

Interim Report

for the six months ended 30 November 2015

Hargreaves Services plc

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Established in 1994, Hargreaves Services plc provides unrivalled performance in sourcing, producing, processing, handling and transporting carbon-based and other bulk materials throughout the UK and within Europe.

The Group has three complementary divisions:



Coal Production and Distribution

Produces coal and carbon products for customers throughout the UK and Europe.



Continuing Gross Revenue

£106.3m

(66.3)%

Continuing Underlying Operating Profit

£1.1m

(93.7)%



Transport

One of the largest suppliers of bulk logistics to UK customers.



Continuing Gross Revenue

£28.0m

(24.3)%

Continuing Underlying Operating Profit

£0.6m

(63.2)%



Industrial Services

Provides quality assured contract management services to the power generation, utilities, chemicals, minerals and steel industries.



Continuing Gross Revenue

£47.2m

(16.9)%

Continuing Underlying Operating Profit

£2.4m

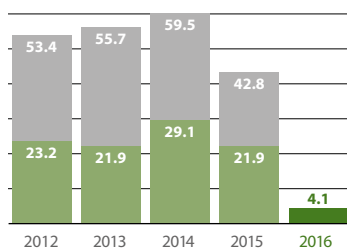
(14.1)%

Financials

- Results for the first six months reflect the widely reported pressures in the UK coal and steel markets
- As a result of continuing weak thermal coal prices and demand, and following a number of early closure announcements, the Group is taking action to reduce its exposure to thermal coal markets over the next 18 months
- Although market conditions will continue to apply pressure to profit generation in the short term, the Group is well positioned to generate substantial cash as stock and plant positions are unwound
- The acquisition of Blackwell in January 2016 is a further step toward moving the Group into new and parallel sectors
- The Group continues to evaluate and progress a range of exciting opportunities within its extensive property portfolio
- Further progress has been made in developing our Industrial Services offering into international markets
- Since the period end the extremely mild and wet weather continue to adversely impact the Group's coal production and restoration operations

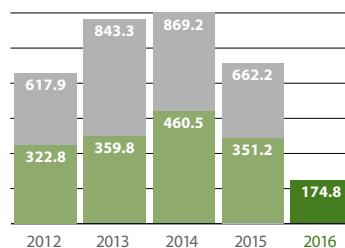
| | Unaudited six months ended 30 November 2015 | Unaudited six months ended 30 November 2014 | Change % |
|------------------------------|---|---|-------------|
| Continuing Revenue | £174.8m | £351.2m | (50.2) |
| Continuing Operating Profit | £4.9m | £21.5m | (77.2) |
| Underlying Operating Profit | £4.1m | £21.9m | (81.3) |
| Continuing Profit Before Tax | £0.8m | £15.2m | (94.7) |
| Underlying Profit Before Tax | £3.2m | £20.3m | (84.2) |
| Diluted EPS | 0.5p | 38.4p | (98.7) |
| Underlying Diluted EPS | 7.0p | 46.9p | (85.1) |
| Interim Dividend | 1.7p | 10.0p | (83.0) |
| Net Debt | £30.8m | £40.4m | (23.8) |
| Net Asset Value | £141.3m | £152.2m | (7.2) |

Continuing Underlying
Operating Profit (£m)



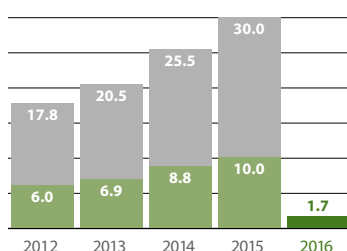
£4.1m
(81.3)%

Continuing Revenue (£m)



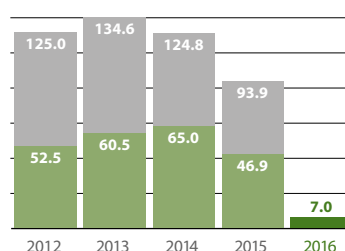
£174.8m
(50.2)%

Dividend per Share (pence)



1.7p
(83.0)%

Underlying Diluted EPS (pence)



7.0p
(85.1)%

Interim Statement

Business Review

First Half Trading and Market Conditions

Global commodity markets continue to face significant pressures and the results for the first six months of the year reflect these pressures on our coal and steel industry related activities in the UK.

The revenue for the first six months was £174.8m, a reduction of £176.4m compared with the comparative period mainly reflecting the impact of lower volumes of coal sales for both our production and import businesses. Underlying operating profit was £4.1m compared with £21.9m for the comparative period.

Significant falls in international coal prices have made our Coal Production operations loss-making. Changes in carbon taxes in March 2015 and a dramatic fall in gas prices has significantly reduced the demand for thermal coal from UK power stations in the first half. In response to these challenges the Group has reduced production levels in its Scottish operations and, as previously communicated, will continue to work through a program of further reduction to a position where the Group's coal production in Scotland is on a single site by the middle of this calendar year. This operation will focus on the production of speciality coals.

A provision of £2.3m was made in the first half in respect of the costs of closure of the steelworks at Redcar and the redundancy and contract termination costs due to the anticipated closure of operations at Eggborough Power station and Liverpool Bulk Terminal.

Current Trading and Outlook

Despite the successful efforts to reduce the scale of production operations, the extreme wet weather through December and January has significantly impacted all of our production and restoration operations with a significant portion of equipment still standing at the Tower operation. These challenges have been exacerbated by continuing mild conditions and weak demand and pricing for speciality coals for home and other heating markets. Efforts will be made to recover as much of the recent shortfall as possible by year end but, in all likelihood, the Board estimates that if normal operations can resume quickly and continue through year end the profit impact on the year will be approximately £1.5m.

In addition to low coal prices, the falls in gas prices have also served to significantly reduce the profitability of coal power generation and as a result demand for indigenous and imported power station coals has reduced to negligible levels. This has had, and will continue to have, a significant adverse impact on profits. The Board does not expect a normal level of coal purchases to resume until the start of next winter. Coal stocks from the Group's production activity are likely to reach approximately 300,000 tonnes by the year end. Importantly, the Group has the financial strength and stability to hold these stocks until market conditions normalise. The impact of the recent fall in coal prices to approximately £30 per tonne on the open stock positions will impact profits by a further £0.5m.

