

News Release

18 January 2007

Bespak plc

Interim results for the 26 weeks to 28 October 2006

Bespak (LSE: BPK), a leader in medical devices for inhaled drug delivery and anaesthesia, today announces its interim results for the 26 weeks to 28 October 2006.

Highlights

- Revenue (including the first half year of King Systems) up 61% to £62.1m (2005: £38.5m).
- Organic sales from Inhaled Drug Delivery up 22% to £46.8m (2005: £38.5m) with record MDI sales and rapid growth of Exubera® insulin inhalers.
- Profit before tax and special items up 39% to £8.5m (2005: £6.1m)
- Adjusted earnings per share up 26% to 21.7 p (2005: 17.2p), reflecting continuing operations before special items
- Cash generated from operations up 126% to £16.7m (2005: £7.4 m)
- Interim dividend of 7.0p per share (2005: 7.0p)
- King Systems attained its final earn-out target in October 2006, two months early.
- Withdrawal from Consumer Dispensers business completed after sale of certain products and assets.
- Target established to double the Company's profit before tax over five years

Mark Throdahl, Bespak's Chief Executive, commented:

"Bespak has experienced strong growth in the first half year, and the Board believes that the Company will have a full year that again exceeds its original expectations. Demand for Exubera® insulin inhalers has been very strong, and we are enjoying record sales of MDI valves. King Systems, the anaesthesia business we acquired last year, has delivered 10% underlying sales growth.

"Bespak has set a target to double its profit before tax over the next five years, although the current profile of our businesses means that we may out-perform or under-perform this trajectory in any given year. We are broadening our customer base beyond pharmaceutical companies and reducing our dependency on lengthy development programmes."

For further information, please contact:

Bespak plc

Mark Throdahl, Chief Executive
Jonathan Glenn, Group Finance Director

Tel: +44 (0) 1908 552600

Maitland

Liz Morley or Brian Hudspith

Tel: +44 (0) 20 7379 5151

Bespak plc is a leader in medical devices for inhaled drug delivery and anaesthesia. The Group develops drug delivery systems for the pharmaceutical industry and disposable airway management products for critical care settings in hospitals.

Bespak develops and manufactures metered dose inhaler valves, actuators, compliance aids, dry powder devices, disposable facemasks, breathing circuits and laryngeal tubes. The Group holds the 2005 Frost & Sullivan Award for Technology Innovation and has facilities in King's Lynn and Milton Keynes in the UK, Indianapolis, Indiana and Kent, Ohio in the US, and Mumbai, India. Bespak is a public company quoted on the full list of the London Stock Exchange (LSE: BPK).

Bespak plc

Interim Results for the 26 Weeks to 28 October 2006

Trading was strong in all the Group's businesses, with record sales of metered dose inhaler valves, successful production ramp-up of the inhaler for Exubera® inhaled insulin, and double-digit hospital sales growth in anaesthesia products.

In the 26 weeks to 28 October 2006, sales of products and services increased by 61% to £62.1m (2005: £38.5m). Operating profit before special items increased by 65% to £9.9m (2005: £6.0m). Profit before tax and special items increased by 39% to £8.5m (2005: £6.1m), reflecting increased financing costs for the King Systems acquisition. Earnings per share adjusted for amortisation of intangibles and other special items increased 26% to 21.7p (2005: 17.2p).

Profit before tax increased 7% to £7.6m (2005: £7.1m), despite the current year amortisation charge on the intangible assets acquired with the acquisition of King Systems and the £0.9m exceptional gain on the sale of the Cary manufacturing site during 2005. Profit after tax from continuing operations of £5.6m was flat compared with the prior year (2005: £5.6m), reflecting the non-taxable exceptional gain on the sale of Cary. Profit for the period, which includes the £1.7m loss from the discontinued Consumer Dispensers business, was £3.9m (2005: £5.4m). Earnings per share were 13.8p (2005: 20.0p).

Net cash flow from operations was £16.7m (2005: £7.4m). The Board is maintaining an interim dividend of 7.0p per share, which is payable on 23 February 2007 to those shareholders on the register on 26 January 2007. The Group's net debt as at 28 October 2006 was £20.3m as opposed to net cash in 2005 of £18.8m (reflecting the financing of the King Systems acquisition) and net debt of £27.8m at the start of the period.

