News Release

Strictly embargoed until 07:00 11 May 2010

AVON RUBBER p.l.c.

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

Unaudited interim results for the six months ended 31 March 2010

	31 March 2010	31 March 2009
	£Millions	£Millions
REVENUE	**56.5**	48.4
EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION	**6.2**	3.9
OPERATING PROFIT	**4.1**	2.1
PROFIT BEFORE TAX	**2.9**	1.4
NET DEBT	**14.4**	16.5
BASIC EARNINGS PER SHARE	**6.1p**	2.7p

- **Revenue up 17% (23% at constant currency)**
- **Operating profit up 91% (118% at constant currency)**
- **Continuing operating activities (before exceptional items) generated cash of £4.9m**
- **Basic Earnings Per Share up 126% (162% at constant currency)**
- **Continued good level of order intake in Protection & Defence, with closing order book of £69.5m**
- **Significant year on year improvement in the Dairy business with the outsourcing of European dairy production completed on time and to cost**

Peter Slabbert, Chief Executive commented: *"Avon has made good progress during the first half of 2010 growing revenue, doubling operating profit and maintaining the order book at the strong levels with which it began the year.*

In Protection & Defence the level of activity with our core customers is healthy. We remain confident of winning orders in the higher margin Homeland Security and Foreign Military markets at an increasing rate, although the timing of these successes remains difficult to predict. Continued investment in new products, product approvals and additional filter capacity provide the opportunity for further growth.

In Dairy, the recovery in the US milk price, success of the European outsourcing and strength of the Milk-Rite brand leave us confident that the progress seen during this period is sustainable and provides a foundation for growth from new products and markets."

For further enquiries, please contact:

Avon Rubber p.l.c.

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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 progress during the first half of 2010, growing revenue, doubling operating profit and maintaining the order book at the strong levels with which it began the year.

The Protection & Defence business has secured significant additional orders from both the US Department of Defense (DoD) and the UK Ministry of Defence (MoD) as well as delivering a level of non DoD / MoD order intake which was in excess of any prior half year period.

Our Dairy business has improved significantly year on year as market conditions have improved and our European production outsourcing project has delivered benefits earlier than expected.

RESULTS
Revenue increased by 17% (23% at constant currency) in the half year to £56.5m (2009: £48.4m) driven by improvements in the dairy market and non DoD / MoD Protection & Defence revenues.

The Group made an operating profit of £4.1m (2009: £2.1m), an increase of 91% (118% at constant currency). Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') were £6.2m (2009: £3.9m), up 59% (75% at constant currency), meaning our return on sales KPI (defined as EBITDA divided by revenue) improved to 10.9% from 8.0% in 2009.

Net finance costs reduced to £0.5m (2009: £0.8m) reflecting the lower level of core borrowings in 2010.

The non cash finance expense on our net retirement benefit deficit of £0.4m (2009: £0.1m credit) was due to changed actuarial assumptions, the most significant of which was the AA Corporate bond yield at 30 September 2009.

This resulted in a profit before tax of £2.9m (2009: £1.4m) and after a tax charge of £1.2m (2009: £0.6m), an effective rate of 41% (2009: 44%), the Group recorded a profit for the period after tax of £1.7m (2009: £0.8m). The basic earnings per share were 6.1p (2009: 2.7p).

NET DEBT AND CASHFLOW
Net debt increased from £13.6m at the 2009 year end to £14.4m at 31 March 2010. The stronger dollar added £0.5m to our reported net debt. Total bank facilities at 31 March 2010 are £23.5m, the majority of which are US$ denominated and committed to 30 June 2011.

Continuing operating activities before exceptional items generated cash of £4.9m (2009: £3.9m), representing 121% of operating profit (2009: 183%). Working capital increased by £2.1m due to receivables being high at 31 March 2010 as significant non MoD and DoD shipments were made in the latter part of the second quarter.

Capital expenditure of £2.8m (2009: £1.4m) was higher than in the first half of last year as work commenced on laying down additional filter capacity in our Cadillac facility. The total cost of this project is estimated at $5m and it is due to be completed in the final quarter of our 2010 financial year, doubling our filter production capability to meet current demand.