The low level of profitability available from coal generation has placed additional financial pressures on the owners and operators of coal fired plant. There have been significant closures announced in the past twelve months, most recently the announcement by SSE that early closure of most of the generating capacity at Fiddlers Ferry is being considered and the announcement by Engie that it is considering closure

of Rugeley power station this summer. The early closures of Fiddlers Ferry and Rugeley present further setbacks for the Industrial Services business. Although the impact on the results for the year ending 31 May 2016 will be minimal, the forecast contribution to profit from these two contracts in the year ending 31 May 2017 was expected to be £0.5m. The Group will face a one-off redundancy charge of approximately £0.3m in this financial year as a consequence of these two closures should they go ahead.

The threat of further power station closures has been carefully considered. The Group's activities at Tower are most exposed to the risk of further power station closure given its dependence on a single power station customer. Whilst the cost of mine restoration is cash bonded, Hargreaves is concerned that early closure would result in a failure of the Tower joint venture to fully repay the outstanding loans to the Group. As a result Hargreaves is working with its joint venture partner on a number of initiatives including shortened mining plans which could still result in a modest debt impairment. However, overall this would mitigate the more significant risks associated with operating a longer term mining plan at current world coal prices. Given recent low levels of coal production and coal off-take, the Tower joint venture may require additional bridging funding to complete the mining programme. Hargreaves has indicated to the joint venture partners that it would be prepared to provide additional short term bridging finance if it was linked to the initiatives including a revised mining programme that delivered an improved ultimate realisation of cash from the project.

Although the decisions to consider closure of Fiddlers Ferry and Rugeley are disappointing, current trading in Industrial Services remains very strong. In particular, encouraging progress is being made in expanding operations in Hong Kong.

As previously reported the Transport division, despite a strong start to the year, is having to re-balance its flows and fleet following the closure of a major North East landfill site at the end of the first half. We would expect this process to be completed by the end of the financial year.

The Group is pleased with the Blackwell acquisition and already sees opportunities to expand its operations and increase profitability.

Reflecting the Board's confidence that the Group will remain profitable on an underlying basis, the Board has declared an interim dividend of 1.7p per share. The interim dividend will be paid on 8 April 2016 to shareholders on the register at the close of business on 26 February 2016.

Strategy

The pressures faced by the Group in the UK thermal coal sector continue to underline the importance of reducing the Group's exposure to thermal coal and transitioning the business into new sectors and geographies that can deliver sustainable long term profit flows. The Board is confident, based on its strong financial platform, skills and commercial experience, that it has the ability to achieve both these goals. The Board continues to expect strong cash generation as stock positions are sold and plant investment is wound down as the size of the mining operations decreases.

Although current trading remains challenging for both market and weather related reasons, the Board is working hard to maintain profitability.

David Morgan, Chairman



Reduce Exposure to Thermal Coal Sector

In light of the current challenges, over the next eighteen months the transition from our current high dependence on thermal coal will include the following steps:

- Identify and focus Scottish production operations to a single site, which is more focussed on servicing the speciality coal markets;
- Complete coaling and deliver restoration commitments at the remaining Scottish sites as efficiently as possible;
- Take steps to structure coal import operations to deal with persistent low volumes of thermal coal, whilst maintaining the ability to resume activity should market conditions improve significantly; and
- Identify and implement a mining plan at Tower that allows the operations to be completed and restoration delivered as quickly as possible, in an orderly fashion to minimise risk and optimise value.

The Board believes that this transition will be fully completed by the end of the 2017 financial year. The Group continues to see medium term opportunity as a coal producer and distributor for the speciality coal sectors given the long term stability of the speciality markets.

Securing New Profit Streams

The Board has been working hard and continues to work hard to identify opportunities in new sectors and new geographies that can deliver sustainable long term profit flows. Opportunities are currently evident in three key areas:

- Expansion of core skill sets and assets into adjacent markets;
- Development of existing property assets; and
- International markets for Industrial Services.

Expansion into Adjacent Markets

In the UK, the recent acquisition of Blackwell represents a positive step in reducing dependency on coal whilst leveraging many of the Group's core skills. The acquisition of Blackwell by Hargreaves creates an opportunity to develop a leading earthworks contractor capable of delivering major projects in the non-coal mining, quarrying, development, flood defence and infrastructure sectors. The acquisition is reviewed in more detail below.

Property

The acquisition in 2013 of the property portfolios of ATH and SRG provided an exciting development opportunity alongside the Group's existing property portfolio. The Group continues to identify and review opportunities to develop value within its broad ranging portfolio which has a book value of £24m.

Following initial rationalisation the Group controls over 18,500 acres of land in the UK of which approximately 3,000 acres will be required for operational use. The remaining balance of approximately 15,500 acres of development land can be categorised as follows:

| Land Category | Acres |
|-------------------|---------------|
| Housing | 530 |
| Energy generation | 350 |
| Industrial | 1,170 |
| Retail | 70 |
| Agricultural | 2,340 |
| Forestry | 990 |
| Low grade | 10,050 |
| Total | 15,500 |

Although the development of property is not expected to generate a steady flow of profits and cash in the short term, the Board believes that, with appropriate investment, there is significant opportunity to create value above the current £24m book value over the next five years.

Two key sites which offer significant ongoing development value are Blindwells, a 350 acre residential site situated 10 miles east of Edinburgh, and Westfield, a 350 acre industrial development site at Westfield in Fife.

An application for planning at Blindwells has been submitted and a decision is expected in the second half of this calendar year. If approved, the site will offer the scope for the development of 1,600 houses. Although substantial investment will be required to prepare the site and construct the necessary infrastructure, the project should deliver a strong long term revenue stream as plots are progressively sold to housebuilders.

Interim Statement continued

Production in the first half of the year was broadly in line with management's expectations and across our sites in Scotland we mined in excess of 300,000 tonnes.