BUSINESS SEGMENT PERFORMANCE

Inhaled Drug Delivery Segment

Sales in the Inhaled Drug Delivery segment increased by 22% to £46.8m (2005: £38.5m) as a result of record sales of metered dose inhalation (MDI) valves and strong demand for the Exubera® insulin inhaler. Operating profit before special items increased by 22% to £7.3m (2005: £6.0m), reflecting improved operating margins.

Respiratory

HFA valves volumes grew 33%, after approximate 40% growth in each of the preceding two years. Sales of older chlorofluorocarbon (CFC) valves were also exceptionally strong in the period. Bespak enjoys a high share of the albuterol market in the US, currently with formulations which use its CFC valves. After December 2008, CFC albuterol formulations must be replaced by new formulations with HFA propellant. While CFC valve sales to Bespak's largest US customer end in January 2007, the Group expects strong demand from its HFA customers and remaining CFC accounts to mitigate the impact of the transition over the next 24 months.

The dose counter market in the US has the potential to grow significantly because of FDA guidance that all new aerosol drug filings should include a dose counter. Bespak has developed a platform dose counter technology which is now being marketed in a variety of forms for the US market. In addition Bespak has signed a co-marketing and manufacturing

agreement with Bang & Olufsen Medicom, which has developed a dose counter that requires reduced actuation force. To date, Bepak has demonstrated the technical suitability of the product and is in late stage negotiations with a selection of customers. Commercial sales are expected to commence in 2008, pending the anticipated completion of regulatory testing.

Device & Manufacturing Services

The first half continued the successful ramp-up of the Exubera® insulin inhaler, made in the largest clean room in the UK. Sales of Bepak's historically largest contract manufactured product were also strong.

Exubera® is being launched in Europe and the United States. Production demand continues ahead of our original expectations, and the pace of production scale-up has been sustained long enough that the risk of this programme is shifting from one of production scale-up to one of patient uptake.

In the first half year, Bepak won significant programmes with two of the world's largest pharmaceutical companies and a development programme for a global medical device company and a development programme for a cancer pain treatment delivery device for a large regional pharmaceutical company.

Anaesthesia & Respiratory Care Segment

King Systems' sales in the first half (the first full period under Bepak's ownership) were £15.4m (\$28.9m) and operating profit was £2.6m (\$4.8m).

King's financial performance in 2006 has exceeded expectations, and the final earn-out was attained approximately two months early. In accordance with the Purchase Agreement, the final cash payment of \$10m will be made to King's former shareholders later this month.

King's product sales to hospitals continue to grow in excess of 10% over the prior year. Growth is driven by breathing circuits, particularly the Universal Flex2™, a patented dual limb circuit, which is compact when stored but can be expanded during use. This product minimises torque placed on the airway tube and can be shaped to avoid the surgical field.

Two new products were introduced in the first half year. The LTS-D laryngeal tube is the first disposable laryngeal tube that enables suctioning of stomach contents. AIRTRAQ®, the world's first disposable optical laryngoscope, is designed for difficult endotracheal tube intubations. King has been encouraged by the enthusiastic clinical reception to both new products.

Two risks identified six months ago have been significantly mitigated. Raw material price increases have not materialised to the degree anticipated. Additionally, King has won multiple-year supply agreements at two of the largest US group purchasing organisations, HealthTrust Purchasing Group and Ascension Health.

Discontinued Consumer Dispensers Segment

In August Bepak announced its intention to withdraw from its Consumer Dispensers business. In October Bepak entered into an agreement with Plasticum Group BV, a Netherlands-based manufacturer of plastic packaging, to dispose of certain product lines and related manufacturing equipment. At the time of the announcement Bepak said that the

withdrawal would result in an approximate pre-tax £3m charge, which has now been reduced to £2.3m. Bepak's first half financial results include £2.8m revenue and £0.1m operating loss from operations, which were discontinued in October 2006.

