TYMAN PLC

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

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2018

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 2018.

Financial highlights

£'m unless stated	**H1 2018**	H1 2017	**Change**	*CC LFL [(1)]*
Revenue	**274.9**	260.4	**+ 6 %**	*+3 %*
Underlying Operating Profit	**38.2**	35.5	**+ 8 %**	*+ 3 %*
Underlying Operating Margin	***13.9 %***	*13.6 %*	***+ 30 bps***	
Underlying Profit before Taxation	**33.3**	31.4	**+ 6 %**	
Underlying EPS	**13.11p**	12.09p	**+8 %**	
Dividend per share	**3.75p**	3.50p	**+ 7 %**	
Underlying Net Debt	**220.1**	190.4	**+ 16 %**	
Leverage	**2.11x**	2.05x	**+ 0.06x**	
Return on Capital Employed	***13.9 %***	*13.8 %*	***+ 10 bps***	

(1) CC LFL = Constant Currency Like for Like (see APM's on page 23)

Included within this announcement are alternative performance measures which, in the opinion of the Board, provide useful additional information to shareholders on the underlying performance of the business. Further details concerning APMs, along with amendments made to these during the period, is included on page 23.

Statutory financial highlights

£'m unless stated	**H1 2018**	H1 2017	**Change**
Operating Profit	**19.9**	22.7	**(13) %**
Profit before Taxation	**14.5**	17.8	**(19) %**
Basic EPS	**5.35p**	6.65p	**(20) %**
Net Debt	**218.0**	189.5	**+ 15 %**

Business highlights

- Encouraging first half with growth in Revenue and Underlying Operating Profit on both a reported and constant currency, like for like basis
- Improved Underlying Operating Margin and Return on Capital Employed and promising initial contributions from the acquisitions of Ashland and Zoo Hardware
- AmesburyTruth trading ahead of H1 2017 with an increased order book at the half year
- ERA continues to take share in what remains a slow market; profitability in the Division was impacted by market conditions
- Further growth for SchlegelGiesse in most markets and strong momentum at the half year
- Input cost volatility seen across the Group – Divisions will remain disciplined in approach to input cost recovery
- Group effective tax rate for FY 2018 expected to be c. 400 bps lower than 2017 at 26.0 – 27.0 per cent. principally due to reductions in the US Federal tax rate
- Higher Free Cash Flow in the period - Leverage projected to reduce in the second half to within the Group's year end target range of 1.50x to 2.00x.

Acquired businesses highlights

- Strong trading from Ashland - acquired in March for an Enterprise Value of US$101.0 million
  - Ashland Revenue and Underlying Operating Profit significantly ahead of prior year
  - Integration on schedule with positive customer and employee reaction
  - Clear line of sight to synergy target of US$4.0 million by 2020
  - Transaction now expected to be earnings enhancing in 2018 - twelve months ahead of schedule
- Promising start from Zoo - acquired in May for an Enterprise Value of £19.0 million
  - Business momentum sustained following acquisition
- Bilco Run Rate ROAI two years post acquisition confirmed at 17.0 per cent.; exceeding the Group's target threshold by 200 bps

Louis Eperjesi, Chief Executive Officer, commented:

"Tyman had an encouraging first half of 2018, with the acquired businesses of Ashland and Zoo Hardware making promising starts under our ownership and further improvements seen in the Group's Underlying Operating Margin and Return on Capital Employed.

"Markets in North America grew in the period, with Canada proving to be more robust than expected. The UK residential RMI market is likely to remain slow in the second half; with better prospects for ERA seen in commercial and light infrastructure. EMEAI markets have continued their broad based recovery and look well set for a further year of growth.

"Each Division has successfully implemented pricing and surcharge actions in response to increased input costs incurred in the year to date; and the Group will remain disciplined in its approach to input cost recovery.

"At the half year the Group has higher like for like order books than at 30 June 2017, and continues to trade in line with expectations. Accordingly the Board remains confident in the 2018 outlook for Tyman, provided that input cost volatility remains contained."

25 July 2018

Enquiries:

Tyman plc	020 7976 8000
Louis Eperjesi – Chief Executive Officer	www.tymanplc.com
James Brotherton – Chief Financial Officer	
MHP Communications	020 3128 8100
Reg Hoare	
Nessyah Hart	

Analyst and investor presentation

Tyman will host an analyst and investor presentation at 9.30 a.m. today, Wednesday 25 July 2018, 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 (0) 333 300 0804
Toll-free number	0800 358 9473
Participant PIN	35437318#

Forthcoming dates

Ex-dividend date	2 August 2018
Dividend record date	3 August 2018
DRIP elections last day	17 August 2018
Dividend payment date	7 September 2018
Autumn trading update	7 November 2018
2018 full year results announcement (provisional)	5 March 2019

Notes to editors

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

The Group employs over 4,400 people and operates facilities in 19 countries worldwide. Tyman is listed on the London Stock Exchange under the ticker TYMN.

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

OVERVIEW OF RESULTS

Tyman had an encouraging first half to the financial year recording constant currency, like for like growth in both Revenue and Operating Profit. The acquired businesses of Ashland and Zoo Hardware have each made promising starts under Tyman's ownership, and the Group's Underlying Operating Margin and Return on Capital Employed have continued to improve.

North American markets showed further growth in the period with Canadian markets better than expected coming into the year and, while UK markets remain relatively subdued, there continues to be consistent and sustained growth in EMEAI.

Revenue recorded in the period was £274.9 million (H1 2017: £260.4 million), an increase of 6.0 per cent. on a reported basis and 2.5 per cent. on a constant currency, like for like basis, principally due to pricing and surcharge actions. Reported Revenue benefitted from contributions from acquisitions; partially offset by the relative strength of Sterling compared with H1 2017.

Underlying Operating Profit improved to £38.2 million (H1 2017: £35.5 million), an increase of 7.7 per cent. on a reported basis and 2.7 per cent. on a constant currency, like for like basis; despite lower profitability in ERA. The Group's Underlying Operating Margin improved by 30 bps to 13.9 per cent. (H1 2017: 13.6 per cent.).

During the period, AmesburyTruth acquired Ashland and ERA acquired Zoo Hardware. Both the acquired businesses are trading significantly ahead of 2017 and have good momentum coming into the second half.

The integration of Bilco is now complete and synergy benefits of approximately US$3.5 million have been recorded over the two years of ownership, some 40.0 per cent. ahead of the original targets put in place at the date of acquisition. Bilco run rate ROAI two years post acquisition is 17.0 per cent.; exceeding the Group's target threshold by 200 bps.

Input costs, particularly for metals, remain volatile and freight costs have increased markedly in North America this year. Each Division implemented necessary price and surcharge increases in the period to reflect the prevailing local cost environment.

Operational cash generation was 7.9 per cent. ahead of last year with improved Free Cash Flow following good control over the trade working capital build to the half year. Operating Cash Conversion in the year to 30 June 2018 was 84.6 per cent. (LTM to H1 2017: 99.3 per cent.) principally due to the significant level of capital investment made in the Group over the twelve months.

ROCE in the period grew by 10 bps to 13.9 per cent. (H1 2017: 13.8 percent.) as a result of the improved profitability of the Group and despite increases in average capital employed.

Leverage at the period end was slightly higher than twelve months ago at 2.11x (H1 2017: 2.05x) reflecting the incremental indebtedness taken on by the Group to fund the Ashland and Zoo acquisitions. Leverage is projected to reduce over the second half of the year to within the Group's year end target range of 1.50x to 2.00x.

An interim dividend of 3.75 pence per share (H1 2017: 3.50 pence per share) will be paid on 7 September 2018 to shareholders on the register at close of business on 2 August 2018.

Board Changes

Pamela Bingham joined the Board as a Non-executive Director on 18 January this year and joined the Audit, Remuneration and Nomination Committees of the Board from that date. Angelika Westerwelle stepped down from the Board following the 2018 AGM held in May.

Outlook

AmesburyTruth expects trading in US residential will remain consistent over the balance of the year with growth in both new build and repair and remodelling markets and with Ashland continuing to perform well. The stronger residential market and business performance in Canada is expected to continue in the second half. The outlook for commercial in North America remains positive.

Order books at 30 June across both residential and commercial are ahead of H1 2017; accordingly AmesburyTruth remains optimistic about the prospects for the full year provided that input cost volatility remains contained.

ERA expects subdued trends in residential RMI will persist over the balance of the year. The prospects for Access Solutions remain positive for the second half. ERA's focus will continue to be on market share gains, increasing the utilisation of the new i54 distribution facility, new product introductions and management of costs and overheads.

SchlegelGiesse expects further improvement in EMEAI in the second half of the year with Continental Europe remaining strong and additional growth expected in the Middle East. China and Asia Pacific will benefit from higher half year order books converting into Revenue. The outlook for Latin America is more mixed with growth in Argentina expected to continue but the outlook for Brazil appearing less certain.

Strong order books at the half year and the improving Book to Bill Ratio through the first half mean that SchlegelGiesse is well positioned for a further year of growth and margin expansion.

The Board continues to review potential value adding opportunities to fill the gaps in Tyman's product portfolio and geographical coverage. The Group is well positioned to make further progress across the balance of the year, and continues to trade in line with expectations with encouraging cash generation.

TYMAN PLC

OPERATIONAL REVIEW

AmesburyTruth Division

£'m except where stated	**H1 2018**	H1 2017	**Change**	***CC LFL***
Revenue	**176.6**	166.1	**+ 6 %**	*+ 4 %*
Underlying Operating Profit	**30.0**	27.4	**+ 10 %**	*+ 6 %*
Underlying Operating Margin	***17.0 %***	*16.5 %*	***+ 50 bps***	

US$'m except where stated	**H1 2018**	H1 2017	**Change**	***LFL***
Revenue	**243.0**	209.0	**+ 16 %**	*+ 4 %*
Underlying Operating Profit	**41.3**	34.5	**+ 20 %**	*+ 6 %*
Underlying Operating Margin	***17.0 %***	*16.5 %*	***+ 50 bps***	

US Dollar data for the Division, translated at average exchange rates for the relevant period, is presented as an APM to aid comparability as US Dollars are the principal currency in which the Division transacts

Markets

US residential single family starts and completions continued to grow in the period, although there was a slight softening in the level of permits granted. Multi family buildings, in which the Division has proportionally lower exposure, saw an improvement in starts. New build activity in the US remains materially below long run average levels on both absolute and per capita measures.

