News Release

Strictly embargoed until 07:00 21 May 2009

AVON RUBBER p.l.c.

(“Avon”, the “Group” or the “Company”)

Unaudited interim results for the six months ended 31 March 2009

	31 March 2009 **£Millions**	31 March 2008 (restated) £Millions
CONTINUING OPERATIONS		
REVENUE	**44.1**	21.7
OPERATING PROFIT/(LOSS)	**1.8**	(1.7)
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION	**3.4**	0.0
PROFIT/(LOSS) FOR THE PERIOD	**0.8**	(5.9)
NET DEBT	**16.5**	13.5
EARNINGS/(LOSS) PER SHARE:		
Basic	**2.7p**	(20.7)p
Continuing operations	**1.9p**	(5.3)p

- **Revenue up 103%**
- **Return to profitability in first half of 2009**
- **Continuing operating activities generated cash of £4.1m**
- **Significant US DoD and UK MoD orders secured in the period**
- **Protection & Defence order book closed at £85m**
- **Loss making UK mixing business divested**
- **Decision to outsource European Dairy manufacturing**

Commenting on the results, Peter Slabbert, Chief Executive said: *"Avon has made significant progress during the first half of 2009. The Group has returned to profit, and importantly has secured significant additional orders from both the US DoD and the UK MoD which have added to the Protection & Defence order book. Our Dairy business has continued to be profitable and cash generative. We have taken difficult but necessary decisions to reduce costs in our UK Dairy business by moving production to the Czech Republic. Our Cadillac facility is now making good progress towards optimum efficiency. Our order book is growing in all markets across the world and we have increasing confidence that our business will continue to grow. "*

For further enquiries, please contact:

Avon Rubber p.l.c.	
Peter Slabbert, Chief Executive	020 7067 0700
Andrew Lewis, Group Finance Director	(until 12 noon)
	From 22 May: 01225 896 831
Fiona Stewart, Corporate Communications Executive	01225 896 871
Weber Shandwick Financial	
Nick Oborne	020 7067 0700
Clare Perks	

An analyst meeting will be held at 09:45 for 10:00 am this morning at the offices of

Weber Shandwick Financial, Fox Court, 14 Gray's Inn Road, London, WC1X 8WS

NOTES TO EDITORS: Avon Rubber p.l.c. is a world leader in the design, test and manufacture of advanced Chemical, Biological, Radiological and Nuclear (CBRN) respiratory protection solutions to the worlds military, law enforcement, first responder, emergency services, fire and industrial markets. Avon has a unique capability in CBRN protection based on a range of advanced CBRN technologies in respirator design, filtration and compressed air breathing apparatus. This enables Avon to develop specialised solutions that take full account of user requirements. Avon also owns a world leading dairy business manufacturing liners and tubing for the automated milking process. For further information please visit the Group's website www.avon-rubber.com

INTERIM MANAGEMENT REPORT

INTRODUCTION

Avon has made significant progress during the first half of 2009. The Group has returned to profit, and importantly has secured significant additional orders from both the US DoD and the UK MoD which have added to the Protection & Defence order book. Our Dairy business has continued to be profitable and cash generative.

RESULTS

Revenue from continuing operations increased by 103% in the half year to £44.1m (2008: £21.7m) driven by the stronger US$ and a successful full period of operation of our US Protection & Defence facility in Cadillac following the move to full rate production in the second half of the 2008 financial year.

The Group made an operating profit from continuing operations of £1.8m (2008: £1.7m loss) with Cadillac and the US Dairy business, Avon Hi-Life, contributing strongly. Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') were £3.4m (2008: £0.0m).

Net finance costs were £0.8m (2008: £0.4m) reflecting the higher margins prevailing in the current capital markets. The non cash finance credit on our net retirement benefit surplus reduced to £0.1m (2008: £0.6m) due to changed actuarial assumptions.

This resulted in a profit before tax of £1.0m (2008: £1.6m loss) and after a tax charge of £0.5m (2008: £0.1m credit) the Group recorded a profit for the period from continuing operations after tax of £0.5m (2008: £1.5m loss).

