29 July 2015

4imprint Group plc
Half year results for the period ended 27 June 2015

4imprint Group plc (the 'Group' or the 'Company'), a leading international direct marketer of promotional products, announces today its half year results for the period ended 27 June 2015 which are reported in US dollars following the change in the Group's presentational currency as announced on 5 November 2014.

Highlights

Financial – continuing operations	Half year 2015 $m	Half year 2014 (restated)† $m	Change
Revenue	**231.03**	193.06	+20%
Underlying* profit before tax	**12.19**	9.77	+25%
Profit before tax	**11.41**	7.29	+57%
Underlying* basic EPS (cents)	**31.25**	26.69	+17%
Basic EPS (cents)	**29.01**	19.28	+50%
Proposed interim dividend per share (cents)	**12.09**	10.51	+15%
Proposed interim dividend per share (pence)	**7.75**	6.20	+25%

* Underlying is before share option related charges, defined benefit pension charges and exceptional items.

† Restated for the change in presentational currency to US dollars.

Operational

- Strong organic revenue growth in both North America (96% of revenue) and UK
  - Orders 21% ahead of 2014
  - More than 450,000 orders received
  - Re-order rates consistent
- Robust financial position; net cash $28m ($18m at 27 December 2014)
- Infrastructure investment of $9m in the North American business, on target for completion in September 2015
- 78% of the pension liability insured; further risk reduction in progress

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4imprint Group

4imprint is the leading direct marketer of promotional products in the USA, Canada, the UK and Ireland. Its strategy is to maximise organic revenue growth at a broadly stable profit margin, gaining market share in the large and highly fragmented promotional product markets in which it operates. This is achieved through ongoing investment in marketing, people and technology.

4imprint sells an extensive range of customised products to individuals in businesses and organisations of all sizes. Hundreds of thousands of orders are processed each year and each one is individually customised with the customer's brand or logo. Items are imprinted and shipped directly to customers by 4imprint's suppliers.

4imprint provides an easy and convenient order process, allowing customers to purchase in a simple and secure way online or via telephone, with emphasis on excellent customer service, which is backed by service level guarantees. Organic growth is delivered by using a range of data-driven, offline and online direct marketing techniques to capture market share in the large and highly fragmented promotional products markets it serves.

The US and Canadian markets are serviced out of the principal office in Wisconsin, USA and the UK and Irish markets out of an office in Manchester, UK.

4imprint is in a strong financial position, with net cash. Low working capital requirements allow growth to be funded through increased marketing spend whilst still generating cash. The business will continue to focus its resources on this profitable and cash generative revenue growth, whilst continuing to reduce the risk and size of its legacy defined benefit pension scheme.

Chairman’s statement

With revenue growth of 20% over prior year, and an underlying profit before tax increase of 25%, performance in the first half of 2015 was encouraging, with growth well ahead of the underlying market and the Group’s published goals.

The organic growth of the business continues to be driven by a wide variety of data-driven online and offline marketing techniques designed to attract new customers, and then encourage them to place further orders. In the first half, the business generated robust growth in orders from new customers, benefitting from the use of previously established methods, but also the continuation of successful new marketing techniques implemented in 2014. At the same time, customer retention metrics remained consistent, even as the number of customers acquired continued to grow. Together, these factors generated another strong revenue, profit and cash performance.

Two infrastructure development projects to support the US business were announced in early 2015. 25,000 sq. ft. of office space was added as planned in April 2015, and the expansion of the Oshkosh distribution centre is on target for completion in September 2015.

The Group remains committed to reducing risk in its legacy defined benefit pension scheme. Work continues to move from ‘buy-in’ to ‘buy-out’ status for pensions in payment and a flexible retirement option is being embedded in the Scheme to reduce liabilities in respect of deferred pensioners. As well as reducing risk, these steps will ultimately result in reductions in Company contributions to the scheme.

With effect from 30 September 2015, Steve Gray will retire from the Board. The Board would like to thank Steve for his contribution and to wish him well for the future.

Also with effect from 30 September 2015, I will relinquish my executive duties and become Non-Executive Chairman of the Company.

Outlook

Indications for the balance of the year are for a good performance in keeping with our strategic growth objectives, despite the strong growth comparator in the second half of 2014. The Group expects a good outcome for the year as a whole.

