News Release

Strictly embargoed until 07:00 2 May 2012

Avon Rubber p.l.c.

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

Unaudited interim results for the six months ended 31 March 2012

	31 March 2012 £Millions	31 March 2011 £Millions
REVENUE	**49.6**	48.0
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION	**7.2**	7.1
OPERATING PROFIT	**5.0**	4.8
PROFIT BEFORE TAXATION	**4.6**	4.4
PROFIT FOR THE PERIOD	**3.3**	3.1
NET DEBT	**9.8**	13.9
BASIC EARNINGS PER SHARE	**11.3p**	10.8p

FINANCIAL HIGHLIGHTS

- Profit before tax up 6%
- Earnings per share up 5%
- Interim dividend of 1.2p per share up 20%
- Net debt reduced to £9.8m from £11.8m at 30 September 2011
- Lower interest costs and effective tax rate
- 126% conversion of operating profit to operating cash inflow

OPERATIONAL HIGHLIGHTS

- Growth in DoD respirator sales and order book secure for the next 12 months
- Continued growth in non-DoD Protection & Defence order intake, including a £14.7m order for 2013 and 2014 delivery announced today
- Project Fusion, our new product development programme, progressing to schedule
- Further market share gain for the Milk-Rite IP-MV liner
- Dairy sales and distribution facility established in China

Peter Slabbert, Chief Executive commented:

"The Protection & Defence business will continue to benefit from the security of the long term DoD contract and increased market share in the US homeland security and foreign military markets. In the short term, however, visibility and timing of filter orders from the DoD and foreign military orders remains limited. We are accelerating investment in Project Fusion's new products and technologies which will support an expanded product range. We also expect to continue to deliver further operational efficiencies.

In Dairy we remain well positioned in a market with long term growth potential. The market is stable, our cost base is appropriate and we have opportunities to further enhance profitability through our strong Milk-Rite brand, our distribution capability and by developing further innovative new products.

We are delivering our strategy. The Board remains confident that the Group can continue to progress and, as last year, expects stronger revenues in the second half."

Avon Rubber p.l.c.

Peter Slabbert, Chief Executive	Today:	020 7067 0700
Andrew Lewis, Group Finance Director	Thereafter:	01225 896 870
		01225 896 830
Fiona Stewart, Corporate Communications Executive		01225 896 835

Weber Shandwick Financial

Nick Oborne	020 7067 0700
Stephanie Badjonat	

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 good strategic progress during the first half of 2012, establishing the first Dairy sales and distribution facility in emerging markets in China and continuing our Protection & Defence programme of new product development, Project Fusion. These developments and our strong balance sheet underpin the medium term progress of the Group.

The Protection & Defence business has benefited from increased DoD mask system orders and better operational performance. Reflecting the timing of the shipment of large "impact" orders, which generally require export licences and overseas delivery, non-DoD business has been slightly weaker than the strong comparable period last year. However, non-DoD order intake overall has been comparatively strong at £22.4m (2011: £5.4m). In particular, we have recently received our largest ever single order from the Middle East worth £14.7m; the majority of revenues from this contract are expected to benefit our 2013 and 2014 financial years.

The profitability of our Dairy business has improved significantly year on year, reflecting stable market conditions and the continued growth of our higher margin IP-MV liner, which has now achieved a greater than 10% market share in North America. This success has allowed us to add capability to the division's management team and to invest in China, which together added £0.3m to overheads in the period, or £0.8m on an annualised basis.

GROUP RESULTS

Group revenue at £49.6m (2011: £48.0m) was up by 3%, with growth coming from both divisions.

Foreign exchange translation has not had a material impact on our results for this half year as the $/£ average rate of $1.58 was similar to the $1.59 which prevailed in the same period last year.

The Group made an operating profit of £5.0m (2011: £4.8m), an increase of 3%. Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') were £7.2m (2011: £7.1m).

Net finance costs reduced to £0.1m (2011: £0.2m) reflecting the continuation of the lower level of core borrowings and the improved cost of funds negotiated last year as part of our longer term financing agreement.

