3 December 2014

International Greetings PLC (“the Company” or “the Group”)
Interim Results

International Greetings PLC (‘International Greetings’ or ‘the Group’), one of the world’s leading designers, innovators and manufacturers of gift packaging and greetings, social expression giftware , stationery and creative play products, announces its Interim Results for the six months ended 30 September 2014.

Financial Highlights

- Sales at £111.9 million are in line with expectations, slightly up on the prior period after allowing for the £2 million impact of foreign exchange translation (2013 H1: £113.6 million)
- Gross profit margins at 18.0% (2013 H1: 19.0%), reflecting H1 geographic sales mix
- Profit before tax, non-cash long term incentive plan charges and exceptional items up by 7.1% to £4.0 million (2013 H1: £3.7 million)
- Key goal to grow fully diluted earnings per share (pre exceptional items and LTIP charges) on track - up 23% on prior year to 4.8p (2013 H1: 3.9p)
- Net debt at 30 September 2014 at £89.9 million (2013 H1: £84.8 million) reflecting the investment in Enper of £1.6 million and the effect of short-term working capital dynamics
- Core banking facilities extended to 2018 on improved terms.

Operational highlights

- Excellent Christmas cracker manufacturing season in China completed on time in full, producing 74 million crackers in the 2014 season
- Integration of our Dutch acquisition, Enper, successfully completed to plan
- Further gift wrap production efficiencies yielded in Europe following investment
- HM The Queen and HRH The Duke of Edinburgh formally opened our facility in Wales in April following the completion to time and budget of our major investment in new high definition printing presses
- Excellent response to new licensed products, including creative play and gift packaging ranges of ‘Frozen’ from Disney
- Order book for FY14/15 in line with expectations and already building for FY15/16.

Paul Fineman, Chief Executive said:
“We are encouraged that the first half of the year has seen all regions trading profitably and overall in line with expectations.

“The key investments made in our manufacturing facilities have enabled us to deliver record levels of volumes in several of our key product categories and has further enhanced our ability to continue to enjoy excellent customer relationships and market leading positions.

“We are on course to achieve targeted growth in underlying earnings per share and remain firmly focused on reducing leverage through converting profit into cash.’’

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Chief Executive Officer's review
Driving growth in earnings

Key achievements

- Key goal to grow adjusted fully diluted earnings per share[a] on track – up 23% on prior year to 4.8p (2013 H1: 3.9p)
- Adjusted profit[b] up by 7.1% to £4.0 million (2013 H1: £3.7 million)
- Sales in line with expectations, slightly up on the prior period after allowing for the impact of foreign exchange translation
- Further gift wrap production efficiencies yielded in Europe following investment
- Similar investment programme in Wales completed to time and budget, performing on plan in early months. This facility was formally opened by HM The Queen and HRH The Duke of Edinburgh on 30 April 2014
- Integration of our Dutch acquisition, Enper, successfully completed to plan
- Excellent Christmas cracker manufacturing season in China successfully completed
- Core banking facilities extended to 2018 on improved terms

[a] Adjusted fully diluted earnings per share is pre−exceptional items and LTIP charges.
[b] Adjusted profit is profit before tax, non−cash long term incentive plan ("LTIP") charges and exceptional items.

Overview

A solid six month period with some important operational plans relating to our acquisition in the Netherlands and our major investment in Wales now completed very satisfactorily. Sales and profit for the six months ended 30 September 2014 are overall in line with expectations with both our key targets of a) profit before tax, exceptional items and long term incentive plan ("LTIP") charges and b) fully diluted earnings per share (pre exceptional items and LTIP charges), significantly up on the prior period. Net debt at the end of the period was in line with expectations.

Operational review

We are pleased to report that all regions have again traded profitably during the period.

We have experienced continued improvement in performance in both the UK and Asia region and again in Europe, compared to the same period last year.