PROTECTION & DEFENCE
Revenue for the division was £43.3m (2009: £35.7m) an increase of 21% (28% at constant currency). This generated an operating profit of £3.0m (2009: £2.0m) and EBITDA of £4.9m (2009: £3.4m). Return on sales (as defined above) improved to 11.3% compared to 9.4% in 2009.

The US operation performed well in the period, securing orders for 34,000 mask systems under the ten year DoD requirements option as well as having the 100,000 mask systems confirmed for year three of the five year contract. Orders valued at $5.5m for spares and mask accessories were also won from the DoD. In addition to the DoD business, orders and sales of the homeland security / foreign military variants of the M50 mask were at a level higher than any previous half year with significant orders received from Saudi Arabia, the Canadian Police and the Italian Navy. Avon's respiratory protection products are clearly becoming the mask of choice in defence and homeland security markets around the world and we expect the proportion of revenues from these sources to increase significantly from the current 20% over the medium term.

In the UK, the MoD exercised the second year of its three year contract for S10 masks worth £3.0m. In addition an incremental delivery of £1.3m was made to support operational requirements. We also celebrated the one millionth S10 mask delivery to the MoD with no recorded quality problems and an excellent on time delivery record. Despite this track record and the availability of the world leading replacement product in the 50 series respirator, the UK MoD appear to remain committed to changing to an alternative product and supplier from 2012.

Avon ISI experienced difficult market conditions and incurred an operating loss in the first half of 2010. The actions taken in the second half of 2009 have, however, seen an improvement in ISI's performance both year on year and from the second half of 2009 to this period to the extent that it reached breakeven at an EBITDA level in the current period.

In the previous financial year, AEF returned to profitability and a divestment process was initiated, with the business disclosed as held for sale and its results shown as discontinued operations in the 2009 financial statements. As a result of uncertainty created by a contractual dispute with one of its major customers, we have not been able to conclude a transaction on satisfactory terms.

The Board has therefore withdrawn AEF from the sale process and its results have been shown within continuing operations for the half year to 31 March 2010. The dispute has had no impact on current trading, which shows an improvement over 2009, and we expect a favourable resolution in due course.

The division continues to enjoy a healthy order book, which stood at £69.5m at the period end.

DAIRY
Revenues for the division were up 4% (6% at constant currency) at £13.2m (2009: £12.7m) which generated an operating profit of £2.0m (2009: £1.3m). EBITDA was £2.2m (2009: £1.5m), giving a return on sales (as defined above) of 16.9%, up from 11.6% in 2009.

Our Dairy business benefited from a stronger market and this, together with the benefits of the outsourcing of the manufacture of European dairy products, significantly improved profitability.

RESEARCH & DEVELOPMENT

Our product development efforts have continued in both divisions. In Protection & Defence we have received NIOSH (US) and CE (European) product approvals for our FM53 mask. In the second half of the year we are scheduled to achieve CE approvals for our ST53 multi-role breathing apparatus in both short and long-duration configurations and we expect to launch the first of our new range of powered air (PAPR) products.

In Dairy we have launched a new concept vented liner and have started to expand our product range under the Milk-Rite brand beyond liners and tubing into non rubber goods such as pulsators and claws.

We expect to see the benefits of these efforts, which underpin the long term prosperity of the Group, in our 2011 financial year.

INVESTMENTS

We are adding filter capacity in our Cadillac facility which is scheduled to be commissioned during quarter four of this financial year. The addition is a new fully automated second filter line that will run independently from the existing capability. It will double current filter manufacturing capacity and its state of the art robotics and controls will deliver efficiency as well as output improvement. This investment reinforces our commitment to filter manufacture and recognizes the importance of the consumables revenue stream in the future.

In a generally depressed financial environment where many in our industries are cutting costs, we have continued to invest in our sales, marketing and product development activities. We have a new sales office in Malaysia and our Baltimore based US business development team will be moving to larger premises in the second half to accommodate their expanding needs.