Residential repair and remodelling markets in the US were slightly improved in the first quarter with the NAHB RMI index averaging 58 compared with 57 in Q1 2017. The LIRA index improved by 3.2 per cent. from the year end.

US commercial markets remain positive with total non-residential construction put in place increasing by 3.0 per cent. compared with twelve months ago and the Dodge Commercial Momentum Index at 30 June 2018 some 6.3 per cent. higher than at the year end.

The market in Canada has held up better than was expected at the start of the year with further growth seen in multi family starts and single family starts remaining in line with 2017.

Business performance and developments

Reported Revenue of £176.6 million for the Division was assisted by the initial contribution from Ashland, partially offset by the relative strength of Sterling against the US Dollar in the period.

AmesburyTruth's like for like US Dollar Revenue increased by 3.6 per cent. in the period assisted by pricing actions and the stronger than expected Canadian market. As a consequence the Division generated encouraging like for like drop through to Underlying Operating Profit.

US Dollar Underlying Operating Profit increased by 20.2 per cent. to US$41.3 million (H1 2017: US$34.5 million) with the Underlying Operating Margin increasing by 50 bps to 17.0 per cent.; benefitting from the improved Ashland performance. Like for like US Dollar Underlying Operating Profit increased by 6.0 per cent..

At the half year, US Dollar order books for the Division were approximately 5.4 per cent. ahead of the prior year with a Book to Bill Ratio in the first half of 102.9 per cent..

Input costs remain volatile in North America with changes to US tariffs leading to cost increases on certain raw material purchases. To date these costs have been passed on through a combination of price increases and surcharges. Freight costs have also increased markedly in the period. The Division will continue to monitor input costs closely through the second half.

Ashland Hardware

Ashland was acquired on 14 March 2018. The business has traded significantly ahead of 2017 with Revenue recorded since 1 January approximately 10.8 per cent. higher than the equivalent six months last year. The trading performance meant that Ashland generated strong drop through in the period under ownership; assisted by the successful resolution of operational issues that occurred under the prior ownership at Ashland's Monterrey, Mexico facility in H1 2017. Ashland's order book at the half year is ahead of the prior year and the business has good prospects for the second half.

The acquisition has been well received by key customers and employees with integration initiatives proceeding to plan. The Division has clear line of sight to achieving its target of annualised pre-tax cost synergies and revenue benefits of at least US$4.0 million by 2020.

The trading performance since acquisition, combined with the positive outlook, means the Group now expects the Ashland transaction should be earnings enhancing in 2018; twelve months earlier than expected at the date of acquisition.

Bilco integration

The integration of Bilco is now complete and synergy benefits of US$3.5 million have been recorded over the two years of ownership, some 40.0 per cent. ahead of the original targets put in place at the date of acquisition. Bilco's Run Rate ROAI after two years of ownership was 17.0 per cent.; 200 bps ahead of the Group target of 15 per cent..

Bilco's US Dollar Revenue was 5.7 per cent. ahead of H1 2017 with good performances seen in both commercial and residential. The business has a promising order book at the half year.

Tier three and four customers

Trading in tiers three and four in North America improved slightly compared with H1 2017, benefitting from the addition of Ashland products to the portfolio and from the consistent approach to account coverage across the US offered by ISC.

A second distributor warehouse opened in April 2018 in Nashville, Tennessee and is showing promising levels of order fulfilment.

The Division remains confident that the differentiated approach to service and distribution of product to tier three and four customers adopted in 2017 will lead to a recovery in market share.

Footprint consolidation project

Further progress was made with the footprint project in the period. The movement of production from the existing facilities in Rochester, New York and Amesbury, Massachusetts to the Statesville, North Carolina centre of excellence is underway. The production moves to Statesville are expected to be completed by the end of the year.

Local management at the Juarez, Mexico facility has been strengthened and the facility is operating at target production, quality and service levels with a normal level of expedited freight.

Approximately US$2.0 million of P&L savings are expected to be realised in 2018 as the Division starts to progress towards its cumulative target of US$10.0 million savings per annum from 2020.

Outlook

AmesburyTruth expects trading in US residential will remain consistent over the balance of the year with growth in both new build and repair and remodelling markets and with Ashland continuing to perform well. The stronger residential market and business performance in Canada is expected to continue in the second half. The outlook for commercial in North America remains positive.

Order books at 30 June across both residential and commercial are ahead of H1 2017; accordingly the Division remains optimistic about the prospects for the full year provided that input cost volatility remains contained.

ERA Division

£'m except where stated	H1 2018	H1 2017	Change	LFL
Revenue	**42.8**	39.9	**+ 7 %**	*(2) %*
Underlying Operating Profit	**4.8**	5.6	**(14) %**	*(29) %*
Underlying Operating Margin	***11.3 %***	*14.1 %*	***(280) bps***	

Markets

The UK market has stayed subdued with RMI investment, which comprises the majority of the market, lower than in the first half of 2017. New build construction remains positive. Overall, ERA estimates that the UK market for doors and windows continues to be c. 8.0 per cent. lower in 2018 than last year.

Business performance and developments

ERA's like for like Revenue was 2.2 per cent. lower than in H1 2017 with the decrease reflecting the subdued market conditions. On a reported basis, Revenue increased by 7.0 per cent.; assisted by incremental contributions from Howe Green and Zoo Hardware. Order books across the Division were lower at the half year compared with H1 2017 and the Book to Bill Ratio for the Division in the period was flat.

Lower volumes and under recovery of input cost inflation meant that like for like Underlying Operating Profit in the period was £1.6 million lower than in H1 2017.

During the period distribution of Response Electronics products was moved to i54. The Division is exploring potential options to increase the utilisation of the new facility.

OEM and distribution

Hardware sales into OEM continued to outperform the market with volumes decreasing by 4.2 per cent.. Ongoing distribution hardware sales for the Division were broadly flat in the period, assisted by the addition of Zoo products to the distribution range.

There continues to be good take up of Giesse products in the UK market and the launch of the ERA Home product range has been well received.

Zoo Hardware

The acquisition of Zoo Hardware completed on 10 May 2018 and the business continued to trade encouragingly in its first six weeks of ownership. Zoo's Revenue in the six months to 30 June 2018 was 11.0 per cent. ahead of H1 2017. The business has a number of new product introductions, including a door closer range, expected to come to market in the second half of the year.

Access Solutions

Like for like Revenue for Access Solutions (Bilco UK and Howe Green) increased by 14.9 per cent. in the period. This performance reflects sustained specification levels on the large Crossrail and Battersea Power Station projects. The businesses have promising order books at 30 June for delivery in the second half.

Ventrolla

Ventrolla, the Division's sash window refurbishment business, recorded Revenue in the period slightly ahead of H1 2017, with stronger demand for domestic renovations offsetting lower demand for commercial projects. The London Commercial franchise was acquired in the first half and the management team strengthened through new hires.

Outlook

ERA expects subdued trends in residential RMI will persist over the balance of the year. The prospects for Access Solutions remain positive for the second half.

ERA's focus will continue to be on market share gains, increasing the utilisation of the new i54 distribution facility, new product introductions and management of costs and overheads.

SchlegelGiesse Division

£'m except where stated	**H1 2018**	H1 2017	**Change**	***CC LFL***
Revenue	**55.5**	54.4	**+ 2 %**	*+ 3 %*
Underlying Operating Profit	**6.8**	6.3	**+ 7 %**	*+ 10 %*
Underlying Operating Margin	***12.2 %***	*11.6 %*	***+ 60 bps***	

€'m except where stated	**H1 2018**	H1 2017	**Change**	***LFL***
Revenue	**63.1**	63.3	**Flat**	*+ 3 %*
Underlying Operating Profit	**7.7**	7.3	**+ 5 %**	*+ 10 %*
Underlying Operating Margin	***12.2 %***	*11.6 %*	***+ 60 bps***	

Euro data for the Division, translated at average exchange rates for the relevant period, is presented as an APM to aid comparability as Euros are the principal currency in which the Division transacts.

Markets

The majority of SchlegelGiesse's end markets continued to strengthen in H1 2018 with consistent expansion seen in most European and Middle Eastern markets in the year to date.

Chinese and Asia Pacific markets, other than Australia, remain generally positive. In Latin America, the market in Argentina was increasingly impacted by the macroeconomic situation towards the end of the period.

Business performance and developments

SchlegelGiesse's constant currency like for like Revenue improved by 3.2 per cent. compared with H1 2017 with the increase principally due to pricing actions supported by slightly higher volumes. On a reported basis, Revenue increased by 2.1 per cent..

Order books at the half year were approximately 14.1 per cent. ahead of H1 2017 and the Book to Bill Ratio in the first half was c. 108.9.

The Division generated good drop through in the period reflecting the benefits of further self help and the success of cross selling initiatives. Constant currency like for like Underlying Operating Profit increased by 9.8 per cent. to £6.8 million and Underlying Operating Margins in SchlegelGiesse expanded by 60 bps to 12.2 per cent. (H1 2017: 11.6 per cent.).

EMEAI

Performance in Continental Europe continues to be strong with Revenue 6.0 per cent. higher than in H1 2017; despite broadly flat trading year to date in Italy, the Division's largest market. The Middle East saw further good Revenue growth in the period and has an encouraging order book for the second half. UK weatherseal Revenue fell broadly in line with the overall UK market.

China and Asia Pacific

Like for like Revenue in China in the period was ahead of H1 2017, with several new projects secured as a result of the new distribution route to market. As expected, Revenue in Australasia was lower than in H1 2017 principally due to weaker demand in Australia. Trading in the Pacific Rim was behind H1 2017; however there is a more encouraging order book in the region for the second half.

