

TYMAN PLC

("Tyman" or the "Group" or the "Company")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

Tyman plc, a leading international supplier of engineered components to the door and window industry, announces unaudited interim results for the six months ended 30 June 2017.

Financial highlights

£'m unless stated	H1 2017	H1 2016	Change	CC LFL⁽¹⁾
Revenue	260.4	201.0	+ 30 %	+ 2 %
Underlying Operating Profit	35.5	27.2	+ 31 %	+ 4 %
<i>Underlying Operating Margin</i>	13.6 %	13.5 %	+ 10 bps	+ 20 bps
Underlying Profit before Taxation ⁽²⁾	31.4	23.8	+ 32 %	+ 4 %
Underlying EPS ⁽²⁾	12.09p	9.69p	+ 25 %	
Dividend per share	3.50p	3.00p	+ 17 %	
Underlying Net Debt	190.4	144.9	+ 31 %	
Reported Leverage	2.05x	1.81x	+ 0.24x	
Pro forma Leverage ⁽³⁾	2.05x	2.35x	(0.30)x	
<i>Return on Capital Employed</i>	13.8 %	13.1 %	+ 70 bps	

(1) CC LFL = Constant Currency Like for Like (see Alternative Performance Measures on page 41)

(2) H1 2016 comparatives for Underlying Profit before Taxation and Underlying EPS have been restated (see Alternative Performance Measures on page 41)

(3) Pro forma Leverage comparator is the Leverage on 1 July 2016, the date of completion of the Bilco acquisition

Statutory financial highlights

£'m unless stated	H1 2017	H1 2016	Change
Profit before Taxation	17.8	7.8	+ 130 %
Basic EPS	6.65p	3.13p	+ 113 %
Net Debt	189.5	143.5	+ 32 %

Business highlights

- Solid underlying trading performance against a relatively strong comparator period and in line with expectations
- Synergy expectations for the Giesse acquisition increased by 50 per cent. to €6.0 million by March 2018

- Continued strong cash generation and year on year deleveraging
- Indications of input cost inflation moderating during the second quarter
- North American and International markets remain positive, UK more subdued
- Well positioned for further progress in the second half

Louis Eperjesi, Chief Executive, commented:

“In the first half, Tyman has delivered a solid trading performance against a relatively strong comparator period and made further progress in the integration of the businesses acquired in 2016 and 2017. As a consequence, we are now in a position to raise the cumulative synergy guidance for the Giesse acquisition by 50 per cent. to €6.0 million by March 2018.

“North American markets showed modest growth in the period with Canadian markets improving and, while UK markets remain relatively subdued, there continues to be consistent and sustained growth in Continental Europe.

“Trading across the Group continues to be in line with management expectations with good cash generation. Tyman is well positioned for further progress in the second half.”

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Tyman will host an analyst and investor presentation at 09h30 a.m. today, Tuesday 25 July 2017, at the offices of MHP Communications, 6 Agar Street, London, WC2N 4HN.

The presentation will be webcast at the Group’s website - www.tymanplc.com - and the audio conference call details are set out below.

Conference Call Dial In Details

Toll number	+44 33 3300 0804
Toll-free number	0800 358 9473
Participant PIN	81445389#

Forthcoming dates

Ex-dividend date	3 August 2017
Dividend record date	4 August 2017
DRIP elections last day	11 August 2017
Dividend payment date	7 September 2017

Autumn trading update
Full year results announcement

7 November 2017

6 March 2018

Notes to editors

Tyman plc is a leading international supplier of engineered components to the door and window industry. The Group's three Divisions – AmesburyTruth, ERA and Schlegel International – are market leaders in their respective geographies.

The Group employs over 3,500 people and operates facilities in 19 countries worldwide. Tyman is listed on the London Stock Exchange under the ticker TYMN.

Further information on the Group and the Group's products are available at the Group's website - www.tymanplc.com.

RESULTS OVERVIEW

Tyman delivered a solid trading performance in the first half against a relatively strong comparator period and made further progress in the integration of the businesses acquired in 2016 and 2017. Trading across the Group continues to be in line with management expectations with good cash generation.

North American markets showed modest growth in the period with Canadian markets improving and, while UK markets remain relatively subdued, there continues to be consistent and sustained growth in Continental Europe.

Revenue recorded in the period was £260.4 million (H1 2016: £201.0 million) an increase of 29.5 per cent. on a reported basis and 2.0 per cent. on a constant currency, like for like basis, with the difference due to the relative weakness of Sterling compared with H1 2016 and contributions from acquisitions.

Underlying Operating Profit increased to £35.5 million (H1 2016: £27.2 million), an increase of 30.6 per cent. on a reported basis and 3.9 per cent. on a constant currency, like for like basis. The Group's Underlying Operating Margin increased slightly to 13.6 per cent. (H1 2016: 13.5 per cent.), despite the dilutive impact of the lower margin Bilco business, with the constant currency like for like Underlying Operating Margin increasing by 20 bps.

During the period, ERA completed the acquisition of Howe Green and responsibility for Bilco UK was transferred to ERA as part of the development of a meaningful commercial offering for the UK market.

Synergy benefits were recorded from both the Bilco and Giesse acquisitions and the Group has increased the targeted cumulative synergies for the Giesse acquisition by 50 per cent. to €6.0 million over the two years to March 2018. These increased synergies will more than offset the reduced savings expected to be derived in 2017 from the North American footprint consolidation project. AmesburyTruth remains committed to the targeted savings from this project of US\$10.0 million from 2020.

Input costs increased in most of the Group's markets in the first quarter; with some signs of input cost inflation moderating during the second quarter. The consequent impact on profitability continues to be managed proactively through a combination of effective purchasing, price management and cost reduction programmes.

Operational cash generation was strong in the period, in part due to the Group's 2017 capital investment programme being more weighted towards the second half of the year. Operating Cash Conversion in the twelve months to 30 June 2017 was 99.3 per cent. (LTM to H1 2016: 96.9 per cent.).

Leverage at the period end was 2.05x (H1 2016: 1.81x) which compares favourably with the pro forma Leverage of 2.35x at 1 July 2016, the date the Bilco acquisition completed; and demonstrates the cash generative nature of the Group's businesses. Leverage is projected to reduce over the second half of the year to within the Group's year end target range of 1.5x to 2.0x.

An interim dividend for the 2017 year of 3.50 pence per share (H1 2016: 3.00 pence per share) will be paid on 7 September 2017 to shareholders on the register at close of business on 4 August 2017.

Board Changes

A number of changes to the Board composition and roles took place in the first half of the year. Jamie Pike stepped down as Non-executive Chairman of the Group following the conclusion of the 2017 Annual General Meeting and Martin Towers succeeded him as Non-executive Chairman. Helen Clatworthy became Chair of the audit committee from the same date.

Following a review of the Executive Directors' roles, with effect from 1 August 2017, James Brotherton will take Board responsibility for Group strategy, corporate development and M&A in addition to his existing duties as Chief Financial Officer. In light of his additional responsibilities, his salary will be increased from this date. At the increased level his salary will be around the median salary of Chief Financial Officers for companies of similar size and complexity to Tyman. Full details of his revised remuneration package are set out at the Group's website, www.tymanplc.com.

Outlook

AmesburyTruth expects trading in US residential will remain consistent over the balance of the year with modest growth in both new build and repair and remodelling markets. Further growth is forecast in US commercial in the second half and AmesburyTruth will benefit from its broader commercial product offering. The improving market and business performance in Canada is expected to continue in the second half.

ERA expects the relatively weak residential UK RMI market conditions will persist over the balance of the year with the overall UK residential market remaining flat to down. While cost inflation pressures are not expected to be as severe as they were in the second half of 2016, ERA will not have the benefit of the currency hedges that were put in place prior to the EU Referendum last year and raw material costs are still much higher than they were at H1 2016. The Underlying Operating Margin for the full year for the ERA Division is therefore expected to remain lower than in 2016.

Schlegel International expects to see further growth in EMEA across the balance of year with Continental Europe continuing to improve and Middle East Revenue being more weighted towards the second half. Asia Pacific markets, other than Australia, are expected to remain stable; however Latin American markets will stay challenging. Profitability in Schlegel International will benefit from the increased levels of synergies generated as the integration of Giesse concludes.

The Board continues to review opportunities to fill the gaps in Tyman's product portfolio and geographical coverage through cross selling of the product range, new product development and value adding acquisitions. The Group is well positioned to make further progress across the balance of the year, particularly in North American and International markets, and continues to trade in line with expectations with good cash generation.