John Poulter

Executive Chairman

29 July 2015

Operating and financial review

Operating review – continuing operations

Revenue	**Half year 2015 $m**	Half year 2014 (restated)† $m	Change
North America	**222.71**	185.09	20%
UK and Ireland	**8.32**	7.97	4%
Total	**231.03**	193.06	20%

Underlying* operating profit	**Half year 2015 $m**	Half year 2014 (restated)† $m	Change
4imprint Direct Marketing	**14.06**	11.53	22%
Head office	**(1.89)**	(1.84)	2%
Total	**12.17**	9.69	26%

* Underlying is before share option related charges, defined benefit pension charges and exceptional items.
† Restated for change in presentational currency to US dollars.

Performance for the first half of the year was strong and in keeping with the strategy of growing the business as rapidly as possible while maintaining constant operating margin percentage, capitalising on the continuing opportunity to capture share in the highly fragmented markets served.

In North America, revenue in the period increased 20% over 2014 to $222.71m. This compares to estimates of the growth of the promotional products industry in North America of between 3% and 4%.

More than 100,000 new customers were acquired in the period, and orders from those new customers increased 19% over 2014. Growth continued to be driven by the combination of data-supported offline and online marketing techniques. Online marketing spend in the period increased as a proportion of total marketing spend as the new techniques identified in 2014 were continued.

Orders from existing customers increased 22% over the same period in the prior year, with consistent retention rates. Gross margins remained stable. Marketing spend increased at a rate slightly ahead of the revenue increase. Selling and other overhead costs remain well-controlled.

The expansion projects in Oshkosh announced in January 2015 are proceeding as planned. The office expansion was successfully completed in April and the distribution centre project will be completed in September. Recruitment to service the growth of the business continues to be helped by further workplace accolades such as being selected in June 2015 by Great Place to Work® and *Fortune*® as one of the 100 Best Workplaces for Millennials in the United States.

Revenue in the Manchester business, servicing the UK and Ireland, was up 4% over the same period in the prior year. At constant currency, however, revenue increased 14% over 2014, with orders from new customers up by 10% and existing customer orders growing by 21%. Management remains focused on growing the customer file so that as the business matures, more of the total orders received are from existing customers.

Head office costs were flat year on year.

The Group’s operations remain highly cash generative, producing $17.25m of pre-tax operating cash in the first half of the year.

Financial review

Continuing operations	**Half year 2015 underlying* $m**	Half year 2014 underlying* (restated)† $m	**Half year 2015 $m**	Half year 2014 (restated)† $m
Underlying operating profit	**12.17**	9.69	**12.17**	9.69
Defined benefit pension scheme administration costs			**(0.23)**	(0.35)
Share option charges			**(0.14)**	(0.52)
Net finance income	**0.02**	0.08	**0.02**	0.08
Pension finance charge			**(0.41)**	(0.59)
Exceptional items			**-**	(1.02)
Profit before tax	**12.19**	9.77	**11.41**	7.29

* Underlying is before share option related charges, defined benefit pension charges and exceptional items.

† Restated for change in presentational currency to US dollars.

Underlying profit before tax from continuing operations in the period was $12.19m, (H1 2014: $9.77m), an increase of 25%.

Exchange

The average Sterling/US dollar rate for the first half of 2015 was $1.52, (H1 2014: $1.67; FY 2014: $1.65). The closing Sterling/US dollar rate as at 27 June 2015 was $1.57, (28 June 2014: $1.70; 27 December 2014: $1.56).

During 2014, the Group adopted US dollars as the currency in which it presents its consolidated financial statements. Following this change, currency impact on the reported numbers is minor. The movement in the half year average rate decreased revenue by $0.8m and increased operating profit by $0.1m. The impact of the movement on the period end rate since the end of 2014 has been to reduce net assets by $0.1m.

Share option charges

A total of $0.14m, (H1 2014: $0.52m), was charged in the period in respect of IFRS2, ‘Share-based payments’. This charge was composed of elements from a UK SAYE scheme, the Performance Share Plan (‘PSP’) and the 2015 Incentive Plan which was approved at the 2015 AGM. The decreased charge in the period compared to 2014 is due to 1.4 million PSP share options maturing in April 2014, the maturity of a US SAYE scheme, and only a partial period charge in respect of the recently introduced 2015 Incentive Plan.

