VESUVIUS PLC

31 July 2015

Half Year Results for the six months ended 30 June 2015

Margin improvement in challenging market conditions

Vesuvius plc, a global leader in molten metal flow engineering, announces its results for the six months ended 30 June 2015.

Financial summary

	H1 2015 (£m)	H1 2014 (£m)	Year-on-year change	Underlying change[1]
Revenue	**702.6**	729.8	-3.7%	-4.3%
Trading Profit[2]	**70.4**	71.2	-1.1%	-3.4%
Return on Sales	**10.0%**	9.8%	+26 bps	+9 bps
Headline Earnings[3]	**43.3**	44.3	-2.2%	-5.5%
Headline EPS[3] (pence)	**16.0**	16.4	-2.1%	-5.4%
Interim Dividend	**5.15p**	5.00p	+3.0%	
Net debt	**296.0**	261.7		
Statutory Profit	**37.9**	40.4		
Statutory EPS (pence)	**13.0**	14.2		

Business summary

- Lower revenues and profits driven by a decline in global steel production and inventory volumes
- Cash conversion ratio of 84%
- Return on sales increased to 10% as a result of management actions to improve productivity and reduce cost
- Underlying increase in profitability in the Foundry division of 165 basis points driven by new management actions
- Strong balance sheet, with long-term bank facilities in place to 2022. Net debt of £296m reflects acquisition of Sidermes
- Interim dividend up 3% to 5.15 pence per share (H1 2014: 5.00 pence) to be paid on 25 September 2015
- Continued improvement in profitability from self-help initiatives
- Restructuring programme commenced to address structural changes in end markets

Strategic progress

- Delivery of margin improvement continues
- Revenue up year-on-year in Asia-Pacific in all businesses despite adverse trading conditions
- Outperformance in China and India – strategically important markets for long-term growth
- Continued focus on products and services where value-add is rewarded
- Sidermes acquisition expands our Technical Services offering – an important medium-term growth opportunity

François Wanecq, Chief Executive of Vesuvius, commented:

"In recent months, we have seen challenging end markets with a global decline in crude steel production, particularly in the US, our largest market. Against this backdrop, Vesuvius has made further strategic and operational progress. We are pleased to report revenue and margin progression in the major long-term markets of China and India and further progress in building our Technical Services business.

As a consequence of the structural change in our end markets, we have commenced a global restructuring programme and have currently identified actions which will result in a total charge of around £20m in 2015 and 2016 with full year cost savings in excess of £10m in 2017. Some early benefits from this programme are expected to be seen this year, and as a result, we remain confident that performance will be broadly in line with market expectations for the full year.

This programme is designed to better align our group with our end markets and capitalise on the further growth of our addressable markets as outlined at our Capital Markets Day in June."

(1) *Underlying basis is at constant currency and excludes separately reported items and the impact of acquisitions and disposals*
(2) *For definitions of non-GAAP measures, refer to the notes in the financial statements*
(3) *Headline results refer to continuing operations and exclude separately reported items*

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Vesuvius management will make a presentation to analysts and investors on 31 July 2015 at 10.00am (GMT) at Bank of America Merrill Lynch, 2 King Edward Street, London EC1A 1HQ. For those unable to attend in person, an audio webcast and conference call will also be available (UK participant dial in +44(0)20 3364 5721; US participant dial in +1 646 254 3362; confirmation code 7676096). This presentation will be broadcast live on Vesuvius' website, http://investors.vesuvius.com/investor-relations and an archive version of the presentation will be available on the website later that day.

About Vesuvius plc

Vesuvius is a global leader in molten metal flow engineering principally serving the steel and foundry industries.

We develop innovative and customised solutions, often used in extremely demanding industrial environments, which enable our customers to improve their manufacturing processes, enhance product quality and reduce energy consumption. These include flow control solutions, advanced refractories and other consumable products and – increasingly – related technical services including data capture.

We have a worldwide presence. We serve our customers through a network of low-cost manufacturing plants located close to their own facilities, and embed our industry experts within their operations, who are all supported by our global technology centres.

Our core competitive strengths are our market and technology leadership, strong customer relationships, well established presence in developing markets and our global reach, all of which facilitate the expansion of our addressable markets.

Our ultimate goal is to create value for our customers, and to deliver sustainable, profitable growth for our shareholders giving a superior return on their investment whilst providing each of our employees with a safe workplace where he or she is recognised, developed and properly rewarded.

Forward looking statements

This announcement contains certain forward looking statements which may include reference to one or more of the following: the Group's financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities for existing products, plans and objectives of management and other matters.

Statements in this announcement that are not historical facts are hereby identified as "forward looking statements". Such forward looking statements, including, without limitation, those relating to the future business prospects, revenue, working capital, liquidity, capital needs, interest costs and income, in each case relating to Vesuvius, wherever they occur in this announcement, are necessarily based on assumptions reflecting the views of Vesuvius and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward looking statements. Such forward looking statements should, therefore, be considered in light of various important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements. These include without limitation: economic and business cycles; the terms and conditions of Vesuvius' financing arrangements; foreign currency rate fluctuations; competition in Vesuvius' principal markets; acquisitions or disposals of businesses or assets; and trends in Vesuvius' principal industries.

The foregoing list of important factors is not exhaustive. When considering forward looking statements, careful consideration should be given to the foregoing factors and other uncertainties and events, as well as factors described in documents the Company files with the UK regulator from time to time including its annual reports and accounts.

You should not place undue reliance on such forward looking statements which speak only as of the date on which they are made. Except as required by the Rules of the UK Listing Authority and the London Stock Exchange and applicable law, Vesuvius undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward looking events discussed in this announcement might not occur.

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Registered in England and Wales No. 8217766
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Vesuvius plc

Half Year Results for the six months ended 30 June 2015

During the first half of 2015, Vesuvius continued to make strategic and operational progress in spite of adverse conditions in world steel markets.

Group trading performance

Group revenue from our continuing operations was £702.6m, a reduction of 3.7% compared to the first half of 2014 on a reported basis. Underlying Group revenue, adjusted for the effects of acquisitions and disposals and currency translation differences, decreased by 4.3% compared to the same period last year. Increased imports and a decline in pipe demand have led to a substantial reduction in steel production in the US, our largest market, amplified by a reduction in inventory in the supply chain. Trading profit for the half year was £70.4m, down 3.4% on an underlying basis and down 1.1% on a reported basis (H1 2014: £71.2m). Return on sales increased by 26 basis points on a reported basis (9 bps on an underlying basis) to 10.0% in the first half of 2015 (H1 2014: 9.8%), reflecting the success of management's ongoing focus on self-help initiatives to improve margins through focused cost control and increasing penetration of value added products and solutions.

Strategic progress

The Board has put in place a clearly defined strategy for profitable growth, and our priority in 2015 has been to execute on our five stated strategic priorities:

- reinforcing our technology and innovation leadership positions;
- enlarging our addressable markets through the increased penetration of existing and new value-creating solutions;
- leveraging our strong positions in developing markets to capture the growth opportunities that they represent;
- improving our cost leadership and our margins; and
- building organically, and through acquisition, an increasingly comprehensive technical services business.

We have made encouraging progress on all five of these priorities. In particular, we have continued to strengthen our business and competitive positioning in China and India which remain strategically important growth markets for us in the long-term, and were pleased in the first half of the year to complete another technical services acquisition, Sidermes, in Italy.

Our margin improvement in a market of declining sales underscores the flexibility of our cost structure.

Board and senior management

Jeff Hewitt, Senior Independent Director and Audit Committee Chairman, retired as a Non-executive Director on 14 May 2015, having served nine years with Vesuvius and prior to that Cookson Group.

Douglas Hurt and Hock Goh joined the Board as Non-executive Directors on 2 April 2015. Both also joined the Audit, Remuneration and Nomination Committees. Douglas succeeded Jeff Hewitt as Senior Independent Director and Audit Committee Chairman.

As announced on 1 May 2015, Chris O'Shea, Chief Financial Officer, will leave the Company on 17 September 2015, having accepted the position of Group Finance Director for Smiths Group plc, the FTSE 100 global technology company. The process of identifying a successor is well underway, and an announcement will be made in due course.

In the early part of the year, we strengthened our senior management team through further internal promotion. Alan Charnock, previously Vice President, Marketing & Technology Flow Control, was appointed Chief Technology Officer, responsible for worldwide Research & Development. In his new role, Alan joins our Group Executive Committee.

Health and safety

The Board places great emphasis on the importance of health and safety in the workplace and in the communities in which we operate. Safety is of paramount importance as our employees often operate in harsh environments, and we track lost time incidents as a key performance indicator in our operations. Having made very steady progress against this measure over a number of years, the first half of the year saw this performance plateau. As a consequence, we have not achieved our targets in the reduction of lost time incidents. We are launching new programmes and refocusing our efforts to ensure that we continue to build on the progress made in previous years.

