



Half Year Report & Condensed Financial Statements

Six months ended 31 March 2017



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TREATT PLC
HALF YEAR RESULTS
SIX MONTHS ENDED 31 MARCH 2017

A strong set of half year results - revenue growth of 27% and adjusted EPS growth of 63%

Treatt Plc (the 'Group'), the manufacturer and supplier of innovative ingredient solutions for the flavour, fragrance, beverage and consumer products industries, announces its half year results for the six months ended 31 March 2017.

HIGHLIGHTS of our half year:

- Revenues for the six months increased by 27% to £51.8 million (H1 2016: £40.9 million)
- Operating profit increased by 59% to £5.9m (H1 2016: £3.7m)
- Adjusted* profit before tax rose by 63% to £5.5m (H1 2016: £3.4m)
- Adjusted* basic earnings per share increased by 63% to 7.69p (H1 2016: 4.72p)
- Interim dividend per share raised by 7% to 1.45p (2016 interim dividend: 1.35p)
- All key product categories performing well
- Group's strategic focus on innovative citrus, tea and sugar reduction categories proving to be key growth drivers

Commenting on the results, Group CEO, Daemmon Reeve, said:

"These are a great set of half year numbers for which our staff deserve huge credit. The quality and frequency of new business wins is gaining good momentum, and through the dedication and skill of our colleagues we are on course to meet our 2020 targets some three years ahead of schedule. With the investments planned in the UK and the US we will be able to build on these successes as we look towards the next exciting steps of our journey."

Notes:

* All adjusted measures exclude exceptional items in the prior year – see note 7 to the financial statements.

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HALF YEAR RESULTS STATEMENT

Introduction

I am very pleased to report another strong set of half year results with the Group's adjusted* profit before tax of £5.5m for the half year ended 31 March 2017 being 63% higher than the £3.4m reported for the comparable period last year. To put this into perspective, the Group's adjusted* profit before tax for the full 12-month period ended 30 September 2016 was £5.1m.

During these first six months of the financial year all key product categories performed well, with the Group's strategic focus on innovative citrus, tea and sugar reduction categories proving to be the principal drivers of our growth. Other areas, such as aroma and high impact chemical flavour solutions, have also performed well. We are further pleased to report that our approach to building our market in China is showing early signs of success with revenue there growing by 43% compared with the first six months of our last financial year. Earthoil, the Group's personal care ingredients business, also performed strongly, with revenue growth of 21%.

Financial review

The Group's increase in adjusted* profit before tax has been driven by strong revenue growth of 27% to £51.8m (2016 H1: £40.9m) as a result of new business wins and growth with existing customers. Margins have also risen as we continue to move up the value chain with gross profit increasing by 29% to £12.4m (2016 H1: £9.6m). The increases in revenue and gross profit are the result of strategic focus on our core product categories together with the impact of foreign exchange movements. Adjusted* operating profit has similarly increased by 59% to £5.9m (2016 H1: £3.7m) and adjusted* basic earnings per share of 7.69p are up by 63% (2016 H1: 4.72p).

The effect of foreign exchange has been materially positive during this first half. The Group has a hedging strategy in place which aims to ensure that the impact of significant exchange rate movements on the income statement over the course of a full financial year is mitigated as far as possible. However, the US Dollar's relative strength against Sterling over a prolonged period has positively affected Group revenue by £3.0m (6% of Group revenue) and profit before tax by £0.8m (15% of Group profit before tax).

With certain key raw material prices remaining at historically high levels, combined with the strength of the order book, inventories increased by £10.4m to £40.4m over the period. Consequently, net debt increased from £1.7m to £8.0m, a figure slightly lower than the £8.4m reported for the comparable period last year and somewhat lower than anticipated due to the timing of payments. As mentioned in previous announcements, the Group historically reports a net trading cash outflow in the first six months of our financial year and a net trading cash inflow in the second half; the Board continues to expect a similar pattern in the current financial year. Our absolute level of debt remains low and we continue to operate comfortably within our borrowing facilities with unutilised headroom in existing borrowing facilities of £16.4m as at 31 March 2017.

