



Interim Report 2009

BP Magnus Platform, North Sea, UK

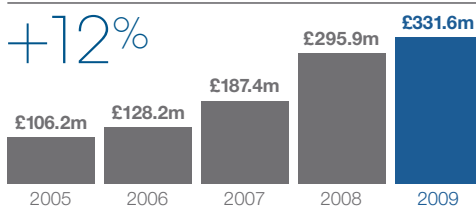


Cape is an international leader in the provision of essential non-mechanical industrial services principally to the energy and mineral resources infrastructure sectors.

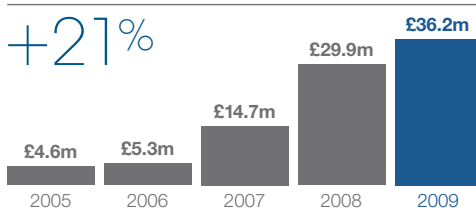
The range of multi-disciplinary services includes common user access systems, insulation, refractory, painting, coatings, blasting, industrial cleaning, training and assessment.

Financial highlights

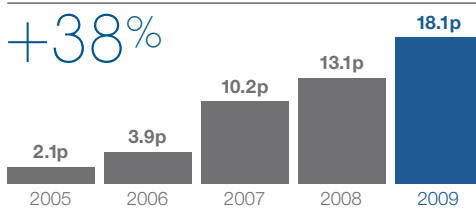
- Revenue **up 12% to £331.6m** (2008: £295.9m)



- Group adjusted operating profit⁽²⁾ **up 21% to £36.2m** (2008: £29.9m)



- Adjusted diluted earnings per share⁽³⁾ **up 38% to 18.1p** (2008: 13.1p)



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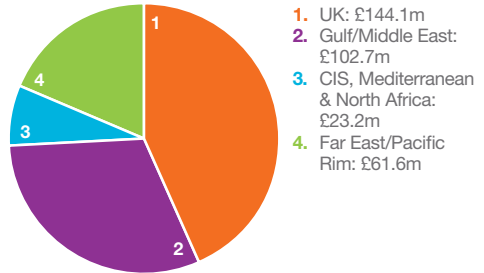
- Profit before tax **up 85% to £27.2m** (2008: £14.7m)
- Basic earnings per share **up 44% to 16.6p** (2008: 11.5p)
- Net cash flow **up 65% to £21.4m** (2008: £13.0m)
- Net debt⁽⁴⁾ **reduced to £151.5m** (2008: £199.0m), 1.7x EBITDA⁽⁹⁾ (2008: 2.6x EBITDA)

Note: for all references see inside back cover.

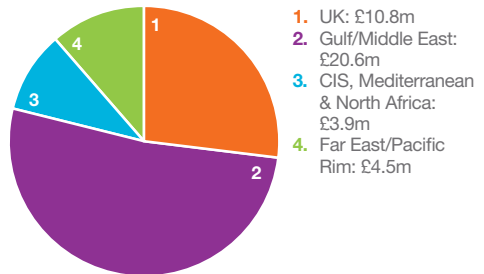
Operating highlights

- Group operating margin⁽⁶⁾ **improved to 10.5%** (2008: 10.1%)
- 48% growth** in order book since 2008 year end
- Increased international spread with **73% of profits generated from outside the UK** (2008: 67%)
 - Gulf/Middle East profit increased 78% (34% at constant currencies⁽¹⁾)
 - UK profits maintained
- Contract wins** include strategic maintenance for clients including British Energy, Qatargas, BAPCO, SABIC and Minara Resources
- Significant cost reductions** delivered in areas of lower activity combined with strong focus on cash management
- Maintained **excellent safety record** recognised by clients with several prestigious awards

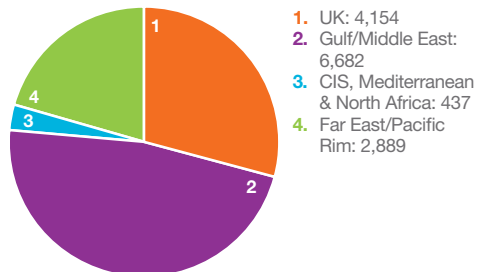
Revenue by region



Adjusted operating profit by region



Average employees by region



Cape plc at a glance

Cape's 14,000 employees deliver safe, reliable and intelligent solutions both on and offshore. International coverage extends from the UK, through the Gulf/Middle East, CIS, Mediterranean & North Africa and into the Far East/Pacific Rim.

Our multi-disciplinary services are required on an ongoing basis throughout the lifecycle of downstream energy infrastructure assets, from the construction of new facilities, the maintenance, inspection, turnaround and expansion of existing facilities, to the decommissioning and abandonment of retired facilities.

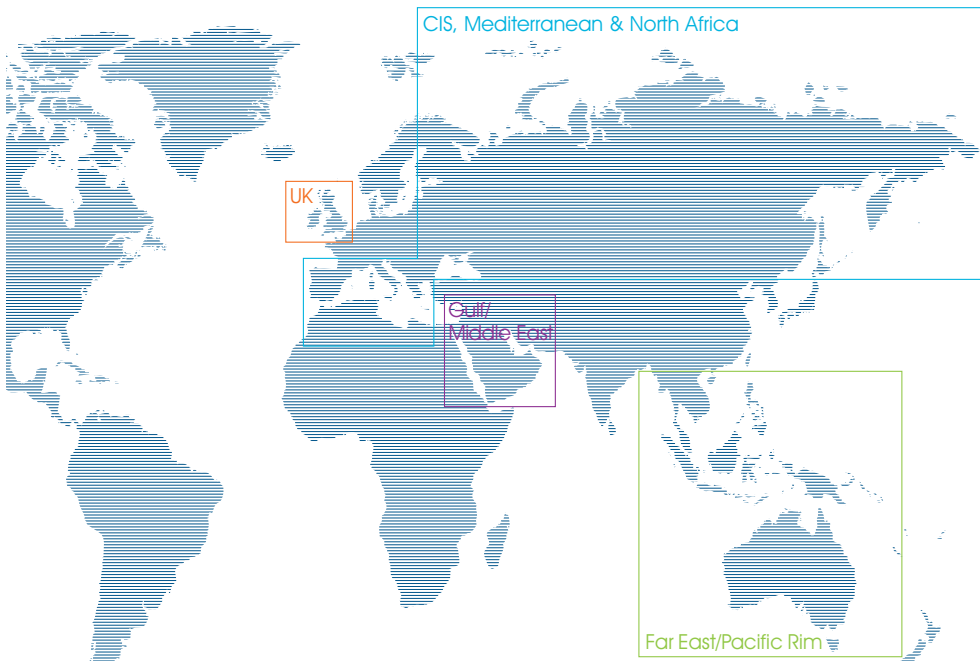
Cape's clients comprise two groups:

1. plant operators in the oil and gas, petrochemical, power generation, mining and mineral resources sectors; and
2. major Engineering and Construction (E&C) contractors.

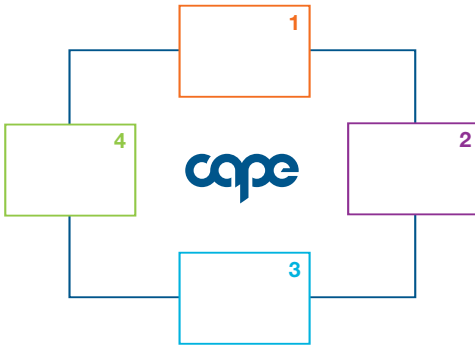
Clients choose Cape for its proven ability to:

- provide a multi-discipline, 'bundled services' solution with a single point of contact and management responsibility for an increasing array of complimentary multi-disciplinary services;
- deliver the highest standards of safety performance in industrial environments; and
- execute large and complex projects requiring the supply and management of large numbers of skilled operatives and volumes of equipment.