Dividend

The Board has recommended an interim dividend of 5.15 pence per share (H1 2014: 5.0 pence per share), an increase of 3%. This dividend will be paid on 25 September 2015 to shareholders on the register at the close of business on 14 August 2015. Any shareholder wishing to participate in the Vesuvius Dividend Reinvestment Plan ("DRIP") needs to have submitted their election to do so by 4 September 2015. The Board intends to deliver long-term dividend growth provided that this is supported by underlying earnings, cash flows, capital expenditure requirements and the prevailing market outlook.

Outlook

While global economic prospects remain uncertain in our main markets, we expect the underlying trading environment in the remainder of the year to be broadly similar to that experienced in the first half. However, the recent strengthening of Sterling coupled with the weakness in the Euro will, if they remain at current levels, have a negative impact on reported results in the second half.

In addition to our ongoing self-help programme which has provided 189 basis point margin improvement since 2012, we have commenced a restructuring programme to better align our group with our end markets. The opportunities currently identified will result in a total exceptional restructuring charge of around £20m over 2015 and 2016, with full year cost savings in excess of £10m in 2017. Some early benefits are expected to be seen this year, and as a result, the Board remains confident that performance will be broadly in line with market expectations for the full year.

We also continue to focus on acquisitions to reinforce our growth opportunities. We will do this whilst retaining a strong balance sheet in order to give us financial flexibility. As stated at our Capital Markets Day in June 2015, we continue to expect aggregate long term growth of 5% per annum in our addressable markets, but given the current environment, a return to overall growth in steel production is not to be expected before 2017. We remain confident in our ability to deliver further improvement in trading margins and working capital performance and to capitalise on the further growth of our addressable markets.

Operational Review

Our business comprises two divisions, Steel and Foundry, with the Steel division operated as three principal business lines, Steel Flow Control, Advanced Refractories and Technical Services.

Steel Division

World crude steel production in H1 2015 was 2.0% lower than in the same period last year with a decline in most regions. In the Americas, production was down 5.1% due to a reduction in oil and gas production activity and a significant increase in low price steel imports. EMEA production contracted by 2.9% due essentially to the continuing political situation in Russia and the Ukraine. Production in Asia-Pacific declined 1.5% as a result of heavy imports from China. In China, despite increased exports, production declined by 1.3% year on year.

The strength of the US Dollar has significantly increased the level of steel imports into the US. However, according to industry experts, the two trade bills recently signed in the United States should help the steel industry by providing more protection against steel dumping.

Revenue in Vesuvius' Steel division decreased by 5.4% during the first half of the year on an underlying basis. The decline in revenue was exacerbated by inventory reductions in the supply chain.

Underlying trading profit of the Steel division decreased by 11.9% compared to H1 2014. The underlying trading margin decreased by 68 basis points to 9.2%, reflecting lower activity in the key regions of NAFTA and EMEA, which together account for 67% of revenue.

Steel Division	**H1 2015 (£m)**	**H1 2014 (£m)**	**Year-on-year change**	**Underlying change**
Steel Flow Control Revenue	**260.4**	273.9	*-4.9%*	*-4.3%*
Advanced Refractories Revenue	**203.5**	215.6	*-5.6%*	*-7.4%*
Technical Services Revenue	**12.4**	-	-	-
Total Steel Revenue	**476.3**	489.5	*-2.7%*	*-5.4%*
Total Steel Trading Profit	**44.5**	47.2	*-5.9%*	*-11.9%*
Total Steel Return on Sales	**9.3%**	9.7%	*-31 bps*	*-68 bps*

Steel Flow Control

Steel Flow Control supplies products used to channel and control the flow of molten steel from ladle to tundish and from tundish to mould; slide-gate refractories for furnaces, ladles and tundishes; slide gate systems; temperature measurement and slag level detection; tundish systems and mould fluxes; and control devices to monitor and regulate steel flow into the mould.
These products have been designed to resist extreme thermomechanical stress and corrosive environments. The majority of these products are consumed during the process of making steel and, consequently, demand is primarily linked to steel production volumes. However, continuing innovation allows us to offer enriched solutions that create additional value in our customers' processes leading to a sales progression regularly ahead of steel production volumes.

Steel Flow Control Revenue	**H1 2015 (£m)**	**H1 2014 (£m)**	**Year-on-year change**	**Underlying change**
Americas	**89.7**	92.9	*-3.5%*	*-7.4%*
Europe, Middle East & Africa (EMEA)	**104.0**	122.1	*-14.8%*	*-7.9%*
Asia-Pacific	**66.7**	58.9	*+13.2%*	*+7.1%*
Total	**260.4**	273.9	*-4.9%*	*-4.3%*

Revenue in Steel Flow Control was down 4.3% on an underlying basis with revenue decline in the Americas and EMEA partially offset by increased revenue in Asia-Pacific. This reduction was in excess of the weakening in steel production, reflecting that declines were greater in countries in which Vesuvius has a high penetration of value-added products. This was coupled with a reduction in inventory, which amplified the effects of end market demand through the supply chain. In EMEA, revenue decreased by 7.9%, compared to crude steel production volume in the region, which declined by 2.9%, reflecting declining crude steel production volumes in Turkey and Africa and a significant reduction in Ukraine, primarily due to the significant ongoing geopolitical unrest in the region. In the Americas, Flow Control revenue declined by 7.4% against a 5.1% reduction in crude steel production volumes, reflecting strong decline in pipe demand in the United States and increased imports in the region driven by the strong US Dollar. Revenue rose by 7.1% in Asia-Pacific, compared to crude steel production volume in the region, which declined by 1.5%. This outperformance reflects strong revenue growth in China, supported by the continuing shift from long to flat steel production, Korea and India where our sales continue to outperform the underlying steel production evolution both through awards of new business and production increases at existing customers.

Advanced Refractories

Products of the Advanced Refractories product line include specialist refractory materials for lining steelmaking vessels such as blast furnaces, ladles and tundishes. These are in the form of powder mixes, which are spray-applied or cast onto the vessel to be lined ("monolithics") and refractory shapes (e.g. bricks, pads and dams). Vesuvius is one of the world's largest manufacturers of monolithic refractory linings for vessels subject to extreme temperatures, corrosion and abrasion. Key success factors in the Advanced Refractories product line are installation technologies, products adapted to fit customers' processes and effective and efficient logistics services. These factors are successfully combined by Vesuvius' R&D centres, its knowledge of customers' processes and its project management capability to deliver market-leading solutions to customers.

Advanced Refractories Revenue	**H1 2015 (£m)**	**H1 2014 (£m)**	**Year-on-year change (%)**	**Underlying change (%)**
Americas	**70.9**	79.0	*-10.2%*	*-16.2%*
Europe, Middle East & Africa (EMEA)	**90.3**	97.3	*-7.1%*	*-2.9%*
Asia-Pacific	**42.2**	39.3	*+7.4%*	*+4.0%*
Total	**203.5**	215.6	*-5.6%*	*-7.4%*

Revenue in Advanced Refractories decreased by 7.4% on an underlying basis, mainly due to lower activity in North America. This decline in revenue was driven by the reduction in crude steel production, reflecting increased imports in the region, and greater price competition in the more commoditised end of the market. Underlying revenue in EMEA declined by 2.9% broadly in line with the decline in the market. In Asia-Pacific, strong revenue growth was achieved through increased market penetration, together with the re-commencement of some customer facilities in the region.

Technical Services

Technical Services is a new business line for the group which complements existing product lines with new services to our existing customers. Technical Services focuses on the capture of data of key process parameters, complementing this with Vesuvius' strong presence and expertise in metal casting to create new technologies and integrate into process expert systems.

The results for the half-year are encouraging with revenues of £12.4m. In line with our stated strategy, we continue to invest in solutions that will enable further automation of our customers' production processes. We are also continuing to develop technical solutions to harness the engineering services acquired through Avemis, SERT, ECIL Met Tec, and Process Metrix which have increased our market penetration in Europe, NAFTA and South America. We intend to do the same with our recent acquisition, Sidermes, a leading Italian-based supplier of probes and systems which measure temperature, oxygen and hydrogen in the steel and foundry production processes.

Foundry Division

Vesuvius' Foundry division, trading as Foseco, is a world leader in the supply of consumable products, solutions and associated services related to the foundry industry. The foundry process is highly sequential and, similar to the continuous casting of steel, is critically dependent on consistency of quality and productivity optimization. The Foundry division's solutions and advanced computer simulation techniques allow foundries to reduce defects and hence reduce labour-intensive fettling and machining, *minimise metal usage requirements, influence the metal solidification process and automate moulding and casting, thus reducing cost, energy usage and mould size.*

The conditioning of molten metal, the nature of the mould used and, especially, the design of the way metal flows into the mould are key parameters in a foundry, determining both the quality of the finished castings and the labour, energy and metal usage efficiency of the foundry.

Vesuvius provides consumable products and associated services to foundries that improve these parameters.

Foundry Division	**H1 2015 (£m)**	**H1 2014 (£m)**	**Year-on-year change**	**Underlying change**
Foundry Revenue	**226.3**	240.3	*-5.8%*	*-1.9%*
Foundry Trading Profit	**25.9**	24.0	*+8.2%*	*+14.6%*
Foundry Return on Sales	**11.5%**	10.0%	*+148 bps*	*+165 bps*

Underlying revenue in the Foundry division decreased by 1.9% during the first half of the year. However, underlying trading profit increased by 14.6% and return on sales increased by 165 basis points as a result of a series of self-help measures being implemented by the new management team.