A profit of £0.2m (2008: £4.4m loss) was recorded on discontinued operations which in the first half of 2009 related to the US Engineered Fabrications business which is held for sale.

The Group profit for the period was £0.8m (2008: £5.9m loss). The basic earnings per share was 2.7p (2008: 20.7p loss) and the earnings per share from continuing operations was 1.9p (2008: 5.3p loss).

NET DEBT AND CASHFLOW

Net debt increased from £15.1m at the 2008 year end to £16.5m at 31 March 2009. The stronger dollar added £4.2m to our reported net debt. Total bank facilities are £24m, the majority of which are US$ denominated and committed to 30 June 2010.

Continuing operating activities generated cash of £4.1m (2008: £1.4m absorbed) as a result of an EBITDA of £3.4m and working capital which decreased by £0.6m despite receivables being high at 31 March 2009 as significant shipments to both the UK MoD and US DoD were made in the latter part of the second quarter.

The net proceeds from the sale of the UK Mixing business of £2.0m and the sale and leaseback of our US warehouse of £1.4m generated net cash from investing activities of £2.0m (2008: £0.7m) after capital expenditure of £1.4m (2008: £1.3m).

PROTECTION & DEFENCE

Total revenues for the division were £31.4m (2008: £10.9m) which generated an operating profit of £1.6m (2008: £3.1m loss).

The Cadillac operation performed well in the period, securing orders for 161,000 mask systems under the five year DoD contract and ten year requirements option. Deliveries to the customer were made to schedule and production performance continues to improve.

The UK Protection & Defence business secured a £4.5m order for S10 masks from the UK MoD, with the potential for this to reach £10m over the three years of the contract. The first delivery against the order was made in the final month of the period.

Avon ISI continued to suffer from difficult market conditions and incurred an operating loss in the first half of 2009. A cost reduction exercise implemented at the end of the first quarter did lead to an improvement in performance in the second quarter.

DAIRY

Total revenues for the division were £12.7m (2008: £10.8m) which generated an operating profit of £1.3m (2008: £2.1m).

Our Dairy business saw a strong start to the year, but the falling milk price in the second quarter led to a softer end to the period as the industry destocked and farmers replaced liners less frequently. As in the second half of 2008 the profitability of the UK Dairy operation was adversely impacted by the increased level of allocated overhead at our Hampton Park West facility following the disposal of the Aerosol gaskets business. This is being addressed by the proposed restructuring announced on 1 April 2009.

POST BALANCE SHEET EVENTS

On 1 April 2009 we announced that we had commenced consultation with employees in respect of the redundancies that would result from the proposal to outsource the manufacture of all dairy products currently made at Hampton Park West, Wiltshire, to a Czech Republic based supplier. The transfer is scheduled to be completed before the end of the 2009 calendar year. The costs of this transfer are expected to be recouped within two years.

RETIREMENT BENEFIT OBLIGATIONS

The surplus, as measured under IAS 19, associated with the Group's UK Retirement Benefit Obligations has reduced from £43.4m at 30 September 2008 to £29.3m at 31 March 2009. The reduction has been as a result of a 6% fall in asset values, reflecting global financial market conditions. This fall is substantially lower than the general fall in equity markets (the UK FTSE 100 index fell 20% in the same period) because of the scheme's portfolio which is split between equities and a liability driven investment.

DIVIDENDS

In view of the current level of net debt and the difficult environment in capital markets the Board feels it is prudent not to pay an interim dividend this year. The Board will review the trading performance, level of net debt and capital market environment at the year-end and evaluate whether a dividend is appropriate at that time.

OUTLOOK

We have taken difficult but necessary decisions to reduce costs in our UK Dairy business by moving production to the Czech Republic. Our Cadillac facility is now making good progress towards optimum efficiency. Our order book is growing in all markets across the world and we have increasing confidence that our business will continue to grow.

