Interim Report 2014

Tyman plc is a leading international supplier of building products to the door and window industry.

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To find out more about Tyman visit www.tymanplc.com

Highlights

- Solid six month performance together in North America for Amesbury Truth with continued delivery of integration benefits and synergies
- Good performance in the UK with strong momentum and margin progression in Grouphomesafe
- Higher order books in Amesbury Truth and Grouphomesafe at 30 June 2014 leaves the Group well placed for further progress in the second half
- Variable European markets and investment in the business led to a small loss in Schlegel International
- Acquisition of Vedasil Brasil establishes South American manufacturing platform; integration progressing according to plan
- Refinancing of 2011 bank facility into a revolving credit facility of up to £240 million to June 2019

£167.0m
Revenue
2013: £123.7m +35.0%

£19.4m
Underlying operating profit[1,2]
2013: £10.8m +79.3%

7.32p
Underlying EPS[1,2]
2013: 4.87p +50.3%

2.00p
Interim dividend per share
2013: 1.50p +33.3%

£107.9m
Underlying net debt/(cash)[3]
2013: £(25.2)m

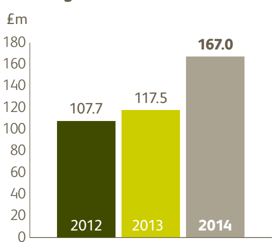
10.1%
Return on average capital employed
2013: 7.5% +260bps

1 2013 comparatives have been restated for IAS 19 (as amended).
2 "Underlying" is defined as before amortisation of acquired intangible assets, deferred tax on amortisation of acquired intangible assets, impairment of acquired intangible assets, exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.
3 "Underlying net debt/(cash)" is defined as interest-bearing loans and borrowings, net of cash and cash equivalents, plus unamortised borrowing costs added back.

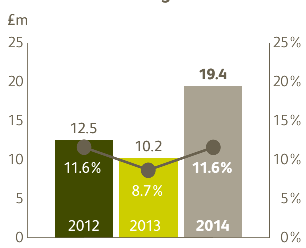
Chairman's statement

Jamie Pike
Non-executive Chairman

Revenue at constant exchange rates



Operating profit and margin at constant exchange rates



Overview

Tyman had an encouraging first half with revenue increasing by 35.0 per cent to £167.0 million (H1 2013: £123.7 million), reflecting the contributions from the strategic acquisitions of Truth Hardware ("Truth") and Vedasil. Excluding the benefit of acquisitions, reported revenue increased by 3.0 per cent and on a constant currency, like for like basis, revenue increased by 8.2 per cent, the difference reflecting the continued strengthening of Sterling against international currencies.

Underlying operating profit increased by 79.3 per cent to £19.4 million (H1 2013 restated: £10.8 million). Excluding the benefit of acquisitions and synergies, reported underlying operating profit increased by some 13.4 per cent and, on a constant currency, like for like basis, underlying operating profit increased by 21.1 per cent. Underlying operating margins increased by 290bps to 11.6 per cent (H1 2013 restated: 8.7 per cent).

Underlying earnings per share in the period increased by 50.3 per cent to 7.32 pence (H1 2013 restated: 4.87 pence).

Order intake in the two largest divisions in the period was very promising with order books at the half year in both Grouphomesafe and Amesbury Truth running ahead of the previous year.

While the recovery in the new build residential market in the US eased a little in the first six months as a result of the extreme weather conditions seen in the first quarter, Amesbury Truth delivered a solid six month revenue performance and improved profitability. In addition we made good progress in Canada, where housing completions contracted compared with the first half of 2013; however housing starts have now begun to increase and our focus on growing share is starting to yield benefits.

The UK market has continued its recovery which started at the end of the first quarter of 2013. Despite strengthening comparatives in the second quarter, Grouphomesafe continued to grow its share of the hardware market, driven by strong performance from our Fab & Fix and ERA offerings.

European markets remained variable throughout the period, with growth in Scandinavia, Eastern Europe and the DACH regions partially offset by further contraction in France, the Benelux and Southern Europe. Emerging markets continued to experience some growth with Brazil benefitting from the acquisition of Vedasil, and Australia and Singapore from the cross selling of Truth products.

Across the Group we have continued to see a relatively benign raw material cost backdrop in the first half of the year, and the impact of cost inflation on goods sourced from the Far East has been ameliorated by the relative strength of Sterling. This strengthening of Sterling has, however, impacted our reported revenue and underlying operating profit, with the average Sterling:US Dollar rate in the first six months of the year being some 8.0 per cent higher than in H1 2013 and the average Sterling:Euro rate being higher by some 3.5 per cent. Had our 2013 pro forma results (including Truth for a full 12 months) been translated at the closing rates as at 30 June 2014, revenue would have been c. £20.7 million lower and underlying operating profit would have been c. £2.8 million lower.

Working capital remained tightly controlled and we have continued to invest in our capital expenditure programmes, aimed at increasing the quality and performance of our businesses, with a particular focus on automation in North America. Despite this investment in the balance sheet, and the acquisition of Vedasil, which was funded from cash resources, the Group's leverage reduced by 15.3 per cent year on year to 2.21x Net Debt to EBITDA (H1 2013[1]: 2.61x) and we expect our leverage will be back within our core target range of 1.5x–2.0x by the year end. Our ROCE has also continued to improve and year on year was some 260bps higher at 10.1 per cent (H1 2013: 7.5 per cent).

1 H1 2013 leverage is estimated as at 3 July 2013, the date of completion of the Truth acquisition.

Chairman's statement continued

Dividend

The Board has declared an increased interim dividend of 2.00 pence per share (H1 2013: 1.50 pence per share), in line with our broad intention that the interim dividend should be approximately one third of the previous year's total dividend (2013: 6.00 pence per share).

Outlook

We expect to see further continued recovery in the US new build market through the remainder of 2014, although probably at a slower rate than was seen in the second half of 2013. This should be supported by continued growth in repair and remodelling which constitutes the majority of the market. Following a stronger first half for housing starts in Canada, we now expect Canadian markets to show modest growth across 2014 as a whole compared with 2013.

During 2014 as a whole we expect to see mid single digit growth in the North American market, where Amesbury Truth remains well positioned to grow ahead of the market as we continue to execute on our self help initiatives and to take market share.

We expect to see continued growth in the UK market across the remainder of the year as the underlying economy strengthens and consumer confidence improves. Grouphomesafe is well placed to take advantage of this backdrop and we expect to see further growth and margin progression within Grouphomesafe in the second half, albeit at more modest levels than were seen in the first half.

European markets are expected to remain variable for the year as a whole and we do not expect to see a material improvement in these markets until 2015 at the earliest. Schlegel International will however benefit from the acquisition of Vedasil and the ability to offer Truth products internationally, and therefore is expected to deliver a small profitable performance at the operating level in 2014.

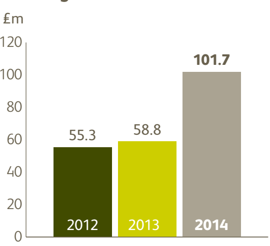
Overall, the Group's encouraging first half performance, current order book levels in key end markets and continued delivery of targeted synergy benefits positions us well to deliver full year expectations, which remain unchanged despite the material strengthening of Sterling against international currencies.

Jamie Pike
Non-executive Chairman
29 July 2014

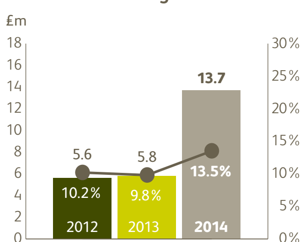
Chief Executive Officer's review

Louis Eperjesi
Chief Executive Officer

Amesbury Truth
Revenue at constant exchange rates



Amesbury Truth
Operating profit and margin at constant exchange rates



We have had an encouraging first half, with good progress made on a number of fronts, including the integration of the North American salesforces, new product introductions in Grouphomesafe and the acquisition of Vedasil in Brazil.

