



Autologic Holdings plc
Interim Report 2009

Autologic is a leading provider of support services to the automotive industry specialising in vehicle technical services and distribution. The Group works primarily with vehicle manufacturers managing the preparation, enhancement, storage and distribution of new vehicles alongside used vehicle refurbishment and a range of specialist services.

OUR YEAR SO FAR

	6 months to 30 June 2009	6 months to 30 June 2008	% Change
Continuing operations			
Revenue	£67.4m	£92.9m	(27.4)%
Business performance*			
Operating profit	£0.6m	£0.8m	(25.0)%
Profit before tax	£0.7m	£0.7m	–
Basic earnings per share	0.8p	0.8p	–
Statutory basis			
Operating loss (from continuing operations)	£(1.4)m	£(3.7)m	
Loss before tax (from continuing operations)	£(1.3)m	£(3.8)m	
Basic loss per share (from continuing operations)	(1.5)p	(5.9)p	

* Continuing operations before exceptional items (exceptional items, before income tax, in the 6 months to 30 June 2009 were a total cost of £2.0m (6 months to 30 June 2008: total cost of £4.5m) and are detailed in note 3 to the Condensed Consolidated Interim Financial Statements).

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CHIEF EXECUTIVE OFFICER'S STATEMENT

RESULTS

Group revenue for the half year from continuing operations of £67.4m was 27.4% down on the comparable period last year (2008: £92.9m), reflecting the significant reduction in volumes and activity levels as a result of the economic conditions. However, as a result of the restructuring actions taken during the latter part of 2008 and the first half of 2009, profit before tax and exceptional items from continuing operations was stable at £0.7m (2008: £0.7m). In our report for the full year ended 31 December 2008, we indicated that we were cautious in our outlook for 2009 and that we expected 2009 to be as challenging as 2008. Bearing in mind that the full impact of the economic downturn was not felt until the second half of 2008, the profit before tax and exceptional items for the first half of 2009 was ahead of the Board's expectations.

Including exceptional costs and the profits from discontinued operations, the statutory profit for the period was £2.6m (2008: loss of £3.6m).

Net debt as at 30 June 2009 was £1.3m (31 December 2008: net debt of £4.0m and 30 June 2008: net debt of £6.8m) and gearing (the ratio of net debt to total equity) was reduced to 4.9% (31 December 2008: 15.3% and 30 June 2008: 32.7%). As indicated in our last report for the full year, focus has continued on controlling the Group's net debt position during this difficult time.

UK

Two key drivers of the Group's activity levels are UK new vehicle registrations and UK vehicle production. The impact of the economic downturn started to take significant effect on new car registrations and production volumes from the third quarter of 2008. In the first half of 2009, new car registrations were down by 26% compared to the same period last year whilst production reduced by over 50% against the same period last year. Clearly, general economic conditions continue to have a significant impact on both our transport and technical businesses; however, activity levels for the second half are expected to be more in line with those experienced during the same period in 2008.

Transport revenue was 43% down compared to the first 6 months of 2008, although the management team had anticipated this and had taken action to reduce our resources deployed in this area accordingly in the final quarter of 2008. Volumes not only dropped materially during the period but were also erratic and unpredictable. Forecasting of customer volumes was difficult due to both uncertain consumer demands for product along with short notice variations to production schedules. Many European vehicle manufacturers had unplanned and prolonged factory closures during the period. Inevitably this led to challenges in managing resource levels to obtain the right balance between customer service and profitability. Following the downsizing of the fleet and driver resource in late 2008 and early 2009, material fluctuations in volumes in March and June were largely dealt with through greater use of external subcontract resource in order to maintain service levels. Average fuel prices were lower in the period compared to the high levels experienced in the first half of 2008 and this reduction had a positive impact on the operating performance due to the time lag in the change of fuel prices being reflected in pricing.