Investing for the future

The Suffolk Business Park in Bury St Edmunds has now received outline planning consent and, having exchanged contracts on our new ten acre site at the Park last December, we remain on course to transition the UK business to the Park in late 2019.

Meanwhile, our US business has continued to grow significantly during the period. Treatt USA moved to its existing 15-acre site, which we own outright, in 2002, and as notified previously, its capacity now needs to expand not only to meet greater client demand for our products but also to enhance our

technical capabilities and office facilities. This work will commence within the current financial year and is estimated to cost approximately \$11m - \$14m.

Dividend

The Board has declared an increase to the interim dividend of 7% to 1.45 pence per share (2016 interim dividend: 1.35 pence per share) which represents approximately one-third of the previous year's total dividend in line with our current policy. As previously announced, the timing of the interim dividend payment has been permanently brought forward and will now be payable on 17 August 2017 to all shareholders on the register at close of business on 14 July 2017.

Prospects

The strong performance for the Group in the first half of the year has continued into the third quarter with Group order books remaining materially higher than this time last year as the benefit of some significant new business wins continues to show through.

Whilst there is still much to do to complete the year, and unexpected exchange rate movements can impact results, the Board is currently confident that the Group will meet its revised expectations for the financial year ending 30 September 2017.

TIM JONES

Chairman

8 May 2017

Notes:

* All adjusted measures exclude exceptional items in prior years – see note 7 to the financial statements

TREATT PLC
HALF YEAR FINANCIAL STATEMENTS
CONDENSED GROUP INCOME STATEMENT
for the six months ended 31 March 2017

	Notes	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
Revenue	6	51,788	40,893	88,040
Cost of sales		(39,404)	(31,271)	(67,639)
Gross profit		12,384	9,622	20,401
Administrative expenses		(6,471)	(5,905)	(10,852)
Operating profit		5,913	3,717	9,549
Net finance costs		(420)	(338)	(703)
Profit before taxation and exceptional items		5,493	3,379	8,846
Exceptional items	7	-	(218)	(553)
Profit before taxation		5,493	3,161	8,293
Taxation	8	(1,483)	(932)	(2,144)
Profit for the period attributable to owners of the Parent Company		4,010	2,229	6,149
Earnings per share				
Basic	9	7.69p	4.31p	11.85p
Diluted	9	7.50p	4.26p	11.68p
Adjusted basic	9	7.69p	4.72p	12.84p
Adjusted diluted	9	7.50p	4.67p	12.65p

All amounts relate to continuing operations

The notes on pages 12 to 13 form part of these condensed half year financial statements

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 31 March 2017

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
Profit for the period attributable to owners of the Parent Company	4,010	2,229	6,149
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences on foreign currency net investments	688	780	2,576
Current tax on foreign currency translation differences	-	4	-
Fair value movement on cash flow hedges	277	54	120
Deferred tax on fair value movement	(47)	(27)	(47)
	918	811	2,649
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on defined benefit pension scheme	1,011	(400)	(4,297)
Deferred tax on actuarial loss	(172)	13	643
	839	(387)	(3,654)
Other comprehensive income/(expense) for the period	1,757	424	(1,005)
Total comprehensive income for the period attributable to owners of the Parent Company	5,767	2,653	5,144

The notes on pages 12 to 13 form part of these condensed half year financial statements

CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 March 2017

	Share capital £'000	Share premium £'000	Own shares in share trusts £'000	Hedging reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total equity £'000
1 October 2015	1,050	2,757	(423)	(700)	1,119	29,382	33,185
<i>Net profit for the period</i>	-	-	-	-	-	2,229	2,229
<i>Exchange differences</i>	-	-	-	-	780	-	780
<i>Fair value movement on cash flow hedges</i>	-	-	-	54	-	-	54
<i>Actuarial loss on defined benefit pension scheme</i>	-	-	-	-	-	(400)	(400)
<i>Taxation relating to items above</i>	-	-	-	(27)	4	13	(10)
Total comprehensive income	-	-	-	27	784	1,842	2,653
<i>Transactions with owners:</i>							
<i>Dividends</i>	-	-	-	-	-	(2,115)	(2,115)
<i>Share-based payments</i>	-	-	-	-	-	232	232
<i>Movement in own shares in share trusts</i>	-	-	10	-	-	-	10
<i>Gain on release of shares in share trusts</i>	-	-	-	-	-	87	87
<i>Issue of share capital</i>	3	-	(3)	-	-	-	-
<i>Taxation relating to items recognised directly in equity</i>	-	-	-	-	-	8	8
1 April 2016	1,053	2,757	(416)	(673)	1,903	29,436	34,060
<i>Net profit for the period</i>	-	-	-	-	-	3,920	3,920
<i>Exchange differences</i>	-	-	-	-	1,796	-	1,796
<i>Fair value movement on cash flow hedges</i>	-	-	-	66	-	-	66
<i>Actuarial loss on defined benefit pension scheme</i>	-	-	-	-	-	(3,897)	(3,897)
<i>Transfer between reserves</i>	-	-	-	-	(20)	20	-
<i>Taxation relating to items above</i>	-	-	-	(20)	(4)	630	606
Total comprehensive income	-	-	-	46	1,772	673	2,491
<i>Transactions with owners:</i>							
<i>Dividends</i>	-	-	-	-	-	20	20
<i>Share-based payments</i>	-	-	-	-	-	365	365
<i>Movement in own shares in share trust</i>	-	-	84	-	-	-	84
<i>Gain on release of shares in share trust</i>	-	-	-	-	-	84	84
<i>Taxation relating to items recognised directly in equity</i>	-	-	-	-	-	83	83
1 October 2016	1,053	2,757	(332)	(627)	3,675	30,661	37,187
<i>Net profit for the period</i>	-	-	-	-	-	4,010	4,010
<i>Exchange differences</i>	-	-	-	-	688	-	688
<i>Fair value movement on cash flow hedges</i>	-	-	-	277	-	-	277
<i>Actuarial gain on defined benefit pension scheme</i>	-	-	-	-	-	1,011	1,011
<i>Taxation relating to items above</i>	-	-	-	(47)	-	(172)	(219)
Total comprehensive income	-	-	-	230	688	4,849	5,767
<i>Transactions with owners:</i>							
<i>Dividends</i>	-	-	-	-	-	(2,267)	(2,267)
<i>Share-based payments</i>	-	-	-	-	-	477	477
<i>Movement in own shares in share trusts</i>	-	-	6	-	-	-	6
<i>Gain on release of shares in share trusts</i>	-	-	-	-	-	94	94
<i>Issue of share capital</i>	5	-	(5)	-	-	-	-
<i>Taxation relating to items recognised directly in equity</i>	-	-	-	-	-	1	1
31 March 2017	1,058	2,757	(331)	(397)	4,363	33,815	41,265

The notes on pages 12 to 13 form part of these condensed half year financial statements

CONDENSED GROUP BALANCE SHEET

as at 31 March 2017

	As at 31 March 2017 (unaudited) £'000	As at 31 March 2016 (unaudited) £'000	As at 30 September 2016 (audited) £'000
ASSETS			
Non-current assets			
Goodwill	2,727	1,075	2,727
Other intangible assets	604	616	637
Property, plant and equipment	11,475	11,004	11,361
Deferred tax assets	1,210	705	1,436
	16,016	13,400	16,161
Current assets			
Inventories	40,435	30,239	29,990
Trade and other receivables	21,024	19,019	17,853
Current tax assets	4	4	4
Derivative financial instruments	14	-	-
Cash and bank balances	3,703	2,317	6,588
	65,180	51,579	54,435
Total assets	81,196	64,979	70,596
LIABILITIES			
Current liabilities			
Borrowings	(3,663)	(2,365)	(487)
Provisions	(451)	(52)	(67)
Trade and other payables	(18,850)	(12,925)	(14,151)
Current tax liabilities	(966)	(1,108)	(999)
Derivative financial instruments	-	(140)	(9)
Redeemable loan notes payable	-	(675)	(675)
	(23,930)	(17,265)	(16,388)
Net current assets	41,250	34,314	38,047
Non-current liabilities			
Borrowings	(8,033)	(8,380)	(7,755)
Post-employment benefits	(6,335)	(3,440)	(7,401)
Deferred tax liabilities	(1,155)	(1,092)	(1,111)
Derivative financial instruments	(478)	(742)	(754)
	(16,001)	(13,654)	(17,021)
Total liabilities	(39,931)	(30,919)	(33,409)
Net assets	41,265	34,060	37,187

