



WORTHINGTON

Interim Report

for the half year ended 30 September 2007

Chairman's Statement

On our reduced operations the Group earned a profit of £20,000 as after all head office expenses, compared to a loss of £27,000 for the same period last year.

Several strategy changes have been considered during the period to better utilise our cash reserves but because of our asset value any proposed changes would probably require a Class 1 circular to shareholders and possibly Pension Regulator approval, incurring significant costs for the Group. However the matter is receiving ongoing attention.

Our former business Worthington Manufacturing which was sold to Jessop and Baird (Hong Kong) Ltd entered Administration in September following the refusal of the Hong Kong partners to inject additional working capital into the business. We had already taken the precaution of providing for the remaining monies owed by the business in the March 2007 accounts. According to the Statement of Affairs provided to the Administrator there may be the possibility of some monies being returned, the quantum of which is not yet known.

Our 44% shareholding in Trimmings by Design which is based in Derby is still trading profitably.

The outstanding sale monies in respect of the Eccleshill site will now be paid on 1 December following our agreement to extend the repayment date. We continue to charge interest at a penalty rate until then.

We have now recently been advised by the Trustees of the results of the full actuarial review of the Jerome Group Retirement Benefits Scheme as at 5 April 2007. This review is undertaken every 3 years and current pension's legislation requires an assessment of the deficit made based on a new Statutory Funding Objective basis.

I am pleased to say that the assumptions used by the Trustees to estimate the deficit on this basis has produced a result similar to that produced in the 2007 Annual report on an IAS 19 basis. We are now required to reach agreement with the Trustees on a new contribution plan going forward to eliminate the deficit which will require Pension Regulator approval. We continue to make contributions currently at the rate of £264,000 per annum to the deficit pending the establishment of a new plan which will be required to be filed with the Pension Regulator by June 2008.

We will continue to negotiate with the Trustees of the Scheme to keep as much cash within the Group for investment into any suitable new business proposals that we may receive. Shareholders must be mindful of the fact that the Trustees and Pension Regulator will be looking to require the Group to pay off the deficit over as short a timescale as the Group can afford. We are looking into ways we can deal with the deficit and the Scheme in general and are seeking professional pension's advice following the Actuarial review.

The pension scheme funding risk continues to represent the principle risk factor faced by the Group. The investment performance of the scheme assets together with the levels of head office costs and the rental income are monitored closely by the Board as key performance indicators. Both rental income and head office costs are in line with our expectations. Over a difficult 6 month period for stock markets the scheme funds achieved a marginally positive return largely in line with benchmark performance. Once the new contribution plan is established for the next three years the Trustees will review the investment managers' performance and make changes if necessary.

The Board continues to pursue suitable investment opportunities which might enhance shareholder value moving forward. During the period we received an indicative offer of £2m for our Keighley property, which we have declined, but the valuation suggests that we could mortgage the site for around £1.5m to raise cash, if a suitable acquisition is forthcoming.

J C DWEK, CBE
Chairman
8 November 2007

Worthington Group plc

This interim report may contain forward-looking statements based on current expectations of, and assumptions and forecasts made by management. Various known and unknown risks, uncertainties and other factors could lead to substantial differences between the actual future results and, financial situation development or performance of the Group and the estimates and historical results given herein. Undue reliance should not be placed on forward looking statements which speak only as at the date of this document. We undertake no obligation publicly to update or revise any forward-looking statements, except as may be required by law.

Consolidated Income Statement

for the six months ended 30 September 2007

	Unaudited 6 months ended 30 September 2007 £'000	Unaudited 6 months ended 30 September 2006 £'000	Audited Year ended 31 March 2007 £'000
Revenue:			
Continuing operations	77	91	313
	<hr/>	<hr/>	<hr/>
Operating (Loss)/profit	(52)	(168)	36
Finance Costs	–	12	(48)
Finance Income	67	–	107
Share of post tax profits/(losses) of associated undertakings	5	129	50
Loss on disposal of interest in associates	–	–	(476)
	<hr/>	<hr/>	<hr/>
Profit/(loss) before taxation	20	(27)	(331)
Taxation	–	–	–
	<hr/>	<hr/>	<hr/>
Profit/(loss) on ordinary activities after taxation	20	(27)	(331)
Dividends paid and proposed	–	–	–
	<hr/>	<hr/>	<hr/>
Retained profit/(loss)	20	(27)	(331)
	<hr/>	<hr/>	<hr/>
Earnings/(loss) per share	0.2p	(0.2p)	(2.8p)
	<hr/>	<hr/>	<hr/>

Recognised gains and losses

There are no recognised gains or losses in the half year ended 30 September 2007, other than those shown in the above income statement.