RETIREMENT BENEFIT OBLIGATIONS

The deficit, as measured under IAS 19, associated with the Group's UK Retirement Benefit Obligations has reduced from £8.4m at 30 September 2009 to £5.9m at 31 March 2010. The reduction has been as a result of an increase in asset values, offset by more prudent discount rate and inflation assumptions, both reflecting global financial market conditions.

In respect of the 31 March 2009 triennial actuarial valuation the Company has reached an agreement in principle with the pension scheme Trustee, although this remains subject to filing with, and approval by, the Pensions Regulator. The valuation shows the scheme to be 91.4% funded and as such the Company and the Trustee have had to agree a deficit recovery plan. The plan covers a ten year period and in the next three years the Company has agreed to pay deficit recovery contributions of £300k, £400k and £500k. In addition the Company has agreed that the payment of a dividend to shareholders would trigger further payments linked to the amount of dividend paid, but up to a maximum of £400k in any one year. This compares to £300k additional contributions which have been made in each of 2008, 2009 and 2010. The subsequent years show escalating payments, also partially linked to dividends, up to a maximum of £1.3m in the tenth year. A further triennial valuation will be undertaken as at 31 March 2012 when the funding level and the recovery plan will be reviewed.

DIVIDENDS

In view of the current level of net debt and the level of investment made in additional filter capacity in the period and committed for the second half of the year, 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, investment opportunities and available debt facilities at the year-end and evaluate whether a dividend is appropriate at that time.

OUTLOOK

In Protection & Defence the level of activity with our core customers is healthy. We remain confident of winning orders in the higher margin Homeland Security and Foreign Military markets at an increasing rate, although the timing of these successes remains difficult to predict. Continued investment in new products, product approvals and additional filter capacity provide the opportunity for further growth.

In Dairy, the recovery in the US milk price, success of the European outsourcing and strength of the Milk-Rite brand leave us confident that the progress seen during this period is sustainable and provides a foundation for growth from new products and markets.

Peter Slabbert	Andrew Lewis
Chief Executive	Group Finance Director
10 May 2010	10 May 2010

Statement of Directors' responsibilities

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, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the 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

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
10 May 2010

Consolidated Statement of Comprehensive Income

	Note	**Half year to 31 Mar 10 (Unaudited) £'000**	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
Revenue	**5**	**56,519**	48,412	100,900
Cost of sales		**(42,421)**	(36,989)	(75,834)
Gross profit		**14,098**	11,423	25,066
Operating expenses		**(10,038)**	(9,293)	(22,092)
Operating profit	**5**	**4,060**	2,130	2,974
Operating profit is analysed as:				
Before depreciation, amortisation and exceptional items		**6,152**	3,859	9,660
Depreciation and amortisation		**(2,092)**	(1,729)	(4,151)
Operating profit before exceptional items		**4,060**	2,130	5,509
Exceptional operating items		**-**	-	(2,535)
Finance income	**6**	**7**	2	33
Finance costs	**6**	**(540)**	(820)	(1,539)
Other finance (expense)/income	**6**	**(595)**	86	394
Profit before taxation		**2,932**	1,398	1,862
Taxation	**7**	**(1,201)**	(615)	(2,004)
Profit/(loss) for the period		**1,731**	783	(142)
Other comprehensive income				
Actuarial gain/(loss) recognised in retirement benefit schemes		**2,749**	(14,256)	(53,051)
Movement on deferred tax relating to retirement benefit schemes		**-**	3,992	12,158
Net exchange differences offset in reserves		**889**	2,254	1,049
Other comprehensive income/(expense) for the period, net of taxation		**3,638**	(8,010)	(39,844)
Total comprehensive income/(expense) for the period		**5,369**	(7,227)	(39,986)
Profit/(loss) attributable to:				
Owners of the parent		**1,731**	773	(183)
Minority interest		**-**	10	41
		1,731	783	(142)
Total comprehensive income/(expense) attributable to:				
Owners of the parent		**5,369**	(7,237)	(40,027)
Minority interest		**-**	10	41
		5,369	(7,227)	(39,986)
Earnings/(loss) per share	**9**			
Basic		**6.1p**	2.7p	(0.6)p
Diluted		**5.8p**	2.6p	(0.6)p

