

Filtronic plc
Half-Yearly Financial Report
2009



Inspired Wireless Solutions

For the six months ended 30 November 2008, the Group generated a profit for the period of £11.7m (including £9.3m from discontinued operations) compared with a profit of £0.9m in the prior period.

Revenue from continuing operations was £18.3m compared with £20.1m for the prior year equivalent period. Operating profit from continuing operations before exceptional items was £1.8m, the same as the prior period.

As the business now comprises solely the Point to Point business, no segmental analysis is provided.

The UK Defence business was sold to Teledyne on 15 August 2008 for gross proceeds of £13m (subject to a working capital adjustment of £0.3m paid to Teledyne in December). In addition, the Group received £1.9m before tax from the onward sale of its Australian wireless infrastructure business, originally disposed of in 2005.

A second special dividend of 40p (£29.7m) was paid to shareholders on 24 November making a total return of cash of 160p (£118.9m) since May 2008. The Board has decided to defer a dividend decision in respect of 2008/9 until the Preliminary Announcement in July 2009.

Net finance income was £1.3m (2008: £3.7m) being primarily interest earned on cash deposits.

Capital expenditure in the six months was £0.7m compared with £1.4m in the prior period, of which £0.7m related to continuing operations.

Net cash outflow from operating activities was £0.1m after exceptional costs of £0.6m relating to pension scheme wind up and termination payments. After payment of the special dividend, disposal receipts and exchange movements, the closing cash balance at 30 November 2008 was £15.8m.

No further cash contribution is required from the Group to the defined benefit pension scheme, which is now in the final stages of wind-up.

Howard Ford joined the Board as a non-executive director on 5 December 2008, and we look forward to the contribution which his experience of the telecommunication markets will bring.



Business Review and Outlook

The business delivered strong sales during the first six months, with demand across all its customers being particularly driven through mobile roll-outs in developing regions. However, in the second half we expect weaker demand due to the slow down in telecoms infrastructure expenditure resulting from global economic conditions. This has affected one major customer in particular, and we are in discussions to mitigate the short term business impact.

Overhead and other cost reduction measures have already been taken which, on present indications of customer demand in the second half, would permit the Group to trade around breakeven and on a broadly cash neutral basis. Expenditure on core technology and new product development is being maintained.

The underlying market drivers for point to point backhaul market growth remain, with the ongoing mobile subscriber growth in developing regions and with future capacity upgrades in developed regions required to support substantial growth in mobile broadband. The business is continuing with activities to broaden its customer base and to pursue the development of a new product targeting the emerging market for 4G mobile broadband services.

John Poulter
Chairman

Hemant Mardia
CEO

19 January 2009



The Board

The directors that served during the six months ended 30 November 2008 and their respective responsibilities are set out in the Annual Report 2008.

Stephen Mole was appointed as a director on 13 June 2008. He continues in his role as Chief Financial Officer.

Professor Stephen Burbank and Ian Hardington retired as directors on 19 September 2008.

Charles Hindson resigned as Chief Executive and as a director on 19 September 2008.

Hemant Mardia, director, was appointed as Chief Executive Officer on 19 September 2008.

Howard Ford was appointed as a director on 5 December 2008.



Responsibility statement of the directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union;
- the interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board
19 January 2009



Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2008, which comprises the condensed consolidated income statement, the condensed consolidated statement of recognised income and expense, the condensed consolidated balance sheet, condensed consolidated cash flow statement and the related explanatory notes. We have read the other information contained in the half-yearly financial report, and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.



Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 November 2008 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union and the DTR of the UK FSA.

KPMG Audit Plc
Chartered Accountants
Leeds
19 January 2009

Condensed Consolidated Income Statement



		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Continuing operations	note			
Revenue		18,300	20,067	40,133
Operating profit before exceptional items		1,771	1,759	2,522
Exceptional items	6	(646)	(1,874)	(26,029)
Operating profit/(loss)		1,125	(115)	(23,507)
Loss on sale of property		–	(93)	(115)
Finance income	12	1,376	4,875	9,110
Finance costs	13	(60)	(1,131)	(1,688)
Profit/(loss) before taxation		2,441	3,536	(16,200)
Taxation		–	–	–
Profit/(loss) for the period from continuing operations		2,441	3,536	(16,200)
Profit/(loss) for the period from discontinued operations	14	9,269	(2,662)	1,585
Profit/(loss) for the period		11,710	874	(14,615)
Basic and diluted earnings/(loss) per share				
Continuing operations	21	3.28p	4.76 p	(21.80)p
Discontinued operations	21	12.47p	(3.58)p	2.13 p
Basic and diluted earnings/(loss) per share	21	15.75p	1.18 p	(19.67)p

The profit/(loss) for the period is attributable to the equity shareholders of the parent company Filtronic plc.