Our global presence



Cape plc Group structure



1. UK
2. Gulf/Middle East
3. CIS, Mediterranean & North Africa
4. Far East/Pacific Rim

UK

Cape's performance in the UK remained resilient, delivering operating profits of £10.8 million in the first half of 2009. Cape's UK business received a number of prestigious safety commendations including the SABIC 'Global Contractor SHE Award, First Place'.

Countries: 4
Cape premises: 14
Operating Companies: 5
Average number of employees: 4,154
Man hours H1 2009: 4.8 million

Revenue

£144.1^m

Gulf/Middle East

The Gulf/Middle East region delivered another very strong performance in the first half of the year with operating profits up 78%. Cape's excellent safety performance in Gulf/Middle East was again recognised by our clients GASCO, QAPCO and BAPCO.

Countries: 6
Cape premises: 32
Operating Companies: 8
Average number of employees: 6,682
Man hours H1 2009: 13.0 million

Revenue

£102.7^m

CIS, Mediterranean & North Africa

Operating profits in the region increased by 14.7%. Cape repeated the excellent safety performance on the KPO site in Aksai and has again won the General Directors Annual Award as 'Best Contractor HSSE Practice'.

Countries: 9
Cape premises: 11
Operating companies: 7
Average number of employees: 437
Man hours H1 2009: 2.2 million

Revenue

£23.2^m

Far East/Pacific Rim

The Far East/Pacific Rim region operating profits stood at £4.5 million in the first half of the year. Cape's outstanding safety performance in Far East/Pacific Rim saw us presented with safety awards from Esso, Foster Wheeler, Shell and the Pluto LNG project.

Countries: 9
Cape premises: 31
Operating companies: 15
Average number of employees: 2,889
Man hours H1 2009: 3.4 million

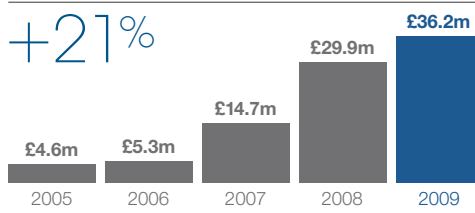
Revenue

£61.6^m

Interim statement

Group adjusted operating profit⁽²⁾

For the six months ended 30 June



Cape delivered a solid financial performance in the first half of 2009.

Introduction

Cape delivered a solid financial performance in the first half of 2009, with an increase in profit before tax of 85% to £27.2 million (2008: £14.7 million). The performance in the first half reflects the strong defensive nature of Cape's services coupled with our focus on further penetration of growing markets. Cape's revenues are derived from maintenance works and Engineering and Construction (E&C) projects in the energy and mining resources sectors. Maintenance spending is an essential operating expense of plant operators and therefore impacted less by short term changes in the macro environment. Outside Australia and North Africa, we have seen little evidence of a slowdown in the pace of E&C contract awards. These projects comprise large multi-year contracts for production assets for which the output is often pre-sold and therefore less likely to be impacted by short term fluctuations in commodity prices.

Strategy continues to deliver

Cape has established itself as a leading international provider of non-mechanical industrial services to the downstream energy and mineral resources infrastructure sectors. Cape seeks to provide services throughout the life cycle of large industrial assets with a strategy based upon:

1. the consistent execution and delivery of projects on time and on budget;
2. a safety first culture – continuously striving to provide injury-free project execution; and
3. investment in key emerging markets with lower development costs.

Cape has continued to deliver margin progression, an increasing order book and debt reduction in the first half of the year, demonstrating the resilience of its business model. The focus internationally is on downstream production assets which positions Cape at the lower risk end of the global Oil Field Services (OFS) space with no exposure to more discretionary drilling, exploration or well support activities.

In the UK, Cape has reinforced its dominant position with the award of a fleet-wide maintenance contract for British Energy.

Trading performance

	H1 2009	H1 2008	Change %
Revenue	£331.6m	£295.9m	+12.1
EBITA ⁽²⁾	£36.2m	£29.9m	+21.1
Operating profit margin ⁽⁵⁾	10.5%	10.1%	+0.4 pts
Headline PBT ⁽⁶⁾	£30.2m	£21.3m	+41.8
Profit before tax	£27.2m	£14.7m	+85.0
Adjusted diluted EPS ⁽³⁾	18.1p	13.1p	+38.2
Basic earnings per share	16.6p	11.5p	+44.3

The Group's headline results have benefited from favourable exchange movements and reduced finance costs in the first half.

Exchange rate movements

The increase in operating profits attributable to exchange movements of £6.8 million (equivalent to 4.4p per share) has arisen largely from the weakness of sterling against the US Dollar relative to last year, with an average rate for the period of USD1.48 (2008: USD1.98).



Shell, St Fergus Gas Plant, Aberdeenshire, UK

Cape's excellent health and safety performance saw us deliver 23.5 million man hours in the first half of 2009 without an LTI.



Mesaieed Combined Cycle Power Plant, Mesaieed, Qatar

Cape provides services throughout the life cycle of large industrial assets and consistently delivers projects on time and within budget.

Financing costs

Net financing costs before other items fell by 30% to £6.0 million (2008: £8.6 million) reflecting the debt reduction and reduced interest rates.

Regional overview

The Group continues to segment its business on a geographical basis with 12 business units reporting into four geographic regions.

For the six months ended 30 June

Region	Revenue (£m)		EBITA ^(a) (£m)	
	2009	2008	2009	2008
UK	144.1	143.5	10.8	10.8
Gulf/Middle East	102.7	49.6	20.6	11.6
CIS, Med & North Africa	23.2	27.9	3.9	3.4
Far East/Pacific Rim	61.6	74.9	4.5	6.4
Total before central costs			39.8	32.2
Central costs			(3.6)	(2.3)
Total	331.6	295.9	36.2	29.9

The proportion of profits generated from outside the UK has continued to grow and now represents 73% of Group operating profit before central items (2008: 67%).

These results reflect Cape's strong market position in its core oil services, downstream E&C and mining services markets. Over the first half of the year our clients have reduced costs whilst maintaining safety. Cape has helped them achieve these ends by extending the scope of the services to be provided and adopting more flexible pricing mechanisms.

The Gulf/Middle East has been our key growth region in the period, where we have benefited from significant maintenance shutdown and project E&C activity. Combined with a stable UK market, this has offset reduced revenues in both the CIS, Mediterranean & North Africa and Far East/Pacific Rim.

Our results in the Far East/Pacific Rim, principally Australia, have been impacted by the Group's exposure to the weak commercial and residential scaffold hire markets, the deferral of projects in the mining services sector and delays to Pluto LNG, the one large scale oil and gas project currently in progress. We are seeing a growing level of interest in Cape's bundled service offering in Australia and are increasingly optimistic about the future opportunities it provides.

As signalled earlier in the year we have implemented cost reduction programmes in those regions which have seen reduced or flat levels of activity, predominantly Australia and the UK.

The performance of each of the four regions is discussed further in the review of the regional businesses from page 7.

Safety

Cape delivered 23.5 million (2008: 20.8 million) man hours in the first half with a Lost Time Incident (LTI) frequency rate of 0.08 (2008: 0.08) per 100,000 hours worked. This excellent performance continues to be recognised by our clients with the receipt of several prestigious awards in the period.



