INTERIM REPORT

2013

investing in innovation

AVON

Avon Rubber p.l.c.

Table of Contents:

News Release

Strictly embargoed until 07:00 01 May 2013

AVON RUBBER p.l.c.
(“Avon”, the “Group” or the “Company”)

Unaudited interim results for the six months ended 31 March 2013

	31 March 2013 £Millions	31 March 2012 £Millions
REVENUE	**59.6**	49.6
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION	**8.4**	7.2
OPERATING PROFIT	**5.8**	5.0
PROFIT BEFORE TAXATION	**5.7**	4.6
PROFIT FOR THE PERIOD	**4.1**	3.3
NET DEBT	**9.9**	9.8
BASIC EARNINGS PER SHARE	**14.0p**	11.3p
DILUTED EARNINGS PER SHARE	**13.4p**	10.8p
INTERIM DIVIDEND	**1.44p**	1.20p

FINANCIAL HIGHLIGHTS

- Operating profit growth of 17% and profit after tax up 26%
- Diluted earnings per share up 24%
- 132% conversion of operating profit to operating cash inflow
- Interim dividend of 1.44p per share up 20% reflecting confidence in future earnings

OPERATIONAL HIGHLIGHTS

- Order intake in Protection & Defence up 10% to £40m. Closing order book of £40m with £34m for delivery in 2013
- Continued growth in non-DoD sales both from strong opening order book and new order intake ahead of the comparative period
- Growth in DoD respirator and filter sales
- Market share for Milkrite Impulse Air mouthpiece vented liners rose to 18% in a weak US market constrained by low profitability in dairy farming
- 6% of Group revenue has been invested in new products and new markets
- Acquisition of VR Technology Holdings completed post period-end

Peter Slabbert, Chief Executive commented:

"We are delivering our strategy. We have achieved strong growth in the first half of the year and the Board is confident of making further progress as the year evolves, despite the challenges of the uncertain global economic and political environment and the temporary slowdown seen in the first half year in the US dairy sector.

The Protection & Defence business is expected to continue to benefit from the security of the long term DoD contract and an increase in market share in the US homeland security and foreign military markets.

The Dairy business remains well positioned in markets with long term growth potential. There will be opportunities to enhance profitability by using the strong Milkrite brand, our distribution capability and by adding innovative new products currently in development.

As a result, the Board remains confident that the Group can continue to make strong progress in the second half of our financial year."

Avon Rubber p.l.c.

Peter Slabbert, Chief Executive	Today:	020 7067 0700
	Thereafter:	01225 896 870
Andrew Lewis, Group Finance Director		01225 896 830
Sophie Williams, Public Relations Manager		07769 282 878

Weber Shandwick Financial

Nick Oborne		020 7067 0700
Stephanie Badjonat		

An analyst meeting will be held at 9.30am this morning at the offices of Weber Shandwick Financial, 2 Waterhouse Square, 140 Holborn, London, EC1N 2AE.

NOTES TO EDITORS:
Avon is focused on two specialist areas - Protection & Defence and Dairy.

With over 120 years' experience, Avon Rubber p.l.c. is an innovative design and engineering group specialising in two core markets, Protection & Defence and Dairy. With a strong emphasis on research and development, we design, test and manufacture specialist products from a number of sites in the US and the UK, serving markets around the world.

Avon Protection is the recognised global market leader in advanced Chemical, Biological, Radiological and Nuclear (CBRN) respiratory protection system technology. Our unrivalled 80 year pedigree in military mask design and manufacture has placed Avon Protection's products at the heart of many international defence and tactical Personal Protective Equipment (PPE) deployment strategies. Our expanding global customer base now includes military forces, civil and first line defence troops, emergency service teams and industrial, marine, mineral and oil extraction site personnel. All put their trust in Avon's advanced respiratory solutions.

Our world leading Dairy business and its Milkrite brand have a global market presence. Our unique designs and innovative technology are described by one particular customer as "the biggest advance in the milking process in a generation". Working with the leading scientists and health specialists in the industry, we continue to invest in technology to further improve the milking process and animal welfare. As our market share and milking experience continues to grow, so does our global presence.

For further information please visit the Group's website www.avon-rubber.com

Interim Management Report

INTRODUCTION
Avon has continued to make positive strategic and operational progress during the first half of 2013. The investments we have made and continue to make in developing innovative new products and in gaining access to new markets have positioned the Group well to deliver further growth this year.

