptional items and amortisation of intangible assets		**25,598**	36,619
Exceptional items	3	**(2,055)**	(5,987)
Amortisation of intangible assets		**(11,553)**	(9,785)
Operating profit		**11,990**	20,847
Finance income	5	**450**	1,687
Finance costs	5	**(13,089)**	(11,743)
Net finance costs		**(12,639)**	(10,056)
(Loss)/profit before taxation		**(649)**	10,791
Income tax credit/(expense)	6	**1,062**	(4,275)
Profit for the year from continuing operations		**413**	6,516
Earnings per share			
- Basic EPS from continuing operations	7	**0.32p**	5.01p
- Diluted EPS from continuing operations	7	**0.32p**	4.92p

All results relate to continuing operations.

	Note	**2009**	2008
		£'000	£'000
Non GAAP measure			
Underlying[1] profit before taxation		**15,718**	27,685
Earnings per share			
- Underlying[1] basic EPS from continuing operations	7	**9.39p**	14.83p
- Underlying[1] diluted EPS from continuing operations	7	**9.39p**	14.57p

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

Consolidated statement of comprehensive income
for the year ended 31 December 2009

	2009 £'000	2008 £'000
Profit for the period	**413**	6,516
Actuarial losses on defined benefit plans	**(1,403)**	(5,559)
Exchange differences on retranslation of foreign operations	**(11,892)**	42,620
Effective portion of changes in value of cash flow hedges	**1,449**	(2,392)
Tax on items recognised directly in equity	**477**	1,890
Income and expense recognised directly in equity	**(11,369)**	36,559
Total comprehensive (expense)/ income - attributable to equity shareholders of the Company	**(10,956)**	43,075

Consolidated statement of changes in equity
for the year ended 31 December 2009

	Share capital £'000	Share Premium £'000	Other reserves £'000	Treasury reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2008	6,861	45	10,389	(1,075)	(1,546)	(1,801)	194,259	207,132
Dividends paid	-	-	-	-	-	-	(7,232)	(7,232)
Share based payments	-	-	-	-	-	-	55	55
Shares issued net of costs	3	56	-	-	-	-	-	59
Share buyback	-	-	-	(5,689)	-	-	-	(5,689)
Transactions with owners	3	56	-	(5,689)	-	-	(7,177)	(12,807)
Total comprehensive income for the period	-	-	-	-	(2,392)	42,620	2,847	43,075
At 31 December 2008	**6,864**	**101**	**10,389**	**(6,764)**	**(3,938)**	**40,819**	**189,929**	**237,400**
Share based payments	**-**	**-**	**-**	**-**	**-**	**-**	**23**	**23**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**23**	**23**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**1,449**	**(11,892)**	**(513)**	**(10,956)**
At 31 December 2009	**6,864**	**101**	**10,389**	**(6,764)**	**(2,489)**	**28,927**	**189,439**	**226,467**

Consolidated balance sheet
As at 31 December 2009

	Note	2009 £'000	2008 £'000
ASSETS			
Non-current assets			
Intangible assets		**333,998**	369,260
Property, plant and equipment		**34,296**	41,663
Deferred tax	6	**7,792**	8,297
		376,086	419,220
Current assets			
Current tax receivable		**395**	-
Inventories		**26,036**	36,857
Trade and other receivables		**29,850**	34,720
Cash and cash equivalents		**24,955**	32,407
		81,236	103,984
TOTAL ASSETS		**457,322**	523,204
LIABILITIES			
Current liabilities			
Current tax payable		**-**	(6,321)
Trade and other payables		**(36,815)**	(39,148)
Provisions		**(3,353)**	-
Finance lease obligations		**(8)**	(231)
Derivative financial instruments		**(2,534)**	-
Interest bearing loans and borrowings		**(3,063)**	(27,857)
		(45,773)	(73,557)
Non-current liabilities			
Finance lease obligations		**(10)**	(54)
Deferred tax	6	**(26,091)**	(30,386)
Interest bearing loans and borrowings		**(132,887)**	(149,586)
Employee benefit liability		**(7,650)**	(7,598)
Provisions		**(17,662)**	(20,441)
Derivative financial instruments		**-**	(3,938)
Other creditors		**(782)**	(244)
		(185,082)	(212,247)
TOTAL LIABILITIES		**(230,855)**	(285,804)
NET ASSETS		**226,467**	237,400
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Called up share capital		**6,864**	6,864
Share premium		**101**	101
Other reserves		**10,389**	10,389
Treasury reserve		**(6,764)**	(6,764)
Hedging reserve		**(2,489)**	(3,938)
Translation reserve		**28,927**	40,819
Retained earnings		**189,439**	189,929
TOTAL EQUITY		**226,467**	237,400