Consolidated Balance Sheet

	Note	**Half year to 31 Mar 10 (Unaudited) £'000**	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
Assets				
Non-current assets				
Intangible assets		**9,547**	11,234	9,936
Property, plant and equipment		**17,790**	18,274	15,263
Deferred tax assets		**271**	221	271
Retirement benefit assets		**-**	29,300	-
		27,608	59,029	25,470
Current assets				
Inventories		**12,712**	12,259	9,528
Trade and other receivables		**20,263**	13,205	12,614
Cash and cash equivalents		**740**	937	1,041
		33,715	26,401	23,183
Assets classified as held for sale		**-**	5,121	4,914
		33,715	31,522	28,097
Liabilities				
Current liabilities				
Financial liabilities				
- Borrowings		**4,839**	2,036	14,697
- Derivative financial instruments		**234**	368	-
Trade and other payables		**22,147**	20,926	16,196
Current tax liabilities		**2,009**	68	673
		29,229	23,398	31,566
Liabilities directly associated with assets classified as held for sale		**-**	1,647	1,832
		29,229	25,045	33,398
Net current assets/(liabilities)		**4,486**	6,477	(5,301)
Non-current liabilities				
Financial liabilities				
- Borrowings		**10,324**	15,436	-
Deferred tax liabilities		**2,104**	9,297	2,104
Retirement benefit obligations		**6,791**	928	9,152
Provision for liabilities and charges	**10**	**5,177**	4,319	6,649
		24,396	29,980	17,905
Net assets		**7,698**	35,526	2,264
Shareholders' equity				
Ordinary shares	**11**	**29,141**	29,141	29,141
Share premium account	**11**	**34,708**	34,708	34,708
Capital redemption reserve		**500**	500	500
Translation reserve		**868**	1,184	(21)
Retained earnings		**(57,556)**	(30,580)	(62,103)
Equity shareholders' funds		**7,661**	34,953	2,225
Minority interests in equity		**37**	573	39
Total equity		**7,698**	35,526	2,264

Consolidated Cash Flow Statement

	Note	Half year to 31 Mar 10 (Unaudited) £'000	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
Cash flows from operating activities	**12**			
Cash generated from continuing operating activities prior to the effect of exceptional items		**4,919**	3,903	7,449
Cash effect of exceptional items		**(848)**	(784)	(1,688)
Cash generated from continuing operations		**4,071**	3,119	5,761
Cash used in discontinued operations		**(854)**	(1,152)	(2,614)
Cash generated from operations		**3,217**	1,967	3,147
Finance income received		**7**	2	33
Finance costs paid		**(420)**	(735)	(1,582)
Tax received/(paid)		**23**	(465)	(282)
Net cash generated from operating activities		**2,827**	769	1,316
Cash flows from investing activities				
Proceeds from sale of operations		**-**	2,050	2,050
Acquisition of subsidiaries – deferred consideration		**(126)**	-	-
Proceeds from sale of property, plant and equipment		**-**	1,404	4,798
Purchase of property, plant and equipment		**(2,699)**	(1,287)	(2,684)
Purchase of intangible assets		**(99)**	(153)	(884)
Net cash (used in)/generated from investing activities		**(2,924)**	2,014	3,280
Cash flows from financing activities				
Net movements in loans		**(2,590)**	(4,305)	(6,005)
Dividends paid to minority shareholders		**(142)**	-	(283)
Purchase of own shares		**(13)**	-	-
Net cash used in financing activities		**(2,745)**	(4,305)	(6,288)
Net decrease in cash, cash equivalents and bank overdrafts		**(2,842)**	(1,522)	(1,692)
Cash, cash equivalents and bank overdrafts at beginning of the period		**(1,090)**	414	414
Effects of exchange rate changes		**(167)**	45	188
Cash, cash equivalents and bank overdrafts at end of the period	**13**	**(4,099)**	(1,063)	(1,090)