Latin America

Argentina saw growth in volume in the period and implemented necessary price increases in response to high levels of inflation. Volumes in Brazil were broadly in line with the prior year.

Outlook

The Division expects further improvement in EMEAI in the second half of the year with Continental Europe remaining strong and additional growth expected in the Middle East. China and Asia Pacific will benefit from higher half year order books converting into Revenue. The outlook for Latin America is more mixed with growth in Argentina expected to continue but the outlook for Brazil appearing less certain.

Strong order books in the Division at the half year and the improving Book to Bill Ratio through the first half mean that SchlegelGiesse is well positioned for a further year of growth and margin expansion.

FINANCIAL REVIEW

Income statement

Revenue and profit

Reported Revenue in the period increased by 6.0 per cent. to £274.9 million (H1 2017: £260.4 million). 100 bps of the increase was a result of freight income now recognised on a gross basis following adoption of IFRS 15. On a constant currency, like for like basis, Revenue increased by 2.5 per cent. period on period, principally due to pricing and surcharge actions.

Underlying Administrative Expenses increased slightly to £61.6 million (H1 2017: £60.8 million), with £2.7 million of the increase due to the reclassification of freight income to Revenue, offset in part by the impact of foreign exchange. Corporate costs in the period were £3.4 million (H1 2017: £3.8 million).

Underlying Operating Profit increased by 7.7 per cent. to £38.2 million (H1 2017: £35.5 million) and by 2.7 per cent. on a constant currency like for like basis. Pricing actions increased Underlying Operating Profit in the period by £6.8 million, largely offsetting higher input costs and other inflationary increases of £6.7 million. Less favourable foreign exchange rate movements reduced translated operating profit by £2.8 million. The Group's Underlying Operating Margin increased by 30 bps to 13.9 per cent. (H1 2017: 13.6 per cent.).

Underlying Profit before Taxation increased by 6.3 per cent. to £33.3 million (H1 2017: £31.4 million) and 2.7 per cent. on a constant currency like for like basis. Reported Profit before Taxation decreased by 18.7 per cent. to £14.5 million (H1 2017: £17.8 million).

Materials and input costs

£'m except where stated	FY 2017 Materials(1)	Average(2)	Spot(3)
Aluminium (Euro)	**18.7**	+ 10.6 %	+ 5.4 %
Polypropylene (Euro)	**28.7**	+ 11.5 %	+ 11.1 %
Stainless steel (US)	**41.6**	(1.8) %	(10.8) %
Zinc (US)	**34.0**	+ 35.0 %	+ 6.3 %
Far East components (UK)	**42.2**	+ 2.1 %	+3.9 %

(1) FY 2017 materials cost of sales for raw materials, components and hardware for overall category

(2) Average LTM 2018 tracker price compared with average LTM 2017 tracker price at 30 June

(3) Spot tracker price as at 30 June 2018 compared with spot tracker price at 31 December 2017

Raw material costs continued to increase in H1 2018 with average prices across all commodity categories except stainless steel higher than H1 2017. The Average cost for other steel purchases in North America was higher than H1 2017 as a result of the direct and indirect impacts of US tariff changes.

Exceptional items

£'m	**H1 2018**	H1 2017
Footprint restructuring - costs	**(2.5)**	(0.2)
Footprint restructuring - credits	**0.2**	-
Footprint restructuring - net	**(2.3)**	(0.2)
M&A and integration	**(1.4)**	(0.7)
Write-off of inventory fair value adjustments	**(2.4)**	-
Other	**0.6**	-
	(5.5)	(0.9)

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 £2.5 million. Against this has been credited £0.2 million related to the profit on disposal of the Willenhall, UK property. The North American footprint project is expected to conclude by 2020.

M&A and integration

M&A and integration costs of £1.4 million relate to legal, financial, taxation and consultancy costs associated with the Ashland and Zoo acquisitions and the integration of businesses acquired in the 2016 and 2017 years.

Write-off of inventory fair value adjustments

The write off of inventory fair value adjustments of £2.4 million is a non-cash adjustment relating to the IFRS requirement that finished goods held in inventory must be revalued to their market value on acquisition. As the Group expects substantially all of the finished goods inventory acquired on acquisition of Ashland will be sold in the current financial year, this uplift in the book value is considered to be of a one off nature and is of a magnitude that would distort the underlying trading result of Ashland in the period.

This treatment of finished goods acquired on acquisition has been consistently applied to each of the Group's acquisitions in recent years. The equivalent revaluation of Zoo Hardware inventory acquired in May 2018 was immaterial.

Other

Other includes the release of excess legal provisions in connection with IP litigation and receipt of settlement monies from a longstanding raw material class action.

Finance costs

Net finance costs increased to £5.4 million (H1 2017: £4.9 million) and Underlying net finance costs increased by £0.8 million to £4.9 million (H1 2017: £4.1 million).

Interest payable on bank loans, private placement notes and overdrafts increased to £4.8 million (H1 2017: £4.0 million) reflecting additional finance charges incurred on higher drawdowns and an increase in the US Federal Reserve interest rate.

Non-cash movements charged to net finance costs in the period include amortisation of capitalised borrowing costs of £0.2 million (H1 2017: £0.2 million), accelerated amortisation of borrowing costs related to the cancellation of the 2014 facility of £0.5 million, a gain on the revaluation of fair value currency hedges of £0.2 million (H1 2017: loss of £0.6 million), and pension interest cost of £0.1 million (H1 2017: £0.2 million).

Taxation

The Group reported an income tax charge of £4.5 million (H1 2017: £6.1 million), comprising a current tax charge of £5.6 million (H1 2017: £7.7 million) and a deferred tax credit of £1.1 million (H1 2017: £1.6 million).

The Underlying tax charge was £8.7 million (H1 2017: £9.9 million) representing an effective Underlying tax rate of 26.1 per cent. (H1 2017: 31.7 per cent.). This is the Group's current best estimate of the Underlying tax rate for the 2018 full year.

The reduction in the effective Underlying tax rate is primarily driven by the changes in US tax legislation which came into force on 1 January 2018. The most significant change is to the US Federal tax rate which has reduced from 35.0 per cent. to 21.0 per cent.. The reduced rate applies to a broader tax base under the new legislation as certain credits and deductions are removed, most notably the §199 domestic production activities deduction.

During the period, the Group paid corporation tax of £5.1 million (H1 2017: £11.2 million) reflecting the lower level of payments on account and the reduction in the US Federal tax rate.

Earnings per share

Basic Earnings Per Share decreased by 19.6 per cent. to 5.35 pence (H1 2017: 6.65 pence). Underlying Earnings Per Share increased by 8.4 per cent. to 13.11 pence (H1 2017: 12.09 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 2018	H1 2017
Net cash generated from operations	**17.0**	9.3
Add: Pension contributions	**0.4**	0.6
Add: Income tax paid	**5.1**	11.2
Less: Purchases of property, plant and equipment	**(6.9)**	(5.8)
Less: Purchases of intangible assets	**(0.5)**	(0.4)
Add: Proceeds on disposal of PPE	**2.5**	1.8
Operational Cash Flow after exceptional cash costs	**17.6**	16.7
Exceptional cash costs	**3.2**	2.5
Operational Cash Flow	**20.8**	19.2
Less: Pension contributions	**(0.4)**	(0.6)
Less: Income tax paid	**(5.1)**	(11.2)
Less: Net interest paid	**(3.6)**	(3.7)
Less: Exceptional cash costs	**(3.2)**	(2.5)
Free Cash Flow	**8.5**	1.2

Operational Cash Flow in the period increased by 7.9 per cent. to £20.8 million (H1 2017: £19.2 million). This is after adding back £3.2 million (H1 2017: £2.5 million) of exceptional costs cash settled in the period, £0.5 million of which were accrued in prior periods.

Free Cash Flow in the period was much higher than H1 2017 at £8.5 million (H1 2017: £1.2 million) and benefitted from a slightly lower working capital build to the half year and lower levels of income tax payments on account.

Operating Cash Conversion in the twelve months to 30 June 2018 was slightly lower at 84.6 per cent. (LTM to H1 2017: 99.3 per cent.) impacted by the significant capital investment made in the Group over the last twelve months. Each Division remains targeted on delivery of 100.0 per cent. cash conversion of Underlying Operating Profit.

Bank facilities and US private placement notes

Total facilities available to the Group, as at 30 June 2018, were as follows:

Facility	Maturity	Currency	Committed	Uncommitted
2018 Facility	Feb 2023	Multicurrency	£240.0m	£70.0m
4.97 % USPP	Nov 2021	US$	US$55.0m	-
5.37 % USPP	Nov 2024	US$	US$45.0m	-
Other facilities	Various	Various	£3.3m	-

On 19 February 2018, the Group entered into the 2018 Facility and incurred up front financing costs of £2.1 million. The 2018 Facility gives the Group access to up to £310.0 million of borrowings with seven relationship banks and comprises a £240.0 million committed revolving credit facility and a £70.0 million uncommitted accordion facility. The 2018 Facility expires in February 2023 although has provision for an extension to February 2024. On signing the 2018 Facility, the 2014 Facility was repaid in full and cancelled.

Liquidity

At 30 June 2018 the Group had gross outstanding borrowings of £265.8 million (H1 2017: £224.7 million), cash balances of £45.7 million (H1 2017: £34.3 million) and committed but undrawn facilities of £53.2 million (H1 2017: £34.9 million) as well as potential access to the uncommitted £70.0 million accordion facility.

Underlying Net Debt at the period end was £220.1 million (H1 2017: £190.4 million) reflecting the incremental indebtedness taken on by the Group to fund the Ashland and Zoo acquisitions. Under IFRS, which reduces gross debt by the unamortised portion of finance arrangement fees, net debt at 30 June 2018 was £218.0 million (H1 2017: £189.5 million).