The Protection & Defence business started the year with a strong order book and order intake is up 10% on the comparative period last year. The £14.7m order from the Middle East, which we announced in May 2012, has been a strong contributor as well as increased sales to the US DoD. Sales to the US homeland security and first responder markets have also increased as have foreign military/first responder sales. This resulted in the stronger first half performance in contrast to the comparatively weak period last year.

In the Dairy business, the Milkrite Impulse Air mouthpiece vented liner continued to sell well and we have seen further sales growth at the newly established Chinese operation. As explained in our February interim management statement, reduced farm profitability, in particular in North America, temporarily lowered demand for consumable products in the first half of the year. However with growing long term global demand for Dairy products, we believe that this cyclical fluctuation will gradually reverse and that new product introductions should provide opportunities for growth in the second half of the year.

GROUP RESULTS
Group revenue at £59.6m (2012: £49.6m) rose by 20%.

The Group made an operating profit of £5.8m (2012: £5.0m), an increase of 17%. Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') were £8.4m (2012: £7.2m).

Foreign exchange translation did not have a material impact on this result as the $/£ average rate of $1.567 was similar to the $1.575 prevailing in the same period last year. If the currently stronger US dollar were to prevail throughout the remainder of the financial year, it would create a currency translation benefit for the full year.

Net finance costs were flat at £0.1m (2012: £0.1m).

Non-cash other finance income was £0.1m (2012: £0.2m expense). The switch from expense to income was driven by the lower AA corporate bond yield at 30 September 2012 which is used to generate the pension finance expense for 2013.

Profit before tax was £5.7m (2012: £4.6m) and after a tax charge of £1.6m (2012: £1.3m), an effective rate of 28% (2012: 29%); the Group recorded a profit for the period after tax of £4.1m (2012: £3.3m). The reduced tax rate reflects a combination of the geographical split of taxable profits and the lower other finance expense relating to the pension scheme. Basic earnings per share were up 24% at 14.0p (2012: 11.3p) and fully diluted earnings per share were up 24% at 13.4p (2012: 10.8p).

NET DEBT AND CASHFLOW

Operating cash conversion remained strong at 132% of operating profit. Turning profits into cash has assisted in making an investment of £4.5m in the future of the business, while, at the same time, increasing the interim dividend to shareholders by 20% and managing our debt.

Net debt increased from £8.7m at the 2012 year end to £9.9m at 31 March 2013. The increase was attributable to the strengthening US dollar, which added £0.5m to the reported number due to the translation of dollar debt, £1.8m of funding provided to the Employee Share Ownership Trusts to fund the purchase of the Company's shares for awards made under the Performance Share Plan and the timing of working capital movements.

Total bank facilities at 31 March 2013 were £25.1m, the majority of which are US dollar denominated and provide a partial hedge against the Group's US dollar assets. The majority of these facilities are committed until 30 March 2015.

PROTECTION & DEFENCE

Performance

Revenue for the division was £43.5m (2012: £33.2m). The increase comprised:

- growth in non-DoD sales derived from the healthy order book brought forward from last year and the increased order intake compared with the first half of last year
- growth in DoD sales of our M50 military respirator and associated M61 filters
- growth in revenue at AEF and in sales of other DoD spares

Operating profit was 45% higher at £4.3m (2012: £3.0m) and EBITDA was up 32% at £6.6m (2012: £5.0m).

M50 respirator sales to the DoD were in line with forecast in the first half of the year, at 111,000 mask systems. During the period we received a further order for 84,000 mask systems which means we exit the half year with orders in hand for 118,000 mask systems. This gives order coverage until the first quarter of our 2014 financial year, providing good visibility of revenue under this 10 year sole source contract.

We delivered 266,000 pairs of M61 filters during the period. Having entered the year with 134,000 pairs on order, we have won further orders for 264,000 pairs, meaning we exit the half year with orders for 132,000 pairs to fulfill in the second half of the financial year.

We have two contract vehicles in place which allow the DoD to procure spare filters. We remain the sole source supplier until a second source is successfully qualified and believe the end user demand for this consumable product will continue to grow as fielding of the mask accelerates, albeit in the current US DoD procurement environment, obtaining short term visibility of future orders remains challenging.