North America – Amesbury Truth

Market and performance

Residential housing starts in the US increased by 6.0 per cent and completions (our most relevant in year indicator) increased by 15.3 per cent to the half year. Single family housing starts increased by approximately 1.2 per cent and completions by 9.7 per cent in the first six months. Repair and remodelling saw a slower start to the year due largely to the extreme weather conditions in the first quarter and overall we believe the US market for our products improved by approximately 6.2 per cent in H1 2014.

The Canadian market has seen a stronger first half for permits and starts than H1 2013 (which saw a significant contraction). While total completions contracted further by some 5.3 per cent and single family completions contracted by some 6.8 per cent, total housing starts increased by 2.5 per cent and single family starts increased by around 1.5 per cent compared with H1 2013 which should lead to market improvement in the second half. Overall, we believe that the Canadian market for our products decreased by approximately 1.0 per cent in the first half of 2014. Combining the US and Canadian statistics would indicate the addressable North American market grew by c. 5.25 per cent in the first half.

Chief Executive Officer's review continued

Amesbury Truth combined saw a year on year increase in sales of 5.8 per cent compared with H1 2013, with US domestic trading improving broadly in line with the market and strong growth in Canada where we have continued to take market share. Like for like sales in the period increased by 8.4 per cent. Export revenue has also increased significantly from a relatively low base as we start to market Truth products internationally on a more structured basis.

Underlying operating profit for the combined business increased year on year by 16.1 per cent when compared with H1 2013 and like for like underlying operating profit increased by 26.2 per cent. Improved volumes, together with further delivery of synergies and the positive margin mix effect of Truth's contribution to the portfolio, meant that Amesbury Truth's underlying operating profit margin increased by c. 370bps from 9.8 per cent reported in H1 2013 to 13.5 per cent in H1 2014.

Amesbury Truth has seen consistent increases in order intake throughout the first half across each of the product lines and at 30 June 2014 had an order book some 18.4 per cent higher than at the equivalent stage last year. This leaves us well placed for further progress during the second half of the year.

Since January, Amesbury Truth has operated as a single business with a leadership team comprising individuals drawn from both Truth and Amesbury and a unified sales and marketing function. We have continued to make good progress on delivery of our synergy targets and during the period recorded US$2.5 million of cost and revenue synergy benefits. Our synergy targets for the combined business remain unchanged from those announced in March 2014 and we still expect to deliver US$5.0 million of synergies in 2014 and a total of US$8.0 million of synergies in 2015. We have also continued to focus on levels of working capital at Truth and have reduced the trade working capital deployed in the Truth business by US$3.1 million, year on year, despite higher levels of trading.

Business developments

As part of the ongoing evaluation of our North American operating footprint, during the period we completed the closure of the Covington, Atlanta facility and have relocated its manufacturing plant and machinery to our Cannon Falls and Rochester facilities. We now have 13 manufacturing sites in 11 locations across North America and are conducting a formal review of the footprint, taking into consideration manufacturing competencies, customer locations and requirements, supply chain and nearshoring opportunities.

In the first half we completed the integration of our North American salesforces and have implemented a number of tools to support the salesforce in their efforts to sell the entire Amesbury Truth portfolio. A second ERP implementation went live at our Fremont, Nebraska site with further implementations scheduled for the second half and four further automation projects were commissioned for delivery later in 2014.

Grouphomesafe

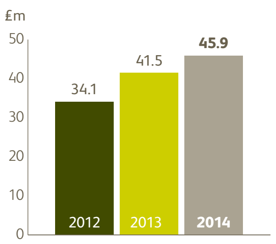
Market and performance

Grouphomesafe has seen a strong performance in H1 2014 against an improved economic backdrop and has continued to take market share. FENSA statistics indicate that registered installations in the UK market increased by approximately 4.3 per cent in the first half of the year, which together with new build starts increasing would indicate the market increased overall by c. 5.5 per cent. The first quarter of H1 2013 was exceptionally weak so the comparatives were relatively soft, but encouragingly we have continued to see growth in the Grouphomesafe business continue into the second quarter, albeit at a somewhat reduced rate.

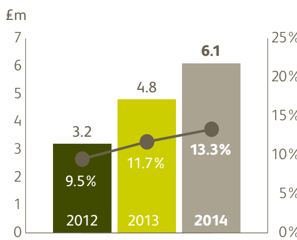
Grouphomesafe has also seen consistent increases in order intake throughout the first half and at 30 June 2014 had an order book some 23.8 per cent higher than at the equivalent stage last year, which again gives us encouragement for the second half.

Fab & Fix, Balance and ERA continued to perform strongly, with further market share gains from deeper penetration of the Grouphomesafe OEM customer base, as well as a number of new OEM customer wins. As expected, this deeper penetration has led to a margin mix improvement for the division with underlying operating margins increasing by 160bps to 13.3 per cent (H1 2013: 11.7 per cent). EWS and Schlegel UK each saw growth in volumes slightly ahead of the market and Ventrolla had a strong first six months, with both domestic and commercial activity increasing.

Grouphomesafe
Revenue at constant exchange rates



Grouphomesafe
Operating profit and margin at constant exchange rates



Business developments

Our more structured approach to the distribution sector has started to generate good business leads and the development of our UK e-commerce platform is progressing well. Grouphomesafe has continued to deliver new product introductions to the market with the launch of the ERA Invincible™ cylinder lock, offering significantly enhanced security features, and our new range of bi-fold hardware is starting to generate revenue.

Chief Executive Officer's review continued

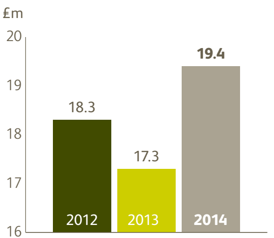
Schlegel International
Market and performance

Schlegel International has seen reported local currency revenue increase slightly over the corresponding period in H1 2013 and the business again made a marginal profit in the period before the allocation of central overheads. While the continued increase in the Division's underlying operating loss is disappointing, the absolute increase in losses during the period was only £200,000.

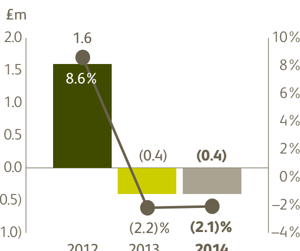
Half year order book levels within Schlegel International are less of an in-year lead indicator for the Division compared with Amesbury Truth and Grouphomesafe, given short lead times on products. At H1 2014, the order book for Schlegel International was slightly lower than at the equivalent stage last year.

European markets generally remained inconsistent and variable; with Q4 2013 and Q1 2014 growth in Europe due principally to very soft comparables and second quarter growth of approximately 2.0 per cent thought to be more reflective of underlying market conditions across Europe. Our largest European market, Germany, had a quiet first quarter with some small growth coming through in the second quarter. As expected, Italy, which saw a number of competitors exit the market in H1 2013, saw more moderate growth across the first half. Benelux continued to contract, with France having an improved first quarter but a weaker second quarter.

Schlegel International
Revenue at constant exchange rates



Schlegel International
Operating profit and margin at constant exchange rates



Eastern European markets were significantly stronger than in the first half of 2013 with good growth seen in Poland and Russia. Scandinavia was mixed with our largest market, Norway, trading behind H1 2013; however our Scandinavian business overall traded marginally ahead of H1 2013. Spain saw a stronger start to the year which softened in the second quarter.

Australia and Singapore saw revenue growth, in part due to both businesses being able to offer the full Truth product range from 1 January. Brazil made good progress in the first half, benefitting from the extension to the product range and customer base offered by the Vedasil acquisition. We believe that the slightly slower Q2 performance in Brazil is principally attributable to the impact of the World Cup with a number of customers and suppliers reporting demand having been temporarily affected and growth is expected to return in this market in the second half.

Profitability in Schlegel International at the operational level benefitted from the initial contributions of Vedasil and sales of Truth products, offset by higher levels of overhead as a result of the significant investment made in developing the Schlegel International management team. We believe that Schlegel remains well positioned for growth as and when European markets recover.