Gordon Banham, Group Chief Executive



Underlying Business Performance

The table below shows the reconciliation between Underlying profit measures and reported profit measures.

| | Coal Production & Distribution Unaudited 30 November 2015 £000 | Transport Unaudited 30 November 2015 £000 | Industrial Services Unaudited 30 November 2015 £000 | Total Unaudited 30 November 2015 £000 |
|---|--|---|--|---|
| Continuing Operating Profit (before exceptional costs) | 1,846 | 583 | 2,432 | 4,861 |
| Intangible amortisation | 198 | – | – | 198 |
| Share of loss in associates and jointly controlled entities | (855) | – | – | (855) |
| Share of tax in associates and jointly controlled entities | (94) | – | – | (94) |
| Continuing Underlying Operating Profit | 1,095 | 583 | 2,432 | 4,110 |
| Net financing costs – Continuing operations | (628) | (173) | (108) | (909) |
| Continuing Underlying Profit before Tax | 467 | 410 | 2,324 | 3,201 |

| | Coal Production & Distribution Unaudited 30 November 2014 £000 | Transport Unaudited 30 November 2014 £000 | Industrial Services Unaudited 30 November 2014 £000 | Total Unaudited 30 November 2014 £000 |
|--|--|---|--|---|
| Continuing Operating Profit | 17,076 | 1,586 | 2,832 | 21,494 |
| Intangible amortisation | 71 | – | – | 71 |
| Share of profit in jointly controlled entities | 15 | – | – | 15 |
| Share of tax in jointly controlled entities | 303 | – | – | 303 |
| Continuing Underlying Operating Profit | 17,465 | 1,586 | 2,832 | 21,883 |
| Net financing costs – Continuing operations | (1,025) | (279) | (261) | (1,565) |
| Continuing Underlying Profit before Tax | 16,440 | 1,307 | 2,571 | 20,318 |

Underlying operating profit is stated excluding costs of £2.3m relating to the exceptional items, the amortisation of acquired intangibles and including share of (loss)/profit in jointly controlled entities and associates.

Underlying profit before tax and underlying diluted EPS are stated excluding costs of £2.3m relating to the exceptional items, tax on share of (loss)/profit of associates and jointly controlled entities and the amortisation of acquired intangibles.

With regard to Westfield, a master-planning exercise is currently being developed, which will take consideration of the site's central location and rail connection. The Group believes that Westfield offers significant industrial development opportunity if a cornerstone development project can be found. The Group is actively promoting the possible development of an energy-from-waste plant as the cornerstone project and will be seeking appropriate partners to help deliver that development gain.

In addition to these and other residential or industrial development opportunities, several sites lend themselves to future potential wind, solar and other energy projects. The Group is actively involved in creating development value around a second early stage energy from waste project, in addition to the project at Westfield. Whilst the development of both of these energy projects is at an early stage, in the longer term, these may prove valuable to the Group.

Across the entire property portfolio, the Group's property strategy is to identify sites that offer the potential to invest to create value at a return that is deemed attractive. Once that value has been established that property will be sold to realise cash. The Group is also looking at opportunities to upgrade the value of some of the former mining and forestry land that is held by the Group. These activities may include investment in soil remediation, tree planting or drainage works to improve the intrinsic value of the land, much of which has been left neglected and under-invested for many years.

Any sites that do not offer significant development opportunity or that are unlikely to generate returns above the required hurdle rate will be sold to free up capital and generate cash.

International

The Group has continued to focus on the opportunity to expand the Industrial Services business in the international markets. In this regard, the Group is actively seeking opportunities to expand and develop in the following areas:

- Services provided in the thermal generation sector in Asia, working from the base of operations already established in Hong Kong;
- Mining services provided in India where the Group has already developed commercial knowledge and relationships and can see significant long term opportunity with limited demands on our capital; and
- Services provided in the international steel sector, building on the skills and experience available to the Group from its UK and South African steel services operations.

There are a sufficient number of opportunities to allow the Group to be very selective in reviewing and appraising options.

Summary

Current trading remains challenging for both market and weather related reasons. However the Board is working hard to maintain profitability and minimise risks as it seeks to reposition the Group's activities. The strategy to reduce our exposure to the thermal coal markets over the next eighteen months is a significant decision. Whilst our residual thermal coal operations and exposures will continue to depress profits during this period, the Group's strong financial position means that this process can be undertaken in an orderly fashion. In this regard, the Board will continue to take

time and care to appraise options, even if profitability in the next eighteen months continues to be low. The property and energy portfolio offers exciting opportunities and we are pleased to note the significant and positive progress that has already been made with the acquisition of Blackwell and the further development of operations in Hong Kong.

As this transition progresses, the Group will continue to be proactive in seeking cost reductions and efficiencies, considering options to further reduce volatility and risk. The Board will continue to carefully consider the risks and returns available from investment in new business areas and will carefully measure that against the benefits of returning capital to shareholders.

Review of Underlying Performance

The underlying performance of the Group was broadly in line with our recently revised expectations for the first half of the year. Group revenue in the period reduced by £176.4m from £351.2m to £174.8m, reflecting continued challenging market conditions, particularly within our Coal Production and Distribution business. Underlying operating profit in the first half reduced by £17.8m, from £21.9m to £4.1m and underlying profit before tax in the first half was £3.2m, a reduction of £17.1m on the comparative period, due largely to significantly reduced volumes in our Third Party Trading business and both volume and pricing pressure in our Mining operations. The reported continuing profit before tax of the Group reduced by £14.4m to £0.8m.

Coal Production and Distribution Division

Coal Production and Distribution Division (CPD) revenues reduced by £209.1m from £315.4m to £106.3m reflecting a significant reduction in sales of thermal coal to power stations, both from our own Mining Operations and our Third Party trading businesses. Notwithstanding this, there were robust performances within our Tower contract mining business and our third party speciality business has also performed well in markets characterised by over-supply and weak demand.

Underlying operating profit for the first six months of the year reduced significantly from £17.5m to £1.1m with the reduced power station volumes in our Mining Operations and Third Party trading business impacting adversely on profitability levels.

Mining Operations

The combined surface mining operations in Scotland, England and Wales recorded a £3.0m operating loss in the period compared with £8.0m operating profit in the prior period.

Production in the first half of the year was broadly in line with management's expectations and across our sites in Scotland we mined in excess of 300,000 tonnes. However, as noted earlier it has been a very wet start to the second half of the year which will have an impact on efficiency and utilisation rates for the full financial year.

Thermal coal prices have continued to fall during the period. Since the announcement in December 2015 that forward mining plans would be reduced, a decision has been taken to target 350,000 tonnes of production. The Group remains committed to completing all of its current restoration schemes and has made the decision to invest in new and enhanced coal processing facilities which will reduce the Group's exposure to loss making thermal coal. The enhanced

Interim Statement continued



processing capability will improve yields of speciality coal from our production operations and help to support our valuable trading channels in industrial and domestic markets.

The significant reduction in profitability reflects the impact of significantly lower coal prices. The Group has taken the decision, given weak and illiquid forward thermal coal prices, to retain an open and unhedged position on production in the current year.

The Tower joint venture performed in line with management's expectations during the first half of the year. Whilst coal sales volumes during the period increased from 335,000 tonnes to 416,000 tonnes, the Tower joint venture has also suffered the impacts of weak demand for its thermal coal and pricing pressure against the backdrop of low thermal coal prices. Consequently, the Group's share of the Tower result represented a loss during the period.

