LUPUS CAPITAL PLC
(“Lupus” or “the Group” or “the Company”)

UNAUDITED PRELIMINARY RESULTS FOR THE YEAR ENDED 31 DECEMBER 2011

Lupus Capital plc, a leading international supplier of components to the door and window industry, announces preliminary results for the year ended 31 December 2011.

Financial Highlights – Continuing Operations

£’million except where stated	**YE 2011**	YE 2010	**Change**	Constant currency
Sales	**230.4**	252.5	**(9)%**	(8)%
Gross profit margin	***31.5%***	*32.9%*		
Underlying Operating Profit	**22.4**	26.1	**(14)%**	(13)%
Underlying Operating Margin	***9.7%***	*10.3%*		
Underlying Profit before taxation	**16.3**	16.8	**(3)%**	(2)%
Underlying Earnings per share	**9.04p**	8.78p	**+3%**	
Dividend per Share	**3.5p**	2.0p	**+75%**	

“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.

- Disposal of Gall Thomson for cash consideration of £75 million leads to the creation of a focused Building Products Group
- Pro Forma Underlying Net Debt at 31 December 2011 following disposal of Gall Thomson of c. £23 million reduces leverage from 2.24x to 0.7x Net Debt: EBITDA
- Underlying Earnings Per Share from continuing operations increased by 3 per cent. to 9.04 pence (2010: 8.78 pence)
- Dividend increased by 75 per cent. to 3.5 pence per share (2010: 2.0 pence)

Reconciliation of Continuing and Discontinued Operations

£’million except where stated	**YE 2011**			YE 2010
	Continuing	**Discontinued**	**Total**	Total
Group Sales	230.4	19.1	**249.5**	266.2
Underlying Operating Profit	22.4	10.0	**32.4**	33.7
Finance Expenses	(6.1)	0.1	**(6.0)**	(9.2)
Underlying Profit before Taxation	16.3	10.1	**26.4**	24.5

Jamie Pike, Non-Executive Chairman, commented:

"The disposal of Gall Thomson upon favourable terms marks the completion of the refocusing of Lupus as a supplier of components to the door and window industry worldwide. The Group now has significant financial flexibility to achieve its strategic goals and to accelerate the development of the Building Products Division.

"We believe that the Building Products Division will continue to outperform its key markets in 2012 and beyond due to the Group's relative financial strength following the disposal of Gall Thomson. Market conditions, however, remain challenging across all our markets.

"In North America we are pleased with the new facility in Atlanta, Georgia as it comes on stream and the integration of Overland Products into the Group.

"The increase in the dividend of 75 per cent. to 3.50p is a sign of our confidence in the Group's improved financial position and prospects. Going forward, the Board intends to continue a progressive dividend policy taking into account the Group's leverage, earnings growth potential and future expansion plans.

The Board believes the Group is now well positioned for the future."

13 March 2012

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A presentation for analysts and investors will be held at the offices of Collins Stewart Hawkpoint, 88 Wood Street, London EC2V 7QR at 11.00 am on Tuesday 13 March 2012.

CHAIRMAN'S STATEMENT

OVERVIEW

The trading environment in the US and UK building products markets during 2011 proved to be as challenging as expected. However the continued focus of the Group on self help measures enabled further progress to be made as the Group moves towards recovery in its end markets.

The disposal of Gall Thomson upon favourable terms marks the completion of the refocusing of Lupus as a supplier of components to the door and window industry worldwide. The Group has significant financial flexibility to achieve its strategic goals and to accelerate the development of the Building Products Division and the Board believes the Group is now well positioned for the future.

RESULTS FROM CONTINUING OPERATIONS

For the year ended 31 December 2011, compared with the prior year, the Group generated the following results from Continuing Operations:

SALES

Total sales of Building Products in the year of £230.4 million decreased by 8.8 per cent. from the prior year (2010: £252.5 million). In constant currency terms, total sales decreased in the year by 7.6 per cent..

MARGINS

Despite our success in passing on pound for pound input cost increases, the lower volumes sold by the Building Products Division in 2011 impacted both gross and operating margins. The Group's gross profit margin decreased to 31.5 per cent. from 32.9 per cent. in 2010. The Underlying operating margin for the Group decreased from 10.3 per cent. in 2010 to 9.7 per cent. in 2011.

PROFITS

Underlying earnings before interest, tax, depreciation and amortisation were £27.7 million (2010: £32.5 million).

Underlying operating profit decreased by 14.1 per cent. to £22.4 million (2010: £26.1 million). On a constant currency basis this represents a decrease of 12.8 per cent. over the prior year.

Underlying administrative expenses decreased by £6.8 million or 12.0 per cent. to £50.1 million (2010: £56.9 million). Administration costs included lower freight, commission and management incentive costs associated with the subdued levels of activity.

Net finance costs decreased by 20.2 per cent. to £9.7 million (2010: £12.1 million), reflecting a combination of lower levels of absolute debt and the beneficial impact of the 2011 refinancing on margins payable. Amortisation of borrowing costs increased from £2.3 million to £3.1 million reflecting the write off of £2.9 million of costs associated with the 2009 bank facility. Net cash interest paid of £6.7 million (2010: £9.3 million) was 27.9 per cent. lower than that paid in 2010.

Underlying profit before taxation from continuing operations was £0.5 million lower at £16.3 million (2010: £16.8 million) with the improved interest position partially offsetting the decline in Underlying Operating Profit.

EARNINGS PER SHARE

Underlying earnings per share from continuing operations increased by 3 per cent. to 9.04 pence (2010: 8.78 pence). Basic earnings per share from continuing operations increased from 1.15 pence in 2010 to 6.23 pence.

EXCEPTIONAL COSTS

Exceptional costs of £0.8 million (2010: £0.4 million) were incurred during the period, principally in connection with the further restructuring of the UK composite doors business and the reorganisation of the Building Products Division outside of North America.

TAXATION

There was a net tax credit in the year amounting to £6.8 million in respect of continuing operations (2010: charge of £0.3 million). Exceptional tax credit adjustments in respect of prior periods of £5.0 million arose in 2011 from the clarification with the tax authorities of the tax treatment of provisions, principally those made at the time of the acquisitions in 2006 and 2007.

Excluding the effect of the change in tax rates on deferred tax and the adjustments in respect of prior periods, the Underlying tax rate on the Underlying profit before taxation of continuing operations was 28 per cent. (2010: 32 per cent.). The Underlying tax rate decreased during 2011 due mainly to the corporation tax rate reductions in the United Kingdom.

The Underlying cash tax rate in the year was 11 per cent. (2010: 14 per cent.) and is lower than the Underlying tax rate due to historic losses utilised and tax deductible goodwill. The Underlying cash tax rate is expected to trend towards the Underlying tax rate over the coming years.