The worldwide foundry market remained mixed, with significant regional and end market specific variations. The market was supported by the progression in light vehicle output in EMEA and Asia-Pacific, but it was adversely affected by the continued reduction of investment spending in the mining sector as well as a severe downturn in the auto sector in Brazil and Thailand.

Foundry Revenue	**H1 2015 (£m)**	**H1 2014 (£m)**	**Year-on-Year change**	**Underlying change**
Americas	**48.9**	52.2	*-6.3%*	*-7.3%*
Europe, Middle East & Africa (EMEA)	**104.7**	117.0	*-10.5%*	*-0.3%*
Asia-Pacific	**72.7**	71.1	*+2.2%*	*-0.4%*
Total	**226.3**	240.3	*-5.8%*	*-1.9%*

Underlying revenue in the Americas decreased by 7.3% due to reduced foundry activity in both NAFTA and South America. South America experienced a drop in light vehicle and truck production of 17.3% and 32.2% respectively partially offset in NAFTA, where light vehicle production and truck production was up 2.6% and 12.5% respectively. However, mining, construction and agriculture foundries all experienced weak demand in NAFTA resulting in a number of foundries closing or taking extended shutdowns. Revenue in Europe decreased by 0.3% driven by lacklustre truck production, especially in the Central Europe and Middle East region, which saw a decrease of 17.7%. In Asia-Pacific, we benefitted from 5.3% and 5.6% growth in Chinese and Indian light vehicle output respectively, but this was offset by a reduction of 6.2% in automotive production in North Asia excluding China. Heavy vehicle production increased in all countries in Asia-Pacific except China compared to the same period last year. Adversely, the mining industry remained depressed in Indonesia and Australia.

Our new manufacturing plant for foundry products in Changshu, China (opened at the end of last year) is now fully operational and ready to serve the Chinese market, which represents more than 40% of global foundry castings. In addition, product innovation and further growth in foundry is expected to be driven by the new R&D facility located in Enschede, Netherlands, which was opened in late 2014.

FINANCIAL REVIEW

The following review considers our financial KPIs, our financial risks, and sets out other relevant financial information.

Basis of Preparation

We have adopted a columnar presentation format for our accounts to identify separately headline performance results, as we considered that this gives a better view of the underlying results of the ongoing business. In 2015 Vesuvius plc has embarked on a global restructuring activity resulting in an exceptional charge of £3.1m up to June 2015 with a forecast of more substantial exceptional restructuring programme charges for the second half of 2015. Taken as a whole the Directors consider the anticipated 2015 full year charge to be sufficiently material for disclosure as a separately reported restructuring charge in the accounts.

Headline PBT and EPS

Headline PBT has decreased by 1.4% to £61.9m (H1 2014: £62.8m). This includes our share of the pre-tax losses from joint ventures of £0.5m (H1 2014 profit: £0.8m). Headline EPS decreased by 2.1% to 16.0 pence per share (H1 2014: 16.4 pence per share), reflecting the difficult trading conditions.

Return on Net Operating Assets

RONA is affected by both the assets employed by the business, and the returns earned by the business. In H1 2015, the Group pre-tax RONA is 24.5% (H1 2014: 25.7%), principally reflecting the impact of acquisitions.

Free Cash Flow and Working Capital

Trade working capital as a percentage of sales was 25.5% (H1 2014: 24.7%) on a 12 month moving average basis. This included the impact of £9.5m of working capital acquired in May 2015 and £9.9 million acquired in 2014 through the recent acquisitions of Process Metrix, Ecil Met Tec, and Sidermes.

Operating cash flow was £59.2m (H1 2014: £44.7m). This represented a cash conversion ratio of 84% (H1 2014: 63%), an improvement primarily driven by lower working capital outflows. This is attributed to tight control over inventory management whereby inventory days excluding acquisitions saw a reduction to 73.5 days (H1 2014: 74.4 days).

The improvement in operating cash flow translates into recurring free cash flow from continuing operations of £35.1m (H1 2014: £22.1m), demonstrating management’s continued focus on cash generation; after restructuring expenses, free cash flow from continuing operations was £33.6m.

Funding and Interest on loans

The Group’s debt facilities have financial covenants with specific limits on the ratios of Net Debt to EBITDA (maximum three times limit) and EBITDA to Interest (minimum four times limit). These ratios are monitored regularly to ensure the Group has sufficient financing available to run the business and fund future growth. At the half year, the Net Debt to EBITDA ratio was 1.6, an increase on the H1 2014 position of 1.5 reflecting the impact of acquisitions; EBITDA covered net interest paid 14.2 times; accordingly, the Group was well within its covenants.

At the half year we had £518.7m of gross committed debt facilities (H1 2014: £630.3m, H2 2014: £647.4m), of which £170.8m was unutilised (H1 2014: £310.6m, H2 2014: £343.5m). The changes reflect a successful replacement of the previous £425m multi-currency revolving credit facility which is due to expire in April 2016 with a new multi-currency credit facility of £300m. The Group’s committed financing facilities now expire between H2 2017 and H2 2028, with a longer average term of 5.3 years (H1 2014: 3.4 years, H2 2014: 3.0 years).

Net finance costs of £8.0m comprised £8.0m of net interest payable on borrowings (H1 2014: £8.9m), £0.5m on retirement benefit plans (H1 2014: £0.9m), and £0.5m relating to the unwinding of discounts on provisions (H1 2014: £0.6m); this was partially offset by £1.0m of finance income (H1 2014: £1.2m) which principally comprised interest income.

Our net debt was £296.0m at the end of June 2015, (H1 2014: £261.7m, H2 2014: £268.3m), reflecting the acquisition of Sidermes (£24.3m) and litigation settlements (£7.4m), predominantly in respect of a legacy claim relating to Cookson Group and its Performance Materials Division (now Alent plc) prior to the demerger.

Pensions

The net pension deficit in our post-retirement employee benefits plans reduced during the year from £51.1m to £43.1m. This was driven primarily by increases in discount rates in the UK (0.25%), USA (0.4%), and Germany (0.3%) which reduced the defined benefit obligations by £21.4m coupled with contributions into plan assets of £2.1m. The reduction in pension liabilities was partially offset by actuarial losses on plan assets of £17.6m driven by revaluation losses of fixed income securities as interest rates rise.

Taxation

The expected headline effective income tax rate for the full year is 25.5% (H2 2014: 26.0%). The income tax credit on separately reported items principally consists of non-cash deferred tax movements relating to the amortisation of a deferred liability arising from the acquisition of Foseco plc in 2008 of £1.9m (H1 2014: £1.9m) and credit of £0.5m (H1 2014: nil) relating to restructuring changes.

Capital Expenditure

Capital expenditure in the first half of 2015 was £15.4m (H1 2014: £14.3m) comprising £11.3m in the Steel division (H1 2014: £8.6m) and £4.1m (H1 2014: £5.7m) in the Foundry division.

Corporate Activity

On 15 May 2015, we acquired Sidermes as a continuation of our strategy to build our technical services business. The consideration for this business was €33.7m. The provisional fair value of net assets acquired is €16.9m, with goodwill of €16.8m recorded. Revenue of £1.6m and trading profit of £0.2m was included in the half year results relating to Sidermes. Had Sidermes been acquired on 1 January 2015, a further £4.8m of revenue and £0.5m of trading profit would have been recognised.

Principal Risks and Uncertainties

The Group faces various risks, both internal and external, which could significantly impact long-term performance. All of the risks set out below could materially affect the Group, its businesses, results of future operations and financial condition and could cause actual results to differ materially from expected or historical results.

The Board is responsible for the Group's risk management and assessment of the measures used in managing risk across the Group. Vesuvius operates a continuous process for identifying, evaluating and managing significant risks and regular reports are made to the Board on the process of how these are being managed. Thus, the Board receives regular reports on major issues that have arisen during the year, can make an assessment of how the risks have changed over any given period, and can assess whether they are being effectively managed. Where practical, risks are managed in order to mitigate exposure and, where cost effective, the risk is transferred to our insurers. The risks identified below are seen by the Board as being the most relevant to the Group in relation to their possible impact on it achieving its strategic objectives. The risks below are not the only ones that the Group will face. Some risks are not yet known and some that are not currently deemed material could later become so.

