LUPUS CAPITAL

23 March 2011

LUPUS CAPITAL PLC

(“Lupus” or “the Group” or “the Company”)

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2010

Lupus Capital plc, a leading international supplier of building products to the door and window industry and the world's number one manufacturer of marine breakaway couplings, announces preliminary results for the year ended 31 December 2010.

£’million except where stated	**YE 2010**	YE 2009	**Change**	Constant currency like for like
Group Sales	**266.2**	241.6	**+10%**	+12%
Gross profit margin	***34.9 %***	*33.3 %*		
Underlying Operating Profit	**33.7**	25.6	**+32%**	+30%
Underlying Operating Margin	***12.6%***	*10.6%*		
Underlying Profit before taxation	**24.5**	15.7	**+56%**	+52%
Underlying Earnings per share	**13.06p**	9.39p	**+39%**	
Dividend per Share	**2.0p**	Nil	**n/a**	
Underlying Net debt	**94.7**	116.2	**-19%**	-20%

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

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

- Healthy growth in sales and operating profit despite flat building products markets
- Sustained improvements in gross and net margins
- Underlying Earnings Per Share increased by 39 per cent. to 13.06 pence
- Operating Cash Conversion in year of 105 per cent.
- Underlying Net Debt reduced to £94.7 million
- Resumption of Dividend Payments

Jamie Pike, Non-Executive Chairman, commented:

“2010 was an encouraging year for Lupus despite the building products markets in the US, UK and Europe continuing to show little growth. Our strategy of self help has enabled the Group to gain market share and make further progress in what remains a highly competitive environment. Gall Thomson, our Oil and Gas Services business, enjoyed another year of excellent performance.

“2011 is not expected to deliver material improvement in conditions in building products markets and significant input cost pressures are expected to continue for the foreseeable future. However our strong market positions, combined with balance sheet strength, quality of product and service offering and focus on market share growth through self help initiatives

means that the Group is well positioned to maintain margins and take advantage of any sustained increase in activity levels.

"Gall Thomson continues to see increasing demand for its MBC and industrial coupling products and has a very strong order book coming into 2011.

"During the first half of 2010 we appointed a new executive team, completing the Board restructuring that began in 2009. A solid business performance in 2010 demonstrates that the platform has been established to take the Group forward. Accordingly, the Board is pleased to announce the resumption of dividend payments."

23 March 2011

Enquiries:

Lupus Capital plc Today: 020 7457 2020 (thereafter: 0207 976 8000)

Jamie Pike
Louis Eperjesi
James Brotherton

Collins Stewart Europe Limited 020 7523 8350

Mark Dickenson
Tom Hulme

College Hill 020 7457 2020

Mark Garraway
Mike Davies
Helen Tarbet

CHAIRMAN'S STATEMENT

OVERVIEW

2010 was an encouraging year for Lupus despite the building products markets in the US, UK and Europe continuing to show little growth. Our strategy of self help involving focused customer service, tight cost control, supply chain efficiencies and management of working capital has enabled the Group to gain market share and make further progress in what remains a highly competitive environment. Gall Thomson, our Oil and Gas Services business, enjoyed another year of excellent performance.

During the year the Group appointed a new executive team in Louis Eperjesi and James Brotherton, completing the Board restructuring that began in 2009.

The Board is pleased that the Group is now in a position to resume dividend payments to shareholders reflecting the improved operational performance of the Group, underpinned by consistent cash conversion.

2011 is not expected to deliver material improvement in conditions in building products markets and significant input cost pressures are expected to continue for the foreseeable future. However our strong market positions combined with our balance sheet strength, quality of product and service offering and focus on market share growth through self help initiatives means that the Group is well positioned to maintain margins and take advantage of any sustained increase in activity levels.

FINANCIAL PERFORMANCE IN THE PERIOD

For the year ended 31 December 2010, compared with the prior year:

SALES

Total sales of £266.2 million increased by 10.2 per cent. from prior year (2009: £241.6 million). In constant currency terms on a like for like basis, total sales increased in the year by 12.4 per cent..

MARGINS

Despite challenging trading conditions and increasing raw material costs, the Group's gross profit margin increased to 34.9 per cent. from 33.3 per cent. in 2009. The Underlying operating margin for the Group increased from 10.6 per cent. in 2009 to 12.6 per cent. in 2010.

The Group continued to flex its cost base in line with demand such that the Dropthrough Margin on incremental sales in the year was 32.8 per cent..

