24 November 2015

Scapa Group plc
Interim Results

Scapa Group plc, a leading global manufacturer of bonding solutions and adhesive components, today announces its results for the period ended 30 September 2015.

Financial Highlights

- Revenue grew 4.0% to £119.3m (2014: £114.7m); 4.0% at constant exchange rates
- Trading profit* increased 17.6% to £10.0m (2014: £8.5m); 16.3% at constant exchange rates
- Trading profit* margin further improved to 8.4% (2014: 7.4%)
- Adjusted profit before tax improved 18.3% to £9.7m (2014: £8.2m)
- Adjusted earnings per share** increased 25.0% to 5.0p (2014: 4.0p)
- Net debt £6.8m (31 March 2015: £3.4m net debt)

Operational Highlights

- Healthcare revenue grew 21.2%; 12.7% at constant exchange rates
- Strategic acquisition of First Water – integration on plan
- Designated as Partner Enabled Development Supplier by Johnson & Johnson Consumer Healthcare
- Industrial profit increased 18.6% on flat revenue, at constant exchange rates
- Completed the consolidation of the French facilities on budget and on time
- Closure of the Swiss facility is progressing on plan with completion expected H2 of next year
- New structure yielding cost saving opportunities and improved capital deployment
- Active acquisition pipeline; strategy is focused and disciplined

Commenting on the results Chief Executive, Heejae Chae said:

"Scapa has delivered a strong first half performance which has seen our revenue, trading profit and margin continue to grow and balance sheet further strengthened. More significantly, we are delivering on the strategy we have outlined for the two businesses. Healthcare: to become the strategic turn-key partner for our customers; and Industrial: to maximise the Return on Capital Employed (ROCE).

We are confident that we have the strategy, structure and resources in place to deliver on our strategic goals. While we are mindful of wider macro-economic factors the Board remains confident about the Group's outlook and expects continued progress for the remainder of the year and beyond."

* Before amortisation of intangible assets, exceptional items, and legacy pension costs and finance charges
** Adjusted earnings per share is calculated by dividing the trading profit less cash interest less tax on operating activities by the weighted average number of ordinary shares in issue during the year.

For further information:

Scapa Group plc	Heejae Chae – Chief Executive	Tel: 0161 301 7430
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Interim Management Report

Strategic priorities and business objectives

Scapa has delivered a strong first half performance which has seen our revenue, trading profit and margin continue to grow and the balance sheet further strengthened. We are delivering on the strategic goals and priorities we have outlined for the two businesses; Healthcare - to become the strategic turn-key partner for our customers; and Industrial - to maximise the Return on Capital Employed (ROCE).

At the beginning of the year we reorganised the Company from a market based matrix organisation into two standalone business units supported by a strategic corporate function. The new structure brings focus and accountability to drive improved productivity and asset allocation. It enables us to identify and invest strategically to ensure we continue to deliver in a continuously shifting and challenging trading environment.

A further element of our strategy is to supplement the organic growth of the businesses through acquisitions leveraging our strong balance sheet and cash flow. We look to continue to expand our capabilities in Healthcare through acquisitions such as First Water and Webtec. In Industrial, we look for opportunities to further expand our core markets and accelerate the optimisation of ROCE.

Group results

Group revenue for the period increased 4.0% to £119.3m (2014: £114.7m). Trading profit[1] for the period increased 17.6% to £10.0m (2014: £8.5m), increasing the margin to 8.4% (2014: 7.4%); adjusting for the effects of exchange rates, trading profit increased 16.3% (2014: 28.8%).

Adjusted pre-tax profit increased 18.3% to £9.7m (2014: £8.2m). Pre-tax profit, after exceptional items, decreased to £3.3m (2014: £6.2m). Taxation charges for the period were £1.2m (2014: £2.2m), with the underlying effective tax rate[2] for the period reduced to 23.7% (2014: 28.0%). The basic earnings per share was 1.4p (2014: 2.7p). When adjusted for exceptional items, legacy pension administration costs, amortisation and non-cash interest, earnings per share was 5.0p (2014: 4.0p).

Markets

Healthcare

Six months ended	**30 Sept 2015**	30 Sept 2014	
Revenue (£m)	**43.4**	35.8	+21.2%
Trading profit (£m)	**6.5**	5.4	+20.4%
Trading margin (%)	**15.0%**	15.1%	

Our Healthcare business has delivered another period of strong growth as we continue to concentrate on the strategic building blocks of advanced wound care, medical devices, consumer wellness and drug delivery.