Current options outstanding are 120,000 shares under the PSP, and 40,000 shares under the UK SAYE scheme. No shares have yet been awarded under the 2015 Incentive Plan.

Exceptional items

No exceptional items were charged in the first half of 2015, compared to a charge of $1.02m in 2014 relating to pension risk reduction exercises. It is anticipated that there will be an exceptional charge of approximately $1.5m for further pension risk reduction exercises in the second half.

Net finance income

Net finance income in the half year was $0.02m, (H1 2014: $0.08m). This reflects the modest rates available on the investment of cash balances in short term deposits.

Taxation

The tax charge for the half year was $3.31m (H1 2014: $2.11m), reflecting a composite tax rate of 29% (H1 2014: 29%). This rate represents the expected tax rate for the full year 2015. The charge relates principally to taxation payable on profits earned in the USA.

The tax charge relating to underlying profit before tax was 28%, (H1 2014: 27%; FY 2014: 28%).

Earnings per share

Underlying basic earnings per share was 31.25c, (H1 2014: 26.69c), an increase of 17%. This reflects an increase of 22% in underlying profit after tax offset by an increased undiluted weighted average number of shares in issue resulting principally from shares issued to satisfy options exercised under the PSP in May 2014.

Basic earnings per share from continuing operations was 29.01c, an increase of 50% over 2014 (19.28c). This reflects lower share option charges, defined benefit pension charges and no exceptional items in the first half of 2015 compared with the same period in the prior year.

Dividends

The Board has declared an interim dividend per share of 12.09c, (H1 2014: 10.51c), an increase of 15%. Dividends are declared in US Dollars but paid in Sterling at the exchange rate prevailing on the date the dividend is determined. In Sterling, the interim dividend per share will be 7.75p, (H1 2014: 6.20p). The dividend will be paid on 11 September 2015 at a cash cost of $3.38m.

Capital expenditure

The Group announced in January 2015 that the Board had approved a major expansion of the US facilities in Oshkosh to support the planned growth of the North American business. In terms of capital expenditure, the principal component is the doubling of the capacity of the distribution centre. This project is well underway, and set for an on-time, on-budget completion in September 2015. The total project cost will be around $8.00m, $1.40m of which had been paid in cash as at the half year.

Defined benefit pension scheme

The Group sponsors a legacy UK defined benefit pension scheme which for several years has been closed to new members and future accruals. The scheme has 1,130 pensioners, (of whom 957 had insured benefits), and 518 deferred pensioners.

At 27 June 2015, the deficit of the Scheme on an IAS 19 basis was $24.23m, compared to $24.02m at 27 December 2014.

The change in deficit is analysed as follows:	**$m**
IAS 19 deficit at 27 December 2014	**24.02**
Pension administration costs	**0.24**
Pension finance charge	**0.41**
Remeasurement (gains)/losses due to changes in assumptions	**(0.69)**
Exchange loss	**0.25**
IAS 19 deficit at 27 June 2015	**24.23**

Gross scheme liabilities under IAS 19 were $152.57m and assets were $128.34m, however pensioner liabilities of $119.55m have been insured via annuities as a result of previous risk reduction exercises, resulting in uninsured liabilities of $33.02m and uninsured scheme assets of $8.79m. Over 78% of total scheme liabilities are insured.

The Group is engaged in further pension scheme risk reduction exercises. Having completed a significant buy-in (insurance of liabilities for pensions in payment) arrangement in 2014, it is intended to proceed to buy-out status, whereby the underwritten liabilities and equivalent assets are removed entirely from the Group balance sheet. This complex exercise is ongoing, and is targeted to complete in the first half of 2016 although precise timing is uncertain at this stage. In addition, deferred pensioner liabilities will be addressed through a Flexible Retirement Option ('FRO') planned for implementation in September 2015. This mechanism will be embedded for future years as more deferred pensioners reach the eligibility age of 55. On conclusion of the buy-out exercise, the Group will agree an acceptable one-off deficit adjustment contribution, and a new schedule of contributions going forward.

Cash flow

Net cash was $28.13m at 27 June 2015, an increase of $9.83m from 27 December 2014.

The Group has $13.0m of working capital facilities with its principal US bank, JPMorgan Chase. The interest rate is US$ LIBOR plus 1.5%, and the facilities expire on 31 August 2017.