PROFITS

Underlying earnings before interest, tax, depreciation and amortisation were £40.2 million (2009: £32.3 million).

Underlying operating profit increased by 31.6 per cent. to £33.7 million (2009: £25.6 million). On a constant currency basis this represents an increase of 30.4 per cent. over the prior year.

Underlying administrative expenses increased by £4.2 million or 7.7 per cent. to £59.1 million (2009: £54.9 million). Administration costs included higher freight, commission and management incentive costs associated with the increased levels of activity and higher legal costs associated with defence of intellectual property rights.

Net finance costs decreased by £0.6 million to £12.0 million (2009: £12.6 million), reflecting reduced debt levels. The 2009 interest rate benefited from the lower margins payable on the Group's facilities prior to the refinancing in July 2009. Net cash interest paid of £9.3 million (2009: £10.5 million) was 12 per cent. lower than that paid in 2009.

Fair value losses on financial instruments increased by £0.9 million in 2010 due to out-of-the-money interest rate hedges taken out in 2007 that did not expire until 30 September 2010. During the year the Group entered into a number of interest rate swap transactions which had the economic effect of fixing the Group's cost of funds, before the applicable margin, at between 1.85 and 2.045 per cent. until July 2012.

Underlying profit before taxation was 56.1 per cent. higher at £24.5 million (2009: £15.7 million).

EARNINGS PER SHARE

Underlying earnings per share increased by 3.67 pence or 39.1 per cent. to 13.06 pence (2009: 9.39 pence). Basic earnings per share increased from 0.32 pence in 2009 to 5.43 pence.

EXCEPTIONAL COSTS

Exceptional costs of £0.4 million (2009: £2.1 million) were incurred during the period, principally in connection with the outsourcing of further activity from the UK to China and the General Meeting held in February 2010.

TAXATION

The tax charge increased to £2.5 million in 2010 (2009: tax credit £1.1 million). Excluding the effect of the change in tax rates on deferred tax assets and the adjustments in respect of prior periods, the Underlying tax rate on the Underlying profit before taxation was 32 per cent. (2009: 28 per cent.). The Underlying tax rate increased during 2010 due to the geographic mix of profit growth.

The Underlying cash tax rate in the year was 9 per cent. (2009: 14 per cent.) and is lower than the Underlying tax rate due to historic losses. The Underlying cash tax rate is expected to trend towards the Underlying tax rate over the coming years.

FINANCIAL POSITION

During the year the Group continued to focus on the tight management of working capital, operational cash generation and the reduction of net debt.

CASH FLOW

Despite the 10.2 per cent. increase in sales, in 2010 the Group generated £1.7 million cash from net working capital reductions (2009: £10.7 million). These reductions, combined with the increased operating profit generated by the Group, meant that the net cash inflow from operating activities of £36.3 million remained broadly in line with prior year (2009: £36.5 million).

Operating Cash Conversion, being the proportion of Underlying operating profit converted into cash, exceeded 100 per cent. at 105 per cent. in 2010 (2009: 142 per cent.).

Capital expenditure increased by 57 per cent. to £3.5 million (2009: £2.2 million).

NET DEBT POSITION

During 2010 the Group repaid £21.1 million of debt, to bring the total debt repayments made since the refinancing in July 2009 to £41.4 million.

At 31 December 2010 the Group's Underlying Net Debt was £94.7 million, which was £21.5 million lower than prior year (2009: £116.2 million), despite adverse exchange rate movements increasing net debt by £2.0 million.

Average Underlying Net Debt during the year was £113.9 million (2009: £135.6 million). Under the IFRS definition, which reduces debt by the unamortised bank fees, net debt at the year end was £91.7 million (2009: £111.0 million).

BANKING

At 31 December the Group had headroom against its banking covenants ranging from 47 per cent. to 75 per cent. and the Board remains confident that the Group will continue to operate within its banking covenants as set out in the current banking facility agreements, which expire in July 2012.

The Group's key banking performance metric, being the proportion of net debt to Underlying EBITDA, at the year end was 2.38x (2009: 3.66x), calculated on the same basis as the banking covenants.

DEFINED BENEFIT PENSION AND POST RETIREMENT BENEFIT SCHEMES

The Group's principal defined benefit 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 2010, the defined benefit obligation for all Group pension and post retirement healthcare benefit schemes was £18.9 million (2009: £17.4 million) and the schemes had plan assets of £11.6 million (2009: £9.9 million), resulting in a slightly reduced net deficit on the schemes of £7.3 million (2009: £7.5 million).

