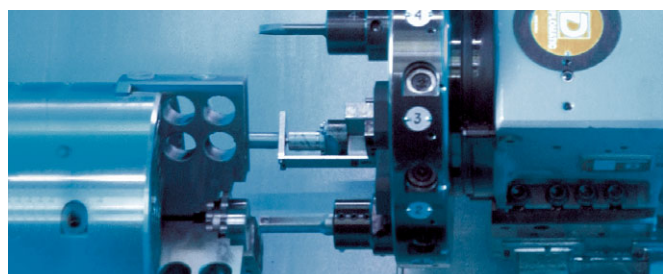


Avingtrans plc

engineering technology group

INTERIM RESULTS SIX MONTHS TO 30 NOVEMBER 2009



Avingtrans plc

("Avingtrans" or the "Group")

Interim results for the six months ended 30 November 2009

Avingtrans plc, which designs, manufactures and supplies critical components and associated services to the medical, energy, industrial and global aerospace sectors, today announces its interim results for the six months ended 30 November 2009.

Financial Highlights (vs previous half year, except where stated)

- Turnover decreased by 23% to £13.5m (H1 2009: £17.5m)
- Gross profit margin decreased to 23% (H1 2009: 28%)
- Operating profit margin 1.5% (H1 2009: 5%) on reduced turnover
- Fully diluted, adjusted¹ EPS of 1.2 pence per share (H1 2009: 2.1 pence per share)
- Cash generated from operations up to £2.6m (H1 2009: £1.9m)
- Continued new investment of £0.7m (H1 2009: £1.3m) in the business during the period
- Net debt down to £8.5m, representing gearing of 37% (2009 year end: £10.1m and 37%)

¹ – fully diluted earnings per share adjusted to add back amortisation and exceptional items

Operational highlights

With all divisions experiencing significant turnover reductions in the first half, highlights were a little thinner on the ground than usual. However, we are pleased to note the following important events:

- Sigma China achieved its first quarterly profit in the second quarter of our financial year, building on previous momentum and winning the Cathay Pacific Rising Stars Award.
- The Aerospace division secured an initial 4-year contract worth €4m for the supply of self-locking nut solutions to a major European OEM.
- The warranty claim against the former owners of B&D Patterns was settled in the first half, returning £932k cash to the group.
- A new £8m contract is being finalised with Cummins, providing Metalcraft with volume production for Generator Frames with the Cummins UK business over the next 3 years.
- Metalcraft are making significant headway in the Nuclear sector, winning orders with Costain and Doosan Babcock and achieving accreditation with AREVA for Nuclear new build supply in the UK.
- Crown received the first major order (£1.25m) from Balfour Beatty for its new motorway signage product.
- Jena Tec received first orders worth an initial £0.5m from a leading European utility company for safety-critical actuation systems, for delivery in the second half of this year.

Commenting on the results, Roger McDowell, Chairman, said:

"The protracted downturn in global manufacturing seriously affected our results in the first half, which was disappointing. We believe that the last six months represented the nadir in our fortunes, however, and we continue to place confidence in our strategy which is beginning to bear fruit, with important contract wins in the period. The first half order weakness means that we will not meet the original market expectation by year end, but we expect the second half to deliver results closer to normality."

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About Avingtrans plc:

Avingtrans has become a significant organisation in the design, manufacture and supply of critical components and associated services to global industrial markets from **three divisions: aerospace, energy and medical and industrial products.**

Aerospace***B&D Patterns Ltd – UK***

B&D Patterns is a market leader in rigid and flexible pipe assemblies and components for prestigious aerospace customers such as Rolls Royce, Messier Dowty and Meggitt.

Sigma Precision Components Ltd – UK and China

Sigma Precision Components manufacture precision prismatic components for the aerospace industry from their purpose-built facility in Chengdu, China. With offices in the UK and China, the company offers a range of services to the global aerospace market.

CH Precision Finishers Ltd – UK

C&H provides final polishing and specialist finishing on aeroengine turbine blades, compressor blades and vanes for the power generation industries. Operating from two strategically located centres to offer a local service to the UK aerospace industry.