Risk	Potential Impact	Mitigation
Demand volatility	• Unplanned drop in demand and revenue • Failure of one or more customers leading to debtor bankruptcy	• Prudent balance sheet management to maintain robust financial position • Strong internal reporting and monitoring of external data to identify economic trends • Flexible cost base to react quickly to end-market conditions • No one customer exceeds 10% of Vesuvius revenue • Robust credit control processes
Protectionism	• Loss of business from enforced preference of local suppliers • Imposition of increased import duties • Increased tax burden or changes to rules and enforcement • Local competitors promoted overseas by government to government action	• Local manufacturing operations in 26 countries • Robust internal tax policies and strict transfer pricing rules • Strong internal control of inter-company trading • Maintenance of quality and innovation leadership differentiating Vesuvius and mitigating government intervention in supplier selection
Product liability	• Claims from third parties resulting from use of potentially hazardous materials • Customer claims and loss of business from product quality issues	• Appropriate insurance cover obtained • Active monitoring of HSE issues • Stringent quality control standards systematically implemented in manufacturing • Experienced legal team used to negotiate appropriate customer agreements
Regulatory compliance	• Financial loss through failure to comply with appropriate regulations • Business disruption from investigations • Reputational damage	• Widely disseminated Code of Conduct and supporting policies which highlight the Group's ethical approach to business • Speak-up procedure implemented across the Group • Ongoing training and review of policy effectiveness
Protection of leading technologies	• Loss of business through new technology developed by others • Failure to adapt solutions to meet changing customer needs • Revenue lost through ineffective protection of intellectual property	• Market-leading research and development team with significant investment in R&D, and use of structured development methodologies • Patent protection sought when new developments are made

		• Stringent defence of patents and other intellectual property • Control of access to intellectual property through IT controls and physical security
Financial uncertainty	• Inability to raise sufficient capital to fund growth of business • Reduction in earnings from increased interest charges • Weakness in foreign currencies leading to reduced profitability	• Long-term capital structure planning to secure availability of capital at acceptable costs • Substantial proportion of debt capital secured at fixed rates of interest • International presence reduces the Group's reliance on any one currency • Hedging of transactional foreign exchange exposure when necessary • Alignment of cost structure with revenue where possible • The Group adopted USD as the functional currency for its operations in some countries to reduce further FX translational risk
Loss of a major site	• Loss of revenue resulting from inability to supply customers on loss of production facilities	• Diversified manufacturing footprint with some 65 facilities across 26 countries • Maintenance of excess capacity to allow plants to meet peak demands
Ability to source critical raw materials	• Manufacturing interruption from failure of a key supplier, or the loss of availability of a source of critical raw materials	• Strategic stocks of certain materials are retained • Number of single-sourced materials reduced through expanding supplier base • Development of new products and research on substitution of raw materials
Retention of staff	• Insufficient high quality staff to run base business and generate growth through innovation • Availability of suitable talent in the pipeline to offer sufficient internal succession options for senior positions including the Group Executive Committee and Executive Directors	• Contacts with universities to identify and develop talent • Internal programme to attract and develop high potential staff from emerging markets through cross border exchange programmes • Extensive internal courses run by experienced staff to transfer knowledge in a structured manner • Building career trajectories for technical staff to show potential and reduce attrition • Appointment of Group Talent Management Director to drive improved assessment of internal talent at the mid and senior management level, identifying gaps and implementing of development programmes to provide suitable succession options
Loss of business reputation	• Products or applications failures not promptly addressed may create an adverse financial impact and damage our reputation of technological leader • Incident at customer plant resulting in significant health and safety breach and/or customer downtime	• Active quality management programme in place with full root cause analysis for customer complaints and follow up • Stringent product qualification process in place for raw materials • Diversified manufacturing footprint with some 65 facilities across 26 countries • Active monitoring of customers' improvement requests • Appropriate insurance cover obtained

Directors' responsibility statement

We confirm that to the best of our knowledge:

(a) The condensed financial statements have been prepared in accordance with IAS 34*, Interim Financial Reporting*, as adopted by the EU; and

(b) This half-yearly financial report includes a fair review of the information required by:

- DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year 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
- DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related parties' transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period; and any changes in the related parties' transactions described in the last annual report that could do so.

On behalf of the Board

Chris O'Shea
Chief Financial Officer
31 July 2015

Vesuvius plc Board of Directors:

John McDonough CBE, Chairman

François Wanecq, Chief Executive

Chris O'Shea, Chief Financial Officer

Douglas Hurt, Non-executive Director, Senior Independent Director and Chairman of the Audit Committee

Nelda Connors, Non-executive Director

Jane Hinkley, Non-executive Director and Chairman of the Remuneration Committee

Christer Gardell, Non-executive Director

Hock Goh, Non-executive Director

Independent review report to Vesuvius plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the condensed Group income statement, the condensed Group statement of comprehensive income, the condensed Group statement of cash flows, the condensed Group balance sheet, the condensed Group statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34, *Interim Financial Reporting* as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Paul Korolkiewicz

for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London, E14 5GL

31 July 2015

Condensed Group Income Statement

For the six months ended 30 June 2015

	Notes	Half year 2015 Headline Performance £m	Half year 2015 Separately reported items £m	Unaudited Half year 2015 £m	Half year 2014 Headline performance £m	Half year 2014 Separately reported items £m	Unaudited Half year 2014 £m	Full year 2014 Headline Performance £m	Full year 2014 Separately reported items £m	Full year 2014 £m
Continuing operations										
Revenue	2	**702.6**	**-**	**702.6**	729.8	-	729.8	1,444.4	-	1,444.4
Manufacturing costs		**(512.5)**	**-**	**(512.5)**	(526.1)	-	(526.1)	(1,048.3)	-	(1,048.3)
Administration, selling and distribution costs		**(119.7)**	**-**	**(119.7)**	(132.5)	-	(132.5)	(253.3)	-	(253.3)
Trading profit	2	**70.4**	**-**	**70.4**	71.2	-	71.2	142.8	-	142.8
Amortisation of acquired intangible assets		**-**	**(8.3)**	**(8.3)**	-	(8.5)	(8.5)	-	(17.0)	(17.0)
Restructuring charges	3	**-**	**(2.2)**	**(2.2)**	-	-	-	-	-	-
Profit on disposal of non-current assets		-	**-**	**-**	-	0.6	0.6	-	-	-
Operating profit/(loss)	2	**70.4**	**(10.5)**	**(59.9)**	71.2	(7.9)	63.3	142.8	(17.0)	125.8
Net finance costs	4	**(8.0)**	**-**	**(8.0)**	(9.2)	-	(9.2)	(16.4)	-	(16.4)
Share of post-tax (loss)/profit of joint ventures		**(0.5)**	**-**	**(0.5)**	0.8	-	0.8	1.4	-	1.4
Profit on disposal of continuing operations		**-**	**-**	**-**	-	-	-	-	0.4	0.4
Profit/(loss) before tax		**61.9**	**(10.5)**	**51.4**	62.8	(7.9)	54.9	127.8	(16.6)	111.2
Income tax (costs)/credits	5	**(15.9)**	**2.4**	**(13.5)**	(16.4)	1.9	(14.5)	(32.9)	25.8	(7.1)
Profit/(loss) from continuing operations		**46.0**	**(8.1)**	**37.9**	46.4	(6.0)	40.4	94.9	9.2	104.1
Discontinued operations		**-**	**-**	**-**	-	-	-	-	(3.6)	(3.6)
Profit		**46.0**	**(8.1)**	**37.9**	46.4	(6.0)	40.4	94.9	5.6	100.5
Profit attributable to:										
Owners of the parent		**43.3**	**(8.1)**	**35.2**	44.3	(6.0)	38.3	90.3	5.6	95.9
Non-controlling interests		**2.7**	**-**	**2.7**	2.1	-	2.1	4.6	-	4.6
Profit		**46.0**	**(8.1)**	**37.9**	46.4	(6.0)	40.4	94.9	5.6	100.5

	Notes	Unaudited Half year 2015	Unaudited Half year 2014	Full year 2014
Earnings per share (pence)	6			
Continuing operations:				
Basic		**13.0**	14.2	36.8
Diluted		**13.0**	14.1	36.7
Total operations:				
Basic		**13.0**	14.2	35.5
Diluted		**13.0**	14.1	35.4

Condensed Group Statement of Comprehensive Income/(Loss)

For the six months ended 30 June 2015

	Note	**Unaudited Half year 2015 £m**	Unaudited Half year 2014 £m	Full year 2014 £m
Profit		**37.9**	40.4	100.5
Other comprehensive loss, net of income tax:				
Items that will subsequently not be reclassified to income statement:				
Remeasurement of defined benefit liabilities/assets		**3.4**	(21.8)	(9.9)
Income tax relating to items not reclassified	5	**(0.7)**	3.1	0.5
Items that will subsequently not be reclassified to income statement		**2.7**	(18.7)	(9.4)
Items that may be subsequently reclassified to income statement:				
Exchange differences on translation of the net assets of foreign operations		**(48.6)**	(32.4)	(9.6)
Exchange translation differences arising on net investment hedges		**0.7**	7.0	(0.3)
Change in fair value of cash flow hedges		**-**	(0.3)	(0.2)
Change in fair value of available-for-sale investments		**-**	-	(0.2)
Items that may be subsequently reclassified to income statement		**(47.9)**	(25.7)	(10.3)
Other comprehensive loss, net of income tax		**(45.2)**	(44.4)	(19.7)
Total comprehensive (loss)/income		**(7.3)**	(4.0)	80.8
Total comprehensive (loss)/income attributable to:				
Owners of the parent		**(9.1)**	(5.7)	75.7
Non-controlling interests		**1.8**	1.7	5.1
Total comprehensive (loss)/income		**(7.3)**	(4.0)	80.8