Healthcare revenue increased 21.2% over the same period in the prior year and by 12.7% at constant exchange rates. The trend for outsourcing in the healthcare industry continues to gain traction and our approach of vertical integration and the provision of full Turn-Key solutions resonates with our customers. In the period we have invested in new capacity to serve our customers' needs and in delivering new customer programmes. The MEDIFIX Solutions™ platform is making progress with the launch of a long-term wear adhesive in June this year which is helping drive new development programmes and opportunities. Importantly we continue to invest in quality systems and processes to meet high industry standards and support our growth. The integration of First Water, the healthcare business acquired in February 2015, is on plan and we are seeing the anticipated benefits and opportunities of cross engagement through our customer base. First Water made a positive contribution to the Group performance in the period and we currently expect to pay the first year earn-out in full.

Healthcare trading profit increased 20.4% to £6.5m (2014: £5.4m), or 14.0% at constant exchange rates, and the trading margin was maintained at 15.0%. Healthcare now accounts for 65.0% of the Group's total trading profit.

[1] Trading profit is before exceptional items, amortisation and legacy pension administration costs.
[2] Adjusting operating profit and taxation for exceptional items, legacy pension administration costs, amortisation and non-cash interest.

Industrial

Six months ended	**30 Sept 2015**	30 Sept 2014	
Revenue (£m)	**75.9**	78.9	-3.8%
Trading profit (£m)	**5.1**	4.5	+13.3%
Trading margin (%)	**6.7%**	5.7%	

Our Industrial strategy is a two pronged approach to maximise ROCE. We have segmented our business into four key markets (Automotive, Cable, Construction and Specialty), where we have a leverageable and competitive position. This focus then enables us to allocate and invest resources efficiently and to strategically outline our manufacturing footprint to ensure that we maximise ROCE.

The recent consolidation of our two French facilities concluded in September 2015 on time and on budget. The latest phase of this programme was announced in April 2015 when we began consultation with employees at our Rorschach site in Switzerland and where we subsequently decided to close the facility. We can confirm this project is progressing well and as planned and is expected to be completed in September 2016 with relevant activity being transferred to other Scapa sites, primarily to Valence, France. The project is expected to deliver annualised cost savings of £2m when completed. In this context Industrial revenue was £75.9m (2014: £78.9m), a decline of 0.4% at constant exchange rates.

Industrial trading profit for the period was £5.1m (2014: £4.5m), an increase of 13.3% over the prior period with the trading margin increasing to 6.7% (2014: 5.7%). At constant exchange rates the growth increases to 18.6%.

Exceptional items

The exceptional expenses in the period relate to the announcement made in July 2015 that the Company had decided to close its Rorschach facility and relocate certain activities across the remaining Scapa businesses. As a consequence of the closure certain plant and machinery has been impaired down to its recoverable value resulting in a non-cash impairment charge of £1.5m. An additional £3.4m has been provided for the costs of closing the site. The closure is expected to be completed by September 2016 and will leave the vacated land and buildings available for sale and development; this is expected to provide a significant cash injection back into the Group with the net result that the overall project is anticipated to be cash generative.

Balance sheet

Net assets at 30 September 2015 totalled £65.7m (31 March 2015: £61.8m). The increase is mainly due to the increase in retained earnings of £2.1m and net actuarial movements of £5.9m offset by a negative foreign exchange movement on the translation of assets and liabilities of £2.5m. The Group net debt balance was £6.8m (31 March 2015: £3.4m). Working capital increased to £28.8m (31 March 2015: £26.0m).

Pensions

The retirement benefit obligation decreased to £31.7m (31 March 2015: £39.8m). The interest rate used to discount the long-term liabilities increased from 3.4% at March 2015 to 3.7% at September 2015 and had a significant positive effect on the deficit. In addition asset values performed well and the Group contributed £2.1m of cash under the CAR agreement.

The project to offer flexible retirement options for a sub-set of pensioners concluded in April 2015 and the full effects of the project were recorded in the period to September 2015. In concluding the project, assets of £10.2m were transferred out of the scheme to settle liabilities of £10.8m. The resulting settlement gain of £0.6m has been reported within exceptional income.

Cash resources

Net cash generated from operations was £6.8m (2014: £5.0m). Trading working capital increased by £1.5m (2014: £3.6m). Capital expenditure in the period was £5.6m (2014: £3.5m) and included £2.1m of building and equipment costs associated with merging our two French factories into a single location following the sale of the Branly site in France. We also invested £1.2m in additional capacity in our facility in South Korea. Pension payments in excess of operating charge were £2.1m (2014: £2.0m) and represent the deficit repair payments and contributions to scheme expenses. Tax and interest outflows were £2.2m

(2014: £3.3m), with the decrease being the taxable profit on disposal of the Branly site during the prior year. After dividends of £2.2m (2014: £1.5m), closing net debt was £6.8m (31 March 2015: £3.4m net debt).