CONDENSED GROUP BALANCE SHEET (continued)

as at 31 March 2017

	As at 31 March 2017 (unaudited) £'000	As at 31 March 2016 (unaudited) £'000	As at 30 September 2016 (audited) £'000
EQUITY			
Share capital	1,058	1,053	1,053
Share premium account	2,757	2,757	2,757
Own shares in share trusts	(331)	(416)	(332)
Hedging reserve	(397)	(673)	(627)
Foreign exchange reserve	4,363	1,903	3,675
Retained earnings	33,815	29,436	30,661
Total equity attributable to owners of the Parent Company	41,265	34,060	37,187

The notes on pages 12 to 13 form part of these condensed half year financial statements

CONDENSED GROUP STATEMENT OF CASH FLOWS
for the six months ended 31 March 2017

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
Cash flow from operating activities			
Profit before taxation	5,493	3,161	8,293
Adjusted for:			
Depreciation of property, plant and equipment	709	662	1,347
Amortisation of intangible assets	71	74	142
Loss on disposal of property, plant and equipment	13	2	2
Net finance costs	420	337	703
Share-based payments	467	225	566
Increase in fair value of derivatives	(22)	(68)	(122)
(Decrease)/increase in post-employment benefit obligations	(55)	81	145
Operating cash flow before movements in working capital	7,096	4,474	11,076
Movements in working capital:			
(Increase)/decrease in inventories	(10,061)	(3,826)	(2,501)
(Increase)/decrease in trade and other receivables	(2,908)	(1,091)	688
Increase in trade and other payables, and provisions	5,811	179	1,541
Cash generated from operations	(62)	(264)	10,804
Taxation paid	(1,512)	(575)	(2,022)
Net cash from operating activities	(1,574)	(839)	8,782
Cash flow from investing activities			
Investment in subsidiaries	(900)	-	(752)
Purchase of property, plant and equipment	(571)	(322)	(679)
Purchase of intangible assets	(36)	(26)	(109)
Repayment of redeemable loan notes	(675)	-	-
Interest received	1	6	8
	(2,181)	(342)	(1,532)

CONDENSED GROUP STATEMENT OF CASH FLOWS (continued)
for the six months ended 31 March 2017

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
Cash flow from financing activities			
Increase in bank loans	1,408	1,238	381
Interest paid	(421)	(344)	(711)
Dividends paid	(2,267)	(662)	(2,095)
Net sale of own shares by share trusts	100	97	265
	(1,180)	329	(2,160)
Net (decrease)/increase in cash and cash equivalents	(4,935)	(852)	5,090
Effect of foreign exchange rates	47	(67)	15
Movement in cash and cash equivalents in the period	(4,888)	(919)	5,105
Cash and cash equivalents at beginning of period	6,581	1,476	1,476
Cash and cash equivalents at end of period	1,693	557	6,581
Cash and cash equivalents comprise:			
Cash and bank balances	3,703	2,317	6,588
Bank borrowings	(2,010)	(1,760)	(7)
	1,693	557	6,581

The notes on pages 12 to 13 form part of these condensed half year financial statements

CONDENSED GROUP RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
for the six months ended 31 March 2017

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
Movement in cash and cash equivalents in the period	(4,888)	(919)	5,105
Increase in bank loans	(1,408)	(1,238)	(381)
Cash (outflow)/inflow from changes in net debt in the period	(6,296)	(2,157)	4,724
Effect of foreign exchange rates	(43)	(116)	(223)
Movement in net debt in the period	(6,339)	(2,273)	4,501
Net debt at beginning of period	(1,654)	(6,155)	(6,155)
Net debt at end of period	(7,993)	(8,428)	(1,654)

