

**TRICORN GROUP PLC (“the Group”)  
STATEMENT ACCOMPANYING INTERIM RESULTS  
FOR THE PERIOD ENDED 30<sup>th</sup> SEPTEMBER 2005**

The six months ended 30<sup>th</sup> September 2005 have seen a continued strong improvement in the financial performance of **Tricorn** with turnover of **£3.1m** (2004:£2.9m) producing net profit of **£265,000** (2004: £6,000). Earnings per share were **0.85p** (2004:0.02p)

The Group generally benefited from increased sales and improving margins as our aggressive cost reduction programmes continued to yield good results and generate a strong cashflow.

**Malvern Tubular Components** (our tube manipulation specialist) maintained its focus on continually improving customer service and driving down costs. Productivity increased by a further 20% year on year and we gained further positive results by extending our sourcing from low cost countries.

**Redman Fittings** continues to make steady progress and increasingly the company is focusing on the OEM market. A design exercise to lower manufacturing costs began to yield results towards the end of the period and is expected to further improve the profitability of the Redman operation in the second half.

Our small design team at **ISS** continued to work on Pipeline Inspection Vehicle design projects for a major water utility.

The outlook for the Group continues to be positive with the economic climate in our major market segments remaining strong. Alongside our drive for organic growth the Group will now consider potential acquisition opportunities where the Group’s management expertise can generate the necessary added value.

**Tricorn Group plc**

**Unaudited Interim Results for the six months to 30th September 05**

**Consolidated Summarised Profit and Loss Account**

**For the six months to 30th September 2005**

	Note	6 Months to 30/9/05 £,000	6 Months to 30/9/04 £,000	12 Months to 31/3/05 £,000
<b>Turnover</b>				
Continuing operations		3,112	2,859	6,075
Cost of sales		(1,686)	(1,593)	(3,386)
		-----	-----	-----
Gross Profit		1,426	1,266	2,689
Distribution costs		(134)	(91)	(215)
Administration expenses before goodwill amortisation		(1,000)	(1,119)	(2,195)
Goodwill amortisation		(7)	(37)	(15)
		-----	-----	-----
<b>Operating profit</b>				
Continuing operations		285	19	264
Loss on disposal of operation		-	(350)	(432)
		-----	-----	-----
Profit/(loss) on ordinary activities before interest		285	(331)	(168)
Net Interest payable		(27)	(50)	(88)
		-----	-----	-----
Profit/(loss) on ordinary activities before taxation		258	(381)	(256)
Taxation	2	-	-	(73)
		-----	-----	-----
Profit/(loss) on ordinary activities after taxation		258	(381)	(329)
		=====	=====	=====
Earnings per ordinary share	3	0.83p	(1.23)p	(1.06)p
		=====	=====	=====
Diluted earnings per ordinary share	3	0.77p	-	-
		=====	=====	=====

There were no recognised gains or losses other than the profit/(loss) for the financial period

**Consolidated Summarised Balance Sheet**

**At 30th September 2005**

30/9/05

30/9/04

31/3/05

	Note	£,000	£,000	£,000
<b>Fixed Assets</b>				
Intangible assets		68	219	75
Tangible assets		647	619	685
		-----	-----	-----
		715	838	760
		-----	-----	-----
<b>Current Assets</b>				
Stocks		738	684	721
Debtors		1,382	1,512	1,553
Cash in bank and in hand		575	291	261
		-----	-----	-----
		2,695	2,487	2,535
<b>Creditors:</b>				
Amounts falling due within one year		(1,497)	(1,868)	(1,647)
		-----	-----	-----
Net current assets		1,198	619	888
		-----	-----	-----
<b>Total assets less current liabilities</b>				
		1,913	1,457	1,648
<b>Creditors:</b>				
Amounts falling due after more than one year		(93)	(20)	(86)
<b>Provisions for liabilities and charges</b>				
		(73)	-	(73)
		-----	-----	-----
		1,747	1,437	1,489
		=====	=====	=====
<b>Capital and reserves</b>				
Called up share capital		3,100	3,100	3,100
Share premium account		1,371	1,371	1,371
Other reserve		1,388	1,388	1,388
Profit and loss account		(4,112)	(4,422)	(4,370)
		-----	-----	-----
Equity shareholders' funds	4	1,747	1,437	1,489
		=====	=====	=====

**Consolidated Summarised Cash Flow Statement**  
**For the six months to 30th September 2005**

	Note	6 Months to 30/9/05 £,000	6 Months to 30/9/04 £,000	12 Months to 31/3/05 £,000
Net cash inflow/(outflow) from operating activities	5	492	(18)	315
<b>Returns on investments and servicing of finance</b>				
Interest received		8	-	11
Interest paid		(27)	(42)	(82)
Finance lease interest paid		(8)	(8)	(17)
		-----	-----	-----
Net cash outflow from returns on investments and servicing of finance		(27)	(50)	(88)
		-----	-----	-----
Taxation		-	52	76
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets		(11)	(25)	(79)
Proceeds from sale of tangible fixed assets		-	-	10
		-----	-----	-----
Net cash outflow for capital expenditure		(11)	(25)	(69)
		-----	-----	-----
<b>Acquisitions and disposals</b>				
Sale of business		-	-	86
		-----	-----	-----
Net cash inflow/(outflow) before financing		454	(41)	320
<b>Financing</b>				
Issue of ordinary share capital		-	-	-

Share issue costs		-	-	-
Repayment of loans		-	-	(240)
Capital element of finance lease rentals		(35)	(40)	(79)
		-----	-----	-----
Net cash outflow from financing		(35)	(40)	(319)
		-----	-----	-----
Increase/(decrease) in cash	6	419	(81)	1
		=====	=====	=====

## Notes to the Financial Statements

For the six months to 30th September 2005

### 1. Basis of preparation

The interim financial statements have been prepared under the historical cost convention, on bases consistent with the previous year, and in accordance with applicable accounting standards.