Business developments

Schlegel International has continued to develop its product portfolio in the first half, as it aims to offer a complete range of sealing solutions to the market. New product introductions in the period included the launch at the Fensterbau Trade Show of the high performance Nova-Seal range and the introduction of the North American Foamtite seal to the European market. In conjunction with Truth, Schlegel is also developing a lockable casement operator for the Australasian market.

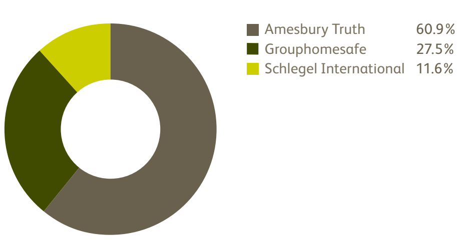
In Brazil, the integration of Vedasil is progressing well. Since completion of the transaction at the end of February, we have closed our Sao Paolo distribution centre and relocated operations to the Vedasil site in Valinhos. A second shift has been recruited in order to increase capacity for the manufacture of pile weatherstrip product. This eliminates the need to import product into Brazil from our European facilities, significantly shortens our supply chain and has reduced the delivered cost of our weatherstrip product. From 1 July 2014 the enlarged business has been renamed Schlegel America Latina, reflecting our intention to use the strength of the enlarged business to target growth across Southern and Latin America.

Louis Eperjesi
Chief Executive Officer
29 July 2014

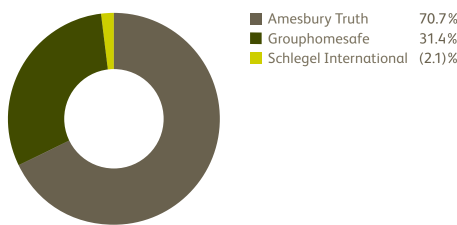
Chief Financial Officer's review

James Brotherton
Chief Financial Officer

2014 Revenue by sector



2014 Operating profit by sector



Revenue and operating profit

Revenue for the period ended 30 June 2014 increased by 35.0 per cent to £167.0 million (H1 2013: £123.7 million), reflecting the increased size of the Group following the acquisitions of Truth and Vedasil.

Reported gross margin from continuing operations decreased slightly to 32.1 per cent (H1 2013: 33.3 per cent) principally arising from the realignment of costs accounted for in SG&A in H1 2013 into direct overhead in H1 2014 following the integration of Amesbury Truth. On a like for like basis, after the realignment of these costs, the Group's ongoing gross margin increased by 70bps.

Underlying administrative expenses increased by 12.3 per cent to £34.1 million (H1 2013 restated: £30.4 million), reflecting the overhead acquired as part of the Truth and Vedasil acquisitions and increased levels of trading during the period, offset by the reclassifications into direct overhead referred to above.

Underlying operating profit increased by 79.3 per cent to £19.4 million (H1 2013 restated: £10.8 million), and increased by 21.1 per cent on a constant currency like for like basis. Underlying operating margins increased by c. 290bps from 8.7 per cent in H1 2013 to 11.6 per cent in H1 2014.

Segmental disclosures

As outlined in the 2013 Annual Report and Accounts, the Board reviewed the appropriateness of the Group's operating segment disclosures with effect from January 2014 and has concluded that the most appropriate segmental analysis is based on the three reporting Divisions – Amesbury Truth, Grouphomesafe and Schlegel International – with an allocation of Group central overheads made to each Division.

From January 2014, our North American businesses have been managed as a single entity with an integrated management team and a single P&L account. Accordingly Truth has been incorporated into the Amesbury Truth operating segment from the start of 2014 and the 2014 half year interim results therefore do not include Truth as a distinct operating segment.

In the opinion of the Board there remains 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.

Exceptional items

Exceptional charges of £2.0 million were incurred during the period (H1 2013: £4.9 million). The exceptional charges principally concern the costs associated with the integration of the Truth and Vedasil businesses, M&A transaction costs, and the costs associated with the closure of the Covington facility. Offsetting the exceptional charges was an exceptional gain of £0.4 million realised on the disposal of the surplus freehold property in Sioux Falls, South Dakota.

These charges and gains are regarded by the Group as exceptional because they are both significant and non-recurring in nature.

The gross cash costs of the exceptional items incurred in the period were approximately £0.9 million and the majority of the exceptional charges and cash costs directly associated with the Amesbury Truth integration programme have now been expensed.

Finance charges

Net bank interest payable increased in the period to £2.0 million (H1 2013: £1.2 million), reflecting the higher gross levels of borrowing of the Group following the acquisition of Truth. Net finance charges overall increased to £3.7 million (H1 2013 restated: £0.5 million), principally due to the higher net bank interest payable, the exceptional foreign exchange gain on the Truth equity proceeds of £1.3 million realised in H1 2013 and the write off in the period of approximately £0.9 million of capitalised loan fees associated with the 2011 bank financing.

Taxation

The Group incurred an underlying tax charge during the period of £5.0 million (H1 2013: £2.7 million) equating to an underlying tax rate of 28.8 per cent (H1 2013 restated: 28.8 per cent). Cash taxes paid during the first half decreased slightly to £0.8 million (H1 2013: £2.2 million), due to timing differences.

Earnings per share

Underlying earnings per share increased by 50.3 per cent to 7.32 pence (H1 2013 restated: 4.87 pence), reflecting the improvements in profitability of the existing businesses and the contributions from Truth and Vedasil, offset by the higher net finance charge and the year on year increase in the weighted average number of shares at H1 2014 compared with H1 2013.

Basic earnings per share from continuing operations was 1.63 pence (H1 2013 restated: loss per share restated 1.51 pence).

Chief Financial Officer's review continued

Dividends

The interim dividend has been increased by 33.3 per cent to 2.00 pence per share (H1 2013: 1.50 pence per share), in line with our intention that, in the absence of unforeseen circumstances, the interim dividend payment will be approximately one third of the total dividend declared for the previous year.

The ex-dividend date will be 6 August 2014 and the interim dividend will be paid on 5 September 2014 to shareholders on the register on 8 August 2014. The interim dividend amounts to approximately £3.4 million.

Net debt position and covenant performance

At 30 June 2014 the Group had gross outstanding borrowings of £135.7 million (H1 2013: £78.4 million), cash balances of £27.9 million (H1 2013: £103.6 million) and undrawn borrowing facilities, including the accordion facility, of up to £162.4 million (H1 2013: £27.0 million together with the Truth acquisition facility of US$100 million). The Group's underlying net debt at the half year was £107.9 million (H1 2013: £25.2 million of underlying net cash).

At 30 June 2014, the Group had headroom on its relevant banking covenants under its bank facilities ranging from 26.2 per cent to 57.8 per cent. Leverage decreased by 15.3 per cent year on year, despite the Vedasil acquisition being funded from existing cash resources, from an estimated 2.61x on 3 July 2013 (the date the Truth acquisition completed) to 2.21x at 30 June 2014 and is expected to be back within our core target range of 1.5x–2.0x by the year end.

Banking facilities

On 10 June 2014 the Group entered into an enlarged new banking facility (the "New Facility") of up to £240 million with six relationship banks, comprising a £180 million committed revolving credit facility and a £60 million accordion. The New Facility offers the Group improved pricing, increased flexibility, and relaxation or removal of certain covenants. On completion of the New Facility, the September 2011 facility was repaid in full and cancelled. The Group's US$100 million facility remains in place and is scheduled for repayment by 30 June 2015 and the New Facility expires in June 2019.

Subject to market conditions, the Group still intends to move a portion of its borrowings into longer dated funds during the course of 2014. This is expected to increase the blended interest rate payable on the Group's borrowings, however will diversify the Group's financing structure, extend the average tenor of borrowings and offer access to additional pools of capital.

Cash flow

Operational cash flow in the period was strong, with the seasonal build in working capital to the half year being tightly managed across all divisions. Cash conversion in the 12 months to 30 June was 71.5 per cent (H1 2013: 89.8 per cent) reflecting higher levels of capital expenditure and working capital investment in the last year compared with the period to H1 2013.