It is no coincidence that these are the areas where we have recently invested and an excellent performance has been delivered by our manufacturing facilities throughout the Group:

- In Europe, our investment during FY12/13 in new state−of-the-art high−definition printing facilities and enhanced by the acquisition of the trade and assets of Enper in July 2014, underpinned growing levels of gift wrap production and profitable sales growth.
- In the UK our project to introduce similar technology to our gift wrap plant in Wales completed to time and budget and we were privileged and delighted that our new operation was formally opened by HM The Queen and HRH The Duke of Edinburgh on 30 April 2014. We have begun to see the positive effect of this investment having operated on dual platforms in the current year – the full shift to this environmentally friendly, high definition, high speed technology takes place in FY15/16.
- We are now appraising whether to invest in the US marketplace to match the same technological platform.

We are also delighted with the performance of our China−based Christmas cracker manufacturing operation, where we have produced on time and delivered in full on 74 million crackers in the 2014 season, exceeding targeted efficiencies and implementing further initiatives for continued improvement. While China remains our preferred location for this activity, we continue to carefully invest effectively in semi−automation to mitigate the challenges associated with availability and cost of labour.

US profit performance held steady on improved sales and the prospects in that market remain strong despite our short term operational challenges following the sad loss of our US CEO, Rich Eckman following his battle with cancer. The process to recruit a new CEO in the USA is well underway and proceeding satisfactorily.

Our joint venture business in Australia continues to manage the fast paced and changing market dynamics through growth with new customers, product categories and channels. Whilst, in the short term, this will impact profitability, we are encouraged at the prospects now offered through establishing new opportunities for expansion.

Demand for our core product categories remains strong in all regions in which we operate. In FY14/15, our sales volumes of gift wrap, gift bags and Christmas crackers will reach record levels and we continue to enjoy excellent and long-term relationships with many of the world's leading retail groups. Our teams throughout the Group, remain committed to delivering great value, together with the highest standards of service to our customers, supported by our investment in manufacturing, sourcing, design and innovation.

Our flexible approach has resulted in our products being offered for sale in over 100,000 retail outlets in more than 80 countries and includes a brand and product portfolio, which provides our global customer base with a compelling 'good, better, best' offering to suit their consumers' requirements.

Financial review

While revenue is reported at £111.9 million, apparently down on 2013 (H1: £113.6 million), this reflects the £2.0 million impact of exchange rates on translation of overseas sales and at like-for-like rates, sales are in fact slightly higher than the prior year. This predominantly reflects incremental growth in Europe and the US market – though in both cases at lower margin than other business. The timing of sales at the half year as usual heavily reflects the phasing of deliveries to customer requirements, with several major international retailers ordering deliveries later in the year, resulting in H2 weighting for FY14/15.

Gross profit margins at 18.0% (2013 H1: 19.0%) were lower, reflecting the above mentioned incremental sales in the US and Europe at lower margin but especially the effect of the transition taking place in our joint venture in Australia. However, efficiency in China, the UK and Europe has driven margins higher in those areas as expected. Half year margins are always coloured materially by timing both in product mix and type of customer and are only a general indicator of full year outturn.

Overhead costs were lower at £15.3 million (2013 H1: £16.5 million) reflecting the impact of cost saving initiatives – particularly in the UK – from last year and also some timing associated with changes in mix.

Operating profit before exceptional costs and LTIP charges (which are non cash) was steady at £5.5 million (2013 H1: £5.5 million) while profit before tax, exceptional items and LTIP charges was up 7.1% to £4.0 million from £3.7 million in the equivalent period last year. LTIP charges were steady at £0.2 million in both periods.

Exceptional charges of £0.7 million in respect of our new investment in Wales and £0.1 million in respect of the acquisition of the trade and assets of Enper in the Netherlands were entirely as expected and previously communicated. After allowing for such costs, profit before tax and after exceptional items and LTIP charges was £3.0 million, up 72% on the prior year (2013 H1: £1.7 million). Just £0.3 million of this exceptional item flowed as cash in the period as the majority relates to accelerated depreciation on the assets that are no longer required with the new platform fully operational.