The non-cash other finance expense was constant at £0.2m (2011: £0.2m). Increased asset values since 30 September 2011, as our pension scheme's investment strategy continues to perform well in difficult markets, have been offset by higher liabilities as the discount rate, which is linked to AA corporate bond yields, fell.

Profit before tax was £4.6m (2011: £4.4m) and after a tax charge of £1.3m (2011: £1.3m), an effective rate of 29% (2011: 30%), the Group recorded a profit for the period after tax of £3.3m (2011: £3.1m). 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 5% at 11.3p (2011: 10.8p) and fully diluted earnings per share were up 8% at 10.8p (2011: 10.0p).

NET DEBT AND CASHFLOW

Net debt decreased from £11.8m at the 2011 year end to £9.8m at 31 March 2012. This has been driven by a 126% conversion of operating profit to operating cash inflow, offset by capital expenditure of £3.6m (2011: £2.1m) as our investment in Project Fusion continues and the establishment of our Dairy sales and distribution facility in China was completed.

Total bank facilities at 31 March 2012 were £24.1m, the majority of which are US$ denominated and committed to 30 March 2015.

PROTECTION & DEFENCE

Revenue for the division was £33.2m (2011: £32.7m).

Sales of our M50 military respirator were in line with forecast in the first half of the year, up 30% on 2011, with deliveries of approximately half of the 2012 committed order book of 192,000 mask systems.

We announced on 20 December 2011 the award of a five year IDIQ filter supply contract. The delay in our customer putting this contract vehicle in place restricted our ability to ship filter spares in the first quarter and therefore, as expected, the volume of filters shipped in the period is down. We now have two contract vehicles in place with the DoD which allow them to procure filter spares; we remain a sole source supplier until the end of 2013 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 procurement environment short term visibility of orders remains a challenge.

In addition to DoD business, orders for our respiratory protection products from US homeland security and foreign military customers continued to grow including, as indicated above, the receipt of our largest ever single commercial order from the Middle East, for delivery primarily in 2013 and 2014.

The first half of 2011 saw significant sales to Saudi Arabia, Kuwait, France and our first foreign military sale through the US DoD. That level of ‘impact’ sales has not been repeated so far in 2012, but we remain confident that 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.

As a result of the lower level of these higher margin impact sales and despite improved operating efficiencies, operating profit was down 7% at £3.0m (2011: £3.2m) and EBITDA was down 6% at £5.0m (2011: £5.3m).

DAIRY

Revenues for the Dairy business were up 7% at £16.4m (2011: £15.4m) which generated an operating profit of £2.9m (2011: £2.5m). EBITDA was £3.2m (2011: £2.7m), giving a return on sales of 19.2%, up from 17.6% in 2011.

The Dairy business benefited from a stable market and the success of the ground breaking impulse mouthpiece vented liner (‘IP-MV’) which was launched in the second half of 2010 and has seen continued success in 2012. This delivers a higher margin sales mix which has more than offset lower OE sales in the US and further investment in our growth strategy, particularly in emerging markets.

Our sales and distribution facility in China opened in February 2012 and we now have a team of nine staff in place. Our first sales were achieved at modest levels in March 2012 and the focus of the remainder of the year is on establishing a robust distribution network.

RETIREMENT BENEFIT OBLIGATIONS

The IAS 19 valuation of the Group's UK retirement benefit obligations has moved from a surplus of £0.3m at 30 September 2011 to a surplus of £2.0m as at 31 March 2012.

DIVIDENDS

The final dividend for the 2011 financial year of 2.0p per ordinary share was paid to shareholders on 9 March 2012 and absorbed £588,000 of shareholders' funds.

Subsequent to the period end, the Board approved an interim dividend of 1.2p per ordinary share for 2012, an increase of 20% on the 2011 interim dividend. This will be paid on 7 September 2012 to shareholders on the register on 10 August 2012. It is expected to absorb £353,000 of shareholders' funds and there are no corporation tax consequences.

BOARD CHANGES

As previously announced, the Rt. Hon. Sir Richard Needham stood down as Chairman of the Board at the Annual General Meeting on 2 February 2012 and was succeeded by David Evans. Sir Richard will remain as a non-executive Director until the AGM in 2013.