The financial statements were approved by the Board on 25 March 2010 and signed on its behalf by:

Jamie Pike
Chairman

Louis Eperjesi
Chief Executive Officer

Group cash flow statement
For the year ended 31 December 2009

	Note	**Year ended 31 December 2009 £'000**	Year ended 31 December 2008 £'000
Cash flows from operating activities			
(Loss)/profit before tax		**(649)**	10,791
Adjustments	8	**32,839**	31,271
Movement in inventories		**9,752**	4,013
Movement in trade and other receivables		**3,840**	5,891
Movement in trade and other payables		**(2,878)**	(13,236)
Provisions utilised		**(2,981)**	(3,306)
Pension contributions		**(1,317)**	(1,200)
Income tax paid		**(2,155)**	(3,351)
Net cash inflow from operating activities		**36,451**	30,873
Investing activities			
Payments to acquire property, plant and equipment		**(2,144)**	(4,484)
Payments to acquire intangible assets		**(91)**	-
Deferred consideration on previous acquisition		**-**	(12,500)
Interest received		**450**	1,708
Net cash outflow from investing activities		**(1,785)**	(15,276)
Financing activities			
Proceeds from shares issue, net of costs		**-**	59
Own share purchased		**-**	(5,689)
Equity dividends paid		**-**	(7,232)
New borrowings		**-**	5,390
Interest paid		**(10,981)**	(9,849)
Refinancing costs paid		**(7,405)**	-
Repayment of short term borrowings		**(22,780)**	(17,937)
Repayment of capital element of finance leases		**(242)**	(117)
Net cash outflow from financing activities		**(41,408)**	(35,375)
Decrease in cash and cash equivalents		**(6,742)**	(19,778)
Effect of exchange rates on cash and cash equivalents		**(710)**	5,216
Cash and cash equivalents at the beginning of the year		**32,407**	46,969
Cash and cash equivalents at the year end		**24,955**	32,407

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial information, which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, consolidated balance sheet, consolidated cash flow statement and related notes, is derived from the full Group financial statements for the year ended 31 December 2009, which have been prepared under International Financial Reporting Standards as adopted by the European Union (IFRS) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. It does not constitute full accounts within the meaning of section 434 of the Companies Act 2006. This financial information has been agreed with the auditors for release.

The Group Annual Report and Accounts for the year ended 31 December 2009 on which the auditors have given an unqualified report and which does not contain a statement under section 498 of the Companies Act 2006, will be delivered to the Registrar of Companies in due course, and made available to shareholders 20 working days prior to the Annual General Meeting.

The accounting policies used in completing this financial information have been consistently applied in all periods shown. These accounting policies are detailed in the Group's financial statements for the year ended 31 December 2008 which can be found on the Group's website.