DIVIDEND

The Group’s enhanced financial position following the disposal of Gall Thomson enables the Board to recommend a final dividend of 3.5 pence per share (2011: 2.0p per share) an increase of 75 per cent. and covered 2.6 times by Underlying Earnings per Share from continuing operations. The final dividend will absorb approximately £4.5 million of cash resources and is expected to be paid following the Annual General Meeting scheduled for 25 May 2012.

The Board has reviewed the Group’s dividend policy in the light of the Group’s altered profitability and cashflow characteristics. Going forward, the Board intends to continue a progressive dividend policy taking into account the Group’s leverage, earnings growth potential and future expansion plans and intends to target dividend cover of between 2.0 – 2.5 x Underlying EPS through the cycle.

The Group intends to resume interim dividend payments during 2012.

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.

CASHFLOW

For the Group as a whole, net cash inflow from operating activities of £30.7 million was approximately 15 per cent. lower than the prior year (2010: £36.3 million) principally due to lower levels of operating profit combined with some incremental investment in working capital in the year.

Capital expenditure increased by 32 per cent. to £4.4 million (2010: £3.3 million) which meant that Operational Cashflow fell to £28.2 million (2010: £35.3 million).

Operational Cashflow from continuing operations was approximately £19.0 million (2010: £28.7 million) and Operating Cash Conversion from continuing operations was approximately 84.8 per cent. (2010: 110.0 per cent.). This is lower than our through the cycle target which remains at 100 per cent.. Over the past three years the Group has averaged Operating Cash Conversion from continuing operations of 115 per cent..

NET DEBT POSITION

As at 31 December 2011, the Group's Underlying Net Debt was £91.2 million (2010: £94.7 million). This figure is stated after the payment of approximately US$15 million to acquire Overland, as announced on 23 December 2011. On a pro forma basis the Group's Underlying Net Debt following the disposal of Gall Thomson at 31 December 2011 would have been approximately £23 million.

Average Underlying Net Debt during the year was £91.8 million (2010: £113.9 million). Under the IFRS definition, which reduces debt by unamortised bank fees, net debt at the year end was £88.8 million (2010: £91.7 million).

BANKING AND COVENANTS

During the year the Group refinanced its banking facilities into a new £110 million multicurrency term loan and a £30 million multicurrency working capital facility. This successful early refinancing of facilities gives Lupus a sound financial platform until March 2016 and provides the Group with more favourable terms, reduced costs and significantly enhanced flexibility.

Covenant Measures	**Leverage**	**Interest Cover**	**Debt Service**
Performance requirement:	Less Than	More Than	More Than
Covenant	3.25x	4.00x	1.00x
Measure at 31 December 2011 [1]	**2.24x**	**6.47x**	**4.45x**
Headroom at 31 December 2011 [2]	*31.1%*	*38.2%*	*77.5%*

[1] *All covenant measures calculated as defined by the Group's 2011 facility agreement.*

2 Headroom relates to EBITDA or cashflow available for relevant debt service

The Group's key banking performance metric is leverage, calculated as the proportion of Underlying Net Debt to Adjusted EBITDA. On a pro forma basis, following the disposal of Gall Thomson, the Group's leverage at the year end would have been approximately 0.7x, measured on the same basis as the banking covenants.

Following the disposal and related permanent debt repayments of approximately £30 million the Group's facilities reduce to a multicurrency term loan of approximately £80 million and a £30 million multicurrency working capital facility.

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 2011, the defined benefit obligation for all Group pension and post retirement healthcare benefit schemes was £21.8 million (2010: £18.9 million) and the schemes had plan assets of £12.1 million (2010: £11.6 million), resulting in an increased net deficit on the schemes of £9.7 million (2010: £7.2 million).

Cash contributions made to the schemes in the year were £1.2 million (2010: £0.8 million).

DISCONTINUED OPERATIONS

The results of Gall Thomson are presented in aggregate as discontinued and are disclosed as a one line item on the face of the consolidated income statement. Transaction-related costs (including legal and accountancy costs and adviser fees) of approximately £2 million will be charged against the profit on sale of discontinued operations in the 2012 financial statements.

The disposal of Gall Thomson for £75 million was announced on 13 March 2012 and will lead to an accounting profit on disposal of approximately £53 million, which will be recognised in the 2012 financial statements.

BUILDING PRODUCTS

£'million except where stated	**YE 2011**	YE 2010[1]	**Change**	Constant Currency
Sales	**230.4**	252.5	**(8.8)%**	(7.6)%
Underlying Operating Profit	**22.4**	26.1	**(14.1)%**	(12.8)%
Underlying Operating Margin	***9.7%***	*10.3%*		

[1]Comparative figures for 2010 have been revised to reflect the elimination of intragroup trading more accurately and to re-apportion head office overheads previously included in the results of the discontinued Oil Services division.

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 2011, trading in our building products businesses declined as markets continued to be difficult.

During the year, we completed an organisational restructuring of our Building Products Division outside of North America with separate MD divisional roles created for the UK and Ireland business and the International business. External hires have been appointed to these key management roles and this reorganisation and strengthening of our divisional management team will enable us to provide increased focus to each region and facilitate expansion into new products and geographies.

US BUILDING PRODUCTS

£'million except where stated	**YE 2011**	YE 2010[1]	**Change**	Constant Currency
Sales	**105.4**	117.0	**(9.9)%**	(6.6)%
Underlying Operating Profit	**11.3**	14.0	**(19.3)%**	(15.9)%
Underlying Operating Margin	***10.7%***	*12.0%*		

[1]Comparative figures for 2010 have been revised to reflect the elimination of intragroup trading more accurately and to re-apportion head office overheads previously included in the results of the discontinued Oil Services division.

Amesbury, our North American Building Products business, had an encouraging start to the financial year however saw demand soften across the remainder of 2011 as US window shipments fell year on year. Quoting levels across Amesbury increased in the fourth quarter as customers continue to look at consolidating their supply base and consider new product development opportunities.

We remain positive about the long term prospects for Amesbury and in 2011 continued to invest in the North American business. Towards the year end we started the fit out of our new extrusion plant in Atlanta which came on stream in February 2012 and, in December 2011, we announced the US$15 million acquisition of Overland which adds a number of complementary stamping products to the Amesbury offering.

We have started a significant programme of investment in IT systems in Amesbury that will move all our North American businesses onto a common platform, streamlining reporting and improving our customer and supplier interface. Over the next three years we expect to invest approximately US$5 million in this programme.

New products launched into the American market in 2011 included our initial casement winder offering, microbial pile, intumescent seals, as well as numerous bespoke products developed for individual customers.

