

2 September 2010

**Stadium Group plc (“Stadium”)
Unaudited interim results for the six months ended 30 June 2010**

Stadium Group plc, the AIM listed provider of electronic manufacturing services (EMS), announces interim results for the six months ended 30 June 2010. Revenues increased by more than one third compared with the same period last year, operating margin improved, and profit before taxation more than doubled to £1.45m.

The principal activity of Stadium Group plc is the design and manufacture of electronic and power supply products for original equipment manufacturers from its manufacturing facilities in the UK and China. Stadium Group delivers high quality solutions to a diverse range of customers worldwide, primarily operating in the industrial, transport infrastructure, security, consumer, medical and personal care, automotive and green technology sectors.

Financial Highlights

- Revenues (continuing operations) up 37% to £23.13m (2009 H1: £16.83m)
- Profit before tax (continuing operations) up 120% to £1.45m (2009 H1: £0.66m)
- Strong net cash flow from operations at £1.68m (2009 H1: £1.45m)
- Earnings per share 3.9 pence (2009 H1: 2.4 pence)
- Interim dividend 0.95 pence per share (2009 H1: 0.80 pence per share)

Nick Brayshaw OBE, Chairman of Stadium Group plc, said,

“The Group benefited from broad recovery in customer demand across most industrial and geographical segments, and increased market share through further new business wins in key target markets.

The strength and speed of recovery since early 2009 demonstrates that Stadium continues to be a robust and reliable business partner. The positive outlook for revenues from the core business in the second half is expected to continue, such that even without the contribution of Branded Plastics for the remainder of the year, we are confident of achieving market expectations for the full year ending 31 December 2010.

The divestment of the non-core branded plastics business enables the business to focus entirely on growth in the core areas of EMS and Power, and releases financial and management resources to seek new opportunities to leverage these areas of core capability. We anticipate further exciting opportunities for the future, both organically and through targeted acquisitions.

The board's satisfaction with the strong performance of the business and positive outlook was sadly put into perspective by the tragic death of Ken Leung on 23 August 2010.”

For further information please contact:

Stadium Group plc

Nigel Rogers, Chief Executive

Tel: 01429 852520 / 07767 603 362

Walbrook PR

Paul McManus

Tel: 020 7933 8787 / 07980 541 893

Email: paul.mcmanus@walbrookpr.com

Brewin Dolphin Investment Banking

Andrew Emmott

Tel: 0845 2708611 / 07920 789 559

Sean Wyndham-Quin

Copies of the interim financial statements will be sent to all shareholders shortly

STADIUM GROUP PLC
Chairman's Statement
For the six months ended 30 June 2010

Overview

I am pleased to report excellent trading results for the first half of the year. Revenues increased by more than one third compared with the same period last year, operating margin improved, and profit before taxation more than doubled to £1.45m.

We benefited from a broad recovery in customer demand across most industrial and geographical segments, and increased market share through further new business wins in key target markets.

The divestment of the non-core branded plastics business was announced in June 2010. This transaction enables the business to focus entirely on growth in the core areas of EMS and Power, and releases financial and management resources to seek new opportunities to leverage these areas of core capability. The board has approved a 19% increase in the interim dividend to 0.95p (2009: 0.80p).

The board's satisfaction with the strong performance of the business and positive outlook was sadly put into perspective by the tragic death of Ken Leung on 23 August 2010.

Financial review

Revenues were up by 37% to £23.13m (2009: £16.83m) from core EMS and Power activities.

Gross margin was sustained at approximately 20% of revenue, and underlying operating margin improved to 7.5% from continuing activities (2009: 5.1%) as a result of increased operational gearing.

Operating profit increased by 104% to £1.73m (2009: £0.85m before exceptional costs) from core activities.

Profit before taxation of £1.45m was 120% ahead of the corresponding period last year (£0.66m) and earnings increased by 63% to 3.9 pence per share (2009: 2.4 pence).