Consolidated Balance Sheet

at 30 September 2007

	Unaudited 30 September 2007 £'000	Unaudited 30 September 2006 £'000	Audited 31 March 2007 £'000
Non-current assets			
Property, plant and equipment	1,800	1,866	1,800
Interests in associated undertakings	729	775	724
	<u>2,529</u>	<u>2,641</u>	<u>2,524</u>
Current assets			
Current asset investments	–	1,000	–
Trade and other receivables due within 1 year	321	433	321
Trade and other receivables due after more than 1 year	800	800	800
Cash at bank and in hand	780	117	882
	<u>1,901</u>	<u>2,350</u>	<u>2,003</u>
Total assets	4,430	4,991	4,527
Current liabilities			
Trade and other payables	153	207	138
Non-current liabilities			
Retirement benefit obligation	1,671	1,826	1,803
Total liabilities	1,824	2,033	1,941
Net assets	2,606	2,958	2,586
Equity			
Called up share capital	11,807	11,807	11,807
Share premium account	9,836	9,836	9,836
Capital reserve	128	128	128
Revaluation reserve	–	624	–
Profit and loss account	(19,165)	(19,437)	(19,185)
Total Equity	2,606	2,958	2,586

Consolidated Cash Flow Statement

for the six months ended 30 September 2007

	Unaudited 6 months ended 30 September 2007 £'000	Unaudited 6 months ended 30 September 2006 £'000	Audited Year ended 31 March 2007 £'000
Reconciliation of (loss)/profit for the period to net cash flow from operating activities			
Operating (loss)/profit for the period	(52)	(168)	36
Depreciation/impairment and goodwill amortisation	–	5	(42)
Profit on disposal of investment property and plant	–	–	(50)
Movement in trade and other receivables	15	34	59
Movements in trade and other payables	–	(285)	(67)
Pension deficit payments	(132)	(125)	(257)
Net cash outflow from operating activities	(169)	(539)	(321)
Cash Flow from financing activities			
Interest paid	–	(23)	(21)
Proceeds from short term loans	–	–	–
Repayments of borrowings	–	(1,500)	(1,788)
Net cash used in financing activities	–	(1,523)	(1,809)
Cash Flow from investing activities			
Interest received	67	34	67
Proceeds from sale of investments	–	2,750	3,550
Loans to associated undertakings	–	(75)	(75)
Net cash inflow from investing activities	67	2,709	3,542
Increase/(decrease) in cash and cash equivalents	(102)	647	1,412

Reconciliation of movement in shareholders' funds

(Loss)/profit for the period	20	(27)	(331)
Net increase/(reduction) in shareholders' funds	20	(27)	(331)
Movement in reserves	–	–	(68)
Opening shareholders' funds	2,586	2,985	2,985
Closing shareholders' funds	2,606	2,958	2,586

Notes to the Interim Statements

for the six months ended 30 September 2007

1. Basis of Accounting

The interim accounts have been prepared in compliance with IAS 34 'Interim Financial Reporting' and on the basis of accounting policies set out in the Group's financial statements for the year ended 31 March 2007. The interim accounts were approved by the Board on 8 November 2007 and are unaudited.

Comparative figures for the half year ended 30 September 2006 are extracts from the interim accounts for that period and are also unaudited.

Comparative figures for the year ended 31 March 2007 have been extracted from the financial statements, which have been filed with the Registrar of Companies. The information for the year ended 31 March 2007 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. These were audited and reported upon without qualification by the auditors and did not contain any statement under section 237(2) or (3) of the Companies Act 1985.

2. Segmental Analysis

The following is an analysis of the revenue and results for the period, analysed by business segment, the Group's primary basis of segmentation.

	Revenue 6 months ended 30 September 2007 £'000	Revenue 6 months ended 30 September 2006 £'000	Result 6 months ended 30 September 2007 £'000	Result 6 months ended 30 September 2006 £'000
Continuing Operations				
Property	77	91	(52)	(168)

3. Earnings/Loss per share

Earnings per share is calculated by reference to the average number of shares in issue in the period amounting to 11,807,013 shares (six months to 30 September 2006: 11,807,013 shares) and on a profit after taxation of £20,000 (six months to 30 September 2006: loss of £27,000).

The taxation charge is calculated by applying the directors' best estimate of the annual tax rate to the loss or profit for the period.

There is no difference between basic and diluted loss per share.

4. Directors' Statement of Responsibilities

The directors' confirm to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- The interim management report includes a fair review of the information required by DTR 4.2.7R being an indication of important events that have occurred during the first 26 weeks 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 26 weeks of the year; and
- The interim management report includes a fair review of the information required by DTR 4.2.8R being disclosure of related party transactions and changes therein since the last annual report.

By order of the Board

Joe C Dwek

Chairman

8 November 2007

Notes to the Interim Statements

continued

5. Independent Review Report to Worthington Group plc

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 which comprises the consolidated income statement, consolidated balance sheet, consolidated cash flow statement and the 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 written consent.

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 30 September 2007 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.

UHY Hacker Young
Chartered Accountants
Manchester

8 November 2007

6. Availability of Interim Report

A copy of this report is available on the Group's website at www.worthingtongroupplc.co.uk and are being sent to shareholders. Copies are also available from The Secretary, Worthington Group plc, Suite 1, Courthill House, 66 Water Lane, Wilmslow, Cheshire SK9 5AP.