Cape's Sheet Metal Fabrication Shop, Ras Abu Fontas Power and Desalination Plant, Doha, Qatar

The scale of Cape's labour force allows us to mobilise extra manpower and equipment as soon as the need arises.

Cash generation and financial position

Net cash inflow from operating activities increased by 65% to £21.4 million (2008: £13.0 million). We continue to maintain a tight control on capital expenditure with net capex in the first half of £5.4 million (2008: £16.2 million) as detailed in note 5.

The Group's net debt⁽⁴⁾ reduced further to £151.5 million from £165.5 million at the start of the year and £199.0 million last June, again reflecting the strong operating cash conversion⁽⁷⁾ of 74% (2008: 68%). Balance sheet gearing⁽⁸⁾ reduced to 59% (2008: 92%) with the ratio of net debt⁽⁴⁾ to annualised adjusted EBITDA⁽⁹⁾ falling to 1.7 times (2008: 2.6 times).

Return on Managed Assets (ROMA)⁽¹⁰⁾ increased to 31% (2008: 29%) with the Group's investment in receivables and work in progress remaining flat at 95 days (2008: 95 days).

Debt financing costs

The net finance charge amounted to £6.0 million (2008: £8.6 million) and included finance lease interest of £0.8 million (2008: £1.0 million) and amortisation of bank fees of £0.3 million (2008: £0.6 million). The Group's effective interest rate fell to 7.0% (2008: 7.8%) with interest cover⁽¹³⁾ increasing to 5.7 times (2008: 3.3 times).

Tax charge and effective tax rate

The tax charge in the period before other items increased to £7.7 million (2008: £5.4 million) with an effective tax rate of 25.5% (2008: 25.4%).

Tax paid in the period increased to £5.3 million (2008: £3.2 million) partially reflecting changes to the payment on account systems in a number of jurisdictions.

Key risks and uncertainties

The key risks and uncertainties for the Group are described on pages 27 to 29 of the Group's Annual Report and Accounts 2008.

Outlook

With our increasing order book and improving forward revenue visibility, we remain confident that the full year outcome will be at least in line with market expectations.

Looking further ahead, the medium term outlook for Cape's key end markets of energy and mineral resources has improved during the course of the year and our list of prospects continues to grow, although the sector is still experiencing uncertainty in the timing of some projects. Our global E&C clients are now posting a stable or increasing order book and the pace of contract awards is showing some signs of improvement in Australia and North Africa. This in turn gives us confidence that growth can be maintained.

Sean O'Connor
Chairman

Martin May
Chief Executive Officer

16 September 2009

Note: for all references see inside back cover.



British Energy, Eggborough Power Station, North Yorkshire, UK

Cape was pleased to secure a seven year fleet-wide contract to supply access, insulation and associated services to British Energy's eight nuclear power stations as well as its coal fired power station at Eggborough.

73% of Group operating profit is generated outside the UK.

UK Region

Revenue

£144.1^m

Operating profit

£10.8^m

Cape's performance in the UK has remained resilient and, despite pricing pressure and some project deferrals in the first half, delivered an operating profit of £10.8 million (2008: £10.8 million) from revenues of £144.1 million (2008: £143.5 million). The focus has remained on margin sustainability with the exit from lower margin business and a reduction in UK central costs of 15% in the period.

Cape's business proposition is underpinned by a strong safety case which has been further enhanced by a 23% improvement in the LTI (Lost Time Incident) health and safety performance during the first half of 2009. The UK business also received a number of prestigious safety awards including:

- SABIC Global Contractor SHE Award and SABIC European Contractor SHE Award
- Sellafeld's Resident Engineer Safety Award
- RoSPA Gold Award
- Drax Power's 'Safe Contractor of the Outage' Award.

The UK region's order book has increased by 28% since the beginning of the year with some 92% of the region's 2009 revenues now secured.

Onshore industrial services

UK Onshore revenues were down 6.3% at £82.1 million (2008: £87.6 million) reflecting the completion and partial demobilisation of several major projects including South Hook LNG, Marchwood and Fiddlers Ferry, the absence of the upgrade work undertaken at Heysham power station last year and the reduction in the Cape hire and sales business.

The UK Onshore operations secured a number of significant contract awards and renewals during the period including:

- A £140 million+, seven year contract to supply access, insulation and associated services to British Energy's fleet of eight nuclear power stations, which includes four additional stations for Cape, namely Hartlepool, Hunterston B, Sizewell B, and Torness
- A renewal of our contract with Scottish & Southern for the supply of access, insulation and painting services at the Ferrybridge coal-fired power station in North Yorkshire;
- Renewal of our contract with SABIC, for the supply of safety critical maintenance services at the Wilton and North Tees industrial plants
- A two year extension of our long-standing relationship with EDF Energy for services at Cottam and West Burton coal-fired power stations in Nottinghamshire



BP Magnus Platform, North Sea, UK

Cape works with clients to rejuvenate and extend the life of industrial assets, minimising downtime and increasing efficiency.

- Cape's joint venture company, Ship Support Services Limited, was awarded 'preferred bidder' status for another contract with BVT Surface Fleet Limited for the provision of temporary access in support of the construction of the Royal Navy's Type 45 Destroyer programme
- Renewal of an existing contract with British Energy for multi-disciplined services at its coal-fired plant at Eggborough in North Yorkshire.

Offshore industrial services

Revenues in the UK Offshore business grew 15.3% to £51.2 million (2008: £44.4 million) benefiting from significant work on BG's Armada platform with Amec and increased activity on BP's Schiehallion platform. In common with all contractors in the North Sea, Cape has been subjected to considerable pressure from operators to reduce costs and we continue to work with our clients to provide enhanced value through innovative efficiency improvements. The Offshore business is currently experiencing increased tendering activity with an upturn in the quantum of the fabric maintenance work available and we remain confident of our ability to continue to grow our offshore business in the North Sea.

Notable awards during the period included contracts for:

- Supply of multi-disciplined services in support of the upgrade programme to BG's Armada platform with Amec
- Multi-disciplined services at the Sullom Voe Terminal in the Shetland Isles with BP
- Rope access services in the offshore sector off Norway with Heerema.

Environmental services

The environmental services business (Cape DBI) also remained resilient in H1 generating revenues of £10.8 million (2008: £11.5 million). Several project deferrals in the heavy industrial manufacturing sectors were offset by continued growth in the power generation and oil and gas markets.

Contract awards and renewals during the period included:

- A contract for pre-commissioning hydro-testing and chemical cleaning of four HRSG units at the Staythorpe Combined Cycle Gas Turbine (CCGT) power plant in Newark with Alstom
- A renewal of our existing contract with Dow Corning for specialist cleaning services at its plant in Barry, South Wales.



GILC, Iron Ore Pelletizing Plant, Hidd, Bahrain

Cape offers comprehensive refractory solutions from advisory and custom design services to material supply and insulation as well as ongoing inspections and maintenance programmes.

Gulf/Middle East Regional Headquarters, Bahrain

Cape strives to be a local employer wherever possible: our workforce includes at least 25 different nationalities.

Gulf/Middle East Region

Revenue

£102.7^m

Operating profit

£20.6^m

The Gulf/Middle East Region delivered another very strong performance in the first half as well as benefiting from favourable exchange movements. Headline revenues were up 107% at £102.7 million (2008: £49.6 million) with operating profits up 78% to £20.6 million (2008: £11.6 million). On a constant currency⁽¹⁾ basis, revenue and profit grew 55% and 34% respectively.

