

Independent review report to Consort Medical plc

Introduction

We have been engaged by the company to review the condensed consolidated interim financial information in the half-yearly financial report for the six months ended 31 October 2011, which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Cash flow Statement, the Consolidated Statement of Changes in Shareholders' Equity and related 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.

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 Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

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. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom. 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 31 October 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
Cambridge

30 November 2011

Notes:

- (a) The maintenance and integrity of the Consort Medical plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of directors' responsibilities

The directors confirm, to the best of their knowledge, that these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- 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
- Material related-party transactions in the first six months of the financial year and any material changes in the related party transactions described in the last Annual Report.

The directors of Consort Medical plc are listed in the Consort Medical plc Annual Report for the year ended 30 April 2011. A list of current directors is maintained on the Consort Medical plc website: www.consortmedical.com.

By order of the Board

Toby Woolrych
Group Finance Director
30 November 2011

Consolidated Income Statement
For the period 1 May to 31 October 2011

| | <i>Notes</i> | Unaudited 1 May to 31 October 2011 | Unaudited 1 May to 31 October 2010 | Audited 1 May 2010 to 30 April 2011 |
|--|--------------|---|--|---|
| | | £000 | £000 | £000 |
| Revenue from products and services | | 68,762 | 65,566 | 126,806 |
| Revenue from tooling and equipment | | 2,358 | 4,011 | 5,567 |
| Revenue | 2 | 71,120 | 69,577 | 132,373 |
| Operating expenses | | (58,680) | (60,405) | (116,595) |
| Operating profit before special items | | 11,183 | 10,087 | 20,452 |
| Special items | 3 | 1,257 | (915) | (4,674) |
| Operating profit | 2 | 12,440 | 9,172 | 15,778 |
| Finance income | | 1 | 25 | 28 |
| Finance costs | | (1,241) | (1,310) | (2,461) |
| Other finance income / (costs) | 4 | 282 | (410) | (645) |
| Profit before tax and special items | | 10,225 | 8,392 | 17,374 |
| Special items | 3 | 1,257 | (915) | (4,674) |
| Profit before tax | | 11,482 | 7,477 | 12,700 |
| Tax on profit before special items | | (2,564) | (2,263) | (4,261) |
| Tax on special items | 3 | (219) | 481 | 1,917 |
| Tax | 5 | (2,783) | (1,782) | (2,344) |
| Profit for the financial period | | 8,699 | 5,695 | 10,356 |
| Basic earnings per ordinary share | 6 | 30.3p | 19.8p | 36.0p |
| Diluted earnings per ordinary share | 6 | 29.5p | 19.3p | 35.3p |
| Non-GAAP measure: | | | | |
| Adjusted profit before tax (£000) | | 10,225 | 8,392 | 17,374 |
| Adjusted profit after tax (£000) | 6 | 7,661 | 6,129 | 13,113 |
| Adjusted earnings per ordinary share | 6 | 26.7p | 21.3p | 45.5p |
| Adjusted diluted earnings per ordinary share | 6 | 25.9p | 20.7p | 44.7p |

Consolidated Statement of Comprehensive Income
For the period 1 May to 31 October 2011

| | <i>Notes</i> | Unaudited 1 May to 31 October 2011 £000 | Unaudited 1 May to 31 October 2010 £000 | Audited 1 May 2010 to 30 April 2011 £000 |
|--|--------------|--|---|---|
| Profit for the financial period | | 8,699 | 5,695 | 10,356 |
| Other comprehensive income | | | | |
| Fair value movements on cash flow hedges (net of tax) | | (243) | (206) | (63) |
| Currency translation differences (net of tax) | | 1,225 | (1,526) | (2,971) |
| Actuarial gain / (loss) on defined benefit pension scheme (net of tax) | 12 | 3,264 | (2,289) | 5,088 |
| Deferred tax on actuarial gain / (loss) | | (1,120) | 467 | (1,926) |
| Impact of change in tax rates | | (93) | - | (216) |
| Other comprehensive income / (loss) for the period | | 3,033 | (3,554) | (88) |
| Total comprehensive income for the period | | 11,732 | 2,141 | 10,268 |