OUTLOOK

The Protection & Defence business will continue to benefit from the security of the long term DoD contract and increased market share in the US homeland security and foreign military markets. In the short term however, the visibility and timing of filter orders from the DoD and foreign military orders remains limited. We are accelerating investment in new products and technologies and expect to continue to deliver further operational efficiencies.

In Dairy we remain well positioned in a market with long term growth potential. The market is stable, our cost base is appropriate and we have opportunities to enhance profitability through our strong Milk-Rite brand, our distribution capability and by developing further innovative new products.

We are delivering our strategy. The Board remains confident that the Group can continue to progress and, as last year, expects stronger revenues in the second half.

Peter Slabbert
Chief Executive
2 May 2012

Andrew Lewis
Group Finance Director
2 May 2012

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 21 of the 2011 Annual Report.

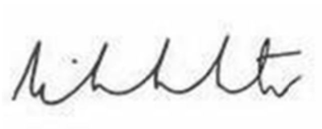
Forward-looking statements

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
2 May 2012

Consolidated Statement of Comprehensive Income

	Note	**Half year to 31 Mar 12 (Unaudited) £'000**	Half year to 31 Mar 11 (Unaudited) £'000	Year to 30 Sep 11 (Audited) £'000
Revenue	4	**49,632**	48,009	107,600
Cost of sales		**(35,586)**	(34,296)	(77,892)
Gross profit		**14,046**	13,713	29,708
Distribution costs		**(2,737)**	(2,483)	(4,832)
Administrative expenses		**(6,355)**	(6,419)	(13,740)
Operating profit	4	**4,954**	4,811	11,136
Operating profit is analysed as:				
Before depreciation and amortisation		**7,236**	7,125	15,723
Depreciation and amortisation		**(2,282)**	(2,314)	(4,587)
Operating profit		**4,954**	4,811	11,136
Finance income	5	**-**	5	5
Finance costs	5	**(144)**	(227)	(486)
Other finance expense	5	**(198)**	(229)	(443)
Profit before taxation		**4,612**	4,360	10,212
Taxation	6	**(1,337)**	(1,308)	(3,094)
Profit for the period		**3,275**	3,052	7,118
Other comprehensive income				
Actuarial gain recognised in retirement benefit schemes		**1,522**	7,052	5,738
Net exchange differences offset in reserves		**(613)**	(340)	358
Other comprehensive income for the period, net of taxation		**909**	6,712	6,096
Total comprehensive income for the period		**4,184**	9,764	13,214
Earnings per share				
Basic	8	**11.3p**	10.8p	25.2p
Diluted	8	**10.8p**	10.0p	23.3p

Consolidated Balance Sheet

	Note	**As at 31 Mar 12 (Unaudited) £'000**	As at 31 Mar 11 (Unaudited) £'000	As at 30 Sep 11 (Audited) £'000
Assets				
Non-current assets				
Intangible assets		**11,147**	9,058	10,469
Property, plant and equipment		**16,737**	16,379	16,718
Retirement benefit assets		**1,981**	900	280
		29,865	26,337	27,467
Current assets				
Inventories		**11,414**	19,585	10,679
Trade and other receivables		**17,498**	12,248	18,461
Derivative financial instruments		**55**	140	-
Cash and cash equivalents	12	**80**	1,374	559
		29,047	33,347	29,699
Liabilities				
Current liabilities				
Borrowings	12	**688**	-	392
Trade and other payables		**14,701**	16,952	15,220
Derivative financial instruments		**-**	-	166
Dividends payable	7	**-**	424	-
Provisions for liabilities and charges	9	**567**	1,622	567
Current tax liabilities		**3,630**	1,904	2,040
		19,586	20,902	18,385
Net current assets		**9,461**	12,445	11,314
Non-current liabilities				
Borrowings	12	**9,165**	15,302	11,983
Deferred tax liabilities		**2,810**	2,622	2,985
Provisions for liabilities and charges	9	**2,536**	2,672	2,641
		14,511	20,596	17,609
Net assets		**24,815**	18,186	21,172
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		**(248)**	(333)	365
Accumulated losses		**(40,868)**	(47,412)	(45,124)
Total equity		**24,815**	18,186	21,172