Energy and Medical***Stainless Metalcraft (Chatteris) Ltd – UK***

Provider of safety-critical equipment for the energy, medical, science and research communities, worldwide, specialising in precision pressure and vacuum vessels and associated sub-assemblies and systems.

Crown UK Ltd – UK

Design and manufacture leading pole and support fabrication units, known as the 'Crown Pole' for roadside safety cameras, rail track signalling, gantries and roadside signage poles.

Industrial products***Jenaer Gewindetechnik GmbH – Germany***

Design and manufacture precision ballscrews and related products from plant in Jena, Germany. Ballscrews are critical in the running and precise movement of (CNC) computer controlled machine tools and precision instrumentation.

Jena Rotary Technology Ltd – UK

Market Jena product range of precision ballscrews. Operate fast service repair for UK ballscrew users. Design and manufacture (B&T) Boneham & Turner range of spindles. UK sales and service for GMN (Spindles) and a range of other OEMs

Jena-Tec Inc – USA

Sales and support operation for the Jena-Tec product range throughout North America

Chairman's Statement

The last 12 months have proven to be a near perfect storm for engineering businesses and we have suffered in common with many others. We have had a disappointing first half to the year, as the protracted downturn in global manufacturing markets continued and affected every major sector that we compete in. As a result, cost cutting and efficiency improvement activities have continued apace.

With first half turnover down by 23% versus last year, it has been difficult to strike the balance between short term profit maintenance and longer term business health. We believe that we have balanced this equation to the best of our abilities and left the group in a strong position to take advantage of the recovery, as it emerges.

This first half of this year marked the nadir in our fortunes. Our order book is gradually recovering now, though at a slower pace than we had hoped and budgeted for when we set out our original plans. Pleasingly, our strategy of building market-leading, niche positions in our defined market sectors is intact and we can point to a number of key contract wins as evidence that we are steering the right course through current adverse market conditions. As examples, our €4m contract in Aerospace for specialist self-locking nuts, our £8m pending contract with Cummins for generator frames and our initial £0.5m contract for safety-critical actuator systems with a major European utility company give us confidence in our actions

The weakness in the first half was more marked than expected, however, and we therefore are unlikely to meet the original market expectations for the year, even though we expect improved performance in the second half. We remain very guardedly optimistic about our prospects throughout the downturn, with a significant pipeline of opportunities beginning to be realised, albeit much more slowly than we previously envisaged.

We have taken decisive actions in the last few months to maintain the business on something of an even keel and remain focused on improving returns for shareholders. As we continue to execute our strategy, this will enable us to deliver strong value growth in future and we believe that our relationships with key blue chip customers will bring us through the current turbulent cycle poised for a future of growth in attractive global markets.

Our people have performed very well indeed in the most trying and difficult of circumstances and we thank them, as ever, for their continuing hard work and dedication in bringing us through this once-in-a-lifetime downturn.

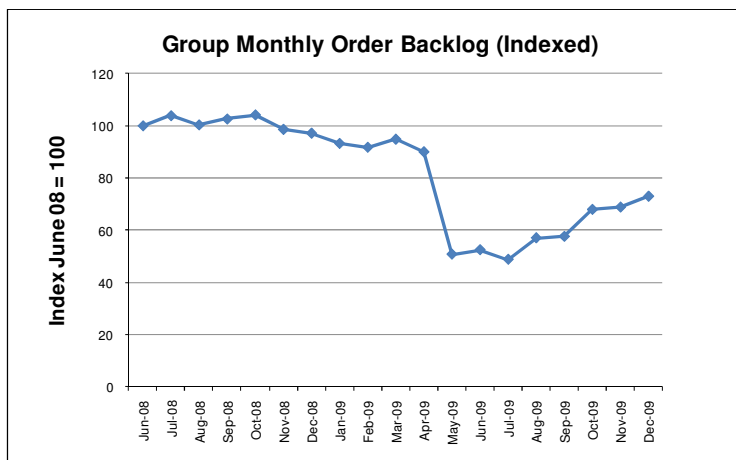
Roger McDowell
Chairman
10 February 2010