Cape's excellent safety performance was again recognised by our clients throughout the region:

- In Abu Dhabi, by GASCO, at Ruwais as 'HSE Contractor of the Year – 2008' and at Bu Hasa as 'Best Safety Contractor of the Year' for 2008
- In Qatar by QAPCO as 'Best contractor safety award 2008'
- In Bahrain by BAPCO 'Safety Contractor of the Year – category 2'.

All three of our business units in the region performed strongly in the first half of 2009 with all areas winning new work and renewals of existing maintenance contracts.

The Gulf/Middle East region's order book has remained broadly flat since the beginning of the year with 100% of 2009 revenue now secured.

Qatar

Cape won new term maintenance contracts at Qatargas' onshore and offshore facilities and at the ORYX Gas to Liquids (GTL) plant in the first half. Whilst we continue to benefit from the growing maintenance market in Qatar with substantial shutdown contracts for Dopet Qatar Petroleum refinery, Dolphin LNG and RasGas some 67% of our first half revenue was project related. Key projects in the first half included Qatargas 2, Ras Laffan Olefins, QAFCO 4 Expansion and the continued RasGas expansion.

Northern Gulf

In the Northern Gulf (Saudi Arabia, Bahrain and Kuwait) we completed projects on the Yansab Olefins project, Khurais Oilfields project and the Rabigh Petrochemical Complex. The Saudi Kayan project is progressing and will increase during the second half of 2009.

In Bahrain we are completing a major refractory and insulation contract on the GILC aluminium plant.



Sakhalin 2 LNG Plant, Sakhalin Island, Russia

Cape's excellent reputation on the Sakhalin 1 & 2 LNG build resulted in the award of the ongoing maintenance contract.

In addition to project work we were awarded the access contract for plant maintenance by BAPCO in Bahrain as well as insulation and refractory services for SABIC in Saudi Arabia.

Southern Gulf

Activity in the Southern Gulf (UAE and Oman) continued to increase with project work in the UAE at the GASCO third NGL plant, Train 2 shutdown and Habshan.

Shutdowns accounted for 39% of the first half revenue in the region with these being carried out at the Ruwais Fertiliser plant, Bourouge, Ruwais and the Takreer refinery.

CIS, Mediterranean & North Africa Region

Revenue

£23.2^m

Operating profit

£3.9^m

Headline revenues were down 16.8% at £23.2 million (2008: £27.9 million) although operating profits increased 14.7% to £3.9 million (2008: £3.4 million). On a constant currency⁽¹⁾ basis revenue and profit fell by 37.0% and 20.6% respectively. This financial performance reflects the absence of a new major project in the region following completion of the Sakhalin 2 project last year, as expected.

We continued to undertake significant work in Western Kazakhstan in the first half at both Kashagan (onshore and offshore) and at the 4th Train expansion project at Karachaganak. Having deployed additional equipment in the region, we established a new facility at Ersai, further expanding our capability in this key market. The Kashagan project, both onshore and offshore, will reach a peak in 2010.

Our three centres of operation in Kazakhstan will continue to offer opportunities for growth through 2010. The development of the Karachaganak field, if the investment is confirmed, should also lead to substantial awards towards the end of next year.



Kashagan Offshore Field, Caspian Sea, Kazakhstan

Cape's experience in the industrial painting, coating and blasting sector has been gained in some of the most hostile environments.



Alcoa Alumina Refinery, Pinjarra, Western Australia

Cape strives to be the safest and most reliable operator to both the oil and gas, and mining services sectors.

Our dominant position on Sakhalin Island continues with an improving workload including project works at Odoptu and Chayvo in addition to the Sakhalin 2 maintenance contract. We anticipate that our base in Khabarovsk on the mainland in Eastern Russia will prove its value in 2010 when the suspended Tecnicas Refinery development is expected to gain fresh momentum.

The Cape-Resa JV has now successfully completed the major work scope undertaken on the Adriatic LNG project for ExxonMobil. Whilst bids have been submitted for upcoming refinery developments in Spain and Portugal, the market remains extremely competitive.

In North Africa, it seems likely that our target projects in Algeria and Libya which were suspended or delayed in 2008 and 2009 will now be awarded in 2010. To enable us to meet this demand, we have opened a facility in Arzew in Algeria adjacent to the industrial zone where the Sonatrach LNG facility will be built by Saipem.

Cape repeated the excellent safety performance on the KPO site in Aksai and has again won the General Directors' Annual award as 'Best Contractor HSSE Practice'.

The region's order book has more than doubled since the beginning of the year with 90% of 2009 revenues now secured.

Far East/Pacific Rim Region

Revenue

£61.6m

Operating profit

£4.5m

Revenues in the region declined by £13.3 million to £61.6 million (2008: £74.9 million) with operating profits reducing by £1.9 million to £4.5 million (2008: £6.4 million).

The Far East/Pacific Rim region's order book has increased by more than 50% since the start of the year with 79% of 2009 revenue now secured. The comparatively low secured revenue relative to other regions reflects the nature of the business in Australia.

Australia

Cape's business in Australia was adversely impacted in the first half of the year by:

- the delayed start and continuing slow mobilisation of Woodside's Pluto project;
- deferrals of industrial projects including Rio Tinto's Hi Smelt, and other smaller projects;
- reduced maintenance spends by plant operators, deferring non-essential maintenance works; and
- a steady decline in the residential and commercial scaffold hire markets symptomatic of the downturn.



Cape's Training Centre, Manila, The Philippines

All access personnel are directly employed by Cape; to ensure that they work to the highest international standards we conduct rigorous training and assessment leading to certification.

In response, the emphasis has been on reducing expenses, consolidating further activities and reducing the workforce. The large reduction in the operating margin reflects the operational gearing of the business in Australia with higher fixed costs attached to the many regional depots across the country. Australia is the only location where Cape remains dependent on significant short term spot hire business in commercial and residential markets. This reliance will reduce over time as the business tenders, bids for and secures industrial contracts.

Despite the poor market conditions, we have continued to win high quality multi-year contracts in our core oil and gas and mining services sectors, including access services for Pluto LNG and multi-discipline maintenance services for Minara Resources at their Murrin Murrin nickel refinery.

The strategy to build a strong foundation for an integrated industrial services business as the Australian economy recovers has not changed. The first half has seen the continued investment in a new ERP system that will replace three legacy systems across the country as well as the planned investment in new facilities in Karratha, Darwin and Mackay.

In the medium term, Australia remains one of Cape's most promising markets with E&C activity driven by substantial announced capital expenditure on LNG projects, mining and resources projects and government backed infrastructure stimulus.

Asia

Cape's activity in Asia continued to be well diversified across both our range of services and core sectors with our major onshore work continuing with the Pluto LNG project in Thailand and the Shell MEG project in Singapore.

Offshore, we continue to provide multi-disciplinary services on platforms and offshore rig vessels located in the South China Sea (Philippines and Brunei) and Timor Sea. We have secured work offshore Brunei with SKS Wood Group for the Shell assets and the first crew mobilisation commenced in August 2009.

In the mining services sector, the Goro Nickel project continues and we expect to be involved in ongoing maintenance services at the conclusion of the project works phase. Cape continues to train and develop local staff who will form an integral part of the access team in advance of the next refinery (Koniambo) which is due to commence on site activities in mid 2010.

Cape's excellent safety performance was again recognised by our clients. Since the commencement of the Pluto LNG project in May 2008, Cape has exceeded 1.8 million man hours without an LTI, a significant contribution to the project's 21 million safe working hours.

In May, Cape was awarded 'The Best Safety Contractor' on site award by Esso at the Esso Sriracha Refinery in Thailand. In Singapore, Cape also received a plaque from Foster Wheeler and Shell for our contribution to the 10 million LTI free man hours on the Shell MEG project.

