

Consolidated Balance Sheet

at 30 June 2008

	Unaudited at 30 June 2008 £000	Unaudited at 30 June 2007 £000	Audited at 31 December 2007 £000
Assets			
Non-current assets			
Intangible assets	2,476	2,040	2,437
Property, plant and equipment	5,165	2,422	4,633
Investments	26	26	26
Other receivables	7	178	72
Total non-current assets	7,674	4,666	7,168
Current assets			
Inventories	2,041	1,578	1,795
Trade and other receivables	6,388	5,813	6,774
Cash and cash equivalents	3,215	2,145	801
Assets held for sale	–	2,111	271
Total current assets	11,644	11,647	9,641
Total assets	19,318	16,313	16,809
Liabilities			
Current liabilities			
Financial liabilities	677	734	659
Trade and other payables	4,738	3,847	3,870
Provisions	112	183	142
Current tax liabilities	902	577	682
Total current liabilities	6,429	5,341	5,353
Non-current liabilities			
Financial liabilities	1,208	947	1,331
Deferred tax liabilities	159	147	144
Total non-current liabilities	1,367	1,094	1,475
Total liabilities	7,796	6,435	6,828
Net assets	11,522	9,878	9,981
Equity			
Share capital	1,481	1,473	1,481
Share premium account	1,254	1,228	1,254
Capital redemption reserve	94	94	94
Other reserves	766	759	766
Reserve for own shares	(322)	(146)	(322)
Share scheme reserve	34	9	26
Foreign exchange reserve	158	(28)	36
Retained earnings	7,657	6,269	6,475
Equity attributable to equity holders of the parent company	11,122	9,658	9,810
Minority Interest	400	220	171
Total equity	11,522	9,878	9,981

Note 2 continued

The Group has chosen not to adopt IAS 34 'Interim Financial Statements' in preparing the interim consolidated financial information.

3. The financial information presented for the Group does not constitute "statutory accounts" within the meaning of Section 240 of the Companies Act 1985.

4. The comparatives for the full year ended 31 December 2007 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

Consolidated Cash Flow Statement

for the half year ended 30 June 2008

	Unaudited 6 months 2008 £000	Unaudited 6 months 2007 £000	Audited 12 months 2007 £000
Cash flows from operating activities			
Operating profit	1,807	1,281	2,395
Impairment of intangibles	–	–	15
Depreciation	220	189	383
Gain on sale of assets	(388)	26	38
Share option charge	8	–	17
Increase in inventories	(246)	(397)	(515)
Decrease/(increase) in receivables	451	(75)	(864)
Increase in payables	809	496	167
Increase/(decrease) in provisions	30	(7)	48
Finance income	58	78	190
Finance costs	(80)	(80)	(243)
Tax paid	(335)	(212)	(414)
Net cash generated from operating activities	2,334	1,299	1,217
Cash flows from investing activities			
Acquisition of subsidiaries net of cash acquired	–	–	(383)
Purchase of property, plant and equipment	(670)	(383)	(847)
Expenditure on intangibles	–	(15)	(15)
Proceeds from disposal of property, plant and equipment	684	1	18
Net cash proceeds used in investing activities	14	(397)	(1,227)
Cash flows from financing activities			
Dividends paid to shareholders	–	–	(554)
Proceeds from issue of ordinary share capital	–	80	112
Proceeds from issue of share capital to minority shareholders	196	–	–
Purchase of long term incentive plan shares	–	(146)	(322)
Finance lease inception	–	23	–
Finance lease repayment	(28)	(20)	(31)
New loans raised	196	74	581
Repayment of loans	(113)	(240)	(546)
Net cash raised/(used) in financing activities	251	(229)	(760)
Net increase/(decrease) in cash and cash equivalents	2,599	673	(770)
Cash and cash equivalents at the beginning of the period	541	1,264	1,264
Effects of foreign exchange rate changes	75	8	47
Cash and cash equivalents at the end of the period	3,215	1,945	541

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 5FN.



NORMANHAY
PLC

Interim Statement 2008

World Leaders in Specialist Chemicals & Systems
for hostile and challenging environments



NORMANHAY PLC



NORMANHAY PLC

Chairman's Statement

I am delighted to report that we have had a successful six months.

Pre-tax profits for the period to 30 June 2008 were up 40% to £1,785,000 (2007: £1,279,000) on turnover up 18% to £13.7m (2007: £11.6m).