Orders for our respiratory protection products from US homeland security and foreign military customers have continued to grow, with order intake up 64% on last year. Deliveries against this stronger order intake, combined with deliveries against the £14.7m multi-year order from the Middle East announced in May 2012 formed the basis of a strong profit contribution.

The first half of 2013 saw significant sales to Oman, New Zealand and Chicago Police Department. Avon's respiratory protection products are the product of choice in defence and homeland security markets around the world and we expect the proportion of revenues from these sources to continue to grow over the medium term.

AEF and other DoD spares sales also reflected higher demand. These sales are at lower margins and hence at a divisional level they are margin dilutive in percentage terms.

The division has good visibility for the second half of the year with total orders in hand for H2 delivery of £34m.

Product development/ innovation

The first product from our Project Fusion programme was launched during the period. The PC50 respirator is derived from our successful C50 respirator and is specifically designed for the correctional facility market. It also combines with our EZAir powered air blower.

Project Fusion is on track to launch two further products during the second half of the financial year. The Deltair is our new fire service SCBA product which has been designed to meet the new US National Fire Protection Association (NFPA) 2013 standard and incorporates Avon's military pedigree in design and quality. The second product is Avon's own range of filters which creates the opportunity to win new business and increase margins as we become less dependent on third party suppliers. Both products have been submitted to the appropriate regulatory authority for testing and are expected to be launched in the final quarter of our financial year.

Our plans to launch the remaining components of our modular personal protection equipment system remain on track for the 2014 financial year.

Opportunities

We continue to pursue opportunities to grow both our markets and technologies in the fields of CBRN and respiratory protection. We have received and responded to a sole source invitation from the DoD to tender for an aircrew CBRN respiratory protection mask (the Joint Service Aircrew Mask programme) and our submission is currently being evaluated. If successful, we expect product testing and evaluation to take approximately two years with volume production to follow thereafter.

As announced on 26 April 2013 we have acquired market-leading technology related to rebreathing devices. These products have extensive underwater Navy applications as well as various terrestrial uses. We are in the process of responding to a competitive tender from the US Navy for an emergency escape device using rebreather technology with an estimated initial value of over US$30m. This programme gives an indication of the potential for this technology within our portfolio.

DAIRY

Performance
Revenue for the Dairy business was down 2% at £16.1m (2012: £16.4m) which generated an operating profit of £2.6m (2012: £2.9m).

The Milkrite Impulse Air mouthpiece vented liner continues to perform well, with its market share in North America increasing to 18% (31 March 2012: 10%, 30 September 2012: 16%) and we have seen further quarter on quarter sales growth at our Chinese operation which was established in 2012. Divisional gross margins have remained consistent with 2012.

In our traditional markets lower milk prices and higher feed costs have reduced farmer revenues and margins in the period and this has led to fluctuating demand for our consumable products and our success with the Milkrite brand has resulted in OEMs reducing their requirements.

Periods of cyclical market weakness like this have been seen before and this one has coincided with the planned rise in the division's cost base as we invest in the infrastructure required to deliver the global growth opportunity. In 2012 we opened the China sales and distribution facility, enhanced the divisional management team, recruited a dedicated product development team and added people to the sales force. These costs were added incrementally during 2012 and we are seeing the full year effect of these in 2013.

Product development/ innovation
The first of our planned new product introductions is scheduled for launch during the third quarter of our financial year. Our new cluster exchange service offering will feature a new milking claw and should provide immediate opportunities for growth during the remainder of the year and in years to come.

Opportunities
The three broad markets in which we operate are at different stages of their development.

In North America the opportunity is to continue to grow our higher technology, higher margin Impulse Air market share and to move into the total service offering through the cluster exchange scheme. This will increase the value of each sale and should deliver repeat revenue streams as customers sign up to regular liner changes.

In Europe, where Milkrite is less established, the opportunity is to grow the Milkrite market share. The platform to deliver this is a larger sales force, enhanced technical support and a larger distributor network through an increased number of dealers. This programme has been started and we expect to see the benefits over the medium term.

In emerging markets the number of dairy cows being milked using an automated milking process is growing, creating a constantly increasing potential market for our consumable products. This is what drove the establishment of our sales and distribution centre in China and we plan to establish similar functions in Brazil and India over the next five years to meet rapidly growing demand in these regions.