The Rt. Hon. Sir Richard Needham
Chairman
21 May 2009

P C Slabbert
Chief Executive
21 May 2009

Statement of Directors' responsibilities

The Interim Report and Accounts is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report and Accounts in accordance with the Disclosure and Transparency Rules ('DTR') of the United Kingdom's Financial Services Authority. The DTR require that the accounting policies and presentation applied to the half-yearly figures must be consistent with those applied in the latest published annual accounts, except where the accounting policies and presentation are to be changed in the subsequent annual accounts, in which case the new accounting policies and presentation should be followed, and the changes and the reasons for the changes should be disclosed in the Interim Report and Accounts, unless the United Kingdom Financial Services Authority agrees otherwise.

The Directors confirm that this condensed set of financial statements 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 DTR4.2.7 and DTR 4.2.8.

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; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

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
21 May 2009

Independent review report to Avon Rubber p.l.c.

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 31 March 2009, which comprises the income statement, balance sheet, statement of recognised income and expense, cash flow statement and related 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.

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 Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs 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 International Accounting Standard 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. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom. 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 31 March 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Bristol 21 May 2009

Consolidated Income Statement

	Note	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited and restated) £'000	Year to 30 Sep 08 (Audited) £'000
Continuing operations				
Revenue	**5**	**44,078**	21,717	54,606
Cost of sales		**(34,949)**	(18,019)	(44,476)
Gross profit		**9,129**	3,698	10,130
Operating expenses		**(7,356)**	(5,430)	(22,716)
Operating profit/(loss) from continuing operations	**5**	**1,773**	(1,732)	(12,586)
Operating profit/(loss) is analysed as:				
Before depreciation, amortisation and exceptional items		**3,408**	(2)	(686)
Depreciation and amortisation		**(1,635)**	(1,730)	(3,419)
Exceptional operating items		**-**	-	(8,481)
Finance income	**6**	**2**	3	27
Finance costs	**6**	**(820)**	(451)	(1,015)
Other finance income	**6**	**86**	566	1,183
Profit/(loss) before taxation		**1,041**	(1,614)	(12,391)
Taxation	**7**	**(498)**	109	1,259
Profit/(loss) for the period from continuing operations		**543**	(1,505)	(11,132)
Discontinued operations				
Profit/(loss) for the period from discontinued operations	**8**	**240**	(4,383)	(8,337)
Profit/(loss) for the period		**783**	(5,888)	(19,469)
Profit attributable to minority interest		**10**	5	6
Profit/(loss) attributable to equity shareholders		**773**	(5,893)	(19,475)
		783	(5,888)	(19,469)
Earnings/(loss) per share	**10**			
Basic		**2.7p**	(20.7)p	(68.4)p
Diluted		**2.6p**	(20.7)p	(68.4)p
Earnings/(loss) per share from continuing operations	**10**			
Basic		**1.9p**	(5.3)p	(39.1)p
Diluted		**1.8p**	(5.3)p	(39.1)p

Consolidated Statement of Recognised Income and Expense

	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited) £'000	Year to 30 Sep 08 (Audited) £'000
Profit/(loss) for the period	**783**	(5,888)	(19,469)
Actuarial (loss)/gain recognised in retirement benefit schemes	**(14,256)**	9,323	25,427
Movement on deferred tax relating to retirement benefit schemes	**3,992**	(2,611)	(7,158)
Net exchange differences offset in reserves	**2,254**	583	1,574
Net (losses)/gains not recognised in income statement	**(8,010)**	7,295	19,843
Total recognised (expense)/income for the period	**(7,227)**	1,407	374
Attributable to:			
Equity shareholders	**(7,237)**	1,402	368
Minority interest	**10**	5	6
Total recognised (expense)/income for the period	**(7,227)**	1,407	374