Dividend

A final dividend for the year ended 31 March 2015 of 1.5p per share was paid on 21 August 2015 to all shareholders registered on 24 July 2015. In line with last year, the Board does not propose an interim dividend but intends to maintain a progressive dividend policy.

Principal risks and uncertainties

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. In the current period the Company has made a provision for the closure of the Rorschach site that has required management to consider the useful life of its plant and machinery, the estimated costs to mitigate certain site liabilities and the carrying value of its land and buildings. Wherever possible, management have used third party estimates and experts to determine the costs, the majority of which will be incurred by March 2016. The Rorschach site closure has been added to the principal risks and uncertainties section. Other than this closure provision, the Directors do not consider that the principal risks and uncertainties have changed since publication of the annual report for the year ended 31 March 2015. A more detailed explanation of the risks for the Group can be found on pages 9 and 10 of this interim report.

Going concern

As stated in note 1 to these condensed financial statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing these condensed financial statements.

Summary and outlook

The Group continues to make progress in executing its strategy and has delivered another good result for the half year.

While we are mindful of wider macro-economic factors the Board remains confident about the Group's outlook and expects continued progress for the remainder of the year and beyond.

James AS Wallace

J A S Wallace
Chairman
24 November 2015

Consolidated Income Statement

For the half year ended 30 September 2015 (unaudited)

All on continuing operations	note	**Half year ended 30 Sept 2015 £m**	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Revenue	2	**119.3**	114.7	236.0
Operating profit	2	**4.1**	7.4	16.0
Trading profit*		**10.0**	8.5	18.6
Amortisation of intangible assets		**(1.2)**	(0.8)	(1.4)
Exceptional items	4	**(4.3)**	–	(0.5)
Pension administration costs		**(0.4)**	(0.3)	(0.7)
Operating profit	2	**4.1**	7.4	16.0
Finance costs	7	**(0.8)**	(1.2)	(2.3)
Profit on ordinary activities before tax		**3.3**	6.2	13.7
Tax on trading activities	8	**(2.3)**	(2.3)	(4.5)
Tax on exceptional items, amortisation and pension administration costs	8	**1.1**	0.1	0.3
Tax on ordinary activities		**(1.2)**	(2.2)	(4.2)
Profit for the period		**2.1**	4.0	9.5
Weighted average number of shares (m)		**147.3**	146.8	146.8
Basic earnings per share (p)		**1.4**	2.7	6.5
Diluted earnings per share (p)		**1.4**	2.6	6.2
Adjusted earnings per share (p)		**5.0**	4.0	9.1

Consolidated Statement of Comprehensive Income

For the half year ended 30 September 2015 (unaudited)

All on continuing operations	**Half year ended 30 Sept 2015 £m**	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Profit for the period	**2.1**	4.0	9.5
Exchange differences on translating foreign operations	**(2.5)**	0.6	4.8
Actuarial profit/(loss)	**5.9**	1.5	(2.2)
Deferred tax on actuarial (profit)/loss	**–**	(0.3)	1.6
Deferred tax through other comprehensive income	**–**	0.3	0.1
Other comprehensive income for the period	**3.4**	2.1	4.3
Total comprehensive income for the period	**5.5**	6.1	13.8

* Before exceptional items, amortisation of intangible assets and legacy pension administration costs.

Consolidated Balance Sheet

As at 30 September 2015 (unaudited)

	note	**Half year ended 30 Sept 2015 £m**	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Assets				
Non-current assets				
Goodwill		**33.4**	24.8	33.9
Intangible assets		**4.5**	2.7	5.6
Property, plant and equipment		**42.5**	36.5	42.0
Deferred tax asset		**8.7**	7.4	9.1
		89.1	71.4	90.6
Current assets				
Inventory		**27.7**	26.1	24.8
Trade and other receivables		**43.4**	39.6	46.0
Current tax asset		**1.0**	0.5	0.4
Cash and cash equivalents	13	**15.9**	13.1	16.7
		88.0	79.3	87.9
Liabilities				
Current liabilities				
Financial liabilities:				
– borrowings and other financial liabilities		**(0.9)**	–	(1.3)
– derivative financial instruments		**–**	(0.1)	–
Trade and other payables		**(42.3)**	(38.2)	(44.8)
Deferred consideration		**(0.1)**	–	(0.1)
Current tax liabilities		**(0.2)**	(0.5)	(0.9)
Provisions	12	**(4.2)**	(1.2)	(1.0)
		(47.7)	(40.0)	(48.1)
Net current assets		**40.3**	39.3	39.8
Non-current liabilities				
Financial liabilities:				
– borrowings and other financial liabilities		**(21.8)**	(11.4)	(18.8)
Trade and other payables		**(0.2)**	(0.1)	(0.2)
Deferred consideration		**(0.1)**	–	(0.1)
Deferred tax liabilities		**(6.5)**	(5.1)	(6.5)
Non-current tax liabilities		**(2.0)**	(1.9)	(1.8)
Retirement benefit obligations	11	**(31.7)**	(37.3)	(39.8)
Provisions	12	**(1.4)**	(2.0)	(1.4)
		(63.7)	(57.8)	(68.6)
Net assets		**65.7**	52.9	61.8
Shareholders' equity				
Ordinary shares		**7.4**	7.3	7.4
Share premium		**0.4**	0.2	0.4
Retained earnings		**42.4**	31.6	36.0
Translation reserve		**15.5**	13.8	18.0
Total shareholders' equity		**65.7**	52.9	61.8