Growth Strategy & Acquisitions

The Board has set a target to double the profit before tax of the business over the next five years, which will result from a strategy to grow organically and through selective acquisitions. The Group is broadening its customer base beyond pharmaceutical companies and reducing its historical dependency on lengthy development programmes. Until the non-pharmaceutical component of the Company grows beyond its current size, Bepak may out-perform or under-perform this trajectory in any given year.

The Company has developed multiple platforms of organic growth, including HFA valves, dose counters, Exubera® inhalers, a 12-programme device manufacturing portfolio, Flex2™ breathing circuits, laryngeal tubes, and AIRTRAQ®. Following the successful King Systems acquisition, Bepak intends to make further acquisitions in the anaesthesiology and respiratory products industry.

DIRECTORS

In September George Meredith and Jack Cashman stepped down from the Board, and Martin Hopcroft resigned in July. We would like to thank them for their valuable contributions over the years. In August, George Kennedy was appointed to the Board as a non-executive director. Formerly Chairman of Smith Industries Medical Group, George is now Chairman of E2v plc and Eschmann, Vice Chairman of Vernalis plc, and a non-executive director of Spacelabs.

Paul Boughton, Corporate Development Director, was made an Executive Director in June. Jon Glenn was appointed Finance Director and Executive Director in July. These appointments add further strength to a capable management team.

OUTLOOK

For the financial year ending 28 April 2007, we expect strong trading to continue in MDI valves, Exubera® inhaler production, and King's anaesthesia products. Concerns about a decline in Respiratory sales in the US next year have moderated, and we now anticipate strong continuing demand for CFC valves and very strong HFA demand over the balance of this financial year and next. The primary uncertainty in 2007/08 is the timing of future demand for Exubera® inhalers, which will be clarified as patient uptake data is ascertained.

The Board has set a target to double Bepak's profit before tax over the next five years and is confident that in 2006/07 the Company will out-perform this trajectory.

John Robinson
Chairman

Mark C. Throdahl
Chief Executive

Independent review report to Bepak plc

Introduction

We have been instructed by the company to review the financial information for the twenty-six weeks ended 28 October 2006 which comprises consolidated interim balance sheet as at 28 October 2006 and the related consolidated interim statements of income, cash flows and changes in shareholders' equity for the twenty-six weeks then ended and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Financial Services Authority require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

This interim report has been prepared in accordance with the basis set out in Note 1.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the disclosed accounting policies have been applied. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance. Accordingly we do not express an audit opinion on the financial information. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing 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.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the twenty-six weeks ended 28 October 2006.

PricewaterhouseCoopers LLP

Chartered Accountants

Cambridge

17 January 2007

Notes:

- (a) The maintenance and integrity of the Bepak plc web site 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 interim report since it was initially presented on the web site.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Consolidated Income Statement
For the 26 weeks ended 28 October 2006

	<i>Notes</i>	Unaudited 26 weeks ended 28 October 2006	Unaudited 26 weeks ended 29 October 2005	Audited 52 weeks ended 29 April 2006
		Total £000	Total £000	Total £000
Continuing operations				
Revenue	2	62,089	38,543	87,560
Operating expenses		(53,086)	(31,621)	(72,573)
Operating profit before special items		9,898	5,984	14,745
Special items	3	(895)	938	242
Operating profit	2	9,003	6,922	14,987
Finance income		238	468	825
Finance expenses		(1,160)	(74)	(1,030)
Other finance costs	4	(229)	(256)	(501)
Share of post tax (losses)/profits from associate		(27)	(7)	10
Impairment of investment in associate		(242)	-	-
Profit before tax and special items		8,478	6,115	14,049
Special items	3	(895)	938	242
Profit before taxation		7,583	7,053	14,291
Taxation	5	(2,029)	(1,497)	(3,570)
Profit for the financial period from continuing operations		5,554	5,556	10,721
Loss for the period from discontinued operation	6	(1,678)	(202)	(399)
Profit for the financial period		3,876	5,354	10,322
Basic earnings per ordinary share				
Continuing operations	7	19.8p	20.7p	39.4p
Discontinued operations	7	(6.0p)	(0.7p)	(1.5p)
Total	7	13.8p	20.0p	37.9p
Diluted earnings per ordinary share				
Continuing operations	7	19.5p	20.4p	38.8p
Discontinued operations	7	(5.9p)	(0.7p)	(1.5p)
Total	7	13.6p	19.7p	37.3p
Dividends				
		£000	£000	£000
Final dividend paid of 12.1p per share (2005: 12.1p)		3,391	3,241	3,241
Interim dividend paid of 7.0p per share (2005: 7.0p)		-	-	1,960
		3,391	3,241	5,201

An interim dividend of 7.0p per share (2005: 7.0p) is proposed to be paid in respect of the 26 weeks to 28 October 2006.