As we predicted in our last report for the full year, during the first half of 2009, our technical services division experienced a sharp reduction in the number of vehicle arrivals and activity levels within our depots declined accordingly. Initially, storage levels remained buoyant; however, as factory shut-downs continued, these levels reduced correspondingly. As we were expecting this, we were able to take the necessary steps to restructure this division in line with anticipated levels of activity and are now at what we believe to be appropriate resource levels. In May 2009, we disposed of the leasehold depot that had been dedicated to Autologic's First Fleet business, which we had indicated in our last report for the full year would be closed due to it being loss-making. This is a further step towards simplifying the division and allows management to concentrate on the profitable contracts.

In the first half of 2009, management entered into discussions with Unite union representatives in order to further simplify and modernise business practices,

CHIEF EXECUTIVE OFFICER'S STATEMENT

CONTINUED

and to enable the Group to become more competitive within an increasingly challenging market environment, whilst retaining and rewarding skilled employees. I am pleased with the support given to this process by the Unite union and our employees, and the consequential roll-out of an agreement that is acceptable to the Company and employees.

The introduction of the government car scrappage scheme during May 2009 appears to have at least stabilised the automotive market in the short-term. New vehicle registration figures for July showed a small year-on-year percentage improvement for the month for the first time in 2009, which the latest figures have shown continued into August, and the Group has seen some benefit from additional volumes relating to this initiative. At the current time there is some uncertainty as to how long this scheme will continue to run, and there is a concern that once the scheme has finished demand will fall again unless the underlying economy has improved in the meantime.

As far as specific commercial developments are concerned, the Group is currently undertaking a trial with Ford providing logistics services for some of its UK distribution volume. We have also entered into new contracts for the extension of technical services provided to Fiat, Jaguar Land Rover and GM.

BENELUX AND CZECH REPUBLIC

Our Benelux and Czech Republic businesses together performed comparatively well during the first half of the year in a market showing some softness. Benelux experienced a reduction in volumes in the second quarter, although not as severe as in the UK. The Czech Republic performed well as production volumes in Eastern Europe remained more stable and cross-border traffic activities increased. The Czech Republic operation provides the Group with a low cost base operation and is managed by our Benelux team, facilitating a co-ordinated approach to cross-border opportunities.

Whilst during the first half of 2009 the Euro has weakened from its strong position seen at the end of 2008, it has still

been stronger compared to the same period in 2008. This has impacted adversely on the overseas results in terms of Pound Sterling denominated sales contracts supported by Benelux (i.e. Euro denominated) operations. Conversely, the consolidated figures have been positively impacted through translation of the final results into Pound Sterling. Overall, taking these two factors together, the net effect of the stronger Euro has been to reduce Group operating profits by £0.2m.

HEAD OFFICE COSTS (UNALLOCATED)

Head office costs, before exceptional items, have reduced by £0.3m to £1.0m (2008: £1.3m). This reduction reflects savings of £0.2m achieved on personnel related costs and £0.1m of other savings, primarily related to property costs.

EXCEPTIONAL ITEMS AND DISCONTINUED OPERATIONS

Exceptional costs from continuing operations amounted to £2.0m (2008: £4.5m), which includes £1.5m (2008: £0.8m) of costs associated with continued restructuring to align the business with current activity levels; £0.6m of foreign exchange losses (2008: gains of £0.3m) on non-trading Euro-denominated debtors as the Euro weakened against Pound Sterling relative to its strong position at the end of 2008; and a credit of £0.1m being lower exit costs relating to the Oosterhout site in Holland.

Discontinued operations gave rise to a post-tax profit of £3.5m. Included within this result is £3.2m of pension related post-tax settlement gains (£3.5m pre-tax) on the transfer, in March 2009, of the benefits of certain members of the Ansa Logistics Pension Plan to Ford pension schemes, which was described in detail in the 2008 Consolidated Financial Statements. A further £0.3m of profit arose from the continued use by Ford of services and assets beyond contractually agreed periods.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties to which the Group is exposed are explained in the Directors' Report on pages 14 and 15 of the 2008 Consolidated Financial Statements. These principal risks and uncertainties cover the areas of management, new car sales, legislation, financial and liquidity risks, and have not changed during the period.