Cash flow from trading activities was 85% of operating profit at £1.68m (2009: 226% at £2.43m) as a result of increased working capital to facilitate expansion in revenues.

Operational performance

Stadium Electronics

	<u>2010</u> <u>£m</u>	<u>2009</u> <u>£m</u>	<u>Increase</u> <u>%</u>
Revenue by source			
UK	8.17	6.34	29%
Asia	12.93	9.02	43%
Total	<u>21.10</u>	<u>15.36</u>	<u>37%</u>
Operating profit	<u>1.38</u>	<u>0.64</u>	<u>116%</u>
Operating margin	<u>6.5%</u>	<u>4.2%</u>	<u>2.3%</u>

Revenues increased strongly for production in our facilities in both the UK and Asia. Our business benefits from a wide geographical spread of customers across several industrial sectors, and consequently experienced a broad based recovery in customer demand.

Worldwide electronic component shortages have constrained sales across the entire industry. As a financially stable leading player in the UK market, we have been able to secure greater response from

our supply chain than many of our competitors. Accordingly, we consider that the level of customer service we are able to provide has further enhanced our market position.

Success has also been evident in the active targeting of new customers in major growth sectors. In each of our key target markets – greentech, security, transport, medical and LED – we have achieved at least one significant new business win during the first half of the year. The pipeline of future opportunities is similarly encouraging.

We have further strengthened the commercial and operational management through new appointments and internal promotions, in order to provide a platform for further development of the business.

We continue to invest in our UK and China facilities, and gained ISO 13485 (Medical) accreditation at Rugby during the period. The site was also approved by a major Continental European automotive OEM for the production of in-car data communication equipment. This will enter production in 2011.

Stadium Power

	<u>2010</u> <u>£m</u>	<u>2009</u> <u>£m</u>	<u>Increase</u> <u>%</u>
Revenue by source			
UK	1.33	1.12	19%
Asia	0.70	0.35	100%
Total	<u>2.03</u>	<u>1.47</u>	<u>38%</u>
Operating profit	<u>0.35</u>	<u>0.05</u>	<u>600%</u>
Operating margin	<u>17.3%</u>	<u>3.4%</u>	<u>13.9%</u>

Revenue grew by 38% in the power supply business to £2.03m (2009: £1.47m).

Stadium Power's project enquiry pipeline remained strong throughout the downturn of 2009. The first six months of 2010 saw these projects convert into the order book and the division experienced a return to levels of activity last seen during the first half of 2008. The return to strong profitability fully justified the decision to maintain the level of critical customer facing activities throughout 2009.

Market opportunities have been converted in the security, medical, lighting and gaming sectors. New business wins from emerging technologies and developments in the green sector includes LED power supplies for energy efficient lighting solutions.

Product development activity is focused on new ranges of green power supplies designed to meet or exceed energy efficiency requirements, which are increasingly governed by global legislation. This is expected to be one of the significant drivers of revenues in the medium term.

Momentum gained in the first six months is expected to continue as increasing enquiry levels and engineering development indicates growing demand and potential for further expansion.

Branded Plastics

	<u>2010</u> <u>£m</u>	<u>2009</u> <u>£m</u>	<u>Increase</u> <u>%</u>
Revenue	<u>6.53</u>	<u>5.51</u>	<u>19%</u>
Operating profit	<u>0.25</u>	<u>0.38</u>	<u>(34%)</u>
Operating margin	<u>3.8%</u>	<u>6.9%</u>	<u>(3.1%)</u>

The sale of the business to Flambeau Europlast Limited ("Flambeau") was completed on 14 June 2010. The net loss arising on disposal (after transaction costs) was £0.19m.

The freehold premises from which the business operates, comprising approximately 128,000 square feet at Higham's Park, London, has been classified as a current asset available for resale. Flambeau have entered a lease at an annual rent of £0.40m expiring between December 2010 and June 2011, and the property has attracted significant interest from potential buyers.

