

Oglesby & Butler Group plc

Half Yearly Report

**For six months ended
30 September 2008**

Registered number: 124871

Oglesby & Butler Group plc

Half yearly report to 30 September 2008

<i>Contents</i>	<i>Page</i>
Interim management report	2
Statement of directors' in respect of the half-yearly financial report	4
Condensed consolidated income statement	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated balance sheet	7
Condensed consolidated cash flow statement	8
Notes	9

Oglesby & Butler Group plc

Interim management report

Summary results for six months ended 30 September 2008

As previously anticipated in the Interim Management Statement issued on 18 August 2008, the difficult trading conditions experienced in the first quarter of the year continued in the second quarter of the year and were further exacerbated by the deepening global recession, particularly in the U.S.A. The weakness of both the U.S. dollar and the Pound Sterling continued to adversely affect revenues. In the six months to 30 September 2008, sales amounted to €2.286m as compared to €2.165m in the same period last year. Despite the increase in sales, additional costs in relation to manufacture, promotion and the launch of the new vaporiser product one month ahead of schedule, resulted in losses exceeding budgeted expectations for the period by some €100k, and resulting in an operating loss of €491k for the six months ended 30 September 2008, as compared to a loss of €24k for the same period last year.

On review of trading results during the period, and in particular the trading results in recent months, together with the current economic climate, the Directors have determined it appropriate not to recognise deferred tax assets of €285k at 30 September 2008.

Cash and cash equivalents amounted to €9k at 30 September 2008 (*€174k at 30 September 2007*), net of overdrafts.

Outlook and going concern considerations

The launch of the new vaporiser product took place in September 2008, ahead of schedule, and indications are that the product will make a significant contribution to the profitability of the Group. A further payment of £200,000 Sterling from the second phase of the development contract for a major international company is expected in early 2009. Negotiations for a third phase of the contract are ongoing.

Development of a product for use in harvesting food products has been completed and is currently undergoing acceptance tests by a major producer. At this stage it is too early to determine the likely long term impact of this product. In addition, the Group continues to develop and upgrade existing products.

Trading conditions in the second half of the year remain extremely difficult and the Board is reviewing all aspects of the business with a view to achieving additional sales and significant cost reductions. The Board expects that the additional contribution to be made by the new products together with the development contract fees and the benefits of the trading and operational review should bring the company back to trading profitably.

In view of the current difficult trading conditions and the Group's cash requirements, no interim dividend has been declared. The Board will review the level of any final dividend for the year ending 31 March 2009 in the light of the results for that period and the trading outlook for the Group at that time.

Mr. Tom Byrne, having served 6 years as a non-executive Director, has decided not to seek re-election at the forthcoming AGM and has resigned as a Director effective from 5 November 2008. On behalf of myself and my fellow Directors I would like to record our thanks to Tom for his support and wise counsel during his years on the Board and wish him well in all his future endeavours.

Oglesby & Butler Group plc

Interim management report *(continued)*

Principal risks and uncertainties

Under the Transparency (Directive 2004/109/EC) Regulation 2007, the Group is required to give a description of the principal risks and uncertainties it faces for the remaining six months of the year. In addition to the matters outlined above, these risks and uncertainties also include the following:

- The ability to grow current sales revenue in line with expectation, particularly in relation to new products
- Fluctuations in worldwide interest rates and or inflation could have an impact on served markets, particularly in Europe and North America
- Fluctuations in foreign exchange rates, particularly the U.S Dollar can impact the attractiveness of the Groups product offering to overseas customers
- The availability of sufficient ongoing financial support

Related party transactions

The Group's Annual Report for the year ended 31 March 2008 discloses related party transactions. Other than the remuneration of key management in the normal course of business, there have been no related party transactions, or significant changes in the nature of related party transactions, since 31 March 2008 that have materially affected the Group's financial position or performance in the six months ended 30 September 2008.

Forward-looking statements

This report contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Factors could cause the actual results, performance or achievements of Oglesby & Butler Group plc to be different from those expressed or implied in this report, including, among others, changes in general economic, political, interest rates, inflation rates, exchange rates, and various other factors. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Oglesby & Butler Group plc assumes no obligation to update or correct the information contained in this report.

N.O. Dowling
Chairman

25 November 2008

Oglesby & Butler Group plc

Statement of the Directors' in respect of the half-yearly financial report

We confirm our responsibility for the half yearly financial statements and that to the best of our knowledge:

- the condensed set of financial statements comprising the condensed consolidated income statement, the condensed consolidated statement of changes in equity, the condensed consolidated balance sheet, the condensed cash flow statement and the related notes have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU:
- the interim management report includes a fair review of the information required by:
 - a) *Regulation 8(2) of the Transparency (Directive 2004/109/EC) Regulation 2007*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) *Regulation 8(3) of the Transparency (Directive 2004/109/EC) Regulation 2007*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

On behalf of the Board:

N.O. Dowling
Chairman

A.P. Oglesby
Chief Executive

25 November 2008

Oglesby & Butler Group plc

Condensed consolidated income statement (unaudited)