GROUP 2010 OPERATIONAL PERFORMANCE

During 2010 we remained focused on maintaining tight controls over costs in all our businesses. Headcount at 31 December 2010 of 2,004 was in line with the prior year (2009: 2,003) as we flexed labour where necessary and permitted limited selective hiring of permanent personnel only where merited by business activity levels. Significant increases in raw material prices were seen during the year, most notably in steel and oil derivative products, and local managements were diligent in passing these on to customers in order to protect our gross margins.

Throughout 2010 we have continued to reassess and flex our global production footprint to optimise our margins and improve our customer offering. The conversion of our Chinese manufacturing operation to a sourcing operation in February 2010 has allowed us greater flexibility in obtaining the lowest cost, highest quality product. Production levels at the Group's Mexican operation have been significantly increased during the year and we vacated our site at Tipton in the West Midlands. Building work has started in Sioux Falls, South Dakota for a planned expansion to consolidate our Sioux Falls door hardware and balance manufacturing businesses onto a single site. This is expected to be completed during 2011.

We have continued our focus on tight management of working capital. Despite increased turnover we successfully increased our stock turn in 2010 and reduced our investment in inventory held at the year end. During the year a number of our customers ceased trading, however vigilant management of customer credit risks throughout the year, starting at the point of sale, meant that bad debts written off amounted to only 0.1 per cent. of sales (2009: 0.3 per cent.).

We continue to promote the financial strength of the Group to the credit insurers of our major suppliers in order to optimise the credit terms that we receive from our supplier base and to work closely with our customer base to ensure we understand their balance sheet position and creditworthiness.

BUILDING PRODUCTS (95 per cent. of GROUP REVENUES)

£'million except where stated	**YE 2010**	YE 2009	**Change**	Constant Currency
Sales[1]	**251.7**	222.1	**13%**	13%
Underlying Operating Profit	**26.8**	19.7	**36%**	35%
Underlying Operating Margin	***10.7%***	*8.9%*		

[1] Like for like basis excluding Chinese manufacturing operation now closed

The Building Products division comprises the Group's door and window hardware and seals operations. The division's businesses are market leaders and operate across the Americas, the UK, Europe and Australasia. In 2010, trading in our building products businesses recovered significantly, against a background of broadly flat markets.

US BUILDING PRODUCTS

£'million except where stated	**YE 2010**	YE 2009	**Change**	Constant Currency
Sales	**117.2**	105.7	**11%**	10%
Underlying Operating Profit	**14.4**	10.8	**33%**	31%
Underlying Operating Margin	***12.3%***	*10.3%*		

The Amesbury Group, our North American Building Products business, continued its sales led recovery through a combination of customers rebuilding inventories and net gains in market share despite relatively sluggish markets. We estimate that new build activity in the US market increased by around 6 per cent. across the year as a whole, with demand skewed towards the first quarter as a consequence of the Homebuyer Tax Credit that expired in April 2010. We estimate that Repair and Remodelling activity, which constitutes approximately 70 per cent. of the market, increased by around 4 per cent. over the year and was supported, particularly in the final quarter, by the $1,500 tax credit for the installation of energy efficient windows which expired on 31 December 2010.

Our US business was less affected by commodity input prices than other businesses during 2010 as it procures key commodities on long term contracts and agrees surcharge/discount arrangements with key customers by reference to third party indices.

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

UK BUILDING PRODUCTS

£’million except where stated	**YE 2010**	YE 2009	**Change**	Constant Currency
Sales	**94.7**	79.7	**19%**	n/a
Underlying Operating Profit	**7.9**	6.3	**26%**	n/a
Underlying Operating Margin	***8.3%***	*7.9%*		

Our UK Building Products business, grouphomesafe, generated encouraging sales by increasing market share in 2010 despite the depressed nature of some of our end markets. While new build activity in the UK market was up by around 30 per cent., we estimate that Repair Maintenance and Improvement activity, which constitutes approximately 95 per cent. of the market, decreased by around 5 per cent.

The weakness of Sterling and increases in the prices of imported raw materials and finished goods produced significant input cost pressures during the year. These pressures were mitigated by an unwavering focus on cost down initiatives and prompt action to increase prices. Of the 19 per cent. increase in total sales year on year, approximately half of this increase was due to price increases. Despite input cost pressures and the losses incurred within our composite doors business, the Underlying operating margin for grouphomesafe improved slightly in the year.