Agreement was reached with the Trustees of the pension scheme to remit an additional contribution of £0.89m from the proceeds on disposal of the business.

Financial position

The sale of Branded Plastics in June 2010 generated net cash proceeds of £2.11m and released for sale a freehold property with net book value of £2.04m. The directors anticipate the realisation of a significant gain on subsequent sale.

The net cash position at 30 June 2010 was £1.83m, an increase of £1.43m on the £0.40m of net cash at 31 December 2009. Headroom on existing bank facilities at 30 June was £7.63m (31 December 2009: £6.16m).

The net pension deficit was reduced by £1.21m as a result of cash contributions made by the company. The regular payments made to fund the deficit returned to their normal level in April following the end of the year of reduced payments agreed with the Trustees during 2009.

Dividend

The board proposes an interim dividend of 0.95 pence (2009: 0.80 pence) per share to be paid on 8 October 2010 to shareholders on the register on 10 September 2010.

Ken Leung

It was with great sadness that the Company reported the tragic death of Ken Leung, Managing Director – Stadium Asia, together with his two daughters. Ken joined Stadium in March 2000 and was appointed to the main board in December 2002. He guided the Asian business through a period of sustained growth while transforming the business into a high performance EMS operation. The overwhelming scale and warmth of the response to his untimely death are a fitting tribute to a great friend and colleague. Under his guidance we have developed a strong management team in Asia. We are confident that they will continue to build on success despite their personal grief at his loss.

Outlook

The strength and speed of recovery since early 2009 demonstrates that Stadium continues to be a robust and reliable business partner. The positive outlook for revenues from the core business in the second half is expected to continue, such that even without the contribution of Branded Plastics for the remainder of the year, we are confident of achieving market expectations for the full year ending 31 December 2010.

We are well positioned to deliver growth from new and emerging industry sectors, and our established presence in Asia continues to offer significant exposure to expanding and innovative markets. With the added benefit of a strong balance sheet, we anticipate further exciting opportunities for the future, both organically and through targeted acquisitions.

Nick Brayshaw OBE
Chairman
2 September 2010

Consolidated income statement (unaudited)

for the six months ended 30 June 2010

		Six months 30 June 2010	Six months 30 June 2009	Year ended 31 Dec 2009
	Note	£000's	£000's	£000's
Continuing operations				
Revenue	2	23,132	16,830	35,295
Cost of sales		(18,383)	(13,363)	(27,991)
Gross profit		4,749	3,467	7,304
Operating expenses	3	(3,017)	(2,776)	(5,361)
Operating profit		1,732	691	1,943
Finance costs	4	(286)	(197)	(473)
Profit before tax		1,446	494	1,470
Taxation		(306)	(89)	(256)
Profit for the period from continuing operations		1,140	405	1,214
(Loss)/profit for the period from discontinued operations	10	(14)	275	589
Profit for the period	2	1,126	680	1,803
Continuing operations				
Basic earnings per share (p)	6	3.9	1.4	4.2
Diluted earnings per share (p)	6	3.9	1.4	4.2
Continuing and discontinued operations				
Basic earnings per share (p)	6	3.9	2.4	6.3
Diluted earnings per share (p)	6	3.9	2.4	6.3

Consolidated statement of comprehensive income (unaudited)

for the six months ended 30 June 2010

		Six months 30 June 2010	Six months 30 June 2009	Year ended 31 Dec 2009
	Note	£000's	£000's	£000's
Profit for the period	2	1,126	680	1,803
Other comprehensive income				
Exchange differences on translating foreign operations		67	(285)	(339)
Actuarial loss in pension scheme net of deferred tax		-	-	(2,567)
Other comprehensive income for the period		67	(285)	(2,906)
Total comprehensive income for the period		1,193	395	(1,103)