The trade working capital build to the half year for the Group was £21.8 million, slightly ahead of our expectations coming into the year, however the majority of the increase is in net trade receivables as a function of the improved levels of trading, so we still expect substantially all of the trade working capital build will unwind over the remainder of the year. Inventories of £45.8 million at 30 June 2014 were higher than in H1 2013 in absolute terms, principally due to the inclusion of Truth and Vedasil's inventory on the balance sheet, however the gross inventory build from 31 December 2013 to the half year has been well controlled and was only £5.3 million across the Group as a whole.

Net tangible and intangible capital expenditure in the period, excluding the Sioux Falls property disposal proceeds of US$1.7 million, was £5.3 million (H1 2013: £4.1 million) or 1.5x depreciation as we continue to invest in the business and seek to take full advantage of the Group's strong balance sheet.

In March 2014, 1,459,867 shares were purchased by the Tyman Employee Benefit Trust (the "Trust") at a cost of £4.3 million in order to satisfy those LTIP and DSBP awards that vested in March and awards expected to vest in future years. As at 30 June 2014 the Trust held 1,596,794 shares in Tyman, representing 0.94 per cent of the Group's issued share capital.

Returns on acquisition investment ('ROAI')

ROAI for the three principal businesses acquired since December 2011 as at H1 2014 are as follows:

	Date of acquisition	Original investment '000	LTM ROAI
Overland	Dec 2011	US$16,493	16.1%
Fab & Fix	Aug 2012	£15,217	28.5%
Truth	Jul 2013	US$206,438	11.8%

Vedasil, which was acquired in February 2014, will be reported for the first time as at 31 December 2014 once it has a meaningful period of time under Tyman ownership; however its performance in the first four months of ownership indicates that it should exceed our minimum returns criteria.

Return on average capital employed

Our return on average capital employed has improved significantly by c. 260bps over the course of the last 12 months and at 30 June 2014 was 10.1 per cent (H1 2013: 7.5 per cent). Return on average controllable capital employed also improved materially by 1,200bps to 49.9 per cent (H1 2013: 37.9 per cent).

Chief Financial Officer's review continued

Currency

Currency movements have continued to be significant in the first half of 2014 with Sterling strengthening against most international currencies. The Group's operating entities largely transact in a single currency (eg Euro and Euro) or a linked currency (eg US Dollar and Renminbi) meaning that transactional exposures to currency movements are minimised. The key exceptions to this are Grouphomesafe's Far East purchases and Australasian purchases of hardware products from the US and China. Had the Group's 2013 pro forma full year results (including Truth for a full 12 months) been reported on the basis of the closing exchange rates as at 30 June 2014, the translational impact would have been as follows:

£'million unless stated	US $	Euro	AUS $	Other	Total
Average rate FY 2013	1.5646	1.1780	1.6224		
Rate at 30 June 2014	1.7038	1.2486	1.8069		
% movement	(8.9)%	(6.0)%	(11.4)%		
Revenue impact	(17.2)	(1.4)	(0.9)	(1.2)	(20.7)
Underlying operating profit impact	(2.5)	(0.0)	(0.2)	(0.1)	(2.8)

Summary 2014 financial guidance

Year end leverage is expected to be back within our core target range of 1.5x–2.0x Net Debt to EBITDA.

Underlying tax rates for the Group for 2014 are now expected to be slightly higher at c. 28–29 per cent as a result of the growth in profitability of the North American operations. The final rate for the year will depend on the Group's ultimate mix of taxable profits. Cash taxation rates are expected to be broadly in line with the Group's underlying tax rate.

Capital expenditure for the year is expected to be in the range £11.0–£12.0 million.

Interest payable on borrowings for the full year under the existing facilities is expected to be c. 3.5–4.0 per cent – dependent on leverage and underlying LIBOR rates.

2014 exceptional charges in respect of the integration of Truth into Amesbury are now expected to be c. US$2.0 million. Cash costs incurred in connection with integration in 2014 are expected to be in the range US$2.0–US$2.5 million.

No further share purchases are expected to be made by the Tyman Employee Benefit Trust in 2014.

Shares in issue at the half year were 170.1 million, of which 169.6 million had voting rights attached. The weighted average shares in issue for the purposes of EPS calculation at the year end are expected to be approximately 167.6 million (basic) and 169.2 million (diluted) assuming no material changes to the Group's equity base occur in the second half of the year.

Financial reporting

This financial information has been prepared under IFRS and in accordance with the Group's accounting policies. There have been no changes to the Group's accounting policies since the year ended 31 December 2013.

Going concern

The Directors are confident, on the basis of current financial projections and facilities available, and after considering sensitivities, that the Company and the Group has sufficient resources for its operational needs and will enable the Group to remain in compliance with the financial covenants in its bank facilities for at least the next 12 months. Accordingly the Directors continue to adopt the going concern basis.

James Brotherton
Chief Financial Officer
29 July 2014

Condensed consolidated interim income statement

Six months ended 30 June 2014

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Revenue	4	**166,981**	123,686	298,054
Cost of sales		**(113,453)**	(82,463)	(198,758)
Gross profit		**53,528**	41,223	99,296
Administrative expenses		**(44,818)**	(42,156)	(94,985)
Operating profit/(loss)		**8,710**	(933)	4,311
Analysed as:				
Underlying[1] operating profit	4	**19,382**	10,812	32,348
Exceptional items	5	**(2,005)**	(4,897)	(10,903)
Amortisation of acquired intangible assets	10	**(8,667)**	(6,848)	(16,605)
Impairment of acquired intangible assets	10	**–**	–	(529)
Operating profit/(loss)		**8,710**	(933)	4,311
Finance income	6	**11**	80	137
Finance costs	6	**(3,741)**	(1,803)	(4,925)
Exceptional foreign exchange gain	6	**–**	1,271	1,271
Net finance costs	6	**(3,730)**	(452)	(3,517)
Profit/(Loss) before taxation		**4,980**	(1,385)	794
Income tax (charge)/credit	7	**(2,244)**	(691)	162
Profit/(Loss) for the period		**2,736**	(2,076)	956
Basic earnings/(loss) per share	8	**1.63p**	(1.51p)	0.63p
Diluted earnings/(loss) per share	8	**1.62p**	(1.51p)	0.62p
Non-GAAP measure				
Basic earnings per share	8	**7.32p**	4.87p	13.71p
Diluted earnings per share	8	**7.25p**	4.82p	13.51p
Underlying[1] profit before taxation from continuing operations	8	**17,247**	9,411	28,586

1 Before amortisation of acquired intangible assets, deferred tax on amortisation of acquired intangible assets, impairment of acquired intangible assets, exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.

All results relate to continuing operations.

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income

Six months ended 30 June 2014

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Profit/(Loss) for the period		**2,736**	(2,076)	956
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	13	**–**	143	2,300
Total items that will not be reclassified to profit or loss		**–**	143	2,300
Items that may be reclassified subsequently to profit or loss				
Exchange differences on retranslation of foreign operations		**(7,506)**	10,519	(10,566)
Effective portion of changes in value of cash flow hedges		**291**	76	(163)
Total items that may be reclassified subsequently to profit or loss		**(7,215)**	10,595	(10,729)
Other comprehensive (loss)/income for the period, net of tax		**(7,215)**	10,738	(8,429)
Total comprehensive (loss)/income for the period		**(4,479)**	8,662	(7,473)

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 7.