Consolidated Statement of Changes in Equity

For the half year ended 30 September 2015 (unaudited)

	Share capital £m	Share premium £m	Translation reserves £m	Retained earnings £m	Total equity £m
Balance at 31 March 2014	7.3	0.2	13.2	27.0	47.7
Employee share option scheme					
– value of employee services	–	–	–	0.6	0.6
Dividends	–	–	–	(1.5)	(1.5)
Currency translation differences	–	–	0.6	–	0.6
Actuarial profit on pension schemes	–	–	–	1.5	1.5
Deferred tax on actuarial profit	–	–	–	(0.3)	(0.3)
Deferred tax through other comprehensive income	–	–	–	0.3	0.3
Net income recognised directly in equity	–	–	0.6	1.5	2.1
Profit for the period	–	–	–	4.0	4.0
Total comprehensive income	–	–	0.6	5.5	6.1
Balance at 30 September 2014	7.3	0.2	13.8	31.6	52.9
Employee share option scheme					
value of employee services	–	–	–	0.9	0.9
Issue of shares	0.1	0.2	–	–	0.3
Currency translation differences	–	–	4.2	–	4.2
Actuarial loss on pension schemes	–	–	–	(3.7)	(3.7)
Deferred tax on actuarial loss	–	–	–	1.9	1.9
Deferred tax through other comprehensive income	–	–	–	(0.2)	(0.2)
Net income recognised directly in equity	–	–	4.2	(2.0)	2.2
Profit for the period	–	–	–	5.5	5.5
Total comprehensive income	–	–	4.2	3.5	7.7
Balance at 31 March 2015	7.4	0.4	18.0	36.0	61.8
Employee share option scheme –					
value of employee services	–	–	–	0.6	0.6
Dividends	–	–	–	(2.2)	(2.2)
Currency translation differences	–	–	(2.5)	–	(2.5)
Actuarial profit on pension schemes	–	–	–	5.9	5.9
Net income recognised directly in equity	–	–	(2.5)	5.9	3.4
Profit for the period	–	–	–	2.1	2.1
Total comprehensive income	–	–	(2.5)	8.0	5.5
Balance at 30 September 2015	**7.4**	**0.4**	**15.5**	**42.4**	**65.7**

Consolidated Cash Flow Statement

For the half year ended 30 September 2015 (unaudited)

All on continuing operations	note	**Half year ended 30 Sept 2015 £m**	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Cash flows from operating activities				
Net cash flow from operations	13	**6.8**	5.0	17.6
Cash generated from operations before exceptional items*	13	**7.0**	5.0	18.3
Cash outflows from exceptional items*	13	**(0.2)**	–	(0.7)
Net cash flow from operations		**6.8**	5.0	17.6
Net interest paid		**(0.3)**	(0.3)	(0.6)
Income tax paid		**(1.9)**	(3.0)	(3.9)
Net cash generated from operating activities		**4.6**	1.7	13.1
Cash flows (used in)/from investing activities				
Acquisition of subsidiary		**–**	–	(8.8)
Purchase of property, plant and equipment		**(5.6)**	(3.5)	(7.5)
Proceeds from sale of property, plant and equipment		**0.1**	–	–
Net cash used in investing activities		**(5.5)**	(3.5)	(16.3)
Cash flows (used in)/from financing activities				
Dividends		**(2.2)**	(1.5)	(1.5)
Issue of shares		**–**	–	0.3
Increase in borrowings		**3.0**	3.0	28.1
Repayment of borrowings acquired		**–**	–	(2.2)
Repayment of borrowings		**(0.4)**	(0.1)	(18.7)
Net cash from financing activities		**0.4**	1.4	6.0
Net (decrease)/increase in cash and cash equivalents		**(0.5)**	(0.4)	2.8
Cash and cash equivalents at beginning of the period		**16.7**	13.6	13.6
Exchange (losses)/gains on cash and cash equivalents		**(0.3)**	(0.1)	0.3
Cash and cash equivalents at end of period	13	**15.9**	13.1	16.7

* Exceptional items include provision movements on items charged to the Income Statement in prior years.