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Capital redemption reserve £'000	Translation reserve £'000	Total £'000
At 1 October 2008	29,141	34,708	(21,175)	500	(1,070)	42,104
Profit for the period attributable to equity shareholders	-	-	773	-	-	773
Unrealised exchange differences on overseas investments	-	-	-	-	2,254	2,254
Movement in respect of employee share schemes	-	-	86	-	-	86
Actuarial loss recognised in retirement scheme	-	-	(14,256)	-	-	(14,256)
Movement on deferred tax relating to retirement benefit obligations	-	-	3,992	-	-	3,992
At 31 March 2009	29,141	34,708	(30,580)	500	1,184	34,953
Loss for the period attributable to equity shareholders	-	-	(956)	-	-	(956)
Unrealised exchange differences on overseas investments	-	-	-	-	(1,205)	(1,205)
Movement in respect of employee share schemes	-	-	62	-	-	62
Actuarial loss recognised in retirement scheme	-	-	(38,795)	-	-	(38,795)
Movement on deferred tax relating to retirement benefit obligations	-	-	8,166	-	-	8,166
At 30 September 2009	**29,141**	**34,708**	**(62,103)**	**500**	**(21)**	**2,225**
Profit for the period attributable to equity shareholders	**-**	**-**	**1,731**	**-**	**-**	**1,731**
Unrealised exchange differences on overseas investments	**-**	**-**	**-**	**-**	**889**	**889**
Movement in respect of employee share schemes	**-**	**-**	**67**	**-**	**-**	**67**
Actuarial gain recognised in retirement scheme	**-**	**-**	**2,749**	**-**	**-**	**2,749**
At 31 March 2010	**29,141**	**34,708**	**(57,556)**	**500**	**868**	**7,661**

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 10 May 2010.

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 2009 were approved by the Board of Directors on 19 January 2010 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 half-yearly financial information for the half-year ended 31 March 2010 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 2009, which have been prepared in accordance with IFRS as adopted by the European Union.

3. Restatement of comparatives

The 31 March 2009 and 30 September 2009 Statement of Comprehensive Income and Consolidated Cash Flow statement have been restated to reflect the Avon Engineered Fabrications business as continuing operations.

4. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 30 September 2009, 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 2010

The following standards, amendments and interpretations have been adopted in preparing the half yearly financial information and will be adopted for the year ended 30 September 2010:

- Amendments to IFRS 2 Share-based Payment: Vesting Conditions and Cancellations
- IAS 1 Presentation of Financial Statements (revised 2007)
- IAS 23 Borrowing Costs (revised 2007)
- IFRIC 16 Hedges of Net Investment in Foreign Operations

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 October 2009 but are not relevant to the Group's operations, or have no significant impact:

- IFRS 1 (revised) First-time Adoption of International Financial Reporting Standards and IAS 27 (revised) Consolidated and separate Financial Statements – Cost of an investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- IFRIC 15 Agreements for the Construction of Real Estate
- Embedded Derivatives – Amendments to IFRIC 9 Reassessment of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement
- IFRIC 18 Transfer of Assets from Customers
- IFRS 3 Business Combinations (revised 2008)
- Amendments to IAS 39 – Eligible Hedged Items
- IFRIC 17 Distributions of Non-cash Assets to Owners
- Improvements to IFRSs 2008 – Amendments to IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

(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 2009 and have not been adopted early:

- Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions
- Amendments to IAS 32 Financial Instruments: presentation – Classification of Rights Issues
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IFRS 1 First-time adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- IAS 24 Related Party Disclosures (revised 2009)
- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Assets, Minimum Funding Requirements and their Interaction
- IFRS 9 Financial Instruments

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.The secondary reporting format comprises the geographical segments by origin.