Cash flow in the period is summarised as follows:

	Half year 2015 $m
Underlying operating profit	**12.17**
Depreciation and amortisation	**0.89**
Change in working capital	**7.41**
Capital expenditure	**(3.22)**
Operating cash flow	**17.25**
Tax and interest	**(1.20)**
Other	**0.05**
Free cash flow	**16.10**
Dividends to Shareholders	**(6.27)**
Net cash inflow in the period	**9.83**

The first half of 2015 again demonstrated the cash generative nature of the Direct Marketing business model, with $16.10m of free cash flow in the period.

Balance sheet and Shareholders' funds

Net assets at 27 June 2015 were $17.53m, compared to $14.07m at 27 December 2014. The balance sheet is summarised as follows:

	27 June 2015 $m	27 December 2014 $m
Non current assets	**17.66**	15.20
Working capital	**(1.37)**	5.13
Net cash	**28.13**	18.30
Pension deficit	**(24.23)**	(24.02)
Other liabilities	**(2.66)**	(0.54)
Net assets	**17.53**	14.07

Shareholders' funds increased by $3.46m, with net profit in the period of $8.10m, $0.55m of net pension remeasurement gains, $1.03m of share option related movements and $0.05m exchange, reduced by dividends paid of $6.27m.

The Group had a net negative working capital balance of $1.37m at the 27 June 2015, reflecting the timing of supplier payments around the half year.

Treasury Policy

The financial requirements of the Group are managed through a centralised treasury policy. The Group operates cash pooling arrangements separately for its North American operations and its UK operations. Forward contracts are taken out to buy or sell currency relating to specific receivables and payables as well as remittances from overseas subsidiaries. The Group holds the majority of its cash on deposit with its principal UK banker and working capital requirements of the North American business are funded by a facility with its principal US banker.

Critical accounting policies

Critical accounting policies are those that require significant judgements or estimates and potentially result in materially different results under different assumptions or conditions. It is considered that the Group's critical accounting policy is in respect of pensions.

Risks

The Group may be affected by a number of risks. These risks have been reviewed at the half year and have not changed since the year end. The risks are detailed on pages 12 and 13 of the Group's Annual Report 2014, a copy of which is available on the Group's website: http://investors.4imprint.com. The risks include economic and market risks, technological risks and operational risks.

Kevin Lyons-Tarr
Chief Executive Officer

David Seekings
Chief Financial Officer

29 July 2015

Condensed consolidated income statement (unaudited)

	Note	**Half year 2015 $'000**	Half year 2014 (restated)† $'000	Full year 2014 $'000
Continuing operations				
Revenue	7	**231,028**	193,058	415,773
Operating expenses		**(219,231)**	(185,262)	(391,631)
Operating profit before exceptional items		**11,797**	8,816	26,549
Exceptional items	8	**-**	(1,020)	(2,407)
Operating profit	7	**11,797**	7,796	24,142
Finance income		**23**	83	107
Finance costs		**(5)**	-	(7)
Pension finance charge	12	**(407)**	(591)	(903)
Net finance cost		**(389)**	(508)	(803)
Profit before tax		**11,408**	7,288	23,339
Taxation	9	**(3,309)**	(2,113)	(6,982)
Profit for the period from continuing operations		**8,099**	5,175	16,357
Discontinued operation				
Profit from discontinued operation	15	**-**	1,415	1,381
Profit for the period		**8,099**	6,590	17,738

		Cents	Cents	Cents
Earnings per share				
Basic				
From continuing operations	10	**29.01**	19.28	59.73
From continuing and discontinued operations	10	**29.01**	24.55	64.78
Diluted				
From continuing operations	10	**28.81**	18.40	58.16
From continuing and discontinued operations	10	**28.81**	23.43	63.08
Underlying				
From continuing operations	10	**31.25**	26.69	73.48

† Presentational currency changed to US dollars (note 6).