Consolidated statement of financial position (unaudited)

at 30 June 2010

		30 June 2010	30 June 2009	31 December 2009
	Note	£000's	£000's	£000's
Assets				
Non-current assets				
Property, plant and equipment		4,331	6,940	6,951
Goodwill		2,589	2,589	2,589
Other intangible assets		139	172	152
Deferred tax assets		2,351	1,463	2,351
Other receivables		-	489	-
		9,410	11,653	12,043
Current assets				
Inventories		5,031	4,720	5,737
Trade and other receivables		9,870	9,010	9,466
Cash and cash equivalents	9	4,684	2,656	3,468
		19,585	16,386	18,671
Non-current assets classified as held for sale	11	2,041	-	-
		21,626	16,386	18,671
Total assets		31,036	28,039	30,714
Equity				
Equity share capital		1,460	1,441	1,441
Share premium		4,348	4,237	4,237
Capital redemption reserve		88	88	88
Translation reserve		(130)	(143)	(197)
Retained earnings		4,062	5,018	3,315
Total equity		9,828	10,641	8,884
Non-current liabilities				
Long-term borrowings	7,9	2,079	2,706	2,335
Deferred tax		25	-	23
Gross pension liability		7,188	4,800	8,397
Total non-current liabilities		9,292	7,506	10,755
Current liabilities				
Current portion of long-term borrowings	9	776	637	731
Trade payables		7,007	5,395	7,392
Current tax payable		441	354	240
Other payables		3,692	3,506	2,712
Total current liabilities		11,916	9,892	11,075
Total liabilities		21,208	17,398	21,830
Total equity and liabilities		31,036	28,039	30,714

Consolidated statement of changes in equity (unaudited)

for the six months ended 30 June 2010

	Ordinary shares	Share premium	Capital redemption reserve	Translation reserve	Retained earnings	Total
	£000's	£000's	£000's		£000's	£000's
Balance at 31 December 2008	1,441	4,237	88	142	4,698	10,606
Changes in equity for the first six months of 2009						
Exchange differences on translating foreign operations	-	-	-	(285)	-	(285)
Profit for the period	-	-	-	-	680	680
Actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-
Share option costs recognised	-	-	-	-	15	15
Total comprehensive income for the period	-	-	-	(285)	695	410
Issue of share capital	-	-	-	-	-	-
Dividends	-	-	-	-	(375)	(375)
Balance at 30 June 2009	1,441	4,237	88	(143)	5,018	10,641
Changes in equity for the second six months of 2009						
Exchange differences on translating foreign operations	-	-	-	(54)	-	(54)
Profit for the period	-	-	-	-	1,123	1,123
Actuarial gain/(loss) on defined benefit plan	-	-	-	-	(2,567)	(2,567)
Share option costs recognised	-	-	-	-	(29)	(29)
Total comprehensive income for the period	-	-	-	(54)	(1,473)	(1,527)
Issue of share capital	-	-	-	-	-	-
Dividends	-	-	-	-	(230)	(230)
Balance at 31 December 2009	1,441	4,237	88	(197)	3,315	8,884
Changes in equity for the first six months of 2010						
Exchange differences on translating foreign operations	-	-	-	67	-	67
Profit for the period	-	-	-	-	1,126	1,126
Actuarial gain/(loss) on defined benefit plan	-	-	-	-	-	-
Share option costs recognised	-	-	-	-	42	42
Total comprehensive income for the period	-	-	-	67	1,168	1,235
Issue of share capital	19	111	-	-	-	130
Dividends	-	-	-	-	(421)	(421)
Balance at 30 June 2010	1,460	4,348	88	(130)	4,062	9,828