During the period we have consolidated our UK sales force teams into a single customer facing unit and successfully launched “grouphomesafe” as the new umbrella brand for our UK Building Products business. These initiatives have been well received by both customers and employees and have generated incremental sales during the second half of the year for the Group. 2010 has also seen an increased focus on improving our customer service within the UK market, as we seek to differentiate ourselves from the competition by setting industry leading standards for delivery on time and in full.

Our composite door business, which is principally focused on the social housing market, experienced a significant decrease in demand during the second half of 2010 and was loss making across the year as a whole. Demand for composite doors within the social housing market is expected to continue to weaken into 2011. In 2010, actions were taken to reduce the cost base, flex labour in line with sales, streamline manufacturing processes, improve customer service levels and redirect the sales focus into building an increased share of the growing trade and retail composite door markets. The composite doors business has now been fully integrated into the wider grouphomesafe business and this should assist the business to access the grouphomesafe customer base. Taken together, these measures mean that the composite door business is much better positioned to cope with the structural changes seen in its end markets and we expect an improved performance from the business in 2011.

INTERNATIONAL BUILDING PRODUCTS

£'million except where stated	**YE 2010**	YE 2009	**Change**	Constant Currency
Sales[1]	**39.8**	36.7	**8%**	8%
Underlying Operating Profit	**4.5**	2.6	**74%**	70%
Underlying Operating Margin	***11.3%***	*7.0%*		

[1] Like for like basis excluding Chinese manufacturing operation now closed

Our International Building Products division, which goes to market under the Schlegel brand, has seen sales increase in 2010 compared with the corresponding period last year, with encouraging increases in demand in Australasia, South America, Scandinavia and Eastern Europe, tempered by weaker demand for products in Southern Europe. The geographic mix of the sales growth, combined with high levels of operational gearing, enhanced the division's overall margins.

During the year our continued focus on cross selling opportunities achieved some notable successes in our Australian operation. Demand was also boosted by Australian government incentives for first time buyers. The strength of the Australian dollar reduced import costs and increased the translated results of the Australian operation.

We have also bolstered our presence in South America with the expansion of our Brazilian sales office, which is starting to generate revenues and gain market share, and is being used as a base to target other South American markets.

In Europe we are rolling out the same CRM system that has been successfully established in the UK, which will help to focus and enhance our customer facing service and cross selling opportunities across Europe.

OIL AND GAS SERVICES (5 per cent. of GROUP REVENUES)

£'million except where stated	**YE 2010**	YE 2009	**Change**	Constant Currency
Sales	**13.7**	12.6	**9%**	n/a
Underlying Operating Profit	**6.8**	5.9	**16%**	n/a
Underlying Operating Margin	***49.7%***	*46.9%*		

Our Oil and Gas Services division comprises the Gall Thomson and Klaw businesses. Gall Thomson Environmental is the world's leading supplier of marine breakaway couplings ("MBC"s) and, through its KLAW subsidiary, is a supplier of industrial couplings including quick release and breakaway couplings.

Gall Thomson generated an increase in sales of 9.2 per cent. across the year as a whole and improved margins due to increased sales of the higher margin MBC product. As expected, an increase in deferred orders and delayed shipments in the second half lowered the overall growth for the whole year from the exceptional growth generated in the first half.

Enquiry levels and order intake in both businesses was very strong towards the end of the year and has continued into 2011.

BOARD

There were a number of changes to the Board during the year. Louis Eperjesi was appointed as Chief Executive Officer in February 2010 and James Brotherton was appointed as Chief Financial Officer in May 2010. There are three independent non-executive directors, Jamie Pike (Chairman), Les Tench and Martin Towers.

James Brotherton was appointed as a Director after the 2010 Annual General Meeting and so is required to offer himself for re-election at the 2011 Annual General Meeting. In accordance with best practice, the Board have agreed that each Director will voluntarily offer themselves for re-election at each Annual General Meeting that they are not required to retire from office. Accordingly, Jamie Pike, Louis Eperjesi, Les Tench and Martin Towers will voluntarily offer themselves for re-election at the 2011 Annual General Meeting.

DIVIDEND

Lupus is a cash generative business operating in mature markets and, in the ordinary course, would expect to pay a regular dividend to shareholders. The banking arrangements entered into in June 2009 precluded the payment of dividends by the Group until both Group and subsidiary net debt ratios had reduced.

