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VOTED ONE OF THE UK'S STRONGEST B2B
BRANDS BY EXPERTS & PROFESSIONALS



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Highlights

	Half year ended 30 June 2011	Half year ended 30 June 2010	%
Revenue	£177.2m	£162.6m	+ 9
EBITDA	£22.9m	£18.6m	+23
Operating profit	£13.7m	£9.4m	+ 46
Profit before tax	£12.2m	£8.1m	+ 51
Basic EPS (continuing operations)	5.47p	3.29p	+ 66
Basic EPS (total operations)	2.96p	3.07p	- 4
Interim dividend per share	1.75p	1.75p	
Net debt	£70.4m	£66.7m	



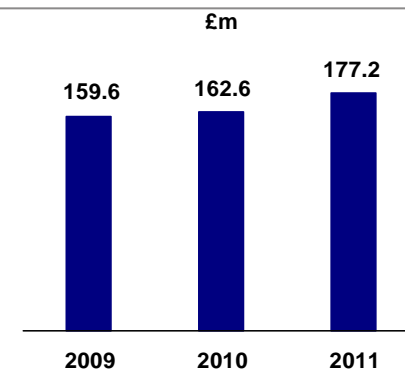
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Revenue Growth

Revenue growth

9%



Revenue Movement

	Revenue £m	
H1 2010	162.6	
Working days: 1 fewer in H1 2011	(1.3)	-1%
	<u>161.3</u>	
UK	11.9	+8%
Overseas	4.0	+2%
H1 2011	<u>177.2</u>	+9%



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Revenue Analysis

Public Sector and Commercial Revenue

- 60% of Group
- Revenue up 10%
- Price up 4%, volume up 6%

Domestic Revenue

- 40% of Group
- Revenue up 8%
- Price up 3%, volume up 5%



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Profit for the Financial Period

	2011 £m	2010 £m	%
Continuing Operations			
EBITDA	22.9	18.6	+23
Depreciation/Amortisation	(9.2)	(9.2)	
	<u>13.7</u>	<u>9.4</u>	+46
Operating profit			
	<u>13.7</u>	<u>9.4</u>	
Discontinued Operations	(4.9)	(0.4)	
	<u>(4.9)</u>	<u>(0.4)</u>	



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Margin Reconciliation

	Revenue	Movement in Operating Profit	Impact on Margin
	£m	£m	%
2010	169.8	8.8	5.2
Discontinued operations	(7.2)	0.6	0.6
	<u>162.6</u>	<u>9.4</u>	<u>5.8</u>
Working days: 1 fewer in 2011	(1.3)	(0.4)	(0.2)
	<u>161.3</u>	<u>9.0</u>	<u>5.6</u>
Price increases to recover costs	5.8	(0.6)	(0.6)
Volume	6.1	1.0	0.4
Organic expansion overseas	4.0	0.5	0.2
Incremental costs of severe weather in 2010	-	2.0	1.1
Property	-	1.8	1.0
	<u>177.2</u>	<u>13.7</u>	<u>7.7</u>
2011	177.2	13.7	7.7



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Free Cash Flow

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Cash inflow arising from:	2011	2010
	£m	£m
Operating profit	13.7	9.4
Depreciation and amortisation	9.2	9.2
EBITDA (continuing operations)	22.9	18.6
Discontinued operations	(0.6)	(0.4)
EBITDA (total operations)	22.3	18.2
Net financial expenses paid	(1.6)	(0.8)
Taxation (paid)/received	(0.7)	0.2
Pensions paid	(3.3)	(3.3)
Net gain on sale of property, plant and equipment	(2.1)	(0.3)
Receivables / payables*	(13.1)	(8.2)
Inventory*	(0.8)	(0.2)
Works closure costs paid and other items	0.3	(0.7)
Free cash flow	1.0	4.9

* Excluding working capital from organic overseas expansion



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Cash Flow

	2011	2010
	£m	£m
Free cash flow	1.0	4.9
Capital expenditure	(5.7)	(5.6)
Proceeds from sale of surplus assets	5.3	3.2
Investments and organic expansion*	(4.5)	-
Disposals	0.5	-
	<hr/>	<hr/>
Movement in net debt	(3.4)	2.5
Finance leases	(0.2)	-
	<hr/>	<hr/>
Movement in net debt	(3.6)	2.5
Net debt at 1 January	(66.8)	(69.2)
	<hr/>	<hr/>
Net debt at 30 June	(70.4)	(66.7)
	<hr/>	<hr/>
Gearing (%)	35.4%	35.9%
	<hr/>	<hr/>