Covenant performance

At 30 June 2018	Test	Performance (1)	Headroom (2)	Headroom (2)
Leverage	< 3.00x	**2.11x**	£30.6m	30%
Interest Cover	> 4.00x	**10.54x**	£57.9m	62%

(1) Calculated covenant performance consistent with the Group's banking covenant test

(2) The approximate amount by which EBITDA would need to decline before the relevant covenant is breached

At the half year, the Group retained significant headroom on its banking covenants. Leverage at the period end was 2.11x (H1 2017: 2.05x) reflecting the incremental indebtedness taken on by the Group to fund the Ashland and Zoo acquisitions. Leverage is projected to reduce over the second half of the year to within the Group's year end target range of 1.50x to 2.00x.

Interest cover at the period end was 10.54x (H1 2017: 11.57x), reflecting the increased interest expense on higher drawdowns and the increase in the US Federal interest rate.

Balance sheet – assets and liabilities

Working capital

£'m	FY 2017 (restated)	Mvt	Acqns (2)	FX	H1 2018
Inventories	75.3	9.6	17.1	1.5	**103.5**
Trade receivables (1)	56.7	13.9	8.3	0.7	**79.6**
Trade payables	(37.8)	(4.2)	(6.7)	(0.6)	**(49.3)**
Trade working capital	94.2	19.3	18.7	1.6	**133.8**

(1) *The FY 2017 trade receivables balance has been restated to include the adjustment made to the opening balance of trade receivables on application of IFRS 15. See note 19 for further details*

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

Trade working capital at the half year, net of provisions, was £133.8 million (H1 2017: £106.1 million; FY 2017 restated: £94.2 million). The trade working capital build to the half year at average exchange rates was £19.3 million (H1 2017: £19.8 million) which is within the Group's target build range coming into 2018. A significant proportion of the trade working capital build is expected to unwind over the balance of the year.

The inventory build to the half year at average exchange rates was £9.6 million (H1 2017: £11.9 million).

Trade receivables increased broadly in line with trading. The Group remains watchful regarding the credit environment in each of its markets – particularly in the UK.

Of the year to date increase in trade working capital, £18.7 million related to acquisitions and £1.6 million related to exchange.

Capital expenditure

Gross capital expenditure increased to £7.4 million (H1 2017: £6.2 million) or 1.13x depreciation (H1 2017: 0.91x), as a result of capital investment projects, predominantly in the AmesburyTruth Division. Intangible asset capital expenditure was in line with the prior period at £0.5 million (H1 2017: £0.4 million).

Property

Two of the properties that were marketed for sale at the year end were sold during the period. The Statesville, US freehold property, which was classified in the 2017 financial statements as an asset held for sale, was sold in February 2018 for consideration of US$1.4 million. The Willenhall, UK freehold property was sold in the period for consideration of £1.4 million. The Group continues to market for sale the Amesbury, US and Fossatone, Italy properties.

Retirement benefit obligations

Retirement benefit obligations reduced to £10.9 million (H1 2017: £16.4 million; FY 2017: £12.4 million) principally due to the completion of the buyout of the Bilco retirement benefit plan during the period. The plan was fully recoverable from, and indemnified by, the previous owners. No cash outflow or gain or loss on the buyout was recorded by the Group.

Balance sheet - equity

Shares in issue

At 30 June 2018, the total number of shares in issue was 196.8 million (H1 2017: 178.6 million) of which 0.5 million shares were held in treasury (H1 2017: 0.5 million).

On 13 March 2018 the Group issued 17,758,620 shares by way of a placing at a price of 290p per share with institutional investors to fund the acquisition of Ashland. On 15 May 2018 the Group issued 420,926 shares as part consideration for the acquisition of Zoo.

Employee Benefit Trust purchases

At 30 June 2018, the EBT held 1,494,788 shares (H1 2017: 779,746). During the period, the EBT purchased 1,069,687 shares in Tyman plc at a total cost of £3.2 million to satisfy certain share awards vested in March 2018 as well as future obligations under the Group's various share plans.

Other financial matters

Return on capital employed

ROCE increased by 10 bps to 13.9 per cent. (H1 2017: 13.8 per cent.) as a result of the improvement in Underlying operating profit and despite the increase in average capital employed.

Returns on Acquisition Investment

	Acquisition Date	Original Acquisition Investment	Annualised ROAI at H1 2018(1)	Run rate ROAI at H1 2018(1)
Giesse	March 2016	€56.7m	20.8%	**26.7%**
Bilco	July 2016	$64.9m	12.8%	**17.0%**
Howe Green	March 2017	£6.2m	22.2%	**24.9%**

(1) See Alternative Performance Measures on page 23

Giesse has made a significant contribution to the Group since its acquisition in March 2016 and its run rate ROAI of 26.7 per cent. after two years of ownership has materially exceeded the Group's minimum target return threshold of 15.0 per cent.. The integration of Bilco is now complete and its run rate ROAI after two years of ownership is 17.0 per cent.; 200 bps ahead of the Group's minimum target return threshold.

Howe Green has been owned by the Group for sixteen months at the interim reporting date and has performed strongly since acquisition.

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Ashland and Zoo Hardware were acquired in H1 2018 and ROAI has not been reported at the interim reporting date for these businesses. Both acquisitions have performed encouragingly in the period under the Group's ownership, have good prospects and are on track to meet or exceed the minimum return threshold.

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 2018 to date each of these currencies, other than the Euro, was weaker against Sterling when compared with the prevailing average exchange rates in H1 2017.

Translational exposure

Currency	**US$**	**Euro**	**AUS$**	**CA$**	**Other**	**Total**
% mvt in average rate	9.3%	(2.2)%	6.9%	4.6%		
£'m Revenue impact	(16.0)	0.8	(0.3)	(0.2)	(1.7)	**(17.4)**
£'m Profit impact (1)	(2.6)	0.1	(0.0)	(0.1)	(0.2)	**(2.8)**
1c decrease impact (2)	£205k	£43k	£2k	£7k		

(1) Underlying Operating Profit impact

(2) 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 decrease by £17.4 million and £2.8 million respectively compared with H1 2017. This result is driven by the increased proportion of the Group's earnings made in currencies other than Sterling combined with the strengthening of Sterling compared with most major currencies since June 2017.

Transactional exposure

The strengthening of Sterling against the US Dollar and Renminbi resulted in a small benefit to the Operating Profit of ERA in H1 2018 compared to H1 2017. This benefit was offset by a reduction in surcharge recoveries.

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

New IFRS standards

The following standards were effective and adopted from 1 January 2018:

IFRS 9 – Financial Instruments

IFRS 9 provides revised guidance on the classification, impairment and measurement of financial assets; and amendments to hedge accounting. The aspect of IFRS 9 that impacts the Group's financial statements is the guidance on recognition and measurement of impairments in loans and receivables that are measured at amortized cost. This has affected the measurement of impairment of the Group's trade receivables.

IFRS 9 requires the Group to estimate and recognise expected credit losses and means impairment losses are recognised sooner under the new standard.

Application of the new standard has resulted in an increase in the Group's provision for bad debts of £0.4 million as at 1 January 2018. This has been recorded as an adjustment to opening reserves as at 1 January 2018. For further details of the application of IFRS 9, see note 19.

IFRS 15 – Revenue from Contracts with Customers

IFRS 15 provides revised guidance on revenue recognition. In applying the new standard, from 1 January 2018 the Group has recorded income from freight charges where the Group is deemed to be acting as principal in the arrangement on a gross basis within revenue. This resulted in an increase in revenue of £2.7 million and an equivalent increase in administrative expenses for the period ended 30 June 2018.

In applying the guidance for accounting for the right to return products and service credits, adjustments were made to opening balances as at 1 January 2018 to increase trade and other receivables by £0.1 million and to increase trade and other payables by £0.4 million. For further details of the application of IFRS 15, see note 19.

IFRS 16 – Leases

IFRS 16 was issued but not effective and has not been adopted by the Group during the period. Tyman will implement IFRS 16 for the financial year beginning 1 January 2019 and has conducted an initial assessment of the impact IFRS 16 will have on the Group's financial statements.

The estimated range of potential impact on key metrics for the Group are outlined in note 2.2.2.

2018 Summary guidance

Summary guidance for the year remains unchanged from that given at the time of the 2017 full year results other than the following areas:

Exceptional costs are expected to be c. £8.0 - £9.0 million reflecting M&A and integration costs associated with Ashland and Zoo, including the non-cash IFRS 3 charge in respect of the inventory fair value uplift and costs associated with the footprint project. Exceptional costs cash paid in 2018 are expected to be c. £9.0 - £10.0 million.

The trade working capital reduction in the second half is expected to be £10.0 - £15.0 million.

The weighted average number of shares in issue for the full 2018 financial year is expected to be c. 191.4 million and on a fully diluted basis c. 192.9 million.

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Principal risks and uncertainties

The Group's principal risks and uncertainties are identified on pages 39 to 41 of the Group's Report and Accounts for the year ended 31 December 2017, which is available at the Group's website.

The Directors have reviewed the principal risks and uncertainties facing Tyman, including those that would threaten its business model, future performance, solvency or liquidity. Following the acquisition of Ashland Hardware on 14 March 2018 and Zoo Hardware on 9 May 2018, the Directors consider that Business Integration should be reintroduced as a principal risk and uncertainty, with a low risk assessment.

Business Integration risk

Acquisitions are an important element of the Group's strategy and the Group expects that it will make acquisitions in the future. Acquisitions will impact the future performance of the Group and may impact the risk profile of the Group. The subsequent integration of acquisitions involves further risks such as the diversion of management, the disruption of operations and the retention of key personnel in the acquired business.

Risks and uncertainties facing the Group

In the opinion of the Directors, the principal risks and uncertainties as at the date of this report, consist of the Business Integration risk together with each of the principal risks and uncertainties set out in the 2017 Report and Accounts.

Alternative performance measures

APMs used in these financial statements include:

- Free Cash Flow
- Interest Cover
- Leverage
- Operating Cash Conversion
- Return on Acquisition Investment
- Run Rate and Annualised Return on Acquisition Investment
- Return on Capital Employed
- Return on Controllable Capital Employed
- Underlying EPS
- Underlying Net Debt
- Underlying Operating Margin
- Underlying Operating Profit
- Underlying Profit before Taxation
- Underlying effective tax rate
- Underlying tax charge
- Underlying administrative expenses
- Underlying net finance costs

In the opinion of the Board, the APMs provide additional useful information to shareholders on the underlying performance of the business. The APMs disclosed in the Group's financial statements are consistent with how business performance is measured internally by the Group. APMs are not intended to be superior to or a substitute for GAAP measures.

