

**Interim Report**  
**for the six months**  
**To**  
**30 September 2007**

OGLESBY&BUTLER

G R O U P P L C

## Chairman's Statement

### Summary results for six months ended 30 September 2007

As previously anticipated in the Interim Management Statement issued on 13 August 2007, the difficult trading conditions experienced in the first quarter continued in the second quarter and were exacerbated by the further weakening of both the US dollar and the sterling pound. The three-day working week was continued to contain costs. In the six months to 30 September 2007, revenue amounted to €2.165m as compared to €2.58m in the same period last year. A loss of €26k for the period has been recorded, compared to €70k profit for the same period last year. Cash and cash equivalents amounted to €174k compared to €223k in 2006.

### Outlook

In view of the current difficult trading conditions and the group's cash requirements, the Board will review the level of any final dividend for the year in the light of the results for the year and the trading outlook for the Group at that time.

The Group has developed a new product based on existing technology, aimed at a new sector, which is currently undergoing market testing. The launch of the product is expected in early 2008 initially through the world-wide-web. A development contact for another product based on existing and developing technology has been entered into with a major international company who is funding the project. It is expected that income in the order of €250,000 will be received in the current year from the product. At this stage it is too early to determine the likely impact of this project. In addition the Group continues to develop and upgrade existing products and has recently introduced to the market a high-powered "Blow Torch" which has been well received.

It is anticipated that trading conditions in the second half of the year will remain difficult. Recent improvement in orders has enabled the Group to return to working a five-day week. The Board believes that it is in a position to take the appropriate action to ensure that the Group continues to be competitive.

### 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.

#### These risks and uncertainties are as follows:

- The risk of increased interest rates and or inflation having an adverse impact on served markets.
- The risk of unrealistic increases in wages or infra-structural cost impacting adversely on the competitiveness of the Group and its principal activities.
- The risk of exchange movements, particularly a further weakening of the US dollar and / or sterling pound.
- Customer preferences may change and demand for existing products may reduce or be replaced by other products which the Group does not produce, and, as a result, sales volumes and profitability may be volatile or decline.

N.O. Dowling  
Chairman

29 November 2007

## Financial Highlights

	Six months to 30-Sep-07 €000's	Six months to 30-Sep-06 €000's	Year to 31-Mar-07 €000's
Revenue	<u>2,165</u>	<u>2,580</u>	<u>5,413</u>
Operating (loss)/profit before finance costs	(24)	88	244
Finance costs	<u>(4)</u>	<u>(10)</u>	<u>(28)</u>
(Loss)/profit before taxation	(28)	78	216
Tax credit/(expense) on (loss)/profit	<u>2</u>	<u>(8)</u>	<u>6</u>
(Loss)/profit for the period	<u>(26)</u>	<u>70</u>	<u>222</u>
Basic (loss)/earnings per share	(0.21c)	0.57c	1.81c
Diluted (loss)/earnings per share	<u>(0.21c)</u>	<u>0.57c</u>	<u>1.81c</u>
Dividends per share	Nil.	Nil.	Nil.
Dividend cover (times)	n/a	n/a	n/a
Depreciation	187.1	199.4	402.1
Net assets per share	46.27	45.24	46.48

## **Statement of 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 Group income statement, the condensed Group statement of changes in equity, the condensed Group balance sheet 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.

The Group's auditors have not reviewed these condensed financial statements.

On behalf of the Board

N. O. Dowling  
Chairman

A. P. Oglesby  
Chief Executive

29 November 2007

## Group Condensed Income Statement for the six months ended 30 September 2007

	30-Sep-07 €000's	30-Sep-06 €000's
Revenue	2,165	2,580
Operating costs	<u>(2,189)</u>	<u>(2,492)</u>
Operating (loss)/profit before finance costs	(24)	88
Finance expenses	<u>(4)</u>	<u>(10)</u>
(Loss)/profit before income tax	(28)	78
Income tax credit/(expense)	<u>2</u>	<u>(8)</u>
(Loss)/profit after tax for the period	<u>(26)</u>	<u>70</u>
(Loss)/profit attributable to equity holders of the Group	<u>(26)</u>	<u>70</u>
Basic (loss)/earnings per share	(0.21c)	0.57c
Diluted (loss)/earnings per share	(0.21c)	0.57c