Half year to 31 March 2010 (Unaudited)	**Protection & Defence £'000**	**Dairy £'000**	**Unallocated £'000**	**Group £'000**
Revenue	**43,302**	**13,217**		**56,519**
Segment result before depreciation and amortisation	**4,892**	**2,234**	**(974)**	**6,152**
Depreciation and amortisation	**(1,881)**	**(193)**	**(18)**	**(2,092)**
Segment result	**3,011**	**2,041**	**(992)**	**4,060**
Finance income			**7**	**7**
Finance costs			**(540)**	**(540)**
Other finance expense			**(595)**	**(595)**
Profit/(loss) before taxation	**3,011**	**2,041**	**(2,120)**	**2,932**
Taxation			**(1,201)**	**(1,201)**
Profit/(loss) for the period	**3,011**	**2,041**	**(3,321)**	**1,731**

Half year to 31 March 2009 (Unaudited)	Protection & Defence £'000	Dairy £'000	Unallocated £'000	Group £'000
Revenue	35,703	12,709		48,412
Segment result before depreciation and amortisation	3,350	1,473	(964)	3,859
Depreciation and amortisation	(1,358)	(210)	(161)	(1,729)
Segment result	1,992	1,263	(1,125)	2,130
Finance income			2	2
Finance costs			(820)	(820)
Other finance income			86	86
Profit/(loss) before taxation	1,992	1,263	(1,857)	1,398
Taxation			(615)	(615)
Profit/(loss) for the period	1,992	1,263	(2,472)	783

Year to 30 September 2009 (Audited)	Protection & Defence £'000	Dairy £'000	Unallocated £'000	Group £'000
Revenue	76,107	24,793		100,900
Segment result before depreciation, amortisation and exceptional items	7,939	3,490	(1,769)	9,660
Depreciation and amortisation	(3,490)	(470)	(191)	(4,151)
Segment result before exceptional items	4,449	3,020	(1,960)	5,509
Exceptional items	-	(2,535)	-	(2,535)
Segment result after exceptional items	4,449	485	(1,960)	2,974
Finance income			33	33
Finance costs			(1,539)	(1,539)
Other finance income			394	394
Profit/(loss) before taxation	4,449	485	(3,072)	1,862
Taxation			(2,004)	(2,004)
Profit/(loss) for the year	4,449	485	(5,076)	(142)

Revenue by origin	**Half year to 31 Mar 10 (Unaudited) £'000**	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
Europe	**7,981**	5,597	12,495
North America	**48,538**	42,815	88,405
	56,519	48,412	100,900

6. Finance income and costs

	Half year to 31 Mar 10 (Unaudited) £'000	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
Interest payable on bank loans and overdrafts	**(493)**	(814)	(1,433)
Other finance costs	**(47)**	(6)	(106)
Total finance costs	**(540)**	(820)	(1,539)
Finance income	**7**	2	33
	(533)	(818)	(1,506)

Other finance (expense)/income

	Half year to 31 Mar 10 (Unaudited) £'000	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
Interest cost: UK defined benefit pension scheme	**(7,209)**	(7,337)	(14,592)
Expected return on plan assets: UK defined benefit pension scheme	**6,849**	7,494	15,020
Other finance cost: USA post retirement scheme	**(5)**	(71)	(34)
Provisions: Unwinding of discount	**(230)**	-	-
	(595)	86	394

7. Taxation

The split of the tax charge between UK and overseas is as follows:

	Half year to 31 Mar 10 (Unaudited) £'000	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
United Kingdom	**-**	-	-
Overseas	**1,201**	615	2,004
	1,201	615	2,004

The effective tax rate for the period is 41% (2009: 44%). The adjusted effective tax rate is 34% (2009: 47%), defined as the tax charge divided by the profit before tax, excluding the charge/credit relating to other finance expense/income.

8. Dividends

The Directors are proposing that no interim dividend be paid in respect of the half year ending 31 March 2010.

9. Earnings per share

Basic earnings per share is based on a profit attributable to ordinary shareholders of £1,731,000 (2009: £773,000) and 28,467,000 (2009: 28,474,000) ordinary shares being the weighted average of the shares in issue during the period.