Finance expenses before exceptional items in the period were substantially lower at £1.5 million (2013 H1: £1.8 million) reflecting the full year effect of improved borrowing costs and our ability to rely on efficient use of lower cost asset based lending ("ABL") working capital facilities during peak period as our overall debt profile falls. Our facilities with HSBC were again renewed during the period on improved, more flexible terms and with increased maturity profile out to 2018 (previously 2016) while facilities in the Netherlands and the USA were also renewed, extended and improved. Finance costs after exceptional items were also £1.5 million (2013 H1: £2.2 million).

The effective underlying tax rate was 23% (2013 H1: 25%). This rate has fallen again, reflecting continued reductions in the UK rate of taxation and our ability to recognise tax losses in the USA as profitable growth continues. There are still unrecognised losses with a tax value of $3.8 million in the USA and £0.3 million in the UK which can be reflected in the balance sheet as profitability progresses.

Stated before exceptional items and LTIP charges, basic earnings per share were in line with expectations at 4.9p (2013 H1: 4.0p), and 3.5p (2013 H1: 1.4p) after exceptional items and LTIP charges. Our primary measure of adjusted fully diluted earnings per share (stated before exceptional items and LTIP charges) was also in line with expectations at 4.8p (2013 H1: 3.9p). See note 6 of the interim financial statements.

Capital expenditure in the six months was £1.4 million (2013 H1: £2.3 million) reflecting the tail end of the investment in Wales and ongoing capital expenditure to improve our business. As previously announced, we also invested €2.0 million (£1.6 million) to purchase the trade and assets of Enper in the Netherlands and integration of this business has already completed, leaving our Dutch business well positioned to achieve the planned synergies in FY15/16.

Cash used by operations was £46.4 million, higher than the prior period (2013 H1: £38.9 million), but as usual this profile reflects the seasonality of the business as 65% of the sales in the six month period occurred in the last two months.

The increase in cash used by operations at the end of the period over the prior period is reflected predominantly in trade and other receivables which were £76.0 million (2013 H1: £68.1 million) whereas stock levels were slightly lower at £66.4 million (2013 H1: £67.0 million). Both dynamics simply reflect the highly variable phasing of deliveries to customer requirements from year to year.

Net debt at 30 September 2014 was consequently higher at £89.9 million (2013 H1: £84.8 million) but other than the investment in Enper of £1.6 million, this is mainly the effect of short-term working capital dynamics. Reduction of debt and the associated interest cost remains a key focus and our programme to reduce year end net debt is on track.

The Board will not be declaring an interim dividend (2013 H1: £nil) but intends to actively review this position as we come ever closer to achieving our key leverage target at year end of net debt to EBITDA below 2 times.

Current trading outlook
Overall trading activities are in line with expectations with a strong order book in place for the balance of FY14/15 and already beginning to build for FY15/16.

Operational improvements, prudent investment in projects with early payback and a focus on customer service and innovation, continue to deliver margin and profit growth.

We are on course to achieve targeted growth in underlying earnings per share and remain firmly focused on reducing leverage through converting profit into cash.

Paul Fineman
CEO

Consolidated income statement

six months ended 30 September 2014

	Unaudited six months ended 30 Sep 2014			Unaudited six months ended 30 Sep 2013			12 months ended 31 Mar 2014		
	Before exceptional items £000	**Exceptional items (note 3) £000**	**Total £000**	Before items items £000	Exceptional exceptional (note 3) £000	Total £000	Before exceptional items £000	Exceptional items (note 3) £000	Total £000
Continuing operations									
Revenue	**111,923**	**—**	**111,923**	113,556	—	113,556	224,462	—	224,462
Cost of sales	**(91,734)**	**(767)**	**(92,501)**	(91,995)	(1,478)	(93,473)	(183,238)	(2,006)	(185,244)
Gross profit	**20,189**	**(767)**	**19,422**	21,561	(1,478)	20,083	41,224	(2,006)	39,218
	18.0%		**17.4%**	19.0%		17.7%	18.4%		17.5%
Selling expenses	**(5,740)**	**—**	**(5,740)**	(6,308)	—	(6,308)	(12,108)	—	(12,108)
Administration expenses	**(9,524)**	**(99)**	**(9,623)**	(10,228)	—	(10,228)	(19,191)	—	(19,191)
Other operating income	**353**	**72**	**425**	315	72	387	737	147	884
Loss on disposal of property, plant and equipment	**—**	**—**	**—**	(6)	—	(6)	—	—	—
Operating profit/(loss)	**5,278**	**(794)**	**4,484**	5,334	(1,406)	3,928	10,662	(1,859)	8,803
Finance expenses	**(1,497)**	**—**	**(1,497)**	(1,792)	(403)	(2,195)	(3,177)	(439)	(3,616)
Profit/(loss) before tax	**3,781**	**(794)**	**2,987**	3,542	(1,809)	1,733	7,485	(2,298)	5,187
Income tax (charge)/credit	**(869)**	**80**	**(789)**	(886)	416	(470)	(1,840)	381	(1,459)
Profit/(loss) from continuing operations for the period	**2,912**	**(714)**	**2,198**	2,656	(1,393)	1,263	5,645	(1,917)	3,728
Attributable to:									
Owners of the Parent Company			**2,005**			792			3,010
Non−controlling interests			**193**			471			718