UK BUILDING PRODUCTS

£'million except where stated	**YE 2011**	YE 2010[1]	**Change**	Constant Currency
Sales	**89.0**	97.9	**(9.1)%**	n/a
Underlying Operating Profit	**7.7**	8.2	**(5.5)%**	n/a
Underlying Operating Margin	***8.7%***	*8.3%*		

[1] Comparative figures for 2010 have been revised to reflect the elimination of intragroup trading more accurately and to re-apportion head office overheads previously included in the results of the discontinued Oil Services division.

In the UK and Ireland, grouphomesafe's smaller portfolio businesses - Balance, Ventrolla and Linear - each exhibited very strong growth and continued to take market share, with our differentiated product offering partially offsetting weaker demand from larger customers such as window fabricators and social housing contractors.

The distribution sector held up well during the year as consumers continued to undertake small scale repair projects, however, the OEM sector saw marked declines as homeowners appeared reluctant to commit to larger scale refurbishment projects. The social housing sector continued to contract as Housing Associations and Local Authorities reduced expenditure.

There were significant movements in input costs during the year with increases coming through in the first half which eased in the second half. We successfully continued our policy of passing on cost increases as they occurred in order to defend margins. Despite input cost volatility and continued losses incurred within our composite doors business, the Underlying operating margin for grouphomesafe improved slightly in the year as we successfully flexed our cost base.

Our composite door business had another difficult year with further declines in its key social housing markets, and remained loss making across the year as a whole. The business had some initial success in the year in selling direct to the trade and retail composite door markets and will look to develop this route to market further in 2012 following the introduction of our on line door configurator. In 2011, further actions were taken to reduce the cost base, streamline manufacturing processes and review the operational footprint.

During the period we continued the development of "grouphomesafe" as the umbrella brand for our UK Building Products business and maintained our 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.

New products launched into the UK and Ireland market in 2011 included a door offering from Ventrolla, a range of suited hardware and a biometric lock offering from ERA and an intumescent seal from Schlegel.

INTERNATIONAL BUILDING PRODUCTS

£'million except where stated	**YE 2011**	YE 2010[1]	**Change**	Constant Currency
Sales	**36.0**	37.6	**(4.1)%**	(7.0)%
Underlying Operating Profit	**3.4**	3.9	**(13.3)%**	(17.2)%
Underlying Operating Margin	***9.3%***	*10.3%*		

[1]Comparative figures for 2010 have been revised to reflect the elimination of intragroup trading more accurately and to re-apportion head office overheads previously included in the results of the discontinued Oil Services division.

Our International Building Products division, which goes to market under the Schlegel brand, has seen sales decrease in 2011 compared with the corresponding period last year.

Northern and Eastern European markets remained strong and demonstrated growth year on year, however Southern European markets remained subdued. Our Brazilian business continued to gain market share and position. In Australasia, the year started slowly following the various natural disasters in the region but showed some signs of improvement towards the year end. Profitability in the division was affected by a combination of operational gearing and product mix.

The new management structure we have put in place for the International Division enables us to provide increased focus to the division and should facilitate expansion into new products, applications and geographies.

GROUP 2011 OPERATIONAL PERFORMANCE

During 2011 we remained focused on maintaining tight controls over costs in all our businesses. Headcount at 31 December 2011 in the Building Products Division of 1,880 was lower than the prior year (2010: 1,956) as we flexed labour where necessary and permitted limited selective hiring of permanent personnel only where merited by business activity levels.

Raw material prices of steel and oil derivative products increased during the first half of the financial year but ameliorated during the second half. We continued to adopt a structured and disciplined approach to increases to our cost base, ensuring that we multisource product wherever possible and remain diligent in passing permanent cost increases on to customers.

We have continued our focus on tight management of working capital. Some investment in inventory was required during the year, in part a consequence of the high levels of trading that we saw at the end of 2010 which depressed year end inventory levels.

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 0.3 per cent. of sales (2010: 0.1 per cent.). During the year we were successful in extending credit terms over the purchase of certain products which in turn benefited our payables position with no adverse affect on our supplier base.

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.

PROPERTY

During the year we have continued to examine our manufacturing footprint as we seek to develop centres of excellence that give us sufficient flexibility to manage current demand levels but allow us the potential to respond quickly to changes in the market environment if required.

In North America we completed the first stage of rationalisation of operations at Sioux Falls, South Dakota; combining our Door and Window hardware facilities onto a single site. We retain the freehold of the vacant site and are exploring options for divestiture. We signed a five year lease on our new Atlanta extrusion facility and took on an additional 20,000 sq ft at our leasehold facility in Juarez, Mexico as we continue to develop our near shoring strategy for the North American market.

In the UK we extended our lease at EWS Wolverhampton for a further five years to March 2020 and assigned the lease on Unit B, one of the two remaining surplus properties at Peterlee, County Durham.

During the year the Group utilised aggregate property provisions of £1.3 million and released further property provisions of £1.2 million principally in connection with the exit from Unit B at Peterlee.

Since the year end we have successfully assigned the lease on Unit A at Peterlee and have been released from all remaining obligations in connection with the Peterlee site. This will result in a release to the income statement in 2012 of around £1.9 million of provisions, which will increase 2012 profit after tax by approximately £1.4 million.

The exit of the two Peterlee properties will save the Group in excess of £3.0 million in cash costs of rent, rates, utilities and services over the six years to March 2018.

DISCONTINUED OPERATIONS - OIL AND GAS SERVICES

£'million except where stated	**YE 2011**	YE 2010[1]	**Change**	Constant Currency
Sales	**19.1**	13.7	**38.8%**	n/a
Underlying Operating Profit	**10.0**	7.6	**32.2%**	n/a
Underlying Operating Margin	***52.7%***	*55.3%*		

[1] Comparative figures for 2010 have been revised to exclude the apportionment of head office overheads previously included in the results of the discontinued Oil Services division.

In 2011 our Oil and Gas Services division comprised 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.

2012 GUIDANCE

Following the disposal of Gall Thomson, the Group will have very different operating characteristics in 2012 and beyond.

The increased operational gearing of the Group will lead to greater volatility in the income statement depending on whether volumes increase or decrease. The Group will continue to explore routes to make the cost base more flexible in line with changes in sales volumes.

As a predominantly northern hemisphere building products company, the Group would expect to turn cash positive in September each year and to generate substantially all of its surplus cash in the last six weeks of the financial year.

Capital Expenditure in 2012 is expected to be between £5 million and £6 million, reflecting increased investment in new product development and the announced investment in Amesbury IT systems.

We continue to see opportunities for profitable investment that distinguish us from the competition across all of our businesses, as evidenced by the acquisition of Overland Products in December 2011, and will continue to deploy capital selectively where we believe it will enhance shareholder value.

OUTLOOK

2012 has started with sales and orders broadly in line with 2011, which is encouraging considering the relatively strong start we saw last year. However we expect our end markets to remain relatively subdued across this year as a whole as market conditions remain challenging across all our geographies.