The principal accounting policies of the Group have remained unchanged from those set out in the Group's 2005 annual report and financial statement.

### 2. Taxation

Trading losses are carried forward to offset against future trading profits

### 3. Earnings per Share

The calculation of the basic earnings per share is based upon the profit/(loss) on ordinary activities after tax and on the weighted average number of shares in issue during the period.

The calculation of the diluted earnings per share is based on the profit/(loss) on ordinary activities after tax and on the weighted average number of ordinary shares and share options in issue during the period. The diluted earnings per share is not shown where the share options are antidilutive.

The profits/(losses) and weighted average number of shares used in the calculation are set out below:

	6 Months to 30/9/05			6 Months to 30/9/04			12 Months to 31/03/05		
	Profit £,000	Weighted average number of shares	Earnings per share pence	(Loss)/ Profit £,000	Weighted average number of shares	(Loss)/ earnings per share pence	(Loss)/ Profit £,000	Weighted average number of shares	(Loss)/ earnings per share pence
<b>Basic earnings per share</b>	258	31,000,000	0.83p	381	31,000,000	(1.23)p	(329)	31,000,000	(1.06)p
	=====		=====	=====		=====	=====		=====
Dilutive effect of share options		2,622,500							
<b>Diluted earnings per share</b>		33,622,500	0.77p		-	-		-	-
		=====	=====						
<b>Earnings per share before goodwill amortisation and loss on disposal of discontinued operation</b>	265	31,000,000	0.85p	6	31,000,000	0.02p	118	31,000,000	0.38p
	=====		=====	=====		=====	=====		=====
Dilutive effect of share options		2,622,500			535,000			1,372,500	
<b>Diluted earnings per share before goodwill amortisation and loss on disposal of discontinued operation</b>		33,622,500	0.79p		31,535,000	0.02p		32,372,500	0.36p
		=====	=====		=====	=====		=====	=====
<b>Reconciliation of basic earnings to earnings before goodwill amortisation and loss on disposal of discontinued operation</b>		£,000			£,000			£,000	
<b>Basic earnings</b>		258			(381)			(329)	
Goodwill amortisation and loss on disposal of discontinued operation		7			387			447	
<b>Earnings on ordinary activities after goodwill amortisation and loss on</b>		-----			-----			-----	

**disposal of discontinued operation**265  
=====6  
=====118  
=====**4. Reconciliation of movements in shareholders' funds**

	<b>6 Months to 30/9/05 £,000</b>	<b>6 Months to 30/9/04 £,000</b>	<b>12 Months to 31/3/05 £,000</b>
Profit/(loss) for the period	258	(381)	(329)
	-----	-----	-----
Net increase/(reduction) in shareholders' funds	258	(381)	(329)
Shareholders' funds at start of period	1,489	1,818	1,818
	-----	-----	-----
Shareholders' funds at end of period	1,747	1,437	1,489
	=====	=====	=====

**5. Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

	<b>6 Months to 30/9/05 £,000</b>	<b>6 Months to 30/9/04 £,000</b>	<b>12 Months to 31/3/05 £,000</b>
Operating Profit	285	19	264
Depreciation	78	79	163
Amortisation	7	37	15
Loss on disposal of tangible assets	-	-	3
Increase in stock	(17)	(12)	(50)
Decrease/(increase) in debtors	171	(194)	(310)
(Decrease)/increase in creditors	(32)	53	230
	-----	-----	-----
Net cash inflow/(outflow) from operating activities	492	(18)	315
	=====	=====	=====

**6. Reconciliation of net cash flow to movement in net funds**

	<b>6 Months to 30/9/05 £,000</b>	<b>6 Months to 30/9/04 £,000</b>	<b>12 Months to 31/3/05 £,000</b>
Increase/(decrease) in cash	419	(81)	1
Cash used to repay capital element of finance lease and hire purchase agreements	35	40	79
Cash outflow from movement in loans	-	-	240
	-----	-----	-----
Change in net debt resulting from cashflows	454	(41)	320
New finance leases and hire purchase contracts	(35)	-	(114)
	-----	-----	-----
Movement in net debt	419	(41)	206
Net debt at start of period	(376)	(582)	(582)
	-----	-----	-----
Net funds/(debt) at end of period	43	(623)	(376)
	=====	=====	=====

**7. Analysis of changes in net debt**

	At 31 March 2005 £,000	Cash flow £,000	Non-cash movements £,000	At 30 September 2005 £,000
Cash at bank and in hand	261	314	-	575
Overdraft	(488)	105	-	(383)
	-----	-----	-----	-----
	(227)	419	-	192
Finance leases and hire purchase contracts	(149)	35	(35)	(149)
	-----	-----	-----	-----
	(376)	454	(35)	43
	=====	=====	=====	=====

**8. Publication of non-statutory accounts**

The financial information set out in this interim announcement does not constitute statutory accounts as defined in section 240 of the Companies Act 1985.

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