Consolidated balance sheet

at 30 June 2009

	Notes	Unaudited 30 June 2009 £m	Unaudited 30 June 2008 £m	31 December 2008 £m
Non current assets				
Intangible assets		188.3	181.4	188.0
Property, plant and equipment	5	140.4	142.0	152.3
Investments accounted for using equity method		0.7	–	0.6
Retirement benefit asset		0.1	0.1	0.1
Deferred tax asset		10.6	9.2	11.9
		340.1	332.7	352.9
Current assets				
Inventories		12.5	18.5	17.2
Trade and other receivables		178.2	157.3	184.7
Financial assets – derivative financial instruments		–	2.6	–
Cash – IDC* Scheme funds (restricted)		35.8	38.1	37.5
Cash and cash equivalents	9	32.7	15.7	33.3
		259.2	232.2	272.7
Liabilities				
Current liabilities				
Financial liabilities				
– Borrowings		(35.8)	(36.9)	(38.9)
– Derivative financial instruments		(5.0)	–	(6.9)
Trade and other payables		(109.9)	(99.7)	(133.0)
Current tax liabilities		(11.6)	(6.2)	(9.4)
		(162.3)	(142.8)	(188.2)
Net current assets		96.9	89.4	84.5
Non current liabilities				
Financial liabilities				
– Borrowings		(148.4)	(177.8)	(159.9)
Retirement benefit liabilities		(5.1)	(3.7)	(5.2)
Deferred tax liabilities		(11.7)	(11.8)	(11.7)
IDC* provision		(9.7)	(8.0)	(9.7)
Other provisions		(4.7)	(4.7)	(4.7)
		(179.6)	(206.0)	(191.2)
Net assets		257.4	216.1	246.2
Shareholders' equity				
Called up share capital		33.3	33.0	33.1
Share premium account		8.7	7.9	8.4
Special reserve		1.0	1.0	1.0
Other reserves		29.2	27.0	39.4
Retained earnings		183.4	146.5	163.6
Total shareholders' equity		255.6	215.4	245.5
Minority interest in equity		1.8	0.7	0.7
Total equity		257.4	216.1	246.2

* IDC refers to the Industrial Disease Claims which are funded using the Scheme cash

Consolidated income statement

for the half year ended 30 June 2009

Unaudited half year ended 30 June 2009				
	Notes	Before other items* £m	Other items* £m	Total £m
Continuing operations				
Revenue		331.6	–	331.6
Operating profit before other items		34.7	–	34.7
Amortisation of intangible assets		–	(1.4)	(1.4)
Industrial disease costs		–	(2.0)	(2.0)
Exceptional items	3	–	–	–
Operating profit		34.7	(3.4)	31.3
Share of post tax profits from joint ventures		1.5	–	1.5
Total operating profit		36.2	(3.4)	32.8
Finance income		0.4	0.4	0.8
Finance costs		(6.4)	–	(6.4)
Profit before tax		30.2	(3.0)	27.2
Taxation		(7.7)	0.9	(6.8)
Profit from continuing operations		22.5	(2.1)	20.4
Discontinued operations				
Loss attributable to discontinued operations		–	–	–
Profit for the period		22.5	(2.1)	20.4
Attributable to:				
Equity shareholders				19.1
Minority interest				1.3
				20.4
Earnings per share for profit attributable to equity shareholders				
From continuing and discontinued operations				
Basic	4			16.6p
Diluted	4			16.3p
From continuing operations				
Basic	4			16.6p
Diluted	4			16.3p

* Other items include: amortisation of intangible assets, industrial disease related income and expenses and exceptional items

Unaudited half year ended 30 June 2008			Year ended 31 December 2008		
Before other items* £m	Other items* £m	Total £m	Before other items* £m	Other items* £m	Total £m
295.9	–	295.9	622.7	–	622.7
29.9	–	29.9	65.0	–	65.0
–	(1.4)	(1.4)	–	(2.7)	(2.7)
–	(2.7)	(2.7)	–	(5.7)	(5.7)
–	(3.5)	(3.5)	–	(4.1)	(4.1)
29.9	(7.6)	22.3	65.0	(12.5)	52.5
–	–	–	0.5	–	0.5
29.9	(7.6)	22.3	65.5	(12.5)	53.0
0.4	1.0	1.4	0.8	2.0	2.8
(9.0)	–	(9.0)	(18.0)	–	(18.0)
21.3	(6.6)	14.7	48.3	(10.5)	37.8
(5.4)	4.8	(0.6)	(12.2)	6.3	(5.9)
15.9	(1.8)	14.1	36.1	(4.2)	31.9
(0.2)	–	(0.2)	(0.2)	–	(0.2)
15.7	(1.8)	13.9	35.9	(4.2)	31.7
		13.2			30.6
		0.7			1.1
		13.9			31.7
		11.5p			26.7p
		11.3p			26.3p
		11.7p			26.9p
		11.5p			26.4p

Statement of comprehensive income

for the half year ended 30 June 2009

	Unaudited half year ended 30 June 2009 £m	Unaudited half year ended 30 June 2008 £m	Year ended 31 December 2008 £m
Profit for the period	20.4	13.9	31.7
Other comprehensive income			
Currency translation differences	(13.5)	19.7	42.6
Actuarial (loss)/gain recognised in the pension scheme	(2.7)	2.5	(3.3)
Movement in restriction of retirement benefit asset in accordance with IAS 19	2.5	(2.8)	2.6
Cash flow hedges – fair value gains/(losses)	1.6	1.8	(6.5)
Net investment hedges – fair value gains/(losses)	2.7	–	(5.5)
Deferred tax on hedges	(1.2)	–	3.3
Other comprehensive income for the period, net of tax	(10.6)	21.2	33.2
Total comprehensive income for the period	9.8	35.1	64.9
Attributable to:			
Equity shareholders	8.7	34.4	63.8
Minority interest	1.1	0.7	1.1
	9.8	35.1	64.9

Statement of changes in equity

for the half year ended 30 June 2009

Unaudited	Share capital £m	Share premium £m	Special reserve £m	Retained earnings £m	Other reserves £m	Total £m	Minority interest £m	Total £m
At 1 January 2008	32.8	7.5	1.0	132.9	5.5	179.7	1.0	180.7
Profit for the period	–	–	–	13.2	–	13.2	0.7	13.9
Other comprehensive income:								
Currency translation differences	–	–	–	–	19.7	19.7	–	19.7
Cash flow hedges – fair value gains in period	–	–	–	–	1.8	1.8	–	1.8
Actuarial gain recognised in the pension scheme	–	–	–	2.5	–	2.5	–	2.5
Movement in restriction of retirement benefit asset in accordance with IAS 19	–	–	–	(2.8)	–	(2.8)	–	(2.8)
Total comprehensive income for the period ended 30 June 2008	–	–	–	12.9	21.5	34.4	0.7	35.1
Transactions with owners:								
Acquisition of minority interest	–	–	–	–	–	–	(1.0)	(1.0)
Share options								
– proceeds from shares issued	0.2	0.4	–	–	–	0.6	–	0.6
– value of employee services	–	–	–	0.7	–	0.7	–	0.7
	0.2	0.4	–	0.7	–	1.3	(1.0)	0.3
At 30 June 2008	33.0	7.9	1.0	146.5	27.0	215.4	0.7	216.1
At 1 January 2008	32.8	7.5	1.0	132.9	5.5	179.7	1.0	180.7
Profit for the period	–	–	–	30.6	–	30.6	1.1	31.7
Other comprehensive income:								
Currency translation differences	–	–	–	–	42.6	42.6	–	42.6
Cash flow hedges – fair value losses in period	–	–	–	–	(6.5)	(6.5)	–	(6.5)
Net investment hedges – fair value losses in period	–	–	–	–	(5.5)	(5.5)	–	(5.5)
Deferred tax on hedges	–	–	–	–	3.3	3.3	–	3.3
Actuarial loss recognised in the pension scheme	–	–	–	(3.3)	–	(3.3)	–	(3.3)
Movement in restriction of retirement benefit asset in accordance with IAS 19	–	–	–	2.6	–	2.6	–	2.6
Total comprehensive income for the period ended 31 December 2008	–	–	–	29.9	33.9	63.8	1.1	64.9
Transactions with owners:								
Acquisition of minority interest	–	–	–	–	–	–	(1.0)	(1.0)
Reduction in minority interest	–	–	–	–	–	–	(0.4)	(0.4)
Share options								
– proceeds from shares issued	0.3	0.9	–	–	–	1.2	–	1.2
– value of employee services	–	–	–	1.2	–	1.2	–	1.2
– deferred tax on share options	–	–	–	(0.4)	–	(0.4)	–	(0.4)
	0.3	0.9	–	0.8	–	2.0	(1.4)	0.6
At 31 December 2008	33.1	8.4	1.0	163.6	39.4	245.5	0.7	246.2