Earnings per ordinary share

	Unaudited six months ended 30 Sep 2014		Unaudited six months ended 30 Sep 2013		12 months ended 31 Mar 2014	
	Diluted	**Basic**	Diluted	Basic	Diluted	Basic
Adjusted earnings per share excluding exceptional items and LTIP charges	**4.8p**	**4.9p**	3.9p	4.0p	8.4p	8.6p
Loss per share on LTIP charges	**(0.2p)**	**(0.2p)**	(0.2p)	(0.2p)	(0.1p)	(0.1p)
Adjusted earnings per share excluding exceptional items	**4.6p**	**4.7p**	3.7p	3.8p	8.3p	8.5p
Loss per share on exceptional items	**(1.2p)**	**(1.2p)**	(2.4p)	(2.4p)	(3.2p)	(3.3p)
Earnings per share	**3.4p**	**3.5p**	1.3p	1.4p	5.1p	5.2p

Consolidated statement of comprehensive income

six months ended 30 September 2014

	Unaudited six months ended 30 Sep 2014 £000	Unaudited six months ended 30 Sep 2013 £000	12 months ended 31 Mar 2014 £000
Profit for the period	**2,198**	1,263	3,728

Other comprehensive income:			
Exchange difference on translation of foreign operations	**(707)**	(1,558)	(2,257)
Net loss on cash flow hedges (net of tax)	**476**	220	(126)
Other comprehensive income for period, net of tax	**(231)**	(1,338)	(2,383)
Total comprehensive income for the period, net of tax	**1,967**	(75)	1,345
Attributable to:			
Owners of the Parent Company	**1,877**	42	1,366
Non–controlling interests	**90**	(117)	(21)
	1,967	(75)	1,345

Consolidated statement of changes in equity

six months ended 30 September 2014

	Share capital £000	Share premium and capital redemption reserve £000	Merger reserves £000	Hedging reserves £000	Translation reserve £000	Retained earnings £000	Shareholder equity £000	Non-controlling interest £000	Total £000
At 1 April 2014	**2,896**	**4,776**	**17,164**	**(577)**	**(672)**	**29,925**	**53,512**	**3,649**	**57,161**
Profit for the period	**—**	**—**	**—**	**—**	**—**	**2,005**	**2,005**	**193**	**2,198**
Other comprehensive income	**—**	**—**	**—**	**476**	**(604)**	**—**	**(128)**	**(103)**	**(231)**
Total comprehensive income for the period	**—**	**—**	**—**	**476**	**(604)**	**2,005**	**1,877**	**90**	**1,967**
Equity–settled share–based payment	**—**	**—**	**—**	**—**	**—**	**173**	**173**	**—**	**173**
Options exercised	**12**	**20**	**—**	**—**	**—**	**—**	**32**	**—**	**32**
Equity dividends paid	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(829)**	**(829)**
At 30 September 2014	**2,908**	**4,796**	**17,164**	**(101)**	**(1,276)**	**32,103**	**55,594**	**2,910**	**58,504**