The notes on pages 12 to 13 form part of these condensed half year financial statements

Responsibility statement

We confirm that to the best of our knowledge:

- (a) the condensed set of financial statements for the six months ended 31 March 2017 has been prepared in accordance with IAS 34
- (b) the half year report and condensed financial statements includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year)
- (c) the half year report and condensed financial statements includes a fair review of the information required by DTR 4.2.8R (disclosure of related party transactions and changes therein).

By order of the Board

RICHARD HOPE

Finance Director
8 May 2017

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS

1. Basis of preparation

The Group is required to prepare its condensed half year financial statements in accordance with accounting standards adopted for use in the European Union (International Financial Reporting Standards (IFRS)). The Group has adopted the reporting requirements of IAS 34 'Interim Financial Reporting'.

The consolidated condensed half year financial statements are prepared on the basis of all International Accounting Standards (IAS) and IFRS published by the International Accounting Standards Board (IASB) that are currently in issue. New interpretations may be issued by the International Financial Reporting Interpretations Committee (IFRIC) on existing standards and best practice continues to evolve. It is therefore possible that the accounting policies set out below may be updated by the time the Group prepares its full set of financial statements under IFRS for the year ending 30 September 2017.

The information relating to the six months ended 31 March 2017 and 31 March 2016 is unaudited and does not constitute statutory accounts. The statutory accounts for the year ended 30 September 2016 have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference 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 498 of the Companies Act 2006. These condensed half year financial statements for the six months ended 31 March 2017 have neither been audited nor formally reviewed by the Group's auditors.

2. Accounting policies

These condensed half year financial statements have been prepared on the basis of the same accounting policies and presentation set out in the Group's 30 September 2016 annual report.

There were no new standards, or amendments to standards, which are mandatory and relevant to the Group for the first time for the financial year ending 30 September 2017 which have had a material effect on these condensed half year financial statements.

3. Accounting estimates

The preparation of the condensed half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. In preparing these condensed half year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited consolidated financial statements as at, and for the year ended, 30 September 2016.

4. Going concern

As at the date of this report, the Directors have a reasonable expectation that the Group has adequate resources to continue in business for the foreseeable future. Accordingly, the condensed half year financial statements have been prepared on the going concern basis.

5. Risks and uncertainties

The operation of a public company involves a series of risks and uncertainties across a range of strategic, commercial, operational and financial areas. The principal risks and uncertainties that could have a material impact on the Group's performance over the remaining six months of this financial year (for example, causing actual results to differ materially from expected results or from those experienced previously) are the same as those detailed on pages 26-30 of the 2016 Annual Report and Financial Statements.

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

6. Segmental information

Business segments

IFRS 8 requires operating segments to be identified on the basis of internal financial information reported to the Chief Operating Decision Maker (CODM). The Group's CODM has been identified as the Board of Directors who are primarily responsible for the allocation of resources to the segments and for assessing their performance. The disclosure in the Group accounts of segmental information is consistent with the information used by the CODM in order to assess profit performance from the Group's operations.

The Group operates one global business segment engaging in the manufacture and supply of innovative ingredient solutions for the flavour, fragrance, beverage and consumer product industries with manufacturing sites in the UK, US and Kenya. Many of the Group's activities, including sales, manufacturing, technical, IT and finance, are managed globally on a Group basis.