CHIEF EXECUTIVE OFFICER'S STATEMENT

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SEASONALITY

It is clearly very difficult to make reliable forecasts in the current economic environment. However, the UK business typically experiences two significant peaks in activity during March and September as a result of the new registration plates during these months, and otherwise generally experiences stronger trading in the second quarter compared to the fourth quarter of the year. Consequently, we expect that if the macro-economy remains consistent for the rest of the year, and all other things are generally stable in terms of changes to contracts, the business would normally expect to experience reduced activity levels in the second 6 months of the year compared to the first 6 months of 2009.

BALANCE SHEET

Net debt as at 30 June 2009 was £1.3m (31 December 2008: net debt of £4.0m and 30 June 2008: net debt of £6.8m). This is significantly better than management expectations, partly due to better control of working capital and lower levels of capital expenditure but also due to lower levels of outflows on exceptional cash costs. Some of this improved performance is due to timing rather than permanent differences in cash flows, however management remains focused on net debt and this focus will continue.

FINANCING FACILITIES

The Group is pleased to report that financing facilities have been renewed for a 3-year period with GE Commercial Finance Ltd.

EARNINGS PER SHARE

Business performance basic earnings per share was maintained at 0.8p (2008: 0.8p). On a statutory basis, including discontinued operations, basic earnings per share was 4.1p (2008: basic loss per share 5.9p).

DIVIDEND

The Directors have not declared an interim dividend for the period (2008: nil).

OUTLOOK

The first half of 2009 has been a challenging period for the business. We have continued with our restructuring programme, whilst at the same time experiencing a significant reduction in revenue as a result of the economic environment. Although revenue has fallen materially compared to the same period in 2008, in line with automotive activity generally, we are pleased to have been able to report a pre-tax profit (before exceptional items) which is comparable to last year. There is no doubt that the government's vehicle scrappage scheme has provided some increased activity towards the end of the first half of 2009 and that there will be some continued benefit from this during the second half of 2009. At the moment it is not known for how long this scheme will continue to operate. There is some concern as to whether volumes of new vehicle registrations will drop again once the scheme has finished. If this happens, depending on the timing of the end of the scrappage scheme, this could impact the 2009 second half performance and/or 2010, so until there is greater clarity, future projections must be viewed with some caution. Despite this, considering that the first half profit performance has been stronger than we anticipated, we do expect that the results for 2009 will be slightly better than current market expectations. For 2010, the position is less clear, due in particular to the uncertainty around the timing of the cessation and the effect of the vehicle scrappage scheme on future volumes, coupled with the impact of the recession on underlying consumer demand. We continue to believe that underlying consumer demand for new vehicles is unlikely to improve until the latter part of 2010, at the earliest.



AVRIL PALMER-BAUNACK
CHIEF EXECUTIVE OFFICER

22 SEPTEMBER 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED)

	Note	6 months to 30 June 2009			Restated 6 months to 30 June 2008		
		Before exceptional items £'m	Exceptional items £'m	After exceptional items £'m	Before exceptional items £'m	Exceptional items £'m	After exceptional items £'m
Continuing operations							
Revenue	2	67.4	–	67.4	92.9	–	92.9
Cost of sales	3	(63.2)	(1.4)	(64.6)	(87.8)	(0.9)	(88.7)
Gross profit		4.2	(1.4)	2.8	5.1	(0.9)	4.2
Administrative expenses	3	(3.6)	(0.6)	(4.2)	(4.3)	(3.6)	(7.9)
Profit/(loss) from operating activities		0.6	(2.0)	(1.4)	0.8	(4.5)	(3.7)
Finance income		0.4	–	0.4	0.3	–	0.3
Finance costs		(0.4)	–	(0.4)	(0.6)	–	(0.6)
Net finance costs		–	–	–	(0.3)	–	(0.3)
Share of profit from equity accounted investees (net of income tax)		0.1	–	0.1	0.2	–	0.2
Profit/(loss) before income tax		0.7	(2.0)	(1.3)	0.7	(4.5)	(3.8)
Income tax (expense)/credit	4	(0.2)	0.6	0.4	(0.2)	0.4	0.2
Profit/(loss) from continuing operations		0.5	(1.4)	(0.9)	0.5	(4.1)	(3.6)
Discontinued operations							
Profit from discontinued operations (net of income tax)	2	–	3.5	3.5	–	–	–
Profit/(loss) for the period		0.5	2.1	2.6	0.5	(4.1)	(3.6)
Attributable to:							
Owners of the Company		0.5	2.1	2.6	0.4	(4.1)	(3.7)
Non-controlling interests		–	–	–	0.1	–	0.1
		0.5	2.1	2.6	0.5	(4.1)	(3.6)
Earnings/(loss) per share							
Basic and diluted	5			4.1p			(5.9)p
Loss per share from continuing operations							
Basic and diluted	5			(1.5)p			(5.9)p