Over the past two financial years the focus of the Group has been on deleveraging the balance sheet and utilising surplus cash in the permanent paydown of debt. The outcome of this focus is a significantly strengthened balance sheet, underpinned by sustained trading performance and means that the Group now has the consent of its banks to make a modest dividend payment. Accordingly the Board is pleased to announce the resumption of dividend payments and is recommending to shareholders the payment of a final dividend of 2.0 pence per share. The final dividend will absorb approximately £2.6 million of cash resources.

Over time the absolute level of future dividend payments will take into account the Group’s underlying earnings, cash flows, balance sheet strength and capital investment plans, as well as the requirement to comply with the terms of the Group’s facility agreements.

The final dividend of 2.0 pence (2009: Nil pence) per share is recommended for payment on 7 June 2011 to shareholders on the register at the close of business on 3 May 2011. The ex-dividend date will be 27 April 2011.

OUTLOOK

Our Building Products division has made a steady start to 2011, with sales and orders broadly in line with 2010, although the seasonal nature of the businesses and short order books means that the first quarter offers little visibility on the full year.

2011 is not expected to deliver material improvement in conditions in building products markets and significant input cost pressures are expected to continue for the foreseeable future. However our strong market positions, combined with balance sheet strength, quality of product and service offering and focus on market share growth through self help initiatives means that the Group is well positioned to maintain margins and take advantage of any sustained increase in activity levels.

Our Oil and Gas Services division continues to see increasing demand for its MBC and industrial coupling products and has a very strong order book coming into 2011.

We expect the Group will continue to make further progress during 2011 from a sound financial platform.

Definitions

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

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

"Operating Cash Conversion" is defined as Net cash inflow from operating activities before Income tax paid and after Payments to acquire property, plant and equipment divided by Underlying operating profit.

"Dropthrough Margin" is defined as Incremental Underlying Operating Profit as a percentage of Incremental Sales.

Exchange Rates

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

Closing Rates:	2010	2009
US Dollars	1.5471	1.5928
Euros	1.1675	1.1113
Average Rates:		
US Dollars	1.5463	1.5659
Euros	1.1661	1.1230

Roundings

Percentage increase/decrease 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

Consolidated income statement for the year ended 31 December 2010

	Note	2010	2009
		£'000	£'000
Revenue	2	**266,212**	241,621
Cost of sales		**(173,403)**	(161,104)
Gross profit		**92,809**	80,517
Administrative expenses		**(71,278)**	(68,527)
Operating profit		**21,531**	11,990
Analysed as:			
Operating profit before exceptional items and amortisation of intangible assets		**33,675**	25,598
Exceptional items	3	**(395)**	(2,055)
Amortisation of intangible assets		**(11,749)**	(11,553)
Operating profit		**21,531**	11,990
Finance income	4	**566**	450
Finance costs	4	**(12,562)**	(13,089)
Net finance costs		**(11,996)**	(12,639)
Profit/(loss) before taxation		**9,535**	(649}
Income tax credit/(expense)	5	**(2,488)**	1,062
Profit for the year from continuing operations		**7,047**	413
Earnings per share			
- Basic EPS from continuing operations	6	**5.43p**	0.32p
- Diluted EPS from continuing operations	6	**5.35p**	0.32p

All results relate to continuing operations.

	Note	2010	2009
		£'000	£'000
Non GAAP measure			
Underlying[1] profit before taxation		**24,533**	15,718
Earnings per share			
- Underlying[1] basic EPS from continuing operations	6	**13.06p**	9.39p
- Underlying[1] diluted EPS from continuing operations	6	**12.86p**	9.39p

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

Consolidated statement of comprehensive income for the year ended 31 December 2010

		2010 £'000	2009 £'000
Profit for the period		**7,047**	413
Actuarial losses on defined benefit plans		**(117)**	(1,403)
Exchange differences on retranslation of foreign operations		**4,511**	(11,892)
Change in fair value of cash flow hedge		**(1,925)**	(547)
Losses on settled cash flow hedges released to the income statement		**2,489**	1,996
Tax on items recognised directly in equity	5	**40**	477
Income and expense recognised directly in equity		**4,998**	(11,369)
Total comprehensive (expense)/ income - attributable to equity shareholders of the Company		**12,045**	(10,956)