OPERATIONAL REVIEW

AmesburyTruth

£'m except where stated	H1 2017	H1 2016	Change	CC LFL
Revenue	166.1	126.8	+ 31%	<i>Flat</i>
Underlying Operating Profit	27.4	21.8	+ 26%	<i>+ 1 %</i>
<i>Underlying Operating Margin</i>	16.5 %	<i>17.2 %</i>	(70) bps	<i>+ 20 bps</i>

US\$m except where stated	H1 2017	H1 2016	Change	LFL
Revenue	209.0	181.7	+ 15%	<i>Flat</i>
Underlying Operating Profit	34.5	31.2	+ 11%	<i>+ 1 %</i>
<i>Underlying Operating Margin</i>	16.5 %	<i>17.2 %</i>	(70) bps	<i>+ 20 bps</i>

Markets

US residential new build permits for single family homes fell back slightly while starts grew in the first half of the year and completions remained strong. Multi family buildings, in which the Division has proportionally lower exposure, has continued to weaken with starts down approximately 13.0 per cent. year on year.

Residential repair and remodelling markets in the US were slightly improved in the first quarter with the NAHB RMI index averaging 58 compared with 54 in Q1 2016; however this index fell back in the second quarter to 55. The LIRA index improved by 2.8 per cent. from the year end.

US commercial markets remain positive with total construction put in place increasing by 1.0 per cent. in the period (H1 2016: 0.1 per cent.) and the Dodge Momentum Index at 30 June 2017 some 11.8 per cent. higher than a year ago.

The market in Canada is showing sustained improvement and single family housing starts at the half year were approximately 13.5 per cent. higher than at H1 2016. Multi family starts are broadly in line with this time last year.

Business Performance and Developments

AmesburyTruth's like for like US Dollar Revenue was broadly flat with the North American residential business trading in line with 2016 throughout the period. Reported US Dollar Revenue increased by 15.0 per cent. due to the six month contribution from Bilco. Reported Revenue benefitted from the relative strength of the US Dollar against Sterling compared with H1 2016. At the half year, like for like order books were 5.6 per cent. ahead of the prior year.

Like for like US Dollar Revenue generated in the US in the period was slightly behind the same period last year, reflecting general market conditions and the required ramp up of window balance production to target levels in the first quarter. Like for like Canadian Revenue increased by approximately 10.4 per cent., due to the recovering market and some customer and product wins. Bilco's US Dollar Revenue in the period was slightly

ahead of 2016 with a good performance in commercial. In residential, Bilco saw the slower trading recorded in H2 2016 sustained into the first quarter, although trading picked up in the second quarter.

US Dollar Underlying Operating Profit increased by 10.4 per cent. to US\$34.5 million with, as expected, the Division's Underlying Operating Margin in the period somewhat diluted by the lower margin of the Bilco business.

Tier three and four account coverage

In June, the Division transferred its tier three and four account coverage to a national sales representative network. Previously tier three and four coverage was managed through State or Regional representatives, which led to some inconsistencies in service depending on location. This is the first stage in the development of a differentiated approach to service and distribution of product for AmesburyTruth's smaller customers.

Footprint consolidation project

The North American footprint consolidation project is on schedule. During the first half, the Canton, South Dakota site closed with the freehold sold to a third party and the Sioux Falls, South Dakota site was returned to the landlord. Net cash proceeds received from these two site closures totalled US\$2.1 million. Construction of the new facility in Statesville, North Carolina is well advanced and AmesburyTruth expects to start production there during the fourth quarter.

The Juarez, Mexico facility is operating at target production levels after a longer than predicted ramp up of window balance production through 2016 and through the first half of 2017. The new facility in Sioux Falls, South Dakota was completed in the first quarter and is operating as expected.

While AmesburyTruth remains committed to the US\$10.0 million of cumulative P&L savings from the footprint consolidation project from 2020, the delay in meeting Mexican target production levels in H1 2017 means that 2017 savings are likely to be between US\$0.5 and US\$1.0 million; with the shortfall being made up in future years.

Bilco Integration

The integration of Bilco has seen encouraging progress made in the areas of freight, procurement, HR and warehousing. In the first half US\$0.8 million of cost and revenue synergies were recorded in respect of the Bilco integration. The Division is on course to deliver the targeted US\$2.5 million run rate of cost and revenue synergies by the end of 2017.

Outlook

AmesburyTruth expects trading in US residential will remain consistent over the balance of the year with modest growth in both new build and repair and remodelling markets. Further growth is forecast in US commercial in the second half and the Division will benefit from its broader commercial product offering. The improving market and business performance in Canada is expected to continue in the second half.

ERA

£'m except where stated	H1 2017	H1 2016	Change	LFL
Revenue	39.9	35.4	+ 13 %	+ 5 %
Underlying Operating Profit	5.6	5.8	(3) %	(12) %
<i>Underlying Operating Margin</i>	14.1 %	16.3 %	(220) bps	(260) bps

Markets

As expected the UK market remained relatively subdued in the first half of the year. New build has continued to strengthen; however RMI investment, which comprises the substantial majority of the market, was lower than in the first half of 2016.

Business performance and developments

ERA's like for like Revenue improved by 4.6 per cent. with the increase principally due to pricing and surcharge actions more than offsetting slight volume decreases. On a reported basis, Revenue increased by 12.7 per cent.; due to the incremental contributions from Bilco UK and Howe Green. Like for like order books excluding Response across the Division were 8.1 per cent. higher at the half year compared with H1 2016, principally due to the impact of pricing.

As expected, like for like Underlying Operating margins in ERA were lower than in the first half of 2016 reflecting the impact of exchange on imported products and increases in underlying raw material costs; partially offset by the pricing and surcharge actions taken in the second half of 2016. On a reported basis, Underlying Operating Profit was slightly behind 2016.

Distribution and OEM

ERA made further progress in the distribution sector with further new listings secured in both the UK and Ireland. Despite the tougher market, volumes were only slightly down in OEM with sustained strong performance from bifold hardware and encouraging take up of new product introductions. An increasing number of sales are being made through the Division's web portal "ERA Everywhere" which was launched at the end of 2016.

Howe Green and Bilco UK

During the period, ERA assumed responsibility for both the Howe Green and Bilco UK businesses. Accordingly ERA's results for the period include the post acquisition contribution from Howe Green and a full six month contribution from Bilco UK. The two businesses performed encouragingly in the first half of the year and have a promising pipeline of opportunities for the second half. In aggregate, Bilco UK and Howe Green contributed £3.0 million to the Division's Revenue in the period.

Ventrolla

Ventrolla, the Division's sash window refurbishment business, completed its move to new premises in Harrogate during March 2017 which will allow the business to increase its output of new timber window frames. Revenue in the period was in line with the prior year with stronger demand for commercial projects offsetting lower demand for domestic renovations.

New Facility

Construction of the Division's new facility in the West Midlands is proceeding to plan. The Division will start to occupy the premises in the fourth quarter of the year with full occupancy scheduled for the start of 2018. Three existing facilities in the West Midlands will close once the move to the new site has completed.

Outlook

ERA expects the relatively weak residential RMI market conditions will persist over the balance of the year with the overall residential market remaining flat to down.

While cost inflation pressures are not expected to be as severe as they were in the second half of 2016, ERA will not have the benefit of the currency hedges that were put in place prior to the EU Referendum last year and raw material costs are still much higher than they were at H1 2016. The Underlying Operating Margin for the full year for the ERA Division is therefore expected to remain lower than in 2016.

SCHLEGEL INTERNATIONAL

£'m except where stated	H1 2017	H1 2016	Change	CC LFL
Revenue	54.4	38.9	+ 40 %	+ 7 %
Underlying Operating Profit	6.3	3.3	+ 90 %	+ 50 %
<i>Underlying Operating Margin</i>	11.6 %	8.6 %	+ 310 bps	+ 340 bps

Markets

In EMEAI, markets in Continental Europe have continued their gradual recovery with most countries showing sustained period on period growth. Markets in the Middle East remain positive.

Chinese construction markets are still to expanding, albeit at a slower pace than in recent years, and most other Asia Pacific markets showed some growth, with the exception of Australia. The challenging market environments encountered in Brazil and Argentina last year have persisted but not deteriorated further in 2017.

Business performance and developments

Schlegel International's constant currency like for like Revenue improved by 7.4 per cent. with the increase principally due to pricing actions supported by slightly higher volumes. On a reported basis, Revenue increased by 39.8 per cent.; due to exchange translation benefits and consolidation of Giesse's performance for the full six month period. Order books across the Division at the half year were in line with H1 2016 other than in China where the route to market was changed last year and the order book is lower as a consequence.

Underlying Operating Profit increased by 90.2 per cent. and Underlying Operating Margins in Schlegel International expanded to 11.6 per cent. (H1 2016: 8.6 per cent.), reflecting the benefits of the Giesse acquisition and swift progress made on integration, as the Division continues to make good progress towards its medium term Underlying Operating Margin target of 15 per cent..

EMEAI

Performance in Continental Europe was encouraging; particularly in Russia, Spain and Turkey and the business took further market share in India. Despite generally positive markets, Revenue in the Middle East was lower than in H1 2016 due to distribution customers running down existing inventories. The Division expects to see an improved second half in the Middle East.

China and Asia Pacific

There was good performance, particularly from hardware products, in most Asia Pacific markets. As expected, Revenue in China was in line with H1 2016, following the changes made to the route to market last year. Revenue in Australasia was ahead of H1 2016 principally due to a strong performance in New Zealand; with Australia, other than New South Wales, fairly subdued.