Condensed consolidated statement of comprehensive income (unaudited)

	Note	**Half year 2015 $'000**	Half year 2014 (restated)† $'000	Full year 2014 $'000
Profit for the period		**8,099**	6,590	17,738
Other comprehensive income/(expense)				
Items that may be reclassified subsequently to the income statement:				
Currency translation differences		**46**	190	529
Currency translation differences recycled to income statement on disposal of business		**-**	(1,347)	(1,347)
Items that will not be reclassified subsequently to the income statement:				
Remeasurement gains/(losses) on post employment obligations	12	**2,711**	(7,725)	(15,128)
Return on pension scheme assets (excluding interest income)	12	**(2,025)**	2,549	6,047
Remeasurement loss on pension buy-in	12	**-**	-	(12,622)
Tax relating to components of other comprehensive income/(expense)		**(139)**	1,113	(645)
Effect of change in UK tax rate		**-**	(52)	33
Total other comprehensive income/(expense) net of tax		**593**	(5,272)	(23,133)
Total comprehensive income/(expense) for the period		**8,692**	1,318	(5,395)

	Half year 2015 $'000	Half year 2014 (restated)† $'000	Full year 2014 $'000
Total comprehensive income/(expense) attributable to equity Shareholders arising from			
- Continuing operations	**8,692**	1,250	(5,429)
- Discontinued operation	**-**	68	34
	8,692	1,318	(5,395)

† Presentational currency changed to US dollars (note 6).

Condensed consolidated balance sheet (unaudited)

	Note	**At 27 June 2015 $'000**	At 28 June 2014 (restated)† $'000	At 27 Dec 2014 $'000
Non current assets				
Property, plant and equipment		**11,580**	9,046	9,105
Intangible assets		**1,247**	1,402	1,298
Deferred tax assets		**4,837**	7,257	4,794
		17,664	17,705	15,197
Current assets				
Inventories		**4,127**	3,373	4,353
Trade and other receivables		**39,629**	31,660	36,810
Other financial assets – bank deposits	13	**-**	14,634	-
Cash and cash equivalents	13	**28,125**	29,832	18,301
		71,881	79,499	59,464
Current liabilities				
Trade and other payables		**(45,122)**	(38,677)	(36,038)
Current tax		**(2,237)**	(1,656)	(11)
Provisions for other liabilities and charges		**(127)**	-	(229)
		(47,486)	(40,333)	(36,278)
Net current assets		**24,395**	39,166	23,186
Non current liabilities				
Retirement benefit obligations	12	**(24,232)**	(31,879)	(24,015)
Deferred tax liability		**(301)**	(381)	(298)
Provisions for other liabilities and charges		**-**	(248)	-
		(24,533)	(32,508)	(24,313)
Net assets		**17,526**	24,363	14,070
Shareholders' equity				
Share capital	16	**18,777**	18,777	18,777
Share premium reserve		**68,451**	68,451	68,451
Other reserves		**5,057**	4,672	5,011
Retained earnings		**(74,759)**	(67,537)	(78,169)
Total Shareholders' equity		**17,526**	24,363	14,070

† Presentational currency changed to US dollars (note 6).

Condensed consolidated statement of changes in Shareholders' equity (unaudited)

	Share capital $'000	Share premium reserve $'000	Other reserves $'000	Retained earnings: Own shares $'000	Retained earnings: Profit and loss $'000	Total equity $'000
At 28 December 2013 (restated) †	17,988	68,451	5,829	(1,320)	(63,279)	27,669
Profit for the period					6,590	6,590
Other comprehensive expense			(1,157)		(4,115)	(5,272)
Total comprehensive income for the period			(1,157)		2,475	1,318
Share-based payment charge					494	494
Shares issued	789					789
Own shares purchased				(789)		(789)
Own shares utilised				2,005	(2,005)	-
Dividends					(5,118)	(5,118)
At 28 June 2014 (restated) †	18,777	68,451	4,672	(104)	(67,433)	24,363
Profit for the period					11,148	11,148
Other comprehensive income/(expense)			339		(18,200)	(17,861)
Total comprehensive income/(expense) for the period			339		(7,052)	(6,713)
Share-based payment charge					159	159
Tax relating to share options					383	383
Own shares purchased				(1,316)		(1,316)
Own shares utilised				28	(28)	-
Dividends					(2,806)	(2,806)
At 27 December 2014	18,777	68,451	5,011	(1,392)	(76,777)	14,070
Profit for the period					**8,099**	**8,099**
Other comprehensive expense			**46**		**547**	**593**
Total comprehensive income for the period			**46**		**8,646**	**8,692**
Share-based payment charge					**140**	**140**
Proceeds from shares exercised					**892**	**892**
Own shares utilised				**1,367**	**(1,367)**	**-**
Dividends					**(6,268)**	**(6,268)**
At 27 June 2015	**18,777**	**68,451**	**5,057**	**(25)**	**(74,734)**	**17,526**

† Presentational currency changed to US dollars (note 6).