In the current year, the group has adopted IFRS 1 (revised) ‘Presentation of Financial Statements’, IFRS 7 ‘Financial Instruments: Disclosures’ and IFRS 8 ‘Operating segments’. IFRS 1 (revised) brings new disclosure requirements regarding owner and non-owner changes in equity which are now required to be shown separately. These financial statements have prepared under the revised disclosure requirements, which requires the presentation of a comparative balance sheet at the start of the comparative period. Management consider this is unnecessary since the 2007 balance sheet is the same as that previously published. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the board. IFRS 7 requires enhanced disclosures about fair value measurement and liquidity risk.

The forthcoming standards may affect the preparation of the Group’s financial statements in the future:
IFRIC 16: Hedges;
IFRS 3: Business combinations;
IAS 23: Borrowing costs; and
IAS 39: Financial instruments.

These standards are effective but the Group has not adopted them early.

2. Segment analysis

Year ended 31 December 2009	United Kingdom	Europe	Americas	Rest of the world	**Building products** Total	**Oil services** United Kingdom	**Total**
	£'000	£'000	£'000	£'000	**£'000**	**£'000**	**£'000**
Revenue							
Revenue from continuing operations	**79,718**	**30,148**	**105,666**	**13,499**	**229,031**	**12,590**	**241,621**
Operating profit before exceptional items and amortisation of intangible assets	**6,276**	**1,944**	**10,836**	**642**	**19,698**	**5,900**	**25,598**
Other segment information							
Segment Assets	**105,451**	**47,604**	**268,622**	**14,984**	**436,661**	**20,550**	**457,211**
Unallocated assets							**111**
							457,322
Segment liabilities	**(32,944)**	**(3,510)**	**(43,348)**	**(3,975)**	**(83,777)**	**(2,150)**	**(85,927)**
Unallocated segment liabilities					**(140,975)**		**(140,975)**
Unallocated group liabilities					**-**		**(3,953)**
					(224,752)		**(230,855)**
Non-current assets	**74,391**	**39,033**	**241,087**	**9,848**	**364,359**	**11,727**	**376,086**
Capital expenditure:							
- property, plant and equipment	**906**	**110**	**1,054**	**48**	**2,118**	**26**	**2,144**
- intangible assets	**-**	**-**	**86**	**5**	**91**	**-**	**91**
Cost of goods sold					**157,384**	**3,720**	**161,104**
Depreciation					**6,671**	**70**	**6,741**
Amortisation					**11,553**	**-**	**11,553**
Employee benefit liabilities					**7,650**	**-**	**7,650**
Goodwill allocation					**208,429**	**11,421**	**219,850**
Intangible asset allocation					**114,148**	**-**	**114,148**
Exceptional items (note 3)					**335**	**-**	**335**
Exceptional items - unallocated (note 3)							**1,720**

					Building products	Oil services	Total
Year ended 31 December 2008	United Kingdom	Europe	Americas	Rest of the world	**Total**	United Kingdom	
	£'000	£'000	£'000	£'000	**£'000**	**£'000**	**£'000**
Revenue							
Revenue from continuing operations	**92,895**	**35,070**	**109,872**	**16,436**	**254,273**	**12,286**	**266,559**
Operating profit before exceptional items and amortisation of intangible assets	**10,961**	**3,663**	**15,760**	**357**	**30,741**	**5,878**	**36,619**
Other segment information							
Segment Assets	**115,899**	**58,051**	**311,074**	**14,657**	**499,681**	**20,723**	**520,404**
Unallocated assets							**2,800**
							523,204
Segment liabilities	**(29,894)**	**(5,033)**	**(50,054)**	**(4,247)**	**(89,228)**	**(1,962)**	**(91,190)**
Unallocated segment liabilities					**(185,211)**		**(185,211)**
Unallocated group liabilities					**-**		**(9,403)**
					(274,439)		**(285,804)**
Non-current assets	**77,513**	**45,573**	**275,363**	**9,021**	**407,470**	**11,750**	**419,220**
Capital expenditure:							
- property, plant and equipment	**1,888**	**233**	**2,107**	**232**	**4,460**	**24**	**4,484**
- intangible assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Cost of goods sold					**171,965**	**3,701**	**175,666**
Depreciation					**6,184**	**67**	**6,251**
Amortisation					**9,785**	**-**	**9,785**
Employee benefit liabilities					**7,598**	**-**	**7,598**
Goodwill allocation					**222,664**	**11,421**	**234,085**
Intangible asset allocation					**135,175**	**-**	**135,175**
Exceptional items (note 3)					**5,987**	**-**	**5,987**