Business Review

Group Performance

Turnover:

As previously anticipated, first half turnover was severely impacted by the on-going slowdown in world engineering markets, declining to £13.5m (2009: 17.5m). It is important to note that we have not lost any major contracts or customers in the period. All three divisions experienced turnover falls, with the most significant being at Energy and Medical, where new business for Metalcraft and Crown has not kicked-in fast enough to prevent a very poor first half. This was driven by weak order intake, though this is now improving in all divisions.



Profit:

Despite aggressive cost cutting, we were unable to prevent a slide in gross margins, down in the first half to 23% (2009: 28%). The margin reduction was partly down to lower sales causing relative inefficiencies and partly a sales mix effect. Operating profit (after share based payments and amortisation) was correspondingly down, at £208k (2009: £885k). As last year, our first half / second half split is strongly skewed, though by a number of projects, rather than just one. The split is driven by the weak order intake in the first half.

Earnings per Share (EPS):

Adjusted diluted earnings per share for the period ending 30th November 2009 was 1.2 pence per share (2009: 2.1 pence per share) based on weighted average number of shares of 25,517,268 (2009: 18,518,072).

Funding and Liquidity:

The net cashflow from operations was £2,626k (2009: £1,892k). A credible result, given the reduction in turnover experienced in the first half.

Net indebtedness at 30 November 2009 stood at £8.5m, £1.6m lower than at the year end. Balance sheet gearing was 37%, down from 48% at 31 May 2009.

Dividend:

The Board believes it is still prudent to preserve cash in the business at this time and, consequently, recommends that no dividend should be paid in respect of the half year (2009: Nil pence). Looking forward, the Board will keep the year end dividend under review, taking account of the on-going gradual improvements in trading positions in our markets.

Operations

Aerospace Division

As widely reported, the aerospace market has suffered significant declines in volume with the reductions in global passenger traffic causing consequent reductions in new aircraft orders and, in turn, this has rippled through the supply chain for aerospace components. Despite this, we are cautiously optimistic about our aerospace prospects, given some important wins in the period and the on-going development of strategic relationships with our major OEM accounts. Maiden flights by the Boeing 787 and A400M were also a welcome boost to the market, though there is no significant impact on our order position in the near term.

B&D Patterns has seen a reduction in business in the period due to prevailing market trends, but is winning plaudits from key customers for continuous quality improvements. This has led to customers placing new business with us, including: new orders from Eaton worth £0.5m per annum; long term agreement discussions with Meggitt; and, recently, a new €4m four year contract for self-locking nuts with a major European aerospace OEM. Volume deliveries for this latter contract will start in the new financial year, after a suitable qualification period. Other important pieces of new business are under discussion and we would expect to secure these for commencement of deliveries in the new financial year also.

Significant cost cutting at B&D has seen the headcount reduced by 30% in the last 12 months in response to demand reductions. This has helped to keep the business on an even keel during this turbulent interlude and we expect to reap the benefit from this leaner operation, as the demand increases again with new order intake.

The successful conclusion of the warranty claim with the former owners of B&D saw the return of £932k of cash to the business after costs.

Sigma in China has made a significant breakthrough by recording its first quarterly profit in the second quarter of our financial year, following a modest loss in the first quarter. The improved performance was on the back of increases in output driven by efficiency gains, as the business continues to progress up a steep learning curve. Further gradual capital investment is adding to capacity, providing us with the stable platform we need to build on this beneficial result.

Whilst orders were also delayed at Sigma, a new Long Term Agreement (worth £1m) was signed with Moog in the period, locking in this business stream and we completed in depth audits with a number of aerospace OEMs looking to potentially secure capacity from us in future. In particular, Meggitt have now approved Sigma for long term component supply. We were very pleased that Sigma was recognised by winning the Cathay Pacific Rising Stars Award, underlining the nature of the achievement in setting up this fully fledged aerospace supply business in China.