Notes

1. General information

Scapa Group plc (the Company) and its subsidiaries (together the Group) manufacture bonding products and adhesive components for applications in the Healthcare and Industrial markets. The Group has manufacturing plants around the world and sells mainly in countries within Europe, North America and Asia.

The Company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is 997 Manchester Road, Ashton-under-Lyne, Greater Manchester OL7 0ED. The Company has its listing on the Alternative Investment Market at the London Stock Exchange.

The financial information for the period ended 30 September 2015 and similarly the period ended 30 September 2014 has been neither audited nor reviewed by the auditor. The financial information for the year ended 31 March 2015 has been based on information in the audited financial statements for that period.

The information for the year ended 31 March 2015 and the interim condensed financial statements for the period ended 30 September 2015 do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2015 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying the report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

Basis of preparation

The annual financial statements for Scapa Group plc are prepared in accordance with IFRSs as adopted by the European Union. AIM listed companies are not required to issue IAS 34 compliant interims. Scapa Group plc complies with the majority of IAS 34 but does not produce a number of additional disclosures that are not considered significant.

Accounting policies

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

Critical accounting estimates, judgements and risks

The preparation of the interim condensed financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2015.

A summary of the risks is below and a more detailed explanation and how the Group seeks to mitigate the risks can be found on pages 12 to 17 of the Annual Report, which is available at www.scapa.com.

Health and safety – failure to work safely could damage the reputation of the Group and incur regulator intervention or fines
Acquisitions – poor decision-making on acquisitions could adversely affect the Group's results
Business strategy – development of the wrong strategy by the Board or the failure to implement its strategy effectively could negatively impact on the Group's long-term growth plan
Financial and treasury – the Group has significant operations outside the UK and as such is exposed to movement in exchange rates
Pensions – retirement liabilities fluctuate with changes in life expectancy, inflation, asset performance and discount rate assumptions
Customers – the Group benefits from good commercial relationships with a number of key customers. Damage to these relationships could have a direct, detrimental effect on the Group's results
Raw material pricing – Group margin is susceptible to supplier price increase
Human resources – may impact on our ability to achieve sustainable growth
ICT systems and infrastructure – the Group is reliant on ICT systems in the effective planning and manufacture of product. Significant disruption can interrupt manufacturing and support process and potentially impact sales
Product quality – the Group is exposed to financial risk around product liability, customer returns and ultimately customer trust in Scapa as a supplier
Environment – failure to mitigate environmental impacts could damage the reputation of the Group and result in the financial loss associated with clean-up, fines and sanctions
Rorschach site closure – cost estimates have been included in the current period results, with the use of experts where possible. The Group is exposed to financial risk if these estimates differ significantly from actual costs incurred.

Going concern
The Directors are satisfied that the Group's forecasts and projections show that the Group should be able to operate within its banking facilities and comply with its banking covenants. The Group is exposed to a number of significant risks and uncertainties, which could affect the Group's ability to meet its banking covenants. The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the interim condensed financial statements.

2. Segmental reporting
At the beginning of the year the Group reorganised from a market based matrix organisation into two standalone business units of Healthcare and Industrial, supported by a strategic Corporate function. All inter-segment transactions are made on an arm's length basis.

The chief operating decision maker relies primarily on turnover and trading profit to assess the performance of the Group and makes decisions about resources to be allocated to each segment; assets and liabilities are looked at geographically. Trading profit is reconciled to operating profit on the face of the Income Statement.

The Board reviews the performance of the business using information presented at constant exchange rates. The prior year results have been restated at constant currency as shown on the following pages.

Segment results – 30 September 2015
The segment results for the half year ended 30 September 2015 are as follows:

	Healthcare £m	**Industrial £m**	**Head office £m**	**Group £m**
External revenue	43.4	75.9	–	119.3
Trading profit/(loss)	6.5	5.1	(1.6)	10.0
Amortisation of intangible assets	(1.2)	–	–	(1.2)
Exceptional items	–	(4.7)	0.4	(4.3)
Pension administration costs	–	(0.1)	(0.3)	(0.4)
Operating profit/(loss)	5.3	0.3	(1.5)	4.1
Net finance costs				(0.8)
Profit on ordinary activities before tax				**3.3**
Tax charge				(1.2)
Profit for the period				**2.1**

Revenue is allocated based on the country in which the order is received. All revenue relates to the sale of goods. The revenue analysis based on the location of the customer is as follows:

	Europe £m	**N America £m**	**Asia £m**	**Other £m**	**Group £m**
External revenue – Sept 15	44.1	59.6	7.3	8.3	119.3
External revenue – Sept 14	46.3	53.5	5.6	9.3	114.7
External revenue – Mar 15	92.7	111.5	15.0	16.8	236.0

The revenue based on the location where the sale occurred is as follows:

	Europe £m	**N America £m**	**Asia £m**	**Other £m**	**Group £m**
External revenue – Sept 15	49.3	62.0	7.3	0.7	119.3
External revenue – Sept 14	49.4	57.6	7.0	0.7	114.7
External revenue – Mar 15	100.7	117.5	16.1	1.7	236.0

Segment results – 30 September 2014
The segment results for the half year ended 30 September 2014 are as follows:

	Healthcare £m	Industrial £m	Head office £m	Group £m
External revenue	35.8	78.9	–	114.7
Trading profit/(loss)	5.4	4.5	(1.4)	8.5
Amortisation of intangible assets	(0.8)	–	–	(0.8)
Pension administration costs	–	(0.1)	(0.2)	(0.3)
Operating profit/(loss)	4.6	4.4	(1.6)	7.4
Net finance costs				(1.2)
Profit on ordinary activities before tax				**6.2**
Tax charge				(2.2)
Profit for the period				**4.0**

The Board reviews the performance of the business using information presented at constant exchange rates. The prior half year results have been restated using this year's exchange rates as follows:

	Healthcare £m	Industrial £m	Head office £m	Group £m
External revenue	35.8	78.9	–	114.7
Foreign exchange	2.7	(2.7)	–	–
External revenue at constant exchange rates	**38.5**	**76.2**	**–**	**114.7**
Trading profit/(loss)	5.4	4.5	(1.4)	8.5
Foreign exchange	0.3	(0.2)	–	0.1
Trading profit/(loss) at constant exchange rates	**5.7**	**4.3**	**(1.4)**	**8.6**

Segment results – 31 March 2015
The segment results for the year ended 31 March 2015 are as follows:

	Healthcare £m	Industrial £m	Head office £m	Group £m
External revenue	73.8	162.2	–	236.0
Trading profit/(loss)	11.1	10.0	(2.5)	18.6
Amortisation of intangible assets	(1.4)	–	–	(1.4)
Exceptional items	(0.5)	–	–	(0.5)
Pension administration costs	–	–	(0.7)	(0.7)
Operating profit/(loss)	9.2	10.0	(3.2)	16.0
Net finance costs				(2.3)
Profit on ordinary activities before tax				**13.7**
Tax charge				(4.2)
Profit for the year				**9.5**

The Board reviews the performance of the business using information presented at constant exchange rates. The prior year results have been restated using this year's exchange rates as follows:

	Healthcare £m	Industrial £m	Head office £m	Group £m
External revenue	73.8	162.2	–	236.0
Foreign exchange	3.1	(5.3)	–	(2.2)
External revenue at constant exchange rates	**76.9**	**156.9**	**–**	**233.8**
Trading profit/(loss)	11.1	10.0	(2.5)	18.6
Foreign exchange	0.3	(0.6)	–	(0.3)
Trading profit/(loss) at constant exchange rates	**11.4**	**9.4**	**(2.5)**	**18.3**

3. Segment assets and liabilities

The chief operating decision maker reviews assets and liabilities predominantly by geographical area. The assets (non-current assets excluding financial instruments, deferred tax assets and other financial assets) and liabilities at 30 September 2015 and capital expenditure for the period then ended can be analysed into geographical segments as follows:

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
Non-current assets	32.7	44.8	2.9	–	80.4
Inventory	12.4	13.0	2.3	–	27.7
Trade receivables (net)	17.9	19.5	3.5	–	40.9
Trade payables	(17.4)	(11.5)	(0.7)	(0.4)	(30.0)
Cash	8.0	4.7	1.6	1.6	15.9
Additions of property, plant and equipment	2.9	1.2	1.6	–	5.7

The assets and liabilities at 30 September 2014 and capital expenditure for the period then ended were as follows:

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
Non-current assets	17.7	44.7	1.6	–	64.0
Inventory	11.5	12.1	2.5	–	26.1
Trade receivables	17.1	17.6	2.8	–	37.5
Trade payables	(17.7)	(8.1)	(0.9)	(0.3)	(27.0)
Cash	6.3	3.3	1.8	1.7	13.1
Additions of property, plant and equipment	2.0	1.4	–	0.1	3.5

The assets and liabilities at 31 March 2015 and capital expenditure for the year then ended were as follows:

	Europe £m	N America £m	Asia £m	Head office £m	Group £m
Non-current assets	32.9	46.9	1.7	–	81.5
Inventory	11.5	11.0	2.3	–	24.8
Trade receivables	20.3	18.9	3.6	–	42.8
Trade payables	(18.4)	(9.3)	(0.9)	(0.9)	(29.5)
Cash	8.3	5.2	1.5	1.7	16.7
Additions of property, plant and equipment	5.2	2.1	0.2	0.2	7.7

Unallocated head office items relate to assets and liabilities incurred in the normal course of business for the Parent Company.