Where appropriate "Underlying" is defined as before Amortisation of acquired intangible assets, deferred tax 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, Accelerated amortisation of borrowing costs, and the associated tax effect.

Underlying profit metrics are not recognised under IFRS and may not be comparable with underlying profit measures used by other companies.

A detailed description of the APMs is included on pages 146 to 148 in the Annual Report for the year ended 31 December 2017 and are consistently applied in the period ended 30 June 2018, with the exception of the following additions and amendments which have been made in the period:

Book to Bill Ratio

The ratio of orders received to Revenue, excluding the impact of IFRS 15, in the period.

Like for Like or LFL

The comparison of Revenue or Operating Profit, as appropriate, excluding the impact of IFRS 15, any acquisitions made during the current year and, for acquisitions made in the comparative year, excluding from the current year result the impact of the equivalent current year pre-acquisition period. For disposals, the results are excluded for the whole of the current and prior period.

This measure has been amended in the current period to exclude the impact of recognising freight income within Revenue on a gross basis in H1 2018, following the adoption of IFRS 15. The Group considers this amendment provides shareholders with a comparable basis from which to understand the trading performance in the period.

Run Rate ROAI

The ROAI measured on the basis of the LTM Underlying Operating Profit attributable to the acquired business.

Reconciliation of reported profit numbers to Underlying profit numbers

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

£'m	**H1 2018**	H1 2017
Profit before taxation	**14.5**	17.8
Exceptional items	**5.5**	0.9
(Gain)/Loss on revaluation of fair value hedge	**(0.2)**	0.6
Amortisation of borrowing costs	**0.2**	0.2
Accelerated amortisation of borrowing costs	**0.5**	-
Amortisation of acquired intangible assets	**12.8**	11.9
Underlying profit before taxation	**33.3**	31.4
Income tax charge	**(4.5)**	(6.1)
Underlying tax effect (1)	**(4.2)**	(3.9)
Underlying profit after taxation	**24.6**	21.4

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

Underlying Operating Profit is reconciled to Operating Profit on the face of the Income Statement.

Underlying administrative expenses is administrative expenses, less exceptional items and amortisation of acquired intangible assets. Each of these line items is disclosed on the face of the Income Statement.

Underlying net finance costs is net finance costs, less amortisation of borrowing costs, accelerated amortisation of borrowing costs, gain or loss on revaluation of fair value hedge and unwinding of discount on provisions. Each of these line items is disclosed in note 5.

In their operational reviews the AmesburyTruth and SchlegelGiesse Divisions disclose Revenue and Underlying Operating Profit in US Dollars and Euros respectively, translated at average exchange rates for the relevant period. This is for the convenience of users and to reflect the principal currencies in which those Divisions transact.

25 July 2018

Tyman plc

Condensed consolidated income statement

	Note	**Six months ended 30 June 2018 (unaudited) £'000**	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Revenue	3	**274,891**	260,402	522,700
Cost of sales		**(175,115)**	(164,094)	(331,831)
Gross profit		**99,776**	96,308	190,869
Administrative expenses		**(79,891)**	(73,570)	(146,962)
Operating profit		**19,885**	22,738	43,907
Analysed as:				
Underlying[(1)] operating profit	3	**38,223**	35,497	76,817
Exceptional items	4	**(5,531)**	(891)	(9,976)
Amortisation of acquired intangible assets	9	**(12,807)**	(11,868)	(22,934)
Operating profit		**19,885**	22,738	43,907
Finance income	5	**281**	96	224
Finance costs	5	**(5,649)**	(4,986)	(9,597)
Net finance costs	5	**(5,368)**	(4,890)	(9,373)
Profit before taxation		**14,517**	17,848	34,534
Income tax charge	6	**(4,473)**	(6,059)	(3,334)
Profit for the period		**10,044**	11,789	31,200
Basic earnings per share	7	**5.35p**	6.65p	17.61p
Diluted earnings per share	7	**5.31p**	6.63p	17.49p
Non-GAAP alternative performance measures[(1)]				
Underlying[(1)] operating profit		**38,223**	35,497	76,817
Underlying[(1)] profit before taxation	7	**33,336**	31,361	68,284
Basic underlying earnings per share	7	**13.11p**	12.09p	26.91p
Diluted underlying earnings per share	7	**13.01p**	12.05p	26.73p

(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, accelerated amortisation of borrowing costs, and the associated tax effect. See definitions on page 23 for non-GAAP alternative performance measures.*

Tyman plc

Condensed consolidated statement of comprehensive income

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Profit for the period	**10,044**	11,789	31,200
Other comprehensive (expense)/income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations	**-**	-	(1,366)
Total items that will not be reclassified to profit or loss	**-**	-	(1,366)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	**4,813**	(15,197)	(24,069)
Effective portion of changes in value of cash flow hedges	**(84)**	91	16
Total items that may be reclassified to profit or loss	**4,729**	(15,106)	(24,053)
Other comprehensive income/(expense) for the period, net of tax	**4,729**	(15,106)	(25,419)
Total comprehensive income/(expense) for the period	**14,773**	(3,317)	5,781

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.

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 2017 (audited)	8,929	81,407	8,920	(3,338)	(291)	80,135	201,329	377,091
Total comprehensive income/(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 shares	-	-	-	-	-	-	-	-
Issue of own shares from EBT	-	-	-	1,317	-	-	(1,317)	-
Purchase of own shares for EBT	-	-	-	(847)	-	-	-	(847)
At 30 June 2017 (unaudited)	8,929	81,407	8,920	(2,868)	(200)	64,938	199,411	360,537
Total comprehensive (expense)/income	-	-	-	-	(75)	(8,872)	18,045	9,098
Profit for the period	-	-	-	-	-	-	19,411	19,411
Other comprehensive (expense)	-	-	-	-	(75)	(8,872)	(1,366)	(10,313)
Transactions with owners	-	-	-	92	-	-	(5,212)	(5,120)
Share-based payments(2)	-	-	-	-	-	-	1,084	1,084
Dividends paid	-	-	-	-	-	-	(6,204)	(6,204)
Issue of shares	-	-	-	-	-	-	-	-
Issue of own shares from EBT	-	-	-	92	-	-	(92)	-
Purchase of own shares for EBT	-	-	-	-	-	-	-	-
At 31 December 2017 (audited)	8,929	81,407	8,920	(2,776)	(275)	56,066	212,244	364,515
Change in accounting policy(3)	-	-	-	-	-	-	(687)	(687)
At 1 January 2018 (unaudited)	8,929	81,407	8,920	(2,776)	(275)	56,066	211,557	363,828
Total comprehensive (expense)/income	-	-	-	-	(84)	4,813	10,044	14,773
Profit for the period	-	-	-	-	-	-	10,044	10,044
Other comprehensive (expense)/income	-	-	-	-	(84)	4,813	-	4,729
Transactions with owners	909	50,811	-	(2,161)	-	-	(15,422)	34,137
Share-based payments(2)	-	-	-	-	-	-	696	696
Dividends paid	-	-	-	-	-	-	(15,060)	(15,060)
Issue of shares	909	50,811	-	-	-			51,720
Issue of own shares from EBT	-	-	-	1,058	-	-	(1,058)	-
Purchase of own shares for EBT	-	-	-	(3,219)	-	-	-	(3,219)
At 30 June 2018 (unaudited)	**9,838**	**132,218**	**8,920**	**(4,937)**	**(359)**	**60,879**	**206,179**	**412,738**

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

(2) Share-based payments include a tax debit of £Nil (six months ended 30 June 2017: £Nil; year ended 31 December 2017: credit of £0.5 million) and a release of the deferred share-based payment bonus accrual of £0.1 million (six months ended 30 June 2017: £0.4 million; year ended 31 December 2017: £0.4 million).

(3) The change in accounting policy relates to the adoption of new accounting standards IFRS 15 and IFRS 9. See note 19.

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Tyman plc

Condensed consolidated balance sheet

	Note	**30 June 2018 (unaudited) £'000**	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
TOTAL ASSETS				
Non-current assets				
Goodwill	8	**363,972**	333,741	323,799
Intangible assets	9	**134,108**	117,024	103,393
Property, plant and equipment	10	**74,589**	68,723	68,424
Financial assets at fair value through profit or loss		**1,136**	1,154	1,112
Deferred tax assets		**13,996**	13,666	11,851
		587,801	534,308	508,579
Non-current assets held for sale		**-**	-	1,275
		587,801	534,308	509,854
Current assets				
Inventories		**103,483**	80,797	75,341
Trade and other receivables		**91,928**	82,612	70,062
Cash and cash equivalents		**45,732**	34,282	42,563
Derivative financial instruments	14	**303**	-	94
		241,446	197,691	188,060
TOTAL ASSETS		**829,247**	731,999	697,914
LIABILITIES				
Current liabilities				
Trade and other payables		**(83,992)**	(78,349)	(65,916)
Derivative financial instruments	14	**(51)**	(249)	(29)
Borrowings	11	**(2,287)**	-	(1,108)
Current tax liabilities		**(4,074)**	(1,242)	(3,964)
Provisions		**(5,626)**	(5,374)	(11,024)
		(96,030)	(85,214)	(82,041)
Non-current liabilities				
Borrowings	11	**(261,458)**	(223,734)	(204,309)
Derivative financial instruments	14	**(359)**	-	(275)
Deferred tax liabilities		**(34,257)**	(38,233)	(24,949)
Retirement benefit obligations		**(10,911)**	(16,448)	(12,407)
Provisions		**(10,645)**	(6,763)	(6,435)
Other payables		**(2,849)**	(1,070)	(2,983)
		(320,479)	(286,248)	(251,358)
TOTAL LIABILITIES		**(416,509)**	(371,462)	(333,399)
NET ASSETS		**412,738**	360,537	364,515
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital	12	**9,838**	8,929	8,929
Share premium	12	**132,218**	81,407	81,407
Other reserves		**8,920**	8,920	8,920
Treasury reserve		**(4,937)**	(2,868)	(2,776)
Hedging reserve		**(359)**	(200)	(275)
Translation reserve		**60,879**	64,938	56,066
Retained earnings		**206,179**	199,411	212,244
TOTAL EQUITY		**412,738**	360,537	364,515