Consolidated Cash Flow Statement

	Note	**Half year to 31 Mar 12 (Unaudited) £'000**	Half year to 31 Mar 11 (Unaudited) £'000	Year to 30 Sep 11 (Audited) £'000
Cash flows from operating activities	11			
Cash generated from continuing operations		**6,225**	1,608	11,974
Cash used in discontinued operations		**-**	(322)	(1,557)
Cash generated from operations		**6,225**	1,286	10,417
Finance income received		**-**	5	5
Finance costs paid		**(153)**	(301)	(476)
Retirement benefit deficit recovery contributions		**(206)**	(238)	(869)
Tax received/(paid)		**159**	(185)	(1,542)
Net cash generated from operating activities		**6,025**	567	7,535
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		**-**	-	17
Purchase of property, plant and equipment		**(1,922)**	(882)	(2,406)
Purchase of intangible assets		**(1,707)**	(1,202)	(3,266)
Net cash used in investing activities		**(3,629)**	(2,084)	(5,655)
Cash flows from financing activities				
Net movements in loans		**(2,583)**	2,315	(1,334)
Dividends paid to shareholders		**(588)**	-	(706)
Purchase of own shares		**-**	-	(250)
Net cash (used in)/generated from financing activities		**(3,171)**	2,315	(2,290)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		**(775)**	798	(410)
Cash, cash equivalents and bank overdrafts at beginning of the year		**167**	577	577
Effects of exchange rate changes		**-**	(1)	-
Cash, cash equivalents and bank overdrafts at end of the period	12	**(608)**	1,374	167

Consolidated Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Other reserves £'000	Accumulated losses £'000	Total £'000
At 1 October 2010		30,723	34,708	507	(57,161)	8,777
Profit for the period		-	-	-	3,052	3,052
Unrealised exchange differences on overseas investments		-	-	(340)	-	(340)
Actuarial gain recognised in retirement benefit scheme		-	-	-	7,052	7,052
Total comprehensive income/(expense) for the period		-	-	(340)	10,104	9,764
Dividends approved					(424)	(424)
Movement in respect of employee share schemes		-	-	-	69	69
At 31 March 2011		30,723	34,708	167	(47,412)	18,186
Profit for the period		-	-	-	4,066	4,066
Unrealised exchange differences on overseas investments		-	-	698	-	698
Actuarial loss recognised in retirement benefit scheme		-	-	-	(1,314)	(1,314)
Total comprehensive income for the period		-	-	698	2,752	3,450
Dividends paid		-	-	-	(282)	(282)
Purchase of shares by the employee benefit trust		-	-	-	(250)	(250)
Movement in respect of employee share schemes		-	-	-	68	68
At 30 September 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	7	**-**	**-**	**-**	**(588)**	**(588)**
Movement in respect of employee share schemes		**-**	**-**	**-**	**47**	**47**
At 31 March 2012		**30,723**	**34,708**	**252**	**(40,868)**	**24,815**

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 2 May 2012.

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 2011 were approved by the Board of Directors on 23 November 2011 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 2012 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 2011, which have been prepared in accordance with IFRSs as adopted by the European Union.

Having considered the Group's funding position, budgets for 2012 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 financial information.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 September 2011, 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 2012

The following standards, amendments and interpretations have been adopted in preparing the condensed consolidated half-yearly financial information and will be adopted for the year ended 30 September 2012:

- IAS 24 (revised), 'Related party disclosures'
- Amendment to IFRIC 14, 'The limit on a defined benefit asset, minimum funding requirements and their interaction'
- Annual improvements 2010

The adoption of these amendments has not had a material impact on the half-yearly financial information.

b) Standards, amendments and interpretations to existing standards effective in 2012 but not relevant to the Group

- Amendments to IFRS 1, 'First time adoption' on fixed dates and hyperinflation
- Amendment to IFRS 7 'Financial Instruments: Disclosures – Transfers of Financial Assets'

c) Standards, amendments and interpretations to existing standards issued but not yet effective in 2012 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 1, 'Financial statement presentation'
- 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 Board of Directors and 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 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 income			**-**	**-**
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**