		6 months to 30 September 2008 €000's	6 months to 30 September 2007 €000's
	<i>Note</i>		
Revenue – continuing operations	<i>4</i>	2,286	2,165
Operating costs		(2,777)	(2,189)
		<hr/>	<hr/>
Operating loss		(491)	(24)
Finance expenses		(9)	(4)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(500)	(28)
Tax charge/(credit) on loss on ordinary activities	<i>6</i>	(228)	2
		<hr/>	<hr/>
Loss for the period attributable to equity holders of the group		(728)	(26)
		<hr/>	<hr/>
Basic loss per share	<i>5</i>	(5.91c)	(0.21c)
		<hr/>	<hr/>
Diluted loss per share	<i>5</i>	(5.91c)	(0.21c)
		<hr/>	<hr/>

Oglesby & Butler Group plc

Condensed consolidated statement of changes in equity (unaudited)

	Share Capital €'000	Capital reserves €'000	Share premium €'000	Retained earnings €'000	Capital redemption reserve €'000	Revaluation reserve €'000	Total equity €'000
Balance at 1 April 2007	1,478	170	1,067	2,290	51	669	5,725
Loss for the financial period	-	-	-	(26)	-	-	(26)
Transfers	-	-	-	5	-	(5)	-
Balance at 30 September 2007	1,478	170	1,067	2,269	51	664	5,699
Balance at 1 April 2008	1,478	170	1,067	2,058	51	659	5,483
Loss for the financial period	-	-	-	(728)	-	-	(728)
Transfers	-	-	-	6	-	(6)	-
Balance at 30 September 2008	1,478	170	1,067	1,336	51	653	4,755

Oglesby & Butler Group plc

Condensed consolidated balance sheet (unaudited)

	<i>Note</i>	At 30 September 2008 €'000	At 31 31 March 2008 €'000
Assets			
Non-current assets			
Property, plant and equipment		3,307	3,299
Intangible assets		717	702
		<hr/>	<hr/>
Total non-current assets		4,024	4,001
		<hr/>	<hr/>
Current assets			
Inventories		1,056	937
Trade and other receivables		1,116	1,378
Corporation tax receivable		8	8
Derivatives and other financial instruments		-	14
Cash at bank and in hand		14	393
		<hr/>	<hr/>
Total current assets		2,194	2,730
		<hr/>	<hr/>
Total assets		6,218	6,731
		<hr/>	<hr/>
Called up share capital		1,478	1,478
Share premium account		1,067	1,067
Other reserves		874	879
Profit and loss account		1,336	2,059
		<hr/>	<hr/>
Shareholders' funds		4,755	5,483
		<hr/>	<hr/>
Liabilities			
Non-current liabilities			
Finance lease obligations		32	37
Deferred government grants		130	133
Deferred taxation	6	254	26
		<hr/>	<hr/>
Total non-current liabilities		416	196
		<hr/>	<hr/>
Current liabilities			
Finance lease obligations		26	45
Trade and other payables		1,016	870
Bank overdraft		5	137
		<hr/>	<hr/>
Total liabilities		1,047	1,052
		<hr/>	<hr/>
Total equity and liabilities		6,218	6,731
		<hr/>	<hr/>

Oglesby & Butler Group plc

Condensed consolidated statement of cash flows (unaudited)

	6 months to 30 September 2008 €000's	6 months to 30 September 2007 €'000's
Cash flows from operating activities		
Loss before taxation	(500)	(28)
<i>Adjusting items:</i>		
Amortisation of intangible assets	28	17
Depreciation of property, plant and equipment	173	187
Amortisation of government grants	(3)	(3)
Finance expenses	9	4
Decrease in trade and other receivables	262	250
Increase in inventories	(119)	(129)
Decrease in derivatives	14	8
Increase/(decrease) in trade and other payables	146	(296)
	<hr/>	<hr/>
Total cash flow from operating activities	10	10
Net interest paid	(9)	(4)
	<hr/>	<hr/>
Net cash provided by operating activities	1	6
Cash flows from investing activities		
Purchase of property, plant and equipment	(181)	(67)
Purchase of intangible assets	(43)	(24)
	<hr/>	<hr/>
Net cash used in investing activities	(224)	(91)
Cash flows from financing activities		
Payment of finance lease liabilities	(24)	(50)
	<hr/>	<hr/>
Net cash used in financing activities	(24)	(50)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(247)	(147)
Cash and cash equivalents, net of overdrafts, at beginning of period	256	321
	<hr/>	<hr/>
Cash and cash equivalents, net of overdrafts, at end of period	9	174
	<hr/> <hr/>	<hr/> <hr/>

Oglesby & Butler Group plc

Notes

1 General information

The condensed interim financial statements for the six months ended 30 September 2008 are unaudited and have not been reviewed by the auditor. The financial information presented herein does not amount to statutory financial statements that are required by Section 7 of the Companies (Amendment) Act, 1986 to be annexed to the annual return of the Company. The statutory financial statements for the financial year ended 31 March 2008 were annexed to the annual return and filed with the Registrar of Companies. The audit report in those statutory statements was unqualified and did not contain any matters to which attention was drawn by way of emphasis.