Consolidated statement of cash flows (unaudited)

for the six months ended 30 June 2010

		Six months 30 June 2010 £000's	Six months 30 June 2009 £000's	Year ended 31 December 2009 £000's
Net cash flow from operating activities	8	38	1,446	3,316
Investing activities				
Purchase of property, plant and equipment		(227)	(42)	(475)
Sale of property, plant and equipment		2	-	4
Proceeds from divestment of operation		2,112	-	-
Cash flows from investing activities		1,887	(42)	(471)
Financing activities				
Equity share capital subscribed		130	-	-
Interest paid		(36)	(86)	(122)
Decrease in bank loans		(382)	(25)	(388)
Dividends paid on ordinary shares	5	(421)	(375)	(605)
Cash flows from financing activities		(709)	(486)	(1,115)
Net increase in cash and cash equivalents		1,216	918	1,730
Cash and cash equivalents at start of period		3,468	1,738	1,738
Cash and cash equivalents at end of period		4,684	2,656	3,468

NOTES:

1. Basis of preparation

The annual financial statements of Stadium Group plc for the year ending 31 December 2010 will be prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for use in the EU. Accordingly, the interim financial report has been prepared using accounting policies consistent with those which will be adopted by the Group in the financial statements and in compliance with IAS 34 "Interim financial reporting".

The Group's IFRS accounting policies, set out below, have been consistently applied to all the periods presented. The information has been prepared under the historical cost basis.

The comparative figures for the year ended 31 December 2009 do not constitute statutory accounts for the purposes of s435 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2009 has been delivered to the Registrar of Companies and contained an unqualified auditors' report in accordance with s495 of the Companies Act 2006.

Basis of consolidation

The Group financial information consolidates that of the company and its subsidiaries. Businesses acquired or disposed of during the period are consolidated from the effective date of acquisition or until the effective date of disposal.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Goodwill

Goodwill arising on consolidation consists of the excess of the fair value of the consideration over the fair value of the Group's interest in the identifiable tangible and intangible assets net of liabilities including contingencies of the business acquired at the date of acquisition.

Goodwill is recognised as an asset at cost less any recognised impairment losses. It is reviewed for impairment at least annually and any impairment is recognised immediately in the Income Statement.

Revenue recognition

Revenue is measured at the fair value of goods and services provided to customers net of returns, discounts, value added tax and other sales taxes. Revenue is recognised when goods are despatched and title has passed to the customer and the collectability of the revenue is reasonably assured.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

Depreciation is charged at rates calculated to write down the cost of assets (excluding freehold land) over their estimated useful lives by equal instalments at the following rates:

Freehold buildings	2%
Plant and machinery	10% - 25%
Fixtures and equipment	10% - 25%

Useful lives and residual values are reviewed annually.

The gain or loss arising on disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined on a first-in-first-out basis including transport and handling costs and, in the case of manufactured products, includes all direct expenditure and production overheads based on normal levels of activity.

Deferred taxation

Deferred taxation is recognised in respect of all temporary differences that have originated but not reversed at the period end date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the period end date. A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable surpluses from which the future reversal of the underlying temporary differences can be deducted.

Pension costs

Defined benefit scheme

Assets and liabilities arising from retirement benefit obligations and the related funding are reflected at fair value in the financial statements, and operating and finance costs are recognised in the financial periods in which they arise. Gains and losses arising from actuarial experience during the accounting period are recognised in the statement of comprehensive income.

Defined contribution schemes

Contributions payable are charged to the Income Statement in the accounting period in which they are incurred.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the prevailing rate on the date of the transaction.

Trading assets and liabilities denominated in foreign currencies are translated into sterling at the rate prevailing at the period end. Gains and losses arising on the translation of foreign currencies are dealt with as part of operating profit.

The assets and liabilities of foreign subsidiary undertakings are translated into sterling at the period end exchange rate. The income and expenditure of foreign subsidiary undertakings are translated into sterling at the average exchange rate prevailing during the period. Exchange differences arising on retranslation of opening assets and liabilities, long term financing denominated in foreign currency and the trading of foreign subsidiary undertakings are taken directly to the translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before than date of transition to IFRS as sterling denominated assets and liabilities.

Financial Instruments

The Group's financial instruments comprise borrowings, some cash and liquid resources and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to manage the finance of the Group's operations.

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables:

Trade receivables do not carry any interest and are stated at their nominal value less appropriate allowances for estimated irrecoverable amounts.