RETIREMENT BENEFIT OBLIGATIONS

The IAS 19 valuation of the Group's UK retirement benefit obligations has moved from a deficit of £2.2m at 30 September 2012 to a surplus of £1.8m at 31 March 2013. The movement came from positive asset returns offset by a continuing weakness in the AA Corporate Bond rate which is used to value liabilities for IAS 19 valuations.

The 31 March 2011 actuarial valuation showed the scheme to be 98.4% funded. During the period the company made cash contributions in respect of deficit recovery payments and administration costs of £338,000 (2012: £206,000).

DIVIDENDS

The final dividend for the 2012 financial year of 2.4p per ordinary share was paid to shareholders on 15 March 2013 and absorbed £708,000 of shareholders' funds.

Following the period end, the Board has declared an interim dividend of 1.44p per ordinary share for 2013, an increase of 20% on the 2012 interim dividend. This will be paid on 6 September 2013 to shareholders on the register on 9 August 2013. It is expected to absorb £425,000 of shareholders' funds and there are no corporation tax consequences.

BOARD CHANGES

As previously announced two changes to Board membership occurred during the period. Richard Wood was appointed as a Non-Executive Director on 1 December 2012 and the Rt. Hon. Sir Richard Needham stood down from the Board at the Annual General Meeting on 7 February 2013.

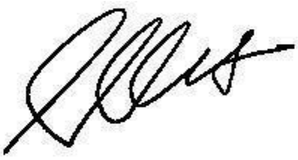
OUTLOOK

We are delivering our strategy. We have achieved strong growth in the first half of the year and the Board is confident of making further progress as the year evolves, despite the challenges of the uncertain global economic and political environment and the temporary slowdown seen in the first half year in the US dairy sector.

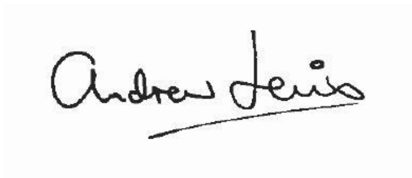
The Protection & Defence business is expected to continue to benefit from the security of the long term DoD contract and an increase in market share in the US homeland security and foreign military markets.

The Dairy business remains well positioned in markets with long term growth potential. There will be opportunities to enhance profitability by using the strong Milkrite brand, our distribution capability and by adding innovative new products currently in development.

As a result, the Board remains confident that the Group can continue to make strong progress in the second half of our financial year.



Peter Slabbert
Chief Executive
1 May 2013



Andrew Lewis
Group Finance Director
1 May 2013

Statement of Directors' Responsibilities

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with the International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8R, namely:

• an indication of important events that have occurred during the first six months and their impact on the condensed consolidated interim financial information, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

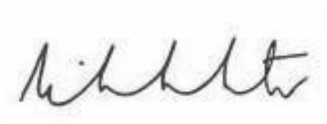
• material related party transactions in the first six months and any material changes in the related-party transactions described in the last annual report

The Directors are as listed on page 25 of the 2012 Annual Report, with the exception that Richard Wood was appointed as a Non-Executive Director on 1 December 2012 and the Rt. Hon. Sir Richard Needham stood down from the Board at the Annual General Meeting on 7 February 2013.

Forward-looking statements
Certain statements in this half year report are forward-looking. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Because these statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

We undertake no obligation to update any forward-looking statements whether as a result of new information, future events or otherwise.

Company website
The interim statement is available on the Company's website at http://interim.avon-rubber.com. The maintenance and integrity of the website is the responsibility of the Directors. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Miles Ingrey-Counter
Company Secretary
1 May 2013

Consolidated Statement of Comprehensive Income

	Note	**Half year to 31 Mar 13 (Unaudited) £'000**	Half year to 31 Mar 12 (Unaudited) £'000	Year to 30 Sep 12 (Audited) £'000
Revenue	4	**59,590**	49,632	106,636
Cost of sales		**(43,658)**	(35,586)	(75,803)
Gross profit		**15,932**	14,046	30,833
Distribution costs		**(2,707)**	(2,737)	(5,013)
Administrative expenses		**(7,405)**	(6,355)	(14,199)
Operating profit	4	**5,820**	4,954	11,621
Operating profit is analysed as:				
Before depreciation and amortisation		**8,392**	7,236	16,358
Depreciation and amortisation		**(2,572)**	(2,282)	(4,737)
Operating profit		**5,820**	4,954	11,621
Finance income	5	**-**	-	7
Finance costs	5	**(152)**	(144)	(249)
Other finance income/(expense)	5	**58**	(198)	(374)
Profit before taxation		**5,726**	4,612	11,005
Taxation	6	**(1,602)**	(1,337)	(3,176)
Profit for the period		**4,124**	3,275	7,829
Other comprehensive income / (expense)				
Actuarial gain/(loss) recognised in retirement benefit schemes		**3,505**	1,522	(3,098)
Net exchange differences offset in reserves		**1,924**	(613)	(917)
Other comprehensive income / (expense) for the period, net of taxation		**5,429**	909	(4,015)
Total comprehensive income for the period		**9,553**	4,184	3,814
Earnings per share				
Basic	8	**14.0p**	11.3p	26.9p
Diluted	8	**13.4p**	10.8p	25.4p