C&H, like B&D, has seen demand softening that has resulted in headcount reductions of over 25% from the peak. As a more labour intensive business, C&H is easier to scale up and down in this respect and recent extensions to business with a major UK aerospace customer (worth an estimated £0.5m per annum) have meant that we are now hiring new people again in this business.

The maturing C&H Cheltenham facility is running smoothly, albeit on reduced volumes of undercarriage components from Messier Dowty and its other supply chain partners.

Energy and Medical Division

Trading conditions for **Metalcraft** were particularly tough in the first half of this year. As expected, there were reductions in a number of the market sectors within which Metalcraft operates. What was unexpected was the time taken to begin to see a reversal of these reductions and the fruition of the work to develop new sectors – eg Power Generation and Nuclear.

The long awaited contract with Cummins (Power Generation) is being finalised at present, though modest initial deliveries of test batches commenced in November 2009. This contract is worth an estimated £8m to Avingtrans over its three year term and is expected to grow in subsequent years, subject to recovery of the Cummins market for pre-integrated power systems. This is very welcome news, but it is several months later than planned and the ramp up has been slower than expected.

In the Nuclear Decommissioning sector, we are pleased to have been chosen as a vessel supplier by Costain and have thus far garnered contracts to the value of £0.6m this year. We have also secured vessel supply contracts from Doosan Babcock for use in nuclear decommissioning at Sellafield.

In addition, AREVA have now qualified Metalcraft as a supplier for nuclear new build components. This is an important potential development for us, as AREVA plans to site new reactors at Hinckley Point in Somerset and Sizewell in Suffolk. Whilst the reactors will not be operational until 2018, the relevant equipment and vessels will commence manufacture in the supply chain in 2011.

From an order trend point of view, there was no repeat so far of the large scale (£4m) order for Exterran that we completed in the second half of last year, though we are working on a smaller order for them at present and possible further orders are in the pipeline.

We are delighted to announce that funding from a number of sources has been approved for Metalcraft to develop a technical training school for the local Fenland area which will be located on the Metalcraft site and will commence operations in September 2010.

Crown received the first material order for its new variable motorway signage pole (VMC) from Balfour Beatty, worth £1.25m. Crown therefore expects a positive second half performance from the commencement of deliveries of the VMC to Balfour Beatty for the Welsh Assembly Government's M4 upgrade. One of the new designs has been included in the tender for the UK Managed Motorway Scheme, which is due for award in 2010.

Orders at Crown have been further supported by OEM call off of the new SmartPole™ for roadside safety cameras.

Industrial Products Division

As foreseen, the **Jena Tec** businesses had a weak first half, with turnover down 39% versus the first half of last year. Given the late cycle nature of the global industrial markets this business serves, the pattern of reduction has been largely as anticipated and we took early steps to reduce costs in the business (Jena's main competitors saw similar or greater market reductions).

In particular, we moved our German subsidiary on to part time working early in the new financial year, with most departments reducing their activity level down to 50%. We have taken full advantage of German government financial support to sustain the business through this lean period.

Global purchasing manager's indices in key industrial markets – notably Germany and the USA – have seen a slow but sustained recovery, matched by improving orders for the Jena Tec businesses and we believe that this gradual recovery will continue into the second half.

Importantly for future growth, Jena Tec received first orders for a safety critical actuation system upgrade from a major European utility company for installation in a UK facility. This first upgrade will be worth just under £0.5m to us and should be followed by further orders in the next financial year once successful operation of the system is proven.

Our investments in capacity for miniature ballscrew production for medical applications have begun to bear fruit in the development of a new OEM account in this sector. The work done over the last eighteen months to develop our Asian market is also showing encouraging signs, with growing accounts in China, India and Korea, amongst others.

Despite a severe downturn in its sector, Jena Tec will progress its growth plans through delivery of higher value added automated systems, niche applications and bespoke precision products and believes it is sufficiently prepared to buck the trend and capitalise on opportunities as the global market emerges from recession.

