

**Langley Holdings plc**  
Interim Trading Statement  
6 months ended 30th June 2011

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LANGLEY



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Interim Trading Statement  
6 months ended 30th June 2011

30 June 2011

Registered in England Number 1321615

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6 MONTHS ENDED 30TH JUNE 2011

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## Company Information

6 MONTHS ENDED 30TH JUNE 2011

**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  
Statutory Auditor  
Chartered Accountants  
Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA  
England

**PRINCIPAL BANKERS:**

Barclays Bank plc  
P.O. Box 3333  
One Snowhill  
Snowhill Queensway  
Birmingham  
B3 2WN  
England

Deutsche Bank AG  
Adolphsplatz 7  
20457 Hamburg  
Germany

## Key Highlights

6 MONTHS ENDED 30TH JUNE 2011

	Actual Year Ended 31 December 2010 €'000	Actual 6 months to 30 June 2011 €'000	Forecast Year Ended 31 December 2011 €'000
REVENUE	399,593	235,828	516,641
OPERATING PROFIT	64,027	31,346	66,796
PRE TAX PROFIT	65,611	32,490	69,459
NET ASSETS	237,589	254,243	279,501
NET CASH	186,835	218,341	239,949
ORDERS ON HAND	267,260	288,781	305,713
	=====	=====	=====
	No.	No.	No.
EMPLOYEES	2,221	2,321	2,328
	=====	=====	=====

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

## Chairman's Statement

6 MONTHS ENDED 30TH JUNE 2011



**In the six months to 30th June 2011 the group posted an operating profit of €31.3m on revenues of €235.8m, compared with €20.7m for the same period last year on revenues of €176.1m. Net income from financing activities added a further €1.1m (2010:€0.7m) to produce a profit before tax of €32.4m for the six months, compared with €21.4m in the first half of 2010. Net assets at 30th June stood at €254.2m compared with €210.7m at the same point last year and net cash at €218.3m, compared with €176.6m a year ago. There were no dividend payments made during the period and none are planned to be made in the second half.**

Overall results for the period are in line with expectations and represent the strongest first half recorded by the group, as the majority of our businesses report levels of activity not seen since before the financial crisis. How long this will continue beyond the year end is difficult to predict but in the meantime we continue to see strong demand, particularly from the developing world. This trend looks set to continue and it is not unrealistic to foresee the group trading at this level for some time yet, although in my view there may likely be some cooling of activity in 2012. At present we are seeing something of a bounce after a prolonged period of subdued activity.

All divisions reported improved trading conditions in the first half of 2011. Order intake for the period was €266.3m and the order book at the end of June stood at €288.8m, significantly up on the same point last year. Most of our businesses were late to feel the impact of the crisis, having gone into the downturn with strong order books. Consequently trading results were not materially affected until 2009 and 2010, when the group saw volumes down by some 20% and profits down by around 10% on 2008, our best trading year to date. By the second half of 2010 there were positive indications that trading conditions were set to

improve and those indications have now materialised in all but a very small part of our group and once again management focus has switched to dealing with the issues associated with full order books.

During the first half of 2011 the group generated over €30 million of cash to reach €218.3m at the end of June and we examined several acquisition opportunities to deploy some of those reserves in the period, although we are not proceeding with any of those for the time being and the search continues. In the meantime our cash, which is mainly held in euros, remains deposited across various institutions at nominal rates of return and these rates started to move up during the period, a trend which I expect will continue. In the meantime there is no intention to deploy these reserves in higher yielding asset classes, although we are continuing to negotiate to acquire operating properties leased to our businesses and to invest in other areas internally.

Looking forward to the second half of 2011, projections indicate a return to levels approaching those last seen in 2008. However, at this point forecasts from our business units are normally quite conservative and I expect that results for full year 2011 will equal or surpass that record trading year.

Anthony J Langley  
Chairman

18 July 2011

## Consolidated Income Statement

6 MONTHS ENDED 30TH JUNE 2011

	Actual Year Ended 31 December 2010 €'000	Actual 6 months to 30 June 2011 €'000	Forecast Year Ended 31 December 2011 €'000
<b>REVENUE</b>	399,593	235,828	516,641
Cost of Sales	(255,415)	(162,347)	(363,415)
<b>GROSS PROFIT</b>	144,178	73,481	153,226
Net operating expenses	(80,151)	(42,135)	(86,430)
<b>OPERATING PROFIT</b>	<b>64,027</b>	<b>31,346</b>	<b>66,796</b>
Finance income	1,789	1,164	2,719
Finance costs	(205)	(20)	(56)
<b>PROFIT BEFORE TAXATION</b>	<b>65,611</b>	<b>32,490</b>	<b>69,459</b>
Income tax expense	(20,295)	(10,013)	(21,724)
<b>PROFIT FOR THE PERIOD</b>	<b>45,316</b>	<b>22,477</b>	<b>47,735</b>

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

# Consolidated Balance Sheet

6 MONTHS ENDED 30TH JUNE 2011

	Actual Year Ended 31 December 2010 €'000	Actual 6 months to 30 June 2011 €'000	Forecast Year Ended 31 December 2011 €'000
<b>NON-CURRENT ASSETS</b>			
Intangible assets	2,824	2,538	2,539
Property, plant and equipment	55,656	54,214	57,312
Trade and other receivables	1,010	2,276	2,305
Deferred income tax assets	7,345	4,294	4,181
	<u>66,835</u>	<u>63,322</u>	<u>66,337</u>
<b>CURRENT ASSETS</b>			
Inventories	53,067	42,982	32,693
Trade and other receivables	122,956	152,987	131,730
Cash and cash equivalents	186,835	218,361	239,969
Current income tax recoverable	4,218	1,332	691
	<u>367,076</u>	<u>415,662</u>	<u>405,083</u>
<b>CURRENT LIABILITIES</b>			
Current income tax liabilities	6,223	9,400	7,369
Short term borrowings	20	20	20
Trade and other payables	140,959	162,536	133,738
Provisions	16,220	13,023	14,330
	<u>163,422</u>	<u>184,979</u>	<u>155,457</u>
<b>NET CURRENT ASSETS</b>	203,654	230,683	249,626
Total assets less current liabilities	270,489	294,005	315,963
<b>NON-CURRENT LIABILITIES</b>			
Provisions	3,591	7,762	6,562
Long term borrowings	60	60	40
Trade and other payables	10,413	12,080	9,831
Retirement benefit obligations	7,455	9,318	9,432
Deferred income tax liabilities	11,381	10,542	10,597
	<u>32,900</u>	<u>39,762</u>	<u>36,462</u>
<b>NET ASSETS</b>	<u>237,589</u>	<u>254,243</u>	<u>279,501</u>
<b>EQUITY</b>			
Share Capital	163	163	163
Revaluation reserve	3,097	3,140	3,140
Retained earnings	234,329	250,940	276,198
<b>TOTAL EQUITY</b>	<u>237,589</u>	<u>254,243</u>	<u>279,501</u>

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## Reconciliation of Retained Earnings

6 MONTHS ENDED 30TH JUNE 2011

	Actual 6 months to 30 June 2011 €'000	Forecast Year Ended 31 December 2011 €'000
Retained Earnings brought forward 31.12.2010	234,329	234,329
Current profit for the period	<u>22,477</u>	<u>47,735</u>
Subtotal	<u>256,806</u>	<u>282,064</u>
Currency and other adjustments	(5,866)	(5,866)
<b>Total Retained Earnings at period end</b>	<u>250,940</u>	<u>276,198</u>

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