- Gearing at December 2010: 33.7%

* Including working capital from organic overseas expansion



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Additional Information and Ratios

	2011	2010
Interest charge:		
Charge	£1.4m	£1.3m
Cover	9.5 times	7.4 times
Tax rate	12.4%	20.7%
EPS:		
Continuing operations	5.47p	3.29p
Total operations	2.96p	3.07p
Dividend:		
2009 Interim Announced	1.75p	1.75p
Weighted average number of shares:	195.4m	195.5m
Net asset value	£199.0m	£186.0m

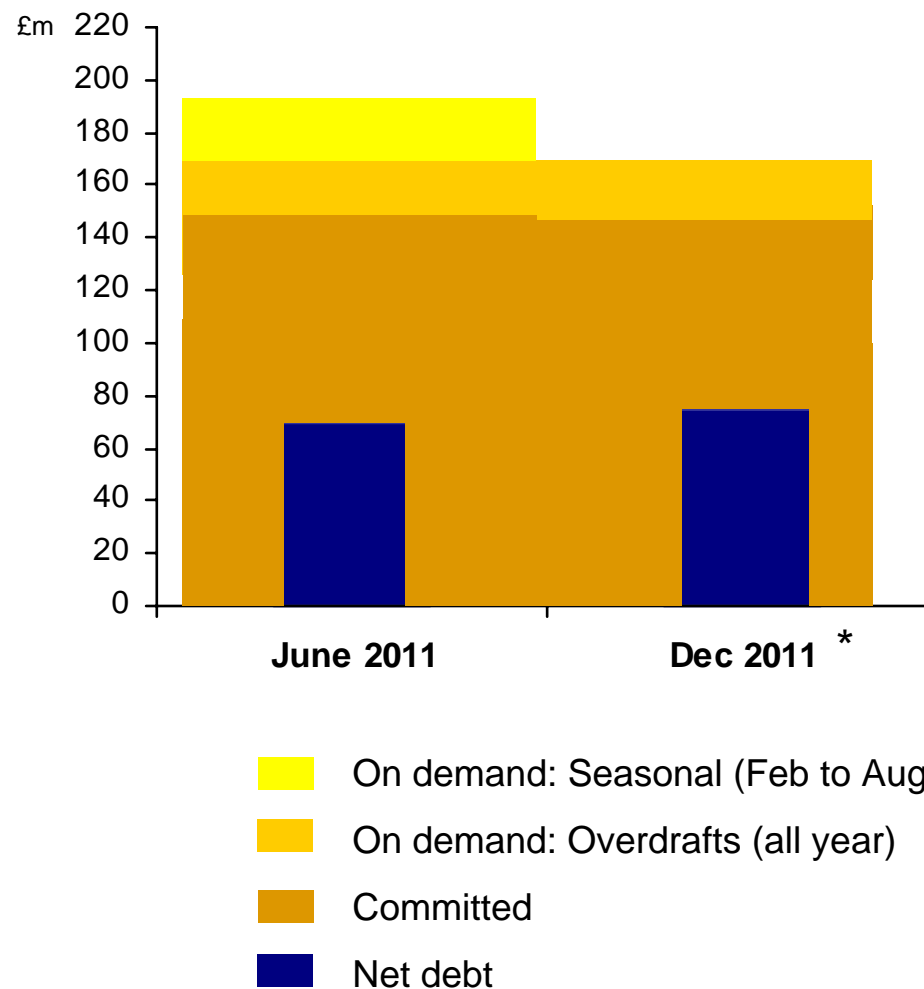


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Significant Borrowing Facilities

Expiry Date	Facility	Cumulative Facility
	£m	£m
Committed facilities:		
Q3 2016	25	25
Q3 2015	25	50
Q3 2014	20	70
Q1 2013	50	120
Q4 2012	25	145
On demand facilities:		
Available all year	25	170
Seasonal (February to August inclusive)	20	190