Consolidated Balance Sheet

	Note	**Half year to 31 Mar 09 (Unaudited) £'000**	Half year to 31 Mar 08 (Unaudited) £'000	Year to 30 Sep 08 (Audited) £'000
Assets				
Non-current assets				
Goodwill		**-**	5,705	-
Intangible assets		**11,234**	11,317	9,549
Property, plant and equipment		**18,274**	18,700	15,491
Deferred tax assets		**221**	334	265
Retirement benefit assets		**29,300**	26,300	43,399
		59,029	62,356	68,704
Current assets				
Inventories		**12,259**	14,346	10,134
Trade and other receivables		**13,205**	10,518	10,684
Cash and cash equivalents		**937**	710	769
		26,401	25,574	21,587
Assets classified as held for sale		**5,121**	-	4,642
		31,522	25,574	26,229
Liabilities				
Current liabilities				
Financial liabilities				
- Borrowings		**2,036**	14,245	15,908
- Derivative financial instruments		**368**	-	-
Trade and other payables		**20,926**	15,364	15,545
Deferred tax liabilities		**-**	265	-
Current tax liabilities		**68**	350	72
		23,398	30,224	31,525
Liabilities directly associated with assets classified as held for sale		**1,647**	-	1,125
		25,045	30,224	32,650
Net current assets/(liabilities)		**6,477**	(4,650)	(6,421)
Non-current liabilities				
Financial liabilities				
-Borrowings		**15,436**	-	-
Deferred tax liabilities		**9,297**	8,862	13,289
Retirement benefit obligations		**928**	656	759
Provision for liabilities and charges	**11**	**4,319**	4,600	5,568
		29,980	14,118	19,616
Net assets		**35,526**	43,588	42,667
Shareholders' equity				
Ordinary shares	**12**	**29,141**	29,141	29,141
Share premium account		**34,708**	34,708	34,708
Capital redemption reserve		**500**	500	500
Translation reserve		**1,184**	(2,061)	(1,070)
Retained earnings		**(30,580)**	(19,262)	(21,175)
Equity shareholders' funds	**13**	**34,953**	43,026	42,104
Minority interests in equity		**573**	562	563
Total equity		**35,526**	43,588	42,667

Consolidated Cash Flow Statement

	Note	**Half year to 31 Mar 09 (Unaudited) £'000**	Half year to 31 Mar 08 (Unaudited and restated) £'000	Year to 30 Sep 08 (Audited) £'000
Cash flows from operating activities				
Cash generated from/(used in) operations	**14**	**1,967**	(1,735)	(1,149)
Finance income received		**2**	3	27
Finance costs paid		**(735)**	(483)	(946)
Tax (paid)/received		**(465)**	(93)	172
Net cash generated from/(used in) operating activities		**769**	(2,308)	(1,896)
Cash flows from investing activities				
Proceeds from sale of operations		**2,050**	1,571	1,847
Proceeds from sale of property, plant and equipment		**1,404**	413	447
Purchase of property, plant and equipment		**(1,287)**	(908)	(1,368)
Purchase of intangible assets		**(153)**	(367)	(1,343)
Net cash generated from/(used in) investing activities		**2,014**	709	(417)
Cash flows from financing activities				
Net proceeds from issue of ordinary share capital		**-**	17	17
Net movements in loans		**(4,305)**	5,037	9,100
Dividends paid to shareholders		**-**	(1,367)	(1,367)
Net cash (used in)/generated from financing activities		**(4,305)**	3,687	7,750
Net (decrease)increase in cash, cash equivalents and bank overdrafts		**(1,522)**	2,088	5,437
Cash, cash equivalents and bank overdrafts at beginning of the period		**414**	(5,037)	(5,037)
Effects of exchange rate changes		**45**	(20)	14
Cash, cash equivalents and bank overdrafts at end of the period	**15**	**(1,063)**	(2,969)	414

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 half-yearly financial information was approved for issue on 21 May 2009.

These interim financial results do not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the year ended 30 September 2008 were approved by the Board of Directors on 27 November 2008 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 237 of the Companies Act 1985.