In 2012 the UK and Irish markets are expected to show further decline compared with 2011, reflecting lower consumer spending on RMI and continued downward pressure on social housing budgets. In North America we expect markets to be broadly flat across the year and in Continental Europe we expect markets overall to be slightly down with Southern European markets remaining difficult. In Australasian markets we expect to see a return to growth this year and continued development in South American markets.

We believe that the Building Products Division will continue to outperform its key markets in 2012 and beyond due in part to the Group's relative financial strength following the disposal of Gall Thomson.

The disposal of Gall Thomson marks the completion of the refocusing of Lupus as a supplier of components to the door and window industry worldwide. The Group now has significant financial flexibility to achieve its strategic goals and to accelerate the development of the Building Products Division.

The increase in the dividend of 75 per cent. to 3.50p is a sign of our confidence in the Group's improved financial position and prospects. Going forward, the Board intends to continue a progressive dividend policy taking into account the Group's leverage, earnings growth potential and future expansion plans.

The Board believes the Group is now well positioned for the future.

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.

"Operational Cashflow" is defined as Net cash inflow from operating activities before Income tax paid and after Payments to acquire property, plant and equipment.

"Operating Cash Conversion" is defined as Operational Cashflow divided by Underlying operating profit.

"Continuing Operations" is defined as the operations of the Lupus Capital Group excluding Gall Thomson Environmental Limited and its subsidiaries.

Exchange Rates

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

Closing Rates:	**2011**	2010
US Dollars	**1.5453**	1.5471
Euros	**1.1933**	1.1675

Average Rates:	**2011**	2010
US Dollars	**1.6040**	1.5463
Euros	**1.1523**	1.1661

Roundings

Percentages have been calculated using figures rounded to the nearest thousand extracted from the financial statements, which may lead to small differences in some figures and percentages quoted.

Unaudited consolidated income statement for the year ended 31 December 2011

	Note	**2011 £'000 (unaudited)**	2010 £'000 (audited)
Continuing operations			
Revenue	2	**230,372**	252,464
Cost of sales		**(157,869)**	(169,468)
Gross profit		**72,503**	82,996
Administrative expenses		**(61,499)**	(69,074)
Operating profit		**11,004**	13,922
Analysed as:			
Operating profit before exceptional items and amortisation of intangible assets		**22,399**	26,066
Exceptional items	3	**(830)**	(395)
Amortisation of intangible assets		**(10,565)**	(11,749)
Operating profit		**11,004**	13,922
Finance income	4	**287**	417
Finance costs	4	**(9,982)**	(12,562)
Net finance costs		**(9,695)**	(12,145)
Profit before taxation		**1,309**	1,777
Income tax credit/(expense)	5	**6,775**	(281)
Profit for the year from continuing operations		**8,084**	1,496
Discontinued operations			
Profit for the year from discontinued operations	6	**7,399**	5,551
Profit for the year		**15,483**	7,047
Basic earnings per share			
From continuing operations	7	**6.23p**	1.15p
From discontinued operations	7	**5.70p**	4.28p
		11.94p	5.43p
Diluted earnings per share			
From continuing operations	7	**6.18p**	1.13p
From discontinued operations	7	**5.66p**	4.21p
		11.84p	5.35p

	Note	**2011 £'000**	2010 £'000
Non GAAP measure			
Underlying[1] profit before taxation from continuing operations	7	**16,344**	16,775
Underlying[1] profit before taxation from discontinued operations	7	**10,109**	7,758
		26,453	24,533
Basic earnings per share			
Underlying[1] basic EPS from continuing operations	7	**9.04p**	8.78p
Underlying[1] basic EPS from discontinued operations	7	**5.71p**	4.28p
		14.75p	13.06p

[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.

Unaudited consolidated statement of comprehensive income for the year ended 31 December 2011

	Note	**2011 £'000 (unaudited)**	2010 £'000 (audited)
Profit for the year		**15,483**	7,047
Other comprehensive income:			
Exchange differences on retranslation of foreign operations		**(354)**	4,511
Actuarial losses on defined benefit plans		**(4,699)**	(117)
Effective portion of changes in value of cash flow hedges		**1,228**	564
Tax on items included in other comprehensive income	5	**1,659**	40
Other comprehensive (loss)/income for the year, net of tax		**(2,166)**	4,998
Total comprehensive income for the year attributable to equity shareholders		**13,317**	12,045

Unaudited consolidated statement of changes in equity for the year ended 31 December 2011

	Share capital £'000	**Share Premium £'000**	**Other reserves[1] £'000**	**Treasury reserve £'000**	**Hedging reserve £'000**	**Translation reserve £'000**	**Retained earnings £'000**	**Total £'000**
At 1 January 2010	6,864	101	10,389	(6,764)	(2,489)	28,927	189,439	226,467
Total comprehensive income	-	-	-	-	564	4,511	6,970	12,045
Profit for the year	-	-	-	-	-	-	7,047	7,047
Other comprehensive income	-	-	-	-	564	4,511	(77)	4,998
Transactions with owners	-	-	-	-	-	-	63	63
Share-based payments	-	-	-	-	-	-	63	63
At 31 December 2010	**6,864**	**101**	**10,389**	**(6,764)**	**(1,925)**	**33,438**	**196,472**	**238,575**
Total comprehensive income	**-**	**-**	**-**	**-**	**1,228**	**(354)**	**12,443**	**13,317**
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**15,483**	**15,483**
Other comprehensive income	**-**	**-**	**-**	**-**	**1,228**	**(354)**	**(3,040)**	**(2,166)**
Transactions with owners	**-**	**-**	**-**	**(250)**	**-**	**-**	**(2,424)**	**(2,674)**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**172**	**172**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**(2,596)**	**(2,596)**
Purchase of treasury shares	**-**	**-**	**-**	**(250)**	**-**	**-**	**-**	**(250)**
At 31 December 2011	**6,864**	**101**	**10,389**	**(7,014)**	**(697)**	**33,084**	**206,491**	**249,218**

[1] Other reserves are non-distributable capital reserves which arose on previous acquisitions.