Latin America

Revenue in Latin America was lower than H1 2016 as a consequence of the poor market conditions; however the business is profitable, cash generative and makes operating margins in line with the rest of the Division.

Giesse Integration

Integration initiatives have continued within Schlegel International. The Division's integrated European salesforce started operating from the turn of the year and progress to date has been encouraging with early cross selling orders secured from both Schlegel and Giesse customers. Sales of Giesse product into the other two Divisions increased in the period and there is a good level of interest in the Giesse product range from other Group customers.

During the period there were a number of changes made to the Division's commercial structures with new general managers appointed for the Australasia, China, and Middle East businesses and a new Divisional CFO recruited.

In the second half the Division plans to consolidate the two Giesse facilities in Bologna, Italy onto the larger manufacturing site, retaining an offsite logistics warehouse for the storage and despatch of finished goods.

In 2017 to date €2.4 million of synergies have been realised, bringing the aggregate synergies delivered from the integration of Giesse since acquisition to approximately €4.8 million. Schlegel International expects that the total synergy benefits to be delivered from the Giesse acquisition by March 2018 will be not less than €6.0 million; an increase of 50 per cent. over the original target set out at the time of the acquisition.

Outlook

Schlegel International expects to see further growth in EMEAI across the balance of the year with Continental Europe continuing to improve and Middle East Revenue being more weighted towards the second half. Asia Pacific markets, other than Australia, are expected to remain stable; however Latin American markets will stay challenging. Profitability in Schlegel International will benefit from the increased levels of synergies generated as the integration of Giesse concludes.

FINANCIAL REVIEW

INCOME STATEMENT

Revenue and profit

Reported Group Revenue in the period increased by 29.5 per cent. to £260.4 million (H1 2016: £201.0 million). On a constant currency, like for like basis, Group Revenue increased by 2.0 per cent. period on period.

Underlying Administrative Expenses increased to £60.8 million (H1 2016: £44.9 million), reflecting the enlarged size and geographic reach of the Group. Corporate costs in the period were well controlled at £3.8 million (H1 2016: £3.7 million).

Underlying Operating Profit increased by 30.6 per cent. to £35.5 million (H1 2016: £27.2 million) and by 3.9 per cent. on a constant currency like for like basis. Pricing actions and favourable exchange rate movements increased Underlying Operating Profit by £4.1 million and £4.4 million respectively. These were partially offset by higher input costs and other inflationary increases of £5.4 million. The Group's Underlying Operating Margin increased by 10 bps to 13.6 per cent. (H1 2016: 13.5 per cent.).

Underlying Profit before Taxation increased by 31.6 per cent. to £31.4 million (H1 2016 restated: £23.8 million) and by 4.2 per cent. on a constant currency like for like basis. Reported Profit before Taxation increased by 129.5 per cent. to £17.8 million (H1 2016: £7.8 million).

Materials and input costs

Overall category	FY 2016	Tracker	Average	Spot
Aluminium	16.2	Euro Aluminium	+ 3.7 %	+ 1.8 %
Oil derivatives	23.8	Euro Polypro	+ 9.8 %	+ 15.9 %
Steel	33.1	US Stainless	+ 4.7 %	+ 14.1 %
Zinc	29.5	US Zinc	+ 9.4 %	+ 29.0 %
UK Far East Components	32.2	UK Basket	+ 17.3 %	(3.8) %

(1) FY 2016 materials cost of sales for raw materials, components and hardware for overall category

(2) Average LTM 2017 tracker price compared with average LTM 2016 tracker price at 30 June

(3) Spot tracker price as at 30 June 2017 compared with spot tracker price at 31 December 2016

Raw material costs increased in H1 2017 with average prices across all commodity categories higher than H1 2016. At the period end, most commodities were more expensive on a spot basis compared with 31 December 2016 confirming the Group's view that commodity cycles have turned with input costs mainly trending upwards. There were some signs of input cost inflation moderating during the second quarter.

Exceptional items

£'m	H1 2017	H1 2016
Footprint restructuring	(0.2)	(0.9)
M&A and integration	(0.7)	(1.6)
Write-off of inventory fair value adjustment	-	(4.1)
Profit on disposal of business	-	0.3
Total exceptional items	(0.9)	(6.3)

As announced in March 2015 and reported in previous periods, footprint restructuring principally relates to directly attributable costs incurred in the ongoing North American footprint project. Gross costs attributable to footprint restructuring in the period amounted to £2.0 million. Against this has been credited £1.0 million of profit realised on disposal of the Canton, South Dakota facility and £0.8 million of proceeds received from the exit from the Sioux Falls, South Dakota facility. The North American footprint project is expected to conclude by 2020.

M&A and integration costs of £0.7 million relate to legal, financial, taxation and consultancy costs associated with the Howe Green acquisition and the integration of the businesses acquired in the 2016 and 2017 years.

Write-off of inventory fair value adjustments in H1 2016 is a non cash adjustment relating to the IFRS 3 requirement that finished goods held in inventory must be revalued to their market value on acquisition. The equivalent revaluation for Howe Green inventory acquired in March 2017 was immaterial.

Profit on disposal of business relates to the net deferred consideration for EWS received in H1 2016.

These items are regarded by the Group as exceptional as they are significant and non-recurring in nature.

Finance costs

Net finance costs increased to £4.9 million (H1 2016: £2.9 million) and Underlying net finance costs increased by £0.8 million to £4.1 million (H1 2016: £3.3 million).

Interest payable on bank loans, private placement notes and overdrafts increased to £4.0 million (H1 2016: £3.4 million) reflecting additional finance charges incurred on higher drawdowns.

Non-cash movements charged to net finance costs in the period include amortisation of capitalised borrowing costs of £0.2 million (H1 2016: £0.2 million), a loss on the revaluation of fair value currency hedges of £0.6 million (2016: gain of £0.7 million), and pension interest cost of £0.2 million (H1 2016: £0.2 million).

Income from short term bank deposits decreased to £0.1 million (H1 2016: £0.2 million).

Taxation

The Group reported an income tax charge of £6.1 million (H1 2016: £2.5 million), comprising a current tax charge of £7.7 million (H1 2016: £3.5 million) and a deferred tax credit of £1.6 million (H1 2016: £1.0 million).

The Underlying tax charge was £9.9 million (H1 2016 restated: £7.5 million) representing an effective Underlying tax rate of 31.7 per cent. (H1 2016 restated: 31.3 per cent.). This is the Group's current best estimate of the Underlying tax rate for the 2017 full year.

During the period, the Group paid corporation tax of £11.2 million (H1 2016: £4.4 million) with the increased level of US taxation payments on account.

Earnings per share

Basic Earnings Per Share increased by 112.6 per cent. to 6.65 pence (H1 2016: 3.13 pence). Underlying Earnings Per Share increased by 24.8 per cent. to 12.09 pence (H1 2016 restated: 9.69 pence). There is no material difference between these calculations and the fully Diluted Earnings Per Share calculations.

CASH GENERATION, FUNDING AND LIQUIDITY

Cash and cash conversion

£'m	H1 2017	H1 2016
Net cash generated from operations	9.3	15.3
Add: Pension contributions	0.6	0.3
Add: Income tax paid	11.2	4.4
Less: Purchases of property, plant and equipment	(5.8)	(7.6)
Less: Purchases of intangible assets	(0.4)	(1.4)
Add: Proceeds on disposal of PPE	1.8	0.2
Operational Cash Flow after exceptional cash costs	16.7	11.2
Exceptional cash costs	2.5	4.3
Operational Cash Flow	19.2	15.5
Less: Pension contributions	(0.6)	(0.3)
Less: Income tax paid	(11.2)	(4.4)
Less: Net interest paid	(3.7)	(2.7)
Less: Exceptional cash costs	(2.5)	(4.3)
Free Cash Flow	1.2	3.8

Operational Cash Flow in the period increased by 23.6 per cent. to £19.2 million (H1 2016: £15.5 million). This is after adding back £2.5 million (H1 2016: £4.3 million) of exceptional costs cash settled in the period, £0.2 million of which were accrued in prior periods. Free cash flow in the period was £1.2 million (H1 2016: £3.8 million) and was impacted by the increased level of US taxation payments on account.

Operating Cash Conversion in the twelve months to 30 June 2017 remained strong at 99.3 per cent. (LTM to H1 2016: 96.9 per cent.) in part due to the Group's 2017 capital investment programme being weighted towards the second half of the year.

Liquidity

At 30 June 2017 the Group had gross outstanding borrowings of £224.7 million (H1 2016: £250.5 million), cash balances of £34.3 million (H1 2016: £105.6 million) and committed but undrawn facilities of £34.9 million (H1 2016: £14.5 million) as well as potential access to the uncommitted £60.0 million accordion facility.