Condensed Group Statement of Cash Flows

For the six months ended 30 June 2015

	Notes	**Unaudited Half year 2015 £m**	Unaudited Half year 2014 £m	Full year 2014 £m
Cash flows from operating activities				
Cash generated from operations	11	**66.8**	52.6	145.0
Net interest paid		**(7.0)**	(6.6)	(12.0)
Income taxes paid		**(16.2)**	(10.9)	(24.4)
Net cash inflow from operating activities		**43.6**	35.1	108.6
Cash flows from investing activities				
Capital expenditure		**(17.9)**	(14.3)	(53.1)
Proceeds from the sale of property, plant and equipment		**0.5**	1.1	2.0
Proceeds from sale of investments		**-**	0.3	0.6
Acquisition of subsidiaries and joint ventures, net of cash acquired		**(24.5)**	-	(23.4)
Dividends received from joint ventures		**-**	-	0.6
Other investing outflows		**(1.3)**	(0.8)	(2.3)
Net cash (outflow) from investing activities		**(43.2)**	(13.7)	(75.6)
Net cash inflow before financing activities		**0.4**	21.4	33.0
Cash flows from financing activities				
Increase/(repayment) of borrowings		**54.8**	24.3	(9.8)
Settlement of forward foreign exchange contracts		**(1.6)**	(2.9)	4.8
Purchase of own shares		**(5.2)**	(0.4)	(0.5)
Borrowing facility arrangement costs		**(1.2)**	-	-
Dividends paid to equity shareholders	7	**(30.1)**	(27.7)	(41.2)
Dividends paid to non-controlling shareholders		**(0.9)**	(1.2)	(2.6)
Net cash inflow/(outflow) from financing activities		**15.8**	(7.9)	(49.3)
Net increase/(decrease) in cash and cash equivalents	10	**16.2**	13.5	(16.3)
Cash and cash equivalents at beginning of period		**38.5**	52.8	52.8
Effect of exchange rate fluctuations on cash and cash equivalents		**(0.3)**	(1.8)	2.0
Cash and cash equivalents at end of period		**54.4**	64.5	38.5

	Unaudited Half year 2015 £m	Unaudited Half year 2014 £m	Full year 2014 £m
Free cash flow from continuing operations			
Net cash inflow from operating activities	**50.9**	35.5	109.1
Additional funding contributions into Group pension plans	**1.0**	1.0	3.2
Capital expenditure	**(17.9)**	(14.3)	(53.1)
Proceeds from the sale of property, plant and equipment	**0.5**	1.1	2.0
Dividends received from joint ventures	**-**	-	0.6
Dividends paid to non-controlling shareholders	**(0.9)**	(1.2)	(2.6)
Free cash flow from continuing operations	**33.6**	22.1	59.2
Discontinued operations	**(7.4)**	(0.4)	(0.5)
Free cash flow	**26.2**	21.7	58.7

Condensed Group Balance Sheet

As at 30 June 2015

	Notes	Unaudited Half year 2015 £m	Unaudited Half year 2014 As restated £m	Full year 2014 £m
Assets				
Property, plant and equipment		**276.6**	260.9	291.8
Intangible assets		**677.7**	694.9	703.9
Employee benefits - net surpluses	12	**49.5**	17.9	49.8
Interests in joint ventures		**16.3**	15.3	16.9
Investments		**3.3**	3.8	3.3
Income tax recoverable		**2.9**	4.2	2.9
Deferred tax assets		**70.1**	43.4	71.4
Other receivables		**15.2**	15.3	16.5
Total non-current assets		**1,111.6**	1,055.7	1,156.5
Cash and short-term deposits	10	**76.2**	81.4	76.9
Inventories		**182.7**	193.3	191.9
Trade and other receivables		**328.1**	329.5	334.1
Income tax recoverable		**2.8**	3.0	4.0
Derivative financial instruments		**-**	0.2	-
Total current assets		**589.8**	607.4	606.9
Total assets		**1,701.4**	1,663.1	1,763.4
Equity				
Issued share capital		**27.8**	27.8	27.8
Retained earnings		**2,335.5**	2,277.5	2,332.1
Other reserves	13	**(1,513.7)**	(1,481.1)	(1,466.7)
Equity attributable to the owners of the parent		**849.6**	824.2	893.2
Non-controlling interests		**30.8**	27.8	29.9
Total equity		**880.4**	852.0	923.1
Liabilities				
Interest-bearing borrowings	10	**349.5**	330.2	304.9
Employee benefits - net liabilities	12	**92.6**	84.4	100.9
Other payables		**16.9**	16.7	18.2
Provisions		**28.8**	34.0	31.9
Deferred tax liabilities		**46.8**	46.2	50.3
Total non-current liabilities		**534.6**	511.5	506.2
Interest-bearing borrowings	10	**22.7**	12.9	40.3
Trade and other payables		**197.6**	216.6	221.0
Income tax payable		**53.2**	50.9	51.8
Provisions		**12.9**	18.7	20.8
Derivative financial instruments		**-**	0.5	0.2
Total current liabilities		**286.4**	299.6	334.1
Total liabilities		**821.0**	811.1	840.3
Total equity and liabilities		**1,701.4**	1,663.1	1,763.4

Condensed Group Statement of Changes in Equity

For the six months ended 30 June 2015

	Issued share capital £m	Other reserves £m	Retained earnings £m	Owners of the parent £m	Non-controlling interests £m	Total equity £m
As at 1 January 2014	**27.8**	**(1,455.8)**	**2,284.6**	**856.6**	**27.3**	**883.9**
Profit	**-**	**-**	**38.3**	**38.3**	**2.1**	**40.4**
Other comprehensive loss, net of income tax:						
Items that will not be reclassified subsequently to income statement:						
Remeasurement of defined benefit liabilities/assets	-	-	(21.8)	(21.8)	-	(21.8)
Income tax relating to items not reclassified	-	-	3.1	3.1	-	3.1
Items that will not be reclassified subsequently to income statement	-	-	(18.7)	(18.7)	-	(18.7)
Items that may be reclassified subsequently to income statement:						
Exchange differences on the net assets of foreign operations	-	(32.0)	-	(32.0)	(0.4)	(32.4)
Exchange translation differences arising on net investment hedges	-	7.0	-	7.0	-	7.0
Change in fair value of cash flow hedges	-	(0.3)	-	(0.3)	-	(0.3)
Items that may be reclassified subsequently to income statement	**-**	**(25.3)**	**-**	**(25.3)**	**(0.4)**	**(25.7)**
Other comprehensive loss, net of income tax		**(25.3)**	**(18.7)**	**(44.0)**	**(0.4)**	**(44.4)**
Total comprehensive (loss)/income	**-**	**(25.3)**	**19.6**	**(5.7)**	**1.7**	**(4.0)**
Purchase of own shares	-	-	(0.4)	(0.4)	-	(0.4)
Recognition of share-based payments	-	-	1.4	1.4	-	1.4
Dividends paid (note 7)	-	-	(27.7)	(27.7)	(1.2)	(28.9)
Total transactions with owners	**-**	**-**	**(26.7)**	**(26.7)**	**(1.2)**	**(27.9)**
As at 1 July 2014, unaudited	**27.8**	**(1,481.1)**	**2,277.5**	**824.2**	**27.8**	**852.0**
Profit	-	-	57.6	57.6	2.5	60.1
Other comprehensive income, net of income tax:						
Items that will not be reclassified subsequently to income statement:						
Remeasurement of defined benefit liabilities/assets	-	-	11.9	11.9	-	11.9
Income tax relating to items not reclassified	-	-	(2.6)	(2.6)	-	(2.6)
Items that will not be reclassified subsequently to income statement	-	-	9.3	9.3	-	9.3
Items that may be reclassified subsequently to income statement:						
Exchange differences on the net assets of foreign operations	-	21.8	-	21.8	1.0	22.8
Exchange translation differences arising on net investment hedges	-	(7.3)	-	(7.3)	-	(7.3)
Change in fair value of cash flow hedges	-	0.1	-	0.1	-	0.1
Change in fair value of available-for-sale investments	-	(0.2)	-	(0.2)	-	(0.2)
Items that will may be reclassified subsequently to income statement	-	14.4	-	14.4	1.0	15.4
Other comprehensive income, net of income tax	-	14.4	9.3	23.7	1.0	24.7
Total comprehensive income	-	14.4	66.9	81.3	3.5	84.8
Purchase of own shares	-	-	(0.1)	(0.1)	-	(0.1)
Recognition of share-based payments	-	-	1.3	1.3	-	1.3
Dividends paid (note 7)	-	-	(13.5)	(13.5)	(1.4)	(14.9)
Total transactions with owners	-	-	(12.3)	(12.3)	(1.4)	(13.7)
As at 1 January 2015	**27.8**	**(1,466.7)**	**2,332.1**	**893.2**	**29.9**	**923.1**

