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For immediate release 18 January 2006

Bespak plc

Interim results for the 26 weeks to 29 October 2005

Bespak (LSE: BPK), a leader in specialty medical devices, today announces its interim results for the 26 weeks to 29 October 2005.

HIGHLIGHTS

- Revenue increased 6% to £41.2m (2004: £38.9m). Respiratory sales grew by 10%.
- Profit before tax and exceptional items increased 3% to £5.8m (2004: £5.7m). After exceptional items associated with closure of the US manufacturing facility in North Carolina, profit before tax increased to £6.8m (2004: £1.8m).
- Earnings per share before exceptional items increased 7% to 16.5p (2004: 15.4p). After exceptional items, earnings per share increased to 20.0p (2004: 0.9p).
- Interim dividend of 7.0p per share to be maintained (2004: 7.0p).
- Following the recommendations from clinical advisory panels in the US and in Europe, Bespak awaits the approval of Exubera®.
- Delivery of key corporate objective in acquisition of King Systems Corporation, a leading US supplier of disposable airway management products, for US$95m.
- Dr. Peter Fellner appointed a non-executive director.

Mark Throdahl, Bespak's Chief Executive, commented:

"Bespak performed in line with expectations during the first half. Respiratory showed strong growth and we await the approval of Exubera®. Our recent acquisition of King Systems moves Bespak into related markets for airway management products which will help generate more consistent future sales and earnings performance."

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About Bespak plc
Bespak, a leader in specialty medical devices, develops delivery systems for the pharmaceutical industry and disposable airway management products for critical care settings. Bespak's product range includes metered dose and dry powder inhalers, actuators, inflation valves, disposable face masks, breathing circuits and laryngeal tubes. The group, which has facilities in King's Lynn and Milton Keynes in the UK and Indianapolis and Kent, Ohio, in the US, is quoted on the Official List of the London Stock Exchange (LSE: BPK). For more information, please visit www.bespak.com.

Nothing in this announcement should be construed as a profit forecast or be interpreted to mean that the future earnings per share or profits of Bespak will necessarily be greater than the historic published earnings per share.

Bespak plc

Interim results for the 26 weeks to 29 October 2005

OVERVIEW

In the 26 weeks to 29 October 2005, Bespak increased sales of products and services by 6%, generated 3% growth in profit before tax and exceptionals, and increased earnings per share before exceptionals by 7% compared with the corresponding period last year. The Group benefited from continued growth in HFA valve sales as well as the replenishment of the CFC valve supply chain in the US following the FDA's ruling on the phase-out of CFC aerosol formulations. Also, the Group benefited from the inventory building by US customers in advance of closure of our manufacturing facility in Cary, North Carolina.

Sales of products and services increased by 6% to £40.5m (2004: £38.3m) and, including sales of tooling and equipment, revenue increased by 6% to £41.2m (2004: £38.9m). Operating profit before exceptionals increased by 3% to £5.7m (2003: £5.5m). Profit before tax and exceptionals increased by 3% to £5.8m (2004: £5.7m). Earnings per share before exceptionals increased by 7% to 16.5p (2004: 15.4p).

As a result of our ability to sell the building and certain plant and equipment at prices higher than anticipated, together with reduced closure costs, an exceptional gain of £0.9m was booked in our US manufacturing operation in Cary, North Carolina. Consequently, profit before tax increased to £6.8m (2004: £1.8m), whilst earnings per share increased to 20.0p (2004: 0.9p).

The Board is maintaining an interim dividend of 7.0p per share, which is payable on 27 February 2006 to those shareholders on the register on 27 January 2006. The Group's net cash as at 29 October 2005 increased to £18.8m (2004: £15.0m), reflecting lower-than-planned capital expenditure and disposal of certain US assets.

OPERATIONAL REVIEW

Bespak's operations are managed as four divisions: Respiratory, Device and Manufacturing Services, Consumer Dispensers and the recently acquired King Systems Corporation. An update on each is given in turn.