Unaudited consolidated balance sheet
As at 31 December 2011

	Note	2011 £'000 (unaudited)	2010 £'000 (audited)
ASSETS			
Non-current assets			
Goodwill		**214,186**	223,531
Intangible assets		**98,620**	104,709
Property, plant and equipment		**30,461**	31,457
Deferred tax assets	5	**9,618**	7,654
		352,885	367,351
Current assets			
Inventories		**26,427**	26,048
Trade and other receivables		**28,200**	32,922
Cash and cash equivalents		**20,426**	27,748
		75,053	86,718
Assets of disposal group classified as held for sale	6	**21,114**	-
		96,167	86,718
TOTAL ASSETS		**449,052**	454,069
LIABILITIES			
Current liabilities			
Current tax payable		**(1,976)**	(2,679)
Trade and other payables		**(34,632)**	(40,365)
Provisions	8	**(1,510)**	(3,584)
Finance lease obligations	9	**-**	(9)
Derivative financial instruments		**(777)**	-
Interest bearing loans and borrowings	9	**(12,930)**	(5,163)
		(51,825)	(51,800)
Liabilities of disposal group classified as held for sale	6	**(3,271)**	-
		(55,096)	(51,800)
Non-current liabilities			
Finance lease obligations	9	**-**	(1)
Deferred tax liabilities	5	**(18,834)**	(23,369)
Interest bearing loans and borrowings	9	**(100,235)**	(114,304)
Employee benefit liability		**(9,732)**	(7,474)
Provisions	8	**(14,487)**	(14,989)
Derivative financial instruments		**-**	(1,998)
Other creditors		**(1,450)**	(1,559)
		(144,738)	(163,694)
TOTAL LIABILITIES		**(199,834)**	(215,494)
NET ASSETS		**249,218**	238,575
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		**(7,014)**	(6,764)
Hedging reserve		**(697)**	(1,925)
Translation reserve		**33,084**	33,438
Retained earnings		**206,491**	196,472

TOTAL EQUITY	**249,218**	238,575

Unaudited consolidated cash flow statement
For the year ended 31 December 2011

	Note	**2011** **£'000** **(unaudited)**	2010 £'000 (audited)
Cash flows from operating activities			
Profit before tax - continuing operations		**1,309**	1,777
Profit before tax - discontinued operations	6	**10,108**	7,758
Adjustments	12	**26,335**	30,666
Movement in inventories		**(263)**	451
Movement in trade and other receivables		**965**	(2,728)
Movement in trade and other payables		**(2,830)**	4,011
Provisions utilised		**(1,854)**	(2,515)
Pension contributions		**(1,191)**	(841)
Income tax paid		**(1,870)**	(2,304)
Net cash inflow from operating activities		**30,709**	36,275
Investing activities			
Payments to acquire property, plant and equipment		**(4,384)**	(3,314)
Payments to acquire intangible assets		**(492)**	(197)
Acquisition of subsidiary undertakings	11	**(10,280)**	-
Interest received		**340**	566
Net cash outflow from investing activities		**(14,816)**	(2,945)
Financing activities			
Interest paid		**(7,011)**	(9,822)
Dividends paid		**(2,596)**	-
Purchase of treasury shares		**(250)**	-
New bank loans raised		**112,551**	-
Refinancing costs paid		**(2,643)**	(23)
Repayment of borrowings		**(119,621)**	(21,147)
Repayment of capital element of finance leases		**(10)**	(8)
Net cash outflow from financing activities		**(19,580)**	(31,000)
(Decrease)/Increase in cash and cash equivalents		**(3,687)**	2,330
Effect of exchange rates on cash and cash equivalents		**325**	463
Cash and cash equivalents at the beginning of the year		**27,748**	24,955
Cash and cash equivalents at the end of the year		**24,386**	27,748

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 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 2011, 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 2011 on which the auditors have yet to report, 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 2010 which can be found on the Group's website.

2. SEGMENTAL ANALYSIS

The following tables present group revenue and profit and certain assets and liability information regarding the Group's product segments, which have been generated using group accounting policies, with no differences of measurement applied.

Comparative figures for 2010 have been revised to reflect the elimination of intragroup trading more accurately and to re-apportion head office overheads previously included in the results of the discontinued Oil Services division.

SEGMENT REVENUE AND RESULTS

The group has two operating segments: Building products and Oil services, one of which has a geographical analysis included within the tables below.

	Continuing operations - Building products				**Discontinued operations - Oil services**	
Year ended 31 December 2011	United Kingdom £'000	United States £'000	Rest of the World £'000	Total £'000	United Kingdom £'000	**Total £'000**
Revenue						
External sales	88,984	105,370	36,018	230,372	19,088	**249,460**
Result						
Operating profit before exceptional items and amortisation of intangible assets	7,719	11,327	3,353	22,399	10,056	**32,455**
Amortisation of intangible assets				(10,565)	(1)	**(10,566)**
Exceptional items (note 3)				(830)	-	**(830)**
Operating profit				11,004	10,055	**21,059**
Net finance costs				(9,695)	53	**(9,642)**
Profit before tax				1,309	10,108	**11,417**
Tax				6,775	(2,709)	**4,066**
Profit after tax				8,084	7,399	**15,483**
Other segment information						
Cost of goods sold				157,869	5,856	**163,725**
Depreciation				5,252	51	**5,303**

SEGMENT ASSETS AND LIABILITIES

Year ended 31 December 2011	Continuing operations - Building products: United Kingdom £'000	United States £'000	Rest of the World £'000	Total £'000	Discontinued operations - Oil services: United Kingdom £'000	**Total £'000**
Segment assets						
Total segment assets	100,618	267,832	55,245	423,695	21,114	**444,809**
Unallocated segment assets				2,616	-	**2,616**
Unallocated group assets						**1,627**
Consolidated total assets						**449,052**
Segment liabilities						
Total segment liabilities	(27,676)	(41,067)	(7,270)	(76,013)	(3,271)	**(79,284)**
Unallocated segment liabilities				(115,281)	-	**(115,281)**
Unallocated group liabilities						**(5,269)**
Consolidated total liabilities						**(199,834)**

Year ended 31 December 2011	Continuing operations - Building products: United Kingdom £'000	United States £'000	Rest of the World £'000	Total £'000	Discontinued operations - Oil services: United Kingdom £'000	**Total £'000**
Non-current assets[1]	68,078	232,650	42,539	343,267	11,849	**355,116**
Other segment information						
Employee benefit liability				(9,732)	-	**(9,732)**
Goodwill allocation				214,186	11,421	**225,607**
Intangible asset allocation				98,620	35	**98,655**
Capital expenditure						
- property, plant and equipment	1,143	2,588	516	4,247	137	**4,384**
- intangible assets	69	350	37	456	36	**492**

[1] Non-current assets exclude amounts relating to deferred tax assets.