Consolidated Balance Sheet

	Note	As at 31 Mar 13 (Unaudited) £'000	As at 31 Mar 12 (Unaudited) £'000	As at 30 Sep 12 (Audited) £'000
Assets				
Non-current assets				
Intangible assets		**15,593**	11,147	13,281
Property, plant and equipment		**19,582**	16,737	17,878
Retirement benefit assets		**1,774**	1,981	-
		36,949	29,865	31,159
Current assets				
Inventories		**15,328**	11,414	15,449
Trade and other receivables		**20,666**	17,498	14,616
Derivative financial instruments		**-**	55	121
Cash and cash equivalents	12	**1,521**	80	176
		37,515	29,047	30,362
Liabilities				
Current liabilities				
Borrowings		**-**	688	-
Trade and other payables		**20,543**	14,701	15,748
Derivative financial instruments		**150**	-	-
Provisions for liabilities and charges	9	**586**	567	616
Current tax liabilities		**5,787**	3,630	5,160
		27,066	19,586	21,524
Net current assets		**10,449**	9,461	8,838
Non-current liabilities				
Borrowings	12	**11,391**	9,165	8,901
Deferred tax liabilities		**2,749**	2,810	2,584
Retirement benefit obligations		**-**	-	2,238
Provisions for liabilities and charges	9	**2,225**	2,536	2,377
		16,365	14,511	16,100
Net assets		**31,033**	24,815	23,897
Shareholders' equity				
Ordinary shares	10	**30,723**	30,723	30,723
Share premium account	10	**34,708**	34,708	34,708
Capital redemption reserve		**500**	500	500
Translation reserve		**1,372**	(248)	(552)
Accumulated losses		**(36,270)**	(40,868)	(41,482)
Total equity		**31,033**	24,815	23,897

Consolidated Cash Flow Statement

	Note	**Half year to 31 Mar 13 (Unaudited) £'000**	Half year to 31 Mar 12 (Unaudited) £'000	Year to 30 Sep 12 (Audited) £'000
Cash generated from operations	11	**7,680**	6,225	14,726
Finance income received		**-**	-	7
Finance costs paid		**(137)**	(153)	(300)
Retirement benefit deficit recovery contributions		**(338)**	(206)	(625)
Tax (paid)/received		**(932)**	159	(262)
Net cash generated from operating activities		**6,273**	6,025	13,546
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**-**	-	4
Purchase of property, plant and equipment		**(2,353)**	(1,922)	(4,815)
Capitalised development costs		**(2,121)**	(1,707)	(4,697)
Net cash used in investing activities		**(4,474)**	(3,629)	(9,508)
Cash flows from financing activities				
Net movements in loans		**2,012**	(2,583)	(2,808)
Dividends paid to shareholders		**(708)**	(588)	(941)
Purchase of own shares		**(1,765)**	-	(279)
Net cash used in financing activities		**(461)**	(3,171)	(4,028)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**1,338**	(775)	10
Cash, cash equivalents and bank overdrafts at beginning of the year		**176**	167	167
Effects of exchange rate changes		**7**	-	(1)
Cash, cash equivalents and bank overdrafts at end of the period	12	**1,521**	(608)	176

