



Interim Report

—○ Plastics

—○ Engineering

—○ Boards & Panels

2008

Chairman's Statement

Tex Group turnover for the six months to 30th June 2008 amounted to £19.3m – an increase of 9% over the comparable figure in 2007. Pre-tax profit totalled £753k which represents a rise of 29% over the previous year.

Sales in the Plastics Division were £10.3m which compares with £10.1m in 2007, a marginal increase, reflecting the first signs of the impact of the current economic downturn. Operating profit earned was £556k down from the comparable periods £663k.

A strategic cost control exercise has commenced along with a targeted sales development plan.

The Engineering Division saw a 31.7% increase in turnover to £5.6m compared to the same period in 2007. Operating profit also increased from £121k to £452k reflecting the impact of the additional sales.

As a result of the markets the Engineering Division operates in, the immediate impact of the economic situation will be limited. The second half is anticipated to remain sound.

In the Boards & Panels Division, turnover has remained at the same level as the comparable period, however the operating profit has reduced from £274k to £216k. As a result of the expected softening of demand in the Division's main markets, a restructuring exercise has been carried out.

Across the Group the current indication is that the softening in demand on the Plastics and Boards & Panels Divisions will be offset by the strengthening of demand in the Engineering Division. The Group order book remains above the long term average.

The Board is proposing to pay an interim dividend of 4.5 pence (2007: 3.5 pence) which will be paid on 13th October 2008 to shareholders on the register as at 19th September 2008.

A.R.B. Burrows
Chairman
27th August 2008

Consolidated Balance Sheet

	Notes	6 months ended 30.06.08 (Unaudited) £000	6 months ended 30.06.07 (Unaudited) £000	Year ended 31.12.07 (Audited) £000
ASSETS				
Non-current assets				
Property, plant and equipment	7	6,985	7,163	7,117
Goodwill		252	252	252
		<u>7,237</u>	<u>7,415</u>	<u>7,369</u>
Current assets				
Stocks		5,822	4,915	5,349
Trade and other receivables		9,147	8,497	9,687
		<u>14,969</u>	<u>13,412</u>	<u>15,036</u>
Total assets		<u><u>22,206</u></u>	<u><u>20,827</u></u>	<u><u>22,405</u></u>
EQUITY				
Capital and reserves attributable to the equity holders of the parent				
Share capital		635	635	635
Other reserves		2,906	2,906	2,906
Retained earnings		5,397	4,788	4,867
Total equity		<u><u>8,938</u></u>	<u><u>8,329</u></u>	<u><u>8,408</u></u>
LIABILITIES				
Non-current liabilities				
Other interest bearing loans and borrowings		1,845	2,056	1,787
Employee benefits		-	278	-
Deferred tax liabilities		529	480	503
		<u>2,374</u>	<u>2,814</u>	<u>2,290</u>
Current liabilities				
Bank overdraft		2,345	2,538	2,333
Other interest bearing loans and borrowings		154	270	326
Trade and other payables		7,868	6,564	8,666
Tax payable		527	312	382
		<u>10,894</u>	<u>9,684</u>	<u>11,707</u>
Total liabilities		<u><u>13,268</u></u>	<u><u>12,498</u></u>	<u><u>13,997</u></u>
Total equity and liabilities		<u><u>22,206</u></u>	<u><u>20,827</u></u>	<u><u>22,405</u></u>

Consolidated Cash Flow Statement

	6 months ended 30.06.08 (Unaudited) £000	6 months ended 30.06.07 (Unaudited) £000	Year ended 31.12.07 (Audited) £000
Cash flows from operating activities			
Profit for the period	530	410	914
Adjustments for:			
Depreciation	526	468	1,004
Financial expense	136	161	204
Profit on sale of property, plant and equipment	-	-	-
Taxation	<u>223</u>	<u>172</u>	<u>312</u>
Operating profit before changes in working capital and provisions	1,415	1,211	2,434
Movement in trade and other receivables	540	(1,095)	(2,285)
Movement in stock	(473)	299	(135)
Movement in trade and other payables	(690)	(22)	2,080
Movement in employee benefits	<u>(108)</u>	<u>(82)</u>	<u>(216)</u>
Cash generated from operations	684	311	1,878
Income tax paid	<u>(52)</u>	<u>1</u>	<u>(68)</u>
Net cash generated from operating activities	<u>632</u>	<u>312</u>	<u>1,810</u>
Cash flows from investing activities			
Proceeds from sale of PPE	78	21	57
Purchases of property, plant and equipment (PPE)	<u>(471)</u>	<u>(649)</u>	<u>(1,175)</u>
Net cash used in investing activities	<u>(393)</u>	<u>(628)</u>	<u>(1,118)</u>
Cash flows from financing activities			
Interest paid	(136)	(161)	(275)
Repayments of borrowings	(16)	(116)	(234)
New finance leases	-	245	-
Finance lease payments	(99)	(176)	(26)
Dividends paid to company's shareholders	<u>-</u>	<u>-</u>	<u>(476)</u>
Net cash used in financing activities	<u>(251)</u>	<u>(208)</u>	<u>(1,011)</u>
Net increase in cash and cash equivalents	(12)	(524)	(319)
Cash and cash equivalents at beginning of the period	<u>(2,333)</u>	<u>(2,014)</u>	<u>(2,014)</u>
Cash and cash equivalents at end of the period	<u>(2,345)</u>	<u>(2,538)</u>	<u>(2,333)</u>

Notes to the Condensed Consolidated Financial Statements (continued)

3. Segment information (continued)

Segment information about the Group's continuing operations is presented below.

	Plastics	Engineering	Boards & Panels	Total for continuing operations
2007	£000	£000	£000	£000
Revenue				
External sales	10,092	4,278	3,308	17,678
Inter segment sales	—	—	—	—
Total revenue from continuing operations	<u>10,092</u>	<u>4,278</u>	<u>3,308</u>	<u>17,678</u>
Result				
Segment result from continuing operations	663	121	274	1,058
Expenses pertaining to the Company				<u>(315)</u>
Operating profit				743
Finance costs				<u>(161)</u>
Profit before tax				582
Taxation				<u>(172)</u>
Profit for the year from continuing operations				<u>410</u>

4. Income tax (charge) credit

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 30% (6 months ended 30 June 2007: 30%)

5. Earnings per share

Basic earnings per share of 8.3p (2007: 6.5p) is based on the following data.

Earnings	6 months ended 30.06.08 (Unaudited) £000	6 months ended 30.06.07 (Unaudited) £000
Earnings for the purposes of basic earnings per share (profit for the period attributable to equity holders of the parent)	<u>530</u>	<u>410</u>

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