Underlying Net Debt at the period end was £190.4 million (H1 2016: £144.9 million). Under IFRS, which reduces gross debt by the unamortised portion of finance arrangement fees, net debt at 30 June 2017 was £189.5 million (H1 2016: £143.5 million).

Covenant performance

At 30 June 2017	Test	Covenant performance	Headroom £'m	Headroom %
Leverage	< 3.00x	2.05x	29.3	31.5 %
Interest Cover	> 4.00x	11.57x	60.5	65.4 %

Calculated covenant performance consistent with the Group's banking covenant test

At the half year, the Group retained significant headroom on its banking covenants. Leverage at the period end was 2.05x which compares favourably with the pro forma Leverage of 2.35x at 1 July 2016, the date the Bilco acquisition completed, and the Group's Interest Cover was 0.61x higher than H1 2016.

BALANCE SHEET - ASSETS AND LIABILITIES

Working capital

£'m	FY 2016 (restated)	Mvt	Acqns ⁽¹⁾	FX	H1 2017
Inventories	71.1	11.9	0.1	(2.3)	80.8
Trade receivables	55.3	13.4	0.7	(1.2)	68.2
Trade payables	(37.8)	(5.5)	(0.1)	0.5	(42.9)
Trade working capital	88.6	19.8	0.7	(3.0)	106.1

(1) The fair value of working capital items assumed at the acquisition date less IFRS 3 exceptional inventory fair value adjustments

At the half year trade working capital, net of provisions, was £106.1 million (H1 2016: £94.2 million; FY 2016 restated: £88.6 million). The trade working capital build to the half year at average exchange rates was £19.8 million (H1 2016 restated: £14.1 million) which is towards the top end of the Group's target build range coming into 2017. A significant proportion of the trade working capital is expected to unwind over the balance of the year. The inventory build to the half year at average exchange rates was £11.9 million (H1 2016 restated: £9.7 million).

Trade working capital at the half year was £106.1 million (H1 2016: £94.2 million). Of the year on year increase, £11.0 million related to acquisitions and £1.1 million related to exchange.

Capital expenditure

Gross capital expenditure decreased to £6.2 million (H1 2016: £9.0 million) or 0.91x depreciation (H1 2016: 1.73x), owing to the Group's 2017 capital investment programme being more weighted towards the second half of the year. Intangible asset capital expenditure decreased to £0.4 million (H1 2016: £1.4 million), principally due to the conclusion of the AmesburyTruth ERP project in Q4 2016.

BALANCE SHEET - EQUITY

Employee Benefit Trust purchases

At 30 June 2017, the EB Trust held 779,746 shares (H1 2016: 989,780). On 9 March 2017, the EB Trust purchased 267,752 shares in Tyman plc at a total cost of £0.8 million to satisfy certain share awards vested in March 2017 as well as future obligations under the Group's various share plans.

Dividend

The interim dividend for the 2017 year of 3.50 pence per share (H1 2016: 3.00 pence per share) will be paid on 7 September 2017 to shareholders on the register at close of business on 4 August 2017.

OTHER FINANCIAL MATTERS

Returns on Acquisition Investment

	Acquisition Date	Original Acquisition Investment '000	ROAI H1 2017	Annualised ROAI H1 2017
Giesse	Mar 2016	€56,723	29.9 %	22.0 %
Bilco	Jul 2016	\$64,937	10.7 %	10.7 %
Howe Green	Mar 2017	£6,175	5.8 %	18.9 %

See Alternative Performance Measures on page 41

Giesse has made a significant contribution to the Group since its acquisition in March 2016 and is already exceeding the target return threshold.

At 30 June 2017, Bilco has been owned by the Group for twelve months. Synergy benefits from the Bilco acquisition are starting to come through with US\$0.8 million recorded in H1 2017 and the ROAI is expected to increase further over the next twelve months towards the target return threshold.

Howe Green has been owned by the Group for four months at the interim reporting date and has performed encouragingly in the period under ownership.

Currency

Currency in the consolidated income statement

The principal foreign currencies that impact the Group's results are the US Dollar, the Euro, the Australian Dollar and the Canadian Dollar. In 2017 to date each of these currencies was materially stronger against Sterling when compared with the prevailing average exchange rates in H1 2016.

Translational exposure

Currency	US\$	Euro	AUS\$	CA\$	Total⁽¹⁾
% mvt in average rate	(12.2) %	(9.5) %	(14.6) %	(12.0) %	
£'m Revenue impact	19.8	3.0	0.7	0.4	23.9
£'m Profit impact ⁽²⁾	3.3	0.5	0.1	-	3.9
1c decrease impact ⁽³⁾	+ £211k	+ £42k	+ £3k	+ £2k	

(1) *Impact of other currencies is immaterial*

(2) *Underlying Operating Profit impact*

(3) *Defined as the approximate favourable translation impact of a 1c decrease in the Sterling exchange rate of the respective currency on the Group's Underlying Operating Profit*

The net effect of currency translation caused Revenue and Underlying Operating Profit from ongoing operations to increase by £23.9 million and £3.9 million respectively compared with H1 2016. This result is driven by the enlarged size of the Group as well as the depreciation of Sterling compared with a number of major currencies since June 2016.

Transactional exposure

In the LTM to June 2017, the negative transactional impact of the weakness in Sterling against the US Dollar and Renminbi on the reported profits of the ERA Division was approximately £1.8 million, offset only slightly by hedging.

The Group's other transactional exposures generally benefit from the existence of natural hedges and are immaterial.

Alternative Performance Measures

A detailed description of the APMs used by the Group is included on page 128 of the 2016 Report and Accounts. The H1 2017 APMs have been consistently applied and calculated with the equivalent calculations made at H1 2016 other than the calculation of Underlying Interest which, as disclosed in the 2016 Report and Accounts, now excludes gains and losses on fair value of derivative financial instruments. The H1 2016 comparatives have been restated to reflect this amendment to the Underlying Interest APM. Summary definitions of APMs used in this document are on page 41.

Reconciliation of reported Profit before taxation to the Underlying Profit after taxation
APM:

£'m	H1 2017	H1 2016 ⁽¹⁾
Profit before taxation	17.8	7.8
Exceptional items	0.9	6.3
Amortisation of borrowing costs	0.2	0.2
Loss/(Gain) on revaluation of fair value hedge	0.6	(0.7)
Unwinding of discount on provisions	-	-
Amortisation of acquired intangible assets	11.9	10.2
Underlying profit before taxation	31.4	23.8
Income tax charge	(6.1)	(2.5)
Add back: Underlying tax effect ⁽²⁾	(3.9)	(4.9)
Underlying profit after taxation	21.4	16.4

(1) H1 2016 comparatives restated

(2) Tax effect of exceptional items, amortisation of borrowing costs, amortisation of acquired intangible assets, impairment of acquired intangible assets, gain or loss on revaluation of fair value hedge and unwinding of discount on provisions

Underlying profit and earnings per share measures provide additional useful information to shareholders on the underlying performance of the business. These measures are consistent with how business performance is measured internally by the Group. Underlying profit is not recognised under IFRS and may not be comparable with underlying profit measures used by other companies. APMs are not intended to be superior to or a substitute for GAAP measures.

2017 Summary guidance

Summary guidance for the year remains unchanged from that given at the time of the 2016 full year results other than the following areas:

The Underlying tax rate for Tyman in 2017 is expected to be c. 31.0 - 32.0 per cent. reflecting an Underlying tax rate of 31.7 per cent. used in the interim financial statements. The Underlying tax rate for the year will principally depend on the Group's final geographical mix of taxable profits. 2017 cash taxation rates are still expected to be slightly lower than the Group's 2017 Underlying tax rate.

Trade working capital peak to trough to the year end is expected to be between £12.5 million and £17.5 million.

Incremental synergy benefits are estimated at c. US\$2.0 million (US\$2.5 million run rate) by the year end from the integration of Bilco and c. €3.4 million delivered during the year from the integration of Giesse. The North American footprint project is now expected to deliver c. US\$0.5 – US\$1.0 million of incremental benefit during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's principal risks and uncertainties are identified on page 31 of the Group's Report and Accounts for the year ended 31 December 2016, which is available at the Group's website. In the opinion of the Directors, the principal risks and uncertainties remain as set out in the 2016 Report and Accounts.