Outlook

The global downturn in engineering has turned out to be worse than we anticipated and no-one can be certain that a “double-dip” will not adversely affect us in the months to come. Nonetheless, our prompt cost control has limited the damage thus far. Our clear strategic positioning, coupled with our strong focus on customer service and quality has maintained or strengthened our key OEM relationships and brought important new customers to us.

Despite our best efforts, this year is going to be short of the original market expectations due to the weak first half. We expect that the situation in the second half will improve and return to something closer to normality, assuming that the double-dip scenario does not emerge. Looking further forward, we are cautiously optimistic about the next financial year, given the new contract wins that we have already secured and further prospects in the pipeline.

Overall, Avingtrans remains well placed to benefit from structural changes in our markets and to grow again as global industrial markets recover.

Roger McDowell
Chairman
10 February 2010

Steve McQuillan
Chief Executive
10 February 2010

Stephen King
Finance Director
10 February 2010

**Consolidated Income Statement (Unaudited)
for the six months ended 30 November 2009**

	6 months to 30 Nov 2009 £'000	6 months to 30 Nov 2008 £'000	Year to 31 May 2009 £'000
Revenue	13,453	17,527	37,559
Cost of sales	(10,417)	(12,587)	(27,427)
Gross profit	3,036	4,940	10,132
Distribution costs	(414)	(479)	(955)
Administrative expenses	(3,201)	(3,565)	(6,635)
Share based payment expense	(8)	(18)	88
Amortisation of intangibles from business combinations	(69)	(69)	(137)
Restructuring costs	(145)	(11)	(71)
Warranty claim	932	-	-
Operating profit	131	798	2,422
Finance income	-	-	2
Finance costs	(192)	(381)	(595)
(Loss)/profit before taxation	(61)	417	1,829
Taxation (Note 3)	288	(475)	(701)
Profit/(loss) for the financial period	227	(58)	1,128
Earnings/(loss)/earnings per share :			
From continuing operations			
- Basic	0.9p	(0.2)p	5.1p
- Diluted	0.9p	(0.2)p	5.1p
All the above results are from continuing operations			

**Consolidated statement of comprehensive income (Unaudited)
for the six months ended 30 November 2009**

	6 months to 30 Nov 2009 £'000	6 months to 30 Nov 2008 £'000	Year to 31 May 2009 £'000
Profit/(loss) for the period	227	(58)	1,128
Exchange differences on translation of foreign operations	41	240	338
Total comprehensive income for the period	268	182	1,466

**Consolidated cash flow statement (Unaudited)
for the six months ended 30 November 2009**

	6 months to 30 Nov 2009 £'000	6 months to 30 Nov 2008 £'000	Year to 31 May 2009 £'000
Net cash inflow/(outflow) from operating activities	2,574	1,476	(386)
Investing activities			
Interest received	-	-	2
Purchase of intangible assets	(188)	(90)	(420)
Purchase of property, plant and equipment	(540)	(1,178)	(2,022)
Proceeds from sale of property, plant and equipment	18	15	19
	<hr/>	<hr/>	<hr/>
Net cash used in investing activities	(710)	(1,253)	(2,421)
Financing activities			
Dividends paid	-	(132)	(132)
Repayments of borrowings	(333)	(302)	(642)
Repayments of obligations under finance leases	(668)	(545)	(1,103)
Proceeds from issue of ordinary shares	-	3,358	3,654
Borrowings raised	363	469	1,271
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Net cash (outflow)/inflow from financing activities	(638)	2,848	(3,048)
Net increase in cash and cash equivalents	1,226	3,071	241
Cash and cash equivalents at beginning of period	(2,255)	(2,534)	(2,534)
Effect of foreign exchange rate changes	(52)	(89)	38
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Cash and cash equivalents at end of period	(1,081)	448	(2,255)
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**Cash generated from operating activities:
for the six months ended 30 November 2009**