* Note: 2011 based on consensus information

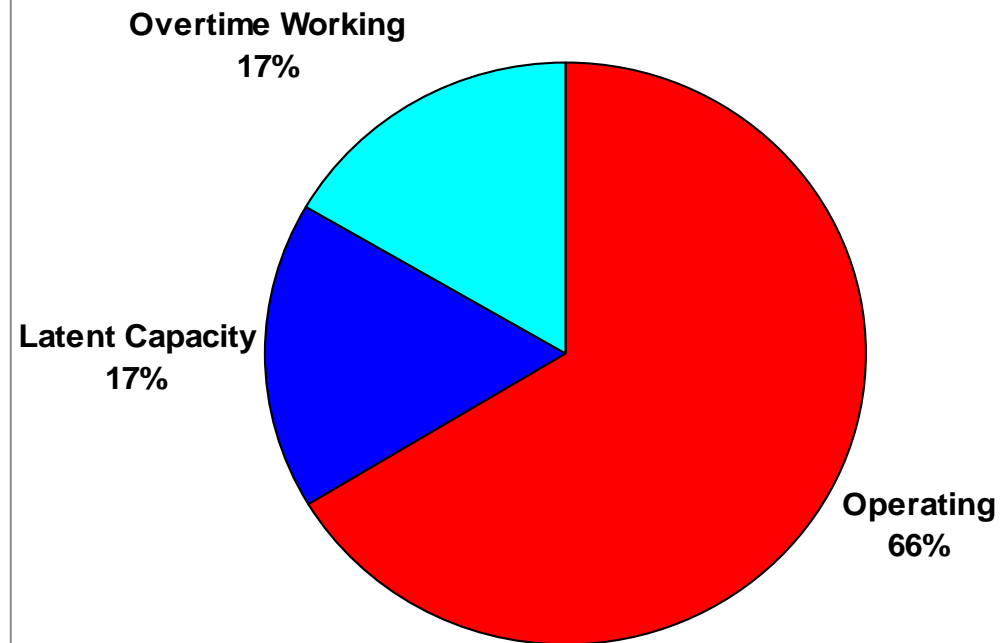


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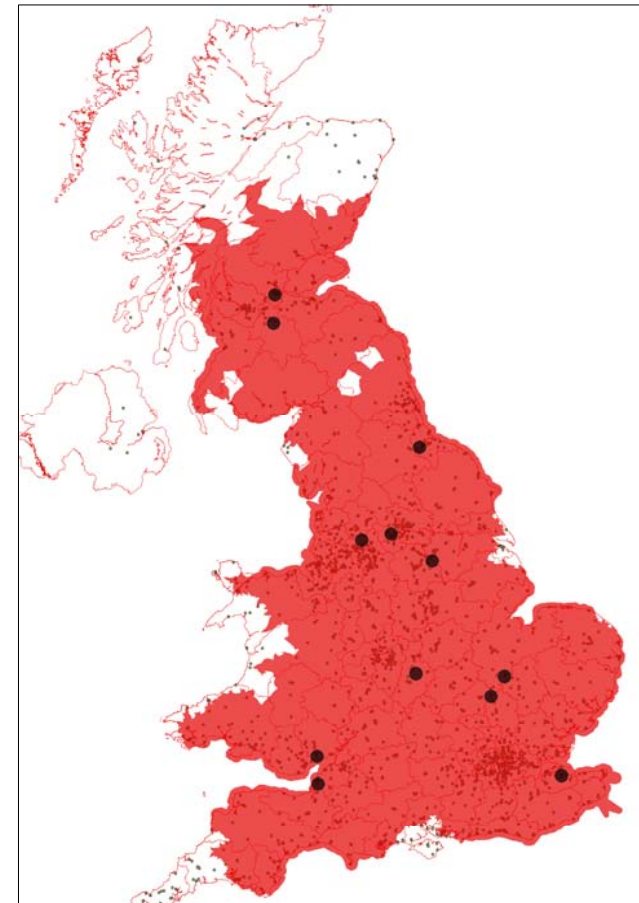
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Solid Foundations

Capacity Available



Geographic Coverage Maintained



 = 2 hours driving time



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Sustainable Growth

- Public Sector & Commercial - targeted marketing and product innovation
- Domestic - installer initiatives and distributor merchandising
- Overseas - specialist landscape products into selected markets



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Public Sector & Commercial Targeted Marketing





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Public Sector & Commercial Product Innovation



METROLINIA



CELESTIA



Luna



Nebula



Suriya

“Contemporary paving ranges designed to provide stunning visual for urban developments”



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Public Sector & Commercial Cotswold Limestone Walling