4. Exceptional items

	Half year ended 30 Sept 2015 £m	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Operating income:			
UK pension settlement gain	**0.6**	–	–
Operating expenses:			
Site closure costs	**(3.4)**	–	–
Asset write-offs	**(1.5)**	–	–
Acquisition costs	**–**	–	(0.5)
	(4.3)	–	(0.5)

Exceptional income in the period relates to the conclusion of a pension project that was in progress at March 2015. The offer to a sub-set of members to buy different benefits led to £10.8m of liabilities being extinguished in exchange for assets valued at £10.2m. The resulting £0.6m has been reported as an exceptional settlement gain, consistent with our historic treatment of legacy defined benefit pension costs.

The exceptional expenses in the period relate to the announcement made in April 2015 that the Company had begun consultations with employees at our Swiss site about the potential closure of the site. The decision has subsequently been made to close the site and relocate certain activities across the remaining Scapa businesses, mainly to France. As a direct consequence of this decision plant and machinery has been impaired down to its recoverable value resulting in an asset impairment of £1.5m. The impairment is net of any potential disposal proceeds and is only on assets that we are not able to use elsewhere within the Group. In addition to the asset impairments, £3.4m has been provided at September 2015 as the current best estimate of the costs to close the site. This cost includes all the employee and employee consultation costs, the remediation and building strip-out costs, the legal costs associated with closing the site and certain costs related to revalidating a number of products at alternative sites, essential to ensure the continued production within the Group.

In addition to the impact on the September 2015 results, the closure is expected to have the following impacts on future periods: Moving some activity to France will require an increase in capability and capacity – this will result in capital expenditure at the French site. These costs will impact the period to March 2016. Certain employees are required to operate the plant during its run down period. The costs of retaining these staff over and above their normal remuneration will be expensed through exceptional costs as incurred over the closure period. The first such costs will be reported in the period to March 2016. The closure of the site is due to take 18 months and will leave the land and buildings vacant and available for sale or redevelopment. In its current status the value of land and buildings is fairly stated at its historic cost. Certain costs may be incurred in the future to enhance the site if it is deemed economic to attain a higher final sale price.

5. Key management compensation and Directors' remuneration

	Half year ended 30 Sept 2015 £m	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Short-term employment benefits	**1.8**	1.5	3.8
Post-employment benefits	**0.1**	0.1	0.2
Termination benefits	**0.2**	–	–
Share-based payments (including share incentive plan)	**0.8**	0.8	1.9
	2.9	2.4	5.9

Key management is considered by the Group to be the Leadership Team, as defined in the annual financial statements.

The short-term employment benefits include wages and salaries, bonuses, social security contributions and non-monetary benefits.

6. Related party transactions

The pension schemes are related parties to the Group. There were no contributions outstanding at the period end.

7. Net finance costs

	Half year ended 30 Sept 2015 £m	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Interest payable on bank loans and overdrafts	**(0.3)**	(0.3)	(0.7)
Expected return on pension scheme assets less interest on scheme liabilities	**(0.5)**	(0.9)	(1.6)
Net finance costs	**(0.8)**	(1.2)	(2.3)

8. Taxation

	Half year ended 30 Sept 2015 £m	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Current tax:			
Tax on ordinary activities – current period	**(1.4)**	(1.7)	(3.4)
Tax on ordinary activities – prior period	**0.2**	0.1	0.2
Tax on exceptional items	**0.4**	–	0.1
	(0.8)	(1.6)	(3.1)
Deferred tax:			
Tax on ordinary activities – current period	**(1.1)**	(0.7)	(0.8)
Tax on ordinary activities – prior period	**–**	–	(0.5)
Tax on exceptional items	**0.7**	0.1	0.2
	(0.4)	(0.6)	(1.1)
Tax charge for the period	**(1.2)**	(2.2)	(4.2)

9. Earnings per share

Basic
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. Diluted earnings per share has been calculated on share options in existence at 30 September 2015.