Consolidated Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Other reserves £'000	Accumulated losses £'000	Total £'000
At 1 October 2011		30,723	34,708	865	(45,124)	21,172
Profit for the period		-		-	3,275	3,275
Unrealised exchange differences on overseas investments		-		(613)	-	(613)
Actuarial gain recognised in retirement benefit scheme		-		-	1,522	1,522
Total comprehensive income/(expense) for the period		-		(613)	4,797	4,184
Dividends paid		-		-	(588)	(588)
Movement in respect of employee share schemes		-		-	47	47
At 31 March 2012		30,723	34,708	252	(40,868)	24,815
Profit for the period		-	-	-	4,554	4,554
Unrealised exchange differences on overseas investments		-	-	(304)	-	(304)
Actuarial loss recognised in retirement benefit scheme		-	-	-	(4,620)	(4,620)
Total comprehensive expense for the period		-	-	(304)	(66)	(370)
Dividends paid		-	-	-	(353)	(353)
Purchase of shares by the employee benefit trust		-	-	-	(279)	(279)
Movement in respect of employee share schemes		-	-	-	84	84
At 30 September 2012		30,723	34,708	(52)	(41,482)	23,897
Profit for the period		**-**	**-**	**-**	**4,124**	**4,124**
Unrealised exchange differences on overseas investments		**-**	**-**	**1,924**	**-**	**1,924**
Actuarial gain recognised in retirement benefit scheme		**-**	**-**	**-**	**3,505**	**3,505**
Total comprehensive income for the period		**-**	**-**	**1,924**	**7,629**	**9,553**
Dividends paid	7	**-**	**-**	**-**	**(708)**	**(708)**
Purchase of shares by the employee benefit trust		**-**	**-**	**-**	**(1,765)**	**(1,765)**
Movement in respect of employee share schemes		**-**	**-**	**-**	**56**	**56**
At 31 March 2013		**30,723**	**34,708**	**1,872**	**(36,270)**	**31,033**

Notes to the Interim Financial Statements

1. General information

The company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB. The company has its primary listing on the London Stock Exchange.

This condensed consolidated interim financial information was approved for issue on 1 May 2013.

These interim financial results do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 September 2012 were approved by the Board of Directors on 21 November 2012 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

2. Basis of preparation

This condensed consolidated interim financial information for the half year ended 31 March 2013 has been prepared in accordance with the Disclosure and Transparency rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. These interim financial results should be read in conjunction with the annual financial statements for the year ended 30 September 2012, which have been prepared in accordance with IFRSs as adopted by the European Union.

Having considered the Group's funding position, budgets for 2013 and three year plan, the Directors have formed a judgment that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the condensed consolidated interim financial information.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 September 2012, as described in those financial statements.

Recent accounting developments

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board (IASB) or by the International Financial Reporting Interpretations Committee (IFRIC) but have not yet been adopted. Subject to endorsement by the European Union, these will be adopted in future periods. The Group's approach to these is as follows:

a) Standards, amendments and interpretations effective in 2013

   The following amendment has been adopted in preparing the condensed consolidated half-yearly financial information and will be adopted for the year ended 30 September 2013:

   - Amendment to IAS 1, 'Presentation of Items of Other Comprehensive Income'

   The adoption of this amendment has not had a material impact on the interim financial information as no items of other comprehensive income will be recycled to profit or loss.

b) Standards, amendments and interpretations to existing standards issued but not yet effective in 2013 and not early adopted

   - IFRS 9, 'Financial instruments'
   - IFRS 10, 'Consolidated financial statements'
   - IFRS 11, 'Joint arrangements'
   - IFRS 12, 'Disclosure of interests in other entities'
   - IFRS 13, 'Fair value measurement'
   - IAS 27 (revised), 'Separate financial statements'
   - IAS 28 (revised), 'Associates and joint ventures'
   - Amendment to IAS 12, 'Income taxes'
   - Amendment to IAS 19, 'Employee benefits'

4. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive team.

The Group has two clearly defined business segments, Protection & Defence and Dairy, and operates out of the UK and the USA.

Business segments
Half year to 31 March 2013 (Unaudited)

	Protection & Defence £'000	Dairy £'000	Unallocated £'000	Group £'000
Revenue	43,459	16,131		59,590
Segment result before depreciation and amortisation	6,585	2,881	(1,074)	8,392
Depreciation of property, plant and equipment	(1,380)	(301)	(20)	(1,701)
Amortisation of intangibles	(861)	(8)	(2)	(871)
Segment result	4,344	2,572	(1,096)	5,820
Finance costs			(152)	(152)
Other finance income			58	58
Profit before taxation	4,344	2,572	(1,190)	5,726
Taxation			(1,602)	(1,602)
Profit for the period	4,344	2,572	(2,792)	4,124