Condensed Group Statement of Changes in Equity

For the six months ended 30 June 2015

	Issued share capital	Other reserves	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
	£m	£m	£m	£m	£m	£m
As at 1 January 2015	**27.8**	**(1,466.7)**	**2,332.1**	**893.2**	**29.9**	**923.1**
Profit	**-**	**-**	**35.2**	**35.2**	**2.7**	**37.9**
Other comprehensive (loss)/income, net of income tax:						
Items that will not be reclassified subsequently to income statement:						
Remeasurement of defined benefit liabilities/assets	-	-	3.4	3.4	-	3.4
Income tax relating to items not reclassified	-	-	(0.7)	(0.7)	-	(0.7)
Items that will not be reclassified subsequently to income statement	-	-	2.7	2.7	-	2.7
Items that may be reclassified subsequently to income statement:						
Exchange differences on the net assets of foreign operations	-	(47.7)	-	(47.7)	(0.9)	(48.6)
Exchange translation differences arising on net investment hedges	-	0.7	-	0.7	-	0.7
Items that may be reclassified subsequently to income statement	**-**	**(47.0)**	**-**	**(47.0)**	**(0.9)**	**(47.9)**
Other comprehensive (loss)/income, net of income tax	**-**	**(47.0)**	**2.7**	**(44.3)**	**(0.9)**	**(45.2)**
Total comprehensive (loss)/income	**-**	**(47.0)**	**37.9**	**(9.1)**	**1.8**	**(7.3)**
Purchase of own shares	-	-	(5.2)	(5.2)	-	(5.2)
Recognition of share-based payments	-	-	0.8	0.8	-	0.8
Dividends paid (note 7)	-	-	(30.1)	(30.1)	(0.9)	(31.0)
Total transactions with owners	**-**	**-**	**(34.5)**	**(34.5)**	**(0.9)**	**(35.4)**
As at 30 June 2015, unaudited	**27.8**	**(1,513.7)**	**2,335.5**	**849.6**	**30.8**	**880.4**

Notes to the condensed financial statements

1. Basis of preparation

1.1 Basis of accounting

These condensed financial statements of Vesuvius plc ("Vesuvius" or the "Company") and its subsidiary and joint venture companies (the "Group") have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as adopted by the EU and in accordance with the Disclosure and Transparency Rules of the UK's Financial Conduct Authority.

These condensed financial statements have been prepared using the same accounting policies as used in the preparation of the Group's annual financial statements for the year ended 31 December 2014, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014. The financial information presented in this document is unaudited, but has been reviewed by the Company's auditor.

The comparative figures for the financial year ended 31 December 2014 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The report of the auditor was unqualified, did not include reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006. These sections address whether proper accounting records have been kept, whether the Company's accounts are in agreement with those records and whether the auditor has obtained all the information and explanations necessary for the purposes of its audit.

1.2 Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and entities controlled by the Company (its "subsidiaries"). Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing whether control exists, potential voting rights that are currently exercisable are taken into account. The results of subsidiaries acquired or disposed of during the year are included in the Group income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those detailed herein to ensure that the Group financial statements are prepared on a consistent basis. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's interest therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination together with the non-controlling interests' share of profit or loss and each component of other comprehensive income since the date of the combination. Total comprehensive income is attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1.3 Going concern

The Directors have prepared cash flow forecasts for the Group for a period in excess of 12 months from the date of approval of the 2015 interim financial statements. These forecasts reflect an assessment of current and future end-market conditions and their impact on the Group's future trading performance. The forecasts show that the Group will be able to operate within the current committed debt facilities and show continued compliance with the Company's financial covenants. On the basis of the exercise described above and the Group's available committed debt facilities, the Directors consider that the Group and Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements of the Group.

1.4 Functional and presentation currency

The condensed financial statements are presented in millions of pounds sterling, which is the functional currency of the Company, and rounded to one decimal place

1.5 Disclosure of exceptional items as "separately reported items"

International Accounting Standard 1 ("IAS 1"), *Presentation of Financial Statements*, provides no definitive guidance as to the format of the income statement, but states key lines which should be disclosed. It also encourages the disclosure of additional line items and the reordering of items presented on the face of the income statement when appropriate for a proper understanding of the entity's financial performance. In accordance with IAS 1, the Company has adopted a policy of disclosing separately on the face of its condensed Group income statement, within the column entitled "Separately reported items", the effect of any components of financial performance for which the Directors consider separate disclosure would assist both in a better understanding of the financial performance achieved and in making projections of future results. In its adoption of this

Notes to the condensed financial statements

1.5 Disclosure of exceptional items as “separately reported items”, continued

policy, the Company applies an even-handed approach to both gains and losses and aims to be both consistent and clear in its accounting and disclosure of such items.

Both materiality and the nature and function of the components of income and expense are considered in deciding upon such presentation. Such items may include, *inter alia*, the financial effect of exceptional items which occur infrequently, such as major restructuring activity, initial recognition and subsequent increase, decrease and amortisation of deferred tax assets, together with items always reported separately, such as amortisation charges relating to acquired intangible assets, profits or losses arising on the disposal of continuing or discontinued operations and the taxation impact of the aforementioned exceptional items and items separately reported.

2. Segment information

Operating segments for continuing operations:

For reporting purposes, the Group is organised into two main business segments: Steel and Foundry. The senior executive management of these business segments report to the Chief Executive of the Group. It is the Vesuvius Board which makes the key operating decisions in respect of these segments. The information used by the Vesuvius Board to review performance and determine resource allocation between the business segments is presented with the Group’s activities segmented between Steel and Foundry. Taking into account the basis on which the Group’s activities are reported to the Vesuvius Board, the Directors believe that these two business segments are the appropriate way to analyse the Group’s results.

Segment revenue represents revenue from external customers (inter-segment revenue is not material). Trading profit includes items directly attributable to a segment as well as those items that can be allocated on a reasonable basis. The costs incurred by Vesuvius within its central headquarters have been allocated in full across the Group’s two segments for the period ended 30 June 2015. In the comparative periods these costs were allocated in part to the Group’s discontinued operations.

The operating segment results from continuing operations are presented below.

	Unaudited half year 2015		
	Steel £m	Foundry £m	Continuing Operations £m
Segment revenue	**476.3**	**226.3**	**702.6**
Segment EBITDA (note 16.11)	**57.7**	**32.8**	**90.5**
Segment depreciation	**(13.2)**	**(6.9)**	**(20.1)**
Segment trading profit	**44.5**	**25.9**	**70.4**
Amortisation of acquired intangible assets			**(8.3)**
Restructuring Charges			**(2.2)**
Operating profit			**59.9**
Net finance costs			**(8.0)**
Share of post-tax profit of joint ventures			**(0.5)**
Profit before tax			**51.4**
Return on sales margin (%) (note 16.3)	**9.3**	**11.5**	**10.0**
Capital expenditure additions (£m)	**11.3**	**4.1**	**15.4**

Notes to the condensed financial statements

2. **Segment information, continued**

	Unaudited half year 2014		
	Steel £m	Foundry £m	Continuing Operations £m
Segment revenue	489.5	240.3	729.8
Segment EBITDA (note 16.11)	59.7	30.6	90.3
Segment depreciation	(12.5)	(6.6)	(19.1)
Segment trading profit	47.2	24.0	71.2
Amortisation of acquired intangible assets			(8.5)
Profit on disposal of non-current assets			0.6
Operating profit			63.3
Net finance costs			(9.2)
Share of post-tax profit of joint ventures			0.8
Profit before tax			54.9
Return on sales margin (%) (note 16.3)	9.7	10.0	9.8
Capital expenditure additions (£m)	8.6	5.7	14.3

	Full year 2014		
	Steel £m	Foundry £m	Continuing Operations £m
Segment revenue	981.4	463.0	1,444.4
Segment EBITDA (note 16.11)	121.9	59.4	181.3
Segment depreciation	(25.5)	(13.0)	(38.5)
Segment trading profit	96.4	46.4	142.8
Amortisation of acquired intangible assets			(17.0)
Operating profit			125.8
Net finance costs			(16.4)
Share of post-tax profit of joint ventures			1.4
Profit on disposal of continuing operations			0.4
Profit before tax			111.2
Return on sales margin (%) (note 16.3)	9.8	10.0	9.9
Capital expenditure additions (£m)	28.6	24.9	53.5

Notes to the condensed financial statements

3. Restructuring charges from continuing operations

In 2015, a Group wide restructuring programme was initiated resulting in £3.1m of redundancy charges up to half year 2015 (full year 2014: nil). This is partially offset by a release of onerous lease provisions of £0.5m (full year 2014: nil) and a £0.4m (full year 2014: nil) release of provisions for potential claims that have now expired relating to the termination of agents.

The remaining restructuring provision as at half year 2015 is £6.4m (2014: half year £9.6m; full year £8.0m) of which £3.8m (2014: half year £4.7m; full year £4.4m) relates to onerous lease costs in respect of leases expiring between one and seven years.

4. Net finance costs

Net finance costs for the half year 2015 of £8.0m is analysed in the table below.