Respiratory

The Respiratory business designs, manufactures and sells metered dose inhaler (MDI) valves, actuators and accessories to deliver respiratory drugs to the lung and nasal mucosa. Sales grew by 10% to £21.3m (2004: £19.4m).

As a result of the Montreal Protocol ozone depletion agreement, the chlorofluorocarbon (CFC) propellant gas used in aerosol asthma formulations is being converted to hydrofluoroalkane (HFA). Over the past 8 years, HFA valves have grown from 10% to 35% of the aerosol asthma market, and the transition to these new formulations has enabled Bespak to become the MDI market leader by value. Bespak has the widest array of HFA valve designs in the industry.

While Europe is largely converted to HFA systems, the US is not. In March 2005, the FDA announced that aerosol albuterol formulations containing CFC cannot be sold after 31 December 2008. Bespak enjoys strong positions in both CFC and HFA valves.

Bespak's valves are under active consideration by a number of current and prospective customers, and we have been particularly encouraged by market reception to our new Easifill™ valve, which was launched for sampling in the period, requires no priming and provides greater dosing accuracy and reduced waste. We believe that we have won valve programmes for more than two-thirds of the HFA formulations approved around the world. Bespak's HFA sales were 60% of its total valve sales (2004: 43%) in the period.

Last year, we announced our intention to develop the capability to industrialise and manufacture rubber seals for our HFA valves. This specialised capability will complement the Group's investments in developing proprietary elastomers, whose supply and intellectual property can best be protected if we manufacture these products ourselves. Based at King's Lynn, this vertical integration programme has made outstanding progress, and we are now manufacturing bulk elastomers for finishing by our suppliers.

In December, Bespak was given the 2005 Frost & Sullivan Award for Technological Innovation. This award is given to a company that has demonstrated technological superiority in its industry. It recognises Bespak's continuous innovations in MDI valves, complemented by its range of manufacturing services to pharmaceutical and healthcare companies.

Device & Manufacturing Services (DMS)

The DMS business provides a comprehensive range of device-related services to pharmaceutical and drug delivery companies. Sales increased by 2% to £16.5m (2004: £16.2m), including the inventory build by US customers in anticipation of the Cary plant's closing. DMS also benefited from growing sales of Innovata's ClickHaler®, under license to UCB, Merck Generics in Europe and Otsuka in Japan. The Group is also developing the manufacturing process for Duohaler®, which is Innovata's next generation device for combination therapies.

In conjunction with Nektar Therapeutics, Bespak is developing the manufacturing process for the inhaler device that will deliver the world's first inhaled insulin, Exubera®. Nektar is collaborating with Pfizer, Inc to develop the inhalation device and formulation process for Exubera®. Bespak is increasingly confident in the prospects for growth from Exubera® and awaits regulatory approval on both sides of the Atlantic.

The European regulatory filing for Exubera® was made in February 2004, and in October 2005 the Committee for Medicinal Products (CHMP) of the EMEA recommended its approval. European Union member states have 90 days to comment. The US regulatory filing for Exubera® was made in March 2005, and in September the FDA's clinical advisory panel recommended approval of this filing. Pfizer has indicated that clinical studies show that Exubera® is at least equivalent to injected insulin but is strongly preferred by patients and has stated that "when approved by regulators, Exubera® will be the most important advance in insulin administration since injections were introduced 80 years ago".

The DMS business continues to bid on a number of new development programmes.

Consumer Dispensers

This business manufactures pumps for consumer household products, toiletries and fragrances. Sales declined by 3% to £2.7m (2004: £2.8m). However, this autumn the division launched a new generation fine mist spray pump which shows considerable promise, as well as recruiting additional commercial personnel to strengthen our customer-facing presence on continental Europe.

King Systems Corporation

On 22 December, Bespak acquired King Systems Corporation, a leading US manufacturer of disposable airway management products, for an aggregate consideration of US$85m (less net debt to be assumed by Bespak), assuming that King's earnings before interest, taxes and depreciation are US$9.3m for the year ended 31 December 2005. A further US$10m in cash will be paid approximately one year from now assuming King's EBITDA grows to US$11m for the year ended 31 December 2006.

