

Tricorn Group plc Interim Results 2006/7

Tricorn Group plc today announced its results for the six months ended 30th September 2006.

	2006 (Apr/Sept) £'000	2005 (Apr/Sept) £'000	Change
Sales	5,000	3,112	+61%
Operating Profit*	476	292	+63%
Profit before Tax*	431	265	+63%
Adjusted earnings per share*	1.09p	0.85p	+28%

* before goodwill amortisation and FRS 20 charges

The six months ended the 30th September 2006 have seen **record results** with a **Group operating profit of £476k** (2005: £292k) and **profit before tax of £431K** (2005:265k). Adjusted earnings per share were up 28% at **1.09p** (2005:0.85p).

Malvern Tubular Components (our tube manipulation specialist) grew by 11% primarily through market share gains as we continued to work hard on improving customer value. We further extended our component purchases from lower cost countries as part of our drive to reduce our cost base.

Redman Fittings generated useful profits and sales recovered from the small dip at the end of our previous year.

At the recently acquired company **RMDG Aerospace** sales have remained strong and we have made good progress with our planned operational improvements. The shop floor has been completely reorganised to improve work flow and lean manufacturing techniques introduced. Productivity has already shown a significant rise and further gains are anticipated as internal teams work on more detailed improvements.

Another specialised action team began identifying purchased components that could be moved to low cost countries and our first orders have just been placed.

A reduction in overheads is planned for the second half of the year which will result in rationalisation costs but will yield good long term savings.

Overall we are making extremely good progress in reducing the Group's cost base and our target of RMDG making a significant contribution to profits in the year 07/08 is well on track.

The **outlook** for the Group as a whole remains very positive with the power generation sector remaining strong, aerospace expanding and our drive for reduced costs continuing to be successful.

We anticipate continuing our strong improvement in financial performance through the year and will continue to look for acquisition opportunities in complementary activities.

Tricorn Group plc Unaudited Interim Results for the six months to 30th September 06

Consolidated Summarised Profit and Loss Account For the six months to 30th September 2006

	Note	6 Months to 30/9/06 £,000	6 Months to 30/9/05 £,000	12 Months to 31/3/06 £,000
Turnover				

Continuing operations		3,211	3,112	6,202
Acquisitions		1,789	-	-
		-----	-----	-----
		5,000	3,112	6,202
Cost of sales		(3,014)	(1,686)	(3,220)
		-----	-----	-----
Gross Profit		1,986	1,426	2,982
Distribution costs		(218)	(134)	(261)
Administration expenses before goodwill amortisation and FRS 20 charges		(1,292)	(1,000)	(2,067)
Goodwill amortisation		(26)	(7)	(15)
FRS 20 charges		(24)	-	-
		-----	-----	-----
Operating profit				
Continuing operations		401	285	639
Acquisitions		25	-	-
		-----	-----	-----
Profit on ordinary activities before interest		426	285	639
Net Interest payable		(45)	(27)	(38)
		-----	-----	-----
Profit on ordinary activities before taxation		381	258	601
Taxation		(94)	-	37
		-----	-----	-----
Profit on ordinary activities after taxation		287	258	638
		=====	=====	=====
Earnings per ordinary share	2	0.92p	0.83p	2.06p
		=====	=====	=====
Diluted earnings per ordinary share	2	0.86p	0.77p	2.05p
		=====	=====	=====

There were no recognised gains or losses other than the profit for the financial period

Consolidated Summarised Balance Sheet
At 30th September 2006

	Note	30/9/06 £,000	30/9/05 £,000	31/3/06 £,000
Fixed Assets				
Intangible assets		599	68	60
Tangible assets		798	647	544
		-----	-----	-----
		1,397	715	604
		-----	-----	-----
Current Assets				
Stocks		2,089	738	578
Debtors		3,000	1,382	1,464
Cash in bank and in hand		99	575	998
		-----	-----	-----
		5,188	2,695	3,040
Creditors:				
Amounts falling due within one year		(4,007)	(1,497)	(1,384)
		-----	-----	-----
Net current assets		1,181	1,198	1,656
		-----	-----	-----
Total assets less current liabilities		2,578	1,913	2,260
Creditors:				
Amounts falling due after more than one year		(82)	(93)	(75)
Provisions for liabilities and charges		(79)	(73)	(55)
		-----	-----	-----
		2,417	1,747	2,130
		=====	=====	=====
Capital and reserves				
Called up share capital		3,102	3,100	3,102
Share premium account		1,371	1,371	1,371
Other reserve		1,388	1,388	1,388
Profit and loss account		(3,444)	(4,112)	(3,731)
		-----	-----	-----
Equity shareholders' funds	3	2,417	1,747	2,130
		=====	=====	=====

Consolidated Summarised Cash Flow Statement

		6 Months to 30/9/06 £,000	6 Months to 30/9/05 £,000	12 Months to 31/3/06 £,000
	Note			
Net cash inflow from operating activities	4	645	492	936
Returns on investments and servicing of finance				
Interest received		9	8	23
Interest paid		(47)	(27)	(46)
Finance lease interest paid		(7)	(8)	(15)
		-----	-----	-----
Net cash outflow from returns on investments and servicing of finance		(45)	(27)	(38)
		-----	-----	-----
Taxation		-	-	41
Capital expenditure				
Payments to acquire tangible fixed assets		(2)	(11)	(30)
Proceeds from sale of tangible fixed assets		74	-	10
		-----	-----	-----
Net cash outflow for capital expenditure		72	(11)	(20)
		-----	-----	-----
Acquisitions				
Purchase of subsidiary undertaking	8	(2,248)	-	-
Net overdrafts acquired with subsidiary	8	(485)	-	-
		-----	-----	-----
Net outflow for acquisitions		(2,733)	-	-
		-----	-----	-----
Net cash (outflow)/inflow before financing		(2,061)	454	919
Management of liquid resources				
Funds withdrawn/(deposited) on treasury reserve		915	-	(915)
Financing				
Issue of ordinary share capital		-	-	2
Share issue costs		-	-	-
Repayment of loans		-	-	-
Capital element of finance lease rentals		(25)	(35)	(70)
		-----	-----	-----
Net cash outflow from financing		(25)	(35)	(68)
		-----	-----	-----
(Decrease)/increase in cash	5	(1,171)	419	(64)
		=====	=====	=====