Condensed Consolidated Statement of Recognised Income and Expense

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Profit/(loss) for the period	11,710	874	(14,615)
Actuarial gain/(loss) on defined benefit pension scheme	923	(38)	4,964
Transfer to income from translation reserve related to business disposal	(65)	(438)	(453)
Currency translation movement arising on consolidation	(136)	(76)	(6)
	722	(552)	4,505
Total recognised income and expense for the period	12,432	322	(10,110)

The total recognised income and expense for the period is attributable to the equity shareholders of the parent company Filtronic plc.

Condensed Consolidated Balance Sheet



		30 November 2008 £000	30 November 2007 £000	31 May 2008 £000
	note			
Non-current assets				
Property, plant and equipment	22	<u>2,221</u>	3,821	4,045
Current assets				
Inventories		6,565	6,494	6,245
Trade and other receivables		7,744	12,974	12,999
Cash and cash equivalents		15,765	117,442	31,451
Assets classified as held for sale	23	–	16,570	–
		<u>30,074</u>	153,480	50,695
Total assets		<u>32,295</u>	157,301	54,740
Current liabilities				
Trade and other payables		8,771	11,448	12,673
Income tax payable		526	–	–
Provision		1,382	–	2,152
Liabilities classified as held for sale	23	–	4,033	–
		<u>10,679</u>	15,481	14,825
Non-current liabilities				
Defined benefit pension		–	3,287	1,002
Total liabilities		<u>10,679</u>	18,768	15,827
Net assets		<u>21,616</u>	138,533	38,913
Equity				
Share capital		7,432	7,432	7,432
Share premium		–	139,253	–
Capital redemption reserve		–	58	–
Translation reserve		–	146	201
Retained earnings/(accumulated losses)		14,184	(8,356)	31,280
Total equity		<u>21,616</u>	138,533	38,913

The total equity is attributable to the equity shareholders of the parent company Filtronic plc.



Condensed Consolidated Cash Flow Statement

	6 months ended 30 November 2008	6 months ended 30 November 2007	Year ended 31 May 2008
note	£000	£000	£000
Cash flows from operating activities			
Profit/(loss) for the period	11,710	874	(14,615)
Gain on sale of discontinued operations	(9,478)	(2,667)	(3,596)
Finance costs	60	1,131	1,688
Finance income	(1,376)	(4,875)	(9,110)
Loss on sale of property	–	93	115
Operating profit/(loss)	916	(5,444)	(25,518)
Defined benefit pension charge	–	2,331	27,010
Defined benefit pension contributions paid	(100)	(5,745)	(27,701)
Property impairment	–	6,300	6,300
Depreciation	487	1,221	2,040
Loss on sale of plant and equipment	–	86	87
Licence fee released to income	–	(1,167)	(1,751)
Movement in inventories	(1,975)	(524)	1
Movement in trade and other receivables	2,493	(1,572)	2,079
Movement in trade and other payables	(1,813)	(1,756)	(323)
Movement in provision	(104)	–	1,704
Net cash used in operating activities	(96)	(6,270)	(16,072)

Condensed Consolidated Cash Flow Statement



		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
	note			
Net cash used in operating activities	26	(96)	(6,270)	(16,072)
Cash flows from investing activities				
Proceeds from sale of property		–	6,066	6,044
Proceeds from sale of plant and equipment		–	27	50
Interest received		1,065	3,303	6,724
Acquisition of plant and equipment		(736)	(1,363)	(2,309)
Sale of discontinued operations		13,728	(2,794)	7,413
Net cash from investing activities	26	14,057	5,239	17,922
Cash flows from financing activities				
Dividends paid		(29,729)	–	(89,188)
Net cash used in financing activities	26	(29,729)	–	(89,188)
Decrease in cash and cash equivalents		(15,768)	(1,031)	(87,338)
Currency exchange movement		82	206	522
Opening cash and cash equivalents		31,451	118,267	118,267
Closing cash and cash equivalents		15,765	117,442	31,451



1 Company information

Filtronic plc is a company registered and domiciled in the United Kingdom, and is listed on the London Stock Exchange. The company's registered number is 2891064. The address of the company's registered office is Filtronic plc, 15 Parkview Court, St Paul's Road, Shipley, West Yorkshire, BD18 3DZ.