COMPARATIVE INFORMATION
SEGMENT REVENUE AND RESULTS

	Continuing operations - Building products				Discontinued operations - Oil services	
Year ended 31 December 2010	United Kingdom £'000	United States £'000	Rest of the World £'000	Total £'000	United Kingdom £'000	**Total £'000**
Revenue						
External sales	97,927	116,987	37,550	252,464	13,748	**266,212**
Result						
Operating profit before exceptional items and amortisation of intangible assets	8,167	14,031	3,868	26,066	7,609	**33,675**
Amortisation of intangible assets				(11,749)	-	**(11,749)**
Exceptional items (note 3)				(395)	-	**(395)**
Operating profit				13,922	7,609	**21,531**
Net finance costs				(12,145)	149	**(11,996)**
Profit before tax				1,777	7,758	**9,535**
Tax				(281)	(2,207)	**(2,488)**
Profit after tax				1,496	5,551	**7,047**
Other segment information						
Cost of goods sold				169,468	3,935	**173,403**
Depreciation				6,449	44	**6,493**

SEGMENT ASSETS AND LIABILITIES

	Building products				Oil services	
	United Kingdom	United States	Rest of the World	Total	United Kingdom	**Total**
Year ended 31 December 2010	£'000	£'000	£'000	£'000	£'000	**£'000**
Segment assets						
Total segment assets	106,843	266,565	57,610	431,018	17,384	**448,402**
Unallocated assets						**5,667**
Consolidated total assets						**454,069**
Segment liabilities						
Total segment liabilities	(35,607)	(43,826)	(5,846)	(85,279)	(4,782)	**(90,061)**
Unallocated segment liabilities				(118,729)	-	**(118,729)**
Unallocated group liabilities						**(6,704)**
Consolidated total liabilities						**(215,494)**
Non-current assets[1]	70,762	231,638	45,572	347,972	11,725	**359,697**
Other segment information						
Employee benefit liability				(7,474)	-	**(7,474)**
Goodwill allocation				212,110	11,421	**223,531**
Intangible asset allocation				104,709	-	**104,709**
Capital expenditure						
- property, plant and equipment	1,268	1,542	446	3,256	58	**3,314**
- intangible assets	51	137	9	197	-	**197**

[1] Non-current assets exclude amounts relating to deferred tax assets.

3. EXCEPTIONAL ITEMS

	2011	2010
	£'000	£'000
Redundancy and restructuring costs	**813**	151
Acquisition expenses	**282**	-
Adjustments to fair value accounting of acquisitions	**(265)**	-
Other costs, net	**-**	244
	830	395

All exceptional items relate to continuing operations.

4. FINANCE REVENUE AND COSTS

Finance costs from continuing operations:

	2011 £'000	2010 £'000
Finance income		
Bank interest receivable	**287**	417
Finance costs		
Interest payable on bank loans and overdraft	**(6,205)**	(9,429)
Amortisation of borrowing costs	**(3,148)**	(2,295)
Ineffective portion of changes in value of cash flow hedges	**(8)**	(26)
Interest on obligations under finance leases	**-**	(1)
Unwinding of discount on provisions	**(492)**	(559)
Pension scheme and other finance costs	**(129)**	(252)
	(9,982)	(12,562)
Net finance costs	**(9,695)**	(12,145)

5. TAXATION

(a) TAX ON PROFITS ON ORDINARY ACTIVITIES
Income tax in the income statement

	Continuing operations		Discontinued operations		Total	
	2011 £'000	2010 £'000	**2011 £'000**	2010 £'000	**2011 £'000**	2010 £'000
Current income tax:						
UK Corporation tax (credit)/expense	**(986)**	(1,408)	**2,778**	2,163	**1,792**	755
Foreign tax expense	**3,168**	5,090	**-**	-	**3,168**	5,090
Current income tax charge	**2,182**	3,682	**2,778**	2,163	**4,960**	5,845
Adjustments in respect of prior periods	**-**	(545)	**-**	48	**-**	(497)
Exceptional adjustments in respect of prior periods	**(3,767)**	-	**-**	-	**(3,767)**	-
Total current income tax (credit)/expense	**(1,585)**	3,137	**2,778**	2,211	**1,193**	5,348
Deferred tax:						
Origination and reversal of temporary differences	**(1,850)**	(2,225)	**(3)**	9	**(1,853)**	(2,216)
Adjustment due to deferred tax rate change	**(2,137)**	(892)	**-**	-	**(2,137)**	(892)
Adjustments in respect of prior periods	**-**	261	**(66)**	(13)	**(66)**	248
Exceptional adjustments in respect of prior periods	**(1,203)**	-	**-**	-	**(1,203)**	-
Total deferred tax (credit)/expense	**(5,190)**	(2,856)	**(69)**	(4)	**(5,259)**	(2,860)
Income tax (credit)/expense in the income statement	**(6,775)**	281	**2,709**	2,207	**(4,066)**	2,488

The standard rate of Corporation tax in the UK changed from 28% to 26% with effect from 1 April 2011. Accordingly, the Group's UK profits for this accounting period are taxed at an effective rate of 26.5% (2010: 28%). The tax rate of 25% was substantively enacted in July 2011 and is applicable from 1 April 2012. Therefore UK profits will be taxed at a blended rate of 25.25% in 2012.

Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions.

Exceptional adjustments in respect of prior periods arose from the clarification with the tax authorities of the tax treatment of provisions, mainly those originally made at the time of the Schlegel acquisition in 2006 and the LSS acquisition in 2007.

Tax relating to items charged or (credited) directly to equity - continuing operations

	2011	2010
	£'000	£'000
Deferred tax:		
Actuarial losses on pension schemes	**(1,659)**	(40)
Income tax (credit) in the statement of comprehensive income	**(1,659)**	(40)

(b) RECONCILIATION OF THE TOTAL TAX CHARGE

The tax assessed for the year differs from the standard rate of tax in the UK of 26% (2010: 28%). The differences are explained below:

	Continuing operations		Discontinued operations		Total	
	2011	2010	**2011**	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000	**£'000**	£'000
Profit before taxation	**1,309**	1,777	**10,108**	7,758	**11,417**	9,535
Rate of corporation tax in the UK of 26.5% (2010: 28%)	**347**	498	**2,679**	2,172	**3,026**	2,670
Effects of:						
(Income not taxable)/expenses not deductible for tax purposes	**(495)**	167	**96**	-	**(399)**	167
Overseas tax rate differences	**481**	790	**-**	-	**481**	790
Adjustment due to deferred tax rate change	**(2,137)**	(892)	**-**	-	**(2,137)**	(892)
Adjustment in respect of prior periods	**(4,971)**	(282)	**(66)**	35	**(5,037)**	(247)
Income tax (credit)/expense in the income statement	**(6,775)**	281	**2,709**	2,207	**(4,066)**	2,488

(c) DEFERRED TAX

Deferred income tax at 31 December relates to the following:

	Group balance sheet		Group income statement	
	2011	2010	**2011**	2010
	£'000	£'000	**£'000**	£'000
Deferred tax liability				
Intangible assets on acquisition	**(16,399)**	(22,808)	**(4,426)**	(4,271)
Other	**(2,435)**	(561)	**1,136**	1,241
	(18,834)	(23,369)	**(3,290)**	(3,030)
Deferred tax assets				
Post-employment benefits	**3,304**	1,705	**3,185**	-
Purchased goodwill	**5,349**	4,612	**(1,942)**	290
Other	**965**	1,337	**(3,212)**	(120)
	9,618	7,654	**(1,969)**	170
Deferred income tax credit			**(5,259)**	(2,860)
Deferred tax liabilities net	**(9,216)**	(15,715)		
Reflected in the balance sheet as follows:				
Deferred tax assets	**9,618**	7,654		
Deferred tax liabilities	**(18,834)**	(23,369)		
Deferred tax liabilities net	**(9,216)**	(15,715)		

