

Langley Holdings plc
Interim Trading Statement
6 months ended 30th June 2010

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6 months ended 30th June 2010



30 June 2010

Registered in England Number 1321615

Index to the Accounts

6 MONTHS ENDED 30TH JUNE 2010

Contents	Page
Company Information	3
Key Highlights	4
Chairman's Statement	5
Consolidated Income Statement	6
Consolidated Balance Sheet	7
Reconciliation of Retained Earnings	8

Company Information

6 MONTHS ENDED 30TH JUNE 2010

DIRECTORS:	A J Langley - Chairman J J Langley - Non-Executive B A Watson
SECRETARY:	B A Watson
REGISTERED OFFICE:	Enterprise Way Retford Nottinghamshire DN22 7HH England
REGISTERED IN ENGLAND NUMBER:	1321615
AUDITORS:	Nexia Smith & Williamson LLP Chartered Accountants Statutory Auditor Portwall Place Portwall Lane Bristol BS1 6NA England
PRINCIPAL BANKERS:	Barclays Bank plc P.O. Box 3333 One Snowhill Snowhill Queensway Birmingham B3 2WN Deutsche Bank AG Adolphsplatz 7 20457 Hamburg Germany

Key Highlights

6 MONTHS ENDED 30TH JUNE 2010

	Actual Year Ended 31 December 2009 €'000	Actual 6 months to 30 June 2010 €'000	Forecast Year Ended 31 December 2010 €'000
REVENUE	425,783	176,132	433,252
OPERATING PROFIT	63,021	20,707	52,018
PRE TAX PROFIT	65,786	21,383	53,170
NET ASSETS	212,699	210,695	233,475
NET CASH	193,585	176,642	201,564
ORDERS ON HAND	219,733	264,116	270,173
	=====	=====	=====
	No.	No.	No.
EMPLOYEES	2,264	2,209	2,224
	=====	=====	=====

This Statement has been prepared in accordance with International Financial Reporting Standards.

Chairman's Statement

6 MONTHS ENDED 30TH JUNE 2010



In the six months to 30th June 2010 the group posted an operating profit of €20.7m on revenues of €176.1m, compared with €22.4m for the same period last year on revenues of €209.2m. Net income from financing activities added a further €0.7m to produce a profit before tax of €21.4m for the six months, compared with €23.9m in the first half of 2009. Net assets at 30th June stood at €210.7m and net cash at €176.6m, this after a dividend payment of €24.5m in March.

On the whole, the results for the period are in line with expectations and the projected results for the full year are now largely underwritten by orders already on hand.

The order book, at €264.1m, is up by some €40m on the same point last year and although revenues are behind by around €25m, this is due to timing; the group is currently trading at a similar level to 2009. However, order intake during the first half was up by around €30m on the same period last year and is forecast to increase further in the second half which, if sustained, points to a general increase in activity in 2011; a welcome indicator following the step change that saw revenues drop by around a fifth on 2007/8 levels.

Profits have held up well during the downturn and as a consequence our cash reserves are not only healthy, but have steadily increased. The return on this class of asset, which is largely held on short term deposits across a number of different institutions, is truly dismal, but we do not rely on the kindness of strangers and I sleep well.

During the first six months of 2010 we examined several opportunities to deploy some of these reserves to continue the group's development by acquisition. A number of these opportunities are still under consideration. We also used some of our cash to acquire freehold premises for Piller's UK subsidiary during the period, the latest in a series of such purchases over the last two years including ARO in Detroit, Claudius Peters in Dallas, Bradman Lake in Charlotte and the UK and the extension of production facilities at Piller in Germany. Also during the period, in February, construction of a new group headquarters building in the UK was completed and occupied.

At the onset of the global economic downturn I set out a blue-print for managing our businesses in recession. So far the worst scenario envisaged has failed to materialise and the group has performed well ahead of that scenario. The group continued to perform well in the first half of 2010 and saw signs of an up-turn in some areas. As time passes I believe that the threat of a further downturn, the so-called "double dip", is diminished and I am optimistic that trading conditions generally are set to improve.