Consolidated Balance Sheet
At 31 October 2011

| | <i>Notes</i> | Unaudited 31 October 2011 £000 | Unaudited 31 October 2010 £000 | Audited 30 April 2011 £000 |
|--|--------------|---|--------------------------------------|----------------------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 8 | 54,858 | 47,427 | 51,539 |
| Goodwill | | 59,853 | 60,263 | 58,470 |
| Other intangible assets | | 13,658 | 15,514 | 14,457 |
| Investments | | 2,548 | - | 1,101 |
| | | 130,917 | 123,204 | 125,567 |
| Current assets | | | | |
| Inventories | | 17,331 | 13,119 | 15,335 |
| Trade and other receivables | | 19,976 | 17,966 | 17,801 |
| Derivative financial instruments | | - | - | 70 |
| Current tax receivable | | 537 | 61 | 964 |
| Cash and cash equivalents | | 8,494 | 8,410 | 7,211 |
| | | 46,338 | 39,556 | 41,381 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Borrowings | | (4,004) | (3,117) | (4,007) |
| Loan notes | | (20) | (24) | (24) |
| Trade and other payables | 9 | (20,368) | (21,637) | (22,929) |
| Derivative financial instruments | | (674) | (538) | (348) |
| Current tax payable | | (3,096) | (2,623) | (2,455) |
| Provisions for other liabilities and charges | | (3,399) | (3,091) | (2,597) |
| | | (31,561) | (31,030) | (32,360) |
| Net current assets | | 14,777 | 8,526 | 9,021 |
| Non-current liabilities | | | | |
| Borrowings | | (47,049) | (37,033) | (36,935) |
| Deferred taxation | | (7,533) | (5,112) | (6,711) |
| Defined benefit pension scheme deficit | 12 | (2,094) | (14,348) | (6,405) |
| Provisions for other liabilities and charges | | (1,600) | (1,427) | (4,919) |
| | | (58,276) | (57,920) | (54,970) |
| Net assets | | 87,418 | 73,810 | 79,618 |
| Shareholders' equity | | | | |
| Share capital | | 2,895 | 2,895 | 2,895 |
| Share premium | | 32,392 | 32,383 | 32,385 |
| Retained earnings | | 51,143 | 37,224 | 44,332 |
| Other reserves | | 988 | 1,308 | 6 |
| Total equity | | 87,418 | 73,810 | 79,618 |