	Half year ended 30 Sept 2015	Half year ended 30 Sept 2014	Year ended 31 Mar 2015
Profit attributable to equity holders of the Company (£m)	**2.1**	4.0	9.5
Weighted average number of ordinary shares in issue (m)	**147.3**	146.8	146.8
Basic earnings per share (p)	**1.4**	2.7	6.5
Weighted average number of shares in issue, including potentially dilutive shares (m)	**154.1**	152.6	153.1
Diluted earnings per share (p)	**1.4**	2.6	6.2
Adjusted earnings per share (p)	**5.0**	4.0	9.1

10. Dividends

A final dividend for the year ended 31 March 2015 of 1.5p per share was declared by the Directors at their meeting on 26 May 2015. The dividend was paid on 21 August 2015 to shareholders registered on 24 July 2015.

11. Retirement benefit schemes

Defined benefit schemes
The defined benefit obligation as at 30 September 2015 is calculated on a year-to-date basis, using the latest actuarial valuation.

The defined benefit plan assets have been updated to reflect their market value at 30 September 2015. Differences between the expected return on assets have been recognised as an actuarial gain or loss in the Statement of Comprehensive Income in accordance with the Group's accounting policy.

12. Provisions

	Reorganisation and leasehold commitments £m	**Environmental £m**	**Total £m**
At 31 March 2014	2.8	0.7	3.5
Additions in the period	0.1	0.1	0.2
Released in the period	(0.1)	–	(0.1)
Utilised in the period	(0.2)	(0.2)	(0.4)
At 30 September 2014	2.6	0.6	3.2
Exchange differences	–	(0.1)	(0.1)
Additions in the period	0.1	0.3	0.4
Released in the period	(0.2)	–	(0.2)
Utilised in the period	(0.8)	(0.1)	(0.9)
At 31 March 2015	1.7	0.7	2.4
Additions in the period	3.6	–	3.6
Utilised in the period	(0.1)	(0.3)	(0.4)
At 30 September 2015	**5.2**	**0.4**	**5.6**
Analysis of provisions:			
Current	3.8	0.4	4.2
Non-current	1.4	–	1.4
At 30 September 2015	**5.2**	**0.4**	**5.6**

13. Reconciliation of operating profit to operating cash flow and reconciliation of net cash

	Half year ended 30 Sept 2015 £m	Half year ended 30 Sept 2014 £m	Year ended 31 Mar 2015 £m
Operating profit	**4.1**	7.4	16.0
Adjustments for:			
Depreciation and amortisation	**3.7**	3.4	6.6
Exceptional pension settlement	**(0.6)**	–	–
Impairment of tangible fixed assets	**1.5**	–	(0.3)
Pensions payments in excess of charge	**(2.1)**	(2.0)	(4.2)
Movement in fair value of financial instruments	**–**	–	0.1
Share options charge	**0.6**	0.6	1.5
Grant income released	**(0.1)**	(0.1)	–
Changes in working capital:			
Inventories	**(3.4)**	(2.0)	0.2
Trade debtors	**0.9**	1.5	(1.8)
Trade creditors	**1.0**	(3.1)	(1.1)
Changes in trading working capital	**(1.5)**	(3.6)	(2.7)
Other debtors	**0.6**	0.8	(0.3)
Other creditors	**(2.7)**	(1.2)	2.0
Net movement in environmental provisions	**(0.2)**	(0.1)	–
Net movement in reorganisation provisions and leasehold commitments	**–**	(0.2)	(0.2)
Net movement in other provisions	**3.5**	–	(0.9)
Cash generated from operations	**6.8**	5.0	17.6
Cash generated from operations before exceptional items	**7.0**	5.0	18.3
Cash outflows from exceptional items	**(0.2)**	–	(0.7)
Cash generated from operations	**6.8**	5.0	17.6

Analysis of cash and cash equivalents and borrowings

	At 1 April 2015 £m	Cash flow £m	Exchange movement £m	**At 30 Sept 2015 £m**
Cash and cash equivalents	16.7	(0.5)	(0.3)	**15.9**
Borrowings due within one year	(1.3)	0.4	–	**(0.9)**
Borrowings and other financial liabilities due after more than one year	(18.8)	(3.1)	0.1	**(21.8)**
	(20.1)	(2.7)	0.1	**(22.7)**
Total	(3.4)	(3.2)	(0.2)	**(6.8)**

Key dates

Next year end (to be reported)	31 March 2016
Next preliminary announcement	24 May 2016
Next annual report due	June 2016
Next Annual General Meeting	19 July 2016
Next interim results	22 November 2016

Shareholder information

Shareholder enquiries should be directed to the Company's registrars, Capita Asset Services, at their Customer Support Centre, details as follows:

By phone – UK – 0871 664 0300 (UK calls cost 10p per minute plus network extras).
From overseas – +44 203 728 5000.
Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays.
By email – ssd@capita.co.uk
By post – Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Further information regarding the various services offered by Capita Asset Services, including the Share Portal and Share Dealing Service, can be obtained from the above or directly from Capita's website www.capitaassetservices.com.