The gross movement in deferred tax is as follows:

	2011 £'000	2010 £'000
At beginning of year	**(15,715)**	(18,209)
Acquisition (note 25)	**1,954**	-
Income statement credit - continuing operations	**5,265**	2,856
Income statement credit - discontinued operations	**(6)**	4
Tax charge directly to equity	**(1,346)**	(366)
Reclassification from current tax to deferred tax	**712**	-
Transfer of assets of disposal group classified as held for sale	**(80)**	-
	(9,216)	(15,715)

(d) FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are estimated tax losses of £13,745,000 (2010: £9,980,000) within the Group, comprising capital losses of £7,348,000 and trading losses of £6,397,000. As the future use of these losses is uncertain, in accordance with the Group's accounting policy only (a portion of these losses have been recognised as a deferred tax asset).

The amounts of deferred tax not recognised are as follows:

	2011 £'000	2010 £'000
Tax losses	**(846)**	(785)
Capital losses	**(1,837)**	(2,057)
	(2,683)	(2,842)

As a result of UK legislation which largely exempts from UK tax the overseas dividends received, the temporary differences arising on unremitted profits are unlikely to lead to additional corporate taxes. However, remittance to the UK of those earnings may still result in a tax liability, principally as a result of withholding taxes levied by the overseas tax jurisdictions in which those subsidiaries operate.

6. DISCONTINUED OPERATIONS

During 2011, the Group determined to dispose of its Oil Services business, comprising Gall Thomson and its subsidiaries, and undertook a process to identify preferred bidders which was completed in December 2011.

On 13 March 2012, the Group completed this sale. These activities have been presented as discontinued as they satisfy the definition of discontinued operations as defined by IFRS5, as the disposal was highly probable at 31 December 2011.

Results attributable to discontinued operations are as follows:

	2011	2010
	£'000	£'000
Revenue	**19,088**	13,748
Cost of sales	**(5,856)**	(3,935)
Gross profit	**13,232**	9,813
Administrative expenses	**(3,177)**	(2,204)
Operating profit	**10,055**	7,609
Analysed as:		
Operating profit before exceptional items and amortisation of intangible assets	**10,056**	7,609
Amortisation of intangible assets	**(1)**	-
Operating profit	**10,055**	7,609
Net finance income	**53**	149
Result from discontinued operations before taxation	**10,108**	7,758
Income tax expense	**(2,709)**	(2,207)
Net profit attributable to discontinued operations	**7,399**	5,551

The assets and liabilities comprising the operations classified as held for sale are as follows:

	2011
Assets of disposal group classified as held for sale	**£'000**
Goodwill	**11,421**
Intangible assets	**35**
Property, plant and equipment	**393**
Deferred tax asset	**80**
Inventories	**1,127**
Trade and other receivables	**4,098**
Cash and cash equivalents	**3,960**
	21,114

	2011
Liabilities of disposal group classified as held for sale	**£'000**
Current tax payable	**617**
Trade and other payables	**2,654**
	3,271

The net cash flows attributable to the operations classified as held for sale are as follows:

	2011
	£'000
Net cash inflow from operating activities	**9,676**
Net cash outflow from investing activities	**(120)**
Net cash flow from financing activities	**-**
Net cash inflow	**9,556**

7. 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.

	2011 '000	2010 '000
Weighted average number of shares (including treasury shares)	**137,287**	137,287
Treasury shares	**(7,580)**	(7,447)
Weighted average number of shares - basic	**129,707**	129,840
Effect of dilutive potential ordinary shares - LTIP awards and options	**1,011**	1,967
Weighted average number of shares - diluted	**130,718**	131,807

	2011 £'000	2010 £'000
Profit for the period - continuing operations	**8,084**	1,496
Profit for the period - discontinued operations	**7,399**	5,551
	15,483	7,047
Basic earnings per share		
From continuing operations	**6.23p**	1.15p
From discontinued operations	**5.70p**	4.28p
	11.93p	5.43p
Diluted earnings per share		
From continuing operations	**6.18p**	1.13p
From discontinued operations	**5.66p**	4.21p
	11.84p	5.34p

EARNINGS PER SHARE FROM CONTINUING OPERATIONS BEFORE EXCEPTIONAL ITEMS

Basic and diluted Underlying Earnings per Share information is presented as an additional measure using the weighted average number of ordinary shares for both basic and diluted amounts as per the table above.

Underlying profit after taxation from continuing operations is derived as follows:

	2011 £'000	2010 £'000
Profit before taxation from continuing operations	**1,309**	1,777
Exceptional costs	**830**	395
Amortisation of intangible assets	**10,565**	11,749
Unwinding discount on provisions	**492**	559
Amortisation of borrowing costs	**3,148**	2,295
Underlying profit before taxation from continuing operations	**16,344**	16,775
Income tax expense	**6,775**	(281)
Adjustment due to tax rate change	**(2,137)**	(892)
Exceptional prior year tax adjustments	**(4,970)**	-
Tax effect on exceptional costs and amortisation of intangible assets	**(4,286)**	(4,199)
Underlying profit after taxation from continuing operations	**11,726**	11,403

Underlying profit after taxation from discontinued operations is derived as follows:

	2011 £'000	2010 £'000
Profit before taxation from discontinued operations	**10,108**	7,758
Amortisation of intangible assets	**1**	-
Underlying profit before taxation from discontinued operations	**10,109**	7,758
Income tax expense	**(2,709)**	(2,207)
Underlying profit after taxation from discontinued operations	**7,400**	5,551

Earnings per share is summarised as follows:

	2011 £'000	2010 £'000
Basic earnings per share		
From continuing operations	**9.04p**	8.78p
From discontinued operations	**5.71p**	4.28p
	14.75p	13.06p
Diluted earnings per share		
From continuing operations	**8.97p**	8.65p
From discontinued operations	**5.66p**	4.21p
	14.63p	12.86p

8. PROVISIONS

	Property related £'000	Restructuring £'000	Warranty £'000	Other £'000	Total £'000
At 1 January 2010	13,088	731	1,474	5,722	21,015
Provided during the year	142	412	607	-	1,161
Utilised during the year	(1,604)	(472)	(439)	-	(2,515)
Released during the year	(565)	(307)	(100)	(700)	(1,672)
Unwinding of discount	559	-	-	-	559
Exchange differences	13	12	-	-	25
At 31 December 2010	11,633	376	1,542	5,022	18,573
Provided during the year	262	105	1,201	300	1,868
Utilised during the year	(1,290)	(228)	(336)	-	(1,854)
Released during the year	(1,165)	(56)	(187)	(1,700)	(3,108)
Unwinding of discount	492	-	-	-	492
Exchange differences	(9)	2	33	-	26
At 31 December 2011	**9,923**	**199**	**2,253**	**3,622**	**15,997**
Current liabilities	1,153	175	100	82	1,510
Non-current liabilities	8,770	24	2,153	3,540	14,487
Total	**9,923**	**199**	**2,253**	**3,622**	**15,997**

Current liabilities are those aspects of provisions that are expected to be utilised within the next year.