Consolidated statement of changes in equity for the year ended 31 December 2010

	Share capital £'000	Share Premium £'000	Other reserves £'000	Treasury reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2009	6,864	101	10,389	(6,764)	(3,938)	40,819	189,929	237,400
Share based payments	-	-	-	-	-	-	23	23
Transactions with owners	-	-	-	-	-	-	23	23
Profit after tax	-	-	-	-	-	-	413	413
Other comprehensive income/(expense): Exchange differences on retranslation of foreign operations	-	-	-	-	-	(11,892)	-	(11,892)
Change in fair value of cash flow hedge	-	-	-	-	(547)	-	-	(547)
Losses on settled cash flow hedges released to the income statement	-	-	-	-	1,996	-	-	1,996
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	-	(926)	(926)
Total comprehensive expense 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**
Share based payments	**-**	**-**	**-**	**-**	**-**	**-**	**63**	**63**
Transactions with owners	**-**	**-**	**-**	**-**	**-**	**-**	**63**	**63**
Profit after tax	-	-	-	-	-	-	7,047	7,047
Other comprehensive income/(expense): Exchange differences on retranslation of foreign operations	**-**	**-**	**-**	**-**	**-**	**4,511**	**-**	**4,511**
Change in fair value of cash flow hedge	**-**	**-**	**-**	**-**	**(1,925)**	**-**	**-**	**(1,925)**
Losses on settled cash flow hedges released to the income statement	**-**	**-**	**-**	**-**	**2,489**	**-**	**-**	**2,489**
Actuarial loss on defined benefit pension schemes	**-**	**-**	**-**	**-**	**-**	**-**	**(77)**	**(77)**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**564**	**4,511**	**6,970**	**12,045**
At 31 December 2010	**6,864**	**101**	**10,389**	**(6,764)**	**(1,925)**	**33,438**	**196,472**	**238,575**

Consolidated balance sheet
As at 31 December 2010

	Note	2010	2009
		£'000	£'000
ASSETS			
Non-current assets			
Intangible assets		**328,240**	333,998
Property, plant and equipment		**31,457**	34,296
Deferred tax	5	**7,654**	7,792
		367,351	376,086
Current assets			
Current tax receivable		**-**	395
Inventories		**26,048**	26,036
Trade and other receivables		**32,922**	29,850
Cash and cash equivalents		**27,748**	24,955
		86,718	81,236
TOTAL ASSETS		**454,069**	457,322
LIABILITIES			
Current liabilities			
Current tax payable		**(2,679)**	-
Trade and other payables		**(40,365)**	(36,815)
Provisions		**(3,584)**	(3,353)
Finance lease obligations		**(9)**	(8)
Derivative financial instruments		**-**	(2,534)
Interest bearing loans and borrowings		**(5,163)**	(3,063)
		(51,800)	(45,773)
Non-current liabilities			
Finance lease obligations		**(1)**	(10)
Deferred tax	5	**(23,369)**	(26,091)
Interest bearing loans and borrowings		**(114,304)**	(132,887)
Employee benefit liability		**(7,474)**	(7,650)
Provisions		**(14,989)**	(17,662)
Derivative financial instruments		**(1,998)**	-
Other creditors		**(1,559)**	(782)
		(163,694)	(185,082)
TOTAL LIABILITIES		**(215,494)**	(230,855)
NET ASSETS		**238,575**	226,467
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		**(1,925)**	(2,489)
Translation reserve		**33,438**	28,927
Retained earnings		**196,472**	189,439
TOTAL EQUITY		**238,575**	226,467

Group cash flow statement
For the year ended 31 December 2010

	Note	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
Cash flows from operating activities			
Profit/(loss) before tax		9,535	(649)
Adjustments	7	30,666	32,839
Movement in inventories		451	9,752
Movement in trade and other receivables		(2,728)	3,840
Movement in trade and other payables		4,011	(2,878)
Provisions utilised		(2,515)	(2,981)
Pension contributions		(841)	(1,317)
Income tax paid		(2,304)	(2,155)
Net cash inflow from operating activities		36,275	36,451
Investing activities			
Payments to acquire property, plant and equipment		(3,314)	(2,144)
Payments to acquire intangible assets		(197)	(91)
Interest received		566	450
Net cash outflow from investing activities		(2,945)	(1,785)
Financing activities			
Proceeds from shares issue, net of costs		-	-
Own share purchased		-	-
Equity dividends paid		-	-
New borrowings		-	-
Interest paid		(9,822)	(10,981)
Refinancing costs paid		(23)	(7,405)
Repayment of short term borrowings		(21,147)	(22,780)
Repayment of capital element of finance leases		(8)	(242)
Net cash outflow from financing activities		(31,000)	(41,408)
Decrease in cash and cash equivalents		2,330	(6,742)
Effect of exchange rates on cash and cash equivalents		463	(710)
Cash and cash equivalents at the beginning of the year		24,955	32,407
Cash and cash equivalents at the year end		27,748	24,955

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 2010, 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 2010 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 2009 which can be found on the Group's website.