Geographical segments

The following table provides an analysis of the Group's revenue by geographical market:

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
United Kingdom	5,174	4,465	8,794
Rest of Europe			
- Germany	3,505	2,591	5,527
- Ireland	4,018	3,116	5,871
- Other	5,466	5,283	11,011
The Americas			
- USA	18,501	15,014	33,729
- Other	4,167	1,895	4,142
Rest of the World			
- China	2,785	1,942	4,536
- Other	8,172	6,587	14,430
	51,788	40,893	88,040

7. Exceptional items

The exceptional items referred to in the income statement can be categorised as follows:

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
Legal and professional fees	-	31	302
Restructuring costs	-	187	251
	-	218	553
Less: tax effect of exceptional items	-	(5)	(38)
	-	213	515

The exceptional items in the prior year all relate to non-recurring items. The legal and professional fees related to the costs in respect of the full and final settlement of the Earthoil earnout dispute. The restructuring costs related to one-off non-recurring reorganisation costs incurred in the US and Kenya.

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

8. Taxation

Taxation has been provided on pre-exceptional profits at 27.0% (six months ended 31 March 2016: 27.7%) which is the effective group rate currently anticipated for the financial year ending 30 September 2017.

9. Earnings per share

Basic earnings per share

Basic earnings per share is based on the weighted average number of ordinary shares in issue and ranking for dividend during the year. The weighted average number of shares excludes shares held by the Treatt Employee Benefit Trust (EBT), together with shares held by the Treatt SIP Trust (SIP) which do not rank for dividend.

	Six months to 31 March 2017 (unaudited)	Six months to 31 March 2016 (unaudited)	Year to 30 September 2016 (audited)
Earnings (£'000)	4,010	2,229	6,149
Weighted average number of ordinary shares in issue (No: '000)	52,118	51,751	51,895
Basic earnings per share (pence)	7.69p	4.31p	11.85p

Diluted earnings per share

Diluted earnings per share is based on the weighted average number of ordinary shares in issue and ranking for dividend during the year, adjusted for the effect of all dilutive potential ordinary shares. The number of shares used to calculate earnings per share (EPS) have been derived as follows:

	Six months to 31 March 2017 (unaudited) No ('000)	Six months to 31 March 2016 (unaudited) No ('000)	Year to 30 September 2016 (audited) No ('000)
Weighted average number of shares	52,780	52,575	52,575
Weighted average number of shares held in the EBT and SIP	(662)	(824)	(680)
Weighted average number of shares used for calculating basic EPS	52,118	51,751	51,895
Executive share option schemes	1,064	485	645
All-employee share options	312	91	122
Weighted average no. of shares used for calculating diluted EPS	53,494	52,327	52,662
Diluted earnings per share (pence)	7.50p	4.26p	11.68p

NOTES TO THE UNAUDITED HALF YEAR FINANCIAL STATEMENTS (continued)

9 Earnings per share (continued)

Adjusted earnings per share

Adjusted earnings per share measures are calculated based on profits for the year attributable to owners of the Parent Company before exceptional items as follows:

	Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
Earnings for calculating basic and diluted earnings per share	4,010	2,229	6,149
Adjusted for:			
Exceptional items (see note 7)	-	218	553
Taxation thereon	-	(5)	(38)
Earnings for calculating adjusted earnings per share	4,010	2,442	6,664
Adjusted basic earnings per share (pence)	7.69p	4.72p	12.84p
Adjusted diluted earnings per share (pence)	7.50p	4.67p	12.65p

10. Dividends

Equity dividends on ordinary shares:

	Dividend per share for years ended 30 September:			Six months to 31 March 2017 (unaudited) £'000	Six months to 31 March 2016 (unaudited) £'000	Year to 30 September 2016 (audited) £'000
	2017 ² Pence	2016 ¹ Pence	2015 ¹ Pence ³			
Interim dividend	1.45p	1.35p	1.28p	702	662	662
Final dividend	N/A	3.00p	2.76p	1,565	1,453	1,433
	N/A	4.35p	4.04p	2,267	2,115	2,095

¹ Accounted for in the subsequent year in accordance with IFRS.

² The declared interim dividend for the year ending 30 September 2017 of 1.45 pence was approved by the Board on 8 May 2017 and in accordance with IFRS has not been included as a deduction from equity at 31 March 2017. The dividend will be paid on 17 August 2017 to those shareholders on the register at 14 July 2017 and will, therefore, be accounted for in the financial statements for the year ending 30 September 2017.

CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised. The forward-looking statements reflect the knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.