King manufactures disposable anaesthesia masks, breathing circuits, and laryngeal tubes. It is a stable business with consistent growth in recent years and strong growth in 2005. King strengthens Bespak's footprint in the large US market and is a complementary business with many manufacturing similarities to the Respiratory and DMS businesses. King's experienced management team, which built the business, is incentivised and committed to stay. King is a platform for future acquisitions in a large and fragmented anaesthesiology and respiratory care disposables markets here and in the US. We will manage King as a stand-alone division of Bespak.

Cary Closure

In September, the Group closed its manufacturing facility in Cary, North Carolina. Over the preceding year, we have worked with customers on the orderly transfer of certain production to our facilities in King's Lynn and Milton Keynes. These transfers were accomplished on time and under budget. In December, the Group completed the sale of the Cary site for US$5.3m and as a result incurred an exceptional gain of US$0.8 million (which is included in the exceptional income) on the provision made one year ago.

DIRECTORS

After completing two complete terms, Sir John Chisholm retired as a non-executive director at the AGM. The Board would like to thank him for his valuable contribution.

In November, we appointed Dr Peter Fellner to the Board. Dr. Fellner is Chairman of Vernalis plc and Astex Therapeutics Ltd. He is a Non-Executive Director of UCB SA, Qinetiq Group plc, Evotec AG and Isis Innovation Ltd. From 1990 to 2003 he was Chief Executive of Celltech Group plc, following which he was Chairman until 2004, when the business was acquired by UCB.

Growth Strategy

Bespak's strategy is to capitalise on its leading position as a manufacturer of specialty medical devices by growing organically and by acquisition. We believe that the Group can continue to grow market share in MDI valves through its research and development programmes, and we aim to develop several new valve platforms by 2006 and grow the business internationally. We plan to build on past successes in Device & Manufacturing Services by adding new programmes each year.

Our overall objective is to build a strong and consistent sales and earnings track record by complementing organic growth with selective acquisitions that either infill current businesses or take the Group into new, but related, product areas. The acquisition of King Systems in December is an attractive first step in our strategy to diversify into medical devices sold to hospital customers, broadens the Group's business beyond pharmaceutical development programmes, and adds substantially to its scale.

International Financial Reporting Standards

The interim results for the 26 weeks to 29 October 2005 are the first to be prepared under International Financial Reporting Standards. Full details of the changes in accounting policies were published on 13 January 2006 and are available on the Group's website (www.bespak.com).

Outlook

The Board is optimistic about the Group's growth prospects, particularly because of the improved business mix accomplished by the acquisition of King Systems. Three key issues will impact future performance. Firstly, US customers are continuing to develop their marketing plans for the replacement of CFC with HFA in albuterol formulations, and we will continue to benefit from the continued growth in HFA valves. Secondly, Bespak awaits the approval of Exubera® in Europe and the USA. Thirdly, we anticipate continued growth from the acquisition of King Systems.

In the second half, as previously indicated, we anticipate additional expenditure to strengthen the business, cost increases in energy and raw materials, and the reversal of inventory building by customers of previously US-manufactured products transferred to the UK. Nevertheless, we anticipate some improvements to offset these cost pressures.

We have demonstrated our ability to implement growth initiatives and deliver on our strategic objective to acquire a medical device business that sells to non-pharmaceutical customers. The Board has good reason to be positive about the Group's growth prospects.