Half year to 31 March 2012 (Unaudited)

	Protection & Defence £'000	Dairy £'000	Unallocated £'000	Group £'000
Revenue	33,196	16,436		49,632
Segment result before depreciation and amortisation	5,000	3,159	(923)	7,236
Depreciation of property, plant and equipment	(1,227)	(240)	(20)	(1,487)
Amortisation of intangibles	(781)	(14)	-	(795)
Segment result	2,992	2,905	(943)	4,954
Finance costs			(144)	(144)
Other finance expense			(198)	(198)
Profit before taxation	2,992	2,905	(1,285)	4,612
Taxation			(1,337)	(1,337)
Profit for the period	2,992	2,905	(2,622)	3,275

Year to 30 September 2012 (Audited)

	Protection & Defence £'000	Dairy £'000	Unallocated £'000	Group £'000
Revenue	74,586	32,050		106,636
Segment result before depreciation and amortisation	11,613	6,506	(1,761)	16,358
Depreciation of property, plant and equipment	(2,594)	(468)	(102)	(3,164)
Amortisation of intangibles	(1,516)	(55)	(2)	(1,573)
Segment result	7,503	5,983	(1,865)	11,621
Finance income			7	7
Finance costs			(249)	(249)
Other finance expense			(374)	(374)
Profit before taxation	7,503	5,983	(2,481)	11,005
Taxation			(3,176)	(3,176)
Profit for the year	7,503	5,983	(5,657)	7,829

Revenue by origin

	Half year to 31 Mar 13 (Unaudited) £'000	Half year to 31 Mar 12 (Unaudited) £'000	Year to 30 Sep 12 (Audited) £'000
UK	**10,784**	7,282	16,318
USA	**48,806**	42,350	90,318
	59,590	49,632	106,636

Segment assets in the UK and USA were £13.4m and £61.1m respectively (30 September 2012: £11.0m and £50.5m, 31 March 2012: £12.2m and £46.7m).

5. Finance income and costs

	Half year to 31 Mar 13 (Unaudited) £'000	Half year to 31 Mar 12 (Unaudited) £'000	Year to 30 Sep 12 (Audited) £'000
Interest payable on bank loans and overdrafts	**(152)**	(144)	(249)
Finance income	**-**	-	7
	(152)	(144)	(242)

Other finance income/(expense)

	Half year to 31 Mar 13 (Unaudited) £'000	Half year to 31 Mar 12 (Unaudited) £'000	Year to 30 Sep 12 (Audited) £'000
Interest cost: UK defined benefit pension scheme	**(6,318)**	(6,801)	(13,602)
Expected return on plan assets: UK defined benefit pension scheme	**6,487**	6,780	13,557
Provisions: Unwinding of discount	**(111)**	(177)	(329)
	58	(198)	(374)

6. Taxation

	Half year to 31 Mar 13 (Unaudited) £'000	Half year to 31 Mar 12 (Unaudited) £'000	Year to 30 Sep 12 (Audited) £'000
United Kingdom	**-**	-	-
Overseas	**1,602**	1,337	3,176
	1,602	1,337	3,176

The effective tax rate for the period is 28% (2012: 29%).

7. Dividends

On 7 February 2013, the shareholders approved a final dividend of 2.4p per qualifying ordinary share in respect of the year ended 30 September 2012. This was paid on 15 March 2013 absorbing £708,000 of shareholders' funds.

The Board of Directors has declared an interim dividend of 1.44p (2012: 1.2p) per qualifying ordinary share in respect of the year ended 30 September 2013. This will be paid on 6 September 2013 to shareholders on the register at the close of business on 9 August 2013. In accordance with accounting standards this dividend has not been provided for and there are no corporation tax consequences. It will be recognised in shareholders’ funds in the year to 30 September 2013 and is expected to absorb £425,000 (2012: £353,000) of shareholders’ funds.

8. Earnings per share

Basic earnings per share is based on a profit attributable to ordinary shareholders of £4,124,000 (2012: £3,275,000) and 29,420,000 (2012: 28,893,000) ordinary shares being the weighted average number of shares in issue during the period.

The company has 1,154,000 (3.9%) (2012: 1,510,000 (5.2%)) potentially dilutive ordinary shares in respect of the Performance Share Plan.

