Statement of Financial Position

at 30 June 2009

	Unaudited 6 months 2009 £000	Unaudited 6 months 2008 £000	Audited 12 months 2008 £000
Assets			
Non-current assets			
Intangible assets	**2,850**	2,476	2,952
Property, plant and equipment	**5,635**	5,165	5,837
Investments	**26**	26	26
Other receivables	**850**	7	–
Total non-current assets	**9,361**	7,674	8,815
Current assets			
Inventories	**2,472**	2,041	2,846
Trade and other receivables	**6,148**	6,388	7,206
Cash and cash equivalents	**1,343**	3,215	1,015
Total current assets	**9,963**	11,644	11,067
Total assets	**19,324**	19,318	19,882
Liabilities			
Current liabilities			
Financial liabilities	**392**	677	512
Trade and other payables	**4,398**	4,738	4,380
Provisions	**108**	112	114
Current tax liabilities	**313**	902	653
Total current liabilities	**5,211**	6,429	5,659
Non-current liabilities			
Financial liabilities	**1,768**	1,208	2,000
Trade and other payables	**–**	–	21
Deferred tax liabilities	**435**	159	422
Total non-current liabilities	**2,203**	1,367	2,443
Total liabilities	**7,414**	7,796	8,102
Net assets	**11,910**	11,522	11,780
Equity			
Share capital	**1,481**	1,481	1,481
Share premium account	**1,254**	1,254	1,254
Capital redemption reserve	**94**	94	94
Other reserves	**766**	766	766
Reserve for own shares	**(322)**	(322)	(322)
Share scheme reserve	**51**	34	43
Foreign exchange reserve	**508**	158	772
Retained earnings	**7,908**	7,657	7,372
Equity attributable to equity holders of the parent company	**11,740**	11,122	11,460
Minority interest	**170**	400	320
Total equity	**11,910**	11,522	11,780

Note 4 continued

delivered to the Registrar of Companies. The auditors' report was unqualified, did not include a reference to matters which the auditors drew attention by way of emphasis without qualifying their report, and did not contain statements under Section 237(2) or 272(3) of the Companies Act 1985.

Consolidated Cash Flow Statement

for the half year ended 30 June 2009

Cash flows from operating activities	Unaudited 6 months 2009 £000	Unaudited 6 months 2008 £000	Audited 12 months 2008 £000
Operating profit	**463**	1,807	2,430
Profit on sale of business	**(998)**	–	–
Release of negative goodwill	**–**	–	(231)
Depreciation	**313**	220	566
Loss/(profit) on sale of property, plant and equipment	**34**	(388)	(378)
Share option charge	**8**	8	17
Decrease/(increase) in inventories	**351**	(246)	(614)
Decrease in receivables	**1,206**	451	886
(Decrease)/increase in payables	**(207)**	808	(721)
Increase/(decrease) in provisions	**6**	30	(28)
Finance income	**13**	58	139
Finance costs	**(43)**	(80)	(206)
Tax paid	**(387)**	(335)	(781)
Net cash generated from operating activities	**759**	2,333	1,079
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	**–**	–	(210)
Purchase of property, plant and equipment	**(200)**	(670)	(1,030)
Proceeds of disposal of property, plant and equipment	**–**	684	691
Net cash (used)/raised in investing activities	**(200)**	14	(549)
Cash flows from financing activities			
Dividends paid to shareholders	**–**	–	(669)
Payments for purchase of share capital in subsidiary	**–**	–	(26)
Net proceeds from issue of share capital to minority shareholders	**–**	197	197
Finance lease repayment	**(30)**	(28)	(59)
New loans raised	**138**	196	303
Repayment of loans	**(157)**	(113)	(214)
Net cash (used)/raised in financing activities	**(49)**	252	(468)
Net increase in cash and cash equivalents	**510**	2,599	62
Cash and cash equivalents at the beginning of the period	**827**	541	541
Effects of foreign exchanges	**6**	75	224
Cash and cash equivalent at the end of the period	**1,343**	3,215	827

Notes continued

5. This statement will be sent out to shareholders and copies will be made available at the Company's registered office, Godiva Place, Coventry, CV1 5PN.
Tel: +44 (0)24 7622 9373 www.normanhay.com

NormanHay PLC

Interim Statement 2009

Specialist Chemicals and Systems

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The Norman Hay Group achieved pre-tax profits of £433,000 in the six months to 30 June 2009 (2008: £1,785,000) on a turnover of £12.4m (2008: £13.7m).

We have been experiencing turbulent trading conditions around the world since the final quarter of 2008 as our customers were affected by prevailing economic conditions.