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity

Six months ended 30 June 2014

	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 2013 (audited)	6,864	101	8,920	(8,161)	(605)	24,321	216,449	247,889
Total comprehensive income/(loss)	–	–	–	–	76	10,519	(1,933)	8,662
Loss for the period	–	–	–	–	–	–	(2,076)	(2,076)
Other comprehensive income	–	–	–	–	76	10,519	143	10,738
Transactions with owners	1,641	63,439	–	5,814	–	–	(4,251)	66,643
Issue of shares	1,641	69,674	–	–	–	–	–	71,315
Share-based payments[2]	–	–	–	–	–	–	261	261
Dividends paid	–	–	–	–	–	–	(4,512)	(4,512)
Sale of treasury shares	–	(6,235)	–	6,235	–	–	–	–
Purchase of own shares for employee benefit trust	–	–	–	(421)	–	–	–	(421)
At 30 June 2013 (unaudited)	**8,505**	**63,540**	**8,920**	**(2,347)**	**(529)**	**34,840**	**210,265**	**323,194**
Total comprehensive (loss)/income	–	–	–	–	(239)	(21,085)	5,189	(16,135)
Profit for the period	–	–	–	–	–	–	3,032	3,032
Other comprehensive (loss)/income	–	–	–	–	(239)	(21,085)	2,157	(19,167)
Transactions with owners	–	(284)	–	(2,500)	–	–	(1,335)	(4,119)
Issue of shares	–	(284)	–	–	–	–	–	(284)
Share-based payments[2]	–	–	–	–	–	–	1,192	1,192
Dividends paid	–	–	–	–	–	–	(2,527)	(2,527)
Purchase of own shares for employee benefit trust	–	–	–	(2,500)	–	–	–	(2,500)
At 31 December 2013 (audited)	**8,505**	**63,256**	**8,920**	**(4,847)**	**(768)**	**13,755**	**214,119**	**302,940**
Total comprehensive income/(loss)	–	–	–	–	291	(7,506)	2,736	(4,479)
Profit for the period	–	–	–	–	–	–	2,736	2,736
Other comprehensive income/(loss)	–	–	–	–	291	(7,506)	–	(7,215)
Transactions with owners	–	–	–	105	–	–	(11,619)	(11,514)
Share-based payments[2]	–	–	–	–	–	–	381	381
Dividends paid	–	–	–	–	–	–	(7,558)	(7,558)
Issue of own shares by employee benefit trust	–	–	–	4,442	–	–	(4,442)	–
Purchase of own shares for employee benefit trust	–	–	–	(4,337)	–	–	–	(4,337)
At 30 June 2014 (unaudited)	**8,505**	**63,256**	**8,920**	**(4,742)**	**(477)**	**6,249**	**205,236**	**286,947**

1 Other reserves are non-distributable capital reserves which arose on previous acquisitions.
2 Share-based payments includes a deferred tax credit of £Nil (six months ended 30 June 2013: £Nil; year ended 31 December 2013: £772,000).

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

As at 30 June 2014

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited and restated) £'000
ASSETS				
Non-current assets				
Goodwill	9	**241,101**	193,644	244,740
Intangible assets	10	**102,736**	70,716	109,595
Property, plant and equipment	11	**39,425**	31,889	39,869
Deferred tax assets		**7,605**	9,912	12,102
		390,867	306,161	406,306
Current assets				
Inventories		**45,763**	31,115	40,668
Trade and other receivables		**48,176**	37,694	34,555
Cash and cash equivalents		**27,870**	103,583	43,607
Current tax asset		**–**	–	162
		121,809	172,392	118,992
TOTAL ASSETS		**512,676**	478,553	525,298
LIABILITIES				
Current liabilities				
Trade and other payables		**(46,952)**	(42,178)	(51,393)
Current tax payable		**(1,857)**	(1,548)	–
Interest-bearing loans and borrowings	12	**(59,376)**	(10,183)	(6,834)
Provisions		**(2,663)**	(1,112)	(2,463)
		(110,848)	(55,021)	(60,690)
Non-current liabilities				
Interest-bearing loans and borrowings	12	**(73,896)**	(66,734)	(115,464)
Derivative financial instruments		**(476)**	(529)	(767)
Deferred tax liabilities		**(25,277)**	(10,709)	(29,292)
Retirement benefit obligations	13	**(6,941)**	(11,768)	(7,478)
Provisions		**(6,784)**	(7,254)	(7,100)
Other payables		**(1,507)**	(3,344)	(1,567)
		(114,881)	(100,338)	(161,668)
TOTAL LIABILITIES		**(225,729)**	(155,359)	(222,358)
NET ASSETS		**286,947**	323,194	302,940
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital		**8,505**	8,505	8,505
Share premium		**63,256**	63,540	63,256
Other reserves		**8,920**	8,920	8,920
Treasury reserve		**(4,742)**	(2,347)	(4,847)
Hedging reserve		**(477)**	(529)	(768)
Translation reserve		**6,249**	34,840	13,755
Retained earnings		**205,236**	210,265	214,119
TOTAL EQUITY		**286,947**	323,194	302,940

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim cash flow statement

Six months ended 30 June 2014

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Cash flow from operating activities				
Profit/(Loss) before taxation		**4,980**	(1,385)	794
Adjustments	15	**16,816**	9,980	28,802
Changes in working capital (excluding the effects of acquisition and exchange differences on consolidation):				
Inventories		**(5,638)**	(2,650)	759
Trade and other receivables		**(13,724)**	(9,700)	1,275
Trade and other payables		**(3,631)**	10,130	10,363
Provisions utilised		**(471)**	(1,223)	(2,232)
Pension contributions		**(630)**	(423)	(909)
Income tax paid		**(766)**	(2,197)	(6,209)
Net cash (used in)/generated from operating activities		**(3,064)**	2,532	32,643
Cash flow from investing activities				
Purchases of property, plant and equipment	11	**(4,638)**	(3,427)	(7,359)
Purchases of intangible assets	10	**(809)**	(644)	(1,286)
Proceeds on disposal of property, plant and equipment		**1,162**	–	559
Acquisition of subsidiary undertakings, net of cash acquired	14	**(6,556)**	–	(131,244)
Interest received		**6**	80	150
Net cash used in investing activities		**(10,835)**	(3,991)	(139,180)
Cash flows from financing activities				
Interest paid		**(2,136)**	(1,276)	(2,740)
Dividends paid		**(7,558)**	(4,512)	(7,039)
Purchase of own shares for employee benefit trust		**(4,337)**	(421)	(2,921)
Proceeds from issuance of ordinary shares		**–**	71,315	71,031
Proceeds from borrowings	12	**–**	–	65,738
Refinancing costs paid	12	**(1,789)**	–	(1,510)
Proceeds from drawdown of revolving credit facility	12	**91,665**	2,642	2,642
Repayment of revolving credit facility	12	**(77,167)**	–	(10,611)
Net cash (used in)/generated from financing activities		**(1,322)**	67,748	114,590
Net (decrease)/increase in cash and cash equivalents		**(15,221)**	66,289	8,053
Exchange (losses)/gains on cash and cash equivalents		**(516)**	1,437	(303)
Cash and cash equivalents at the beginning of the period		**43,607**	35,857	35,857
Cash and cash equivalents at the end of the period		**27,870**	103,583	43,607

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

Six months ended 30 June 2014

1. General information

Tyman plc ("the Company") and its subsidiaries (together, "the Group") is a leading international supplier of building products to the door and window industry.

The Company is a public limited company listed on the London Stock Exchange. The Company is incorporated and domiciled in England and Wales at the address shown on page 39.

These condensed consolidated 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 2013 were approved by the Board of Directors on 11 March 2014 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.

There are no changes to the principal risks and uncertainties as set out in the Annual Report for 2013 which may affect the Group's performance in the next six months. For a detailed discussion of the risks and uncertainties facing the Group, refer to the Annual Report and Accounts 2013, pages 28 and 29.

The financial information for the year ended 31 December 2013 is extracted from the Group's consolidated financial statements for that year.

The condensed consolidated interim financial statements have been reviewed, not audited.

2. Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2014 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority (previously the Financial Services Authority) and with IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRSs, as adopted by the European Union.

Going concern

The Directors have made enquiries into the adequacy of the Group's financial resources through review of the Group's budget and cash flow forecasts. On the basis of this review, and in light of the current financial position and the existing borrowing facilities, the Board believes it is appropriate to continue to adopt the going concern basis in preparing the condensed consolidated interim financial statements.

3. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except as described below.

IAS 19, "Employee benefits" was revised in June 2011 and the amended IAS 19 had been applied retrospectively in the Annual Report and Accounts 2013. The main change for the Group's accounting policies was to replace the interest cost and expected return on plan assets with a net interest amount that was calculated by applying the discount rate to the net defined benefit liability. The implication of this was that the expected return on assets credited to the income statement (previously calculated based on the expected long-term return on plan assets) was based on a lower corporate bond rate, being the same rate used to discount the pension liability.

Notes to the condensed consolidated interim financial statements continued

Six months ended 30 June 2014

3. Accounting policies continued

The comparative information for the six months ended 30 June 2013 has been restated accordingly and the impact of the amended IAS 19 on these comparatives is as follows:

- Loss before taxation was approximately £0.1 million lower for the six months ended 30 June 2013, with a corresponding pre-tax increase in other comprehensive income.
- Basic and diluted loss per share for the six months ended 30 June 2013 decreased by approximately 0.10 pence.
- No impact on cash flows or the balance sheet at 30 June 2013 and as such, the impact of the IAS 19 amendments has not been presented at 1 July 2012.

Comparative information for the year ended 31 December 2013 has been restated to account for the adjustments to the fair values of identifiable assets and liabilities assumed from the acquisition of Truth Hardware (note 14).

In preparing these condensed consolidated 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 that applied to the consolidated financial statements for the year ended 31 December 2013. There have been no changes to significant estimates.

Amendments to IFRSs effective for the financial year commencing 1 January 2014 are not expected to have a material impact on the Group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

4. Operating segment information

The reporting segments reflect the manner in which performance is evaluated and resources allocated. The Group has three reporting segments, namely: Amesbury Truth, Grouphomesafe and Schlegel International. Each segment broadly represents the Group's geographical focus, being the North American, the United Kingdom and International operations respectively. The Schlegel International segment includes Schlegel Building Products, the Group's UK-based manufacturer of pile weatherstrip and extrusions.

In 2013, our North American businesses, then comprising Amesbury and Truth Hardware, were managed as stand alone entities, each with its own CEO and management team. From January 2014, our North American businesses have been managed as a single entity with an integrated management team. Accordingly, Truth Hardware has been incorporated into the Amesbury Truth operating segment and the comparative numbers have been restated.

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

Revenue

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Amesbury Truth	**101,670**	63,526	175,252
Grouphomesafe	**45,872**	41,484	86,047
Schlegel International	**19,439**	18,676	36,755
Total	**166,981**	123,686	298,054

Included within the Schlegel International segment is revenue attributable to the United Kingdom of £3,418,000 (six months ended 30 June 2013: £3,366,000; year ended 31 December 2013: £6,401,000).

Result

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Amesbury Truth		**13,697**	6,200	22,250
Grouphomesafe		**6,088**	4,848	10,496
Schlegel International		**(403)**	(236)	(398)
Underlying operating profit		**19,382**	10,812	32,348
Exceptional items	5	**(2,005)**	(4,897)	(10,903)
Amortisation of acquired intangible assets	10	**(8,667)**	(6,848)	(16,605)
Impairment of acquired intangible assets	10	**–**	–	(529)
Operating profit/(loss)		**8,710**	(933)	4,311
Net finance costs	6	**(3,730)**	(452)	(3,517)
Profit/(Loss) before tax		**4,980**	(1,385)	794

5. Exceptional items

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Redundancy, restructuring, inventory obsolescence alignment and warranty costs	**(652)**	(960)	(2,650)
M&A and integration costs	**(1,746)**	(3,937)	(5,949)
Write-off of inventory fair value adjustment	**–**	–	(2,304)
Gain on property disposal	**393**	–	–
	(2,005)	(4,897)	(10,903)

Notes to the condensed consolidated interim financial statements continued

Six months ended 30 June 2014

5. Exceptional items continued

Redundancy, restructuring, inventory obsolescence alignment and warranty costs

These costs principally relate to the closure of the Covington, Atlanta facility in the period ended 30 June 2014.

M&A and integration costs

Included within this category are non-recurring costs of £520,000 relating to the acquisition and integration of Vedasil Brasil. The remaining non-recurring costs of £1,226,000 were incurred in connection with the integration of Truth.

Write-off of inventory fair value adjustment

The charge for the year ended 31 December 2013 relates to the write off of the uplift in the book value of inventories acquired in the Truth acquisition (note 14).

Gain on property disposal

The gain on property disposal relates to the disposal of surplus freehold property in Sioux Falls, South Dakota for a net cash consideration of US$1.7 million, realising a net profit on disposal of US$0.7 million.

6. Net finance costs

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Finance income				
Interest income from short-term bank deposits		**11**	80	137
Finance costs				
Interest payable on bank loans and overdraft		**(1,997)**	(1,276)	(3,494)
Amortisation of borrowing costs	12	**(719)**	(307)	(997)
Accelerated amortisation of borrowing costs	12	**(855)**	–	–
Unwinding of discount on provisions		**(21)**	(15)	(29)
Pension interest costs	13	**(149)**	(205)	(405)
		(3,741)	(1,803)	(4,925)
Exceptional foreign exchange gain		**–**	1,271	1,271
Net finance costs		**(3,730)**	(452)	(3,517)

Accelerated amortisation of borrowing costs relates to the write off of the remaining costs associated with the 2011 bank facility (note 12).

7. Income tax (charge)/credit

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Current taxation:			
Current tax on profit/(loss) for the period	**(2,513)**	(1,810)	(4,162)
Adjustments in respect of prior periods	**(23)**	(148)	373
Total current taxation	**(2,536)**	(1,958)	(3,789)
Deferred taxation:			
Origination and reversal of temporary differences	**280**	842	2,273
Adjustment due to deferred tax rate change	**–**	–	1,455
Adjustments in respect of prior periods	**12**	–	223
Exceptional adjustments in respect of prior periods	**–**	425	–
Total deferred taxation	**292**	1,267	3,951
Income tax (charge)/credit in the income statement	**(2,244)**	(691)	162
Tax (charge)/credit relating to components of other comprehensive income is as follows:			
Deferred tax charge on actuarial gains and losses	**–**	–	(1,313)
Deferred tax credit on share-based payments	**–**	–	772
Income tax charge in the statement of comprehensive income	**–**	–	(541)
Total current taxation	**(2,536)**	(1,958)	(3,789)
Total deferred taxation	**292**	1,267	3,410
Total taxation	**(2,244)**	(691)	(379)

8. Earnings per share

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Profit/(Loss) for the period	**2,736**	(2,076)	956
Basic earnings/(loss) per share	**1.63p**	(1.51p)	0.63p
Diluted earnings/(loss) per share	**1.62p**	(1.51p)	0.62p

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 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 dilutive potential ordinary shares. There is no difference between the basic and diluted loss per share for the six months ended 30 June 2013 as the effect of all potentially dilutive ordinary shares outstanding was anti-dilutive.

Notes to the condensed consolidated interim financial statements continued

Six months ended 30 June 2014

8. Earnings per share continued

The weighted average number of shares was:

	Six months ended 30 June 2014 (unaudited) '000	Six months ended 30 June 2013 (unaudited) '000	Year ended 31 December 2013 (audited) '000
Weighted average number of shares (including treasury shares)	**170,104**	144,359	157,337
Treasury and employee benefit trust shares	**(2,406)**	(6,917)	(4,492)
Weighted average number of shares – basic	**167,698**	137,442	152,845
Effect of dilutive potential ordinary shares – LTIP awards and options	**1,645**	1,513	2,229
Weighted average number of shares – diluted	**169,343**	138,955	155,074

Non-GAAP measure

Underlying earnings per share

The Group presents an underlying earnings per share figure which excludes the impact of exceptional items, certain non-cash finance costs, amortisation of acquired intangible assets, impairment of acquired intangible assets and certain non-recurring items. Underlying earnings per share has been based on underlying earnings for each financial period and on the same weighted average number of shares in issue as the earnings per share calculation.