PROPERTY RELATED

Property provisions relate to provisions for onerous leases of £7,936,000, and leasehold dilapidations of £1,987,000, and are expected to be utilised by 2018.

For onerous leases, the Group has provided for the rental payments due over the remaining term of existing operating lease contracts where a period of vacancy is ongoing. The provision has been calculated after taking into account both the periods over which properties are likely to remain vacant and any likely sub lease income on a property-by-property basis. The provision covers potential transfer of economic benefit over the full range of current lease commitments.

The provision for leasehold dilapidations relates to contractual obligations to reinstate leasehold properties to their original state of repair. The transfer of economic benefits will occur at the end of the leases.

RESTRUCTURING

Restructuring provisions include provisions for staff redundancy costs at restructured/closed business units and are expected to be utilised by the end of 2013.

WARRANTY

The warranty provision is calculated based on historical experience of the ultimate cost of settling product warranty claims and potential claims. Warranty provisions are expected to be utilised by the end of 2017.

OTHER

Other provisions comprise taxation and inventory-related provisions, expected to be utilised by 2013 and 2018 respectively.

9. INTEREST-BEARING LOANS AND BORROWINGS

	2011	2010
	£'000	£'000
Unsecured borrowing at amortised cost		
Bank loans	**113,080**	-
Secured borrowing at amortised cost		
Bank loans	**85**	119,467
Finance lease liabilities	**-**	10
	85	119,477
Total borrowings	**113,165**	119,477
Analysed as:		
Amount due for settlement within 12 months	**12,930**	5,172
Amount due for settlement after 12 months	**100,235**	114,305
	113,165	119,477

On 14 September 2011, the Group entered into a new debt facility agreement which extends the Group's committed facilities to 31 March 2016. The multicurrency term loan of £110 million, as well as the £30 million multicurrency working capital facility, are unsecured and guaranteed by Lupus Capital plc and its principal subsidiary companies.

At 31 December 2011, the Group had drawn down $4,000,000 of the £30 million multicurrency working capital facility.

Scheduled repayments are to commence annually on 31 December 2012 and will continue until 31 December 2015, with the balance outstanding payable on the termination date of the facility, being 31 March 2016.

There were no defaults in interest payments in the year under the terms of the loan agreements.

10. DIVIDENDS

	2011 £'000	2010 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2010 of 2p per share	**2,596**	-
Amounts not recognised in the financial statements:		
Proposed final dividend for the year ended 31 December 2011 of 3.5p per share	**4,544**	-

The proposed final divided is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

11. ACQUISITION OF SUBSIDIARY

On 31 December 2011, the Group acquired 100 per cent of the issued share capital of Overland Products Company, Inc, obtaining control of Overland Products Company, Inc. Overland Products Company, Inc is based in Fremont, Nebraska and supplies an extensive range of stampings for a wide range of applications, mainly for the fenestration market, which provides the group with access to new markets and customers.

Recognised amounts of identifiable assets and liabilities acquired:

	Book value £'000	Fair value £'000
Property, plant and equipment	57	**704**
Intangible assets	-	**4,094**
Inventories	1,382	**1,220**
Trade and other receivables	479	**447**
Trade and other payables	(427)	**(443)**
Loan borrowings	(85)	**(85)**
Deferred taxation	-	**1,954**
Total identifiable assets		**7,891**
Goodwill arising on acquisition		**2,389**
Total consideration		**10,280**

Satisfied by:

	£'000
Cash	**10,280**

The fair value of the financial assets includes trade and other receivables with a fair value of £447,000 and a gross contractual value of £479,000. The best estimate at the acquisition date of the contractual cash flows not recoverable is £32,000.

The Group incurred acquisition related costs of £282,000 for professional fees paid for due diligence, other general professional fees and legal advice. These costs have been included in exceptional costs in the Group's consolidated income statement.

Had the acquisition of Overland Products Company, Inc been completed on the first day of the financial year, an additional £6.6 million of revenue and £1.0 million of profit before taxation would have been contributed to the Group.

Fair values remain provisional in relation to this acquisition and the Group will complete this review in 2012. Any adjustment to the carrying value is unlikely to be significant to the individual acquisition.

The estimated value of intangibles, including goodwill, deductible for tax purposes is $13,037,000.

12. 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:

	2011	2010
	£'000	£'000
Net finance costs	**9,642**	11,996
Depreciation	**5,303**	6,493
Amortisation	**10,566**	11,749
Intangible and non-current assets written off	**314**	76
Non cash adjustments	**338**	289
Share based payments	**172**	63
	26,335	30,666

13. POST BALANCE SHEET EVENTS

DISPOSAL

On 13 March 2012, Lupus Capital plc entered into an unconditional agreement to sell the Group's Oil Services Division, Gall Thomson, to Copper Bidco Limited, a company controlled by Phoenix Equity Partners for a total cash consideration of approximately £75 million, subject to certain post-completion adjustments relating to the amounts of cash and net working capital held in the Gall Thomson Group at the date of disposal.

Approximately £30 million of the disposal proceeds will be applied in permanent pay down of the Group's debt facilities, offsetting future scheduled repayments. Approximately £2 million of the disposal proceeds will be spent on fees and expenses relating to the disposal. The disposal will lead to an accounting profit on disposal of approximately £53 million which will be recognized in the 2012 Financial Statements.

The cash consideration payable for Gall Thomson represents an exit multiple of 3.9x Gall Thomson's 2011 sales and 7.4x 2011 EBITDA. The Board believes that the valuation placed on Gall Thomson recognizes the high quality of the Oil Service businesses and that, following the disposal, Lupus's focus of resources on the Building Products Division will be in the best interest of Lupus Shareholders as a whole.

ONEROUS LEASE

On 2 March 2012, the Group concluded an agreement with a third party to assign the lease and exit Unit A, the remaining property on the Peterlee site. This will result in savings of £2.1 million in cash costs of rent, rates, utilities and services over the next six years to March 2018 and the release to the income statement in 2012 of around £1.9m of provisions, which will increase profit after tax by approximately £1.4 million.