Half Yearly Report
to 30 September **2009**

Registered number: 124871

OGLESBY&BUTLER
GROUP PLC

Contents

Interim management report

Summary results for 6 months ended 30 September 2009

Despite the adverse economic climate and difficult trading conditions in the six months to 30 September 2009, I am pleased to report that Group revenues amounted to €2.9m as compared to €2.3m in the same period last year, an increase of some 27%. The increase in sales is largely due to the success of the new product range of herbal vaporisers which are now being sold worldwide. Sales of core products continue to be adversely affected by the recession, particularly in the U.S.

Despite the increase in sales, the results indicate an operating loss of €3,000 for the six months ended 30 September 2009, as compared to a loss of €491,000 for the same period last year. Additional costs have been incurred in developing, launching and manufacturing of the new range of vaporisers, and also in promoting and supporting the core products. In addition, some €100,000 expenditure was incurred in relation to non-recurring redundancy and legal costs. The weakness of both the U.S. Dollar and the Sterling continued to adversely affect revenues in the period to 30 September 2009.

The reorganisation of the marketing and distribution networks in the U.S and Europe would appear to have arrested the decline in sales of core products and improved our competitiveness in these markets. We expect that the planned launch of a range of Agri products in the second half of the year will widen our range of gas powered products and contribute to future revenues. The ongoing discussions with a major international company regarding a further phase of a development contract have yet to be finalised.

Outlook and going concern considerations

The Board is committed to continuing with a strategy of the development of new gas powered products, improving existing products and seeking new markets for these products. Underlying this strategy is a culture of cost control, encouraging innovation and prudently managing the available resources.

Trading conditions worldwide in the second half of the financial year will remain extremely difficult. The Board expects that the marketing initiatives and cost controls which have been put in place, together with the additional contribution to be made by the new products, should bring the Group back to profitability.

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 in the light of the results for the full year and the trading outlook for the Group at that time.

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 financial 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 Group's product offering to overseas customers
- The ability to manage working capital requirements

Related party transactions

The Group's Annual Report for the year ended 31 March 2009 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 2009 that have materially affected the Group's financial position or performance in the six months ended 30 September 2009.

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 circumstances, 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.

This report has not been audited or reviewed by the Group's auditor KPMG.

N.O. Dowling
Chairman

20 November 2009

Statement of the directors' responsibilities

in respect of the half-yearly financial report

We, being the persons responsible within Oglesby & Butler Group plc, confirm that to the best of our knowledge:

- the condensed set of financial statements comprising the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows 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

20 November 2009

** The composition of the Board of directors is unchanged from the 2009 Annual Report and Financial Statements.*

Condensed consolidated statement of comprehensive income

(unaudited)

	Note	6 months to 30 September 2009 €'000	6 months to 30 September 2008 €'000
Revenue			
Operating costs		**(2,928)**	(2,777)
Other operating income		**25**	–
Operating loss before finance costs		**(3)**	(491)
Finance expenses		**(12)**	(9)
Loss before income tax		**(15)**	(500)
Income tax charge	6	**–**	(228)
Loss for the period		**(15)**	(728)
Total comprehensive expense attributable to equity holders of the Group		**(15)**	(728)
Loss per share			
Basic loss per share	5	**(0.12c)**	(5.91c)
Diluted loss per share	5	**(0.12c)**	(5.91c)

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 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
Balance at 1 April 2009	1,478	170	1,067	1,318	51	647	4,731
Loss for the financial period	–	–	–	(15)	–	–	(15)
Transfers	–	–	–	6	–	(6)	–
Balance at 30 September 2009	**1,478**	**170**	**1,067**	**1,309**	**51**	**641**	**4,716**