25 July 2017

Tyman plc

Condensed consolidated income statement

		Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Revenue	3	260,402	201,040	457,644
Cost of sales		(164,094)	(128,923)	(290,385)
Gross profit		96,308	72,117	167,259
Administrative expenses		(73,570)	(61,464)	(130,069)
Operating profit		22,738	10,653	37,190
Analysed as:				
Underlying ¹ operating profit	3	35,497	27,170	69,803
Exceptional items	4	(891)	(6,327)	(10,900)
Amortisation of acquired intangible assets	9	(11,868)	(10,190)	(21,713)
Operating profit		22,738	10,653	37,190
Finance income	5	96	897	853
Finance costs	5	(4,986)	(3,773)	(8,667)
Net finance costs	5	(4,890)	(2,876)	(7,814)
Profit before taxation		17,848	7,777	29,376
Income tax charge	6	(6,059)	(2,492)	(8,641)
Profit for the period		11,789	5,285	20,735
Basic earnings per share	7	6.65p	3.13p	11.98p
Diluted earnings per share	7	6.63p	3.12p	11.93p

Non-GAAP alternative performance measures¹

Underlying operating profit	3	35,497	27,170	69,803
Underlying profit before taxation	7	31,361	23,831	62,079
Basic underlying earnings per share	7	12.09p	9.69p	25.41p
Diluted underlying earnings per share	7	12.05p	9.67p	25.31p

- 1 Before amortisation of acquired intangible assets, deferred taxation on amortisation of acquired intangible assets, impairment of goodwill, exceptional items, unwinding of discount on provisions, gains and losses on the fair value of derivative financial instruments, amortisation of borrowing costs and the associated tax effect. See definitions on page 41 for non-GAAP alternative performance measures.

The notes on pages 25 to 37 are an integral part of these condensed consolidated financial statements.

Tyman plc
Condensed consolidated statement of comprehensive income

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited and restated ¹) £'000
Profit for the period	11,789	5,285	20,735
Other comprehensive (expense)/income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	-	-	(489)
Total items that will not be reclassified to profit or loss	-	-	(489)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations	(15,197)	31,470	48,751
Effective portion of changes in value of cash flow hedges	91	162	(206)
Total items that may be reclassified to profit or loss	(15,106)	31,632	48,545
Other comprehensive (expense)/income for the period, net of tax	(15,106)	31,632	48,056
Total comprehensive (expense)/income for the period	(3,317)	36,917	68,791

1 Restated for fair value adjustments made in respect of business combinations completed in the 2016 financial year. See note 13.2.

Items in the statement above are disclosed net of tax. The income tax relating to each component of other comprehensive income is disclosed in note 6.

The notes on pages 25 to 37 are an integral part of these condensed consolidated financial statements.

Tyman plc
Condensed consolidated statement of changes in equity

	Share capital £'000	Share premium £'000	Other reserves ¹ £'000	Treasury reserve £'000	Hedging reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2016 (audited)	8,505	63,256	8,920	(4,321)	(85)	31,384	198,572	306,231
Total comprehensive income	-	-	-	-	162	31,470	5,285	36,917
Profit for the period	-	-	-	-	-	-	5,285	5,285
Other comprehensive income	-	-	-	-	162	31,470	-	31,632
Transactions with owners	424	18,151	-	983	-	-	(12,377)	7,181
Share-based payments ²	-	-	-	-	-	-	732	732
Dividends paid	-	-	-	-	-	-	(10,266)	(10,266)
Issue of shares ³	424	18,151	-	-	-	-	-	18,575
Issue of own shares to Employee Benefit Trust	-	-	-	2,843	-	-	(2,843)	-
Purchase of own shares for Employee Benefit Trust	-	-	-	(1,860)	-	-	-	(1,860)
At 30 June 2016 (unaudited)	8,929	81,407	8,920	(3,338)	77	62,854	191,480	350,329
Total comprehensive income	-	-	-	-	(368)	17,281	14,961	31,874
Profit for the period	-	-	-	-	-	-	15,450	15,450
Other comprehensive (expense)/income	-	-	-	-	(368)	17,281	(489)	16,424
Transactions with owners	-	-	-	-	-	-	(5,112)	(5,112)
Share-based payments ²	-	-	-	-	-	-	200	200
Dividends paid	-	-	-	-	-	-	(5,312)	(5,312)
At 31 December 2016 (audited and restated ⁴)	8,929	81,407	8,920	(3,338)	(291)	80,135	201,329	377,091
Total comprehensive expense	-	-	-	-	91	(15,197)	11,789	(3,317)
Profit for the period	-	-	-	-	-	-	11,789	11,789
Other comprehensive income/(expense)	-	-	-	-	91	(15,197)	-	(15,106)
Transactions with owners	-	-	-	470	-	-	(13,707)	(13,237)
Share-based payments ²	-	-	-	-	-	-	903	903
Dividends paid	-	-	-	-	-	-	(13,293)	(13,293)
Issue of own shares to Employee Benefit Trust	-	-	-	1,317	-	-	(1,317)	-
Purchase of own shares for Employee Benefit Trust	-	-	-	(847)	-	-	-	(847)
At 30 June 2017 (unaudited)	8,929	81,407	8,920	(2,868)	(200)	64,938	199,411	360,537

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

2 Share-based payments include a deferred tax debit of £Nil (six months ended 30 June 2016: £Nil; year ended 31 December 2016: £0.3 million) and a release of the deferred share-based payment bonus accrual of £0.4 million (six months ended 30 June 2016: £0.2 million; year ended 31 December 2016: £0.2 million).

3 On 21 June 2016, the Group issued 8,478,128 shares by way of a placing with institutional investors.

4 Restated for fair value adjustments made in respect of business combinations completed in the 2016 financial year. See note 13.2.

The notes on pages 25 to 37 are an integral part of these condensed consolidated financial statements.

Tyman plc

Condensed consolidated balance sheet

	Note	30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited and restated ¹) £'000
ASSETS				
Non-current assets				
Goodwill	8	333,741	293,781	344,873
Intangible assets	9	117,024	109,598	130,684
Property, plant and equipment	10	68,723	69,135	71,459
Other investment		1,154	-	-
Deferred tax assets		13,666	15,717	15,933
		534,308	488,231	562,949
Current assets				
Inventories		80,797	72,512	71,091
Trade and other receivables		82,612	77,242	67,254
Cash and cash equivalents		34,282	105,585	40,917
Derivative financial instruments		-	936	506
		197,691	256,275	179,768
TOTAL ASSETS		731,999	744,506	742,717
LIABILITIES				
Current liabilities				
Trade and other payables		(78,349)	(74,630)	(71,197)
Derivative financial instruments		(249)	-	(291)
Borrowings	11	-	(588)	-
Current tax liabilities		(1,242)	(34)	(4,337)
Provisions		(5,374)	(4,326)	(4,544)
		(85,214)	(79,578)	(80,369)
Non-current liabilities				
Borrowings	11	(223,734)	(248,542)	(216,470)
Deferred tax liabilities		(38,233)	(36,710)	(42,658)
Retirement benefit obligations		(16,448)	(11,168)	(17,108)
Provisions		(6,763)	(14,400)	(8,124)
Other payables		(1,070)	(3,779)	(897)
		(286,248)	(314,599)	(285,257)
TOTAL LIABILITIES		(371,462)	(394,177)	(365,626)
NET ASSETS		360,537	350,329	377,091
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital		8,929	8,929	8,929
Share premium		81,407	81,407	81,407
Other reserves		8,920	8,920	8,920
Treasury reserves		(2,868)	(3,338)	(3,338)
Hedging reserve		(200)	77	(291)
Translation reserve		64,938	62,854	80,135
Retained earnings		199,411	191,480	201,329
TOTAL EQUITY		360,537	350,329	377,091

1 Restated for fair value adjustments made in respect of business combinations completed in the 2016 financial year. See note 13.2.

The notes on pages 25 to 37 are an integral part of these condensed consolidated financial statements.

Tyman plc
Condensed consolidated cash flow statement

	Note	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Cash flow from operating activities				
Profit before taxation	3	17,848	7,777	29,376
Adjustments	14	23,742	23,266	47,994
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):				
Inventories		(11,917)	(9,680)	(2,368)
Trade and other receivables		(16,213)	1,175	16,647
Trade and other payables		8,293	(1,304)	(8,230)
Provisions utilised		(622)	(1,208)	(2,543)
Pension contributions		(572)	(264)	(940)
Income tax paid		(11,219)	(4,437)	(12,651)
Net cash generated from operations		9,340	15,325	67,285
Cash flow from investing activities				
Purchases of property, plant and equipment	10	(5,831)	(7,609)	(12,615)
Purchases of intangible assets	9	(352)	(1,353)	(2,818)
Proceeds on disposal of property, plant and equipment		1,780	161	172
Acquisitions of subsidiary undertakings, net of cash acquired	13	(5,136)	(44,480)	(96,383)
Proceeds on disposal of subsidiary undertakings		-	-	250
Purchase of other investment		(1,154)	-	-
Interest received		334	223	330
Net cash used in investing activities		(10,359)	(53,058)	(111,064)
Cash flow from financing activities				
Interest paid		(4,052)	(2,892)	(7,339)
Dividend paid		(13,293)	(10,266)	(15,578)
Net proceeds on issue of shares		-	18,575	18,575
Purchase of own shares from Employee Benefit Trust		(847)	(1,860)	(1,860)
Refinancing costs paid	11	-	-	(12)
Proceeds from drawdown of revolving credit facility	11	28,756	126,293	132,630
Repayments of revolving credit facility	11	(16,514)	(22,029)	(72,740)
Net cash (used in)/generated from financing activities		(5,950)	107,821	53,676
Net (decrease)/increase in cash and cash equivalents				
		(6,969)	70,088	9,897
Exchange gains on cash and cash equivalents		334	5,522	1,045
Cash and cash equivalents at the beginning of the period		40,917	29,975	29,975
Cash and cash equivalents at the end of the period		34,282	105,585	40,917

The notes on pages 25 to 37 are an integral part of these condensed consolidated financial statements.