The Condensed Consolidated Income Statement has been restated for the 6 months to 30 June 2008 to reclassify exceptional costs of £0.9m from Administrative expenses to Cost of sales. This restatement has no effect on net profit.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED)

	6 months to 30 June 2009 £'m	6 months to 30 June 2008 £'m
Profit/(loss) for the period	2.6	(3.6)
Other comprehensive income		
Foreign currency translation differences for foreign operations	(0.6)	0.3
Defined benefit plan actuarial losses	(2.5)	–
Income tax on other comprehensive income	0.7	–
Other comprehensive (expense)/income for the period, net of income tax	(2.4)	0.3
Total comprehensive income/(expense) for the period	0.2	(3.3)
Attributable to:		
Owners of the Company	0.2	(3.4)
Non-controlling interests	–	0.1
Total comprehensive income/(expense) for the period	0.2	(3.3)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED)

	Attributable to equity holders of the Company							Non-controlling interest £'m	Total equity £'m
	Share capital £'m	Special reserve £'m	Merger reserve £'m	Capital reserve £'m	Translation reserve £'m	Retained earnings £'m	Total £'m		
Balance at 1 January 2009	0.1	6.6	8.4	0.3	0.8	9.6	25.8	0.4	26.2
Total comprehensive income for the period									
Profit	–	–	–	–	–	2.6	2.6	–	2.6
Other comprehensive income:									
Foreign currency translation differences for foreign operations	–	–	–	–	(0.6)	–	(0.6)	–	(0.6)
Defined benefit plan actuarial losses, net of tax	–	–	–	–	–	(1.8)	(1.8)	–	(1.8)
Total other comprehensive income	–	–	–	–	(0.6)	(1.8)	(2.4)	–	(2.4)
Total comprehensive (expense)/income for the period	–	–	–	–	(0.6)	0.8	0.2	–	0.2
Transactions with owners, recorded directly in equity									
Share-based payment transactions	–	–	–	–	–	0.1	0.1	–	0.1
Total contributions by and distributions to owners, and total transactions with owners	–	–	–	–	–	0.1	0.1	–	0.1
Balance at 30 June 2009	0.1	6.6	8.4	0.3	0.2	10.5	26.1	0.4	26.5

	Attributable to equity holders of the Company							Non-controlling interest £'m	Total equity £'m
	Ordinary shares £'m	Share premium £'m	Merger reserve £'m	Capital reserve £'m	Translation reserve £'m	Retained earnings £'m	Total £'m		
Balance at 1 January 2008	3.1	78.7	8.4	0.3	(0.8)	(66.1)	23.6	0.4	24.0
Total comprehensive income for the period									
(Loss)/profit	–	–	–	–	–	(3.7)	(3.7)	0.1	(3.6)
Other comprehensive income:									
Foreign currency translation differences for foreign operations	–	–	–	–	0.3	–	0.3	–	0.3
Total other comprehensive income	–	–	–	–	0.3	–	0.3	–	0.3
Total comprehensive income/(expense) for the period	–	–	–	–	0.3	(3.7)	(3.4)	0.1	(3.3)
Transactions with owners, recorded directly in equity									
Share-based payment transactions	–	–	–	–	–	0.1	0.1	–	0.1
Total contributions by and distributions to owners, and total transactions with owners	–	–	–	–	–	0.1	0.1	–	0.1
Balance at 30 June 2008	3.1	78.7	8.4	0.3	(0.5)	(69.7)	20.3	0.5	20.8