Since that time we have been restructuring and adjusting our manufacturing base to help offset the effects of lower customer demand, whilst ensuring that our individual businesses remain in a strong position to take advantage of any long-term growth opportunities.

Basic earnings per share are 3.7p (2008: 8.1p) and we are maintaining the interim dividend of 2.0p per share, reflecting our confidence in the underlying strength of the Group.

This dividend will be paid on 30 October 2009 to shareholders on the register on 2 October 2009.

Operational Overview

- Surface Coatings – 'Armourcote'

Overall divisional sales in the first half were comparable with the same period last year, boosted by the turnover from AST Coventry which we acquired in July 2008.

The surface coatings division remained profitable (prior to exceptional costs) despite losses in some of the automotive focused and start-up operations.

During the second half of 2008 zinc plating operations from our Coventry City Centre site were transferred to AST with a resulting reduction in overheads and in May of this year we disposed of the balance of wet processing on the site, creating a profit on sale of £998,000 on a deferred consideration basis.

Following this disposal we incurred reorganisation and redundancy costs of £203,000 which are reflected in the first half results.

- Automotive Sealants – 'Ultraseal'

Ultraseal performed extremely well in extraordinary trading conditions during which several automotive manufacturers not only slowed down but actually stopped all vehicle production for several months.

Remaining profitable at the operating level in a period which suffered the resultant reduction in turnover is a great result, indicating the depth and strength of this global operation and the strict cost management which has been applied over this difficult period.

- Construction Chemicals – 'TAM International'

Turnover increased by 18% as we expanded into new territories in the Asia-Pacific region.

The construction market in the UK has been very depressed and in Hong Kong there have been similar delays in the roll-out of government capital projects and other major infrastructure works.

These are now expected to ramp up in the last quarter of the year but in the meantime it has held back the expected rapid growth of our manufacturing unit in Taiwan.

Losses made in these locations, coupled with the cost of start-up operations and the new Tunnelling & Mining division being set up in South-East Asia and Australia, have led to an overall operating loss in the first half of the year.

Our ability to take advantage of the fast growth opportunities in the Asia-Pacific region has been significantly enhanced by the infrastructure and resources in which we have invested over the past three years.

- Chemical Process Plant & Equipment

Our specialised plant manufacturing business remains profitable and has a record level of orders.

However, some of these contracts for capital projects have been delayed by six to nine months as customers manage their cash flows in line with their general levels of business.

Outlook

The Group is well placed to benefit from any improvements in sales as and when economies around the world recover and there is an upturn in industrial end markets.

Peter L Hay
Chairman
25 September 2009

Statement of Comprehensive Income

for the half year ended 30 June 2009

	Unaudited 6 months 2009 £000	Unaudited 6 months 2008 £000	Audited 12 months 2008 £000
Revenue	**12,399**	13,681	27,001
Cost of sales	**(8,678)**	(8,087)	(17,175)
Gross profit	**3,721**	5,594	9,826
Distribution costs	**(256)**	(331)	(1,036)
Administrative expenses	**(4,131)**	(3,869)	(6,857)
Other income	**1,129**	413	497
Profit from operations	**463**	1,807	2,430
Finance income	**13**	58	139
Finance costs	**(43)**	(80)	(206)
Profit before taxation	**433**	1,785	2,363
Taxation	**(61)**	(568)	(810)
Profit after taxation	**372**	1,217	1,553
Other comprehensive income for the year, after tax			
Exchange differences on translation of foreign operations	**(263)**	122	723
Deferred tax on items taken directly to equity	**–**	8	4
Other comprehensive income for the year, net of tax	**(263)**	130	727
Total comprehensive income for the year	**109**	1,347	2,280
Profit attributable to:			
Owners of the parent	**536**	1,174	1,562
Minority interest	**(164)**	43	(9)
	372	1,217	1,553
Total comprehensive income attributable to:			
Owners of the parent	**259**	1,304	2,302
Minority interest	**(150)**	43	(22)
	109	1,347	2,280
Earnings per share			
Basic earnings per share	**3.7p**	8.1p	10.7p
Diluted earnings per share	**3.6p**	8.0p	10.4p

Notes

1. The calculation of basic earnings per share is based on the profit of £536,000 (2008: £1,174,000) and on the weighted average number of ordinary shares in issue 14,546,000 (2008: 14,546,000).
2. The half-yearly report has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) as endorsed by the European Union using accounting policies that are expected to be applied for the financial year ended 31 December 2009.
3. The financial information in this half-yearly report does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.
4. The comparative financial information for the year ended 31 December 2008 does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. The statutory accounts of Norman Hay plc for the year ended 31 December 2008 have been reported on by the Company's auditors and have been

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