Notes to the Financial Statements

For the six months to 30th September 2006

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 2006 annual report and financial statement, except that FRS 20 "Share Based Payments" has been implemented for the 6 months ended 30 September 2006. The effect on comparatives is immaterial and therefore no comparatives have been adjusted.

2. Earnings per Share

The calculation of the basic earnings per share is based upon the profit 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 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 and weighted average number of shares used in the calculation are set out below:

	6 Months to 30/9/06			6 Months to 30/9/05			12 Months to 31/03/06		
	Profit £,000	Weighted average number of shares	Earnings per share pence	Profit £,000	Weighted average number of shares	Earnings per share pence	Profit £,000	Weighted average number of shares	Earnings per share pence
Basic earnings per share	287	31,020,000	0.92p	258	31,000,000	0.83p	638	31,000,641	2.06p
	=====		=====	=====		=====	=====		=====
Dilutive effect of share options		2,353,800			2,622,500			187,053	
Diluted earnings per share		33,373,800	0.86p		33,622,500	0.77p		31,187,694	2.05p
		=====	=====		=====	=====		=====	=====
Earnings per share before goodwill amortisation and FRS 20 charges	337	31,020,000	1.09p	265	31,000,000	0.85p	653	31,000,641	2.11p
	=====		=====	=====		=====	=====		=====
Dilutive effect of share options		2,353,800			2,622,500			187,053	
Diluted earnings per share before goodwill amortisation and FRS 20 charges		33,373,800	1.01p		33,622,500	0.79p		31,187,694	2.10p
		=====	=====		=====	=====		=====	=====
Reconciliation of basic earnings to earnings before goodwill amortisation and FRS 20 charges		£,000			£,000			£,000	
Basic earnings		287			258			638	
Goodwill amortisation		26			7			15	
FRS 20 charges		24			-			-	
Earnings on ordinary activities after goodwill amortisation and FRS 20 charges		----- 337			----- 265			----- 653	
		=====			=====			=====	

3. Reconciliation of movements in shareholders' funds

	6 Months to 30/9/06 £,000	6 Months to 30/9/05 £,000	12 Months to 31/3/06 £,000
Profit for the period	287	258	639
Issue of shares	-	-	2
Net increase in shareholders' funds	----- 287	----- 258	----- 641
Shareholders' funds at start of period	2,130	1,489	1,489
Shareholders' funds at end of period	----- 2,417 =====	----- 1,747 =====	----- 2,130 =====

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

	6 Months to 30/9/06 £,000	6 Months to 30/9/05 £,000	12 Months to 31/3/06 £,000
Operating Profit	426	285	639
Depreciation	98	78	194
Amortisation	27	7	15
Loss on disposal of tangible assets	-	-	2
(Increase)/decrease in stocks	(254)	(17)	144
(Increase)/decrease in debtors	312	171	89
Increase/(decrease) in creditors	36	(32)	(147)
	-----	-----	-----
Net cash inflow/(outflow) from operating activities	645	492	936
	=====	=====	=====

5. Reconciliation of net cash flow to movement in net funds

	6 Months to 30/9/06 £,000	6 Months to 30/9/05 £,000	12 Months to 31/3/06 £,000
(Decrease)/increase in cash	(1,171)	419	(64)
Cash used to repay capital element of finance lease and hire purchase agreements	25	35	70
Cash outflow from movement in loans	-	-	-
(Decrease)/increase in liquid funds	(915)	-	915
Change in net debt resulting from cashflows	(2,061)	454	921
New finance leases and hire purchase contracts	(36)	(35)	(35)
Movement in net debt	(2,097)	419	886
Net funds/(debt) at start of period	510	(376)	(376)
Net (debt)/funds at end of period	(1,587)	43	510
	=====	=====	=====

6. Analysis of changes in net debt

	At 31 March 2006 £,000	Cash flow £,000	Non-cash movements £,000	At 30 Sept 2006 £,000
Cash at bank and in hand	84	15	-	99
Invoice discounting facility	(374)	(1,186)	-	(1,560)
	-----	-----	-----	-----
Finance leases and hire purchase contracts	(290)	(1,171)	-	(1,461)
	(115)	25	(36)	(126)
Liquid resources	915	(915)	-	-
	-----	-----	-----	-----
	510	(2,061)	(36)	(1,587)
	=====	=====	=====	=====

7. 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.

8. Acquisition

On June 6th 2006 the Group acquired RMDG Aerospace Limited for a cost of £2.248m.
A summary of the assets and liabilities acquired is as follows:

	£,000
Fixed Assets	388
Stock	1,257
Debtors	1,848
Bank	77
Creditors	(1,310)
Invoice discounting facility	(562)
Goodwill	550

	2,248
	=====
 Satisfied by:	
Cash	2,248
	=====

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