Half year to 31 March 2011 (Unaudited)

	Protection & Defence £'000	Dairy £'000	Unallocated £'000	Group £'000
Revenue	32,659	15,350		48,009
Segment result before depreciation and amortisation	5,311	2,695	(881)	7,125
Depreciation of property, plant and equipment	(1,137)	(191)	(16)	(1,344)
Amortisation of intangibles	(969)	-	(1)	(970)
Segment result	3,205	2,504	(898)	4,811
Finance income			5	5
Finance costs			(227)	(227)
Other finance expense			(229)	(229)
Profit before taxation	3,205	2,504	(1,349)	4,360
Taxation			(1,308)	(1,308)
Profit for the period	3,205	2,504	(2,657)	3,052

Year to 30 September 2011 (Audited)

	Protection & Defence £'000	Dairy £'000	Unallocated £'000	Group £'000
Revenue	77,438	30,162		107,600
Segment result before depreciation and amortisation	11,630	5,911	(1,818)	15,723
Depreciation of property, plant and equipment	(2,396)	(387)	(33)	(2,816)
Amortisation of intangibles	(1,741)	(28)	(2)	(1,771)
Segment result	7,493	5,496	(1,853)	11,136
Finance income			5	5
Finance costs			(486)	(486)
Other finance expense			(443)	(443)
Profit before taxation	7,493	5,496	(2,777)	10,212
Taxation			(3,094)	(3,094)
Profit for the year	7,493	5,496	(5,871)	7,118

Revenue by origin

	Half year to 31 Mar 12 (Unaudited) £'000	Half year to 31 Mar 11 (Unaudited) £'000	Year to 30 Sep 11 (Audited) £'000
UK	**7,282**	6,804	14,847
USA	**42,350**	41,205	92,753
	49,632	48,009	107,600

Segment assets in the UK and USA were £12.2m and £46.7m respectively (30 September 2011: £9.9m and £47.3m, 31 March 2011: £11.1m and £48.6m).

5. Finance income and costs

	Half year to 31 Mar 12 (Unaudited) £'000	Half year to 31 Mar 11 (Unaudited) £'000	Year to 30 Sep 11 (Audited) £'000
Interest payable on bank loans and overdrafts	**(144)**	(227)	(486)
Finance income	**-**	5	5
	(144)	(222)	(481)

Other finance expense

	Half year to 31 Mar 12 (Unaudited) £'000	Half year to 31 Mar 11 (Unaudited) £'000	Year to 30 Sep 11 (Audited) £'000
Interest cost: UK defined benefit pension scheme	**(6,801)**	(6,638)	(13,277)
Expected return on plan assets: UK defined benefit pension scheme	**6,780**	6,612	13,226
Provisions: Unwinding of discount	**(177)**	(203)	(392)
	(198)	(229)	(443)

6. Taxation

	Half year to 31 Mar 12 (Unaudited) £'000	Half year to 31 Mar 11 (Unaudited) £'000	Year to 30 Sep 11 (Audited) £'000
United Kingdom	**-**	-	-
Overseas	**1,337**	1,308	3,094
	1,337	1,308	3,094

The effective tax rate for the period is 29% (2011: 30%). The adjusted effective tax rate is 28% (2011: 29%), defined as the tax charge divided by the profit before tax, excluding the charge relating to other finance expense.

7. Dividends

On 2 February 2012, the shareholders approved a final dividend of 2.0p per qualifying ordinary share in respect of the year ended 30 September 2011. This was paid on 9 March 2012 absorbing £588,000 of shareholders' funds.

The Board of Directors have approved an interim dividend of 1.2p (2011: 1.0p) per qualifying ordinary share in respect of the year ended 30 September 2012. This will be paid on 7 September 2012 to shareholders on the register at the close of business on 10 August 2012. 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 2012 and is expected to absorb £353,000 (2011: £282,000) of shareholders' funds.

8. Earnings per share

Basic earnings per share is based on a profit attributable to ordinary shareholders of £3,275,000 (2011: £3,052,000) and 28,893,000 (2011: 28,286,000) ordinary shares being the weighted average of the shares in issue during the period.