Consolidated Cash Flow Statement
For the period 1 May to 31 October 2011

| | Unaudited 1 May to 31 October 2011 £000 | Unaudited 1 May to 31 October 2010 £000 | Audited 1 May 2010 to 30 April 2011 £000 |
|---|--|--|---|
| Notes | | | |
| Cash flows from operating activities | | | |
| Profit on ordinary activities before taxation | 11,482 | 7,477 | 12,700 |
| Finance income | (1) | (25) | (28) |
| Finance costs | 1,241 | 1,310 | 2,461 |
| Other finance costs | (282) | 410 | 645 |
| Operating profit from continuing operations | 12,440 | 9,172 | 15,778 |
| Depreciation | 3,058 | 3,170 | 6,146 |
| Amortisation | 1,194 | 1,627 | 2,957 |
| (Profit)/loss on disposal of property, plant and equipment | (1) | (3) | 88 |
| Impairment credit | (459) | - | - |
| Share based payments | 473 | 378 | 299 |
| Increase in inventories | (1,882) | (1,287) | (3,733) |
| Increase in trade and other receivables | (1,984) | (574) | (752) |
| Decrease in trade and other payables | (1,204) | (187) | (476) |
| (Decrease)/increase in provisions | (2,160) | (1,958) | 1,086 |
| (Decrease)/increase in financial instruments | 64 | (89) | (57) |
| Cash generated from continuing operations | 9,539 | 10,249 | 21,336 |
| Interest paid | (1,242) | (1,092) | (2,508) |
| Tax paid | (1,706) | (947) | (2,748) |
| Net cash inflow from operating activities | 6,591 | 8,210 | 16,080 |
| Cash flows from investing activities | | | |
| Purchases of property, plant and equipment | (7,139) | (2,537) | (8,271) |
| Purchases of intangible assets | (193) | (110) | (687) |
| Proceeds from sale of property, plant and equipment | 6 | 16 | 48 |
| Interest received | 107 | 24 | 28 |
| Purchase of equity investment | (1,447) | - | (1,101) |
| Net cash used in investing activities | (8,666) | (2,607) | (9,983) |
| Cash flows from financing activities | | | |
| Proceeds from issue of ordinary share capital | 7 | 5 | 7 |
| Purchase of own shares | (1,000) | (500) | (750) |
| Equity dividends paid to shareholders | (3,474) | (3,486) | (5,499) |
| Proceeds from new bank funding | 10,971 | - | 3,000 |
| Repayment of amounts borrowed | (1,864) | (7,784) | (8,780) |
| Finance lease payments | (7) | (18) | (29) |
| Payments to fund defined benefit pension scheme deficit | (1,428) | (1,428) | (2,856) |
| Net cash generated from / (used in) financing activities | 3,205 | (13,211) | (14,907) |
| Net increase / (decrease) in cash | 1,130 | (7,608) | (8,810) |
| Effects of exchange rate changes | 153 | (79) | (76) |
| Cash at start of the period | 7,211 | 16,097 | 16,097 |
| Cash at the end of the period | 8,494 | 8,410 | 7,211 |

Consolidated Statement of Changes in Shareholders' Equity

| | Attributable to equity holders of the Company | | | | | |
|---|---|---------------|-------------------|-------------------------|---------------------|---------------|
| | Share capital | Share premium | Retained earnings | Other reserves | | Total equity |
| | | | | Cash flow hedge reserve | Translation reserve | |
| £000 | £000 | £000 | £000 | £000 | £000 | |
| Balance at 1 May 2010 (audited) | 2,895 | 32,378 | 36,773 | (188) | 3,228 | 75,086 |
| Profit for the financial period | - | - | 5,695 | - | - | 5,695 |
| Other comprehensive loss for the financial period | - | - | (1,822) | (206) | (1,526) | (3,554) |
| Total comprehensive income / (loss) for the financial period | - | - | 3,873 | (206) | (1,526) | 2,141 |
| Recognition of share-based payments | - | - | 378 | - | - | 378 |
| Proceeds from exercise of share options | - | 5 | - | - | - | 5 |
| Movement on tax arising on share-based payments | - | - | 186 | - | - | 186 |
| Consideration paid for purchase of own shares (held in trust) | - | - | (500) | - | - | (500) |
| Equity dividends | - | - | (3,486) | - | - | (3,486) |
| | - | 5 | (3,422) | - | - | (3,417) |
| Balance at 31 October 2010 (unaudited) | 2,895 | 32,383 | 37,224 | (394) | 1,702 | 73,810 |
| Balance at 1 May 2010 (audited) | 2,895 | 32,378 | 36,773 | (188) | 3,228 | 75,086 |
| Profit for the financial year | - | - | 10,356 | - | - | 10,356 |
| Other comprehensive income / (loss) for the financial year | - | - | 2,946 | (63) | (2,971) | (88) |
| Total comprehensive income / (loss) for the financial year | - | - | 13,302 | (63) | (2,971) | 10,268 |
| Recognition of share-based payments | - | - | 299 | - | - | 299 |
| Proceeds from exercise of share options | - | 7 | - | - | - | 7 |
| Movement on tax arising on share-based payments | - | - | 207 | - | - | 207 |
| Consideration paid for purchase of own shares (held in trust) | - | - | (750) | - | - | (750) |
| Equity dividends | - | - | (5,499) | - | - | (5,499) |
| | - | 7 | (5,743) | - | - | (5,736) |
| Balance at 30 April 2011 (audited) | 2,895 | 32,385 | 44,332 | (251) | 257 | 79,618 |
| Balance at 1 May 2011 (audited) | 2,895 | 32,385 | 44,332 | (251) | 257 | 79,618 |
| Profit for the financial period | - | - | 8,699 | - | - | 8,699 |
| Other comprehensive income / (loss) for the financial period | - | - | 2,051 | (243) | 1,225 | 3,033 |
| Total comprehensive income / (loss) for the financial period | - | - | 10,750 | (243) | 1,225 | 11,732 |
| Recognition of share-based payments | - | - | 473 | - | - | 473 |
| Proceeds from exercise of employee share options | - | 7 | - | - | - | 7 |
| Movement on tax arising on share-based payments | - | - | 62 | - | - | 62 |
| Consideration paid for purchase of own shares (held in trust) | - | - | (1,000) | - | - | (1,000) |
| Equity dividends | - | - | (3,474) | - | - | (3,474) |
| | - | 7 | (3,939) | - | - | (3,932) |
| Balance at 31 October 2011 (unaudited) | 2,895 | 32,392 | 51,143 | (494) | 1,482 | 87,418 |