Condensed consolidated statement of financial position

	Note	At 30 September 2009 €'000 (Unaudited)	At 31 March 2009 €'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**3,053**	3,195
Intangible assets		**707**	739
Total non-current assets		**3,760**	3,934
Current assets			
Inventories		**1,060**	943
Trade and other receivables		**1,177**	1,042
Corporation tax receivable		**19**	–
Cash and cash equivalents		**16**	373
Total current assets		**2,272**	2,358
Total assets		**6,032**	6,292
Equity and liabilities			
Called up share capital		**1,478**	1,478
Share premium account		**1,067**	1,067
Other reserves		**862**	868
Retained earnings		**1,309**	1,318
Total equity attributable to equity holders of the Group		**4,716**	4,731
Non-current liabilities			
Finance lease obligations		**100**	125
Deferred government grants		**125**	128
Deferred tax liabilities	6	**243**	243
Total non-current liabilities		**468**	496
Current liabilities			
Finance lease obligations		**32**	88
Trade and other payables		**769**	977
Bank overdrafts		**47**	–
Total current liabilities		**848**	1,065
Total liabilities		**1,316**	1,561
Total equity and liabilities		**6,032**	6,292

Condensed consolidated cash flow statement

(unaudited)

	6 months to 30 September 2009 €'000	6 months to 30 September 2008 €'000
Cash flows from operating activities		
Loss for the period before tax	**(15)**	(500)
Adjusting items:		
Amortisation of intangible assets	**57**	28
Depreciation of property, plant and equipment	**163**	173
Amortisation of government grants	**(3)**	(3)
Finance expense	**12**	9
(Increase)/decrease in trade and other receivables	**(154)**	262
Increase in inventories	**(117)**	(119)
Decrease in derivatives	**–**	14
(Decrease)/increase in trade and other payables	**(208)**	146
Total cash flow from operating activities	**(265)**	10
Net interest paid	**(12)**	(9)
Net cash (consumed by)/generated from operating activities	**(277)**	1
Cash flows from investing activities		
Purchase of property, plant and equipment	**(21)**	(181)
Purchase of intangible assets	**(25)**	(43)
Net cash consumed by investing activities	**(46)**	(224)
Cash flows from financing activities		
Payment of finance lease liabilities	**(81)**	(24)
Net cash consumed by financing activities	**(81)**	(24)
Net decrease in cash and cash equivalents net of overdrafts	**(404)**	(247)
Cash and cash equivalents, net of overdrafts, at beginning of period	**373**	256
Cash and cash equivalents, net of overdrafts, at end of period	**(31)**	9

Notes

1 General information

Oglesby & Butler Group plc ("the Company") is a company domiciled in the Republic of Ireland.
The condensed consolidated financial statements of the company as at, and for the six months ended 30 September 2009, comprise the company and its subsidiaries (together referred to as the "Group").

The condensed consolidated interim financial statements for the six months ended 30 September 2009 are unaudited. 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 2009 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 of matter.

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.

They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2009. The financial information contained in the condensed consolidated interim financial statements has been prepared in accordance with the accounting policies set out in these last annual financial statements.

The condensed interim financial statements were approved by the Board of Directors on 20 November 2009.

Adoption of new standards and interpretations

- IFRS 8 – Operating Segments
- Revised IAS 1 – Presentation of Financial Statements

These standards and interpretations are considered relevant to the Group and were effective for the first time in the current financial year. Their implementation had no significant impact on the results or financial position of the Group. The first time adoption of IFRS 8 resulted in a change in the presentation of segmental information from previous financial periods. As a result of the revised IAS 1, the Group income statement has been renamed as the condensed consolidated statement of comprehensive income. Also the condensed consolidated balance sheet has been renamed as the condensed consolidated statement of financial position.

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.

In 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 2009.

4 Segment information

The Group has determined one reportable segment, as described below. The chief operating decision maker reviews internal management reports on at least a monthly basis and monitors and reviews the results on a geographical basis. Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. The following describes the operations in the Group's reportable segment:

Gas products

The manufacture and export of portable gas powered products. These products have been aggregated into one reportable segment as they have similar economic characteristics, and also the product, production process, distribution method and regulatory environment are similar.