CONDENSED CONSOLIDATED BALANCE SHEET

AT 30 JUNE 2009 (UNAUDITED)

	Note	30 June 2009 £'m	31 December 2008 £'m	30 June 2008 £'m
Assets				
Non-current assets				
Goodwill		21.0	21.0	21.0
Intangible assets		–	0.1	0.1
Property, plant and equipment		12.8	13.8	13.0
Other investments		–	–	2.0
Investments in equity accounted investees		0.2	0.2	0.4
Deferred tax assets		3.0	2.4	3.1
Trade and other receivables		5.5	6.0	5.0
		42.5	43.5	44.6
Current assets				
Inventories		0.6	0.5	0.7
Trade and other receivables		23.0	29.6	43.1
Cash and cash equivalents	7	8.2	5.9	4.9
		31.8	36.0	48.7
Total assets		74.3	79.5	93.3
Liabilities				
Current liabilities				
Trade and other payables		(27.6)	(29.2)	(37.9)
Loans and borrowings	7	(1.1)	(1.1)	(2.5)
Current tax liabilities		(1.0)	(0.1)	(1.5)
Provisions		(3.7)	(6.5)	–
		(33.4)	(36.9)	(41.9)
Non-current liabilities				
Loans and borrowings	7	(8.4)	(8.8)	(9.2)
Employee benefits		(4.0)	(5.5)	(6.7)
Provisions		(2.0)	(2.1)	(14.7)
		(14.4)	(16.4)	(30.6)
Total liabilities		(47.8)	(53.3)	(72.5)
Net assets		26.5	26.2	20.8
Equity				
Share capital		0.1	0.1	3.1
Share premium		–	–	78.7
Other reserves		15.5	16.1	8.2
Retained earnings		10.5	9.6	(69.7)
Total equity attributable to equity holders of the Company		26.1	25.8	20.3
Non-controlling interests		0.4	0.4	0.5
Total equity		26.5	26.2	20.8

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED)

	Note	6 months to 30 June 2009 £'m	6 months to 30 June 2008 £'m
Cash flows from operating activities			
Cash generated from/(used by) continuing operations before exceptional items	8	6.1	(0.8)
Cash used by continuing operations – exceptional items		(4.2)	(2.4)
Cash generated from discontinued operations – exceptional items		0.2	0.5
Total cash generated from/(used by) operating activities		2.1	(2.7)
Interest received		0.1	0.3
Interest paid		(0.1)	(0.6)
Tax refund received		1.0	–
Net cash generated from/(used by) operating activities		3.1	(3.0)
Cash flows from investing activities			
Dividends received		0.5	0.2
Proceeds from sales of property, plant and equipment		0.1	0.1
Purchase of property, plant and equipment		(0.4)	(0.8)
Net cash received from/(used in) investing activities		0.2	(0.5)
Cash flows from financing activities			
Net proceeds from bank loans		–	1.9
Repayment of borrowings		(0.6)	(1.2)
Payment of finance lease liabilities		(0.1)	(0.1)
Net cash (used in)/generated from financing activities		(0.7)	0.6
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalents at 1 January	7	5.9	7.6
Effect of exchange rate fluctuations on cash held		(0.3)	0.2
Cash and cash equivalents at 30 June	7	8.2	4.9

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED)

1. BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. REPORTING ENTITY

Autologic Holdings plc is a company registered in the UK. The Condensed Consolidated Interim Financial Statements of the Company for the 6 months ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interests in jointly controlled entities.

The Group's Consolidated Financial Statements for the year ended 31 December 2008 have been reported on by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985. The Group's Consolidated Financial Statements for the year ended 31 December 2008 are available upon request from the Company's registered office at Autologic Holdings plc, Autologic House, 5 Grange Park Court, Roman Way, Northampton NN4 5EA or from the Company's website, www.autologic.co.uk.