2. Basis of preparation

This condensed consolidated half-yearly financial information for the half-year ended 31 March 2009 has been prepared in accordance with the Disclosures and Transparency rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting' as adopted by the European Union. The half-yearly condensed consolidated financial report should be read in conjunction with the annual financial statements for the year ended 30 September 2008, which have been prepared in accordance with IFRS as adopted by the European Union.

3. Restatement of comparatives

(a) The 31 March 2008 income and cashflow statements have been restated to reflect the Avon Engineered Fabrications business as discontinued.

(b) Note 5, Segmental analysis, has been restated as a result of the early adoption of IFRS8.

4. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 September 2008, as described in those financial statements.

Recent accounting developments

The following standards, amendments and interpretations have been issued by the International Accounting Standards Board or by the IFRIC but have not yet been adopted. Subject to endorsement by the European Union, these will be adopted in future periods. IFRS 8 has been endorsed, and the other standards, amendments and interpretations are being considered for endorsement. The Group's approach to these is as follows.

(a) Standards, amendments and interpretations effective in 2009

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 October 2008 but are not relevant to the Group or the Company's operations, or have no significant impact:

- IFRIC 11, "IFRS 2 – Group and treasury share transactions".

- IFRIC 12, “Service concession arrangements”.
- IFRIC 13, “Customer loyalty programmes”.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 October 2008 and have not been adopted early:

- IAS 23 (amendment), “Borrowing costs”, effective for annual periods beginning on or after 1 January 2009. This amendment is not relevant to the Group.
- IFRS 2 (amendment) “Share-based payment”, effective for annual periods beginning on or after 1 January 2009. Management is assessing the impact of changes to vesting conditions and cancellations on the Group’s SAYE schemes.
- IFRS 3 (amendment), “Business combinations” and consequential amendments to IAS 27, “Consolidated and separate financial statements”, IAS 28, “Investments in associates” and IAS 31, “Interests in joint ventures”, effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. Management is assessing the impact of the new requirements regarding acquisition accounting, consolidation and associates on the Group. The Group does not have any joint ventures.
- IAS 1 (amendment), “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. Management is in the process of developing pro forma accounts under the revised disclosure requirements of this standard.
- IAS 32 (amendment), “Financial instruments: presentation”, and consequential amendments to IAS 1, “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009. This is not relevant to the Group, as the Group does not have any puttable instruments.

(c) Standards, amendments and interpretations to existing standards that have been adopted early by the Group

- IFRS 8, “Operating segments”, effective for annual periods beginning on or after 1 January 2009. IFRS 8 replaces IAS 14, “Segment reporting”, and requires a “management approach” under which segment information is presented on the same basis as that used for internal reporting purposes.
- IFRIC 14, “IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction”.

5. Segmental analysis

Due to the differing natures of the products and their markets, Avon Rubber p.l.c.'s primary reporting segment is by business sector split Protection & Defence ("P&D") and Dairy. An analysis of revenue by geographic origin has also been provided.

	Half year to 31 Mar 09 (Unaudited)		
	P&D	**Dairy**	**Group**
	£'000	**£'000**	**£'000**
Revenue	**31,369**	**12,709**	**44,078**
Segment result before depreciation, amortisation & exceptional items	**2,921**	**1,473**	**4,394**
Depreciation & amortisation	**(1,286)**	**(210)**	**(1,496)**
Segment result	**1,635**	**1,263**	**2,898**
Corporate expenses			**(1,125)**
Operating profit			**1,773**
Net finance expense			**(818)**
Other finance income			**86**
Taxation			**(498)**
Profit for the period			**543**

	Half year to 31 Mar 08 (Unaudited and restated)		
	P&D	Dairy	Group
	£'000	£'000	£'000
Revenue	10,875	10,842	21,717
Segment result before depreciation, amortisation & exceptional items	(1,794)	2,352	558
Depreciation & amortisation	(1,334)	(217)	(1,551)
Segment result	(3,128)	2,135	(993)
Corporate expenses			(739)
Operating loss			(1,732)
Net finance expense			(448)
Other finance income			566
Taxation			109
Loss for the period			(1,505)