Condensed consolidated cash flow statement (unaudited)

	Note	**Half year 2015 $'000**	Half year 2014 (restated)† $'000	Full year 2014 $'000
Cash flows from operating activities				
Cash generated from operations	14	**20,294**	14,163	686
Net tax paid		**(1,213)**	(177)	(6,187)
Finance income		**23**	72	120
Finance costs		**(5)**	-	-
Net cash generated from/(utilised in) operating activities		**19,099**	14,058	(5,381)
Cash flows from investing activities				
Net proceeds from sale of business	15	**-**	9,721	9,717
Purchases of property, plant and equipment		**(3,119)**	(843)	(1,601)
Purchases of intangible assets		**(215)**	(235)	(496)
Net proceeds from sale of property, plant and equipment		**111**	-	5
Net cash (utilised in)/generated from investing activities		**(3,223)**	8,643	7,625
Cash flows from financing activities				
Transfer (to)/from other financial assets		**-**	(6,093)	8,161
Proceeds from issue of ordinary shares		**-**	789	789
Purchase of own shares		**-**	(789)	(2,105)
Dividends paid to Shareholders		**(6,268)**	(5,118)	(7,924)
Net cash used in financing activities		**(6,268)**	(11,211)	(1,079)
Net movement in cash and cash equivalents		**9,608**	11,490	1,165
Cash and cash equivalents at beginning of the period		**18,301**	17,825	17,825
Exchange gains/(losses) on cash and cash equivalents		**216**	517	(689)
Cash and cash equivalents at end of the period		**28,125**	29,832	18,301
Analysis of cash and cash equivalents				
Cash at bank and in hand	13	**22,604**	24,047	12,466
Short term deposits	13	**5,521**	5,785	5,835
		28,125	29,832	18,301

† Presentational currency changed to US dollars (note 6).

Notes to the interim financial statements

1 General information

4imprint Group plc is a public limited company incorporated and domiciled in the UK and listed on the London Stock Exchange. Its registered office is 7/8 Market Place, London, W1W 8AG.

The condensed consolidated interim financial statements were authorised for issue in accordance with a resolution of the Directors on 29 July 2015.

These condensed consolidated interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the period ended 27 December 2014 were approved by the Board of Directors on 4 March 2015 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.

The financial information contained in this report has neither been audited nor reviewed, pursuant to Auditing Practices Board guidance on Review of Interim Financial Information, by the auditors.

2 Basis of preparation

These condensed consolidated interim financial statements for the half year ended 27 June 2015 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting', as adopted by the European Union, and should be read in conjunction with the Group's financial statements for the period ended 27 December 2014, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Interim Report and financial statements.

3 Accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are consistent with those of the annual financial statements for the period ended 27 December 2014, as described in those annual financial statements. New accounting standards applicable for the first time in this reporting period have no impact on the Group's results.

The tax charge for the interim period is accrued based on the best estimate of the tax charge for the full financial year.

4 Estimates

The preparation of the interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

5 Financial risk management

The Group's activities expose it to a variety of financial risks: currency risk; credit risk; liquidity risk; and capital risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 27 December 2014. There have been no changes in any risk management policies since this date.

Notes to the interim financial statements

6 Restatement

In October 2014 the Group announced that, as a substantial portion of the Group's revenue and earnings are denominated in US dollars, it would change the currency it presents its consolidated financial statements from Sterling to US dollars.

The 2014 half year financial statements and notes have been restated to change the presentational currency to US dollars using the same principal noted in the 2014 Annual report and Accounts. Relevant £/US$ exchange rates used were: average rate 1.6693; closing rate 1.7016.

7 Segmental analysis

The chief operating decision maker has been identified as the Board.

The operations of the Group are reported in one primary operating segment.

