



LANGLEY

Langley Holdings plc  
Interim Trading Statement

6 months ended  
30 June 2014

[langleyholdings.com](http://langleyholdings.com)



5 divisions

70 subsidiaries

4000 employees



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*Front cover:* The Langley sponsored racing yacht *Gladiator* is competing in the 2014 52 Super Series. The series comprises four Mediterranean regattas: Rolex Capri in May; Porto Cervo, Sardinia in June; Copa del Rey, Mallorca, in August and The Royal Cup, Ibiza, in September.

In common with Langley businesses, the 52 Super Series represents the very best of design and construction in its field, attracts highly talented people and competition is conducted with the highest standard of integrity.

# Company Information

6 Months ended 30 June 2014

**DIRECTORS:** A J Langley – Chairman  
J J Langley – Non-Executive  
B A Watson

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**SECRETARY:** B A Watson

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**REGISTERED OFFICE:** Enterprise Way  
Retford  
Nottinghamshire  
DN22 7HH  
England

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**REGISTERED IN ENGLAND NUMBER:** 1321615

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**AUDITORS:** Smith & Williamson  
Portwall Lane  
Bristol  
BS1 6NA  
England

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**PRINCIPAL BANKERS:** Barclays Bank plc  
PO Box 3333  
Birmingham  
B4 6GN  
England  
  
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Adolphsplatz 7  
20457 Hamburg  
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Sand 5-7  
21073 Hamburg  
Germany

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# Key Highlights

6 Months ended 30 June 2014

	Actual Year Ended 31 December 2013 €'000	Actual 6 months to 30 June 2014 €'000	Forecast Year Ending 31 December 2014 €'000
REVENUE	833,892	347,670	813,154
OPERATING PROFIT	89,270	29,684	75,887
PRE TAX PROFIT	91,420	30,846	77,925
NET ASSETS	496,525	532,329	542,818
NET CASH	278,645	319,164	324,996
ORDERS ON HAND	256,025	315,327	277,744
EMPLOYEES	No. 4,080	No. 4,067	No. 4,086

This Statement has been prepared in accordance with International Financial Reporting Standards (IFRS).



# Chairman's Review

6 Months ended 30 June 2014

In the six months to 30 June 2014, the group posted a profit before tax of €30.8 million on revenues of €347.7 million. This compares with €40.4 million for the same period last year, on revenues of €386 million. Net assets at June 2014 were €532.3 million (June 2013: €488.2 million) and net cash €319.2 million (June 2013: €274.2 million). The group has nil debt (June 2013: nil).

The trading result to 30 June 2014 is in line with expectations. Projections for the year indicate a profit before tax (PBT) of around €78 million, down on the €91 million 2013 PBT but very satisfactory nonetheless. The group has enjoyed remarkably good trading results over the last few years and we are now seeing something of a slowdown or, perhaps I should say, a return to more normal levels.

Manroland, the German printing press builder, traded in positive territory in the first half and is expected to continue to do so for the full year, albeit marginally.

Piller, our German producer of power protection systems, has seen a number of major projects delayed and although orders are expected to improve in the second half, I am expecting that the full year should be in line with, or slightly ahead of plan.

Claudius Peters, which builds plant machinery, mainly for the cement and steel sectors, has traded ahead of plan in the first half and I expect the trend will continue at this, the third of our divisions based in Germany.

ARO, the French automobile welding machine producer, continues to exceed expectations whereas the other businesses division, which is made up of several mainly UK based companies, traded slightly behind plan in the first half but is expected to catch up by the year end.

The orders on hand for the group at the half-year totalled €315.3 million, a healthy enough situation, but are forecast to reduce to €277.7 million at the year end.

During the recent years of plenty, we have been careful not to fall into the trap of setting higher and higher budgets. Our businesses are notoriously cyclical and the cycles are long, often many years in duration. By budgeting our businesses to be profitable on historically low revenues, the cost base is kept in check and should business exceed budgeted levels, the additional capacity is largely met by temporary resources. Consequently a downturn in business levels may usually be managed without costly reorganisation and I do not foresee any significant realignment costs being incurred as a result of a slow down in trade.