B. STATEMENT OF COMPLIANCE

These Condensed Consolidated Interim Financial Statements are unaudited and have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual statements, and should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2008.

These Condensed Consolidated Interim Financial Statements were approved by the Board of Directors on 22 September 2009 and are available on the Company's website, www.autologic.co.uk.

C. GOING CONCERN

The Group disclosed the principal risks and uncertainties in respect of going concern on page 25 of the Consolidated Financial Statements for the year ended 31 December 2008. These Condensed Consolidated Interim Financial Statements have been prepared on the going concern basis, which the Directors consider to be appropriate based on the Group's net debt position, its new financing facilities and a review of projected cash flows for the next 12 months.

D. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied by the Group in these Condensed Consolidated Interim Financial Statements are the same as those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2008.

Determination and presentation of operating segments

The Group has applied IFRS 8 'Operating Segments', which became effective as of 1 January 2009. The Group has determined and presented operating segments based on the information that is provided to the Group's chief operating decision maker. Operating segments were previously determined and presented in accordance with IAS 14 'Segment Reporting'. The identification of operating segments in accordance with IFRS 8 has not resulted in any change to the basis of segmentation that was reported in the Consolidated Financial Statements for the year ended 31 December 2008.

Presentation of financial statements

The Group has applied IAS 1 (revised) 'Presentation of Financial Statements', which became effective as of 1 January 2009. The Group has presented in the Condensed Consolidated Statement of Changes in Equity all owner changes in equity, whereas all non-owner changes in equity are presented in the Condensed Consolidated Statement of Comprehensive Income. Comparative information has also been represented so that it also conforms to the revised standard.

E. ESTIMATES

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these Condensed Consolidated Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2008.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED) CONTINUED

2. SEGMENTAL REPORTING

Continuing operations for the 6 months to 30 June 2009

	Benelux £'m	Czech Republic £'m	United Kingdom £'m	Unallocated £'m	Total £'m
Total gross segment revenue	12.9	1.9	53.8	–	68.6
Less inter-segment revenue	(1.2)	–	–	–	(1.2)
Revenue	11.7	1.9	53.8	–	67.4
Profit/(loss) from operating activities before exceptional items	0.3	0.2	1.1	(1.0)	0.6
Exceptional items	–	–	(1.3)	(0.7)	(2.0)
Profit/(loss) from operating activities	0.3	0.2	(0.2)	(1.7)	(1.4)
Net finance costs					–
Share of profit from equity accounted investees (net of income tax)	0.1	–	–	–	0.1
Loss before income tax					(1.3)
Income tax credit					0.4
Loss for the period from continuing operations					(0.9)

Continuing operations for the 6 months to 30 June 2008 (restated)

	Benelux £'m	Czech Republic £'m	United Kingdom £'m	Unallocated £'m	Total £'m
Total gross segment revenue	12.6	0.7	81.1	–	94.4
Less inter-segment revenue	(1.4)	(0.1)	–	–	(1.5)
Revenue	11.2	0.6	81.1	–	92.9
Profit/(loss) from operating activities before exceptional items	0.6	0.1	1.4	(1.3)	0.8
Exceptional items	–	–	(1.1)	(3.4)	(4.5)
Profit/(loss) from operating activities	0.6	0.1	0.3	(4.7)	(3.7)
Net finance costs					(0.3)
Share of profit from equity accounted investees (net of income tax)	0.2	–	–	–	0.2
Loss before income tax					(3.8)
Income tax credit					0.2
Loss for the period from continuing operations					(3.6)

Discontinued operations for the 6 months to 30 June 2009

	United Kingdom £'m	Total £'m
Exceptional items		
Settlement gain on defined benefit plan	3.5	3.5
Exceptional trading with Ford	0.4	0.4
Profit before income tax	3.9	3.9
Income tax charge		(0.4)
Profit for the period from discontinued operations		3.5