	Year to 30 Sep 08 (Audited)		
	P&D	Dairy	Group
	£'000	£'000	£'000
Revenue	32,616	21,990	54,606
Segment result before depreciation, amortisation & exceptional items	(2,985)	3,875	890
Depreciation & amortisation	(2,639)	(422)	(3,061)
Exceptional items	(8,481)	-	(8,481)
Segment result	(14,105)	3,453	(10,652)
Corporate expenses			(1,934)
Operating loss			(12,586)
Net finance expense			(988)
Other finance income			1,183
Taxation			1,259
Loss for the year			(11,132)

Revenue by origin	**Half year to 31 Mar 09 (Unaudited) £'000**	Half year to 31 Mar 08 (Unaudited) £'000	Year to 30 Sep 08 (Audited) £'000
Europe	**5,597**	5,890	11,114
North America	**38,481**	15,827	43,492
	44,078	21,717	54,606

6. Finance income and costs

	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited) £'000	Year to 30 Sep 08 (Audited) £'000
Interest payable on bank loans and overdrafts	**(814)**	(451)	(957)
Other finance costs	**(6)**	-	(58)
Total finance costs	**(820)**	(451)	(1,015)
Finance income	**2**	3	27
	(818)	(448)	(988)

Other finance income represents the excess of the expected return on pension plan assets over the interest cost relating to retirement benefit obligations.

	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited) £'000	Year to 30 Sep 08 (Audited) £'000
Interest cost: UK Scheme	**(7,337)**	(6,799)	(13,610)
Expected return on plan assets: UK Scheme	**7,494**	7,446	14,860
Other finance cost: USA Scheme	**(71)**	(81)	(67)
	86	566	1,183

7. Taxation

The split of the tax charge/(credit) between UK and overseas is as follows:

	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited) £'000	Year to 30 Sep 08 (Audited) £'000
United Kingdom	**-**	167	-
Overseas	**498**	(276)	(1,259)
	498	(109)	(1,259)

8. Results from discontinued operations

	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited and restated) £'000	Year to 30 Sep 08 (Audited) £'000
Revenue	**4,334**	7,422	11,337
Operating profit/(loss) from discontinued operations	**357**	(3,829)	(6,881)
Operating profit/(loss) is analysed as:			
Before exceptional items	**357**	(1,238)	(2,023)
Exceptional operating items	**-**	(2,591)	(4,858)
Taxation	**(117)**	-	-
Loss on disposal	**-**	(554)	(1,456)
Profit/(loss) for the period from discontinued operations	**240**	(4,383)	(8,337)

In the half year to 31 March 2009 the results from discontinued operations relate to the US Engineered Fabrications operation which was being actively marketed for sale during the period.

9. Dividends

The Directors are proposing that no interim dividend be paid in respect of the half year ending 31 March 2009.

10. Earnings/(loss) per share

Basic earnings/(loss) per share is based on a profit attributable to ordinary shareholders of £773,000 (2008: £5,893,000 loss) and 28,474,000 (2008: 28,472,000) ordinary shares being the weighted average of the shares in issue during the period.

Earnings/(loss) per share from continuing operations is based on a profit attributable to ordinary shareholders from continuing operations of £533,000 (2008: £1,510,000 loss).

Earnings/(loss) per share from discontinued operations amounts to 0.8p (2008: 14.6p loss) and is based on a profit from discontinued operations of £240,000 (2008: £4,383,000 loss).

The company has 1,320,147 dilutive potential ordinary shares in respect of the Performance Share Plan.