Whilst Tower production for the year ending 31 May 2017 is now contracted with the customer, for the same reasons as within our Scottish operations, we retain a floating and unhedged position. Consequently, we continue to carefully monitor the Group's exposure to the Tower project, where loans currently extended to the joint venture amount to £23.2m.

Third Party Trading

Unprecedented low levels of coal burn in the UK have resulted in a significant reduction in third party power station volumes achieved during the period and the Group announced in December 2015 that, based on little evidence of new sales demand from our customers, it would be reducing its expectations for third party volumes to a negligible level for the year ending 31 May 2016. Against this challenging backdrop, the Group has seen a relatively robust performance from its third party speciality business.

During the first half, the cessation of steelmaking in Redcar was announced following the financial collapse of SSI, one of our largest customers. This resulted in a significant reduction in third party metallurgical volumes compared to the prior period. The Group managed its exposure well and exceptional charges were limited to the redundancy cost associated with our site workforce.

Revenues reduced by £167.7m from £229.0m to £61.3m largely reflecting reduced UK Bulk volumes in both thermal and metallurgical flows. This significant reduction in divisional volumes and revenue resulted in a significant reduction in underlying operating profit from £9.5m to £4.3m.

Volumes within our UK speciality business have remained resilient during the first half with softness in domestic and space heating markets being offset by strong volumes into the industrial markets. However, the ongoing warm weather through December and January, and the current competitive dynamics of the market are likely to reduce pricing levels if volumes are to be maintained at the planned level.

European Operations

In light of the significant challenges in the steel sector in the UK and Europe, our European operations have performed robustly during the period. Revenues from our German associate operation increased from £31.1m to £36.2m resulting in a £0.6m contribution to the Group's result compared with a break even result in the prior period. The German business is expected to perform broadly in line with management's expectations for the full year.

Acquisition of C A Blackwell Group Limited ("Blackwell")

The Group acquired Blackwell on 11 January 2016 and consequently the results will be consolidated into the Group from that date. The consideration was £11.85m settled by a net cash payment of £8.5m and the transfer to the Blackwell shareholders of a property at Earls Colne with a market value of £3.35m. The property was owned by Blackwell.

Of the £8.5m net cash payment, £5.25m will be held in escrow pending the settlement of a number of historic claims and the realisation of proceeds from the disposal of two other investment properties. The investment properties will be marketed post-acquisition and have a book value of £6.5m. These property disposals are expected to be completed by 31 December 2016.

Blackwell has been operating in the field of bulk earthmoving and civil engineering for over 50 years. In addition to having a leading reputation in earthworks and civil engineering, Blackwell also operates a number of mining and quarrying services contracts. The operations of Blackwell are highly complementary to those of Hargreaves in terms of skills, experience and, critically, the equipment that they utilise. In the opinion of the Directors, the integration of Blackwell into Hargreaves creates new and exciting opportunities to deploy one of the largest heavy plant fleets in Europe within a large and well-funded Group.

Based on unaudited management accounts and forecasts, in the year ended 31 December 2015 Blackwell is expected to generate an operating profit of £3.3m on £89.0m of revenues. Included within these amounts are £1.2m of operating profit and £12.2m of revenue relating to exceptional non-recurring activity. Excluding these exceptional non-recurring profits, adjusted EBITDA for the period is expected to be approximately £4.1m.

The net assets of Blackwell at the date of acquisition after the disposal of the Earls Colne property were estimated to be approximately £10.9m. The net debt of Blackwell at the date of the transaction, adjusted for normal working capital levels, was £13.0m, giving a headline enterprise value of £24.9m. After all the property disposals are completed the underlying enterprise value is expected to fall by £9.9m to £15.0m.

Property and Energy Projects

Against the backdrop of low thermal coal prices, the Group has been stepping up its efforts with regard to its large and diverse property portfolio. Management sees an opportunity to develop significant value in the property portfolio through planning gain and development efforts. We remain pleased with the progress in seeking planning approval for a major housing development on a former surface mine site at Blindwells, east of Edinburgh, which is expected to be achieved during the second half of this calendar year.

The Group also continues to evaluate projects at our sites that offer renewable energy development opportunities in wind, solar and energy-from-waste.

Property and Energy projects posted a small loss of £0.4m during the period. Total capitalised spend during the period on Property and Energy projects amounted to £0.9m, the majority of which related to the Blindwells development and formulation of the masterplan for Westfield, a 350 acre industrial development opportunity.

In addition, the Group acquired an interest in an Energy-from-Waste project for £0.3m through the acquisition of the share capital of Earl's Gate Energy Centre Limited.

Interim Statement continued

Ongoing thermal coal price falls and general uncertainty within the market has resulted in a significant reduction in power station volumes delivered during the period.

Iain Cockburn, Group Finance Director



Industrial Services Division

Industrial Services Division revenues were £47.2m in the six months to 30 November 2015, representing a reduction in revenue of £9.6m compared to the six months to 30 November 2014. Whilst the UK business has seen reduced activity levels at power stations in the first half, we have seen steady growth in our international operations with good progress being made in both Hong Kong and South Africa particularly.

Notwithstanding this overall reduction in revenue, the division delivered an operating profit of £2.4m during the first half of the year, compared to £2.8m in the prior period.

Whilst the division recorded a strong first half performance, it faces a very challenging second half in its core thermal and steel markets following a number of UK closure announcements during the period. Specifically, the planned curtailment of Eggborough was announced during the first half of the year, as well as the decision by EON to cease operations at Liverpool Bulk Terminal. Furthermore, the Division has suffered the loss of gross margin from our operations at Redcar steelworks and from the downsizing of steel activities elsewhere in the UK. These events, combined with the announcement of the potential closures of Fiddlers Ferry (3 of 4 units) and Rugeley, together with the possibility of further announcements of unit or power station closures in the coming months, mean that the Group will be stepping up its efforts to identify new contract opportunities for its Industrial Services Division and will continue to seek its steady international expansion. As previously announced, the SSI closure will have a material impact on this financial year and beyond. Whilst the decisions regarding the other operations will not have a material impact on the current financial year, other than a redundancy expense of around £0.7m which was provided during the period, these decisions will impact operating profits significantly in the financial year ending 31 May 2017 and beyond.

Transport Division

Despite a strong start to the financial year, we have seen a marked reduction in activity across the Transport division, but particularly within the waste sector. Revenues have reduced by £9.0m from £37.0m in the prior period to £28.0m in the current period. This has resulted in a reduction in operating profit of £1.0m from £1.6m to £0.6m.