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

	Note	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Profit/(Loss) before taxation		**4,980**	(1,385)	794
Exceptional items	5	**2,005**	4,897	10,903
Exceptional foreign exchange gain	6	**–**	(1,271)	(1,271)
Amortisation of borrowing costs	6	**719**	307	997
Accelerated amortisation of borrowing costs	6	**855**	–	–
Unwinding of discount on provisions	6	**21**	15	29
Amortisation of acquired intangible assets	10	**8,667**	6,848	16,605
Impairment of acquired intangible assets	10	**–**	–	529
Underlying profit before taxation		**17,247**	9,411	28,586
Income tax (charge)/credit	7	**(2,244)**	(691)	162
Add back: Adjustment due to deferred tax rate change	7	**–**	–	(1,455)
Add back: Exceptional prior period tax adjustments	7	**–**	(425)	–
Add back: Tax effect of exceptional items, exceptional foreign exchange gain, amortisation of borrowing costs, amortisation of acquired intangible assets and other intangible assets, and unwinding of discount on provisions		**(2,729)**	(1,595)	(6,345)
Underlying profit after taxation		**12,274**	6,700	20,948

Underlying earnings per share is summarised as follows:

	Six months ended 30 June 2014 (unaudited)	Six months ended 30 June 2013 (unaudited and restated)	Year ended 31 December 2013 (audited)
Basic earnings per share	**7.32p**	4.87p	13.71p
Diluted earnings per share	**7.25p**	4.82p	13.51p

9. Goodwill

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited and restated) £'000
Net book amount at beginning of period		**244,740**	184,896	184,896
Acquisition of subsidiaries	14	**2,814**	–	68,873
Exchange difference		**(6,453)**	8,748	(9,029)
Net book amount at end of period		**241,101**	193,644	244,740

10. Intangible assets

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Net book amount at beginning of period		**109,595**	73,834	73,834
Additions		**809**	644	1,286
Acquisition of subsidiaries	14	**3,800**	–	56,583
Amortisation charge for the period		**(8,822)**	(6,848)	(16,605)
Impairment of acquired intangible assets		**–**	–	(529)
Exchange difference		**(2,646)**	3,086	(4,974)
Net book amount at end of period		**102,736**	70,716	109,595

The amortisation charge for the period comprises £8,667,000 relating to amortisation of acquired intangible assets and £155,000 relating to amortisation of other intangible assets.

The charge for the period has been included in administrative expenses in the income statement.

Notes to the condensed consolidated interim financial statements continued

Six months ended 30 June 2014

11. Property, plant and equipment

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited and restated) £'000
Net book amount at beginning of period		**39,869**	29,785	29,785
Additions		**4,638**	3,427	7,359
Disposals		**(943)**	(32)	(601)
Acquisition of subsidiaries	14	**514**	–	10,943
Depreciation charge for the period		**(3,595)**	(2,643)	(6,337)
Exchange difference		**(1,058)**	1,352	(1,280)
Net book amount at end of period		**39,425**	31,889	39,869

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

12. Interest-bearing loans and borrowings

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Current	**(59,376)**	(10,183)	(6,834)
Non-current	**(73,896)**	(66,734)	(115,464)
	(133,272)	(76,917)	(122,298)

Movements in borrowings are analysed as follows:

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Balance at beginning of period		**(122,298)**	(71,096)	(71,096)
Proceeds from borrowings		**–**	–	(65,738)
Refinancing costs paid		**1,789**	–	1,510
Drawdown of revolving credit facility		**(91,665)**	(2,642)	(2,642)
Repayment of revolving credit facility		**77,167**	–	10,611
Amortisation of borrowing costs	6	**(1,574)**	(307)	(997)
Exchange difference		**3,309**	(2,872)	6,054
Balance at end of period		**(133,272)**	(76,917)	(122,298)

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

On 10 June 2014, the Group entered into a new banking facility of up to £240 million, comprising a £180 million committed multicurrency revolving credit facility and a £60 million accordion. On completion of the new facility, the September 2011 facility was repaid in full and cancelled. The new banking facility extends to 10 June 2019, is unsecured and guaranteed by Tyman plc and its principal subsidiary undertakings.

The Group has the following undrawn borrowing facility:

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Floating rate:			
Expiring beyond one year	**(102,445)**	(27,045)	(29,674)

13. Retirement benefit obligations

The amounts recognised in the balance sheet were as follows:

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Present value of funded obligations	**(20,675)**	(25,665)	(21,090)
Fair value of plan assets	**13,734**	13,897	13,612
Liability on the balance sheet	**(6,941)**	(11,768)	(7,478)

The amounts recognised in the income statement were as follows:

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Current service costs		**(167)**	(151)	(298)
Administrative expenses		**(10)**	(51)	(101)
Net interest expense	6	**(149)**	(205)	(405)
		(326)	(407)	(804)

The 2013 interim comparatives have been restated to take account of the IAS 19 revision, which increased the comparative's net pension charge in the income statement and reduced the charge to other comprehensive income by £143,000.

The current service costs and expenses relating to the administration of the defined benefit schemes are included in the income statement within administrative expenses. Net interest expense is included within net finance income and costs. Actuarial gains and losses from participant experience, changes in demographic assumptions, changes in financial assumptions and net return on plan assets are recognised, net of the related deferred tax, in the consolidated statement of comprehensive income.

Notes to the condensed consolidated interim financial statements continued

Six months ended 30 June 2014

14. Acquisition of subsidiaries

14.1 Vedasil Brasil

On 26 February 2014, the Group completed the acquisition of Vedasil Brasil ("Vedasil"), the market leader in the manufacture and supply of pile weatherseals in Brazil. Vedasil manufactures and supplies polypropylene extruded seals under the Eco-PDM brand and other seal and screen components to the Brazilian door and window market. This acquisition provides the Group with a market leading position and local manufacture in Brazil.

Recognised amounts of identifiable assets acquired and liabilities assumed:

	£'000
Intangible assets	3,800
Property, plant and equipment	514
Inventories	419
Trade and other receivables	970
Cash and cash equivalents	20
Trade and other payables	(408)
Current tax	(189)
Deferred tax liabilities	(1,288)
Provisions	(76)
Total identifiable net assets	3,762
Goodwill arising on acquisition	2,814
Total consideration	**6,576**

Satisfied by:

	£'000
Cash	**6,576**

Net cash flow arising on acquisition:

	£'000
Cash consideration	6,576
Less: cash and cash equivalents acquired	(20)
	6,556

The fair value of financial assets includes trade receivables with a fair value of £933,000 and a gross contractual value of £1,066,000. The best estimate at the acquisition date of the contractual cash flows not recoverable is £133,000.

The Group incurred acquisition-related costs of £107,000 for professional fees paid and legal advice. These costs have been included in exceptional costs in the Group's condensed consolidated interim income statement (note 5).

Revenue included in the condensed consolidated interim income statement since 26 February 2014 contributed by Vedasil was £1,673,000. Vedasil also contributed £400,000 to the profit before taxation over the same period.

Had the acquisition of Vedasil been completed on the first day of the financial period, an additional £1,041,000 of revenue and £379,000 of profit before taxation would have been contributed to the Group.

Fair values remain provisional in relation to this acquisition and the Group will complete this review by early 2015. Any adjustment to the carrying value is unlikely to be significant to the individual acquisition.

The fair values of identifiable intangible assets recognised at acquisition include customer relations of £3,778,000 and other intangible assets of £22,000.

Goodwill arising on acquisition is attributable to the expected profitability of the acquired business and the synergies expected to arise after the Group's acquisition of Vedasil.

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

14.2 Truth Hardware

On 3 July 2013, the Group acquired 100 per cent of the issued share capital of Truth Hardware. At 31 December 2013, the fair values in relation to this acquisition were provisional. The Group has completed its review and the fair value adjustments below relate to adjustments between the provisional fair values at 31 December 2013 and final fair values at 30 June 2014.