Mark C. Throdahl
Chief Executive
17 January 2006

Consolidated Income Statement (unaudited)

For the 26 weeks to 29 October 2005

	Note	**26 weeks to 29 October 2005 £000**	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Sales of products and services		**40,498**	38,344	77,894
Sales of tooling and equipment		**724**	595	1,492
Revenue	2	**41,222**	38,939	79,386
Operating expenses		**(35,527)**	(33,414)	(68,831)
Exceptional operating income/(expenses)	3	**938**	(3,867)	(6,066)
Operating profit		**6,633**	1,658	4,489
Operating profit before exceptionals		**5,695**	5,525	10,555
Exceptional operating income/(expenses)		**938**	(3,867)	(6,066)
Operating profit		**6,633**	1,658	4,489
Net finance income	4	**138**	156	344
Share of joint ventures and associates		**(7)**	(22)	(17)
Profit before tax		**6,764**	1,792	4,816
Taxation	5	**(1,410)**	(1,540)	(2,498)
Profit for the financial period		**5,354**	252	2,318
Basic earnings per share before exceptionals	6	**16.5p**	15.4p	31.3p
Basic earnings/(loss) per share on exceptionals	6	**3.5p**	(14.5p)	(22.6p)
Basic earnings per share	6	**20.0p**	0.9p	8.7p
Diluted earnings per share before exceptionals	6	**16.3p**	15.2p	30.9p
Diluted earnings/(loss) per share on exceptionals	6	**3.4p**	(14.3p)	(22.4p)
Diluted earnings per share	6	**19.7p**	0.9p	8.5p

All amounts relate to continuing operations.

Consolidated Balance Sheet (unaudited)

At 29 October 2005

	Note	**29 October 2005 £000**	30 October 2004 £000	30 April 2004 £000
Non-current assets				
Property, plant and equipment		**47,328**	53,154	51,159
Intangible assets		**94**	205	130
Investment in associates		**262**	286	269
Available-for-sale financial assets		**-**	236	77
		47,684	53,881	51,635
Non-current assets held for resale	8	**2,986**	-	-
Current assets				
Inventories		**5,759**	4,982	6,082
Trade and other receivables		**13,905**	11,962	14,616
Financial instruments		**-**	84	88
Cash and cash equivalents		**22,822**	21,114	20,302
		42,486	38,142	41,088
Current liabilities				
Short-term borrowings and overdrafts		**(4,019)**	(6,084)	(2,887)
Financial instruments		**(35)**	-	-
Trade and other payables		**(10,159)**	(9,006)	(11,621)
Current tax liabilities		**(1,436)**	(1,816)	(1,618)
Provisions		**(416)**	-	(2,054)
		(16,065)	(16,906)	(18,180)
Net current assets		**26,421**	21,236	22,908
Non-current liabilities				
Deferred taxation		**(79)**	(919)	(443)
Retirement benefit obligations		**(17,060)**	(15,285)	(15,703)
Provisions		**-**	(268)	-
Other liabilities		**-**	(798)	(399)
		(17,139)	(17,270)	(16,545)
Net assets		**59,952**	57,847	57,998
Shareholders' equity				
Share capital		**2,684**	2,681	2,681
Share premium		**23,191**	23,051	23,051
Retained earnings		**34,077**	32,115	32,266
Total equity		**59,952**	57,847	57,998

The financial statements were approved by the Board on 17 January 2006

Consolidated Cash Flow Statement (unaudited)