Notes to the Interim Accounts

1 Basis of preparation

The Company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is Breakspear Park, Breakspear Way, Hemel Hempstead, Herts HP2 4UL. The Company is listed on the London Stock Exchange.

This condensed consolidated interim financial information was approved for issue on 30 November 2011.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 April 2011 were approved by the Board of directors on 15 June 2011 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

This condensed consolidated interim financial information has been reviewed, not audited.

This condensed consolidated interim financial information for the six months ended 31 October 2011 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim financial reporting', as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ending 30 April 2011, which have been prepared in accordance with IFRSs as adopted by the European Union.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 30 April 2011, as described in those annual financial statements. Taxes on income in the interim periods are accrued using the estimated tax rate that would be applicable to expected total annual earnings.

There are no new standards, amendments to standards or interpretations that are effective for the financial year beginning 1 May 2011 that are relevant to the Group. The changes to financial instrument disclosures arising from amendments to IAS 34 *Interim Financial Reporting* and IFRS 7 *Financial Instruments: Disclosures* have had no impact on the Group. A full list of new standards in issue but not yet effective will appear in the Group's annual financial statements for the year ending 30 April 2012.

Non-GAAP performance measures

The directors believe that the "adjusted" profit and earnings per share measures provide additional useful information for shareholders on the underlying performance of the business. These measures are consistent with how business performance is measured internally. The adjusted profit before tax measure is not a recognised profit measure under IFRS and may not be directly comparable with "adjusted" profit measures used by other companies.

EBITDA comprises operating profit before depreciation, amortisation, profit or loss on disposal of property, plant and equipment and impairment credits or charges.

Notes to the Interim Accounts

2. Segmental information

The Group's chief operating decision maker is considered to be the Executive Committee. This committee is responsible for the executive management of the Group and comprises the Chief Executive, the Group Finance Director, the Corporate Development Director, the Group Director of Operations, the Company Secretary/General Counsel, the Managing Directors of the Group's businesses and the Director of Human Resources. This committee meets monthly to make decisions on operational and strategic matters other than those reserved for the Board.

The Group's operating segments are determined with reference to the information that is supplied to the Executive Committee in order for it to allocate the Group's resources and to monitor the performance of the Group. That information analyses the Group between its two divisions, Bepak and King Systems. Bepak is the drug delivery device division, a market leader in the supply of valves and other devices for respiratory applications and autoinjectors and other devices to global pharmaceutical and diagnostics companies. King Systems is a leading supplier of life-saving patient care solutions to the US anaesthesia market including breathing circuits, face masks and other disposable airway management and airway visualisation products.

The Executive Committee assesses the performance of the operating segments based on a measure of adjusted operating profit. This measurement basis excludes the effects of special items from the operating segments. Net assets exclude taxation, net debt and investments, which are managed on a central basis. These are part of the reconciliation to total net assets. Transactions between operating segments are at arm's length and are eliminated as part of the reconciliation to the Group's results and financial position.