TYMAN PLC

Tyman plc

Condensed consolidated cash flow statement

	Note	**Six months ended 30 June 2018 (unaudited) £'000**	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Cash flow from operating activities				
Profit before taxation	3	**14,517**	17,848	34,534
Adjustments	16	**27,501**	23,742	50,443
Changes in working capital[(1)]:				
Inventories		**(9,547)**	(11,917)	(8,104)
Trade and other receivables		**(14,299)**	(16,213)	(3,884)
Trade and other payables		**5,899**	8,293	(2,668)
Provisions utilised		**(1,634)**	(622)	(2,184)
Pension contributions		**(393)**	(572)	(1,171)
Income tax paid		**(5,055)**	(11,219)	(15,078)
Net cash generated from operations		**16,989**	9,340	51,888
Cash flow from investing activities				
Purchases of property, plant and equipment	10	**(6,870)**	(5,831)	(15,353)
Purchases of intangible assets	9	**(482)**	(352)	(1,076)
Proceeds on disposal of PPE		**2,465**	1,780	3,803
Acquisitions of subsidiary undertakings[(2)]	15	**(87,155)**	(5,136)	(5,136)
Purchase of other investment		**-**	(1,154)	(1,164)
Interest received		**43**	334	416
Net cash used in investing activities		**(91,999)**	(10,359)	(18,510)
Cash flow from financing activities				
Interest paid		**(3,596)**	(4,052)	(7,973)
Dividends paid		**(15,060)**	(13,293)	(19,497)
Net proceeds on issue of shares		**50,320**	-	-
Purchase of own shares for EBT		**(3,219)**	(847)	(847)
Refinancing costs paid		**(1,983)**	-	-
Drawdown of revolving credit facility		**243,036**	28,756	48,623
Repayments of revolving credit facility		**(190,407)**	(16,514)	(51,531)
Net cash generated from/(used in) financing activities		**79,091**	(5,950)	(31,225)
Net increase/(decrease) in cash and cash equivalents		**4,081**	(6,969)	2,153
Exchange (losses)/gains on cash		**(912)**	334	(507)
Cash and cash equivalents at start of period		**42,563**	40,917	40,917
Cash and cash equivalents at the end of period		**45,732**	34,282	42,563

(1) Excluding the effects of acquisition and exchange differences on consolidation.
(2) Net of cash acquired.

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 2018 and have been reviewed, not audited, by PwC, the Group's auditors.

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 2017 were approved by the Board of Directors on 7 March 2018 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.

The financial information for the year ended 31 December 2017 is extracted from the Group's consolidated financial statements for that year.

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 2017, 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

Certain new or amended standards became applicable for the current reporting period and the Group changed certain accounting policies and made adjustments to opening balances as at 1 January 2018 as a result of adopting the following standards:

- IFRS 9 Financial Instruments, and
- IFRS 15 Revenue from Contracts with Customers

Neither of these new standards had a material impact on the Group's financial statements, and the impact of the adoption of these standards and the changes to accounting policies are disclosed in note 19. The other standards that became applicable in the period did not impact on the Group's accounting policies and did not require retrospective adjustments.

2. Accounting policies and basis of preparation (continued)

2.2.2 New, revised and amended accountings standards not yet effective

The following standard issued by the IASB has not yet been adopted by the Group:

IFRS 16 - Leases

Tyman will implement IFRS 16 for the financial year beginning 1 January 2019 and has conducted an initial assessment of the impact IFRS 16 will have on the Group's financial statements.

Tyman estimates that, had IFRS 16 been adopted from 1 January 2018, the estimated range of potential impact on key metrics for the financial year ending 31 December 2018 would be as follows:

Balance sheet	**31 December 2017 (audited) £'000**	**Expected impact (unaudited)**	
Non-current assets	509,854	Increase	8% - 12%
Borrowings	(205,417)	Increase	20% - 25%
Net assets	364,515	Decrease	1% - 3%
ROCE	13.6 %	Decrease	90 – 150 bps
ROCCE	50.6 %	Decrease	700 – 1,000 bps
Income statement			
Underlying operating profit	76,817	Increase	1% - 3%
Finance costs	(9,597)	Increase	20% - 25%
Underlying profit before tax	68,284	Decrease	1% - 3%
Profit after tax	31,200	Decrease	2% - 5%
Basic earnings per share	17.61p	Decrease	2% - 5%
Underlying earnings per share	26.91p	Decrease	1% - 3%

Factors affecting the impact of IFRS 16

The impact of IFRS 16 on the Group's 2019 financial statements may differ from the analysis set out above for reasons including the following:

- There are a number of judgements and estimates that must be made in applying IFRS 16, including the incremental borrowing rate and expectations about future lease renewals. These judgements and estimates may be refined by the Group prior to the date of adoption.
- The Group may enter into new leases and existing leases may terminate or expire prior to the date of adoption.
- Some relevant tax authorities have not yet finalised consequential amendments to tax legislation, which may impact tax balances.

2. Accounting policies and basis of preparation (continued)

Bank covenants

The adoption of IFRS 16 will not impact the Group's banking and private placement covenants as these are set and tested on the basis of the prevailing GAAP as at the date the relevant financing documentation was entered into.

Treatment of comparative periods

The Group expects to apply the modified retrospective approach permitted by IFRS 16, and accordingly does not intend to restate comparative information. The cumulative effect of applying IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019.

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, except for the changes made on adoption of new accounting standards IFRS 15 'Revenue from contracts with customers' and IFRS 9 'Financial instruments'. The changes to accounting policies are described in note 19. 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 2017. There have been no changes in significant estimates, with the exception of the estimate of expected credit losses on financial assets as a result of the adoption of IFRS 9. See note 19 for further details.

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 SchlegelGiesse.

AmesburyTruth comprises all the Group's operations within the US, Canada and Mexico. During the period, AmesburyTruth acquired Ashland and this business is now included in the AmesburyTruth reporting segment. ERA comprises the Group's UK and Ireland hardware business, together with Ventrolla, Tyman Sourcing Asia, Howe Green, and Bilco UK. During the period, ERA acquired Zoo Hardware and this business is now included in the ERA reporting segment. SchlegelGiesse comprises all the Group's other businesses outside of the US, Canada and Mexico as well as the two UK seal manufacturing plants.

Centrally incurred functional costs that are directly attributable to a Division are allocated or recharged to the 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 is no material difference 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 financial 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 of measurement applied, other than those noted above.

3.1 Revenue

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
AmesburyTruth	**176,611**	166,052	332,746
ERA	**42,755**	39,944	80,252
SchlegelGiesse	**55,525**	54,406	109,702
Total revenue	**274,891**	260,402	522,700

Included within the SchlegelGiesse segment is revenue attributable to the UK of £9.5 million (six months ended 30 June 2017: £9.7 million; year ended 31 December 2017: £17.8 million).

3. Segment reporting (continued)

3.2 Profit before taxation

	Note	**Six months ended 30 June 2018 (unaudited) £'000**	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
AmesburyTruth		**29,991**	27,395	59,714
ERA		**4,839**	5,628	10,229
SchlegelGiesse		**6,764**	6,321	12,778
Operating segment result		**41,594**	39,344	82,721
Centrally incurred costs		**(3,371)**	(3,847)	(5,904)
Underlying operating profit		**38,223**	35,497	76,817
Exceptional items	4	**(5,531)**	(891)	(9,976)
Amortisation of acquired intangible assets	9	**(12,807)**	(11,868)	(22,934)
Operating profit		**19,885**	22,738	43,907
Net finance costs	5	**(5,368)**	(4,890)	(9,373)
Profit before taxation		**14,517**	17,848	34,534

4. Exceptional items

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Footprint restructuring - costs	**(2,466)**	(196)	(16,414)
Footprint restructuring - credits	**213**	-	5,718
Footprint restructuring - net	**(2,253)**	(196)	(10,696)
M&A and integration - costs	**(1,403)**	(695)	(2,189)
M&A and integration - credits	**-**	-	2,931
M&A and integration - net	**(1,403)**	(695)	742
Write-off of inventory fair value adjustments	**(2,440)**	-	(22)
Other	**565**	-	-
	(5,531)	(891)	(9,976)

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 £2.5 million. Against this has been credited £0.2 million related to the profit on disposal of the Willenhall, UK property. The North American footprint project is expected to conclude by 2020.

M&A and integration

M&A and integration costs of £1.4 million relate to legal, financial, taxation and consultancy costs associated with the Ashland and Zoo acquisitions and the integration of businesses acquired in the 2016 and 2017 years.

4. Exceptional items (continued)

Write-off of inventory fair value adjustments

The write off of inventory fair value adjustments of £2.4 million is a non-cash adjustment relating to the IFRS requirement that finished goods held in inventory must be revalued to their market value on acquisition. As the Group expects substantially all of the finished goods inventory acquired on acquisition of Ashland will be sold in the current financial year, this uplift in the book value is considered to be of a one off nature and is of a magnitude that would distort the underlying trading result of Ashland in the period.

This treatment of finished goods acquired on acquisition has been consistently applied to each of the Group's acquisitions in recent years. The equivalent revaluation of Zoo Hardware inventory acquired in May 2018 was immaterial.

Other

Other includes the release of excess legal provisions in connection with IP litigation and receipt of settlement monies from a longstanding raw material class action.