Consolidated Group Balance Sheet
At 28 October 2006

	<i>Notes</i>	Unaudited 28 October 2006 Total £000	Unaudited 29 October 2005 Total £000	Audited 29 April 2006 Total £000
Non-current assets				
Property, plant and equipment		50,382	47,328	52,537
Goodwill		37,674	-	39,259
Other intangible assets		13,481	94	14,906
Investment in associate		-	262	269
		101,537	47,684	106,971
Non-current assets held for resale	8	916	2,986	-
Current assets				
Inventories		10,357	5,759	9,571
Trade and other receivables		17,279	13,905	19,052
Financial instruments		180	-	237
Current tax receivable		965	-	282
Cash and cash equivalents		14,167	22,822	9,782
		42,948	42,486	38,924
Current liabilities				
Borrowings		22,474	4,019	23,106
Trade and other payables	9	18,089	10,159	15,080
Financial instruments		-	35	-
Current tax payable		4,047	1,436	3,850
Provisions and other liabilities		6,299	416	6,147
		50,909	16,065	48,183
Net current (liabilities)/assets		(7,961)	26,421	(9,259)
Non-current liabilities				
Borrowings		11,997	-	14,449
Deferred taxation		3,269	79	5,197
Defined benefit pension scheme deficit	11	15,839	17,060	12,002
		31,105	17,139	31,648
Net assets		63,387	59,952	66,064
Shareholders' equity				
Share capital		2,802	2,684	2,802
Share premium		28,853	23,191	28,837
Retained earnings		32,476	34,134	34,693
Other reserves		(744)	(57)	(268)
Total equity	12	63,387	59,952	66,064

Consolidated Cash Flow Statement
For the 26 weeks ended 28 October 2006

	Notes	Unaudited 26 weeks ended 28 October 2006 Total £000	Unaudited 26 weeks ended 29 October 2005 Total £000	Audited 52 weeks ended 29 April 2006 Total £000
Cash flows from operating activities				
Operating profit from continuing operations		9,003	6,922	14,987
Depreciation		3,426	3,108	6,423
Amortisation		961	44	750
Impairment credit		-	(432)	(438)
Loss/(profit) on disposal of property, plant and equipment		27	(262)	(272)
Share based payments		209	134	410
(Increase)/decrease in inventories		(1,130)	354	(1,504)
Decrease/(increase) in trade and other receivables		1,252	1,058	(692)
Increase/(decrease) in trade and other payables		2,766	(1,812)	21
Increase/(decrease) in provisions		245	(1,824)	(1,725)
(Increase)/decrease in financial instruments		(29)	123	(149)
Cash generated from continuing operations		16,730	7,413	17,811
Cash flows from discontinued operations	6	349	(21)	(13)
Interest paid		(796)	(35)	(854)
Tax paid		(1,966)	(1,644)	(3,554)
Net cash inflow from operating activities		14,317	5,713	13,390
Cash flows from investing activities				
Purchases of property, plant and equipment		(3,423)	(1,979)	(4,129)
Purchases of intangible assets		(135)	(8)	(182)
Proceeds from sale of property, plant and equipment		-	398	3,402
Disposal of fixed asset investments		-	82	83
Interest received		214	440	815
Dividend received from associate		-	-	10
Acquisition of subsidiary (net of cash acquired)		(789)	-	(45,772)
Net cash used in investing activities from continuing operations		(4,133)	(1,067)	(45,773)
Purchases of property, plant and equipment - discontinued operations		-	(91)	(205)
Net cash used in investing activities		(4,133)	(1,158)	(45,978)
Cash flows from financing activities				
Net proceeds from issue of ordinary share capital		16	231	403
Equity dividends paid to shareholders		(3,391)	(3,241)	(5,201)
New bank loans raised		-	-	20,121
Repayment of amounts borrowed		(1,872)	-	(1,008)
Payments to fund defined benefit pension scheme deficit		(810)	-	(9,540)
Net cash (used)/generated in financing activities		(6,057)	(3,010)	4,775
Net increase/(decrease) in cash and cash equivalents	10	4,127	1,545	(27,813)
Cash and short-term borrowings at the beginning of the period		(9,466)	17,415	17,415
Effects of exchange rate changes		730	(157)	932
Cash and short-term borrowings at the end of the period		(4,609)	18,803	(9,466)