The segment information provided to the Executive Committee for the reportable segments for the period ended 31 October 2011 is as follows:

(a) Revenue

| | Unaudited | Unaudited | Audited |
|--------------------------------------|--|--|---|
| Revenue by business | 1 May to 31 October 2011 £000 | 1 May to 31 October 2010 £000 | 1 May 2010 to 30 April 2011 £000 |
| Revenue from products and services | 47,848 | 41,038 | 83,805 |
| Revenue from tooling and equipment | 2,358 | 4,011 | 5,567 |
| Bepak division (UK by origin) | 50,216 | 45,049 | 89,372 |
| King Systems division (US by origin) | 21,033 | 24,723 | 43,410 |
| Total revenues | 71,249 | 69,772 | 132,782 |
| Intra-segment revenues | (129) | (195) | (409) |
| Revenue | 71,120 | 69,577 | 132,373 |

| | Unaudited | Unaudited | Audited |
|-------------------------------|--|--|---|
| Revenue by destination | 1 May to 31 October 2011 £000 | 1 May to 31 October 2010 £000 | 1 May 2010 to 30 April 2011 £000 |
| United Kingdom | 12,609 | 10,852 | 20,717 |
| United States of America | 26,004 | 28,273 | 50,411 |
| Europe | 24,358 | 23,114 | 45,675 |
| Rest of the World | 8,149 | 7,338 | 15,570 |
| Revenue | 71,120 | 69,577 | 132,373 |

Notes to the Interim Accounts

2. Segmental information (continued)

(b) Operating profit

| | Unaudited | Unaudited | Audited |
|--|--|--|---|
| | 1 May to 31 October 2011 £000 | 1 May to 31 October 2010 £000 | 1 May 2010 to 30 April 2011 £000 |
| Bespak division | 9,330 | 7,502 | 15,635 |
| King Systems division | 1,853 | 2,585 | 4,817 |
| Operating profit for reportable segments | 11,183 | 10,087 | 20,452 |
| Special items | 1,257 | (915) | (4,674) |
| Operating profit after special items | 12,440 | 9,172 | 15,778 |

(c) Net assets

| | Unaudited | Unaudited | Audited |
|---------------------------------------|-------------------------------------|----------------------------|--------------------------|
| Net assets by business segment | 31 October 2011 £000 | 31 October 2010 £000 | 30 April 2011 £000 |
| Bespak division | 66,231 | 46,284 | 55,710 |
| King Systems division | 71,310 | 66,964 | 64,764 |
| Total reportable segments | 137,541 | 113,248 | 120,474 |
| Investments | 2,548 | - | 1,101 |
| Taxation | (10,092) | (7,674) | (8,202) |
| Net debt | (42,579) | (31,764) | (33,755) |
| Net assets | 87,418 | 73,810 | 79,618 |

Exchange rates

| | 31 October 2011 | 31 October 2010 | 30 April 2011 |
|--------------------------------|--------------------|--------------------|------------------|
| Average rate of exchange - USD | 1.60 | 1.53 | 1.56 |
| Closing rate of exchange - USD | 1.61 | 1.60 | 1.67 |

Notes to the Interim Accounts

3. Special items

| | 1 May to 31 October 2011 £000 | 1 May to 31 October 2010 £000 | 1 May 2010 to 30 April 2011 £000 |
|--|--|--|--|
| Exceptional operating expenses | 2,321 | 574 | (1,993) |
| Amortisation of acquired intangible assets | (1,064) | (1,489) | (2,681) |
| Special items before tax | 1,257 | (915) | (4,674) |
| Tax on special items | (219) | 481 | 1,917 |
| Special items after tax | 1,038 | (434) | (2,757) |

Exceptional operating expenses in the period comprised credits to reverse an onerous lease provision (£1,641,000) and asset impairment (£750,000) at the Group's IAC subsidiary. This was offset by restructuring charges in both Bespak and King Systems, transformation costs incurred at King Systems and due diligence costs.

Amortisation of acquired intangible assets represents the charge for other intangible assets acquired with King Systems and The Medical House.