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 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Finance income			
Interest income from short term bank deposits	**43**	96	224
Gain on revaluation of fair value hedge	**238**	-	-
	281	96	224
Finance costs			
Interest payable on bank loans, private placement notes and overdrafts	**(4,809)**	(3,991)	(8,204)
Amortisation of borrowing costs	**(241)**	(200)	(400)
Accelerated amortisation of borrowing costs	**(478)**	-	-
Pension interest cost	**(121)**	(241)	(553)
Loss on revaluation of fair value hedge	**-**	(554)	(440)
	(5,649)	(4,986)	(9,597)
Net finance costs	**(5,368)**	(4,890)	(9,373)

6. Taxation

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Current taxation			
Current tax on profit for the period	**(4,917)**	(7,648)	(18,522)
Prior year adjustments	**(642)**	(35)	3,503
Total current taxation	**(5,559)**	(7,683)	(15,019)
Deferred taxation			
Origination and reversal of temporary differences	**1,095**	1,353	6,529
US Federal tax rate change adjustment	**-**	-	6,907
Prior year adjustments	**(9)**	271	(1,751)
Total deferred taxation	**1,086**	1,624	11,685
Income tax charge in the income statement	**(4,473)**	(6,059)	(3,334)
Total credit/(charge) relating to components of other comprehensive income			
Current tax credit on translation	**-**	-	1,478
Current tax credit on share-based payments	**-**	-	185
Deferred tax charge on actuarial gains and losses	**-**	-	(1,181)
Deferred tax credit on share-based payments	**-**	-	267
Deferred tax credit on translation	**-**	-	1,939
Income tax credit in the statement of other comprehensive income	**-**	-	2,688
Total current taxation	**(5,559)**	(7,683)	(13,356)
Total deferred taxation	**1,086**	1,624	12,710
Total taxation	**(4,473)**	(6,059)	(646)

On 16 November 2017, the European Commission published its preliminary decision on the Group Financing Exemption in the UK's Controlled Foreign Company legislation, finding that the legislation is in breach of the EU State Aid rules. Like many other multinational Groups that have acted in accordance with this UK legislation, the Group may be affected by the final outcome of this investigation. Should the European Commission conclude that the Group Financing Exemption constitutes unlawful State Aid, the Group estimates the potential tax liability to be approximately £2.4 million. The Group does not consider that a provision is required at this stage based on the status of the matter.

7. Earnings per share

7.1 Basic and diluted earnings per share

	Six months ended 30 June 2018 (unaudited)	Six months ended 30 June 2017 (unaudited)	Year ended 31 December 2017 (audited)
Basic earnings per share	**5.35p**	6.65p	17.61p
Diluted earnings per share	**5.31p**	6.63p	17.49p

7. Earnings per share (continued)

Basic earnings per share 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.

7.2 Weighted average number of shares

	Six months ended 30 June 2018 (unaudited) '000	Six months ended 30 June 2017 (unaudited) '000	Year ended 31 December 2017 (audited) '000
Weighted average number of shares (1)	**189,484**	178,583	178,583
Treasury and Employee Benefit Trust shares	**(1,630)**	(1,406)	(1,361)
Weighted average number of shares - basic	**187,854**	177,177	177,222
Effect of dilutive potential ordinary shares (2)	**1,467**	717	1,203
Weighted average number of shares - diluted	**189,321**	177,894	178,425

(1) Including treasury shares
(2) LTIP awards and options

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 23.

7. Earnings per share (continued)

Underlying profit after taxation is derived as follows:

	Note	**Six months ended 30 June 2018 (unaudited) £'000**	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Profit before taxation		**14,517**	17,848	34,534
Exceptional items	4	**5,531**	891	9,976
(Gain)/Loss on revaluation of fair value hedge	5	**(238)**	554	440
Amortisation of borrowing costs	5	**241**	200	400
Accelerated amortisation of borrowing costs	5	**478**	-	-
Amortisation of acquired intangible assets	9	**12,807**	11,868	22,934
Underlying profit before taxation		**33,336**	31,361	68,284
Income tax charge	6	**(4,473)**	(6,059)	(3,334)
US Federal rate change adjustment	6	**-**	-	(6,907)
Underlying tax effect (1)		**(4,231)**	(3,873)	(10,345)
Underlying profit after taxation		**24,632**	21,429	47,698

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

Underlying earnings per share is summarised as follows:

	Six months ended 30 June 2018 (unaudited)	Six months ended 30 June 2017 (unaudited)	Year ended 31 December 2017 (audited)
Basic underlying earnings per share	**13.11p**	12.09p	26.91p
Diluted underlying earnings per share	**13.01p**	12.05p	26.73p

8. Goodwill

		30 June 2018 (unaudited) £'000	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Net book amount at the beginning of the period		**323,799**	344,873	344,873
Acquisitions of subsidiaries	15	**33,747**	3,220	3,158
Exchange difference		**6,426**	(14,352)	(24,232)
Net book amount at the end of the period		**363,972**	333,741	323,799

A review of the carrying amount of goodwill and intangible assets across the Group will be carried out at the 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 at the half year.

9. Intangible assets

	Note	**30 June 2018 (unaudited) £'000**	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Net book amount at the beginning of the period		**103,393**	130,684	130,684
Additions		**482**	352	1,076
Acquisitions of subsidiaries	15	**40,968**	2,823	2,823
Amortisation charge for the period		**(13,438)**	(12,539)	(24,249)
Software impairment charge		**(118)**	-	-
Transfers to property, plant and equipment		**-**	(228)	(184)
Exchange difference		**2,821**	(4,068)	(6,757)
Net book amount at the end of the period		**134,108**	117,024	103,393

The amortisation charge for the period includes £12.8 million relating to amortisation of acquired intangible assets (six months ended 30 June 2017: £11.9 million; year ended 31 December 2017: £22.9 million) and £0.6 million relating to amortisation of other intangible assets (six months ended 30 June 2017: £0.6 million; year ended 31 December 2017: £1.3 million). The amortisation charge for the period is included in administrative expenses in the income statement.

10. Property, plant and equipment

	Note	**30 June 2018 (unaudited) £'000**	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Net book amount at the beginning of the period		**68,424**	71,459	71,459
Additions		**6,870**	5,831	15,353
Acquisitions of subsidiaries	15	**5,393**	170	170
Dilapidation provision		**-**	-	675
Disposals		**(1,280)**	(805)	(2,925)
Depreciation charge for the period		**(5,884)**	(6,138)	(11,599)
Impairment charge for the period		**-**	-	(114)
Reclassified as held for sale		**-**	-	(1,335)
Transfers from intangible assets		**-**	228	184
Exchange difference		**1,066**	(2,022)	(3,444)
Net book amount at the end of the period		**74,589**	68,723	68,424

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

11. Interest-bearing loans and borrowings

	30 June 2018 (unaudited) £'000	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Current	**(2,287)**	-	(1,108)
Non-current	**(261,458)**	(223,734)	(204,309)
	(263,745)	(223,734)	(205,417)

11. Interest-bearing loans and borrowings (continued)

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

	Note	**30 June 2018 (unaudited) £'000**	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Balance at the beginning of the period		**(205,417)**	(216,470)	(216,470)
Acquisitions of subsidiaries	15	**(1,799)**	(46)	(46)
Refinancing costs paid		**1,983**	-	-
Drawdown of revolving credit facility		**(243,036)**	(28,756)	(48,606)
Repayment of revolving credit facility		**190,407**	16,514	51,531
Amortisation of borrowing costs		**(719)**	(200)	(400)
Exchange difference		**(5,164)**	5,224	8,574
Balance at the end of the period		**(263,745)**	(223,734)	(205,417)

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 2018 (unaudited) £'000	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Floating rate			
Expiry beyond 12 months	**(53,163)**	(34,867)	(49,980)

The Group also has access to the uncommitted £70.0 million accordion facility and at 30 June 2018 held aggregate cash balances of £45.7 million (30 June 2017: £34.3 million; 31 December 2017: £42.6 million).

12. Share capital

	Number of shares '000	Ordinary shares £'000	Share premium £'000
At 1 January 2017, 30 June 2017, and 31 December 2017	178,582	8,929	81,407
Shares issued	18,180	909	50,811
At 30 June 2018	**196,762**	**9,838**	**132,218**

13. Retirement benefit obligations

Retirement benefit obligations reduced to £10.9 million (H1 2017: £16.4 million, FY 2017: £12.4 million) principally due to the completion of the buyout of the Bilco retirement benefit plan during the period. The plan was fully recoverable from and indemnified by the previous owners, and no cash outflow or gain or loss on the buyout was recorded by the Group. The remaining defined benefit obligation has been measured using the same assumptions as those applied as at 31 December 2017, as the reasonably possible change in key assumptions would not be expected to have a material impact in the period ended 30 June 2018.

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14. Financial risk management and financial instruments

14.1 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 2017.

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.

14.2 Level 2 and level 3 fair values

The Group has the following financial assets and liabilities categorised at level 2 and 3:

	30 June 2018 (unaudited) £'000	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Level 2			
Derivative financial assets	**303**	-	94
Derivative financial liabilities	**(410)**	(249)	(304)
Level 3			
Other financial assets at fair value	**1,136**	1,154	1,112

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

The fair values of borrowings are as follows:

	30 June 2018 (unaudited) £'000	30 June 2017 (unaudited) £'000	31 December 2017 (audited) £'000
Non-current	**(263,006)**	(224,729)	(204,040)
Current	**(2,282)**	-	(1,101)
	(265,288)	(224,729)	(205,141)

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

15. Business combinations

The provisional consideration paid and the fair value of net assets on the acquisitions of Ashland and Zoo Hardware are as follows:

	Note	Ashland £'000	Zoo Hardware £'000
Intangible assets	9	34,567	6,401
Property, plant and equipment	10	5,023	370
Inventories		14,207	5,295
Trade and other receivables		4,535	4,406
Cash and cash equivalents		(105)	287
Trade and other payables		(6,589)	(1,493)
Current tax liabilities		468	(66)
Borrowings	11	-	(1,799)
Derivative financial instruments		-	(51)
Deferred tax liabilities		(6,616)	(1,150)
Provisions		(1,075)	(125)
Total identifiable net assets		44,415	12,075
Goodwill arising on acquisition	8	28,786	4,961
Total consideration		**73,201**	**17,036**
Satisfied by:			
Cash		73,201	14,136
Issue of shares		-	1,400
Deferred consideration		-	1,500
Total consideration		**73,201**	**17,036**
Net cash outflow arising on acquisition:			
Cash consideration		73,201	14,136
Net cash and cash equivalents acquired		105	(287)
Net cash outflow		**73,306**	**13,849**

15.1 Acquisition of Ashland Hardware

On 14 March 2018, the Group's AmesburyTruth division acquired Ashland Hardware, a North American manufacturer of hardware for residential windows and doors for a cash consideration of £73.2 million.