Copies of the company's annual report and half-yearly financial report are available from the company's registered office or the company's website at www.filtronic.co.uk

2 Basis of preparation

The half-yearly financial report, including the condensed consolidated financial statements for the six months ended 30 November 2008, has been prepared in accordance with the Disclosure and Transparency Rules of the UK Financial Services Authority and the requirements of IAS 34 Interim Financial Reporting as adopted by the European Union.

The half-yearly financial report for the six months ended 30 November 2008 was approved by the Board on 19 January 2009.

The condensed consolidated financial statements for the six months ended 30 November 2008 consolidate the financial statements of the company and all of its subsidiaries.

The condensed consolidated financial statements for the six months ended 30 November 2008 have not been audited.

The half-yearly financial report for the six months ended 30 November 2008 does not constitute financial statements as defined in section 240 of the Companies Act 1985, and does not include all of the information and disclosures required for annual financial statements. The half-yearly report should be read in conjunction with the annual report 2008, which includes annual financial statements for the year ended 31 May 2008.

The financial information for the year ended 31 May 2008 has been extracted from the annual financial statements included in the annual report 2008, which has been filed with the Registrar of Companies. The report of the auditors on those financial statements 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 condensed consolidated financial statements for the six months ended 30 November 2008 have been prepared using the accounting policies set out in the annual financial statements for the year ended 31 May 2008 included in the annual report 2008. Those annual financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The risks and uncertainties faced by the company are the same as those disclosed in the annual report 2008, except for those specifically related to the Defence Electronics business, which was sold on 15 August 2008.

3 Accounting estimates and judgements

The preparation of the financial statements requires the use of accounting estimates and judgements, which affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of the future, which are believed to be reasonable under the circumstances. Actual results may differ from the expected results.

The accounting estimates and judgements that have a significant effect on the financial statements are the same as those applied and disclosed in the annual financial statements for the year ended 31 May 2008.

4 Discontinued operations

On 15 August 2008 the Defence Electronics business was sold. Consequently the results of this business have been reclassified as discontinued operations for the current and comparative periods.

5 Continuing operations

The continuing operations for the current period form one business located in the United Kingdom. Consequently the previously reported results for Point to Point, Central Services and unallocated pension charge have been combined for the comparative periods.



6 Exceptional items continuing operations

Operating profit is stated after charging exceptional items as follows:

		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
	note			
Chief Executive resignation cost	7	383	–	–
Pension scheme closure costs	8	263	–	–
Enhanced pension transfer value offer costs	9	–	270	311
Pension settlement charge	10	–	1,604	24,868
Pension past service cost	11	–	–	850
		<u>646</u>	<u>1,874</u>	<u>26,029</u>

7 Chief Executive resignation cost

		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Chief Executive resignation cost		<u>383</u>	<u>–</u>	<u>–</u>

Charles Hindson resigned as Chief Executive on 19 September 2008. Under the terms of his contract he was paid twelve months' salary in lieu of notice and he was also entitled to a bonus payment.

8 Pension scheme closure costs

		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Pension scheme closure costs		<u>263</u>	<u>–</u>	<u>–</u>

Professional fees were incurred in connection with the process of closing the defined benefit pension scheme.

9 Enhanced pension transfer value offer costs

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Enhanced pension transfer value offer costs	–	270	311

Professional fees were incurred in connection with the enhanced pension transfer value offer made during the period 1 June 2007 to 31 January 2008.

10 Pension settlement charge

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Enhanced transfer values	–	1,604	3,206
Fully funding past service liabilities with annuities	–	–	21,662
	–	1,604	24,868

A pension settlement charge of £3,206,000 resulted from the settlement of the enhanced transfer values paid out during the period 1 June 2007 to 31 January 2008. The company paid £6,027,000 of additional contributions to the pension scheme to fund the settlement of the enhanced transfer values.