4. Other finance expenses

| | 1 May to 31 October 2011 £000 | 1 May to 31 October 2010 £000 | 1 May 2010 to 30 April 2011 £000 |
|---|--|--|--|
| Expected return on defined benefit scheme assets | 1,974 | 1,757 | 3,558 |
| Interest cost on defined benefit scheme liabilities | (1,967) | (1,965) | (3,930) |
| Net interest income / (expense) on defined benefit scheme | 7 | (208) | (372) |
| Unwinding of discount on provisions | 275 | (202) | (273) |
| | 282 | (410) | (645) |

Notes to the Interim Accounts

5. Tax

| | 1 May to 31 October 2011 £000 | 1 May to 31 October 2010 £000 | 1 May 2010 to 30 April 2011 £000 |
|--|--|--|--|
| UK corporation tax | 2,739 | 1,733 | 3,726 |
| Overseas taxation | 463 | 662 | 117 |
| Deferred taxation | (419) | (613) | (1,499) |
| Income tax expense reported in the consolidated income statement | 2,783 | 1,782 | 2,344 |
| The tax charge is analysed between: | | | |
| Tax on profit before special items | 2,564 | 2,263 | 4,261 |
| Tax on special items | 219 | (481) | (1,917) |
| | 2,783 | 1,782 | 2,344 |

The tax charge for the period ended 31 October 2011 is based on the estimated effective tax rate which will apply to earnings for the full year.

6. Earnings per share

| | 1 May to 31 October 2011 | 1 May to 31 October 2010 | 1 May 2010 to 30 April 2011 |
|---|---|--------------------------------|-----------------------------------|
| The calculation of earnings per ordinary share is based on the following: | | | |
| Profit for the financial period (£000) | 8,699 | 5,695 | 10,356 |
| Add back: Special items after tax (£000) | (1,038) | 434 | 2,757 |
| Adjusted profit for the financial period (£000) | 7,661 | 6,129 | 13,113 |
| Weighted average number of shares in issue | 28,946,863 | 28,943,988 | 28,944,870 |
| Weighted average number of shares owned by Employee Share Ownership Trust | (244,673) | (111,328) | (154,741) |
| Average number of ordinary shares in issue for basic earnings | 28,702,190 | 28,832,660 | 28,790,129 |
| Dilutive impact of share options outstanding | 822,959 | 707,391 | 550,257 |
| Diluted weighted average number of ordinary shares in issue | 29,525,149 | 29,540,051 | 29,340,386 |
| Basic earnings per ordinary share | 30.3p | 19.8p | 36.0p |
| Adjusted earnings per ordinary share | 26.7p | 21.3p | 45.5p |
| Diluted earnings per ordinary share | 29.5p | 19.3p | 35.3p |
| Adjusted diluted earnings per ordinary share | 25.9p | 20.7p | 44.7p |

Notes to the Interim Accounts

7. Dividends

| | 31 October | 31 October | 30 April |
|--|-------------------|------------|----------|
| | 2011 | 2010 | 2011 |
| | £000 | £000 | £000 |
| Dividends | £000 | £000 | £000 |
| Final dividend paid of 12.1p per share (2010: 12.1p) | 3,474 | 3,486 | 3,486 |
| Interim dividend paid of 7.0p per share (2010: 7.0p) | - | - | 2,013 |
| | 3,474 | 3,486 | 5,499 |

The Directors have approved an interim dividend of 7.0p per share which, in line with the requirements of IAS 10, 'Events after the Balance Sheet Date', has not been recognised within these results. The interim dividend will be paid on 17 February 2012 to shareholders whose names are on the Register of Members at the close of business on 20 January 2012.

8. Capital expenditure

In the period there were additions to property, plant and equipment of £5.5 million (2010: £3.0 million).

Capital commitments contracted for but not provided for by the Group amounted to £3.7 million (2010: £6.3 million).