## Group Statement of Changes in Equity for the six months ended 30 September 2007

	Share capital	Capital reserves	Share premium	Retained earnings	Capital redemption	Revaluation reserve	Total equity reserve
	€000's	€000's	€000's	€000's	€000's	€000's	€000's
Balance at 1 April 2006	1,478	170	1,067	2,056	51	680	5,502
Profit for the financial period	-	-	-	70	-	-	70
Transfers	-	-	-	6	-	(6)	-
Balance at 30 September 2006	<u>1,478</u>	<u>170</u>	<u>1,067</u>	<u>2,132</u>	<u>51</u>	<u>674</u>	<u>5,572</u>
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	<u>1,478</u>	<u>170</u>	<u>1,067</u>	<u>2,269</u>	<u>51</u>	<u>664</u>	<u>5,699</u>

## Group Condensed Balance Sheet

### As at 30 September 2007

	30-Sep-07 €000's	30-Sep-06 €000's	31-Mar-07 €000's
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment	3,457	3,725	3,577
Intangible assets	679	598	672
<b>Total non-current</b>	<u>4,136</u>	<u>4,323</u>	<u>4,249</u>
<b>Current assets</b>			
Inventories	1,105	977	976
Trade and other receivables	1,127	1,176	1,378
Derivatives and other financial instruments	9	0	1
Cash and cash equivalents	174	223	321
<b>Total current assets</b>	<u>2,415</u>	<u>2,376</u>	<u>2,676</u>
<b>Total assets</b>	<u>6,551</u>	<u>6,699</u>	<u>6,925</u>
<b>Equity</b>			
Capital and reserves attributable to the company's equity holders			
Called up share capital	1,478	1,478	1,478
Share premium	1,067	1,067	1,067
Other reserves	885	895	890
Retained earnings	2,269	2,132	2,290
<b>Total equity</b>	<u>5,699</u>	<u>5,572</u>	<u>5,725</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Finance lease obligations	87	126	87
Deferred government grants	134	139	137
Deferred tax liabilities	98	113	100
<b>Total non-current liabilities</b>	<u>319</u>	<u>378</u>	<u>324</u>
<b>Current liabilities</b>			
Finance lease obligations	31	84	81
Trade and other payables	502	665	795
<b>Total current liabilities</b>	<u>533</u>	<u>749</u>	<u>876</u>
<b>Total liabilities</b>	<u>852</u>	<u>1,127</u>	<u>1,200</u>
<b>Total equity and liabilities</b>	<u>6,551</u>	<u>6,699</u>	<u>6,925</u>

## Group Condensed Cash Flow Statement for the six months ended 30 September 2007

	30-Sep-07 €000's	30-Sep-06 €000's	31-Mar-07 €000's
<b>Cash flows from operating activities</b>			
(Loss)/profit before taxation	(28)	78	216
Adjusting items:			
Amortisation of intangible assets	17	12	24
Depreciation of property, plant and equipment	187	199	402
Amortisation of government grants	(2)	(2)	(4)
Finance expenses	(4)	(10)	28
Decrease/(increase) in trade and other receivables	253	(148)	(349)
(Increase)/decrease in inventories	(129)	127	129
Decrease in other current assets	6	146	23
(Decrease)/increase in trade and other payables	(294)	(138)	(8)
<b>Total cash flow from operating activities</b>	6	264	461
Interest paid	(8)	(9)	(28)
<b>Net cash provided by operating activities</b>	(2)	255	433
Cash flows from investing activities			
Purchase of property, plant and equipment	(68)	(58)	(109)
Purchase of intangible assets	(27)	(46)	(88)
Proceeds from maturity of investments	-	-	51
<b>Net cash used in investing activities</b>	(95)	(104)	(146)
Cash flows from financing activities			
Payment of finance lease liabilities	(50)	(49)	(87)
<b>Net cash used in financing activities</b>	(50)	(49)	(87)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(147)	102	200
<b>Cash and cash equivalents at beginning of period</b>	321	121	121
<b>Cash and cash equivalents at end of period</b>	174	223	321