Consolidated Statement of Recognised Income and Expense
For the 26 weeks ended 28 October 2006

	Unaudited 26 weeks ended 28 October 2006 Total £000	Unaudited 26 weeks ended 29 October 2005 Total £000	Audited 52 weeks ended 29 April 2006 Total £000
Fair value movements on cash flow hedges	(86)	-	152
Deferred tax on fair value movements on cash flow hedges	26	-	(46)
Exchange movements on translation of foreign subsidiaries	(514)	85	(331)
Deferred tax on exchange movements	98	-	99
Deferred tax on share based payments	32	55	193
Actuarial loss on defined benefit pension scheme	(4,205)	(949)	(5,040)
Current tax on actuarial loss	-	-	543
Deferred tax on actuarial loss	1,262	285	970
Net loss recognised directly in equity	(3,387)	(524)	(3,460)
Profit for the financial period	3,876	5,354	10,322
Total recognised income for the period	489	4,830	6,862

Notes to the Interim Accounts

1. Basis of preparation and accounting policies

The same accounting policies, methods of computation and presentation have been used in the preparation of the interim financial statements as were applied in the 2006 Bespak plc Annual Report and Financial Statements. The financial information has been prepared in accordance with the Listing Rules of the Financial Services Authority.

These interim financial statements are unaudited and do not constitute statutory accounts of the Group within the meaning of Section 240 of the Companies Act 1985. The auditors have carried out a review of the financial information in accordance with the guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board and their report is set out on page 6.

The financial information for the 52 weeks ended 29 April 2006 has been extracted from the Group's published financial statements for that year which contain an unqualified audit report and which have been filed with the Registrar of Companies.

2. Segmental information

(a) Revenue from continuing operations

Revenue by business	26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
Inhaled drug delivery	46,781	38,543	76,502
Anaesthesia and respiratory care	15,441	-	11,118
Total revenues	62,222	38,543	87,620
Intra-segment sales	(133)	-	(60)
Revenue	62,089	38,543	87,560

Revenue by origin	26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
United Kingdom	46,781	34,648	72,568
United States of America	15,441	6,812	17,802
Total revenues	62,222	41,460	90,370
Intra-segment sales	(133)	(2,917)	(2,810)
Revenue	62,089	38,543	87,560

Revenue by destination	26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
United Kingdom	11,067	10,168	21,272
United States of America	36,292	16,980	41,948
Europe	9,983	8,467	17,936
Rest of the World	4,747	2,928	6,404
Revenue	62,089	38,543	87,560

Notes to the Interim Accounts

2. Segmental information (continued)

(b) Operating profit from continuing operations

	26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
Inhaled drug delivery	7,345	5,984	13,125
Reallocation of corporate costs (note 6)	-	-	(399)
Inhaled drug delivery - revised segmental basis	7,345	5,984	12,726
Special items	-	938	901
Inhaled drug delivery after special items	7,345	6,922	13,627
Anaesthesia and respiratory care	2,553	-	2,019
Special items	(895)	-	(659)
Anaesthesia and respiratory care after special items	1,658	-	1,360
Operating profit before special items	9,898	5,984	15,144
Reallocation of corporate costs (note 6)	-	-	(399)
Revised segmental basis	9,898	5,984	14,745
Special items	(895)	938	242
Operating profit after special items	9,003	6,922	14,987