Bank borrowings:

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis to the Income Statement and are added to the carrying amount of the instruments to the extent that they are not settled in the period in which they arise.

Trade payables:

Trade payables do not carry any interest and are stated at their nominal value.

Equity instruments:

Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

It has been, throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The Group does not consider that it has any obligations or rights under derivative financial instruments.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and these policies are summarised below.

Credit risk:

The Group has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all significant prospective customers and all existing customers requiring credit beyond a certain threshold. Credit risk is actively managed. Remedial actions are taken, including the variation of terms of trade under guidance from senior management, where credit risk is deemed to have risen to an unacceptable level.

Interest rate risk:

The Group finances its operations through a mixture of retained profits and bank borrowings. The Group holds cash and borrowings in various currencies at floating rates of interest.

Liquidity risk:

As regards liquidity, the Group's policy is to maintain undrawn overdraft borrowing facilities in order to provide flexibility in the management of the Group's liquidity.

Foreign currency risk:

The Group has transactional and translational currency exposures. Transactional exposures arise from sales or purchases by operating units in currencies other than sterling, being the Group's functional currency. The Group matches payments and receipts to minimise exposure, and buys the currency when the liability falls due. Translational exposure arises when the results of Stadium Asia, which are reported in Hong Kong dollars, are translated into sterling for inclusion in the Group results. Part of this exposure is hedged by entering into loan facilities denominated in United States dollars.

2. Segmental reporting analysis

By operating segment

	June 2010		Total
	Stadium Electronics	Stadium Power	
	£000's	£000's	£000's
Revenue - external customers	21,101	2,031	23,132
Operating profit	1,381	351	1,732
Interest payable			(286)
Taxation			(306)
(Loss)/profit from discontinued operations			(14)
Profit for the period			1,126

	June 2009		Total
	Stadium Electronics	Stadium Power	
	£000's	£000's	£000's
Revenue - external customers	15,357	1,473	16,830
Operating profit	646	45	691
Interest payable			(197)
Taxation			(89)
(Loss)/profit from discontinued operations			275
Profit for the period			680

	June 2010				Total
	Stadium Electronics	Stadium Power	Unallocated & Adjustments	Branded Plastics	
	£000's	£000's	£000's	£000's	£000's
Segment assets	18,143	1,462	11,431	-	31,036
Segment liabilities	(9,806)	(450)	(10,876)	(76)	(21,208)
Segment net assets	8,337	1,012	555	(76)	9,828
Expenditure on property, plant and equipment	140	1	-	86	227
Depreciation and amortisation	314	28	39	90	471

	Stadium Electronics	Stadium Power	June 2009 Unallocated & Adjustments	Branded Plastics	Total
	£000's	£000's	£000's	£000's	£000's
Segment assets	14,028	1,040	7,193	5,778	28,039
Segment liabilities	(6,662)	(216)	(8,891)	(1,629)	(17,398)
Segment net assets	7,366	824	(1,698)	4,149	10,641
Expenditure on property, plant and equipment	20	-	14	8	42
Depreciation and amortisation	326	30	33	99	488

By geographic location

	Revenue - external customers by location of customer	June 2010 Net assets by location of assets	Capital Expenditure by location of assets
	£000's	£000's	£000's
UK	12,980	5,674	190
Europe	3,858	-	-
Asia	1,238	4,281	37
Americas	1,835	-	-
Other	3,221	-	-
	23,132	9,955	227

	Revenue - external customers by location of customer	June 2009 Net assets by location of assets	Capital Expenditure by location of assets
	£000's	£000's	£000's
UK	10,439	7,033	22
Europe	2,382	-	-
Asia	183	3,608	20
Americas	1,985	-	-
Other	1,841	-	-
	16,830	10,641	42

3. Operating expenses

Operating expenses include one-off reorganisation costs as follows:

	Six months 30 June 2010	Six months 30 June 2009	Year ended 31 December 2009
Note	£000's	£000's	£000's
Redundancy costs	-	161	213

4. Finance costs comprises:

	Six months 30 June 2010	Six months 30 June 2009	Year ended 31 December 2009
	£000's	£000's	£000's
Interest payable on bank loans and overdrafts	36	86	122
Other finance costs	250	111	351
	286	197	473

5. Dividends

	Six months 30 June 2010	Six months 30 June 2009	Year ended 31 December 2009
	£000's	£000's	£000's
Ordinary dividends:			
Final dividend 2009 of 1.45p (2008:1.30p)	421	374	374
Interim dividend 2009 of 0.80p	-	-	231
	421	374	605

An interim dividend of 0.95 pence per share amounting to £277,000 will be paid on 8 October 2010 to shareholders on the register on 10 September 2010.

6. Earnings per share

	Six months ended 30 June				Year Ended 31 Dec	
	2010	2010	2009	2009	2009	2009
	Earnings	EPS	Earnings	EPS	Earnings	EPS
	£000's	Pence	£000's	Pence	£000's	Pence
From continuing operations						
Basic earnings per ordinary share	1,140	3.9	405	1.4	1,214	4.2
Share option costs	-	-	15	-	-	-
Fully diluted earnings per ordinary share	1,140	3.9	420	1.4	1,214	4.2
From discontinued operations						
Basic earnings per ordinary share	(14)	-	275	1.0	589	2.1
Share option costs	-	-	-	-	-	-
Fully diluted earnings per ordinary share	(14)	-	275	1.0	589	2.1
From total operations						
Basic earnings per ordinary share	1,126	3.9	680	2.4	1,803	6.3
Share option costs	-	-	15	-	-	-
Fully diluted earnings per ordinary share	1,126	3.9	695	2.4	1,803	6.3

The calculation of basic earnings per share is based on the profit for the financial period and the

weighted average number of ordinary shares in issue (June 2010: 29,030,953 shares, June 2009: 28,827,198 shares, December 2009: 28,827,198 shares).

Fully diluted earnings per share reflect dilutive options granted resulting in a weighted average

number of shares of 29,069,442 ordinary shares (June 2009: 29,898,181 shares, December 2009: 28,908,207 shares).

7. Long term borrowings

	30 June 2010	30 June 2009	31 December 2009
	£000's	£000's	£000's
Bank loans (secured)	2,079	2,677	2,335
Non-trade payables	-	29	-
	2,079	2,706	2,335

8. Net cash inflow from operating activities

	Six months 30 June 2010 £000's	Six months 30 June 2009 £000's	Year ended 31 December 2009 £000's
Operating profit	1,979	1,074	2,761
Share option costs	42	15	(14)
Depreciation - continuing operations	359	398	753
Depreciation - discontinued operations	99	90	200
Development costs	13	-	20
Decrease/(increase) in inventories	(465)	827	(190)
Decrease/(increase) in trade and other receivables	(4,020)	276	273
(Decrease)/increase in trade and other payables	3,668	(251)	1,024
Net cash inflow from trading activities	1,675	2,429	4,827
Difference between pension charge and cash contributions	(1,459)	(537)	(745)
Tax paid	(178)	(446)	(766)
Net cash inflow from operating activities	38	1,446	3,316

9. Analysis of changes in net debt

	31 December 2009	Cash flow	Foreign exchange	Reclassification	30 June 2010
	£000's	£000's	£000's	£000's	£000's
Cash	3,468	1,216	-	-	4,684
Loans due within one year	(731)	382	(33)	(394)	(776)
Loans due after one year	(2,335)	-	(138)	394	(2,079)
Net debt	402	1,598	(171)	-	1,829

10. Business disposal

On 14 June 2010 the Group completed the disposal of the Branded Plastics division.

The results of Branded Plastics up to the date of disposal are as follows.