	Unaudited Half year 2015 £m	Unaudited Half year 2014 £m	Full year 2014 £m
Interest payable on borrowings			
Loans, Overdrafts and factoring arrangements	**7.8**	7.1	14.2
Obligations under finance leases	**0.1**	0.1	0.1
Amortisation of capitalised borrowing costs	**0.1**	1.7	1.8
Total interest payable on borrowings	**8.0**	8.9	16.1
Interest on net retirement benefits obligations	**0.5**	0.9	1.8
Unwinding of discounted provisions	**0.5**	0.6	1.1
Finance Income	**(1.0)**	(1.2)	(2.6)
Net finance costs	**8.0**	9.2	16.4

5. Income tax costs

The Group's effective tax rate, based on the income tax costs associated with headline performance of £15.9m (2014: half year £16.4m; full year £32.9m), was 25.5% in the first half of 2015 (2014: half year 26.5%; full year 26.0%).

The Group's total income tax costs include a credit of £2.4m (2014: half year £1.9m credit; full year £25.8m credit) relating to separately reported items comprising: a credit of £0.5m (2014: half year £nil; full year £nil) in relation to restructuring charges; a credit of £1.9m (2014: half year £1.9m; full year £4.0m) relating to the amortisation of acquired intangible assets; and a credit of £nil (2014: half year £nil; full year £21.8m) in respect of the potential recognition of US temporary differences. Tax charged in the Group statement of comprehensive income in the year amounted to £0.7m (2014: half year £3.1m credit; full year £0.5m credit), all of which related to net actuarial gains and losses on employee benefits plans.

Notes to the condensed financial statements

6. Earnings per share ("EPS")

6.1 Per share amounts

		Continuing operations pence	**Discontinued operations pence**	**Unaudited Half year 2015 pence**	Continuing operations pence	Discontinued operations pence	Unaudited Half year 2014 pence
Earnings per share	- basic	**13.0**	**-**	13.0	14.2	-	14.2
	- diluted	**13.0**	**-**	13.0	14.1	-	14.1
	- headline	**16.0**			16.4		
	- diluted headline	**16.0**			16.4		

		Continuing operations pence	Discontinued operations pence	Full year 2014 pence
Earnings per share	- basic	36.8	(1.3)	35.5
	- diluted	36.7	(1.3)	35.4
	- headline	33.4		
	- diluted headline	33.3		

6.2 Earnings for EPS

Basic and diluted EPS from continuing operations are based upon the profit attributable to owners of the parent, as reported in the condensed Group income statement, of £35.2m (2014: half year £38.3m; full year £99.5m), being the profit for the period of £37.9m (2014: half year £40.4m; full year £104.1m) less non-controlling interests of £2.7m (2014: half year £2.1m; full year £4.6m). Basic and diluted EPS from total operations are based on the profit attributable to owners of the parent of £35.2m (2014: half year £38.3m; full year £95.9m). Headline and diluted headline EPS are based upon headline profit from continuing operations attributable to owners of the parent of £43.3m (2014: half year £44.3m; full year £90.3m). The table below reconciles these different profit measures:

	Unaudited Half year 2015 £m	Unaudited Half year 2014 £m	Full year 2014 £m
Continuing operations			
Profit attributable to owners of the parent	**35.2**	38.3	99.5
Adjustments for separately reported items:			
Amortisation of acquired intangible assets	**8.3**	8.5	17.0
Restructuring costs	**2.2**	-	-
Profit on disposal of non-current assets	**-**	(0.6)	(0.4)
Tax relating to separately reported items	**(2.4)**	(1.9)	(25.8)
Headline profit attributable to owners of the parent – continuing operations	**43.3**	44.3	90.3

6.3 Weighted average number of shares

	Unaudited Half year 2015 m	Unaudited Half year 2014 m	Full year 2014 m
For calculating basic and headline EPS	**270.0**	270.2	270.3
Adjustment for dilutive potential ordinary shares	**1.1**	0.6	0.8
For calculating diluted and diluted headline EPS	**271.1**	270.8	271.1

For the purposes of calculating diluted basic and diluted headline EPS, the weighted average number of ordinary shares is adjusted to include the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares relating to the Company's share-based payment plans. Potential ordinary shares are only treated as dilutive when their conversion to ordinary shares would decrease earnings per share, or increase loss per share, from continuing operations.

Notes to the condensed financial statements

7. Dividends

	Unaudited Half year 2015 £m	Unaudited Half year 2014 £m	Full year 2014 £m
Amounts recognised as dividends and paid to equity holders during the period			
Final dividend for the year ended 31 December 2013 of 10.25p per ordinary share	**-**	27.7	27.7
Interim dividend for the year ended 31 December 2014 of 5.00p per ordinary share		-	13.5
Final dividend for the year ended 31 December 2014 of 11.125p per ordinary share	**30.1**	-	-
	30.1	27.7	41.2

The Directors have declared an interim dividend of 5.15p per ordinary share in respect of the year ending 31 December 2015. The dividend will be paid on 25 September 2015 to ordinary shareholders on the register at the close of business on 14 August 2015. Based upon the number of ordinary shares in issue at 30 June 2015, the total cost of the dividend would be £13.9m.

8. Acquisitions

The Group purchased Sidermes spa on 15 May 2015 for total consideration of €33.7m. The provisional fair value of net assets acquired was €16.9m and goodwill of €16.8m has been recognised. Revenue of £1.6m and trading profit of £0.2m was included in the half year results relating to Sidermes. Had the business been acquired on 1 January 2015, Group revenues for the half year would have been £707.4m and trading profit would have been £70.9m.

9. Cash pooling arrangements

Following the implementation of Amendments to IAS32 Financial Instruments which clarified the circumstances in which financial instruments can be offset within financial statements, the Group reviewed and changed the presentational treatment of its notional cash pooling arrangements from the year ended 31 December 2014. 'Cash and short term deposits' and 'Interest-bearing borrowings' have consequently been restated within the Group's interim 2014 results to reflect this presentation.

Notes to the condensed financial statements

10. Net debt

	Balance at 1 January 2015 £m	Unaudited Foreign exchange adjustments £m	Non-cash Movements £m	Cash flow £m	Balance at Half Year 2015 £m
Cash and cash equivalents					
Cash at bank and in hand	**76.9**	**(2.5)**	**-**	**1.8**	**76.2**
Bank overdrafts	**(38.4)**	**2.2**	**-**	**14.4**	**(21.8)**
Borrowings, excluding bank overdrafts					
Current	**(2.2)**	**0.1**	**-**	**0.7**	**(1.4)**
Non-current	**(305.8)**	**10.0**	**-**	**(55.5)**	**(351.3)**
Capitalised borrowing costs	**1.2**	**-**	**1.1**	**-**	**2.3**
Net debt	**(268.3)**	**9.8**	**1.1**	**(38.6)**	**(296.0)**

11. Cash generated from operations

	Continuing operations £m	Discontinued operations £m	Unaudited Half year 2015 £m	Continuing Operations £m	Discontinued Operations £m	Unaudited Half year 2014 £m
Operating profit	**59.9**	**-**	**59.9**	63.3	-	63.3
Adjustments for:						
Amortisation of acquired intangible assets	**8.3**	**-**	**8.3**	8.5	-	8.5
Restructuring charges	**2.2**	**-**	**2.2**	-	-	-
Profit on disposal of non-current assets	**-**	**-**	**-**	(0.6)	-	(0.6)
Depreciation	**20.1**	**-**	**20.1**	19.1	-	19.1
EBITDA (note 16.11)	**90.5**	**-**	**90.5**	90.3	-	90.3
Net increase in trade and other working capital	**(13.8)**	**(7.4)**	**(21.2)**	(32.4)	(0.4)	(32.8)
Outflow related to restructuring charges	**(1.5)**	**-**	**(1.5)**	(3.9)	-	(3.9)
Additional pension funding contributions	**(1.0)**	**-**	**(1.0)**	(1.0)	-	(1.0)
Cash generated from operations	**74.2**	**(7.4)**	**66.8**	53.0	(0.4)	52.6

	Continuing Operations £m	Discontinued operations £m	Full year 2014 £m
Operating profit/(loss)	125.8	(3.6)	122.2
Adjustments for:			
Amortisation of acquired intangible assets	17.0	-	17.0
Depreciation	38.5	-	38.5
EBITDA (note 16.11)	181.3	(3.6)	177.7
Net (increase)/decrease in trade and other working capital	(26.8)	3.1	(23.7)
Outflow related to restructuring charges	(5.8)	-	(5.8)
Additional pension funding contributions	(3.2)	-	(3.2)
Cash generated from operations	145.5	(0.5)	145.0

Notes to the condensed financial statements

12. Employee benefits

The net employee benefits balance as at half year 2015 of £43.1m (2014: half year £66.5m; full year £51.1m) in respect of the Group's defined benefit pension and other post-retirement benefit obligations, comprised net surpluses of £49.5m (2014: half year £17.9m; full year £49.8m) and net liabilities of £92.6m (2014: half year £84.4m; full year £100.9m), and results from an interim actuarial valuation of the Group's defined benefit pension and other post-retirement obligations as at that date.