A pension settlement charge of £21,662,000 resulted from the settlement of past service liabilities with annuities at 29 February 2008. Pension benefits ceased accruing from 29 February 2008, and the defined benefits scheme is in the process of being closed. The company paid £21,000,000 of additional contributions to the pension scheme to fund the settlement of past service liabilities with annuities.



11 Pension past service cost

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Pension past service cost	–	–	850

The past service cost was the cost of providing for the equalisation of retirement ages for male and female members of pension schemes that were transferred into the defined benefit pension scheme. This was part of the process of transferring all the residual liabilities of the scheme to the assurance company providing the annuities.



12 Finance income

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Interest income	1,065	3,303	6,724
Expected return on pension scheme assets	39	1,422	1,985
Currency exchange gains	272	150	401
	<u>1,376</u>	<u>4,875</u>	<u>9,110</u>

13 Finance costs

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Interest on pension scheme liabilities	<u>60</u>	<u>1,131</u>	<u>1,688</u>



14 Profit/(loss) for the period from discontinued operations

		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Discontinued operations	note			
Revenue	15, 16	2,107	26,269	44,293
Operating (loss)/profit before exceptional items		(209)	1,146	4,464
Exceptional items	17	–	(6,475)	(6,475)
Operating loss	15, 16	(209)	(5,329)	(2,011)
Loss before taxation		(209)	(5,329)	(2,011)
Taxation		–	–	–
Loss after taxation		(209)	(5,329)	(2,011)
Gain on sale of discontinued operations	18	9,478	2,667	3,596
Profit/(loss) for the period from discontinued operations		9,269	(2,662)	1,585

15 Business segment analysis discontinued operations

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Revenue			
Defence Electronics	2,107	9,542	16,980
Compound Semiconductors	–	16,727	27,313
	<u>2,107</u>	<u>26,269</u>	<u>44,293</u>
Operating loss			
Defence Electronics	(209)	(396)	322
Compound Semiconductors	–	(4,933)	(2,333)
	<u>(209)</u>	<u>(5,329)</u>	<u>(2,011)</u>
Operating loss	(209)	(5,329)	(2,011)
Loss before taxation	(209)	(5,329)	(2,011)
Taxation	–	–	–
	<u>(209)</u>	<u>(5,329)</u>	<u>(2,011)</u>
Loss after taxation	(209)	(5,329)	(2,011)
The operating loss is stated after crediting the release of deferred income as follows:			
Compound Semiconductors licence fee	–	1,167	1,751



16 Geographical origin segment analysis discontinued operations

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Revenue			
United Kingdom	1,900	23,331	40,881
United States of America	–	2,430	2,462
Australia	207	508	950
	<u>2,107</u>	<u>26,269</u>	<u>44,293</u>
Operating loss			
United Kingdom	(260)	(4,490)	(1,226)
United States of America	–	(959)	(1,016)
Australia	51	120	231
Operating loss	<u>(209)</u>	<u>(5,329)</u>	<u>(2,011)</u>
Loss before taxation	<u>(209)</u>	<u>(5,329)</u>	<u>(2,011)</u>
Taxation	–	–	–
Loss after taxation	<u>(209)</u>	<u>(5,329)</u>	<u>(2,011)</u>

17 Exceptional items discontinued operations

Operating loss is stated after charging exceptional items as follows:

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Property impairment	–	6,300	6,300
Redundancy costs	–	175	175
	<u>–</u>	<u>6,475</u>	<u>6,475</u>

The exceptional items relate to the Compound Semiconductors business.

The property impairment resulted from an impairment review at 30 November 2007.



18 Gain on sale of discontinued operations

		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Gain/(loss) on sale:				
Wireless Infrastructure business	19	1,308	2,867	2,805
Defence Electronics business	20	8,170	(200)	(667)
Compound Semiconductors business		–	–	1,458
		<u>9,478</u>	<u>2,667</u>	<u>3,596</u>

19 Gain on sale of Wireless Infrastructure business

	6 months ended 30 November 2008 £000
Gain on sale of Wireless Infrastructure business before taxation	1,869
Taxation	(561)
Gain on sale of Wireless Infrastructure business after taxation	<u>1,308</u>

The Wireless Infrastructure business in Australia was sold to its management in 2005. This business was sold on to another party in July 2008. Under the terms of the original sale a proportion of the sell-on proceeds were received by the group in July 2008, and amounted to £1,869,000.