With respect to information about geographical regions, revenues are allocated to countries based on the geographical area of customers. Segment assets are based on the geographical location of the assets. The Group operates in five principal geographical regions, being:

- Republic of Ireland
- United Kingdom
- Rest of Europe
- North America
- Rest of the World

Reportable segment result comprises of gross profit, less fixed, selling and administration costs. Other corporate expenses, depreciation, amortisation, operating income, financial costs and financial expenses are not included in the measure of segment profit as these can not be allocated on a reasonable basis, are not directly attributable to a segment, nor are they provided to the chief operating decision maker on a regular basis in order to assess the performance of a segment.

Segment assets and segment liabilities are all located in the Republic of Ireland.

4 Segment information (continued)

Business segments for the period ended 30 September 2009

	Republic of Ireland €'000	United Kingdom €'000	Rest of Europe €'000	North America €'000	Rest of World €'000	Total €'000
External revenue	38	443	752	1,297	370	2,900
Total segment revenue	**38**	**443**	**752**	**1,297**	**370**	**2,900**
Reportable segment result	**11**	**112**	**331**	**263**	**96**	**813**
Unallocated income and expense						
Other corporate expenses						(621)
Other operating income						25
Depreciation and amortisation						(220)
Finance expenses						(12)
Loss before income tax						**(15)**
As at 30 September 2009						
Reportable segment assets	6,032	–	–	–	–	6,032
Total assets						**6,032**
As at 30 September 2009						
Reportable segment liabilities	1,316	–	–	–	–	1,136
Total liabilities						**1,316**

4 Segment information (continued)

Business segments for the period ended 30 September 2008

	Republic of Ireland €'000	United Kingdom €'000	Rest of Europe €'000	North America €'000	Rest of World €'000	Total €'000
External revenue	36	437	771	633	409	2,286
Total segment revenue	**36**	**437**	**771**	**633**	**409**	**2,286**
Reportable segment result	**3**	**75**	**181**	**80**	**66**	**405**
Unallocated income and expense						
Other corporate expenses						(695)
Depreciation and amortisation						(201)
Finance expenses						(9)
Loss before income tax						**(500)**
As at 30 September 2008						
Reportable segment assets	6,218	–	–	–	–	6,218
Total assets						**6,218**
As at 30 September 2008						
Reportable segment liabilities	1,463	–	–	–	–	1,463
Total liabilities						**1,463**

5 Loss per share

Basic loss per share

The calculation of basic loss per share at 30 September 2009 was based on the loss attributable to ordinary shareholders of €15,000 *(30 September 2008: loss of €728,000)* 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 2009	**6 months to 30 September 2008**
Total comprehensive expense for the period attributable to equity holders of the Group	**(€15,000)**	(€728,000)
Weighted average number of ordinary shares in issue during the year	**12,315,082**	12,315,082
Basic loss per share	**(0.12c)**	(5.91c)
Fully diluted loss per share	**(0.12c)**	(5.91c)

6 Income tax

The Group's consolidated effective tax rate in respect of continuing operations for the six months ended 30 September 2009 was 0% (six month to 30 September 2008: 45%). The tax charge in the period to 30 September 2008 related to the reduction of deferred tax assets recognised by the Group.

On review of trading results during the year, 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 not recognised any deferred tax assets at 30 September 2009.

A deferred tax liability of €243,000 is recognised in respect of temporary differences on property, plant and equipment at 30 September 2009.

7 Related party transactions

The Group's Annual Report for the year ended 31 March 2009 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 2009 that have materially affected the Group's financial position or performance in the six months ended 30 September 2009. Details of the compensation of key management as set out below.

Key management remuneration including non-executives

	2009 Number	2008 Number
Number of individuals	**7**	6

	6 months to 30 September 2009 €'000	6 months to 30 September 2008 €'000
Salaries and other short-term employee benefits charged to the condensed statement of comprehensive income:		
Short-term employee benefits	**334**	366
Comprising the following:		
Directors	**185**	255
Other key management personnel	**149**	111
	334	*366*

8 Subsequent events

There have been no events since 30 September 2009 that would materially impact this half-yearly report.

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