Notes to the interim results  
for the six months ended 30 September 2007

	30-Sep-07	30-Sep-06
<b>1. Revenue</b>		
	€000's	€000's
Trade sales	2,091	2,580
Development income	74	-
Total revenue	<u>2,165</u>	<u>2,580</u>

**2. Segment information**

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

	30-Sep-07	30-Sep-06
	€000's	€000's
Ireland	23	55
United Kingdom	468	472
Rest of Europe	761	791
North America	621	915
Rest of World	292	347
	<u>2,165</u>	<u>2,580</u>

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

**3. Finance expenses**

	Sep-07	Sep-06
	€000's	€000's
Interest on bank overdrafts	8	8
Interest on leases	5	4
Fair value of derivative movements	(9)	(2)
	<u>4</u>	<u>10</u>

**4. Income tax charge:**

Interim period income tax is accrued based on the estimated average annual effective income tax rate of 7.1% (6 months ended 30 September 2006: 2.6%)

**5. Basis of Preparation**

The financial information presented in this Interim Report has been prepared in accordance with International Financial Reporting Standard, IAS 34. The same accounting policies and methods of computation have been used in this interim report as were applied in the consolidated financial statements for the year ended 31 March 2007, and as those expected to apply for the year ended 31 March 2008. The Group's accounting policies under International Financial Reporting Standards (IFRS) are set out in the financial statements for the year ended 31 March 2007.

**Interim Financial Reporting**

The interim financial statements for the six months ended 30 September 2007 and the comparative figures for the six months ended 30 September 2006 are un-audited. The summary financial statements for the year ended 31 March 2007 represent an abbreviated version of the Group's full financial statements for that year, and which were audited in accordance with the provisions of the Companies Act 1963 to 2006 and also in compliance of the EU Directive on IFRS as adopted by the EU in 2006.

## OGLESBY & BUTLER GROUP PLC

### 6. Related party transactions

Under IAS 24 Related party disclosures, the Group has a related party relationship with Its key Management. The Group and the Company has defined Its key management as Its directors and senior managers. Details of the Compensations of key management are set out below.

Key management remuneration for directors and non-executive directors

	Sept -07	Sept-06
Number of Individuals	6	6
Salaries and other short term employee benefits charged to the Income statement	€ <u>261,816</u>	€ <u>294,291</u>
Comprising the following		
Directors	184,242	211,028
Other key management personnel	<u>77,574</u>	<u>83,263</u>
	<u>261,816</u>	<u>294,291</u>

## Directors and Other Information

### Directors

N.O. Dowling (Chairman)

A.P. Oglesby (Chief Executive)

J. Oglesby (Ms) (Marketing Executive)

T.P. Byrne (Non-Executive)

### Secretary

M.N. Boran

### Auditor

KPMG,

Chartered Accountants,

Registered Auditor,

1 Stokes Place,

St. Stephen's Green,

Dublin 2.

### Solicitors

Arthur Cox,

Earlsfort Centre,

Earlsfort Terrace,

Dublin 2.

### Bankers

Allied Irish Banks plc.,

Bankcentre,

Ballsbridge,

Dublin 4.

### Stockbrokers

Bloxham Stockbrokers,

2/3 Exchange Place,

I.F.S.C.,

Dublin 1.

Davy Stockbrokers

### Registrar and Transfer Office

Computershare Services (Ireland) Limited

Heron House,

Corrig Road,

Sandyford,

Dublin 18.

Davy Stockbrokers

Davy House,

49 Dawson Street,

Dublin 2.

### Registered Office

Industrial Estate,

O'Brien Road,

Carlow.

Registered Number

124871

