



2005
Interim
Statement

Titon Holdings PLC

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FINANCIAL RESULTS

Profit before taxation for the six months was 1.6% lower than the same period last year at £559,000 (2004: £568,000) on turnover 6.1% lower at £7,917,000 (2004: £8,434,000). Basic earnings per share were 1.9% lower at 3.71p (2004: 3.78p) and the Directors have declared an unchanged interim dividend of 2.3p (2004: 2.3p).

COMMENTARY

The reduction in sales experienced over the period relates wholly to the UK where demand has declined across a range of customer and product types, symptomatic of a general slow down in the market. This reduction in activity has been widely acknowledged by our customers and by many of our competitors within the industry. Despite the slight decline, there are sectors of our operations that are showing solid progress, including some of our Export markets.

A positive response has been received to our new domestic ventilation systems and powered ventilation units, following their launch last year. We are already beginning to gain some encouraging business from electrical contractors and from some well known house builders. We will be committing further sales and marketing resources to this part of our business during the second half.

The efficiency improvements and the cost saving measures, introduced during the last financial year, have had a favourable impact during the period and have enabled us to virtually hold our profits despite the fall in sales revenue. Additional savings from these initiatives should accrue during the second half and further efficiency improvements are currently being implemented.

PROSPECTS

The difficult trading conditions within the UK window and door industry have been widely reported and are not anticipated to improve significantly over the next six months. We will continue our efforts to improve market share in this sector as well as developing our targeted niche markets. Whilst we fully expect sales of our ventilation systems to grow steadily, they are not expected to contribute significantly to our results in the second half of our trading year. However, the longer term signs are more encouraging.

The long awaited outcome of the Building Regulation changes for both domestic and commercial ventilation is now scheduled for the coming summer and I will be able to update shareholders in my year-end statement.

I anticipate that full year earnings will be broadly similar to last year. If, thereafter, market conditions improve we are well placed to achieve profit growth.

J N Anderson
Chairman
12 May 2005

Interim Results

for the six months ended 31 March 2005

	Six Months to 31.3.05 (Unaudited) £'000	Six Months to 31.3.04 (Unaudited) £'000	Year to 30.9.04 (Audited) £'000
Turnover	7,917	8,434	16,401
Operating profit	482	502	937
Interest receivable	77	66	131
Interest payable and similar charges	-	-	(6)
Profit on ordinary activities before taxation	559	568	1062
Taxation on profit on ordinary activities	(168)	(170)	(305)
Profit on ordinary activities after taxation attributable to the members of Titon Holdings PLC	391	398	757
Dividends	(242)	(242)	(749)
Retained profit	<u>149</u>	<u>156</u>	<u>8</u>
Earnings per share - basic	3.71p	3.78p	7.19p
- diluted	3.70p	3.74p	7.14p
Ordinary dividend per share	2.3p	2.3p	7.1p

Notes:

- Basic earnings per share has been calculated by dividing the Profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period, being 10,528,800 (Year ended 30 September 2004: 10,523,878; Six months ended 31 March 2004: 10,518,956).

Diluted earnings per share has been calculated by dividing the Profit attributable to shareholders by the weighted average number of dilutive potential ordinary shares during the period, being 10,574,796 (Year ended 30 September 2004: 10,597,741; Six months ended 31 March 2004: 10,629,489).

Consolidated Balance Sheet

at 31 March 2005

	31.3.05 (Unaudited) £'000	31.3.04 (Unaudited) £'000	30.9.04 (Audited) £'000
Fixed assets			
Tangible assets	4,142	4,210	4,291
Current assets			
Stocks	2,563	2,574	2,580
Debtors	3,468	3,701	3,201
Cash at bank and in hand	3,154	3,242	4,017
	<u>9,185</u>	<u>9,517</u>	<u>9,798</u>
Creditors			
Amounts falling due within one year	<u>2,552</u>	<u>2,980</u>	<u>3,463</u>
Net current assets	6,633	6,537	6,335
Total assets less current liabilities	10,775	10,747	10,626
Deferred taxation	<u>(95)</u>	<u>(68)</u>	<u>(95)</u>
	<u><u>10,680</u></u>	<u><u>10,679</u></u>	<u><u>10,531</u></u>
Capital and reserves			
Called up share capital	1,053	1,053	1,053
Share premium	841	841	841
Capital redemption reserve	56	56	56
Profit and loss account	<u>8,730</u>	<u>8,729</u>	<u>8,581</u>
Equity shareholders' funds	<u><u>10,680</u></u>	<u><u>10,679</u></u>	<u><u>10,531</u></u>

Notes (contd)

- The actual results for the year ended 30 September 2004 are an abridged version of the Company's 2004 accounts which have been filed with the Registrar of Companies. The Report of the Auditors on the 2004 financial statements was unqualified.

The results for the six months ended 31 March 2005 have been prepared on a basis consistent with the accounting policies set out in the financial statements for the year ended 30 September 2004.

Consolidated Cash Flow Statement

for the six months ended 31 March 2005

	Six Months to 31.3.05 (Unaudited) £'000	Six Months to 31.3.04 (Unaudited) £'000	Year to 30.9.04 (Audited) £'000
Net cash inflow from operating activities	<u>499</u>	<u>660</u>	<u>1,545</u>
Return on investments			
Interest received	77	66	131
Interest paid	<u>-</u>	<u>-</u>	<u>(6)</u>
	<u>77</u>	<u>66</u>	<u>125</u>
Taxation			
UK corporation tax	<u>(82)</u>	<u>(232)</u>	<u>(431)</u>
Capital expenditure			
Purchase of tangible fixed assets	(151)	(507)	(940)
Sale of tangible fixed assets	<u>5</u>	<u>30</u>	<u>66</u>
	<u>(146)</u>	<u>(477)</u>	<u>(874)</u>
Equity dividends paid	<u>(505)</u>	<u>(504)</u>	<u>(745)</u>
Cash outflow before use of liquid resources	<u>(157)</u>	<u>(487)</u>	<u>(380)</u>
Management of liquid resources			
Disposal of treasury deposits	600	800	500
Financing			
Issue of ordinary share capital	<u>-</u>	<u>25</u>	<u>25</u>
Increase in cash	<u><u>443</u></u>	<u><u>338</u></u>	<u><u>145</u></u>

Notes (contd)

- The interim dividend will be payable on 1 July 2005 to the shareholders on the register on 10 June 2005. The ex dividend date is 8 June 2005.
- This statement is being sent to shareholders and will be available from the Company's registered office at International House, Peartree Road, Stanway, Colchester, Essex CO3 0JL.

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TITON HOLDINGS PLC

International House, Peartree Road, Stanway, Colchester, Essex CO3 0JL

Tel: +44 (0) 1206 713800 Fax: +44 (0) 1206 543126

Email: enquiries@titon.co.uk Web: www.titon.com

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