	6 months to 30 Nov 2009 £'000	6 months to 30 Nov 2008 £'000	Year to 31 May 2009 £'000
Profit/(loss) for the period	227	(58)	1,128
Adjustments for:			
Finance costs	192	381	593
Taxation	(288)	475	701
Depreciation of property, plant and equipment	736	706	1,434
Amortisation of intangible assets	148	92	264
(Gain) on disposal of property, plant and equipment	(8)	(11)	(9)
Share based payment expense	8	18	(88)
Operating cashflow before movements in working capital	1,015	1,603	4,023
Decrease/(increase) in inventories	305	(1,978)	(255)
Decrease/(increase) in trade and other receivables	3,025	(515)	(1,845)
(Decrease)/increase in trade and other payables	(1,726)	2,773	(1,584)
Other non cash charges	7	9	17
Cash generated by operations	2,626	1,892	356
Income taxes received/(paid)	140	(34)	(145)
Interest paid	(192)	(382)	(597)
Net cash inflow/(outflow)from operating activities	2,574	1476	(386)

**Summarised consolidated balance sheet (Unaudited)
at 30 November 2009**

	30 Nov 2009 £'000	30 Nov 2008 £'000	31 May 2009 £'000
Non current assets			
Goodwill	10,242	10,242	10,242
Other intangible assets	1,982	1,817	1,941
Property, plant and equipment	11,210	10,991	11,308
Deferred tax	38	24	38
Investments	219	219	219
	<u>23,691</u>	<u>23,293</u>	<u>23,748</u>
Current assets			
Inventories	6,706	8,636	6,952
Trade and other receivables	5,927	7,557	8,914
Current tax asset	242	119	321
Cash and bank balances	1,001	2,533	634
	<u>13,876</u>	<u>18,845</u>	<u>16,821</u>
Total assets	<u>37,567</u>	<u>42,138</u>	<u>40,569</u>
Current liabilities			
Trade and other payables	(4,686)	(9,910)	(6,323)
Obligations under finance leases	(1,312)	(926)	(1,247)
Borrowings	(2,736)	(2,585)	(3,543)
Current tax liabilities	(561)	(492)	(759)
	<u>(9,295)</u>	<u>(13,913)</u>	<u>(11,872)</u>
Non-current liabilities			
Borrowings	(3,938)	(4,749)	(4,264)
Obligations under finance leases	(1,420)	(1,762)	(1,729)
Deferred tax	(1,416)	(1,370)	(1,436)
Deferred consideration	(154)	(750)	(200)
	<u>(6,928)</u>	<u>(8,631)</u>	<u>(7,629)</u>
Total liabilities	<u>(16,223)</u>	<u>(22,544)</u>	<u>(19,501)</u>
Net assets	<u>21,344</u>	<u>19,594</u>	<u>21,068</u>
Equity			
Share capital	1,274	1,232	1,274
Share premium account	9,534	9,280	9,534
Capital redemption reserve	814	814	814
Merger reserve	402	402	402
Translation reserve	677	538	636
Other reserves	180	180	180
Retained earnings	8,463	7,148	8,228
Equity attributable to owners of the Company	<u>21,344</u>	<u>19,594</u>	<u>21,068</u>

**Consolidated statement of changes in equity (Unaudited)
at 30 November 2009**

	Share Capital Account £'000	Share premium account £'000	Capital redemp- tion reserve £'000	Merger reserve £'000	Trans- lation reserve £'000	Other reserves £'000	Retained earnings £'000	Total £'000
At 1 June 2008	882	6,272	814	402	298	180	7,320	16,168
Loss for the period	-	-	-	-	-	-	(58)	(58)
Dividends paid	-	-	-	-	-	-	(132)	(132)
Exchange rate gain	-	-	-	-	240	-	-	240
Share-based Payments	-	-	-	-	-	-	18	18
New share issue	350	3,150	-	-	-	-	-	3,500
Costs of share issue	-	(142)	-	-	-	-	-	(142)
At 30 Nov 2008	1,232	9,280	814	402	538	180	7,148	19,594
Profit for the period	-	-	-	-	-	-	1,186	1,186
Exchange rate gain	-	-	-	-	98	-	-	98
Share-based Payments	-	-	-	-	-	-	(106)	(106)
New share issue	42	255	-	-	-	-	-	297
Costs of share issue	-	(1)	-	-	-	-	-	(1)
At 31 May 2009	1,274	9,534	814	402	636	180	8,228	21,068
Profit for the period	-	-	-	-	-	-	227	227
Exchange rate gain	-	-	-	-	41	-	-	41
Share-based payments	-	-	-	-	-	-	8	8
At 31 May 2009	1,274	9,534	814	402	677	180	8,463	21,344