20 Gain on sale of the Defence Electronics business

On 15 August 2008 the Defence Electronics business in the United Kingdom and Australia was sold. The sale is analysed as follows:

	6 months ended 30 November 2008 £000
Consideration and costs	
Gross consideration	13,000
Adjustment for working capital	(287)
Net consideration	12,713
Sale costs	(822)
Currency translation adjustment	65
	<u>11,956</u>
Assets and liabilities sold	
Property, plant and equipment	2,073
Inventories	1,655
Trade and other receivables	2,925
Cash and cash equivalents	419
Trade and other payables	(2,620)
Provision	(666)
Net assets sold	<u>3,786</u>
Gain on sale of the Defence Electronics business	<u>8,170</u>
	<u>11,956</u>



21 Basic and diluted earnings/(loss) per share

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Profit/(loss) for the period			
Continuing operations	2,441	3,536	(16,200)
Discontinued operations	9,269	(2,662)	1,585
Profit/(loss) for the period	11,710	874	(14,615)
	000	000	000
Basic and diluted weighted average number of shares	74,323	74,323	74,323
Basic and diluted earnings/(loss) per share			
Continuing operations	3.28p	4.76 p	(21.80)p
Discontinued operations	12.47p	(3.58)p	2.13 p
Basic and diluted earnings/(loss) per share	15.75p	1.18 p	(19.67)p

22 Property, plant and equipment

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Carrying amount			
Opening balance	4,045	26,089	26,089
Additions	736	1,363	2,309
Transfers to held for sale	–	(8,646)	–
Disposals	–	(6,272)	(6,296)
Disposals through sale of businesses	(2,073)	(1,130)	(9,663)
Depreciation	(487)	(1,221)	(2,040)
Impairment	–	(6,300)	(6,300)
Currency translation movement	–	(62)	(54)
Closing balance	2,221	3,821	4,045



23 Assets and liabilities classified as held for sale

	30 November 2008 £000	30 November 2007 £000	31 May 2008 £000
Property, plant and equipment	-	8,646	-
Inventories	-	3,358	-
Trade and other receivables	-	4,566	-
Assets classified as held for sale	<u>-</u>	<u>16,570</u>	<u>-</u>
Trade and other payables	-	3,060	-
Deferred income	-	973	-
Liabilities classified as held for sale	<u>-</u>	<u>4,033</u>	<u>-</u>

On 30 November 2007 the decision was taken to sell the Compound Semiconductors business. Consequently the Compound Semiconductors business was classified as a disposal group held for sale and a discontinued operation. The Compound Semiconductors business was sold on 29 February 2008.

24 Dividends

The dividends recognised in equity and paid during the period were as follows:

		6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Special interim dividend year ended	Per share			
31 May 2008	120.00p	–	–	89,188
31 May 2009	40.00p	29,729	–	–
		29,729	–	89,188

25 Reconciliation of movements in total equity

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Opening total equity	38,913	138,211	138,211
Total recognised income and expense for the period	12,432	322	(10,110)
Dividends	(29,729)	–	(89,188)
Closing total equity	21,616	138,533	38,913



26 Note to the condensed consolidated cash flow statement

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Operating profit/(loss)			
Continuing operations	1,125	(115)	(23,507)
Discontinued operations	(209)	(5,329)	(2,011)
	<u>916</u>	<u>(5,444)</u>	<u>(25,518)</u>
Net cash used in operating activities			
Continuing operations	(125)	(7,137)	(22,542)
Discontinued operations	29	867	6,470
	<u>(96)</u>	<u>(6,270)</u>	<u>(16,072)</u>
Net cash from investing activities			
Continuing operations	410	8,677	11,554
Discontinued operations	(81)	(644)	(1,045)
Sale of discontinued operations	27 13,728	(2,794)	7,413
	<u>14,057</u>	<u>5,239</u>	<u>17,922</u>
Net cash used in financing activities			
Continuing operations	(29,729)	–	(89,188)

27 Net cash from sale of discontinued operations

	6 months ended 30 November 2008 £000	6 months ended 30 November 2007 £000	Year ended 31 May 2008 £000
Consideration received	14,869	4,324	14,964
Sale costs paid	(722)	(1,368)	(1,801)
Product liability costs paid	–	(5,750)	(5,750)
Cash and cash equivalents sold	(419)	–	–
	<u>13,728</u>	<u>(2,794)</u>	<u>7,413</u>