Cotswold Cream



Cotswold Gold



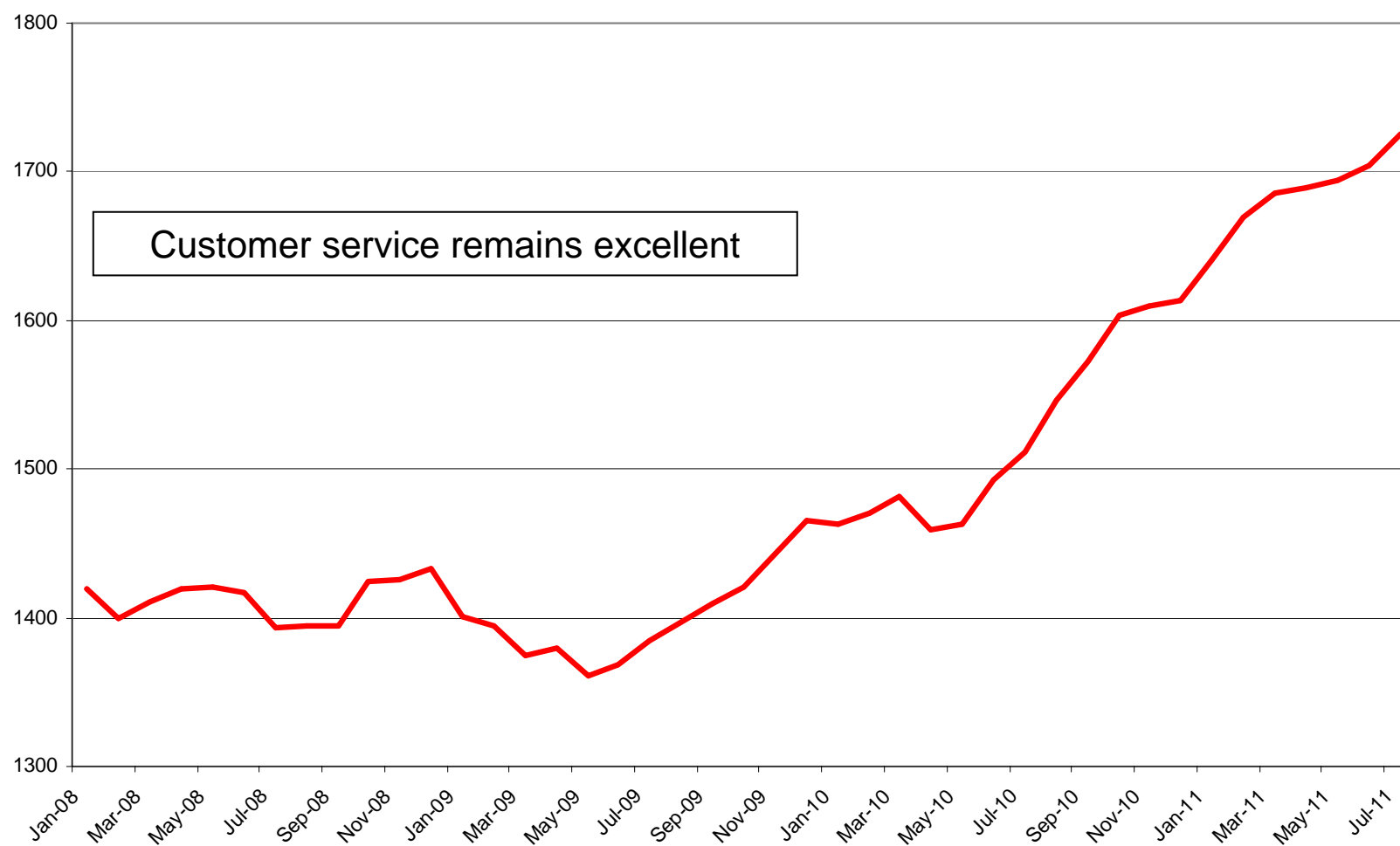


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Domestic Market Installers

Marshall's Register - Installer Teams

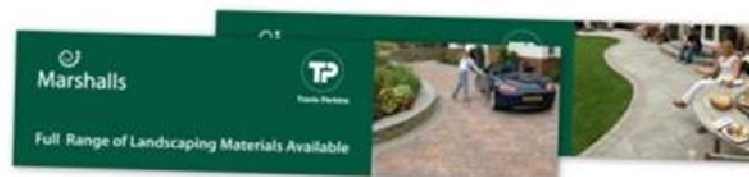




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Domestic Market Trade Marketing Support