six months ended 30 September 2013

	Share capital £000	Share premium and capital redemption reserve £000	Merger reserves £000	Hedging reserves £000	Translation reserve £000	Retained earnings £000	Shareholder equity £000	Non-controlling interest £000	Total £000
At 1 April 2013	2,838	4,658	17,164	(451)	846	26,833	51,888	4,684	56,572
Profit for the period	—	—	—	—	—	792	792	471	1,263
Other comprehensive income	—	—	—	220	(970)	—	(750)	(588)	(1,338)
Total comprehensive income for the period	—	—	—	220	(970)	792	42	(117)	(75)
Equity–settled share–based payment	—	—	—	—	—	5	5	—	5
Options exercised	51	91	—	—	—	—	142	—	142
Equity dividends paid	—	—	—	—	—	—	—	(1,014)	(1,014)
At 30 September 2013	2,889	4,749	17,164	(231)	(124)	27,630	52,077	3,553	55,630

year ended 31 March 2014

Share

	Share capital £000	premium and capital redemption reserve £000	Merger reserves £000	Hedging reserves £000	Translation reserve £000	Retained earnings £000	Shareholder equity £000	Non-controlling interest £000	Total £000
At 1 April 2013	2,838	4,658	17,164	(451)	846	26,833	51,888	4,684	56,572
Profit for the year	—	—	—	—	—	3,010	3,010	718	3,728
Other comprehensive income	—	—	—	(126)	(1,518)	—	(1,644)	(739)	(2,383)
Total comprehensive income for the year	—	—	—	(126)	(1,518)	3,010	1,366	(21)	1,345
Equity–settled share–based payment	—	—	—	—	—	82	82	—	82
Options exercised	58	118	—	—	—	—	176	—	176
Equity dividends paid	—	—	—	—	—	—	—	(1,014)	(1,014)
At 31 March 2014	2,896	4,776	17,164	(577)	(672)	29,925	53,512	3,649	57,161

Consolidated balance sheet

as at 30 September 2014

	Note	**Unaudited as at 30 Sep 2014 £000**	Unaudited as at 30 Sep 2013 £000	As at 31 March 2014 £000
Non–current assets				
Property, plant and equipment		**30,891**	28,732	32,049
Intangible assets		**32,140**	32,397	31,950
Deferred tax assets		**3,255**	4,007	3,665
Total non–current assets		**66,286**	65,136	67,664
Current assets				
Inventory		**66,362**	67,032	48,460
Trade and other receivables		**75,993**	68,140	19,690
Cash and cash equivalents	4	**1,005**	1,275	8,111
Total current assets		**143,360**	136,447	76,261
Total assets		**209,646**	201,583	143,925
Equity				
Share capital		**2,908**	2,889	2,896
Share premium		**3,456**	3,409	3,436
Reserves		**17,127**	18,149	17,255
Retained earnings		**32,103**	27,630	29,925
Equity attributable to owners of the Parent Company		**55,594**	52,077	53,512
Non–controlling interests		**2,910**	3,553	3,649
Total equity		**58,504**	55,630	57,161
Non–current liabilities				
Loans and borrowings	4	**25,496**	27,205	28,145
Deferred income		**1,226**	1,096	1,592
Provisions		**906**	861	860
Other financial liabilities		**3,873**	1,667	4,202
Total non–current liabilities		**31,501**	30,829	34,799
Current liabilities				
Bank overdraft	4	**4,412**	3,019	2,529
Loans and borrowings	4	**56,611**	54,256	9,695
Deferred income		**674**	555	1,202
Provisions		**114**	104	165
Income tax payable		**1,499**	1,332	2,052
Trade and other payables		**45,677**	44,707	25,818
Other financial liabilities		**10,654**	11,151	10,504
Total current liabilities		**119,641**	115,124	51,965
Total liabilities		**151,142**	145,953	86,764
Total equity and liabilities		**209,646**	201,583	143,925