	Unaudited Half Year 2015 £m	Unaudited Half Year 2014 £m	31 December 2014 £m
Employee benefits – net surpluses			
UK defined benefit pension plan	**49.5**	17.9	49.8
Employee benefits – net liabilities			
UK defined benefit ex-gratia pension plans	**1.8**	0.9	1.0
US defined benefit pension plans	**33.5**	27.8	35.6
Germany defined benefit pension plans	**35.0**	35.1	39.9
Other defined benefit pension plans	**17.6**	12.5	19.0
Other post-retirement benefit obligations	**4.7**	8.1	5.4
	92.6	84.4	100.9
Employee benefits – total net liabilities	**43.1**	66.5	51.1

The total net charges in respect of the Group's defined benefit pension and other post-retirement benefit obligations are shown in the table below:

	Unaudited Half year 2015 £m	Unaudited Half year 2014 £m	Full year 2014 £m
In arriving at trading profit	**3.1**	3.0	2.3
In arriving at operating profit	**0.8**	-	-
In arriving at profit before tax – within net finance costs	**0.5**	0.9	1.8
Total net charge - continuing operations	**4.4**	3.9	4.1

Cash contributions into the Group's defined benefit pension plans amounted to £2.1m (2014: half year £2.8m; full year £6.1m), which included additional funding contributions of £1.0m (2014: half year £1.0m; full year £3.2m).

13. Other reserves

Within other reserves as at half year 2015 is £1,499.0m (full year 2014: £1,499.0m) arising from the demerger of Cookson Group plc, being the excess of the Vesuvius plc share capital of £1,777.9m over the total share capital and share premium of Cookson Group plc as at 14 December 2012 of £278.9m. Also included are translation reserves of £14.2m (full year 2014: (£32.8m)) and investment revaluation reserves of £0.5m (full year 2014: £0.5m).

14. Related parties

All transactions with related parties are conducted on an arm's length basis and in accordance with normal business terms. Transactions between related parties that are Group subsidiaries are eliminated on consolidation.

Notes to the condensed financial statements

15. Contingent liabilities

Guarantees given by the Group under property leases of operations disposed of amounted to £2.0m (full year 2014: £2.3m).

Vesuvius has extensive international operations and is subject to various legal and regulatory regimes, including those covering taxation and environmental matters. Several of Vesuvius' subsidiaries are parties to legal proceedings, certain of which are insured claims arising in the ordinary course of the operations of the company involved, and the Directors are aware of a number of issues which are, or may be, the subject of dispute with tax authorities. Reserves are made for the expected amounts payable in respect of known or probable costs resulting both from legal or other regulatory requirements, or from third-party claims. As the settlement of many of the obligations for which reserve is made is subject to legal or other regulatory process, the timing and amount of the associated outflows is subject to some uncertainty.

Certain of Vesuvius' subsidiaries are subject to lawsuits, predominantly in the US, relating to a small number of products containing asbestos manufactured prior to the acquisition of those subsidiaries by Vesuvius. These suits usually also name many other product manufacturers. To date, Vesuvius is not aware of there being any liability verdicts against any of these subsidiaries. A number of lawsuits have been withdrawn, dismissed or settled and the amount paid, including costs, in relation to this litigation has not had a material adverse effect on Vesuvius' financial position or results of operations

16. Non-GAAP financial measures

The Company uses a number of non-Generally Accepted Accounting Practice ("non-GAAP") financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures, listed below, are important when assessing the underlying financial and operating performance of the Group and its divisions.

16.1 Headline

Headline performance is from continuing operations and before items reported separately on the face of the income statement.

16.2 Underlying

Underlying performance is adjusted to exclude the effects of changes in exchange rates, business acquisitions and disposals.

16.3 Return on sales

Return on sales is calculated as trading profit divided by revenue.

16.4 Trading profit

Trading profit is defined as profit from operations before separately reported items. The Directors believe that trading profit is an important measure of the underlying trading performance of the Group.

16.5 Headline profit before tax

Headline profit before tax is calculated as the net total of trading profit, plus the Group's share of post-tax profit of joint ventures and total net finance costs associated with headline performance.

16.6 Effective tax rate

The Group's effective tax rate is calculated as the income tax costs associated with headline performance, divided by headline profit before tax and before the Group's share of post-tax profit of joint ventures.

16.7 Headline basic earnings per share

Headline basic earnings per share is calculated as headline profit before tax and after income tax costs associated with headline performance and profit attributable to non-controlling interests, divided by the weighted average number of ordinary shares in issue during the period.

16.8 Operating cash flow

Operating cash flow is cash generated from continuing operations before restructuring, demerger payments and additional pension funding contributions but after deducting capital expenditure net of assets disposals.

16.9 Free cash flow

Free cash flow is defined as net cash flow from operating activities after tax, net outlays for the purchase and sale of property, plant and equipment, dividends from joint ventures and dividends paid to non-controlling shareholders, but before additional funding contributions to Group pension plans. "Recurring free cash flow" is free cash flow before restructuring payments.

Notes to the condensed financial statements

16.10 Average trade working capital to sales ratio

The average trade working capital to sales ratio is calculated as the percentage of average trade working capital balances to the annualised revenue for the period. Average trade working capital (comprising inventories, trade receivables, and trade payables) is calculated as the average of the 12 previous month end balances, and annualised revenue is the revenue for the previous 12 months.

16.11 Earnings before interest tax depreciation and amortisation ("EBITDA")

EBITDA is calculated as the total of trading profit before depreciation charges.

16.12 Net interest

Net interest is calculated as interest payable on borrowings less interest receivable, excluding any item therein considered by the Directors to be exceptional and therefore separately reported.

16.13 Interest cover

Interest cover is the ratio of EBITDA to net interest.

16.14 Net debt

Net debt comprises the net total of current and non-current interest-bearing borrowings and cash and short-term deposits.

16.15 Net debt to EBITDA

Net debt to EBITDA is the ratio of net debt at the period-end to EBITDA for the preceding 12 month period.

16.16 Return on net assets ("RONA")

RONA is calculated as trading profit plus share of post-tax profit of joint ventures, divided by average net operating assets (being the average over the previous 12 months of property, plant and equipment, trade working capital and other operating receivables and payables).

16.17 Constant rates

Figures presented at constant rates represent December and June 2014 results retranslated at June 2015 exchange rates.

17. Exchange rates

The Group reports its results in pounds sterling. A substantial portion of the Group's revenue and profit are denominated in currencies other than pounds sterling. It is the Group's policy to translate the income statements and cash flow statements of its overseas operations into pounds sterling using average exchange rates for the period reported (except when the use of average rates does not approximate the exchange rate at the date of the transaction, in which case the transaction rate is used) and to translate balance sheets using period end rates. The principal exchange rates used were as follows:

	Income and expense Average rates					Assets and liabilities Period end rates				
	Half year 2015	**Half year 2014**	Full year 2014	Half year to Half year change	Half year to full year change	**Half year 2015**	**Half year 2014**	Full year 2014	Half year to Half year change	Half year to full year change
US Dollar	**1.523**	**1.668**	1.649	8.7%	7.6%	**1.571**	**1.710**	1.557	8.1%	(0.9%)
Euro	**1.365**	**1.217**	1.241	(12.2%)	(10.0%)	**1.410**	**1.249**	1.287	(12.9%)	(9.6%)
Chinese Renminbi	**9.470**	**10.288**	10.157	8.0%	6.8%	**9.737**	**10.611**	9.662	8.2%	(0.8%)
Japanese Yen	**183.035**	**170.942**	174.087	(7.1%)	(5.1%)	**192.371**	**173.264**	186.377	(11.0%)	(3.2%)
Brazilian Real	**4.515**	**3.831**	3.869	(17.9%)	(16.7%)	**4.872**	**3.786**	4.137	(28.7%)	(17.7%)
Indian Rupee	**95.608**	**101.375**	100.495	5.7%	4.9%	**99.874**	**102.701**	98.157	(2.8%)	(1.7%)
South African Rand	**18.128**	**17.780**	17.834	(2.0%)	(1.6%)	**19.105**	**18.188**	18.012	(5.0%)	(6.1%)

Non-GAAP supplementary information

5 year history at constant currency

	HY 2011	HY 2012	HY 2013	HY 2014	HY 2015
Revenue (£m)	**748.0**	**740.6**	**696.8**	**721.0**	**702.6**
Steel	481.9	488.7	470.5	490.3	476.3
Foundry	266.1	251.9	226.3	230.7	226.3
Trading Profit (£m)	**78.6**	**69.5**	**62.2**	**71.0**	**70.4**
Steel	45.9	46.4	39.4	48.6	44.5
Foundry	32.7	23.1	22.8	22.4	25.9
Return on Sales	**10.5%**	**9.4%**	**8.9%**	**9.9%**	**10.0%**
Steel	9.5%	9.5%	8.4%	9.9%	9.3%
Foundry	12.3%	9.2%	10.1%	9.7%	11.5%