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Overseas Markets

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- Organic expansion into Western Europe to provide incremental growth
- Natural sandstone, granite and limestone from India and China
- Specialist manufactured products and street furniture from the UK
- 2009/10 ethically sourced natural sandstone into Switzerland and Austria through partners
- 2011 physical site in Belgium with some local manufacturing and supporting logistics. Market in Belgium, Holland and Northern France
- 3% of Group sales in 2011, target 5% in 2012



Drive Zones

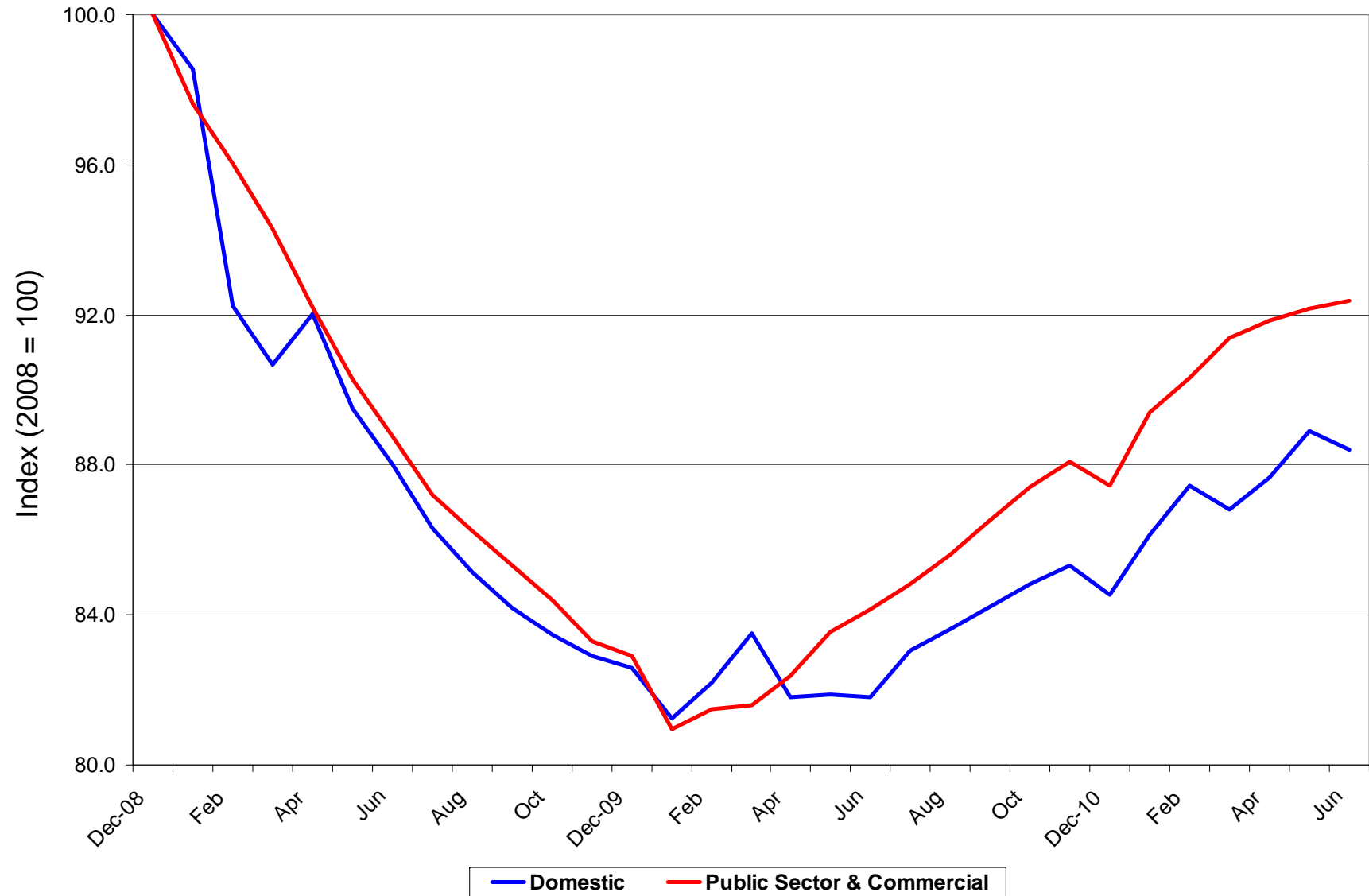
- = 2 hours
- = 3 hours



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Revenue Per Day MAT Market Outperformance