Statement of changes in equity
for the half year ended 30 June 2009
continued

Unaudited	Share capital £m	Share premium £m	Special reserve £m	Retained earnings £m	Other reserves £m	Total £m	Minority interest £m	Total £m
At 1 January 2009	33.1	8.4	1.0	163.6	39.4	245.5	0.7	246.2
Profit for the period	-	-	-	19.1	-	19.1	1.3	20.4
Other comprehensive income:								
Currency translation differences	-	-	-	-	(13.3)	(13.3)	(0.2)	(13.5)
Cash flow hedges – fair value gains in period	-	-	-	-	1.6	1.6	-	1.6
Net investment hedges – fair value gains in period	-	-	-	-	2.7	2.7	-	2.7
Deferred tax on hedges	-	-	-	-	(1.2)	(1.2)	-	(1.2)
Actuarial loss recognised in the pension scheme	-	-	-	(2.7)	-	(2.7)	-	(2.7)
Movement in restriction of retirement benefit asset in accordance with IAS 19	-	-	-	2.5	-	2.5	-	2.5
Total comprehensive income for the period ended 30 June 2009	-	-	-	18.9	(10.2)	8.7	1.1	9.8
Transactions with owners:								
Share options								
– shares issued	0.2	0.3	-	-	-	0.5	-	0.5
– value of employee services	-	-	-	0.9	-	0.9	-	0.9
	0.2	0.3	-	0.9	-	1.4	-	1.4
At 30 June 2009	33.3	8.7	1.0	183.4	29.2	255.6	1.8	257.4

Consolidated cash flow statement

for the half year ended 30 June 2009

	Notes	Unaudited half year ended 30 June 2009 £m	Unaudited half year ended 30 June 2008 £m	Year ended 31 December 2008 £m
Cash flows from operating activities				
Cash generated from operating activities	6	32.5	25.6	70.9
Interest received		0.6	1.4	2.6
Interest received on restricted funds		(0.2)	(1.0)	(2.0)
Net interest received		0.4	0.4	0.6
Interest paid		(6.2)	(8.3)	(17.0)
Issue costs of new bank loans		–	(1.5)	(1.5)
Tax paid		(5.3)	(3.2)	(4.8)
Net cash inflow from operating activities		21.4	13.0	48.2
Cash flows from investing activities				
Purchase of businesses net of cash acquired		–	(3.6)	(3.6)
Purchase of businesses deferred consideration paid		–	(0.9)	(0.9)
Proceeds from sale of property, plant and equipment	5	0.9	1.3	2.7
Purchase of property, plant and equipment	5	(5.0)	(12.2)	(19.9)
Purchase of intangible assets		(0.3)	–	–
Dividend paid to minority interest		–	–	(0.4)
Net cash used in investing activities		(4.4)	(15.4)	(22.1)
Cash flows from financing activities				
Net proceeds from issue of ordinary share capital		–	0.6	1.2
Proceeds from borrowings		–	–	8.6
Finance lease principal payments		(3.1)	(2.9)	(6.1)
Repayment of borrowings	7	(12.1)	(2.2)	(20.0)
Settlement of loan notes	8	(3.7)	–	–
Net cash used in financing activities		(18.9)	(4.5)	(16.3)
Exchange (losses)/gains on cash, cash equivalents and bank overdrafts		(3.7)	0.1	5.5
Net (decrease)/increase in cash, cash equivalents and bank overdrafts		(5.6)	(6.8)	15.3
Opening cash, cash equivalents and bank overdrafts		30.5	15.2	15.2
Closing cash, cash equivalents and bank overdrafts	9	24.9	8.4	30.5
Reconciliation of net cash flow to movement in net debt (excluding IDC Scheme funds)*				
Net (decrease)/increase in cash and cash equivalents		(5.6)	(6.8)	15.3
Repayment of borrowings		12.1	2.2	20.0
Settlement of loan notes		3.7	–	–
Movement in obligations under finance leases		1.8	(2.2)	(0.2)
Proceeds from borrowings		–	–	(8.6)
Other movements in net debt		2.0	(3.0)	(2.8)
Movement in net debt during the period		14.0	(9.8)	23.7
Net debt* (excluding IDC Scheme funds) – opening		(165.5)	(189.2)	(189.2)
Net debt* (excluding IDC Scheme funds) – closing		(151.5)	(199.0)	(165.5)

* Net debt (excluding IDC Scheme funds) is calculated by deducting current and non current borrowings from cash and cash equivalents.

Notes to the financial statements

1. Preparation of interim accounts

The interim financial report has been prepared under the historical cost convention; as modified by the accounting for derivative financial instruments at fair value through profit or loss; and in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. This interim financial report does not comply with IAS 34 'Interim Financial Reporting', which is not currently required to be applied under AIM rules.

The same accounting policies and methods of computation are followed in the interim financial statements as the latest published audited accounts, which are available on the Company's website at www.capeplc.com.

Of the new standards, amendments and interpretations that are in issue and mandatory for the financial year end to 31 December 2009, there is no financial impact on this condensed consolidated financial report.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009 and have been adopted during the period:

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and the statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- IFRS 8, 'Operating segments'. IFRS 8 replaces IAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not resulted in any changes in the way segments are reported by the Group.

The financial information included in this interim financial report for the six months ended 30 June 2009 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and is unaudited. A copy of the Group's Annual Report and Accounts for the year ended 31 December 2008, which were prepared under IFRS have been delivered to the Registrar of Companies and include an auditors' report which was unqualified.

In forming their opinion on the 31 December 2008 financial statements, the auditors considered the adequacy of the disclosures made in the financial statements concerning the impact of, and accounting for, potential future claims for industrial disease compensation. A further independent actuarial estimate of the range of certain potential liabilities was performed in early 2008 based on the position at 31 December 2007, however, given the wide range of estimates and significant degree of uncertainty surrounding them, it has not been possible for the Directors to quantify, with sufficient reliability, the amount required to settle future claims. Accordingly at the current time claims are generally accounted for on the basis of claims lodged or settlements reached and outstanding at the balance sheet date. However, the Directors continue to keep the appropriateness of this accounting treatment under review.