Tyman plc

Notes to the condensed consolidated financial statements

1. General information

Tyman and its subsidiaries is a leading international manufacturer and supplier of engineered components to the door and window industry.

Tyman is a public limited company listed on the London Stock Exchange, incorporated and domiciled in England and Wales. The address of the Company's registered office is 29 Queen Anne's Gate, London, SW1H 9BU.

These Interim Financial Statements were approved for issue on 25 July 2017.

These Interim Financial Statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2016 were approved by the Board of Directors on 8 March 2017 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

These Interim Financial Statements have been reviewed, not audited.

The financial information for the year ended 31 December 2016 is extracted from the Group's consolidated financial statements for that year apart from any restatements made for fair value adjustments in respect of business combinations completed in the 2016 financial year (see note 13.2).

2. Accounting policies and basis of preparation

2.1 Basis of preparation

The Interim Financial Statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union. The Interim Financial Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

2.2 Changes in accounting policies and disclosures

2.2.1 New, revised and amended EU endorsed accounting standards

There were no new or amended accounting standards relevant to the Group's results that are effective for the first time in 2017 that have a material impact on the Group's consolidated financial statements.

2. Accounting policies and basis of preparation (continued)

2.2.2 New, revised and amended accountings standards not yet effective

The following standards issued by the IASB have not yet been adopted by the Group:

- IFRS 9 – Financial instruments (effective in the year beginning 1 January 2018);
- IFRS 15 – Revenue from contracts with customers (effective in the year beginning 1 January 2018); and
- IFRS 16 – Leases (effective in the year beginning 1 January 2019), subject to EU endorsement.

The Group has commenced an initial assessment of the impact of these standards on the consolidated financial statements.

The adoption of IFRS 9 and IFRS 15 are not expected to have a material impact on the financial statements of the Group in future periods.

The adoption of IFRS 16 is expected to have a relatively significant impact on the Group's reported results and balance sheet. The Group is conducting an assessment of the likely impact of IFRS 16 on the Group's reported results and expects to report on this at the time of the full year results in March 2018.

Until the assessments of the above standards are completed, no reliable estimate of the impact on the financial statements will be disclosed.

2.3 Going concern

The Directors are confident, based on current financial projections and the banking facilities available to the Group, and after considering sensitivities, that the Company and the Group have sufficient resources for their operational needs that will enable the Group to remain in compliance with its financial covenants in its bank facilities for at least the next twelve months. Accordingly, the Directors continue to adopt the going concern basis in preparing the Interim Financial Statements.

2.4 Accounting policies

The accounting policies adopted are consistent with those of the previous financial year. Taxes on income in the interim periods are accrued using tax rates that would be applicable to expected total annual profit or loss.

2.5 Accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual amounts may differ from these estimates.

In preparing these Interim 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 applied to the consolidated financial statements for the year ended 31 December 2016. There have been no changes in significant estimates.

3. Segment reporting

The reporting segments reflect the manner in which performance is evaluated and resources are allocated. The Group operates through three clearly defined divisions: AmesburyTruth, ERA and Schlegel International.

AmesburyTruth comprises all the Group's operations within the US, Canada and Mexico. ERA comprises the Group's UK and Ireland hardware business, together with Ventrrolla and Tyman Sourcing Asia. During the period, ERA assumed responsibility for the Howe Green and Bilco UK businesses and these businesses are now included in the ERA reporting segment with the 2016 full year comparatives restated for the AmesburyTruth and ERA segments. Schlegel International comprises all the Group's other businesses outside of the US, Canada and Mexico as well as two UK seal manufacturing plants.

Centrally incurred functional costs that are directly attributable to a division are allocated or recharged to that division. All other centrally incurred costs and eliminations are disclosed as a separate line item in the segment analysis.

Each reporting segment broadly represents the Group's geographical focus, being the North American, UK and international operations respectively. In the opinion of the Board, there are no material differences between the Group's operating segments and segments based on geographical splits. Accordingly, the Board does not consider geographically defined segments to be reportable. For completeness, the Group discloses certain operating data for business carried on in the UK that is not accounted for in the ERA Division in note 3.1.

The following tables present Group revenue and profit information for the Group's reporting segments, which have been generated using the Group accounting policies, with no differences in measurement applied, other than those noted above.

3.1 Revenue

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited and restated) £'000
AmesburyTruth	166,052	126,762	290,051
ERA	39,944	35,413	73,016
Schlegel International	54,406	38,865	94,577
Revenue	260,402	201,040	457,644

Included within the Schlegel International segment is revenue attributable to the UK of £9.7 million (six months ended 30 June 2016: £8.4 million; year ended 31 December 2016 restated: £18.2 million).

3. Segment reporting (continued)

3.2 Profit before taxation

	Note	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited and restated) £'000
AmesburyTruth		27,395	21,784	54,635
ERA		5,628	5,772	11,735
Schlegel International		6,321	3,324	9,413
Operating segment result		39,344	30,880	75,783
Centrally incurred costs		(3,847)	(3,710)	(5,980)
Underlying operating profit		35,497	27,170	69,803
Exceptional items	4	(891)	(6,327)	(10,900)
Amortisation of acquired intangible assets	9	(11,868)	(10,190)	(21,713)
Operating profit		22,738	10,653	37,190
Net finance costs	5	(4,890)	(2,876)	(7,814)
Profit before taxation		17,848	7,777	29,376

4. Exceptional items

		Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Footprint restructuring		(196)	(872)	(2,672)
M&A and integration		(695)	(1,556)	(2,994)
Write-off of inventory fair value adjustments		-	(4,149)	(5,698)
Profit on disposal of business		-	250	250
Property provision releases and disposals		-	-	214
		(891)	(6,327)	(10,900)

Footprint restructuring

As announced in March 2015 and reported in previous periods, footprint restructuring principally relates to directly attributable costs incurred in the ongoing North American footprint project. Gross costs attributable to footprint restructuring in the period amounted to £2.0 million. Against this has been credited £1.0 million of profit realised on disposal of the Canton, South Dakota facility and £0.8 million of proceeds received from the exit from the Sioux Falls, South Dakota facility. The North American footprint project is expected to conclude by 2020.

M&A and integration

M&A and integration costs of £0.7 million relate to legal, financial, taxation and consultancy costs associated with the Howe Green acquisition and the integration of businesses acquired in the 2016 and 2017 years.

Write-off of inventory fair value adjustments

Write-off of inventory fair value adjustments in H1 2016 is a non cash adjustment relating to the IFRS 3 requirement that finished goods held in inventory must be revalued to their market value on acquisition. The equivalent revaluation for Howe Green inventory acquired in March 2017 was immaterial.

4. Exceptional items (continued)

Profit on disposal of business

The profit on disposal of business relates to the net deferred consideration for EWS received in H1 2016.

Property provision releases and disposals

The property provision releases and disposals comprises surplus onerous lease provisions released during the 2016 year.

These items are regarded by the Group as exceptional as they are significant and non-recurring in nature.

5. Finance income and costs

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Finance income			
Interest income from short term bank deposits	96	219	525
Gain on revaluation of fair value hedge	-	678	328
	96	897	853
Finance costs			
Interest payable on bank loans, private placement notes and overdrafts	(3,991)	(3,353)	(7,760)
Amortisation of borrowing costs	(200)	(212)	(412)
Unwinding of discount on provision	-	(3)	(6)
Pension interest cost	(241)	(205)	(489)
Loss on revaluation of fair value hedge	(554)	-	-
	(4,986)	(3,773)	(8,667)
Net finance costs	(4,890)	(2,876)	(7,814)

6. Taxation – income statement and other comprehensive income

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Current taxation			
Current tax on profit for the period	(7,648)	(3,518)	(12,203)
Adjustments in respect of prior periods	(35)	(3)	812
Total current taxation	(7,683)	(3,521)	(11,391)
Deferred taxation			
Origination and reversal of temporary differences	1,353	1,005	3,147
Adjustments in respect of prior periods	271	24	(397)
Total deferred taxation	1,624	1,029	2,750
Income tax charge in the income statement	(6,059)	(2,492)	(8,641)
Total charge relating to components of other comprehensive income			
Deferred tax credit on actuarial gains and losses	-	-	267
Deferred tax charge on share-based payments	-	-	(316)
Income tax charge in the statement of other comprehensive income	-	-	(49)
Total current taxation	(7,683)	(3,521)	(11,391)
Total deferred taxation	1,624	1,029	2,701
Total taxation	(6,059)	(2,492)	(8,690)

7. Earnings per share

7.1 Basic and diluted earnings per share

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Profit for the period	11,789	5,285	20,735
Basic earnings per share	6.65p	3.13p	11.98p
Diluted earnings per share	6.63p	3.12p	11.93p

Basic earnings amounts are calculated by dividing net profit for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

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 period plus the weighted average number of ordinary shares that would be issued on the conversion of all the diluted potential ordinary shares into ordinary shares.