(c) Net assets

Net assets by business segment	28 October 2006 £000	29 October 2005 £000	29 April 2006 £000
Continuing operations			
Inhaled drug delivery	52,818	54,865	55,218
Anaesthesia and respiratory care	60,116	-	63,231
Unallocated net (liabilities)/assets	(47,637)	3,060	(54,310)
Total continuing operations	65,297	57,925	64,139
Discontinued operations	(1,910)	2,027	1,925
Net assets	63,387	59,952	66,064
Exchange rates	28 October 2006	29 October 2005	29 April 2006
Average rate of exchange - USD	1.87	1.80	1.78
Closing rate of exchange - USD	1.90	1.78	1.82

Notes to the Interim Accounts

3. Special items

	26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
Continuing operations			
Exceptional operating income	-	938	901
Amortisation of acquired intangible assets	(895)	-	(659)
Special items before tax	(895)	938	242
Taxation	355	-	290
Special items after tax	(540)	938	532

Amortisation represents the charge for other intangible assets acquired with King Systems. The tax credit relates to the amortisation charge.

The exceptional income in the 26 weeks to 29 October 2005 and the 52 weeks ended 29 April 2006 comprised the reversal of closure provisions and impairment provisions relating to the closure of the Group's manufacturing facility in North Carolina.

4. Other finance costs

	26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
Expected return on defined benefit scheme assets	1,238	764	1,657
Interest cost on defined benefit scheme liabilities	(1,330)	(1,020)	(2,041)
Interest net of expected return on plan assets	(92)	(256)	(384)
Unwinding of discount on deferred consideration	(137)	-	(117)
Other finance costs	(229)	(256)	(501)

5. Taxation

	26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
UK corporation tax	1,553	1,403	3,780
Overseas taxation	405	15	289
Deferred taxation	71	79	(499)
	2,029	1,497	3,570

The tax charge for the 26 weeks ended 28 October 2006 is based on the effective tax rate, which it is estimated will apply to earnings for the full year.

Notes to the Interim Accounts

6. Discontinued operations

In August 2006, the Group announced the closure of its consumer dispenser business with effect from the end of October 2006. This business has been classified as a discontinued operation under IFRS 5, and the assets shown as held for sale, as of that date. The results of the discontinued operation for the 26 weeks ended 28 October 2006, and the comparative periods, are as follows:

		26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
	Notes			
Revenue		2,790	2,679	5,524
Operating expenses		(2,936)	(2,968)	(6,087)
Operating loss	(a)	(146)	(289)	(563)
Impairment provisions	(b)	(1,022)	-	-
Closure provisions	(c)	(1,230)	-	-
Loss before tax		(2,398)	(289)	(563)
Attributable taxation		720	87	164
Loss after tax from discontinued operations		(1,678)	(202)	(399)

(a) The operating loss for the year ended 29 April 2006 as originally disclosed was £962,000. Certain corporate and other costs previously allocated to this business segment amounting to £399,000 have been reclassified into inhaled drug delivery in the segmental analysis for the continuing businesses.

(b) An impairment provision has been made against the carrying value of the fixed assets in the consumer dispenser business. The assets were either scrapped or sold in November 2006 for their carrying value at 28 October 2006.

(c) Closure provisions comprise employee severance and other costs incurred in connection with the closure.

Cash flows from discontinued operations

		26 weeks to 28 October 2006 £000	26 weeks to 29 October 2005 £000	52 weeks to 29 April 2006 £000
	Notes			
Loss before taxation		(2,398)	(289)	(563)
Depreciation		282	325	649
Impairment provisions		1,022	-	-
(Increase)/decrease in inventories		(109)	20	(2)
Decrease/(increase) in trade and other receivables		397	(77)	(97)
Increase in provisions		1,155	-	-
Net cash flows from operating activities		349	(21)	(13)
Investing activities - purchases of property, plant and equipment		-	(91)	(205)
Cash flows from discontinued operations		349	(112)	(218)

	28 October 2006 £000
Non-current assets held for sale comprise the following:	
Property, plant and equipment	540
Inventory	376
Total	916