The reduction in general waste market flows followed the downturn in the business of a significant North East landfill operator. This reduction in general volumes has been exacerbated by a reduction in coal movements, the low seasonal movements of rock salt and a recent decline in construction sector activity. The division is working very hard to reposition itself in the marketplace; however, ongoing mild weather through December and January is resulting in a challenging operating environment.

Financial Review

Revenue

The Group has experienced a substantial reduction in revenue during the period reflecting challenging market conditions, particularly within our CPD business. Ongoing thermal coal price falls and general uncertainty within the market has resulted in a significant reduction in power station volumes delivered during the period.

Reported revenue decreased by £176.4m from £351.2m in the six months to 30 November 2014 to £174.8m in the six months to 30 November 2015.

Operating Profit and Margins

Underlying operating profit reduced by £17.8m from £21.9m to £4.1m largely driven by a reduced level of profitability within the CPD division. Profitability within our mining operations, in Scotland and at Tower, suffered during the period due to significantly reduced volumes and low thermal coal prices; the prior period benefitted from fixed price contracts and hedges, which came to an end in May 2015. In addition, as anticipated, bulk thermal volumes were at negligible levels during the period, largely reflecting high stock levels at power stations during the period.

Our Transport Division also experienced a difficult six months posting a reduction in operating profit of £1.0m. Challenges within the waste sector in particular, resulted in a reduction in profitability. In addition, the mild weather resulted in a reduced level of coal and rock salt movements.

Whilst challenges within the UK thermal and steel sector will impact the second half adversely, our Industrial Services Division was able to report a strong underlying operating profit of £2.4m for the period, compared with £2.8m for the corresponding six months.

Reported Group continuing operating profit fell from £21.5m to £4.9m whilst Continuing profit before tax fell from £15.2m to £0.8m.

Exceptional Costs

Included within the reported results for the period is an exceptional charge of £2.3m. This charge relates to the redundancy and associated closure costs with regard to the announced closures during the period at the SSI steel works in Redcar, Eggborough power station and EON's operations at Liverpool Bulk Terminal.

Acquisition

On 11 January 2016 the Group announced the acquisition of C A Blackwell Group Limited ("Blackwell") for a consideration of £11.85m. This consideration was settled by a cash payment of £8.5m, and the transfer of a property at Earls Colne to the previous Blackwell shareholders, which has a market value of £3.35m. In addition, the Group incurred transaction costs of £0.2m which will be recorded as an exceptional charge in the second half of the year.

The results of Blackwell will be consolidated into the Group's results from the date of acquisition and a fair value exercise is underway and will be disclosed in the full year results.

The Group also completed the acquisition of Earl's Gate Energy Centre Limited for a consideration of £0.3m.

Interest

In the six months to 30 November 2015, continuing net finance expenses for the Group reduced by £0.7m from £1.6m to £0.9m. This positive movement reflects a significant reduction in average Group net debt levels during the period.

Underlying net debt levels continue to track in line with management's expectations, at a substantially lower level than in previous periods.

Taxation

Income tax expense for the first half was £0.5m compared with £1.3m for the six months ended 30 November 2014. Whilst this charge represents a reported tax rate for the Group of 54.9%, the effective tax rate, excluding the impact of JCE's, amounts to 23.9%.

Earnings per Share

Reported basic earnings per share decreased by 38.2p from 38.7p to 0.5p reflecting the small reported profit after tax during the period. Underlying diluted earnings per share decreased by 85.1% from 46.9p to 7.0p. The weighted average diluted number of shares in the period decreased from 33.1m to 31.9m, largely due to the impact of the share buy backs that were undertaken in the year ended 31 May 2015. As a result of the share buyback programme the Group holds 1,228,072 shares in treasury as at 30 November 2015.

Net Debt

Net debt increased by £29.8m from £1.0m at 31 May 2015 to £30.8m at 30 November 2015. The net debt figure has increased during the period largely reflecting increased working capital levels and investment in capital expenditure during the period.

Group net assets decreased from £148.5m at 31 May 2015 to £141.3m at 30 November 2015. Gearing (measured as net debt compared to net assets) at the end of November 2015 was 22%, compared with 1% at 31 May 2015.

The Group's financial position remains strong with net debt at 30 November 2015 equal to 0.81 times the last 12 months' earnings before interest, tax, depreciation and amortisation ("EBITDA"), comfortably below our maximum covenant levels.

Cash Flow

Net cash flow from operating activities, before working capital movements, generated an inflow of £9.6m. As expected, the first half saw the unwinding of the previously reported strong year end working capital position.

Following the restructuring last year of production volumes, losses on derivative financial instruments were booked in the year ended 31 May 2015. Interest payments include £2.8m in respect of the cash settlement of these instruments.

As previously reported, following a change in legislation the Group is required to make advance payments to HMRC in respect of a lease planning arrangement carried out in the year ended 31 May 2011. During the six months to 30 November 2015 an amount of £4.4m was paid, leaving a balance of £7.1m, which is still expected to be paid before the end of the current financial year.

Net capital expenditure in the first half was £4.8m excluding assets acquired under finance leases of £1.9m, which is broadly consistent with the £4.5m in the six months to 30 November 2014. The majority of the capital expenditure in the period related to the continued investment in mine stripping assets and improvement in our transport fleet.

The final dividend of 20 pence per share was paid in October 2015, resulting in a cash payment of £6.4m.

Advisers

Hargreaves has retained N+1 Singer as Nomad and Sole Broker with immediate effect.





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Condensed Consolidated Statement of Comprehensive Income for the six months ended 30 November 2015