9. Trade and other payables

| | 31 October | 31 October | 30 April |
|--------------------------------------|-------------------|------------|----------|
| | 2011 | 2010 | 2011 |
| | £000 | £000 | £000 |
| Amounts falling due within one year: | | | |
| Trade payables | 9,952 | 10,016 | 12,119 |
| Other taxation and social security | 594 | 573 | 594 |
| Other creditors | 2,980 | 3,517 | 3,508 |
| Accruals and deferred income | 6,842 | 7,531 | 6,708 |
| | 20,368 | 21,637 | 22,929 |

Notes to the Interim Accounts

10. Analysis of net debt

| | 31 October | 31 October | 30 April |
|------------------------------------|-------------------|------------|----------|
| | 2011 | 2010 | 2011 |
| | £000 | £000 | £000 |
| Cash and cash equivalents | 8,494 | 8,410 | 7,211 |
| Loan notes | (20) | (24) | (20) |
| Revolving loan (USD) | (33,455) | (29,710) | (28,477) |
| Revolving loan (GBP) | (10,000) | - | (3,000) |
| Term loan (GBP) | (8,000) | (10,000) | (10,000) |
| Term loan (USD) | - | (1,095) | - |
| Finance leases | (4) | (22) | (11) |
| Unamortised loan arrangement costs | 406 | 677 | 542 |
| | (42,579) | (31,764) | (33,755) |

Cash and cash equivalents comprise cash at bank and in hand plus short-term deposits.

The revolving USD loan is for \$54 million drawn against a \$56 million facility that expires in October 2013. The GBP term loan is repayable at £1 million per quarter. The revolving GBP loan is for £10 million drawn against a £25 million facility that expires in October 2013.

11. Reconciliation of net cash flow to movement in net debt

| | 31 | 31 October | 30 April |
|--|-----------------|------------|----------|
| | October | 2010 | 2011 |
| | £000 | £000 | £000 |
| Net debt at start of period | (33,755) | (33,184) | (33,184) |
| Cash flow for the period | 1,130 | (7,608) | (8,810) |
| Loan repayments included in cash flow for the period | 2,000 | 7,919 | 8,780 |
| Finance leases - capital repayments | 7 | 18 | 29 |
| Proceeds from new bank funding | (10,971) | - | (3,000) |
| Movement in unamortised loan arrangement fees | (136) | (135) | - |
| Effect of exchange rate changes | (854) | 1,226 | 2,430 |
| Net debt at end of the period | (42,579) | (31,764) | (33,755) |

Notes to the Interim Accounts

12. Defined benefit pension scheme deficit

| | 1 May to 31 October 2011 | 1 May to 31 October 2010 | 1 May 2010 to 30 April 2011 |
|---|-----------------------------|-----------------------------|-----------------------------------|
| | Total | Total | Total |
| | £000 | £000 | £000 |
| Pension deficit at start of period | 6,405 | 13,284 | 13,284 |
| Current service cost | 556 | 533 | 1,053 |
| Expected return on plan assets | (1,974) | (1,757) | (3,558) |
| Interest cost | 1,967 | 1,965 | 3,930 |
| Actuarial (gains) / losses | (2,898) | 2,289 | (4,392) |
| Regular employer contributions | (534) | (538) | (1,056) |
| Employer payments to fund deficit | (1,428) | (1,428) | (2,856) |
| Pension deficit at end of period | 2,094 | 14,348 | 6,405 |

13. Related party transactions

The Group's significant related parties are its subsidiaries as disclosed in the Consort Medical plc annual report for the year ended 30 April 2011. There were no material related party transactions in the period or prior half-year period.

14. Principal risks and uncertainties

The principal risks and uncertainties which could impact the Group's long-term performance remain those detailed on pages 24 and 25 of the Group's 2011 Annual Report and Financial Statements, a copy of which is available on the Group's website www.consortmedical.com. The risks are summarised below:

- Reliance upon key customers;
- Increasing cost pressures and commoditisation of markets;
- Supply chain delay or interruption;
- Delay to the transformation programme;
- Maintenance and improvement of product quality;
- Misallocation of capital;
- Regulatory risk;
- Development risk;
- Employee retention;
- Pension risk; and
- Business continuity.

15. Post balance sheet events

There were no post balance sheet events.