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED) CONTINUED

3. EXCEPTIONAL ITEMS – CONTINUING OPERATIONS

	6 months to 30 June 2009 £'m	6 months to 30 June 2008 £'m
Included in cost of sales		
Restructuring costs	1.4	–
Leased transporter return costs	–	0.5
Provision for loss-making contracts	–	0.4
	1.4	0.9
Included in administrative expenses		
Restructuring costs	0.1	0.8
Foreign exchange loss/(gain) on non-trading Euro-denominated receivables	0.6	(0.3)
Loss on disposal of shareholding in Edmunds Holdings Company Inc.	–	3.1
Other	(0.1)	–
	0.6	3.6
Total exceptional items before income tax	2.0	4.5
Income tax credit	(0.6)	(0.4)
Total exceptional items after income tax	1.4	4.1

Exceptional items for the 6 months to 30 June 2009 include restructuring costs of £1.5m in total which represents further downsizing in the business in response to the reduced levels of activity, mainly in our technical services depots within the UK which were affected later in the economic cycle. The foreign exchange losses represent a reversal of some of the gains arising in 2008 on Euro-denominated debtors specifically relating to the disposal of Walon France in 2006 and Walon Iberia SL in 2007, as the Euro weakened from its strong position at the 2008 year end. Other exceptional costs represent a credit of £0.1m being the unused element of a £1.3m provision for exit costs from the Oosterhout site in Holland.

Exceptional items for the 6 months to 30 June 2008 include leased transporter return costs, representing contractual commitments which were incurred because of the downturn in the market and provisions for loss-making contracts costs relating to the depot that was dedicated to the First Fleet business unit, as well as certain other UK technical services contracts. Restructuring costs of £0.8m include £0.5m of redundancy costs for one senior executive, £0.2m of closure costs in respect of the business unit in Lithuania and £0.1m in respect of relocation to the Group's new head office at Northampton. The loss on disposal of the shareholding in Edmunds Holding Company Inc., a company incorporated in the USA, represents the sale of this investment in July 2008, generating net cash proceeds of £2.0m but resulting in a loss on disposal of £3.1m.

4. TAXATION

The income tax credit gives rise to an effective tax rate, after adjusting for the effect of profit from equity accounted investees (net of income tax), of 29% for the 6 months to 30 June 2009, which compares to an effective rate of 5% for the 6 months to 30 June 2008. In 2008, the low effective tax rate is predominantly the result of the impairment of £3.1m recognised on the Group's investment in Edmunds Holding Company Inc. on which the benefit of deferred tax losses have not been recognised.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED) CONTINUED

5. EARNINGS PER SHARE

	6 months to 30 June 2009			6 months to 30 June 2008
	Earnings £'m	Shares (million)	Per share amount (pence)	Per share amount (pence)
Basic and diluted earnings/(loss) per share	2.6	62.2	4.1	(5.9)
Basic and diluted loss per share from continuing operations	(0.9)	62.2	(1.5)	(5.9)
Basic and diluted earnings per share from discontinued operations	3.5	62.2	5.6	–
Business performance earnings per share				
Basic and diluted earnings/(loss) per share	2.6	62.2	4.1	(5.9)
Business performance adjustments:				
Discontinued operations, as above	(3.5)		(5.6)	–
Exceptional items before income tax	2.0		3.3	7.3
Income tax on exceptional items	(0.6)		(1.0)	(0.6)
Basic and diluted business performance earnings per share	0.5	62.2	0.8	0.8

Basic earnings per share is calculated by dividing the earnings attributable to Ordinary shares by the weighted average number of Ordinary shares outstanding during the period. Diluted earnings per share is not presented separately. For the period ended 30 June 2009 there were no dilutive shares and for the period ended 30 June 2008 the dilutive effect would be to reduce the continuing losses per share.

Business performance earnings per share is calculated by reference to continuing earnings before exceptional items, since the Directors consider that this measure provides a useful indication of underlying performance.

Earnings per share is calculated on 62.2m shares being in issue at 30 June 2009 (30 June 2008: 61.9m) and as at 30 June 2008 a further 0.3m shares in respect of share options no longer contingent upon any performance criteria.