At 30 June 2014, the recognised amounts of identifiable assets acquired and liabilities assumed were as follows:

	Provisional fair value to the Group 31 December 2013 £'000	Fair value adjustments £'000	**Fair value to the Group 30 June 2014 £'000**
Intangible assets	56,583	–	**56,583**
Property, plant and equipment	11,016	(73)	**10,943**
Inventories	15,539	–	**15,539**
Trade and other receivables	9,564	82	**9,646**
Cash and cash equivalents	3,289	–	**3,289**
Trade and other payables	(8,708)	(45)	**(8,753)**
Current tax	209	(37)	**172**
Deferred tax liabilities	(20,074)	–	**(20,074)**
Provisions	(1,863)	178	**(1,685)**
Total identifiable net assets	65,555	105	**65,660**
Goodwill arising on acquisition	68,978	(105)	**68,873**
Total consideration	134,533	–	**134,533**

Satisfied by:

	£'000
Cash	**134,533**

Notes to the condensed consolidated interim financial statements continued

Six months ended 30 June 2014

14. Acquisition of subsidiaries continued

Net cash flow arising on acquisition:

	£'000
Cash consideration	134,533
Less: cash and cash equivalents acquired	(3,289)
	131,244

The fair values of identifiable intangible assets recognised at acquisition include customer relations of £41,419,000, acquired brands of £15,108,000 and computer software of £56,000.

15. Adjustments to cash flows from operating activities

The following non-cash and financing adjustments have been made to profit/(loss) before tax to arrive at operating cash flow:

	Note	**Six months ended 30 June 2014 (unaudited) £'000**	Six months ended 30 June 2013 (unaudited and restated) £'000	Year ended 31 December 2013 (audited) £'000
Net finance costs	6	**3,730**	452	3,517
Depreciation	11	**3,595**	2,643	6,337
Amortisation of acquired intangible assets	10	**8,667**	6,848	16,605
Amortisation of other intangible assets	10	**155**	–	–
Impairment of acquired intangible assets	10	**–**	–	529
Disposal of property, plant and equipment		**(219)**	59	42
Non-cash adjustments		**507**	(283)	1,091
Share-based payments		**381**	261	681
		16,816	9,980	28,802

16. Financial risk management and financial instruments

16.1 Financial risk factors

The Group's operations expose it to a variety of financial risks that include liquidity risk, credit risk, interest rate risk and foreign currency risk. This set of condensed consolidated interim financial statements do not include all financial risk management information and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2013.

There have been no changes in the Group's risk management policy since the year ended 31 December 2013.

16.2 Fair value estimation

The Group's derivative financial instrument used for hedging is measured at fair value. The Group uses the following hierarchy for measuring fair value:

> Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
> Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
> Level 3: Inputs for the asset or liability that is not based on observable market data.

Derivatives shown at fair value in the balance sheet have been valued by reference to level 2 techniques described above. There were no transfers between levels during the period.

Valuation techniques used to derive level 2 fair values

Level 2 hedging derivatives comprise 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 fair value of the derivative financial instrument at 30 June 2014 is a liability of £476,000.

There were no changes in valuation techniques during the period.

Group's valuation process

The Group has a team that performs the valuations of financial assets required for financial reporting purposes. This team reports to the Chief Financial Officer and the Audit Committee.

Fair value of financial assets and liabilities measured at amortised cost

The fair value of borrowings is as follows:

	Six months ended 30 June 2014 (unaudited) £'000	Six months ended 30 June 2013 (unaudited) £'000	Year ended 31 December 2013 (audited) £'000
Non-current	**(75,271)**	(67,589)	(116,421)
Current	**(60,472)**	(10,666)	(7,300)
	(135,743)	(78,255)	(123,721)

The fair value of the following financial assets and liabilities approximate their carrying amounts:

> Trade and other receivables.
> Cash and cash equivalents.
> Trade and other payables.

17. 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 for the year ending 31 December 2014.

Statement of Directors’ responsibilities

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’, as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed consolidated set of interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors of Tyman plc are listed in the Tyman plc Annual Report and Accounts for 31 December 2013. A list of current Directors is maintained on the Tyman plc website: www.tymanplc.com.

The Directors are responsible for the maintenance and integrity of the Company’s website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Louis Eperjesi
Chief Executive Officer
29 July 2014

James Brotherton
Chief Financial Officer

Independent review report to Tyman plc

Our conclusion

We have reviewed the condensed consolidated interim financial statements, defined below, in the Interim Report of Tyman plc for the six months ended 30 June 2014. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

This conclusion is to be read in the context of what we say in the remainder of this report.

What we have reviewed

The condensed consolidated interim financial statements, which are prepared by Tyman plc, comprise:

- the condensed consolidated interim income statement for the period ended 30 June 2014;
- the condensed consolidated interim statement of comprehensive income for the period then ended;
- the condensed consolidated interim statement of changes in equity for the period then ended;
- the condensed consolidated interim balance sheet as at 30 June 2014;
- the condensed consolidated interim cash flow statement for the period then ended; and
- the explanatory notes to the condensed consolidated interim financial statements.

As disclosed in note 2, 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.

The condensed consolidated 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 and Transparency Rules of the United Kingdom's Financial Conduct Authority.

What a review of condensed consolidated 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 Ireland) 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 condensed consolidated interim financial statements.

Independent review report to Tyman plc continued

Responsibilities for the condensed consolidated interim financial statements and the review

Our responsibilities and those of the Directors

The Interim Report, including the condensed consolidated 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 and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express to the Company a conclusion on the condensed consolidated 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 and Transparency Rules of the 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.

PricewaterhouseCoopers LLP
Chartered Accountants
29 July 2014
London

Definitions

Where appropriate "Underlying" is defined as before amortisation of acquired intangible assets, deferred tax on amortisation of acquired intangible assets, impairment of acquired intangible assets , exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.

"Underlying administrative expenses" is defined as administrative expenses before exceptional items, amortisation of acquired intangible assets and impairment of acquired intangible assets.

"Underlying net debt" is defined as interest-bearing loans and borrowings, net of cash and cash equivalents, plus unamortised borrowing costs added back.

"Underlying operating profit" is defined as operating profit before exceptional items, amortisation of acquired intangible assets and impairment of acquired intangible assets.

"Operational cash flow" is defined as net cash inflow from operating activities before income tax paid and pension contributions, and after payments to acquire property, plant and equipment and payments to acquire intangible assets.

"Operating cash conversion" is defined as operational cash flow divided by underlying operating profit.

"Return on acquisition investment" is defined as annualised underlying operating profit attributable to the acquired business divided by the acquisition enterprise value less the fair value of controllable capital employed as at the date of acquisition plus the value of controllable capital employed at the date of measurement. The denominator is also adjusted for seasonality where appropriate.

"Acquisition enterprise value" is defined as the gross consideration paid to the seller less any cash left in the acquired business plus any debt acquired with the acquired business plus the expenses of the acquisition, excluding financing expenses, plus any integration expenses booked as exceptional items.

"Return on average capital employed" is defined as underlying operating profit as a percentage of the 12 month average capital employed.

"Leverage" is defined as underlying net debt divided by adjusted EBITDA. Underlying net debt is translated at the average rate for the year. Adjusted EBITDA is underlying operating profit with depreciation and share-based payments expenses added back plus the pre-acquisition EBITDA of businesses acquired during the year covering the relevant pre-acquisition period less the EBITDA of businesses disposed of during the year.

"Like for like" is defined as the comparison of revenue or operating profit, as appropriate, excluding the impact of 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.

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.

Exchange rates

	H1 2014	H1 2013	FY 2013
Closing rates:			
US Dollars	**1.7038**	1.5212	1.6490
Euros	**1.2486**	1.1692	1.1978
Australian Dollars	**1.8069**	1.6645	1.8583
Average rates:			
US Dollars	**1.6689**	1.5447	1.5646
Euros	**1.2173**	1.1763	1.1780
Australian Dollars	**1.8255**	1.5235	1.6224

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