The company has 1,510,000 (5.2%) (2011:2,375,000 (8.4%)) dilutive potential ordinary shares in respect of the Performance Share Plan.

9. Provisions for liabilities and charges

	Property obligations £'000
Balance at 30 September 2011	3,208
Payments in the period	(282)
Unwinding of discount	177
At 31 March 2012	**3,103**

10. Share Capital

	Half year to 31 Mar 12 (Unaudited)	Half year to 31 Mar 11 (Unaudited)	Year to 30 Sep 11 (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 12 (Unaudited) £'000	Half year to 31 Mar 11 (Unaudited) £'000	Year to 30 Sep 11 (Audited) £'000
Continuing operations			
Profit for the financial period	**3,275**	3,052	7,118
Adjustments for:			
Taxation	**1,337**	1,308	3,094
Depreciation	**1,487**	1,344	2,816
Amortisation of intangible assets	**795**	970	1,771
Net finance expense	**144**	222	481
Other finance expense	**198**	229	443
Loss/(profit) on disposal of property, plant and equipment	**23**	-	(1)
Movements in working capital and provisions	**(987)**	(5,436)	(3,885)
Other movements	**(47)**	(81)	137
Cash generated from continuing operations	**6,225**	1,608	11,974
Discontinued operations			
Movements in working capital and provisions	**-**	(322)	(1,557)
Cash used in discontinued operations	**-**	(322)	(1,557)
Cash generated from operations	**6,225**	1,286	10,417

12. Analysis of net debt

	As at 30 Sep 11 £'000	Cash flow £'000	Exchange movements £'000	**As at 31 Mar 12 £'000**
Cash at bank and in hand	559	(479)	-	**80**
Overdrafts	(392)	(296)	-	**(688)**
Net cash and cash equivalents	167	(775)	-	**(608)**
Debt due in more than 1 year	(11,983)	2,583	235	**(9,165)**
	(11,816)	1,808	235	**(9,773)**

Borrowing facilities	Total facility £'000	Utilised £'000	Undrawn £'000
United Kingdom	14,701	5,287	9,414
North America	9,002	4,566	4,436
Utilised in respect of guarantees	386	386	-
	24,089	10,239	13,850

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.

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.

13. Exchange rates

The following significant exchange rates applied during the period.

	Average rate H1 2012	**Closing rate H1 2012**	Average rate H1 2011	Closing rate H1 2011	Average rate FY 2011	Closing rate FY 2011
US Dollar	**1.575**	**1.598**	1.589	1.603	1.600	1.558
Euro	**1.182**	**1.200**	1.167	1.133	1.156	1.161

14. Principal risks and uncertainties

The principal risks and uncertainties impacting the Group are described on page 19 of our Annual Report 2011 and remain unchanged at 31 March 2012.

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

CORPORATE INFORMATION

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Registered in England and Wales No. 32965

V.A.T. No. GB 137 575 643

BOARD OF DIRECTORS
David Evans (Chairman)
The Rt. Hon. Sir Richard Needham (Non-Executive Director)
Stella Pirie OBE (Non-Executive Director)
Peter Slabbert (Chief Executive)
Andrew Lewis (Group Finance Director)

COMPANY SECRETARY
Miles Ingrey-Counter

AUDITORS
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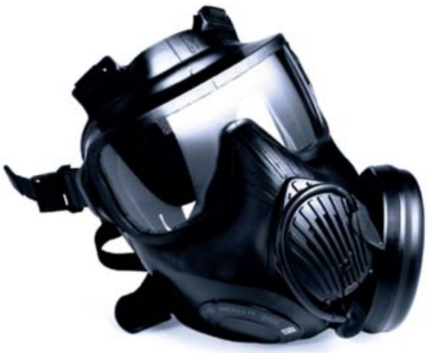
BROKERS
Arden Partners plc

SOLICITORS
TLT

PRINCIPAL BANKERS
Barclays Bank PLC
Comerica Inc.

CORPORATE WEBSITE
www.avon-rubber.com



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