**Notes to the half year statement
30 November 2009**

1. Basis of preparation

The Group's interim results for the six month period ended 30 November 2009 are prepared in accordance with the Group's accounting policies which are based on the recognition and measurement principles of International Financial Reporting Standards ('IFRS') as adopted by the EU and effective, or expected to be adopted and effective, at 31 May 2010. As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS34 'Interim financial reporting'.

These interim results do not constitute full statutory accounts within the meaning of section 434 of the Companies Act 2006 and are unaudited. The unaudited interim financial statements were approved by the Board of Directors on 9 February 2010 and will shortly be available on the Group's website at <http://www.avingtrans.plc.uk/pages/reports.html>.

The consolidated financial statements are prepared under the historical cost convention as modified to include the revaluation of financial instruments. The accounting policies used in the interim financial statements are consistent with IFRS and those which will be adopted in the preparation of the Group's annual report and financial statements for the year ended 31 May 2010. The statutory accounts for the year ended 31 May 2009, which were prepared under IFRS, have been filed with the Registrar of Companies. These statutory accounts carried an unqualified Auditors' Report and did not contain a statement under either Section 498 of the Companies Act 2006.

2. Segmental analysis

	Aerospace	Energy and Medical	Industrial Products	Unallocated Central items	Total
	£'000	£'000	£'000	£'000	£'000
6 months ended 30 Nov 2009					
Revenue	4,859	5,758	2,836	-	13,453
Operating profit/(loss)	4	(294)	(283)	704	131
Year ended 31 May 2009					
Revenue	10,716	17,509	9,334	-	37,559
Operating (loss)/profit	(73)	1,583	1,051	(139)	2,422
6 months ended 30 Nov 2008					
Revenue	5,576	7,342	4,609	-	17,527
Operating profit/(loss)	3	315	617	(137)	798

Notes to the half year statement (continued)
30 November 2009

3. Taxation

The taxation credit/(charge) is based upon the expected rate for the year ended 31 May 2010.

4. Earnings/(loss) per share

Basic earnings per share is based on the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the year.

For diluted earnings per share the weighted average number of ordinary shares is adjusted to assume conversion of all dilutive potential ordinary shares, being the CSOP and EMI share options.

	6 months to 30 Nov 2009 No	6 months to 30 Nov 2008 No	Year to 31 May 2009 No
Weighted average number of shares – basic	25,480,577	18,493,591	21,933,317
Share Option adjustment	36,691	24,481	6,961
Weighted average number of shares – diluted	25,517,268	18,518,072	21,940,278
	£'000	£'000	£'000
Earnings/(loss) attributable to shareholders	227	(58)	1,127
Share based payments	8	18	(88)
Amortisation of intangibles	69	69	137
Deferred tax charge re abolition of UK IBA's	-	367	383
Sigma deferred consideration release	-	-	(201)
Adjusted earnings attributable to shareholders	304	396	1,358
Basic earnings per share	0.9p	(0.2)p	5.1p
Diluted earnings per share	0.9p	(0.2)p	5.1p
Adjusted basic earnings per share	1.2p	2.1p	6.2p
Adjusted diluted earnings per share	1.2p	2.1p	6.2p

The Directors believe that the above adjusted earnings per share calculation is a more appropriate reflection of the Group performance. Owing to the loss reported in the 6 months ended 30 November 2008 the share options and warrants are not dilutive.