3. Exceptional items

	2009	2008
	£'000	£'000
Redundancy and restructuring costs	**695**	3,243
Impairment charges associated with restructuring	**-**	2,744
Costs associated with negotiating new debt facilities	**1,232**	-
Other corporate costs including EGM costs	**708**	-
Other	**(580)**	-
	2,055	5,987

Other exceptional costs mainly relate to the release of unused provisional amounts set up on the acquisition of Schlegel.

4. Employees

Number of employees
The average monthly number of employees (including directors) of the Group during the financial year was:

	2009 **Number**	2008 Number
Administration	**236**	358
Sales	**170**	198
Operations	**1,635**	1,946
	2,041	2,502

The number of employees (including directors) of the Group as at 31 December 2009 was:

	2009 **Number**	2008 Number
Administration	**227**	337
Sales	**167**	189
Operations	**1,609**	1,746
	2,003	2,272

Employment costs
Employment costs of these employees during the year were as follows:

	2009 **£'000**	2008 £'000
Wages and salaries	**49,880**	50,900
Social Security costs	**5,466**	5,675
Pension costs - defined contribution schemes	**820**	1,057
Pension costs - defined benefit schemes	**798**	464
Share based payments	**23**	55
	56,987	58,151

5. Finance revenue and costs

	2009 **£'000**	2008 £'000
Finance income		
Bank interest receivable	**450**	1,687
Finance costs		
Interest payable on bank loans and overdraft	**(7,905)**	(9,464)
Fair value losses on financial instruments		
- interest rate swap - cash flow hedge, transfer from equity	**(1,996)**	(1,039)
Bank finance costs payable	**(9,901)**	(10,503)
Ineffective portion of changes in value of cash flow hedges	**(45)**	(54)
Finance charges payable under finance lease and hire purchase contracts	**(29)**	(30)
Amortisation of borrowing costs	**(2,126)**	(364)
Unwinding of discount on provisions	**(634)**	(758)
Pension scheme and other finance costs	**(354)**	(34)
	(13,089)	(11,743)
Net finance costs	**(12,639)**	(10,056)

6. Taxation

(a) Tax on profit on ordinary activities

Income tax in the income statement

	2009	2008
	£'000	£'000
Current income tax:		
UK Corporation tax	**798**	4,626
Foreign tax	**905**	1,876
Current income tax charge	**1,703**	6,502
Adjustments in respect of prior periods	**(766)**	(34)
Total current income tax	**937**	6,468
Deferred tax:		
Origination and reversal of temporary differences	**(1,911)**	(2,193)
Adjustments in respect of prior periods	**(88)**	-
Total deferred tax	**(1,999)**	(2,193)
Income tax (credit)/expense in the income statement	**(1,062)**	4,275

Tax relating to items charged or credited directly to equity

Deferred tax:		
Actuarial gains and losses on pension schemes	**(477)**	(1,890)
Income tax expense in the statement of comprehensive income	**(477)**	(1,890)

(b) Reconciliation of the total tax charge

The tax assessed for the year differs from the standard rate of tax in the UK of 28% (2008: 28.5%). The differences are explained below:

	2009	2008
	£'000	£'000
(Loss)/profit from continuing operations before taxation	**(649)**	10,791
Rate of corporation tax in the UK of 28% (2008: 28.5%)	**(182)**	3,075
Effects of:		
Expenses not deductible/(income not taxable) for tax purposes	**(158)**	718
Overseas tax rate differences	**182**	393
Other movements	**(50)**	119
Adjustment in respect of prior periods	**(854)**	(30)
Income tax (credit)/expense in the income statement	**(1,062)**	4,275