Acquisition related costs of £0.7 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 £4.5 million and includes trade receivables with a fair value of £4.0 million. The gross contractual amount for trade receivables due is £4.1 million, of which £0.1 million are expected to be uncollectible.

Revenue in the consolidated income statement since 14 March 2018 contributed by Ashland was £16.8 million. Ashland also contributed £3.4 million of underlying profit before taxation over the same period.

Had the acquisition of Ashland been completed on the first day of the financial period, an additional £8.6 million of revenue and £1.3 million of profit before taxation would have been contributed to the Group.

15. Business combinations (continued)

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

- Consolidation of surplus offices and facilities and elimination of duplicate administrative overheads;
- Alignment of sales and marketing resources;
- Co-ordination of third party sourcing, freight and logistics;
- Sharing of best practice between AmesburyTruth and Ashland; and
- Acquired workforce.

The estimated value of intangibles, including goodwill, deductible for tax purposes is £1.3 million.

15.2 Acquisition of Zoo Hardware

On 10 May 2018, the Group acquired Zoo Hardware, a designer and supplier of architectural hardware for the UK residential and commercial markets, principally sold through the trade distribution channel. The Group paid initial consideration of £14.1 million in cash and £1.4 million in the form of shares in Tyman plc. A further £1.5 million of cash consideration is deferred for two years.

Acquisition related costs of £0.3 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 £4.4 million and includes trade receivables with a fair value of £4.2 million. The gross contractual amount for trade receivables due is £4.3 million, of which £0.1 million are expected to be uncollectible.

Revenue in the consolidated income statement since 9 May 2018 contributed by Zoo was £2.8 million. Zoo also contributed £0.6 million of profit before taxation over the same period.

Had the acquisition of Zoo been completed on the first day of the financial period, an additional £6.9 million of revenue and £0.9 million of underlying profit before taxation would have been contributed to the Group.

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

- unquantifiable revenue synergies from cross-selling to the acquired Zoo customer base;
- cost synergies as outlined above;
- potential to win new customers as a result of the increased product offering and scale; and
- the acquired workforce.

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

16. 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:

	Note	**Six months ended 30 June 2018 (unaudited) £'000**	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Net finance costs	5	**5,368**	4,890	9,373
Depreciation	10	**5,884**	6,138	11,599
Amortisation of intangible assets	9	**13,438**	12,539	24,249
Impairment of intangible assets	9	**118**	-	114
Profit on disposal of PPE		**65**	(975)	(878)
Write-off of inventory fair value adjustments	4	**2,440**	-	22
Pension service costs and expected administration costs		**250**	290	(3,363)
Non-cash provision movements		**(758)**	(43)	7,340
Share-based payments		**696**	903	1,987
		27,501	23,742	50,443

17. Capital commitments

At 30 June 2018 the Group has capital commitments of £2.5 million for the purchase of property, plant and equipment (30 June 2017: £2.1 million; 31 December 2017: £0.6 million).

18. 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 2018.

19. Changes in accounting policies

This note explains the impact of the adoption of IFRS 9 and IFRS 15 on the Group's financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior periods. As explained below, both IFRS 9 and IFRS 15 were applied without restating comparatives.

Adoption of the new standards did not have a material effect on opening retained earnings. The total adjustment to retained earnings made as at 1 January 2018 was £687,000. Had the Group not adopted IFRS 9 and IFRS 15 in the period ended 30 June 2018, profit for the period would have been £4,000 higher.

19.1 IFRS 9 'Financial Instruments'

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

19. Changes in accounting policies (continued)

The adoption of IFRS 9 from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The total impact on the Group's retained earnings as at 1 January 2018 was a decrease of £0.4 million. The adjustments made are explained below.

19.1.1) Classification and measurement

On 1 January 2018, the Group has assessed which business models apply to the financial assets and has classified its financial instruments into the appropriate IFRS 9 categories. The only change was to reclassify an equity investment with a carrying value of £1.1 million from 'other long term receivables' held at amortised cost to 'Financial assets held at fair value through profit or loss'. As the fair value was not materially different to amortised cost, there was no measurement difference.

19.1.2) Impairment of financial assets

The Group was required to revise its impairment methodology under IFRS 9 for trade receivables. Under this revised methodology, the provision for bad debts as at 1 January 2018 increased by £0.4 million from £2.9 million to £3.3 million. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the length of time overdue.

The bad debt provision decreased by £35,000 during the six months to 30 June 2018. Under the incurred loss model of IAS 39, the provision would have been £392,000 lower and profit would have been £36,000 lower.

Other aspects of the standard that were considered as part of the Group's transition to IFRS 9 were hedge accounting and accounting for extinguishment of debt. These areas did not result in any measurement differences.

The Group has revised its accounting policy on adoption of IFRS 9 and the revised policy will be included in the annual report for the year ending 31 December 2018.

19.2 IFRS 15 'Revenue from contracts with customers'

In accordance with the transition provisions in IFRS 15, the Group has applied the modified retrospective approach and has recognised the cumulative effect of changes in retained earnings as at 1 January 2018 and has not restated comparatives.

The impact on the Group's retained earnings as at 1 January 2018 was a decrease of £0.3 million. The adjustments made are described below. If the Group had continued to apply the previous accounting policies, profit in the period ended 30 June 2018 would have been £40,000 higher.

19. Changes in accounting policies (continued)

19.2.1) Accounting for customer returns

IFRS 15 requires that where a customer has the right to return products, a liability for the gross amount expected to be refunded to the customer and a corresponding asset for the value of goods the Group expects to be returned to inventory must be recognised. In applying the guidance for accounting for the right to return products, an adjustment was made to opening balances as at 1 January 2018 to increase trade and other payables by £0.3 million and increase trade and other payables by £0.1 million.

19.2.2) Accounting for service credits

IFRS 15 introduced specific guidance for accounting for variable consideration. This includes where the Group may be required to issue credits for performance penalties, such as service-related credit notes. In applying the guidance for accounting for service credits, an adjustment was made to opening balances as at 1 January 2018 to increase trade and other payables by £0.1 million.

19.2.3) Assessment of principal vs agent in respect of freight income

The criteria for assessing whether an entity is acting as principal or agent in an arrangement have been amended in IFRS 15. The Group assessed whether it is acting as principal or agent where customers are charged for freight services under the revised guidance. On the basis that the Group has discretion over setting prices, retains inventory risk, and has primary responsibility for fulfilling the contract from the customer's perspective, it was determined that in the majority of arrangements the Group is acting as a principal. Income from freight services has therefore been recognised on a gross basis within revenue. This resulted in an increase in revenue of £2.7 million and an equivalent increase in administrative expenses for the period ended 30 June 2018.

Other aspects of the standard that were considered as part of the Group's transition to IFRS 15 were whether shipping services should be considered a separate performance obligation, and whether any costs of contract acquisition or fulfilment should be capitalised. These areas did not result in any measurement differences.

The Group has revised its accounting policy following adoption of IFRS 15. The revised policy will be included in the annual report for the year ending 31 December 2018.

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 2017, with the exception of the following changes in the Board:

- Pamela Bingham joined the Board as a non-executive Director and joined the Audit, Remuneration and Nomination Committees of the Board; and
- Angelika Westerwelle stepped down from the Board following the 2018 AGM held in May.

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 2018

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 2018. 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 2018;
- 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 2018

Other information

DEFINITIONS

Ashland or Ashland Hardware	Ashland Hardware Holdings Inc, acquired by AmesburyTruth on 15 March 2018.
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 SchlegelGiesse Division on 7 March 2016.
Howe Green	Howe Green Limited acquired by ERA on 3 March 2017.
Interim Financial Statements	The condensed consolidated interim financial statements of Tyman plc for the six months ended 30 June 2018.
Interim Report	The interim report of Tyman plc for the six months ended 30 June 2018.
Revenue	The gross inflow of economic benefits (cash, receivables, other assets) arising from the ordinary operating activities of the Group.
£ or Sterling	The lawful currency of the United Kingdom.
US$	The lawful currency of the United States of America.
Zoo or Zoo Hardware	Zoo Hardware Limited acquired by ERA on 10 May 2018.

GLOSSARY OF TERMS

APM	Alternative performance measure
bps	Basis points
EBITDA	Earnings before Interest, Taxation, Depreciation and Amortisation
EMEAI	Europe, Middle East and Africa and India region
IFRS	International Financial Reporting Standards
JCHS	Joint Centre for Housing Studies of Harvard University
LIRA	Leading Indicator of Remodelling Activity published quarterly by JCHS
LTM	Last twelve months

NAHB	The National Association of Home Builders
OEM	Original equipment manufacturer
PPE	Property, plant and equipment
RMI	Renovation, maintenance and improvement
US	United States of America

EXCHANGE RATES

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

Closing Rates:	**H1 2018**	H1 2017	FY 2017
US Dollars	**1.3207**	1.3003	1.3493
Euros	**1.1305**	1.1383	1.1263
Australian Dollars	**1.7831**	1.6917	1.7285
Canadian Dollars	**1.7348**	1.6881	1.6936
Brazilian Real	**5.1215**	4.2986	4.4695

Average Rates:	**H1 2018**	H1 2017	FY 2017
US Dollars	**1.3760**	1.2586	1.2887
Euros	**1.1366**	1.1626	1.1414
Australian Dollars	**1.7841**	1.6694	1.6811
Canadian Dollars	**1.7577**	1.6799	1.6717
Brazilian Real	**4.7067**	4.0012	4.1154

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.