6. DIVIDENDS

The Directors have not declared an interim dividend (2008: nil). The Directors did not declare a final dividend for the year ended 31 December 2008.

7. ANALYSIS OF NET DEBT

	30 June 2009 £'m	31 December 2008 £'m	30 June 2008 £'m
Cash and cash equivalents	8.2	5.9	4.9
Current loans and borrowings			
Bank loans repayable within 1 year	(0.9)	(0.9)	(2.3)
Unamortised issue costs relating to bank loans	0.1	0.1	0.1
Finance leases repayable within 1 year	(0.3)	(0.3)	(0.3)
	(1.1)	(1.1)	(2.5)
Non-current loans and borrowings			
Bank loans repayable in more than 1 year	(5.9)	(6.5)	(7.0)
Unamortised issue costs relating to bank loans	–	0.1	0.2
Finance leases repayable in more than 1 year	(2.5)	(2.4)	(2.4)
	(8.4)	(8.8)	(9.2)
Net debt	(1.3)	(4.0)	(6.8)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS TO 30 JUNE 2009 (UNAUDITED) CONTINUED

8. RECONCILIATION OF NET LOSS TO NET CASH INFLOW/(OUTFLOW) BEFORE EXCEPTIONAL ITEMS FROM OPERATING ACTIVITIES

	6 months to 30 June 2009 £'m	6 months to 30 June 2008 £'m
Continuing operations		
Net loss	(0.9)	(3.6)
Adjustments for:		
Income tax	(0.4)	(0.2)
Depreciation and amortisation	1.0	0.9
Net finance costs	–	0.3
Share of profit of equity accounted investees, net of income tax	(0.1)	(0.2)
Exceptional items before tax	2.0	4.5
Equity settled, share-based payment transactions	0.1	0.1
Changes in working capital:		
– decrease/(increase) in trade and other receivables	5.6	(8.8)
– (decrease)/increase in creditors and provisions for liabilities and charges	(1.2)	6.2
Cash generated from/(used by) continuing operations before exceptional items	6.1	(0.8)
Discontinued operations		
Net profit	3.5	–
Adjustments for:		
Income tax	0.4	–
Exceptional items before tax	(3.9)	–
Cash generated from discontinued operations before exceptional items	–	–

9. RELATED PARTIES

The Group has related party relationships with its Directors and with its pension schemes. There has been no material change in the nature of the related party transactions described in note 33 of the Consolidated Financial Statements for the year ended 31 December 2008.

ADVISORS' DETAILS AND INVESTOR INFORMATION

FINANCIAL ADVISOR AND STOCKBROKER

Panmure Gordon (UK) Ltd
Moorgate Hall
155 Moorgate
London EC2M 6XB

INDEPENDENT AUDITORS

KPMG Audit plc
Chartered Accountants and Registered Auditors
Altius House
One North Fourth Street
Milton Keynes MK9 1NE

PRINCIPAL BANKERS

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135 Bishopsgate
London EC2M 3UR

GE Commercial Finance Ltd
Enterprise House
Bancroft Road
Reigate
Surrey RH2 7RT

COMPANY SECRETARY AND REGISTERED OFFICE

John Light
Autologic Holdings plc
Autologic House
5 Grange Park Court
Roman Way
Northampton NN4 5EA

COMPANY NUMBER

3252504

REGISTRAR

Administrative enquiries about the holding of Autologic Holdings plc shares should be directed in the first instance to the Registrar:

Capita Registrars Ltd
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
West Yorkshire HD8 0GA
Tel: UK: 0871 664 0300 (calls cost 10p a minute plus network extras and lines are open 8.30 am – 5.30 pm, Monday – Friday)
Overseas: +44 (0)208 639 3399

CREST SHARE SETTLEMENT SYSTEM

The Company entered the CREST system on flotation and the Ordinary shares are available for settlement in CREST. As the membership system is voluntary, Shareholders not wishing to participate can continue to hold their own share certificates.

GROUP CONTACT DETAILS

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