9. Provisions for liabilities and charges

	Property obligations £'000
Balance at 30 September 2012	2,993
Payments in the period	(293)
Unwinding of discount	111
At 31 March 2013	**2,811**

10. Share Capital

	Half year to 31 Mar 13 (Unaudited)	Half year to 31 Mar 12 (Unaudited)	Year to 30 Sep 12 (Audited)
Number of shares (thousands)	**30,723**	30,723	30,723
Ordinary shares (£'000)	**30,723**	30,723	30,723
Share premium (£'000)	**34,708**	34,708	34,708

11. Cash generated from operations

	Half year to 31 Mar 13 (Unaudited) £'000	Half year to 31 Mar 12 (Unaudited) £'000	Year to 30 Sep 12 (Audited) £'000
Continuing operations			
Profit for the financial period	**4,124**	3,275	7,829
Adjustments for:			
Taxation	**1,602**	1,337	3,176
Depreciation	**1,701**	1,487	3,164
Amortisation of intangible assets	**871**	795	1,573
Net finance expense	**152**	144	242
Other finance (income)/expense	**(58)**	198	374
Loss on disposal of property, plant and equipment	**-**	23	57
Movements in working capital and provisions	**(768)**	(987)	(1,820)
Other movements	**56**	(47)	131
Cash generated from continuing operations	**7,680**	6,225	14,726

12. Analysis of net debt

	As at 30 Sep 12 £'000	Cash flow £'000	Exchange movements £'000	**As at 31 Mar 13 £'000**
Cash at bank and in hand	176	1,338	7	**1,521**
Net cash and cash equivalents	176	1,338	7	**1,521**
Debt due in more than 1 year	(8,901)	(2,012)	(478)	**(11,391)**
	(8,725)	(674)	(471)	**(9,870)**

Borrowing facilities	Total facility £'000	Utilised £'000	Undrawn £'000
United Kingdom	15,207	7,598	7,609
North America	9,472	3,793	5,679
Utilised in respect of guarantees	406	406	-
	25,085	11,797	13,288

The above facilities are with Barclays Bank and Comerica Bank. The Barclays facility comprises a revolving credit facility of £5m and $15.5m and expires on 30 March 2015. The Comerica facility is a $15m revolving credit facility and expires on 30 September 2014. These facilities are priced on average at the appropriate currency LIBOR plus a margin of 2% and include financial covenants, which are measured on a quarterly basis and were complied with during the period.

13. Exchange rates

The following significant exchange rates applied during the period.

	Average rate H1 2013	**Closing rate H1 2013**	Average rate H1 2012	Closing rate H1 2012	Average rate FY 2012	Closing rate FY 2012
US Dollar	**1.567**	**1.519**	1.575	1.598	1.576	1.615
Euro	**1.208**	**1.183**	1.182	1.200	1.215	1.255

Fair value of financial instruments

The fair value of forward exchange contracts is determined by using valuation techniques using period end spot rates, adjusted for the forward points to the contract’s value date.

14. Principal risks and uncertainties

The principal risks and uncertainties impacting the Group are described on pages 21-23 of our Annual Report 2012 and remain unchanged at 31 March 2013.

They include: product development, market threat, quality risks and product recall, talent management, business interruption – supply chain, customer dependency and non-compliance with legislation.

15. Post Balance Sheet Events

On 26 April 2013 Avon Rubber p.l.c. acquired the business and assets of VR Technology ("VR"), a market leader in diving rebreather systems and dive computers. VR's products and key technologies will complement and enhance Avon's current and planned product ranges and increase respiratory protection opportunities for the Group, in particular with navies around the world.

The Group also announced that it had acquired purpose built freehold premises in Picayune, MS, USA, for use by its subsidiary Avon Engineered Fabrications in anticipation of the expiry of the lease of its existing premises on 30 September 2013.

The total cash consideration for the two transactions was £3m. The transactions are not expected to impact forecast earnings for the current financial year apart from one-off exceptional transaction and relocation costs and the amortisation of acquired intangibles totalling £0.5m.

CORPORATE INFORMATION

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BOARD OF DIRECTORS
David Evans (Chairman)
Stella Pirie OBE (Non-Executive Director)
Richard Wood (Non-Executive Director)
Peter Slabbert (Chief Executive)
Andrew Lewis (Group Finance Director)

COMPANY SECRETARY
Miles Ingrey-Counter

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BROKERS
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SOLICITORS
TLT

PRINCIPAL BANKERS
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