| Continuing activities | Note | Unaudited six months ended 30 November 2015 £000 | Unaudited six months ended 30 November 2014 £000 | Audited year ended 31 May 2015 £000 |
|---|------|---|---|---|
| Revenue | | 174,847 | 351,237 | 662,161 |
| Cost of sales | | (153,062) | (311,938) | (588,390) |
| Gross profit | | 21,785 | 39,299 | 73,771 |
| Other operating income | | 57 | 429 | 733 |
| Other administrative expenses | | (16,981) | (18,234) | (36,430) |
| Operating profit (before exceptional items) | | 4,861 | 21,494 | 38,074 |
| Exceptional items | | (2,255) | (3,728) | (9,130) |
| Operating profit (after exceptional items) | | 2,606 | 17,766 | 28,944 |
| Financial income | | 483 | 520 | 1,152 |
| Financial expenses | | (1,392) | (2,085) | (3,617) |
| Simplification costs – Unrealised fair value losses on derivative financial instruments | | – | (975) | (3,080) |
| Share of (loss)/profit of associates and jointly controlled entities (net of tax) | | (855) | 15 | 1,504 |
| Profit before tax | | 842 | 15,241 | 24,903 |
| Income tax expense | 4 | (462) | (1,305) | (3,554) |
| Profit for the period/year from continuing operations | | 380 | 13,936 | 21,349 |
| Discontinued operations | | | | |
| Loss for the period/year from discontinued operations | | (157) | (1,081) | (779) |
| Profit for the period/year | | 223 | 12,855 | 20,570 |
| Other comprehensive (expense)/income | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Actuarial gains and losses on defined benefit pension plans | | – | – | (1,733) |
| Tax recognised on items that will not be reclassified to profit or loss | | – | – | 368 |
| Items that are or may be reclassified subsequently to profit or loss | | | | |
| Foreign exchange translation differences | | (582) | (353) | (1,766) |
| Effective portion of changes in fair value of cash flow hedges | | (7) | (4,115) | (4,769) |
| Ineffective portion of changes in fair value of cash flow hedges | | – | 615 | – |
| Tax recognised on items that are or may be reclassified subsequently to profit or loss | | (109) | 701 | 862 |
| Other comprehensive expense for the period/year, net of tax | | (698) | (3,152) | (7,038) |
| Total comprehensive (expense)/income for the period/year | | (475) | 9,703 | 13,532 |
| Profit attributable to: | | | | |
| Equity holders of the company | | 155 | 12,799 | 20,454 |
| Non-controlling interest | | 68 | 56 | 116 |
| Profit for the period/year | | 223 | 12,855 | 20,570 |
| Total comprehensive (expense)/income for the period/year attributable to: | | | | |
| Equity holders of the company | | (543) | 9,647 | 13,416 |
| Non-controlling interest | | 68 | 56 | 116 |
| Total comprehensive (expense)/income for the period/year | | (475) | 9,703 | 13,532 |

| | | Unaudited six months ended 30 November 2015 £000 | Unaudited six months ended 30 November 2014 £000 | Audited year ended 31 May 2015 £000 |
|---|---|---|---|---|
| Continuing activities | | | | |
| GAAP measures | | | | |
| Basic earnings per share (pence) | 6 | 0.49 | 38.68 | 62.91 |
| Diluted earnings per share (pence) | 6 | 0.48 | 38.37 | 61.88 |
| Basic earnings per share from continuing operations (pence) | 6 | 0.98 | 41.95 | 65.31 |
| Diluted earnings per share from continuing operations (pence) | 6 | 0.97 | 41.61 | 64.24 |
| Non-GAAP measures (continuing) | | | | |
| Basic underlying earnings per share (pence) | | 7.13 | 47.32 | 95.41 |
| Diluted underlying earnings per share (pence) | | 7.04 | 46.93 | 93.85 |

Condensed Consolidated Balance Sheet as at 30 November 2015

| | Unaudited 30 November 2015 £000 | Unaudited 30 November 2014 £000 | Audited 31 May 2015 £000 |
|--|--|--|-----------------------------------|
| Non-current assets | | | |
| Property, plant and equipment | 57,487 | 64,410 | 57,144 |
| Investment property | 5,126 | – | 5,126 |
| Intangible assets | 9,479 | 8,413 | 9,472 |
| Investments in associates and jointly controlled entities | 4,181 | 5,106 | 5,963 |
| Derivative financial instruments | – | 6,359 | – |
| Deferred tax assets | 2,574 | 1,632 | 2,512 |
| | 78,847 | 85,920 | 80,217 |
| Current assets | | | |
| Assets held for sale | 5,040 | 5,975 | 5,040 |
| Inventories | 60,423 | 109,977 | 57,803 |
| Derivative financial instruments | 114 | 3,548 | 1,088 |
| Trade and other receivables | 105,892 | 124,206 | 108,750 |
| Cash and cash equivalents | 21,804 | 21,149 | 43,853 |
| | 193,273 | 264,855 | 216,534 |
| Total assets | 272,120 | 350,775 | 296,751 |
| Non-current liabilities | | | |
| Other interest-bearing loans and borrowings | (48,417) | (54,069) | (7,165) |
| Retirement benefit obligations | (4,917) | (4,320) | (5,516) |
| Provisions | (5,154) | (10,651) | (5,762) |
| Derivative financial instruments | (390) | (4,993) | (1,308) |
| | (58,878) | (74,033) | (19,751) |
| Current liabilities | | | |
| Other interest-bearing loans and borrowings | (4,146) | (7,465) | (37,656) |
| Trade and other payables | (57,609) | (95,716) | (73,078) |
| Income tax liabilities | (8,679) | (14,900) | (13,414) |
| Provisions | – | (254) | – |
| Derivative financial instruments | (1,538) | (6,177) | (4,351) |
| | (71,972) | (124,512) | (128,499) |
| Total liabilities | (130,850) | (198,545) | (148,250) |
| Net assets | 141,270 | 152,230 | 148,501 |
| Equity attributable to equity holders of the parent | | | |
| Share capital | 3,314 | 3,314 | 3,314 |
| Share premium | 73,955 | 73,956 | 73,955 |
| Other reserves | 211 | 211 | 211 |
| Translation reserve | (4,313) | (2,318) | (3,731) |
| Merger reserve | 1,022 | 1,022 | 1,022 |
| Hedging reserve | (1,147) | (33) | (1,141) |
| Capital redemption reserve | 1,530 | 1,530 | 1,530 |
| Retained earnings | 66,288 | 74,266 | 72,999 |
| | 140,860 | 151,948 | 148,159 |
| Non-controlling interest | 410 | 282 | 342 |
| Total equity | 141,270 | 152,230 | 148,501 |