2 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. The financial information contained in the condensed consolidated interim financial statements has been prepared in accordance with the accounting policies set out in the last annual financial statements. The following are the new standards that are effective for the financial year of the company ending on 31 March 2009 and they had no significant impact on the results or financial position of the Group:

- IFRIC 12 – Service Concessions Arrangements
- IFRIC 14 – IAS 19 – The Limit on a Defined Pension Asset, Minimum Funding Requirements and their interaction

The financial information is presented in Euro and rounded to the nearest thousand.

3 Estimates

The preparation of interim 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 expense. Actual results may differ from these estimates.

Except as described below, in the preparing these condensed consolidated interim 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 that applied to the consolidated financial statements as at and for the year ended 31 March 2008.

Oglesby & Butler Group plc

Notes

4 Segment information

Analysis of revenue, all of which is sourced in the Republic of Ireland, by geographical area of destination is as follows:

	6 months to 30 September 2008 €000's	6 months to 30 September 2007 €000's
Ireland	36	23
United Kingdom	437	468
Rest of Europe	771	761
North America	633	621
Rest of World	409	292
	<hr/> 2,286 <hr/>	<hr/> 2,165 <hr/>

All of the Group's profits are earned, and all of its assets are maintained, and all cash is generated in the Republic of Ireland.

5 Loss per share

Basic loss per share

The calculation of basic loss per share at 30 September 2008 was based on the loss attributable to ordinary shareholders of €728k (30 September 2007: loss of €26k) and a weighted average number of ordinary shares outstanding of 12,315,082.

Loss attributable to ordinary shareholders (basic and diluted)

	6 months to 30 September 2008	6 months to 30 September 2007
Loss attributable to ordinary shareholders	(€728,000)	(€26,000)
Weighted average number of ordinary shares in issue during the year	12,315,082	12,315,082
Basic loss per share	(5.91c) <hr/>	(0.21c) <hr/>
Fully diluted loss per share	(5.91c) <hr/>	(0.21c) <hr/>

Oglesby & Butler Group plc

Notes

6 Income tax

At 31 March 2008, the recognition of deferred tax assets was supported by budgets, profitability and cash flow forecasts which, at that date, supported the expectation that sufficient future taxable profits would be available against which the tax losses carried forward could be utilised.

On review of trading results during the period, and in particular trading results in recent months, together with the financial outlook for the Group for the next 12 months in the current economic climate, the Directors have calculated the Group's deferred tax position at 30 September 2008 as follows:

Recognised deferred tax assets and liabilities

	Assets 30 Sep 08 €000's	Liabilities 30 Sep 08 €000's	Net (assets)/ liabilities 30 Sep 08 €000's	Assets 31 Mar 08 €000's	Liabilities 31 Mar 08 €000's	Net (assets)/ liabilities 31 Mar 08 €000's
Property, plant and equipment	-	252	252	-	256	256
Derivatives	-	2	2	-	2	2
Deferred government grants	-	-	-	(17)	-	(17)
Other payables	-	-	-	-	-	-
Other items	-	-	-	(10)	-	(10)
Tax value of losses	-	-	-	(205)	-	(205)
	<u>-</u>	<u>254</u>	<u>254</u>	<u>(232)</u>	<u>258</u>	<u>26</u>
Tax (asset)/liability	-	254	254	(232)	258	26

Analysis of deferred tax liability

	Balance at 1 April 2008 €000's	Recognised in income €000's	Balance at 30 Sep 2008 €000's	Balance at 1 April 2007 €000's	Recognised in income €000's	Balance at 31 March 2008 €000's
Property, plant and equipment	256	(4)	252	281	(25)	256
Derivative	2	-	2	-	2	2
Deferred government grants	(17)	17	-	(18)	1	(17)
Other payables	-	-	-	(4)	4	-
Other items	(10)	10	-	(21)	11	(10)
Tax value of losses	(205)	205	-	(138)	(67)	(205)
	<u>26</u>	<u>228</u>	<u>254</u>	<u>(100)</u>	<u>(74)</u>	<u>26</u>
Tax (asset)/liability	26	228	254	(100)	(74)	26

Deferred tax assets not recognised at 30 September 2008 were €285,000. There is no unrecognised liability for deferred taxation in the Company.

Oglesby & Butler Group plc

Notes

7 Related party transactions

The Group's Annual Report for the year ended 31 March 2008 discloses related party transactions. Other than the remuneration of key management in the normal course of business, there have been no related party transactions, or significant changes in the nature of related party transactions, since 31 March 2008 that have materially affected the Group's financial position or performance in the six months ended 30 September 2008. Details of the compensation of key management as set out below.

Key management remuneration including non-executives

	2008	2007
	Number	Number
Number of individuals	6	6
	6 months to	6 months to
	30 September	30 September
	2008	2007
	€000's	€'000
<i>Salaries and other short-term employee benefits charged to the income statement:</i>		
Short-term employee benefits	366	323
Comprising the following		
Directors	255	245
Other key management personnel	111	78
	366	323

8 Subsequent events

There have been no subsequent events since 30 September 2008 that would materially impact this half-yearly report.