For the 26 weeks to 29 October 2005

	Note	**26 weeks to 29 October 2005 £000**	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Cash flows from operating activities				
Operating profit before taxation		**6,633**	1,658	4,489
Depreciation and amortisation		**3,477**	3,961	7,637
Impairment (credit)/charge		**(699)**	3,867	3,784
Decrease/(increase) in inventories		**374**	978	(171)
Decrease/(increase) in trade and other receivables		**1,069**	(1,473)	(4,169)
(Decrease)/increase in trade and other payables		**(1,777)**	(1,762)	198
(Decrease)/increase in provisions		**(1,824)**	11	1,887
Other non-cash movements		**139**	265	563
Cash generated from operations		**7,392**	7,505	14,218
Interest paid		**(35)**	(59)	(157)
Tax paid		**(1,644)**	(1,120)	(2,608)
Net cash inflow from operating activities		**5,713**	6,326	11,453
Cash flows from investing activities				
Purchases of property, plant and equipment		**(2,078)**	(1,016)	(2,590)
Proceeds from sale of property, plant and equipment		**398**	-	4
Purchase of other assets		**-**	(8)	-
Disposal of other assets		**82**	-	66
Interest received		**440**	422	900
Net cash used in investing activities		**(1,158)**	(602)	(1,620)
Cash flows from financing activities				
Net proceeds from issue of ordinary share capital		**231**	10	12
Equity dividends paid to shareholders		**(3,241)**	(3,237)	(5,111)
Net cash used in financing activities		**(3,010)**	(3,227)	(5,099)
Net increase in cash and cash equivalents	9	**1,545**	2,497	4,734
Effects of exchange rate changes		**(157)**	213	361
Cash and cash equivalents at start of period		**17,415**	12,320	12,320
Cash and cash equivalents at end of period		**18,803**	15,030	17,415
Cash and cash equivalents consist of:				
Cash and cash equivalents		**22,822**	21,114	20,302
Overdrafts and short-term loans		**(4,019)**	(6,084)	(2,887)
		18,803	15,030	17,415

Consolidated Statement of Changes in Equity (unaudited)

For the 26 weeks to 29 October 2005

	Note	**26 weeks to 29 October 2005 £000**	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Total equity at start of period		**57,998**	62,318	62,318
Profit for the period		**5,354**	252	2,318
Exchange differences on translation of foreign subsidiaries		**85**	(39)	(142)
Movements due to share-based payments		**420**	157	397
Actuarial losses on defined benefit pension scheme		**(949)**	(2,291)	(2,546)
Taxation on items taken directly to equity		**285**	687	764
Equity dividends	7	**(3,241)**	(3,237)	(5,111)
Total equity at end of period		**59,952**	57,847	57,998

Notes to the Accounts

1. Basis of preparation and accounting policies

For all periods up to and including the 52 weeks to 30 April 2005, Bespak plc prepared its financial statements in accordance with UK Generally Accepted Accounting Principles (UK GAAP). From 1 May 2005, Bespak plc is required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU). The first results reported under IFRS are for the 26 weeks to 29 October 2005 and the comparative information is also presented in accordance with IFRS. On 13 January 2006, the Group reported on the impact of IFRS on its results for the 26 weeks to 30 October 2004 and the 52 weeks to 30 April 2005, including the most significant accounting policies. Details are provided in the document 'Adoption of International Financial Reporting Standards (IFRS)' that is available on the Group's website (www.bespak.com) or from the Company Secretary.

The financial information has been prepared in accordance with all IFRS and IFRIC interpretations that had been published by 29 October 2005 and apply to accounting periods beginning on or after 1 May 2005. The standards used are those endorsed by the EU together with those standards and interpretations that have been issued by the IASB but had not been endorsed by the EU by 29 October 2005. The 2004 comparative information has, as permitted by the exemption in IFRS 1, not been prepared in accordance with IAS 32 'Financial instruments: Disclosure and presentation' and IAS 39 'Financial instruments: Recognition and measurement'. Further standards and interpretations may be issued that will be applicable for financial years beginning on or after 1 May 2005 or that are applicable to later accounting periods but may be adopted early. Therefore, the Group's first full IFRS financial statements to 29 April 2006 may be prepared in accordance with some different accounting policies from the financial information presented here. IFRS is currently being applied in the United Kingdom and in a large number of other countries simultaneously for the first time. Furthermore, due to a number of new and revised Standards included within the body of Standards that comprise IFRS, there is not yet a significant body of established practice on which to draw in forming opinions regarding interpretation and application. Accordingly, practice is continuing to evolve. At this preliminary stage therefore, the full financial effect of reporting under IFRS as it will be applied and reported on in the Group's first IFRS financial statements cannot be determined with certainty and may be subject to change.

This interim report is unaudited and does not constitute audited accounts within the meaning of the Companies Act 1985. The accounts for the year ended 30 April 2005, on which the auditors gave an unqualified audit opinion, were prepared in accordance with UK GAAP and have been filed with the Registrar of Companies.