The Company has 1,958,942 (6.7%) dilutive potential ordinary shares in respect of the Performance Share Plan.

10. Provisions for liabilities and charges

	Other provisions £'000	**Automotive disposal £'000**	**European Dairy relocation £000**	**Total £'000**
Balance at 30 September 2009	1,029	2,190	3,430	6,649
Payments in the period	**(359)**	**(495)**	**(848)**	**(1,702)**
Unwinding of discount	**-**	**-**	**230**	**230**
At 31 March 2010	**670**	**1,695**	**2,812**	**5,177**

11. Share capital

	Number of shares (thousands)	Ordinary shares £'000	Share premium £'000	Total £'000
Balance as at 1 October 2008 and 31 March 2010	**29,141**	**29,141**	**34,708**	**63,849**

12. Cash generated from operations

	Half year to 31 Mar 10 (Unaudited) £'000	Half year to 31 Mar 09 (Unaudited) £'000	Year to 30 Sep 09 (Audited) £'000
Continuing operations			
Profit/(loss) for the financial period	**1,731**	783	(142)
Adjustments for:			
Tax	**1,201**	615	2,004
Depreciation	**1,214**	1,012	2,366
Amortisation of intangibles	**878**	717	1,785
Net finance expense	**533**	818	1,506
Other finance expense/(income)	**595**	(86)	(394)
Loss/(profit) on disposal of property, plant and equipment	**15**	15	(2,088)
Loss on disposal of intangibles	**-**	-	20
Movements in working capital and provisions	**(2,102)**	(841)	556
Other movements	**6**	86	148
Cash generated from continuing operations	**4,071**	3,119	5,761
Analysed as:			
Cash generated from continuing activities prior to the effect of exceptional operating items	**4,919**	3,903	7,449
Cash effect of exceptional operating items	**(848)**	(784)	(1,688)
Discontinued operations			
Movements in working capital and provisions	**(854)**	(1,152)	(2,614)
Cash used in discontinued operations	**(854)**	(1,152)	(2,614)
Cash generated from operations	**3,217**	1,967	3,147

13. Analysis of net debt

	As at 30 Sep 09 £'000	Cash flow £'000	Exchange movements £'000	**As at 31 Mar 10 £'000**
Cash at bank and in hand	1,041	(302)	1	**740**
Cash included in assets held for sale	9	(9)	-	**-**
Overdrafts	(2,140)	(2,531)	(168)	**(4,839)**
Net cash and cash equivalents	(1,090)	(2,842)	(167)	**(4,099)**
Debt due within 1 year	(12,557)	12,557	-	**-**
Debt due in more than 1 year	-	(9,967)	(357)	**(10,324)**
	(13,647)	(252)	(524)	**(14,423)**

Borrowing facilities	Total facility £'000	Utilised £'000	Undrawn £'000
United Kingdom	16,931	10,324	6,607
North America	5,816	4,839	977
Utilised in respect of guarantees	727	727	-
	23,474	15,890	7,584

Of the facilities above, £5m and $18.2m are committed to 30 June 2011 and $10m is committed to 31 December 2010. These facilities include financial covenants which are measured on a quarterly basis, which were complied with during the period.

14. Exchange rates

The following significant exchange rates applied during the period.

	Average rate H1 2010	**Closing rate H1 2010**	Average rate H1 2009	Closing rate H1 2009	Average rate FY 2009	Closing rate FY 2009
US Dollar	**1.578**	**1.528**	1.493	1.432	1.538	1.589
Euro	**1.117**	**1.129**	1.152	1.077	1.146	1.088

15. Seasonality

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

16. Principal risks and uncertainties

The principal risks and uncertainties impacting the Group were detailed on page 20 of the 2009 Annual Report & Accounts and remain unchanged at 31 March 2010.

17. Related party transactions

There were no related party transactions during the period or outstanding at the end of the period.

18. Shareholder information

The unaudited interim results for the six months ended 31 March 2010 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.