2. Segment analysis

Year ended 31 December 2010	United Kingdom	United States	Rest of the world	Building products Total	Oil services United Kingdom	Total
	£'000	£'000	£'000	**£'000**	**£'000**	**£'000**
Revenue						
Revenue from continuing operations	**94,676**	**117,179**	**40,609**	**252,464**	**13,748**	**266,212**
Operating profit before exceptional items and amortisation of intangible assets	**7,880**	**14,444**	**4,514**	**26,838**	**6,837**	**33,675**
Amortisation of intangible assets				**(11,749)**		**(11,749)**
Exceptional items						**(395)**
Operating Profit						**21,531**
Net finance costs						**(11,996)**
Profit before taxation						**9,535**
Income tax (expense)						**(2,488)**
Profit after tax						**7,047**
Other segment information						
Segment Assets	**106,805**	**266,652**	**57,565**	**431,022**	**17,384**	**448,406**
Unallocated assets						**5,663**
						454,069
Segment liabilities	**(35,568)**	**(45,380)**	**(5,801)**	**(86,749)**	**(4,782)**	**(91,531)**
Unallocated segment liabilities				**(117,259)**		**(117,259)**
Unallocated group liabilities				**-**		**(6,704)**
				(204,008)		**(215,494)**
Non-current assets	**75,425**	**234,508**	**45,693**	**355,626**	**11,725**	**367,351**
Capital expenditure:						
- property, plant and equipment	**1,268**	**1,542**	**446**	**3,256**	**58**	**3,314**
- intangible assets	**51**	**137**	**9**	**197**	**-**	**197**
Cost of goods sold				**169,468**	**3,935**	**173,403**
Depreciation				**6,449**	**44**	**6,493**
Employee benefit liabilities				**7,474**	**-**	**7,474**
Goodwill allocation				**212,110**	**11,421**	**223,531**
Intangible asset allocation				**104,709**	**-**	**104,709**

All revenue comprises amounts earned on amounts receivable from customers. There is no single external customer from whom significant revenue is generated.

Year ended 31 December 2009	United Kingdom	United States	Rest of the world	Building products Total	Oil services United Kingdom	Total
	£'000	£'000	£'000	**£'000**	**£'000**	**£'000**
Revenue						
Revenue from continuing operations	**79,718**	**105,666**	**43,647**	**229,031**	**12,590**	**241,621**
Operating profit before exceptional items and amortisation of intangible assets	**6,276**	**10,836**	**2,586**	**19,698**	**5,900**	**25,598**
Amortisation of intangible assets				**(11,553)**		**(11,553)**
Exceptional items						**(2,055)**
Operating profit						**11,990**
Net finance costs						**(12,639)**
Profit before taxation						**(649)**
Income tax (expense)						**1,062**
Profit after tax						**413**
Other segment information						
Segment Assets	**105,451**	**268,622**	**62,588**	**436,661**	**20,550**	**457,211**
Unallocated assets						**111**
						457,322
Segment liabilities	**(32,944)**	**(43,348)**	**(7,485)**	**(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**	**241,087**	**48,881**	**364,359**	**11,727**	**376,086**
Capital expenditure:						
- property, plant and equipment	**906**	**1,054**	**158**	**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**
Employee benefit liabilities				**7,650**	**-**	**7,650**
Goodwill allocation				**208,429**	**11,421**	**219,850**
Intangible asset allocation				**114,148**	**-**	**114,148**

3. Exceptional items

	2010	2009
	£'000	£'000
Redundancy and restructuring costs	**151**	695
Other corporate costs including EGM costs	**244**	708
Costs associated with negotiating new debt facilities	**-**	1,232
Other	**-**	(580)
	395	2,055

4. Finance revenue and costs

	2010 £'000	2009 £'000
Finance income		
Bank interest receivable	**566**	450
Finance costs		
Interest payable on bank loans and overdraft	**(9,429)**	(9,901)
Amortisation of borrowing costs	**(2,295)**	(2,126)
Ineffective portion of changes in value of cash flow hedges	**(26)**	(45)
Finance charges payable under finance lease and hire purchase contracts	**(1)**	(29)
Unwinding of discount on provisions	**(559)**	(634)
Pension scheme and other finance costs	**(252)**	(354)
	(12,562)	(13,089)
Net finance costs	**(11,996)**	(12,639)