Anthony J Langley
Chairman

29 July 2010

Consolidated Income Statement

6 MONTHS ENDED 30TH JUNE 2010

	Actual Year Ended 31 December 2009 €'000	Actual 6 months to 30 June 2010 €'000	Forecast Year Ended 31 December 2010 €'000
REVENUE	425,783	176,132	433,252
Cost of Sales	(283,300)	(115,877)	(297,080)
GROSS PROFIT	142,483	60,255	136,172
Net operating expenses	(79,462)	(39,548)	(84,154)
OPERATING PROFIT	63,021	20,707	52,018
Finance income	2,996	713	1,235
Finance costs	(231)	(37)	(83)
PROFIT BEFORE TAXATION	65,786	21,383	53,170
Income tax expense	(25,341)	(6,334)	(15,340)
PROFIT FOR THE PERIOD	40,445	15,049	37,830

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Consolidated Balance Sheet

6 MONTHS ENDED 30TH JUNE 2010

	Actual Year Ended 31 December 2009 €'000	Actual 6 months to 30 June 2010 €'000	Forecast Year Ended 31 December 2010 €'000
NON-CURRENT ASSETS			
Intangible assets	2,830	3,028	3,108
Property, plant and equipment	54,351	57,398	57,259
Trade and other receivables	2,326	754	823
Deferred income tax assets	6,534	5,236	5,085
Income tax recoverable	96	140	78
	<u>66,137</u>	<u>66,556</u>	<u>66,353</u>
CURRENT ASSETS			
Inventories	49,650	57,065	61,411
Trade and other receivables	84,609	91,956	97,766
Cash and cash equivalents	193,610	179,107	203,229
Current income tax recoverable	7,774	7,249	1,076
	<u>335,643</u>	<u>335,377</u>	<u>363,482</u>
CURRENT LIABILITIES			
Current portion of long term borrowings	171	100	0
Current income tax liabilities	7,976	6,472	5,927
Short term borrowings	25	2,465	1,665
Trade and other payables	128,706	135,227	146,356
Provisions	22,305	20,039	17,056
	<u>159,183</u>	<u>164,303</u>	<u>171,004</u>
NET CURRENT ASSETS	176,460	171,074	192,478
Total assets less current liabilities	242,597	237,630	258,831
NON-CURRENT LIABILITIES			
Provisions	3,950	5,752	4,454
Long term borrowings	220	176	176
Trade and other payables	5,483	2,281	2,102
Retirement benefit obligations	8,510	8,418	8,542
Deferred income tax liabilities	11,735	10,308	10,082
	<u>29,898</u>	<u>26,935</u>	<u>25,356</u>
NET ASSETS	<u>212,699</u>	<u>210,695</u>	<u>233,475</u>
EQUITY			
Share Capital	163	122	122
Revaluation reserve	3,198	3,130	3,130
Retained earnings	209,338	207,443	230,223
TOTAL EQUITY	<u>212,699</u>	<u>210,695</u>	<u>233,475</u>

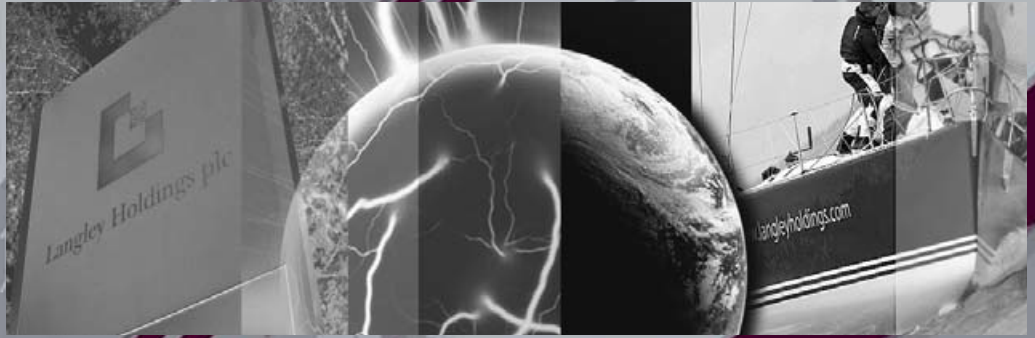
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Reconciliation of Retained Earnings

6 MONTHS ENDED 30TH JUNE 2010

	Actual 6 months to 30 June 2010 €'000	Forecast Year Ended 31 December 2010 €'000
Retained Earnings brought forward 31.12.2009	209,338	209,338
Current profit for the period	<u>15,049</u>	<u>37,830</u>
Subtotal	<u>224,387</u>	<u>247,168</u>
Dividend paid in the period	(24,464)	(24,464)
Currency and other adjustments	7,510	7,519
Total Retained Earnings at period end	<u><u>207,433</u></u>	<u><u>230,223</u></u>

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