Consolidated cash flow statement

six months ended 30 September 2014

	Unaudited six months ended 30 Sep 2014 £000	Unaudited six months ended 30 Sep 2013 £000	12 months ended 31 Mar 2014 £000
Cash flows from operating activities			
Profit for the year	**2,198**	1,263	3,728
Adjustments for:			
Depreciation	**2,619**	2,649	5,032
Amortisation of intangible assets	**263**	176	576
Finance expenses – continuing operations	**1,497**	2,195	3,616
Income tax charge – continuing operations	**789**	470	1,459
(Profit)/loss on sales of property, plant and equipment	**(6)**	6	4
Loss on external sale of intangible fixed assets	**—**	10	—
Equity–settled share–based payment	**173**	5	82
Operating profit after adjustments for non–cash items	**7,533**	6,774	14,497
Change in trade and other receivables	**(56,219)**	(46,879)	1,520
Change in inventory	**(17,334)**	(17,142)	(722)
Change in trade and other payables	**20,509**	18,657	(48)
Change in provisions and deferred income	**(930)**	(352)	(84)
(Cash used by)/cash generated from operations	**(46,441)**	(38,942)	15,163
Tax paid	**(769)**	(39)	(60)
Interest and similar charges paid	**(1,632)**	(1,759)	(3,221)
Net cash (outflow)/inflow from operating activities	**(48,842)**	(40,740)	11,882
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	**21**	33	140
Business acquired	**(1,451)**	—	—
Acquisition of intangible assets	**(143)**	(105)	(206)
Acquisition of property, plant and equipment[a]	**(1,294)**	(2,147)	(5,085)
Receipt of government grants	**—**	120	1,049
Net cash outflow from investing activities	**(2,867)**	(2,099)	(4,102)
Cash flows from financing activities			
Proceeds from issue of share capital	**32**	142	176
Repayment of secured borrowings	**(4,182)**	(4,336)	(5,646)
Net movement in credit facilities	**48,179**	42,642	(2,671)
Payment of finance lease liabilities	**(297)**	(125)	(296)
New bank loans raised	**327**	3,100	5,000
New finance leases	**—**	2	—
Loan arrangement fees	**(165)**	—	(180)
Dividends paid to non–controlling interests	**(829)**	(1,014)	(1,014)
Net cash inflow/(outflow) from financing activities	**43,065**	40,411	(4,631)
Net increase in cash and cash equivalents	**(8,644)**	(2,428)	3,149
Cash and cash equivalents at beginning of period	**5,582**	1,965	1,965
Effect of exchange rate fluctuations on cash held	**(345)**	(1,281)	468
Cash and cash equivalents at end of the period	**(3,407)**	(1,744)	5,582

[a] In the current period £nil of new finance leases have been shown netted off against acquisitions of property, plant and equipment, (2013: £nil, twelve months ended 31 March 2014: £3,329,000).

Notes to the interim financial statements

1 Accounting policies

Basis of preparation

The financial information contained in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006 and is unaudited.

The Group interim report has been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRS"). The financial information for the year ended 31 March 2014 is extracted from the statutory accounts of the Group for that financial year and does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The auditor's report was (i) unqualified; (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under Section 498 (2) of the Companies Act 2006.

Going concern basis

The borrowing requirement of the Group increases steadily over the period from July and peaks in October, due to the seasonality of the business, as sales of wrap and crackers are mainly for the Christmas market, before then reducing.

As with any company placing reliance on external entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of this interim report, they have no reason to believe that it will not do so.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The interim report does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2014.

Significant accounting policies

The accounting policies adopted in the preparation of the interim report are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2014.

2 Segmental information

The Group has one material business activity being the design, manufacture and distribution of gift packaging and greetings, stationery and creative play products.

For management purposes the Group is organised into four geographic business units.

The results below are allocated based on the region in which the businesses are located; this reflects the Group's management and internal reporting structure. The decision was made during 2011 to focus Asia as a service provider of manufacturing and procurement operations, whose main customers are our UK businesses. Both the China factory and the majority of the Hong Kong procurement operations are now overseen by our UK operational management team and we therefore continue to include Asia within the internal reporting of the UK operations, such that UK and Asia comprise an operating segment. The chief operating decision maker is the Board.

Intra-segment pricing is determined on an arm's length basis. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Financial performance of each segment is measured on operating profit. Interest expense or revenue and tax are managed on a Group basis and not split between reportable segments.