	Six months 30 June 2010 £000's	Six months 30 June 2009 £000's	Year ended 31 December 2009 £000's
Revenue	6,527	5,505	11,282
Cost of sales	(5,295)	(4,161)	(8,394)
Gross profit	1,232	1,344	2,888
Operating expenses	(985)	(961)	(2,070)
Operating profit	247	383	818
Finance costs	-	-	-
Profit before tax	247	383	818
Taxation	(69)	(108)	(229)
Profit after tax	178	275	589
Loss on disposal of operation	(192)	-	-
Profit for the period	<u>(14)</u>	<u>275</u>	<u>589</u>

Details of the disposed net assets, consideration and the loss on disposal are set out below.

	2010 £000's	2010 £000's
Gross consideration (satisfied by cash)		2,417
Net assets disposed of:		
Property plant and equipment	(483)	
Inventories	(1,171)	
Receivables and other assets	(3,616)	
Current liabilities	<u>2,966</u>	
Net assets of disposal operation		(2,304)
Costs directly attributable to the disposal		(305)
Loss on disposal of operation		<u>(192)</u>
Cash flows relating to the discontinued operations were as follows:		
		2010 £000's
Net cash flows from operating activities		(247)
Proceeds from disposal of discontinued operations		2,417
Disposal costs of discontinued operations		<u>(305)</u>
		<u>1,865</u>

11. Non-current assets classified as held for sale

The Company has marketed property which is currently let to the acquirer of the Branded Plastics division. The property comprises factory, warehouse and office space located at Chingford in London. The property has a carrying value of £2.04 million, which is reported as unallocated in the segment analysis.

12. Risk Management

The main financial risks faced by the Group are credit risk, foreign currency risk, interest rate risk, and liquidity risk. The directors regularly review and agree policies for managing these risks. Further details of the risk management policies are set out in Note 1.

These risks have developed and been managed as follows since the last Group annual report.

Credit risk:

The Group has paid particular attention to managing the credit risk inherent in new customers during a period of revenue growth. Awareness is maintained of any changes in customers' credit requirements, payment habits and the conditions in their own market sectors.

The Group has not incurred any significant bad debts during the period.

Foreign currency risk:

There has been no significant change during the period in the nature of the Group's exposure to currency risk. There continues to be no significant exposure to currency risk on transactions due to the policy of matching the currency of payments and receipts.

A net gain of £67,000 (2009: loss £285,000, 2009 full year: loss £339,000) on the translation of the net assets of Stadium Asia, denominated in Hong Kong dollars, and long term borrowings denominated in US dollars was recorded through the translation reserve.

At 30 June 2010 the Group had net borrowings denominated in US dollars of £2,544,000 (2009: £2,974,000) and in Hong Kong dollars of £311,000 (2009: £340,000).

Interest rate risk:

The Group holds cash and borrows in Sterling and US dollars at floating rates of interest. The exposure to interest rate risk all relates to the floating rates at which the Group borrows and lends. The risk is monitored continually to ensure that the group remains able to meet its financing commitments from operational cash flows.

The Group's US dollar denominated borrowings are at a rate of US LIBOR plus 1.5% and Hong Kong dollar denominated borrowings are at a rate of base rate less 2.25%. The historically low rates of interest mean that the Group has been able to meet its financing commitments satisfactorily.

Liquidity risk:

The Group's policy of managing liquidity risk by maintaining sufficient headroom in its undrawn overdraft facilities has been applied throughout the period.

At the end of the period the Group had overdraft facilities of £2,295,000 (2009: £2,275,000) of which £nil was being utilised (2009: £nil). The group also had loan facilities of £3,506,000 (2009: £3,471,000) of which £2,855,000 (2009: £3,314,000) was being used.

13. Going Concern & Liquidity

The directors confirm that, after having made the appropriate enquiries, they have a reasonable expectation that the Group and the Company have adequate resources and sufficient liquidity to

continue operations for the foreseeable future. Accordingly, the directors have adopted the going concern basis in the preparation of this report.