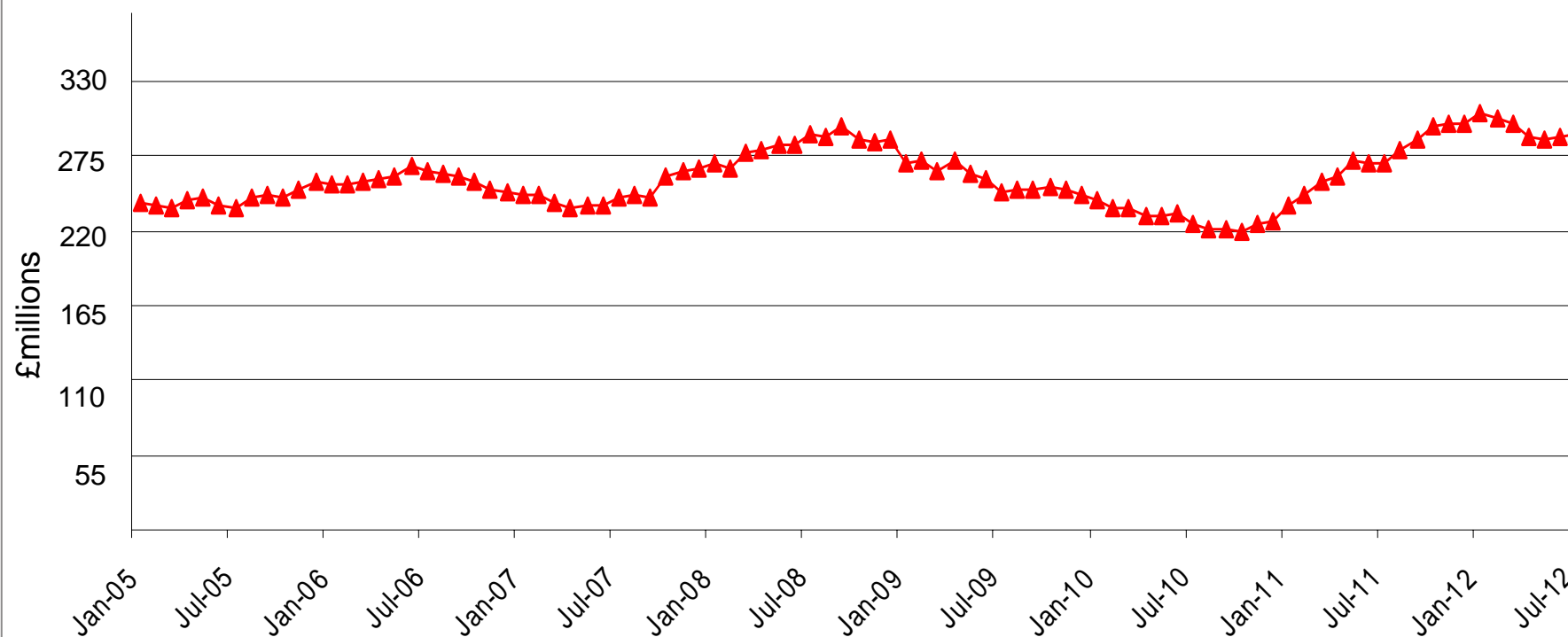




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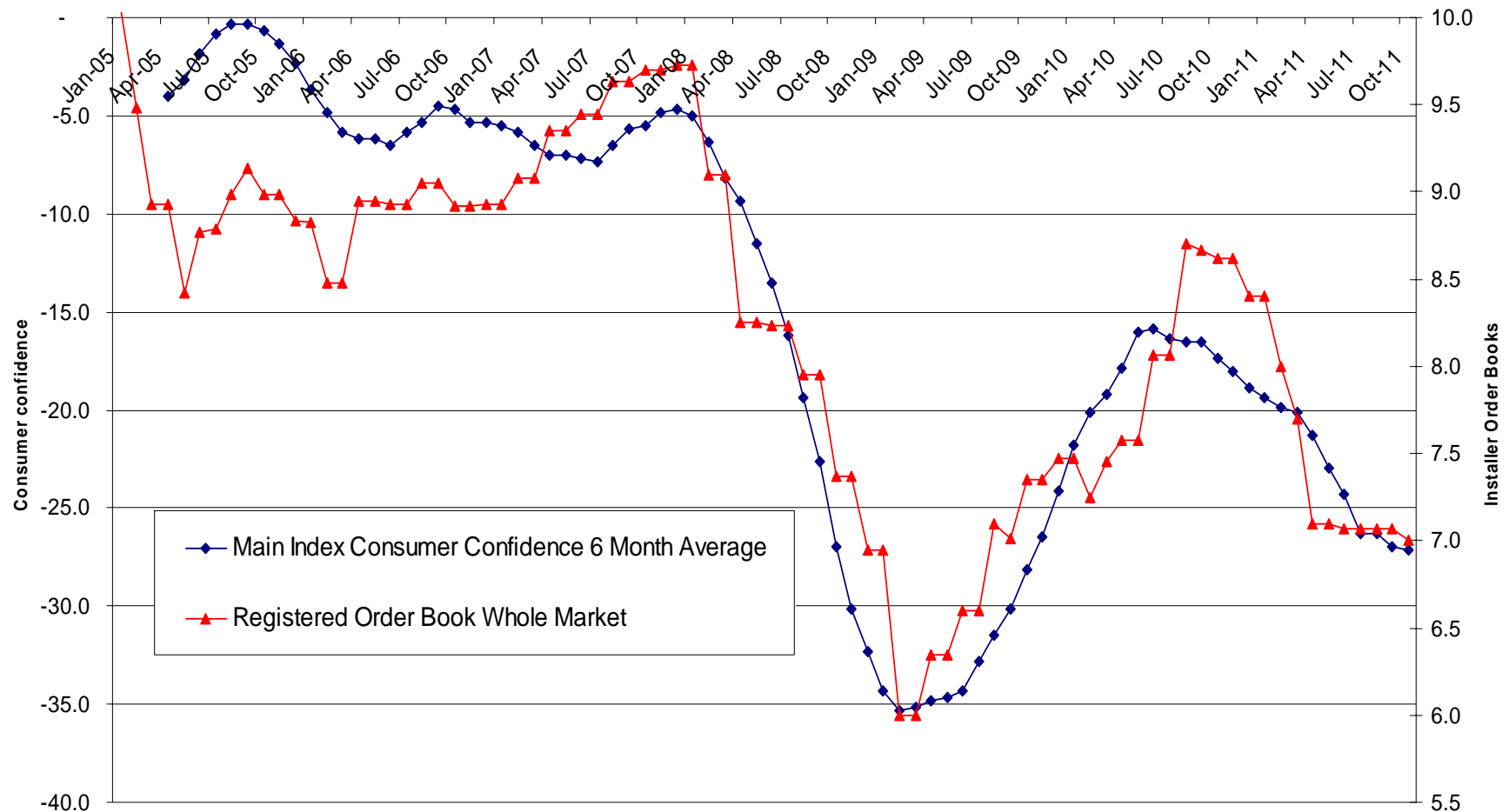
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Public Sector and Commercial End Market New Work Sales Lead Indicator MAT



Domestic Market Consumer Confidence and Installer Order Books

Rolling 6 Months Consumer Confidence v Installer Order Book (3 Month Lag)





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Market Outlook

	Share of Sales	2011	Expected First Half 2012
Commercial	34%	↑	↑
Public	26%	↘	↓
Do it for me	30%	→	↘
DIY	6%	↘	→
New build	4%	↑	↗
	<hr/> 100% <hr/>	<hr/> ↗ <hr/>	<hr/> ↗ <hr/>



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Summary

- Sales led company - well known brand and range of marketing and sales initiatives building on unique competitive advantages
- Financial flexibility - balance sheet robust and borrowings reduced
- Operational flexibility - modern, well invested factories with spare capacity
- Sector leading product availability and customer service from nationwide geographic coverage
- Experienced and committed workforce
- Realistic about outlook, continuous improvement of business and competitive position will continue to deliver market outperformance



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Appendices



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Construction Products Association