Notes to the Interim Accounts

7. Earnings per share

	26 weeks to 28 October 2006	26 weeks to 29 October 2005	52 weeks to 29 April 2006
The calculation of earnings per ordinary share is based on the following:			
Profit for the financial period (£000)	3,876	5,354	10,322
Profit for the period from continuing operations (£000)	5,554	5,556	10,721
Add back: Special items after tax (£000)	540	(938)	(532)
Adjusted profit for the financial period (£000)	6,094	4,618	10,189
Loss for the period from discontinued operations (£000)	(1,678)	(202)	(399)
Weighted average number of ordinary shares in issue	28,021,335	26,815,740	27,242,663
Shares owned by Employee Share Ownership Trusts	-	(16,141)	(8,071)
Average number of ordinary shares in issue for basic earnings	28,021,335	26,799,599	27,234,592
Dilutive impact of share options outstanding	524,690	346,816	422,960
Diluted average number of ordinary shares in issue	28,546,025	27,146,415	27,657,552
Basic earnings per ordinary share			
Continuing operations	19.8p	20.7p	39.4p
Discontinued operations	(6.0p)	(0.7p)	(1.5p)
Total	13.8p	20.0p	37.9p
Adjusted earnings per ordinary share			
Continuing operations	21.7p	17.2p	37.4p
Diluted earnings per ordinary share			
Continuing operations	19.5p	20.4p	38.8p
Discontinued operations	(5.9p)	(0.7p)	(1.5p)
Total	13.6p	19.7p	37.3p

Notes to the Interim Accounts

8. Non current assets held for resale

	28 October	29 October	29 April
	2006	2005	2006
	£000	£000	£000
Consumer dispenser assets (note 6)	916	-	-
Property in North Carolina	-	2,986	-
Total	916	2,986	-

The property in North Carolina was sold in December 2005 for its carrying value at October 2005.

9. Trade and other payables

	28 October	29 October	29 April
	2006	2005	2006
	£000	£000	£000
Amounts falling due within one year			
Trade payables	8,047	5,469	7,137
Amounts payable to associated companies - trading	230	205	158
Other taxation and social security	825	561	692
Other creditors	3,408	2,306	3,461
Accruals and deferred income	5,579	1,618	3,632
	18,089	10,159	15,080

10. Reconciliation of net cash flow to movement in net debt

	Cash and cash equivalents	Current borrowings	Non-current borrowings	Net debt
	£000	£000	£000	£000
At 30 April 2006	9,782	(23,106)	(14,449)	(27,773)
Cash flow for the period	4,436	(309)	-	4,127
Loan repayments included in cash flow for the period	-	-	1,872	1,872
Effect of exchange rate changes	(51)	941	580	1,470
At 28 October 2006	14,167	(22,474)	(11,997)	(20,304)
Net debt at 28 October 2006 comprises:				
Cash and short-term borrowings	14,167	(18,776)	-	(4,609)
Bank term loan	-	(3,691)	(11,994)	(15,685)
Finance lease obligations	-	(7)	(3)	(10)
At 28 October 2006	14,167	(22,474)	(11,997)	(20,304)

Notes to the Interim Accounts

11. Defined benefit pension scheme deficit

	26 weeks ended 28 October 2006	26 weeks ended 29 October 2005	52 weeks ended 29 April 2006
	Total	Total	Total
	£000	£000	£000
Pension deficit at start of period	12,002	15,703	15,703
Current service costs	1,092	771	1,537
Expected return on plan assets	(1,238)	(764)	(1,657)
Interest cost	1,330	1,020	2,041
Actuarial losses	4,205	949	5,040
Regular employer contributions	(742)	(619)	(1,122)
Employer payments to fund deficit	(810)	-	(9,540)
Pension deficit at end of period	15,839	17,060	12,002

12. Consolidated Statement of changes in shareholders' equity

	26 weeks ended 28 October 2006	26 weeks ended 29 October 2005	52 weeks ended 29 April 2006
	Total	Total	Total
	£000	£000	£000
Total equity at start of period	66,064	57,998	57,998
Total recognised income and expense for the period	489	4,830	6,862
Recognition of share-based payments	209	134	410
Proceeds for sale of shares for employee options	16	143	314
Proceeds from release of own shares held	-	88	88
Equity dividends	(3,391)	(3,241)	(5,201)
Issue of share capital	-	-	5,593
Total equity at end of period	63,387	59,952	66,064

13. Acquisitions

No adjustments were made in the period to the provisional fair values of assets and liabilities acquired as part of the purchase of King Systems Corporation in December 2005.