5. Taxation

(a) Tax on profit on ordinary activities

Income tax in the income statement

	2010 £'000	2009 £'000
Current income tax:		
UK Corporation tax	**755**	798
Foreign tax	**5,090**	905
Current income tax charge	**5,845**	1,703
Adjustments in respect of prior periods	**(497)**	(766)
Total current income tax	**5,348**	937
Deferred tax:		
Origination and reversal of temporary differences	**(2,216)**	(1,911)
Adjustment due to deferred tax rate change	**(892)**	-
Adjustments in respect of prior periods	**248**	(88)
Total deferred tax	**(2,860)**	(1,999)
Income tax (credit)/expense in the income statement	**2,488**	(1,062)

Tax relating to items charged or credited directly to equity

	2010	2009
Deferred tax:		
Actuarial gains and losses on pension schemes	**(40)**	(477)
Income tax expense in the statement of comprehensive income	**(40)**	(477)

(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% (2009: 28%). The differences are explained below:

	2010	2009
	£'000	£'000
Profit/(loss) from continuing operations before taxation	**9,535**	(649)
Rate of corporation tax in the UK of 28% (2008: 28%)	**2,670**	(182)
Effects of:		
Expenses not deductible/(income not taxable) for tax purposes	**167**	(158)
Overseas tax rate differences	**790**	182
Adjustment due to deferred tax rate change	**(892)**	-
Other movements	**-**	(50)
Adjustment in respect of prior periods	**(247)**	(854)
Income tax (credit)/expense in the income statement	**2,488**	(1,062)

(c) Deferred tax

Deferred income tax at 31 December relates to the following:

	Group balance sheet		Group income statement	
	2010	2009	**2010**	2009
	£'000	£'000	**£'000**	£'000
Deferred tax liability				
Intangible assets on acquisition	**(22,808)**	(24,527)	**(4,271)**	(3,230)
Other	**(561)**	(1,564)	**1,241**	795
	(23,369)	(26,091)	**(3,030)**	(2,435)
Deferred tax assets				
Post-employment benefits	**1,705**	1,640	**-**	-
Purchased goodwill	**4,612**	4,761	**290**	592
Other	**1,337**	1,391	**(120)**	(156)
	7,654	7,792	**170**	436
Deferred income tax (income)			**(2,860)**	(1,999)
Deferred tax liabilities net	**(15,715)**	(18,299))		
Reflected in the balance sheet as follows				
Deferred tax assets	**7,654**	7,792		
Deferred tax liabilities	**(23,369)**	(26,091)		
Deferred tax liabilities net	**(15,715)**	(18,299)		

(d) Factors that may affect future tax charges:

There are estimated tax losses of £9,980,000 (2009: £7,348,000) within the Group, comprising capital losses of £7,348,000 and trading losses of £2,632,000. 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:

	2010	2009
	£'000	£'000
Tax losses	**(785)**	(1,666)
Capital losses	**(2,057)**	(2,057)
	(2,842)	(3,723)

6. 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.

	2010 '000	2009 '000
Weighted average number of shares (including treasury shares)	**137,287**	137,287
Treasury shares	**(7,447)**	(7,447)
Weighted average number of shares - basic	**129,840**	129,840
Effect of dilutive potential ordinary shares - options	**1,967**	-
Weighted average number of shares - diluted	**131,807**	129,840

The effect of dilutive potential ordinary shares above is nil in 2010 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:

	2010 £'000	2009 £'000
Profit for the year from continuing operations	**7,047**	413
Exceptional costs	**395**	2,055
Amortisation of intangible assets, unwinding discount on provisions and amortisation of borrowing costs	**14,603**	14,312
Adjustment due to deferred tax rate change	**(892)**	-
Tax effect on exceptional costs and amortisation of intangible assets	**(4,199)**	(4,582)
Underlying profit after tax	**16,954**	12,198
Underlying basic earnings per share	**13.06p**	9.39p
Underlying diluted earnings per share	**12.86p**	9.39p

7. 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:

	2010 £'000	2009 £'000
Net finance costs	**11,996**	12,642
Depreciation	**6,493**	6,741
Amortisation	**11,749**	11,553
Intangible and Fixed assets written off	**76**	479
Non cash adjustments	**289**	1,401
Share based payments	**63**	23
	30,666	32,839