7. Earnings per share (continued)

7.2 Weighted average number of shares

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Weighted average number of shares (including treasury shares)	178,583	170,570	174,598
Treasury and Employee Benefit Trust shares	(1,406)	(1,640)	(1,585)
Weighted average number of shares - basic	177,177	168,930	173,013
Effect of dilutive potential ordinary shares - LTIP awards and options	717	387	741
Weighted average number of shares - diluted	177,894	169,317	173,754

7.3 Non-GAAP alternative performance measure: underlying earnings per share

The Group presents an underlying earnings per share measure which excludes the impact of exceptional items, certain non-cash finance costs, amortisation of acquired intangible assets and certain non-recurring items. Underlying earnings per share has been calculated using the underlying profit before taxation and using the same weighted average number of shares in issue as the earnings per share calculation. See Alternative Performance Measures on page 41.

Underlying profit after taxation is derived as follows:

	Note	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited and restated) £'000	Year ended 31 December 2016 (audited) £'000
Profit before taxation		17,848	7,777	29,376
Exceptional items	4	891	6,327	10,900
Amortisation of borrowing costs	5	200	212	412
Loss/(Gain) on revaluation of fair value hedge	5	554	(678)	(328)
Unwinding of discount on provisions	5	-	3	6
Amortisation of acquired intangible assets	9	11,868	10,190	21,713
Underlying profit before taxation		31,361	23,831	62,079
Income tax charge	6	(6,059)	(2,492)	(8,641)
Add back: tax effect of exceptional items, amortisation of borrowing costs, amortisation of acquired intangible assets, impairment of acquired intangible assets, gain or loss on revaluation of fair value hedge and unwinding of discount on provisions		(3,873)	(4,970)	(9,469)
Underlying profit after taxation		21,429	16,369	43,969

7. Earnings per share (continued)

Underlying earnings per share is summarised as follows:

	Six months ended 30 June 2017 (unaudited)	Six months ended 30 June 2016 (unaudited and restated)	Year ended 31 December 2016 (audited)
Basic underlying earnings per share	12.09p	9.69p	25.41p
Diluted underlying earnings per share	12.05p	9.67p	25.31p

8. Goodwill

	30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited and restated) £'000
	Note		
Net book amount at the beginning of the period	344,873	253,718	253,718
Acquisitions of subsidiaries	13 3,220	13,748	41,196
Exchange difference	(14,352)	26,315	49,959
Net book amount at the end of the period	333,741	293,781	344,873

A review of the carrying amount of goodwill and intangible assets across the Group will be carried out at year end. Taking into account current trading conditions and future projections, the Board believes that the carrying amounts of goodwill and intangible assets in each of the Group's CGUs remains sustainable.

9. Intangible assets

	30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited and restated) £'000
	Note		
Net book amount at the beginning of the period	130,684	86,772	86,772
Additions	352	1,353	2,818
Acquisitions of subsidiaries	13 2,823	22,770	45,496
Disposals	-	(104)	-
Amortisation charge for the period	(12,539)	(10,631)	(22,662)
Transfers to property, plant and equipment	(228)	(93)	-
Exchange difference	(4,068)	9,531	18,260
Net book amount at the end of the period	117,024	109,598	130,684

The amortisation charge for the period includes £11.9 million relating to amortisation of acquired intangible assets (six months ended 30 June 2016: £10.2 million; year ended 31 December 2016: £21.7 million) and £0.6 million relating to amortisation of other intangible assets (six months ended 30 June 2016: £0.4 million; year ended 31 December 2016: £1.0 million). The amortisation charge for the period is included in administrative expenses in the income statement.

10. Property, plant and equipment

		30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited and restated) £'000
	Note			
Net book amount at the beginning of the period		71,459	42,845	42,845
Additions		5,831	7,609	12,615
Acquisitions of subsidiaries	13	170	17,791	18,735
Disposals		(805)	-	(235)
Depreciation charge for the period		(6,138)	(4,747)	(10,701)
Impairment charge for the period		-	-	(1,107)
Transfers from intangible assets		228	93	-
Exchange difference		(2,022)	5,544	9,307
Net book amount at the end of the period		68,723	69,135	71,459

The depreciation charge for the period is included in administrative expenses in the income statement.

11. Interest-bearing loans and borrowings

	30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited) £'000
Non-current	(223,734)	(248,542)	(216,470)
Current	-	(588)	-
	(223,734)	(249,130)	(216,470)

Movements in interest-bearing loans and borrowings are analysed as follows:

		30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited) £'000
	Note			
Balance at the beginning of the period		(216,470)	(111,558)	(111,558)
Acquisitions of subsidiaries	13	(46)	(15,411)	(19,251)
Refinancing costs paid		-	-	12
Drawdown of revolving credit facility		(28,756)	(126,293)	(132,630)
Repayment of revolving credit facility		16,514	22,029	72,740
Amortisation of borrowing costs		(200)	(212)	(412)
Exchange difference		5,224	(17,685)	(25,371)
Balance at the end of the period		(223,734)	(249,130)	(216,470)

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

The Group has the following undrawn committed multi-currency revolving credit facility:

	30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited) £'000
Floating rate			
Expiring beyond twelve months	(34,867)	(14,464)	(45,370)

The Group also has access to the uncommitted £60.0 million accordion facility and at 30 June 2017 held aggregate cash balances of £34.3 million (30 June 2016: £105.6 million; 31 December 2016: £40.9 million).

12. Financial risk management and financial instruments

12.1 Financial risk factors and fair value estimation

The Group is exposed to risks arising from the international nature of its operations and the financial instruments which fund them, in particular to foreign currency, interest rate and liquidity risks. Full details of the Group's policies for managing these risks are disclosed in the Group's annual financial statements for the year ended 31 December 2016.

Since the date of that report there have been no significant changes in:

- the nature of the financial risks to which the Group is exposed;
- the nature of the financial instruments which the Group uses;
- the Group's contractual cash outflows and the committed facilities available to fund them; or
- difference between book value and fair value of any financial instruments.

During the period the Group held no level 1 financial instruments, there were no transfers between levels and no changes were made to valuation techniques.

Derivatives shown at fair value in the Group's balance sheet comprise level 2 interest rate swaps fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant for level 2 derivatives.

The Group's other financial instruments are measured on bases other than fair value.

12.2 Level 2 and level 3 fair values

At 30 June 2017 derivative financial liabilities of £0.2 million were categorised at level 2 (30 June 2016: net asset of £0.1 million; 31 December 2016: net asset of £0.2 million).

At 30 June 2017 other investments of £1.2 million were categorised at level 3 (30 June 2016: £Nil; 31 December 2016: £Nil).

12.3 Fair value of financial assets and liabilities measured at amortised cost

The fair values of borrowings are as follows:

	30 June 2017 (unaudited) £'000	30 June 2016 (unaudited) £'000	31 December 2016 (audited) £'000
Non-current	(223,907)	(247,422)	(216,763)
Current	-	(588)	-
	(223,907)	(248,010)	(216,763)

The fair values of trade and other receivables, cash and cash equivalents, and trade and other payables approximate their carrying amounts.

13. Business combinations

13.1 Acquisition of Howe Green

On 3 March 2017, the Group's ERA division acquired Howe Green, a UK manufacturer of engineered floor and ceiling access hatches sold into the commercial and infrastructure markets. ERA paid a cash consideration of £5.8 million with deferred consideration of £0.4 million payable within twelve months of the date of acquisition.

The consideration paid and the fair value of net assets assumed are as follows:

	Note	£'000
Intangible assets	9	2,823
Property, plant and equipment	10	170
Inventories		95
Trade and other receivables		669
Cash and cash equivalents		689
Trade and other payables		(420)
Borrowings	11	(46)
Current tax liabilities		(280)
Deferred tax liabilities		(545)
Retirement benefit obligations		-
Provisions		(200)
Total identifiable net assets		2,955
Goodwill arising on acquisition	8	3,220
Total consideration		6,175
Satisfied by:		
Cash		5,825
Deferred consideration		350
Total consideration		6,175
Net cash outflow arising on acquisition:		
Cash consideration		5,825
Net cash and cash equivalents acquired		(689)
Net cash outflow		5,136

Acquisition related costs of £0.2 million have been included in exceptional costs in the Group's consolidated income statement (note 4).

The fair value of trade and other receivables is £0.7 million and includes trade receivables with a fair value of £0.7 million. The gross contractual amount for trade receivables due is £0.7 million, of which £Nil are expected to be uncollectible.

Revenue in the consolidated income statement since 3 March 2017 contributed by Howe Green was £1.0 million. Howe Green also contributed £0.3 million of profit before taxation over the same period.