If it were possible to assess reliably the present value of the amount required to settle future claims such that this was provided in the balance sheet, there would be a materially adverse effect on the Group's financial position. Details of the circumstances relating to this 'Emphasis of matter – contingent liability for industrial disease claims' are described in the contingent liability note in the annual report and accounts for the year ended 31 December 2008. The auditors' opinion was not qualified in this respect.

This interim financial report will be published on the Company's website, in addition to the paper version posted to shareholders. The maintenance and integrity of the Cape plc website is the responsibility of the Directors. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

2. Segmental reporting

Geographical segments

Six months ended 30 June 2009 (unaudited)

	United Kingdom £m	Gulf/Middle East £m	CIS, Med & NA £m	Far East/ Pacific Rim £m	Central costs £m	Group £m
Continuing operations						
Revenue	144.1	102.7	23.2	61.6	–	331.6
Operating profit/(loss) before other items	10.8	20.6	2.4	4.5	(3.6)	34.7
Amortisation of intangible assets	(0.2)	–	–	(1.2)	–	(1.4)
IDC costs	–	–	–	–	(2.0)	(2.0)
Operating profit/(loss)	10.6	20.6	2.4	3.3	(5.6)	31.3
Share of post tax profits of joint ventures	–	–	1.5	–	–	1.5
Total operating profit/(loss)	10.6	20.6	3.9	3.3	(5.6)	32.8
Finance income						0.8
Finance costs						(6.4)
Profit before tax						27.2
Taxation						(6.8)
Profit from continuing operations						20.4
Discontinued operations						
Loss attributable to discontinued operations	–	–	–	–	–	–
Attributable to:						
Equity shareholders						19.1
Minority interests						1.3
						20.4

There are no significant inter-segment sales between segments.

Notes to the financial statements continued

2. Segmental reporting (continued)

Geographical segments (continued)

Six months ended 30 June 2008 (unaudited)

	United Kingdom £m	Gulf/Middle East £m	CIS, Med & NA £m	Far East/ Pacific Rim £m	Central costs £m	Group £m
Continuing operations						
Revenue	143.5	49.6	27.9	74.9	–	295.9
Operating profit/(loss) before other items	10.8	11.6	3.4	6.4	(2.3)	29.9
Amortisation of intangible assets	(0.3)	–	–	(1.1)	–	(1.4)
IDC costs	–	–	–	–	(2.7)	(2.7)
Exceptional items	–	–	(0.7)	(1.8)	(1.0)	(3.5)
Total operating profit/(loss)	10.5	11.6	2.7	3.5	(6.0)	22.3
Finance income						1.4
Finance costs						(9.0)
Profit before tax						14.7
Taxation						(0.6)
Profit from continuing operations						14.1
Discontinued operations						
Loss attributable to discontinued operations	(0.2)	–	–	–	–	(0.2)
Attributable to:						
Equity shareholders						13.2
Minority interests						0.7
						13.9

There are no significant inter-segment sales between segments.

2. Segmental reporting (continued)

Geographical segments (continued)

Year ended 31 December 2008

	United Kingdom £m	Gulf/Middle East £m	CIS, Med & NA £m	Far East/ Pacific Rim £m	Central costs £m	Group £m
Continuing operations						
Revenue	309.0	112.0	54.4	147.3	–	622.7
Operating profit/(loss) before other items	27.0	23.1	5.8	16.1	(7.0)	65.0
Amortisation of intangible assets	(0.5)	–	–	(2.2)	–	(2.7)
IDC costs	–	–	–	–	(5.7)	(5.7)
Exceptional items	–	–	–	(2.7)	(1.4)	(4.1)
Operating profit/(loss)	26.5	23.1	5.8	11.2	(14.1)	52.5
Share of post tax profits of joint ventures	–	–	0.5	–	–	0.5
Total operating profit/(loss)	26.5	23.1	6.3	11.2	(14.1)	53.0
Finance income						2.8
Finance costs						(18.0)
Profit before tax						37.8
Taxation						(5.9)
Profit from continuing operations						31.9
Discontinued operations						
Loss attributable to discontinued operations	(0.2)	–	–	–	–	(0.2)
Attributable to:						
Equity shareholders						30.6
Minority interests						1.1
						31.7

There are no significant inter-segment sales between segments.

Business segment

	Unaudited half year ended 30 June 2009		Unaudited half year ended 30 June 2008		Year ended 31 December 2008	
	Revenue £m	Operating profit £m	Revenue £m	Operating profit £m	Revenue £m	Operating profit £m
Continuing operations						
Industrial Services	331.6	37.2	295.9	32.2	622.7	72.0
Central costs	–	(2.5)	–	(2.3)	–	(7.0)
Amortisation of intangible assets	–	(1.4)	–	(1.4)	–	(2.7)
IDC costs	–	(2.0)	–	(2.7)	–	(5.7)
Exceptional items	–	–	–	(3.5)	–	(4.1)
	331.6	31.3	295.9	22.3	622.7	52.5

3. Exceptional items

	Unaudited half year ended 30 June 2009 £m	Unaudited half year ended 30 June 2008 £m	Year ended 31 December 2008 £m
Continuing operations			
Reorganisation costs in relation to Australian acquisitions	–	2.5	2.9
Relocation of Head Office	–	1.0	1.2
	–	3.5	4.1

There have been no exceptional costs during the six months to June 2009.

4. Earnings per ordinary share

The basic earnings per share calculation for the 6 month period ended 30 June 2009 is based on the profit attributable to equity shareholders of £19.1 million (2008: £13.2 million) divided by the weighted average number of 25p ordinary shares of 114,989,087 (2008: 114,096,941).

The diluted earnings per share calculation for the 6 month period ended 30 June 2009 is based on the profit attributable to equity shareholders of £19.1 million (2008: £13.2 million) divided by the diluted weighted average number of 25p ordinary shares of 117,096,841 (2008: 116,228,163).

Share options are considered potentially dilutive as the average market price during the period was above the average exercise price.

The adjusted earnings per share calculations have been calculated after excluding the impact of amortisation, exceptional items, IDC related costs and interest income and the tax impact of these items.

Options are dilutive at the profit from continuing operations level and so, in accordance with IAS 33, have been treated as dilutive for the purpose of diluted earnings per share. Diluted loss per share is lower than basic loss per share in respect of discontinued operations because of the effect of losses on discontinued operations.

4. Earnings per ordinary share (continued)

	Unaudited half year ended 30 June 2009		Unaudited half year ended 30 June 2008		Year ended 31 December 2008	
	Earnings £m	EPS pence	Earnings £m	EPS pence	Earnings £m	EPS pence
Basic earnings per share						
Continuing operations	19.1	16.6	13.4	11.7	30.8	26.9
Discontinued operations	–	–	(0.2)	(0.2)	(0.2)	(0.2)
Basic earnings per share	19.1	16.6	13.2	11.5	30.6	26.7
Diluted earnings per share						
Continuing operations	19.1	16.3	13.4	11.5	30.8	26.4
Discontinued operations	–	–	(0.2)	(0.2)	(0.2)	(0.1)
Diluted earnings per share	19.1	16.3	13.2	11.3	30.6	26.3
Adjusted basic earnings per share						
Earnings from continuing operations	19.1	16.6	13.4	11.7	30.8	26.9
Amortisation of intangibles	1.4	1.2	1.4	1.2	2.7	2.3
Exceptional items	–	–	3.5	3.1	4.1	3.6
IDC related costs and interest income	1.6	1.4	1.7	1.5	3.7	3.2
Tax effect of adjusting items	(0.9)	(0.7)	(1.8)	(1.6)	(3.0)	(2.6)
Exceptional Australian tax credit	–	–	(3.0)	(2.6)	(3.3)	(2.9)
Adjusted earnings per share	21.2	18.5	15.2	13.3	35.0	30.5
Adjusted diluted earnings per share						
Earnings from continuing operations	19.1	16.3	13.4	11.5	30.8	26.4
Amortisation of intangibles	1.4	1.2	1.4	1.2	2.7	2.3
Exceptional items	–	–	3.5	3.1	4.1	3.5
IDC related costs and interest income	1.6	1.3	1.7	1.5	3.7	3.2
Tax effect of adjusting items	(0.9)	(0.7)	(1.8)	(1.6)	(3.0)	(2.6)
Exceptional Australian tax credit	–	–	(3.0)	(2.6)	(3.3)	(2.8)
Diluted adjusted earnings per share	21.2	18.1	15.2	13.1	35.0	30.0