Basic earnings per share of 8.1p (2007: 6.1p) were up 33% which allows us to pay a conservatively increased dividend of 2.0p per share (2007: 1.8p). This will be paid on 31 October 2008 to shareholders on the register on 3 October 2008.

Our increased pre-tax profit is the result of improved trading profits which were further bolstered by £413,000 on the sale of the BK Engineering freehold in April.

This is a most satisfactory result for a period in which we have been investing in new operations to secure our growth in new overseas markets for the Group.

Trading profits have remained remarkably resilient whilst absorbing the start-up costs of these new businesses, which are primarily in the Asia-Pacific region.

Operational Overview

● Surface Coatings – 'Armourcote'

Whilst sales levels were maintained in the Coatings Division, the profitability of our UK based businesses was adversely affected by a steady rise in operating costs.

At the same time we started to absorb the costs of the start-up period of our operation in Malaysia and the move of APC Ltd from Bradford to Leeds, which was completed in June.

Demand for our specialised coatings for Oil & Gas extraction equipment remains strong as high energy prices make it economic for oil companies to open up new smaller fields.

● Automotive Sealants – 'Ultraseal'

An excellent performance was achieved in the first half of the year with strong chemical / sealant sales being achieved. This was in line with the division's global business targets despite some phasing delays of equipment orders in Asia.

● Construction Chemicals – 'TAM International'

The overall level of sales and profits is steadily improving, with some regional variations, as we continue to invest in new manufacturing and distribution businesses for TAM International.

A new distribution centre has been opened in Brisbane, the fourth in Australia, and we are extending our distribution network into India and the Gulf States.

● Chemical Process Plant & Equipment

Despite operating in a difficult climate for major new capital plant installations, first half profits were significantly better than in the corresponding period last year.

However, there are a number of plant orders on the books that are on hold as a result of the current period of low economic confidence.

Outlook

In July we announced the acquisition of Coventry based Advanced Surface Treatments Limited and its Chinese subsidiary ASTEC Technologies (Dalian) Co Limited. This supports our ongoing strategy of consolidating our UK operations whilst building our international business.

At the same time we launched TAM International Taiwan Co Ltd, which will manufacture a new range of underground construction (UGC) chemicals for the tunnelling industry.

The second half has started satisfactorily. Whilst we remain cautious, given current economic conditions, we are continuing to invest in new operations around the world, building on our existing businesses, to secure the future strength of the Group.



Peter L Hay
Chairman

19 September 2008

Consolidated Income Statement

for the half year ended 30 June 2008

	Unaudited 6 months 2008 £000	Unaudited 6 months 2007 £000	Audited 12 months 2007 £000
Revenue	13,681	11,634	23,959
Cost of sales	(8,087)	(7,326)	(15,327)
Gross profit	5,594	4,308	8,632
Distribution expenses	(331)	(237)	(631)
Administrative expenses	(3,869)	(2,802)	(5,606)
Other operating income	413	12	–
Operating profit	1,807	1,281	2,395
Finance income	58	78	190
Finance costs	(80)	(80)	(243)
Profit on ordinary activities before taxation	1,785	1,279	2,342
Tax	(568)	(385)	(672)
Profit on ordinary activities after tax	1,217	894	1,670
Attributable to:			
Equity holders of the parent	1,174	872	1,637
Minority interest	43	22	33
	1,217	894	1,670
Basic earnings per share	8.1p	6.1p	11.4p
Diluted earnings per share	8.0p	6.0p	11.3p

Consolidated Statement of Recognised Income and Expense

for the half year ended 30 June 2008

	Unaudited 6 months 2008 £000	Unaudited 6 months 2007 £000	Audited 12 months 2007 £000
Exchange differences on translation of foreign operations	122	11	75
Deferred tax on items taken directly to equity	8	1	(4)
Net income recognised directly in equity	130	12	71
Profit for the period	1,217	894	1,670
Total recognised income and expense for the period	1,347	906	1,741
Attributable to:			
Equity shareholders	1,304	884	1,708
Minority interests	43	22	33
	1,347	906	1,741

Notes

- The calculation of basic earnings per share is based on the profit of £1,174,000 (2007: £872,000) and on the weighted average number of ordinary shares in issue 14,546,000 (2007: 14,359,000).
- This half-yearly financial report has been prepared in accordance with the accounting policies disclosed in the full statutory accounts for the year ended 31 December 2007. These policies are in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board as endorsed for use in the European Union, that are expected to be applicable for the year ended 31 December 2008.