2. Segmental analysis

Revenue by business	**26 weeks to 29 October 2005 £000**	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Respiratory	**21,331**	19,367	39,681
Device & Manufacturing Services	**16,488**	16,201	32,836
Consumer Dispensers	**2,679**	2,776	5,377
Sales of products and services	**40,498**	38,344	77,894
Sales of tooling and equipment	**724**	595	1,492
	41,222	38,939	79,386

Revenue by destination	**26 weeks to 29 October 2005 £000**	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
United Kingdom	**11,428**	12,776	23,613
United States of America	**16,986**	12,666	27,808
Europe	**9,275**	9,722	20,276
Rest of the World	**3,533**	3,775	7,689
	41,222	38,939	79,386

Revenue by origin	**26 weeks to 29 October 2005 £000**	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
United Kingdom	**37,327**	33,635	67,882
United States of America	**6,812**	8,835	18,923
Total sales	**44,139**	42,470	86,805
Intra-group sales	**(2,917)**	(3,531)	(7,419)
	41,222	38,939	79,386

2. Segmental analysis (continued)

Operating profit by origin	26 weeks to 29 October 2005 £000	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
United Kingdom			
Operating profit before exceptionals	**4,878**	5,381	9,022
United States of America			
Operating profit before exceptionals	**817**	144	1,533
Exceptional operating income/(expenses)	**938**	(3,867)	(6,066)
	1,755	(3,723)	(4,533)
Group			
Operating profit before exceptionals	**5,695**	5,525	10,555
Exceptional operating income/(expenses)	**938**	(3,867)	(6,066)
	6,633	1,658	4,489

Net operating assets by origin	26 weeks to 29 October 2005 £000	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
United Kingdom	**55,907**	56,260	55,091
United States of America	**985**	4,323	4,964
Allocated net operating assets	**56,892**	60,583	60,055
Investments	**262**	522	346
Non-current assets held for sale	**2,986**	-	-
Taxation	**(1,515)**	(2,735)	(2,061)
Retirement benefit obligations and provisions	**(17,476)**	(15,553)	(17,757)
Cash and cash equivalents	**18,803**	15,030	17,415
Net assets	**59,952**	57,847	57,998

Exchange rates	26 weeks to 29 October 2005	26 weeks to 30 October 2004	52 weeks to 30 April 2005
Average rate of exchange US$: £1	**1.80**	1.81	1.85
Closing rate of exchange US$: £1	**1.78**	1.83	1.91

3. Exceptional items

	26 weeks to 29 October 2005 £000	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Exceptional operating income/(expenses)	**938**	(3,867)	(6,066)
Taxation	**-**	-	-
Exceptional items after tax	**938**	(3,867)	(6,066)

The exceptional operating expenses in the 26 weeks to 29 October 2005 comprise the reversal of closure provisions and impairment provisions against the carrying value of the Group's fixed assets in the United States, following closure of the manufacturing facility in North Carolina. The exceptional operating expenses in the 26 weeks to 30 October 2004 comprised an impairment charge for the land and buildings. The exceptional operating expenses in the 52 weeks to 30 April 2005 comprised an impairment charge for the land, buildings, plant and equipment, together with a provision for closure costs.

4. Net finance income

	26 weeks to 29 October 2005 £000	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Interest receivable	**468**	445	894
Expected return on defined benefit pension scheme assets	**764**	733	1,505
Interest income	**1,232**	1,178	2,399
Interest payable	**(74)**	(83)	(157)
Interest cost on defined benefit pension scheme liabilities	**(1,020)**	(939)	(1,898)
Interest expense	**(1,094)**	(1,022)	(2,055)
Net finance income	**138**	156	344

5. Taxation

The tax charge for the 26 weeks to 29 October 2005 is based on the estimated effective tax rate for the full year.