Consolidated Statement of Changes in Equity for the six months ended 30 November 2015

| | Share capital £000 | Share premium £000 | Translation reserve £000 | Hedging reserve £000 | Other reserves £000 | Capital redemption reserve £000 | Merger reserve £000 | Retained earnings £000 | Total parent equity £000 | Non-controlling interest £000 | Total equity £000 |
|--|-----------------------|-----------------------|-----------------------------|-------------------------|------------------------|------------------------------------|------------------------|---------------------------|-----------------------------|----------------------------------|----------------------|
| Balance at 1 June 2015 | 3,314 | 73,955 | (3,731) | (1,141) | 211 | 1,530 | 1,022 | 72,999 | 148,159 | 342 | 148,501 |
| Total comprehensive income and expense for the period | | | | | | | | | | | |
| Profit for the period | - | - | - | - | - | - | - | 155 | 155 | 68 | 223 |
| Other comprehensive income | | | | | | | | | | | |
| Foreign exchange translation differences | - | - | (582) | - | - | - | - | - | (582) | - | (582) |
| Effective portion of changes in fair value of cash flow hedges | - | - | - | (7) | - | - | - | - | (7) | - | (7) |
| Tax recognised on other comprehensive income | - | - | - | 1 | - | - | - | (110) | (109) | - | (109) |
| Total other comprehensive income | - | - | (582) | (6) | - | - | - | (110) | (698) | - | (698) |
| Total comprehensive income and expense for the period | - | - | (582) | (6) | - | - | - | 45 | (543) | 68 | (475) |
| Transactions with owners recorded directly in equity | | | | | | | | | | | |
| Issue of shares | - | - | - | - | - | - | - | - | - | - | - |
| Equity settled share-based payment transactions | - | - | - | - | - | - | - | 275 | 275 | - | 275 |
| Dividends paid | - | - | - | - | - | - | - | (6,433) | (6,433) | - | (6,433) |
| Purchase of own shares | - | - | - | - | - | - | - | (598) | (598) | - | (598) |
| Total contributions by and distributions to owners | - | - | - | - | - | - | - | (6,756) | (6,756) | - | (6,756) |
| Balance at 30 November 2015 | 3,314 | 73,955 | (4,313) | (1,147) | 211 | 1,530 | 1,022 | 66,288 | 140,860 | 410 | 141,270 |

Condensed Consolidated Cash Flow Statement for the six months ended 30 November 2015

| | Unaudited six months ended 30 November 2015 £000 | Unaudited six months ended 30 November 2014 £000 | Audited year ended 31 May 2015 £000 |
|--|---|---|---|
| Cash flows from operating activities | | | |
| Profit for the period/year from continuing operations | 380 | 13,936 | 21,349 |
| <i>Adjustments for:</i> | | | |
| Depreciation | 3,618 | 5,030 | 10,009 |
| Impairment of property, plant and equipment | – | 6,044 | 10,078 |
| Depreciation of mining assets | 2,505 | 3,820 | 8,901 |
| Amortisation and impairment of goodwill and intangible assets | 376 | 5,503 | 5,567 |
| Net finance expense | 909 | 1,565 | 2,465 |
| Share of (loss)/profit of jointly controlled entities (net of tax) | 855 | (15) | (1,504) |
| Profit on sale of property, plant and equipment | (57) | (437) | (733) |
| Profit on disposal of subsidiaries | – | (16,755) | (16,253) |
| Equity settled share-based payment expense/(income) | 442 | (610) | (123) |
| Income tax expense | 462 | 1,305 | 3,554 |
| Loss on derivative financial instruments | – | 975 | 3,080 |
| Translation of non-controlling interest | 125 | – | (298) |
| | 9,615 | 20,361 | 46,092 |
| Change in inventories | (2,631) | (9,650) | 37,627 |
| Change in trade and other receivables | 1,484 | 2,911 | 11,257 |
| Change in trade and other payables | (14,280) | 313 | (22,666) |
| Change in provisions and employee benefits | (870) | 2,025 | (3,334) |
| | (6,682) | 15,960 | 68,976 |
| Interest paid | (3,684) | (1,273) | (1,362) |
| Income tax paid | (5,387) | (2,162) | (4,716) |
| Net cash from continuing operating activities | (15,753) | 12,525 | 62,898 |
| Net cash from discontinued operating activities | (894) | (2,607) | 1,055 |
| Net cash from operating activities | (16,647) | 9,918 | 63,953 |
| Cash flows from investing activities | | | |
| Proceeds from sale of property, plant and equipment | 761 | 1,248 | 2,927 |
| Dividends received | 802 | 1,681 | 2,153 |
| Disposal of subsidiary | – | 24,807 | 24,807 |
| Acquisition of subsidiaries | (273) | – | (637) |
| Acquisition of property, plant and equipment | (5,580) | (5,714) | (11,263) |
| Net cash from investing activities in continuing operations | (4,290) | 22,022 | 17,897 |
| Net cash from investing activities in discontinued operations | – | 1,679 | 1,677 |
| Net cash from investing activities | (4,290) | 23,701 | 19,664 |

| | Unaudited six months ended 30 November 2015 £000 | Unaudited six months ended 30 November 2014 £000 | Audited year ended 31 May 2015 £000 |
|--|---|---|---|
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | – | 9 | 8 |
| Purchase of own shares | (598) | (1,462) | (6,330) |
| Payment of finance lease liabilities | (2,751) | (2,740) | (5,636) |
| Proceeds from promissory notes | – | 3,319 | – |
| Dividends paid | (6,433) | (5,533) | (8,744) |
| Drawdown/(repayment) of revolving credit facility | 9,000 | (36,000) | (48,000) |
| Net cash from financing activities in continuing operations | (782) | (42,407) | (68,702) |
| Net cash from financing activities in discontinued operations | (282) | (788) | (1,578) |
| Net cash from financing activities | (1,064) | (43,195) | (70,280) |
| Net (decrease)/increase in cash and cash equivalents | (22,001) | (9,576) | 13,337 |
| Cash and cash equivalents at the start of the period/year | 43,853 | 30,768 | 30,768 |
| Effect of exchange rate fluctuations on cash held | (48) | (43) | (252) |
| Cash and cash equivalents at the end of the period/year | 21,804 | 21,149 | 43,853 |

Notes to the Interim Report

1. Basis of Preparation

The interim financial information set out in this statement for the six months ended 30 November 2015 and the comparative figures for the six months ended 30 November 2014 are unaudited. This financial information does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. It does not comply with IAS 34 'Interim Financial Reporting', as is permissible under the rules of the AIM market ("AIM").

This interim statement, which is neither audited nor reviewed, has been prepared in accordance with the measurement and recognition criteria of Adopted IFRS's. This statement does not include all the information required for the full annual financial statements, and should be read in conjunction with the financial statements of the Group as at and for the year ended 31 May 2015.

2. Accounting Policies

The accounting policies applied in preparing these interim financial statements are the same as those applied in the preparation of the annual financial statements for the year ended 31 May 2015, as described in those financial statements.