The group is organised in five divisions with business units in each, making a total of some seventy operating companies. Each business unit maintains sufficient financial resources to meet its foreseeable requirements and pays surplus funds, as dividends, to its division annually. The divisions similarly pay their surplus, by way of dividend, to Langley Holdings plc, normally in March each year. A shareholder dividend of €25 million was proposed by the board and paid in July.

The group continues to seek out opportunities to continue its development and examined a number of possible acquisitions during the period, none of which are being pursued further at this time.

**Anthony J Langley**

Chairman

29<sup>th</sup> July 2014

# Consolidated Income Statement

6 Months ended 30 June 2014

	Actual Year Ended 31 December 2013 €'000	Actual 6 months to 30 June 2014 €'000	Forecast Year Ending 31 December 2014 €'000
<b>REVENUE</b>	833,892	347,670	813,154
Cost of Sales	(560,905)	(227,612)	(556,678)
<b>GROSS PROFIT</b>	272,987	120,058	256,476
Net operating expenses	(183,717)	(90,374)	(180,589)
<b>OPERATING PROFIT</b>	89,270	29,684	75,887
Finance income	2,737	1,233	2,125
Finance costs	(587)	(71)	(87)
<b>PROFIT BEFORE TAXATION</b>	<b>91,420</b>	<b>30,846</b>	<b>77,925</b>
Income tax expense	(26,192)	(7,674)	(19,264)
<b>PROFIT FOR THE PERIOD</b>	<b>65,228</b>	<b>23,172</b>	<b>58,661</b>

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# Consolidated Statement of Financial Position

6 Months ended 30 June 2014

	Actual Year Ended 31 December 2013 €'000	Actual 6 months to 30 June 2014 €'000	Forecast Year Ending 31 December 2014 €'000
<b>NON-CURRENT ASSETS</b>			
Intangible assets	2,913	2,667	2,752
Property, plant and equipment	147,083	147,536	149,728
Investments	14	14	14
Trade and other receivables	1,755	1,783	2,829
Deferred income tax assets	21,347	18,593	17,825
Income tax recoverable	50	236	210
	<b>173,162</b>	<b>170,829</b>	<b>173,358</b>
<b>CURRENT ASSETS</b>			
Inventories	140,801	176,479	153,381
Trade and other receivables	187,595	152,472	147,478
Cash and cash equivalents	278,645	319,164	324,996
Current income tax recoverable	4,332	5,533	1,034
	<b>611,373</b>	<b>653,648</b>	<b>626,889</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long term borrowings	85	23	0
Current income tax liabilities	7,193	3,651	6,065
Trade and other payables	198,643	200,366	167,467
Provisions	28,991	28,108	28,432
	<b>234,912</b>	<b>232,148</b>	<b>201,964</b>
<b>NET CURRENT ASSETS</b>			
Total assets less current liabilities	<b>376,461</b>	<b>421,500</b>	<b>424,925</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	2,868	2,081	2,557
Long term borrowings	53	0	0
Trade and other payables	11,302	18,123	15,523
Retirement benefit obligations	11,354	14,062	14,333
Non-current income tax liabilities	0	276	331
Deferred income tax liabilities	27,521	25,458	22,721
	<b>53,098</b>	<b>60,000</b>	<b>55,465</b>
<b>NET ASSETS</b>			
	<b>496,525</b>	<b>532,329</b>	<b>542,818</b>
<b>EQUITY</b>			
Share capital	71,227	71,227	71,227
Merger reserve	4,491	4,491	4,491
Revaluation reserve	4,011	4,011	4,011
Retained earnings	416,796	452,600	463,089
<b>TOTAL EQUITY</b>	<b>496,525</b>	<b>532,329</b>	<b>542,818</b>

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# Reconciliation of Retained Earnings

6 Months ended 30 June 2014

	Actual 6 months to 30 June 2014 €'000	Forecast Year Ending 31 December 2014 €'000
At 1 January 2014	416,796	416,796
Current profit for the period	23,172	58,661
Currency exchange difference arising on retranslation	12,632	12,632
Dividend paid	0	(25,000)
<b>TOTAL RETAINED EARNINGS AT PERIOD END</b>	<b>452,600</b>	<b>463,089</b>

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