6. Earnings per share

	26 weeks to 29 October 2005 £000	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Profit before tax	**6,764**	1,792	4,816
Exceptional operating (income)/expenses	**(938)**	3,867	6,066
Profit before tax and exceptionals	**5,826**	5,659	10,882
Taxation	**(1,410)**	(1,540)	(2,498)
Profit after tax before exceptionals	**4,416**	4,119	8,384
Exceptional operating income/(expenses) after tax	**938**	(3,867)	(6,066)
Profit for the financial period	**5,354**	252	2,318
Weighted average number of ordinary shares in issue (shares)	**26,815,740**	26,805,889	26,805,889
Shares owned by Employee Share Ownership Trusts (shares)	**(16,141)**	(42,664)	(34,114)
Basic average number of ordinary shares in issue (shares)	**26,799,599**	26,763,225	26,771,775
Dilutive impact of share options outstanding (shares)	**346,816**	255,674	353,691
Diluted average number of ordinary shares in issue (shares)	**27,146,415**	27,018,899	27,125,466
Basic earnings per share before exceptional items (pence)	**16.5p**	15.4p	31.3p
Basic profit/(loss) per share on exceptional items (pence)	**3.5p**	(14.5p)	(22.6p)
Basic earnings per share (pence)	**20.0p**	0.9p	8.7p
Diluted earnings per share before exceptional items (pence)	**16.3p**	15.2p	30.9p
Diluted profit/(loss) per share on exceptional items (pence)	**3.4p**	(14.3p)	(22.4p)
Diluted earnings per share (pence)	**19.7p**	0.9p	8.5p

7. Dividends

	26 weeks to 29 October 2005 £000	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Final dividend paid of 12.1p per share (2004: 12.1p)	**3,241**	3,237	3,237
Interim dividend paid of 7.0p per share (2004: 7.0p)	**-**	-	1,874
	3,241	3,237	5,111

An interim dividend of 7.0p per share (2004: 7.0p) is proposed to be paid in respect of the 26 weeks to 29 October 2005.

8. Non-current assets held for resale

The property in North Carolina has been categorised as an asset held for resale, such that depreciation is no longer charged. The property was sold in December 2005 for its carrying value at October 2005 of US$5.3 million (£3.0 million).

9. Reconciliation of net cash flow to movement in net cash

	Cash and cash equivalents £000	Short-term borrowings £000	Total net cash £000
At 1 May 2005	20,302	(2,887)	17,415
Cash flow for the period	2,475	(930)	1,545
Exchange rate adjustments	45	(202)	(157)
At 29 October 2005	**22,822**	**(4,019)**	**18,803**

Net cash inflow from operating activities includes an outflow of £1,352,000 in the 26 weeks to 29 October 2005, an outflow of £nil in the 26 weeks to 30 October 2004 and an outflow of £235,000 in the 52 weeks to 30 April 2005 relating to exceptional operating income/expenses.

10. Transition from UK GAAP to IFRS

The impact of the adoption of IFRS on the income for the 26 weeks to 30 October 2004 and the 52 weeks to 30 April 2005 is as follows:

	26 weeks to 30 October 2004 £000	52 weeks to 30 April 2005 £000
Profit for the financial period (UK GAAP)	306	2,728
Share-based payments	(65)	(236)
Pension charges	(272)	(486)
Holiday pay	167	8
Associates	-	22
Financial instruments	120	124
Deferred taxation	(4)	158
Profit for the financial period (IFRS)	252	2,318

The impact of the adoption of IFRS on total equity at 2 May 2004, at 30 October 2004 and at 30 April 2005 is as follows:

	2 May 2004 £000	30 October 2004 £000	30 April 2005 £000
Total equity (UK GAAP)	67,983	66,513	65,594
Pension deficit	(12,647)	(15,210)	(15,679)
Holiday pay	(289)	(122)	(281)
Proposed dividend	3,237	1,875	3,241
Financial instruments	(36)	84	88
Deferred taxation	4,070	4,707	5,035
Total equity (IFRS)	62,318	57,847	57,998