5. Property, plant and equipment

During the six months ended 30 June 2009, the Group acquired assets with a cost of £6.3 million (2008: £17.5 million) and received proceeds from asset sales of £0.9 million (2008: £1.3 million) giving net capital expenditure of £5.4 million (2008: £16.2 million). The capital expenditure of £5.0 million (2008: £12.2 million) shown in the cash flow statement represents the actual cash outflow and therefore excludes purchases funded through finance leases.

6. Cash flow from operating activities

	Unaudited half year ended 30 June 2009 £m	Unaudited half year ended 30 June 2008 £m	Year ended 31 December 2008 £m
Cash flows from operating activities			
Continuing operations			
Operating profit for the period	31.3	22.3	52.5
Depreciation	7.8	7.7	15.3
Amortisation of intangibles	1.4	1.4	2.7
Share option charge	1.0	0.7	1.2
Difference between pension charge and cash contributions	(0.2)	(0.3)	(0.5)
(Profit)/loss on sale of property, plant and equipment	(0.1)	0.3	(0.8)
Share of profit of associates	1.5	–	0.5
Changes in working capital (excluding the effects of acquisitions and disposals)			
Decrease/(increase) in inventories	1.4	(2.4)	1.4
Increase in receivables	(3.1)	(10.5)	(21.6)
(Decrease)/increase in payables	(10.4)	4.2	15.2
Increase/(decrease) in provisions	–	0.7	2.4
Operating movements relating to Scheme	1.9	2.0	3.6
Cash generated from continuing operations	32.5	26.1	71.9
Discontinued operations			
Loss for the period	–	(0.2)	(0.2)
Decrease/(increase) in receivables	–	0.1	(0.1)
Decrease in payables	–	(0.4)	(0.7)
Cash outflow from discontinued operations	–	(0.5)	(1.0)
Cash generated from operating activities	32.5	25.6	70.9

7. Repayment of borrowings

The repayment of borrowings shown in the cash flow statement represents a £7.5 million scheduled repayment in addition to a £4.6 million reduction of the revolving facility in the UK and Australia which could be redrawn at the discretion of Cape.

8. Settlement of loan notes

The loan notes relate to deferred consideration payable for the acquisition of the DBI Group which took place during 2006. These loan notes were settled during January 2009.

9. Cash and cash equivalents

For the purpose of the interim consolidated cash flow statement, cash and cash equivalents are comprised of the following:

	Unaudited half year ended 30 June 2009 £m	Unaudited half year ended 30 June 2008 £m	Year ended 31 December 2008 £m
Cash and cash equivalents	32.7	15.7	33.3
Bank overdraft	(7.8)	(7.3)	(2.8)
Cash and cash equivalents including overdraft	24.9	8.4	30.5

10. Contingent liabilities

The Group discloses contingent liabilities in relation to industrial disease claims, leasehold properties, an employment tribunal and guarantees and bonds in the Annual Report and Accounts. Details of these contingent liabilities, which are unchanged since 31 December 2008, can be found in the Annual Report and Accounts for the year ended 31 December 2008 in note 32. As referred to in note 1, the auditors' report for the year ended 31 December 2008 included an emphasis of matter in respect of the contingent liability for industrial disease claims.

11. Retirement benefits asset

The last triennial actuarial valuation was performed in April 2007. In accordance with IAS 19 the valuation as at 31 December 2008 was updated to reflect the latest actuarial assumptions and asset values to June 2009.

The surplus on the Scheme as calculated under IAS 19 is £7.5 million (31 December 2008: £10.0 million). In accordance with IFRIC 14, the Group must consider the minimum funding requirements of the pension scheme. This has resulted in the surplus recognised in the pension scheme being reduced to £nil (31 December 2008: £nil).

Directors, officers and advisers

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Non-Executive Chairman

Martin May
Chief Executive

Richard Bingham
Chief Financial Officer

David Robins¹²³⁴⁵
Non-Executive Director

David McManus¹²³⁴
Non-Executive Director

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Group Company Secretary

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1 Non-Executive
2 Audit Committee
3 Remuneration Committee
4 Nomination Committee
5 Senior Independent Non-Executive Director

- 1 Constant currency figures reflect actual 2009 interim results retranslated using the foreign currency exchange rates used for the interim 2008 reporting.
- 2 Adjusted operating profit (EBITA) comprises profit before interest and taxation of £32.8 million (2008: £22.3 million), adjusted for exceptional items of £nil (2008: £3.5 million), IDC charge of £2.0 million (2008: £2.7 million) and amortisation of intangible assets of £1.4 million (2008: £1.4 million).
- 3 Adjusted diluted earnings per share is calculated by dividing adjusted operating profit, net of tax, by the weighted average number of ordinary shares in issue during the period adjusted to assume conversion of all potentially dilutive ordinary shares.
- 4 Net debt is calculated by deducting current borrowings of £35.8 million (2008: £36.9 million) and non current borrowings of £148.4 million (2008: £177.8 million) from cash and cash equivalents of £32.7 million (2008: £15.7 million).
- 5 Operating profit margin is calculated as adjusted operating profit of £36.2 million (2008: £29.9 million) less the share from joint ventures of £1.5 million (2008: £nil) divided by revenue of £331.6 million (2008: £295.9 million).
- 6 Headline PBT comprises profit before tax of £27.2 million (2008: £14.7 million), adjusted for exceptional items of nil (2008: £3.5 million), IDC charge of £2.0 million (2008: £2.7 million), IDC finance income of £0.4 million (2008: £1.0 million) and amortisation of intangible assets of £1.4 million (2008: £1.4 million).
- 7 Operating cash conversion is defined as cash generated from operating activities of £32.5 million (2008: £25.6 million) divided by adjusted EBITDA⁽¹⁰⁾.
- 8 Gearing is net debt divided by total equity.
- 9 Ratio of net debt to annualised adjusted EBITDA is calculated by dividing the net debt figure at the period end of £151.5 million (2008: £199.0 million) by twice the adjusted EBITDA of £44.0 million (2008: £37.6 million).
- 10 Adjusted EBITDA is calculated by adding back depreciation of £7.8 million (2008: £7.7 million) to adjusted operating profit of £36.2 million (2008: £29.9 million).
- 11 FCMA is calculated as annualised operating profit (before share from joint ventures) of £34.7 million (2008: £29.9 million) divided by average managed assets.
- 12 Managed assets is calculated by deducting the trade and other payables of £109.9 million (2008: £99.7 million) from the sum of property, plant and equipment of £140.4 million (2008: £142.0 million), inventories of £12.5 million (2008: £18.5 million) and trade and other receivables of £178.2 million (2008: £157.3 million).
- 13 Interest cover is calculated by dividing the adjusted EBITA of £36.2 million (2008: £29.9 million) by the finance costs of £6.4 million (2008: £9.0 million).



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