	2007	2008	2009	2010	2011	2012	2013
£m/% change	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast
Housing							
	20,920	17,273	13,774	16,588	16,886	16,790	17,409
	-0.8%	-17.4%	-20.3%	20.6%	1.8%	-0.6%	3.7%
Other New Work							
	48,418	50,049	45,200	51,082	50,473	48,029	47,007
	5.7%	3.4%	-9.7%	13.0%	-1.2%	-4.8%	-2.1%
Repair, Maintenance and Improvement							
Private Housing	10,772	11,143	9,837	10,200	10,353	10,353	10,768
	1.1%	3.4%	-11.7%	4.0%	1.5%	-	4.0%
Total							
	38,895	39,712	35,820	34,169	33,997	33,649	34,277
	0.2%	2.1%	-9.8%	-4.5%	-0.5%	-1.0%	1.9%
Total All Work							
	108,233	107,033	94,793	101,840	101,356	98,468	98,694
	2.4%	-1.1%	-11.4%	7.5%	-0.5%	-2.8%	0.2%



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Historical Perspective

	Revenue	Operating Profit	Margin	Capital Expenditure
	£000	£000	%	£000
1990	181,447	28,630	15.8	36,143
1991	184,370	18,697	10.1	11,959
1992	174,355	17,317	9.9	3,786
1993	169,492	12,437	7.3	5,712
1994	191,495	21,683	11.3	20,384
1995	229,496	31,194	13.6	20,120

These are years ended 31st March



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Financial Flexibility

H1 2011
Actual

EBITA: Interest charge

6.3 times

Net Debt: EBITDA

2.0 times

- EBITA to interest charge must be greater than 2.5x
- Net debt to EBITDA must be less than 3.0x
- Net assets must be greater than £100 million



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Pensions

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Risk Management

- 2000 closed to new members
- 2006 closed to future service accrual
- 2007 investment strategy

Investment Strategy

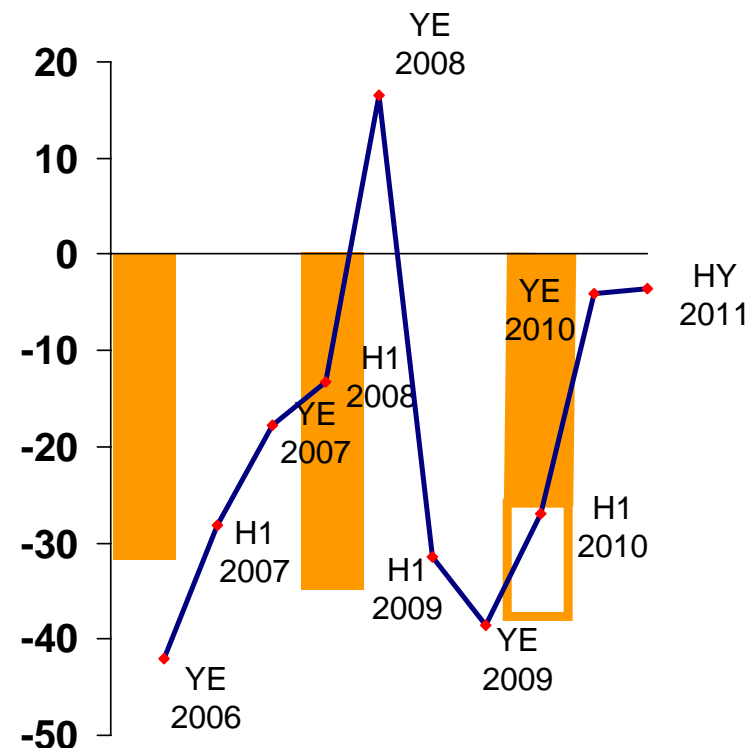
- Moved from equities to LDIs
- Closer matching to liability profile of pension scheme

Balance Sheet Values

- HYE 2011 deficit £3.6m
 - Net of deferred tax £2.7m
- YE 2010 deficit £4.1m
 - Net of deferred tax £3.0m

Movements

- AA Corporate Bond Rate
- Inflation expectations
- Asset values



— = Accounting valuation

— = Actuarial valuation: Formal

□ = Impact of RPI to CPI



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Net Assets

	£m	£m
2010 Year End Net Assets		198.2
Impact of movements in year:		
Trading profit	5.8	
Ordinary dividends	(6.9)	
Actuarial movement on pensions (after tax)	(2.3)	
Hedging reserve	(0.1)	
Share based expenses	0.3	
Foreign currency translation differences	0.3	
Non-controlling interest	<u>3.7</u>	
		0.8
		<u>199.0</u>
2011 Half Year Net Assets		



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