Had the acquisition of Howe Green been completed on the first day of the financial period, an additional £0.7 million of revenue and £0.1 million of profit before taxation would have been contributed to the Group.

13. Business combinations (continued)

Goodwill arising on acquisition is attributable to the expected profitability of the acquired business arising through savings and benefits from:

- the development and extension of ERA's product portfolio into the commercial sector;
- access to the commercial and infrastructure customer base.

The estimated value of intangibles, including goodwill, deductible for tax purposes is £Nil.

13.2 Fair value adjustments made in respect of 2016 acquisitions

The following table summarises the fair value adjustments made in the period in respect of business combinations completed in the 2016 financial year, restated as at 31 December 2016.

	As reported at 31 December 2016 £'000	Fair value adjustment Giesse £'000	Fair value adjustment Response £'000	Restated at 31 December 2016 £'000
Intangible assets	45,342	154	-	45,496
Property, plant and equipment	18,992	(257)	-	18,735
Inventories	19,255	359	(25)	19,589
Trade and other receivables	42,452	(968)	-	41,484
Cash and cash equivalents	(6,447)	-	-	(6,447)
Trade and other payables	(37,212)	4,486	(41)	(32,767)
Borrowings	(19,251)	-	-	(19,251)
Current tax liabilities	(1,383)	-	-	(1,383)
Deferred tax liabilities	(7,951)	-	-	(7,951)
Retirement benefit obligations	(3,585)	-	-	(3,585)
Provisions	(4,711)	491	-	(4,220)
Total identifiable net assets	45,501	4,265	(66)	49,700
Goodwill arising on acquisition	45,395	(4,265)	66	41,196
Total consideration	90,896	-	-	90,896
Satisfied by:				
Cash	89,936	-	-	89,936
Deferred consideration	960	-	-	960
Total consideration	90,896	-	-	90,896
Net cash outflow arising on acquisition:				
Cash consideration	89,936	-	-	89,936
Net cash and cash equivalents acquired	6,447	-	-	6,447
Net cash outflow	96,383	-	-	96,383

14. Adjustments to cash flows from operating activities

The following non-cash and financing adjustments have been made to profit before taxation to arrive at operating cash flow:

		Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
	Note			
Net finance costs		4,890	2,876	7,814
Depreciation	10	6,138	4,747	10,701
Amortisation of intangible assets	9	12,539	10,631	22,662
Impairment of property, plant and equipment	10	-	-	1,107
Disposal of property, plant and equipment		(975)	(57)	63
Write-off of inventory fair value adjustments		-	4,149	5,698
Pension current service cost and expected administration costs		290	238	886
Non-cash provision movements		(43)	(25)	(1,943)
Profit on disposal of business		-	-	(250)
Share-based payments		903	732	1,047
Other non-cash adjustments		-	(25)	209
		23,742	23,266	47,994

15. Capital commitments

At 30 June 2017 the Group has capital commitments of £2.1 million for the purchase of property, plant and equipment (30 June 2016: £5.3 million; 31 December 2016: £5.8 million).

16. Related party transactions

There were no material related party transactions requiring disclosure, other than compensation of key management personnel which will be disclosed in the Group's Annual Report and Accounts for the year ending 31 December 2017.

Statement of Directors' responsibilities

Each of the Directors of Tyman plc confirms, to the best of his or her knowledge, that:

- the Interim Financial Statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as issued by the IASB and endorsed and adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit and loss of Tyman plc;
- the interim report includes a fair review of the information required by:
 - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, being an indication of important events that have occurred during the first six months of the financial year and their impact on the interim financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of Tyman plc are listed in the Group's Annual Report and Accounts for the year ending 31 December 2016. A list of the current Directors is maintained at the Tyman website: www.tymanplc.com.

By order of the Board

Louis Eperjesi
Chief Executive Officer

James Brotherton
Chief Financial Officer

25 July 2017

Independent review report to Tyman plc

Report on the Interim Financial Statements

Our conclusion

We have reviewed Tyman plc's Interim Financial Statements (the "interim financial statements") in the Interim Report of Tyman plc for the six month period ended 30 June 2017. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the Condensed consolidated balance sheet as at 30 June 2017;
- the Condensed consolidated income statement and Condensed consolidated statement of comprehensive income for the period then ended;
- the Condensed consolidated cash flow statement for the period then ended;
- the Condensed consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Interim Report have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2 to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Interim Report, including the interim financial statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Report in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the Interim Report based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP

Chartered Accountants

London

25 July 2017

Alternative Performance Measures - Definitions

Adjusted EBITDA	Underlying Operating Profit with Depreciation and Share-based payments expenses added back plus the pre-acquisition EBITDA of businesses acquired during the period covering the relevant pre-acquisition period less the EBITDA of businesses disposed of during the period.
Acquisition Enterprise Value	The gross consideration paid to the seller less cash acquired with the acquired business plus debt acquired with the acquired business plus the expenses of the acquisition, excluding financing expenses, plus any integration expenses booked as exceptional items.
Constant Currency or CC	Comparison with the comparative period translated at the current period's average or closing exchange rate as applicable.
Leverage	Underlying Net Debt translated at the average exchange rate for the period divided by Adjusted EBITDA.
Like for Like or LFL	The comparison of Revenue or Operating Profit, as appropriate, excluding the impact of any acquisitions made during the current period and, for acquisitions made in the comparative period, excluding from the current period result the impact of the equivalent current period pre-acquisition result. For disposals, the results are excluded for the whole of the current and prior period.
Operating Cash Conversion	Operational Cash Flow divided by Underlying Operating Profit.
Operational Cash Flow	Net cash inflow from operating activities before Income tax paid, exceptional costs cash settled in the period and Pension contributions, and after Proceeds on disposal of property, plant and equipment, Payments to acquire property, plant and equipment and Payments to acquire intangible assets.
Return on Acquisition Investment or ROAI	Annualised Underlying Operating Profit attributable to the acquired business divided by the Acquisition Enterprise Value less the fair value of controllable capital employed as at the date of acquisition plus the value of controllable capital employed at the date of measurement. The denominator is adjusted for seasonality where appropriate.
Return on Capital Employed or ROCE	Underlying Operating Profit as a percentage of the twelve month average capital employed.
Underlying Administrative Expenses	Administrative Expenses before Exceptional items, Amortisation of acquired intangible assets, Impairment of acquired intangible assets and Impairment of acquired goodwill.

Underlying Net Debt Interest bearing loans and borrowings, net of cash and cash equivalents, plus unamortised borrowing costs added back.

A reconciliation between statutory reported measures and the APMs noted above are included on page 18 of this Interim Report.

Definitions

Bilco	The Bilco Company acquired by the Group's AmesburyTruth Division on 1 July 2016.
EB Trust	The Tyman Employees: Benefit Trust.
Giesse	Giesse Group acquired by the Group's Schlegel International Division on 7 March 2016.
Howe Green	Howe Green Limited acquired by the Group on 3 March 2017.
Interim Financial Statements	The condensed consolidated interim financial statements of Tyman plc for the six months ended 30 June 2017.
Interim Report	The interim report of Tyman plc for the six months ended 30 June 2017 containing the Interim Financial Statements.
Response or Response Electronics	Response Electronics Limited, acquired by the Group's ERA Division on 3 March 2016.
Revenue	The gross inflow of economic benefits (cash, receivables, other assets) arising from the ordinary operating activities of the Group.
£ or Sterling or British Pounds	The lawful currency of the United Kingdom.
US\$	The lawful currency of the United States of America.

Glossary of Terms

APM	Alternative Performance Measure
bps	Basis points
CGU	Cash Generating Unit
Dodge Momentum Index	A monthly measure published by Dodge Data and Analytics of the first (or initial) report for non-residential building projects in planning
DRIP	Dividend Reinvestment Plan
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EMEA	Europe, Middle East and Africa and India region
EU	European Union
IFRS	International Financial Reporting Standards
JCHS	Joint Centre for Housing Studies of Harvard University
LIRA	Leading Indicator of Remodelling Activity published quarterly by JCHS
NAHB	National Association of Home Builders
OEM	Original equipment manufacturer
PPE	Property, plant and equipment
RMI	Renovation, maintenance and improvement

Exchange Rates

The following foreign exchange rates have been used in the financial information to translate amounts into Sterling:

Closing Rates:	H1 2017	H1 2016	FY 2016
US Dollars	1.3003	1.3392	1.2341
Euros	1.1383	1.2060	1.1729
Australian Dollars	1.6917	1.7995	1.7136
Canadian Dollars	1.6881	1.7352	1.6589
Brazilian Real	4.2986	4.3268	4.0176

Average Rates:	H1 2017	H1 2016	FY 2016
US Dollars	1.2586	1.4336	1.3554
Euros	1.1626	1.2846	1.2243
Australian Dollars	1.6694	1.9556	1.8252
Canadian Dollars	1.6799	1.9084	1.7965
Brazilian Real	4.0012	5.3112	4.7437

Roundings

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