3. Status of Financial information

The comparative figures for the financial year ended 31 May 2015 are not the company's statutory financial statements for that financial year. Those accounts have been reported on by the company's auditor and delivered to the Registrar of Companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

4. Taxation

Income tax for the six month period is charged at 20.0% (six months ended 30 November 2014: 20.8%; year ended 31 May 2015: 22.8%). The effective tax rate, excluding the impact of JCEs, is 23.9%, representing the best estimate of the annual effective rate expected for the full year.

5. Dividends

The dividend of 20.0 pence per ordinary share, proposed in the 2015 Annual Accounts and agreed by the shareholders at the Annual General Meeting on 7 October 2015, was paid on 23 October 2015.

The directors have recommended an interim dividend of 1.7 pence per share which will be paid on 8 April 2016 to shareholders on the register at the close of business on 26 February 2016.

6. Earnings per Share

Earnings per share for the ordinary shares are as follows:

| | Unaudited six months ended 30 November 2015 Continuing and discontinued | Unaudited six months ended 30 November 2015 Continuing | Unaudited six months ended 30 November 2014 Continuing and discontinued | Unaudited six months ended 30 November 2014 Continuing | Audited year ended 31 May 2015 Continuing and discontinued | Audited year ended 31 May 2015 Continuing |
|----------------------------|---|---|---|---|---|---|
| Ordinary shares | | | | | | |
| Basic earnings per share | 0.49 | 0.98 | 38.68 | 41.95 | 62.91 | 65.31 |
| Diluted earnings per share | 0.48 | 0.97 | 38.37 | 41.61 | 61.88 | 64.24 |

The calculation of earnings per share is based on the profit for the period/year attributable to equity holders and on the weighted average number of shares in issue and ranking for dividend in the period.

| | Unaudited six months ended 30 November 2015 Continuing and discontinued | Unaudited six months ended 30 November 2015 Continuing | Unaudited six months ended 30 November 2014 Continuing and discontinued | Unaudited six months ended 30 November 2014 Continuing | Audited year ended 31 May 2015 Continuing and discontinued | Audited year ended 31 May 2015 Continuing |
|---|---|---|---|---|---|---|
| Profit for the period/year attributable to equity holders (£000) | 155 | 312 | 12,799 | 13,880 | 20,454 | 21,233 |
| Weighted average number of shares | 31,887,488 | 31,887,488 | 33,089,812 | 33,089,812 | 32,511,083 | 32,511,083 |
| Earnings per ordinary share (pence) | 0.49 | 0.98 | 38.68 | 41.95 | 62.91 | 65.31 |

The calculation of diluted earnings per share is based on the profit for the period/year and on the weighted average number of ordinary shares in issue in the period/year adjusted for the dilutive effect of the share options outstanding.

| | Unaudited six months ended 30 November 2015 Continuing and discontinued | Unaudited underlying six months ended 30 November 2015 Continuing | Unaudited six months ended 30 November 2014 Continuing and discontinued | Unaudited underlying six months ended 30 November 2014 Continuing | Audited year ended 31 May 2015 Continuing and discontinued | Audited year ended 31 May 2015 Continuing |
|---|---|---|---|---|---|---|
| Profit for the period/year attributable to equity holders (£000) | 155 | 312 | 12,799 | 13,880 | 20,454 | 21,233 |
| Weighted average number of shares | 32,309,031 | 32,309,031 | 33,359,468 | 33,359,468 | 33,051,345 | 33,051,345 |
| Diluted earnings per ordinary share (pence) | 0.48 | 0.97 | 38.37 | 41.61 | 61.88 | 64.24 |

Underlying basic and diluted earnings per share are calculated on the same weighted average number of shares in the tables above, and on underlying profit after tax, as reconciled below:

| | Unaudited underlying six months ended 30 November 2015 | Unaudited underlying six months ended 30 November 2014 | Audited year ended 31 May 2015 |
|---|---|---|---|
| Profit for the period/year attributable to equity holders (£000) | 312 | 13,880 | 21,233 |
| Amortisation/impairment of intangibles/goodwill | 198 | 71 | 143 |
| Exceptional items | 2,255 | 4,703 | 12,210 |
| Loss on Biomass Conversion project settlement | – | – | 2,400 |
| Tax effect of above items | (491) | (2,997) | (4,967) |
| Continuing underlying profit after tax | 2,274 | 15,657 | 31,019 |

Notes to the Interim Report continued

7. Segmental Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors, since they are responsible for strategic decisions.

| | Coal Production & Distribution Unaudited 30 November 2015 £000 | Transport Unaudited 30 November 2015 £000 | Industrial Services Unaudited 30 November 2015 £000 | Total Unaudited 30 November 2015 £000 |
|---|--|--|---|--|
| Revenue | | | | |
| Total revenue | 106,263 | 27,971 | 47,203 | 181,437 |
| Inter-segment revenue | (764) | (4,394) | (1,432) | (6,590) |
| Revenue from external customers | 105,499 | 23,577 | 45,771 | 174,847 |
| Segment operating profit | 1,846 | 583 | 2,432 | 4,861 |
| Share of loss in associates and jointly controlled entities | (855) | – | – | (855) |
| Net financing costs | (628) | (173) | (108) | (909) |
| Profit before taxation (pre-exceptional items) | 363 | 410 | 2,324 | 3,097 |
| Exceptional items | | | | (2,255) |
| Profit before taxation | | | | 842 |

| | Coal Production & Distribution Unaudited 30 November 2014 £000 | Transport Unaudited 30 November 2014 £000 | Industrial Services Unaudited 30 November 2014 £000 | Total Unaudited 30 November 2014 £000 |
|--|--|--|---|--|
| Revenue | | | | |
| Total revenue | 315,413 | 36,959 | 56,765 | 409,137 |
| Inter-segment revenue | (48,646) | (4,909) | (4,345) | (57,900) |
| Revenue from external customers | 266,767 | 32,050 | 52,420 | 351,237 |
| Segment operating profit | 17,076 | 1,586 | 2,832 | 21,494 |
| Share of profit in jointly controlled entities | 15 | – | – | 15 |
| Net financing costs | (1,025) | (279) | (261) | (1,565) |
| Profit before taxation (pre simplification) | 16,066 | 1,307 | 2,571 | 19,944 |
| Simplification costs | | | | (3,728) |
| Unrealised fair value losses on derivative financial instruments | | | | (975) |
| Profit before taxation | | | | 15,241 |

8. Interim Results

These results were approved by the Board of Directors on 15 February 2016. Copies of this interim statement will be sent to all shareholders and will be available to the public from the Group's registered office.

Investor Information

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Andrew Robertson

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for up to date investor
information, company news
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