Segment assets are all non-current and current assets, excluding deferred tax and income tax receivable. Where cash is shown in one segment, which nets under the Group's banking facilities, against overdrafts in other segments, the elimination is shown in the eliminations column. Similarly inter-segment receivables and payables are eliminated.

	UK and Asia £000	**Europe £000**	**USA £000**	**Australia £000**	**Eliminations £000**	**Group £000**
Six months ended 30 September 2014						

Continuing operations						
Revenue – external	54,604	14,234	29,701	13,384	—	111,923
– inter segment	1,040	180	—	—	(1,220)	—
Total segment revenue	**55,644**	**14,414**	**29,701**	**13,384**	**(1,220)**	**111,923**
Segment result before exceptional items	**3,443**	**922**	**617**	**594**	**—**	**5,576**
Exceptional items	(695)	(99)	—	—	—	(794)
Segment result	**2,748**	**823**	**617**	**594**	**—**	**4,782**
Central administration costs						(298)
Net finance expenses						(1,497)
Income tax						(789)
Profit from continuing operations for the six months ended 30 September 2014						**2,198**
Balances at 30 September 2014						
Continuing operations						
Segment assets	**139,278**	**25,247**	**28,677**	**13,189**	**3,255**	**209,646**
Segment liabilities	**(78,980)**	**(20,370)**	**(40,767)**	**(8,264)**	**(2,761)**	**(151,142)**
Capital expenditure						
– property, plant and equipment	946	113	176	59	—	1,294
– intangible	83	7	25	28	—	143
Depreciation	1,812	376	334	97	—	2,619
Amortisation	144	40	38	41	—	263

	UK and Asia £000	Europe £000	USA £000	Australia £000	Eliminations £000	Group £000
Six months ended 30 September 2013						
Continuing operations						
Revenue – external	57,631	13,316	28,323	14,286	—	113,556
– inter segment	1,015	290	—	—	(1,305)	—
Total segment revenue	58,646	13,606	28,323	14,286	(1,305)	113,556
Segment result before exceptional items	3,223	679	705	1,363	—	5,970
Exceptional items	(1,406)	—	—	—	—	(1,406)
Segment result	1,817	679	705 1	,363	—	4,564
Central administration costs						(636)
Net finance expenses						(2,195)
Income tax						(470)
Profit from continuing operations for the six months ended 30 September 2013						1,263
Balances at 30 September 2013						
Continuing operations						
Segment assets	134,248	24,703	25,921	13,691	3,020	201,583
Segment liabilities	(75,054)	(21,032)	(41,555)	(7,248)	(1,064)	(145,953)
Capital expenditure						
– property, plant and equipment	1,470	198	392	87	—	2,147
– intangible	24	9	72	—	—	105
Depreciation	1,810	394	333	112	—	2,649
Amortisation	84	27	22	43	—	176

	UK and Asia £000	Europe £000	USA £000	Australia £000	Eliminations £000	Group £000
Year ended 31 March 2014						
Continuing operations						
Revenue – external	110,516	34,396	53,153	26,397	—	224,462
– inter segment	1,583	292	—	—	(1,875)	—
Total segment revenue	112,099	34,688	53,153	26,397	(1,875)	224,462
Segment result before exceptional items	3,533	2,556	3,026	2,107	—	11,222
Exceptional items	(1,859)	—	—	—	—	(1,859)
Segment result	1,674	2,556	3,026	2,107	—	9,363
Central administration costs						(560)

Net finance expenses						(3,616)
Income tax						(1,459)
Profit from continuing operations year ended 31 March 2014						3,728
Balances at 31 March 2014						
Continuing operations						
Segment assets	105,987	15,983	10,395	8,230	3,330	143,925
Segment liabilities	(47,428)	(10,390)	(24,730)	(2,499)	(1,717)	(86,764)
Capital expenditure						
– property, plant and equipment	6,923	296	952	153	—	8,324
– intangible	225	20	111	—	—	356
Depreciation	3,403	750	653	226	—	5,032
Amortisation	386	59	47	84	—	576