11. Provisions for liabilities and charges

	Other provisions £'000	**Automotive disposal £'000**	**Total £'000**
Balance at 30 September 2008	2,088	3,480	5,568
Payment in the period	(512)	(737)	(1,249)
At 31 March 2009	**1,576**	**2,743**	**4,319**

12. Share capital

	Number of shares (thousands)	Ordinary shares £'000	Share premium £'000	Total £'000
Balance as at 1 October 2008 and 31 March 2009	**29,141**	**29,141**	**34,708**	**63,849**

13. Changes in equity

	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited) £'000	Year to 30 Sep 08 (Audited) £'000
At the beginning of the period	**42,104**	42,899	42,899
Profit/(loss) for the period attributable to equity shareholders	**773**	(5,893)	(19,475)
Dividends paid	**-**	(1,367)	(1,367)
Actuarial (loss)/gain recognised in retirement benefit schemes	**(14,256)**	9,323	25,427
Movement on deferred tax relating to retirement benefit asset	**3,992**	(2,611)	(7,158)
Net exchange differences offset in reserves	**2,254**	583	1,574
New share capital subscribed	**-**	17	17
Movement in respect of employee share schemes	**86**	75	187
At the end of the period	**34,953**	43,026	42,104

14. Cash generated from/(used in) operations

	Half year to 31 Mar 09 (Unaudited) £'000	Half year to 31 Mar 08 (Unaudited and restated) £'000	Year to 30 Sep 08 (Audited) £'000
Continuing operations			
Profit/(loss) for the financial period	**543**	(1,505)	(11,132)
Adjustments for:			
Tax	**498**	(109)	(1,259)
Depreciation	**924**	1,008	1,844
Amortisation of intangibles	**711**	829	9,780
Net finance expense	**818**	448	988
Other finance income	**(86)**	(566)	(1,183)
Loss on disposal of property, plant and equipment	**15**	31	52
Movements in working capital and provisions	**582**	(478)	2,359
Other movements	**86**	(1,030)	(1,145)
Cash generated from/(used in) continuing operations	**4,091**	(1,372)	304
Discontinued operations			
Profit/(loss) for the financial period	**240**	(4,383)	(8,337)
Adjustments for:			
Tax	**117**	-	-
Depreciation	**65**	238	398
Impairment of property, plant and equipment	**-**	-	688
Amortisation of intangibles	**6**	-	5
Loss on disposal of property, plant and equipment	**-**	-	80
Loss on disposal of operations	**-**	554	1,456
Movements in working capital and provisions	**(2,552)**	3,228	4,143
Other movements	**-**	-	114
Cash used in discontinued operations	**(2,124)**	(363)	(1,453)
Cash generated from/(used in) operations	**1,967**	(1,735)	(1,149)

15. Analysis of net debt

	As at 30 Sep 08 £'000	Cash flow £'000	Exchange movements £'000	**As at 31 Mar 09 £'000**
Cash at bank and in hand	769	48	120	**937**
Cash included in assets held for sale	27	1	8	**36**
Overdrafts	(382)	(1,571)	(83)	**(2,036)**
Net cash and cash equivalents	414	(1,522)	45	**(1,063)**
Debt due in more than 1 year	-	(11,221)	(4,215)	**(15,436)**
Debt due within 1 year	(15,526)	15,526	-	**-**
	(15,112)	2,783	(4,170)	**(16,499)**

Borrowing facilities

	Total facility £'000	Utilised £'000	Undrawn £'000
United Kingdom	20,522	15,436	5,086
North America	2,967	2,036	931
Utilised in respect of guarantees	524	524	-
	24,013	17,996	6,017

Of the facilities above, £5.0m and $22.2m are committed to 30 June 2010 and $5.0m is committed to 31 December 2009. These facilities include financial covenants which are measured on a quarterly basis.

16. Seasonality

Seasonal fluctuations have no material impact on the company's revenues.

17. Principle risks and uncertainties

The principle risks and uncertainties impacting the Group were detailed on page 10 of the 2008 Annual Report & Accounts and remain unchanged at 31 March 2009.

18. Shareholder information

The unaudited interim results for the six months ended 31 March 2009 are available on the company's website at: www.avon-rubber.com and copies of this announcement are available for download at http://interim.avon-rubber.com . Further enquiries should be directed to the company's registered office at Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB, England. Email: enquiries@avon-rubber.com.