(c) Deferred tax

Deferred income tax at 31 December relates to the following:

	Group balance sheet		Group income statement	
	2009	2008	**2009**	2008
	£'000	£'000	**£'000**	£'000
Deferred tax liability				
Intangible assets on acquisition	**(24,527)**	(29,647)	**(3,230)**	(1,902)
Other	**(1,564)**	(739)	**795**	(276)
	(26,091)	(30,386)	**(2,435)**	(2,178)
Deferred tax assets				
Post-employment benefits	**1,640**	1,791	**-**	-
Purchased goodwill	**4,761**	5,467	**592**	94
Other	**1,391**	1,039	**(156)**	(109)
	7,792	8,297	**436**	(15)
Deferred income tax (income)			**(1,999)**	(2,193)
Deferred tax liabilities net	**(18,299)**	(22,089)		
Reflected in the balance sheet as follows				
Deferred tax assets	**7,792**	8,297		
Deferred tax liabilities	**(26,091)**	(30,386)		
Deferred tax liabilities net	**(18,299)**	(22,089)		

(d) Factors that may affect future tax charges:

There are estimated tax losses of £7,348,000 (2008: £7,939,000) within the Group, comprising capital losses of £7,348,000. As the future use of these losses is uncertain, in accordance with the Group's accounting policy no deferred tax asset has been recognised in respect of them.

The amounts of deferred tax not recognised are as follows:

	2009	2008
	£'000	£'000
Tax losses	**(1,666)**	(165)
Capital losses	**(2,057)**	(2,057)
	(3,723)	(2,222)

7. Earnings per share

Basic earnings per share 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 equity holders 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 dilutive potential ordinary shares into ordinary shares.

	2009 '000	2008 '000
Weighted average number of shares (including treasury shares)	**137,287**	137,284
Treasury shares	**(7,447)**	(7,311)
Weighted average number of shares - basic	**129,840**	129,973
Effect of dilutive potential ordinary shares - options	**-**	2,348
Weighted average number of shares - diluted	**129,840**	132,321

The effect of dilutive potential ordinary shares above is nil in 2009 due to the average market value of the shares being less than the option price.

Earnings per share from continuing operations before exceptional items

The Group presents as exceptional items on the face of the income statement, those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

To this end, basic and diluted underlying Earnings per Share information is presented as an additional measure and using the weighted average number of ordinary shares for both basic and diluted amounts as per the table above. Underlying earnings are derived as follows:

	2009 £'000	2008 £'000
Profit for the year from continuing operations	**413**	6,516
Exceptional costs	**2,055**	5,987
Amortisation of intangible assets, unwinding discount on provisions and amortisation of borrowing costs	**14,311**	10,907
Tax effect on exceptional costs and amortisation of intangible assets	**(4,581)**	(4,137)
Underlying profit after tax	**12,198**	19,273
Underlying basic earnings per share	**9.39p**	14.83p
Underlying diluted earnings per share	**9.39p**	14.57p

8. Adjustments to cash flows from operating activities

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

	2009 £'000	2008 £'000
Net finance costs	**12,642**	10,056
Depreciation	**6,741**	6,251
Amortisation	**11,553**	9,785
Intangible and Fixed assets written off	**479**	1,237
Non cash adjustments	**1,401**	3,887
Share based payments	**23**	55
	32,839	31,271

9. Post Balance Sheet Events

On 10 February 2010, the Group entered into new interest swap agreements with the economic effect of fixing the USD denominated debt related to the LSS acquisition in excess of the existing swap agreement at an interest rate of 1.85% per annum. The GBP denominated debt related to the LSS acquisition was fixed at an interest rate of 2.045%. All the swap agreements cover the period from 30 March 2010 to 02 July 2012.