3 Exceptional items

	Six months ended 30 Sep 2014 £000	Six months ended 30 Sep 2013 £000	12 months ended 31 Mar 2014 £000
Restructuring of operational activities			
Efficiency programme in the UK (note a)	**695**	1,406	1,859
Costs relating to acquisition of Enper (note b)	**99**	—	—
Accelerated amortisation of loan arrangement fees (note c)	**—**	403	439
Total restructuring costs	**794**	1,809	2,298
Income tax credit	**(80)**	(416)	(381)
	714	1,393	1,917

a) Costs associated with major upgrade to manufacturing facilities in Wales and restructuring of UK operations.

b) Costs relating to acquisition of trade and certain assets of Enper Giftwrap BV.

c) Accelerated amortisation of bank arrangement fees as a result of renegotiation banking facilities to fund the investment in Wales.

4 Cash, loans and borrowings

	Six months ended 30 Sep 2014 £000	Six months ended 30 Sep 2013 £000	12 months ended 31 Mar 2014 £000
Secured bank loan (short term)	**(3,083)**	(5,242)	(4,535)
Secured bank loan (long term)	**(25,754)**	(27,321)	(28,222)
Asset backed loans	**(47,465)**	(35,925)	(5,336)
Revolving credit facilities	**(6,173)**	(13,272)	—
Loan arrangement fees	**368**	299	253
Total loans	**(82,107)**	(81,461)	(37,840)
Cash and bank deposits	**1,005**	1,275	8,111
Bank overdraft	**(4,412)**	(3,019)	(2,529)
Cash and cash equivalents per cash flow statement	**(3,407)**	(1,744)	5,582
Finance leases	**(4,427)**	(1,639)	(4,689)
Net debt used in the Chief Executive Officer's review	**(89,941)**	(84,844)	(36,947)

5 Taxation

	Six months ended 30 Sep 2014 £000	Six months ended 30 Sep 2013 £000	12 months ended 31 Mar 2014 £000
Current tax expenses			
Current income tax charge	**250**	467	1,221
Deferred tax expense			
Relating to original and reversal of temporary differences	**539**	3	238
Total tax in income statement	**789**	470	1,459

Taxation for the six months to 30 September 2014 is based on the effective rate of taxation, which is estimated to apply in each country for the year ended 31 March 2015.

6 Earnings per share

	Six months ended 30 Sep 2014		Six months ended 30 Sep 2013		12 months ended 31 Mar 2014	
	Diluted	**Basic**	Diluted	Basic	Diluted	Basic
Adjusted earnings per share excluding exceptional items and LTIP charge	**4.8p**	**4.9p**	3.9p	4.0p	8.4p	8.6p
Loss per share on LTIP charge	**(0.2p)**	**(0.2p)**	(0.2p)	(0.2p)	(0.1p)	(0.1p)
Adjusted earnings per share excluding exceptional items	**4.6p**	**4.7p**	3.7p	3.8p	8.3p	8.5p
Loss per share on exceptional items	**(1.2p)**	**(1.2p)**	(2.4p)	(2.4p)	(3.2p)	(3.3p)
Earnings per share	**3.4p**	**3.5p**	1.3p	1.4p	5.1p	5.2p

The basic earnings per share is based on the profit attributable to equity holders of the Parent Company of £2,005,000 (2013: £792,000) and the weighted average number of ordinary shares in issue of 57,949,000 (2013: 57,215,000) calculated as follows:

Weighted average number of shares in thousands of shares	**As at 30 Sep 2014**	As at 30 Sep 2013	As at 31 Mar 2014
Issued ordinary shares at 1 April	**57,926**	56,768	56,768
Shares issued in respect of exercising of share options	**23**	447	751
Weighted average number of shares at end of the period	**57,949**	57,215	57,519

Total number of options, over 5p ordinary shares, in issue at 30 September 2014 was 1,639,285.

Adjusted basic earnings per share excludes exceptional items charged of £794,000 (2013: £1,809,000) along with the tax relief attributable to those items of £80,000 (2013: £416,000). This gives an adjusted profit of £2,719,000 (2013: £2,185,000).