Revenue – continuing operations

4imprint Direct Marketing	**Half year 2015 $'000**	Half year 2014 (restated) $'000	Full year 2014 $'000
North America	**222,711**	185,094	398,991
UK and Ireland	**8,317**	7,964	16,782
Total revenue from promotional products	**231,028**	193,058	415,773

Profit – continuing operations

	Underlying			Total		
	Half year 2015 $'000	Half year 2014 (restated) $'000	Full year 2014 $'000	**Half year 2015 $'000**	Half year 2014 (restated) $'000	Full year 2014 $000
4imprint Direct Marketing	**14,061**	11,533	31,927	**14,061**	11,533	31,927
Head Office	**(1,888)**	(1,844)	(4,168)	**(1,888)**	(1,844)	(4,168)
Underlying operating profit	**12,173**	9,689	27,759	**12,173**	9,689	27,759
Exceptional items – Head Office (note 8)				**-**	(1,020)	(2,407)
Share option related charges				**(140)**	(526)	(666)
Defined benefit pension scheme administration costs				**(236)**	(347)	(544)
Operating profit	**12,173**	9,689	27,759	**11,797**	7,796	24,142
Net finance income	**18**	83	100	**18**	83	100
Pension finance charge				**(407)**	(591)	(903)
Profit before tax	**12,191**	9,772	27,859	**11,408**	7,288	23,339

8 Exceptional items

	Half year 2015 $'000	Half year 2014 $'000	Full year 2014 $'000
Pension risk reduction exercises	**-**	1,020	2,407

The pension costs related to a flexible early retirement offer (FERO) undertaken in the first half of the prior year and the costs of the buy-in exercise completed in September 2014.

Notes to the interim financial statements

9 Taxation

The taxation charge for continuing operations for the period to 27 June 2015 was 29%, the estimated rate for the full year (H1 2014: 29%; FY 2014: 30%). Tax paid in the period was $1.21m (H1 2014: $0.18m; FY 2014: $6.18m).

10 Earnings per share

Basic, underlying and diluted

The basic, underlying and diluted earnings per share are calculated based on the following data:

	Half year 2015	Half year 2014 (restated)	Full year 2014
	$'000	$'000	$'000
Profit after tax – continuing operations	**8,099**	5,175	16,357
Profit after tax – discontinued operation	**-**	1,415	1,381
Profit after tax	**8,099**	6,590	17,738

	Half year 2015	Half year 2014 (restated)	Full year 2014
	Number 000's	Number 000's	Number 000's
Basic weighted average number of shares	**27,917**	26,847	27,383
Adjustment for employee share options	**193**	1,276	739
Diluted weighted average number of shares	**28,110**	28,123	28,122
Basic earnings per share from continuing operations	**29.01c**	19.28c	59.73c
Basic earnings per share from discontinued operation	**-**	5.27c	5.05c
	29.01c	24.55c	64.78c
Diluted earnings per share from continuing operations	**28.81c**	18.40c	58.16c
Diluted earnings per share from discontinued operation	**-**	5.03c	4.92c
	28.81c	23.43c	63.08c

	Half year 2015	Half year 2014 (restated)	Full year 2014
	$'000	$'000	$'000
Profit before tax – continuing operations	**11,408**	7,288	23,339
Add back:			
Defined benefit pension scheme administration costs	**236**	347	544
Share option charges	**140**	494	633
Social security charges on share options	**-**	32	33
Pension finance charge	**407**	591	903
Exceptional items	**-**	1,020	2,407
Underlying profit before tax – continuing operations	**12,191**	9,772	27,859
Taxation – continuing operations	**(3,309)**	(2,113)	(6,982)
Tax relating to above adjustments	**(157)**	(494)	(756)
Underlying profit after tax – continuing operations	**8,725**	7,165	20,121
Underlying basic earnings per share from continuing operations	**31.25c**	26.69c	73.48c

Notes to the interim financial statements

10 Earnings per share continued

The basic weighted average number of shares excludes shares held in the employee share trust. The effect of this is to reduce the average by 48,389 (H1 2014: 247,152; FY 2014: 146,474).

11 Dividends

	Half year 2015	Half year 2014	Full year 2014
	$'000	$'000	$'000
Dividends paid in the period	**6,268**	5,118	7,924

	Cents	Cents	Cents
Dividends per share declared - Interim	**12.09**	10.51	10.51
- Final			21.90

The interim dividend for 2015 of 12.09c per ordinary share (interim 2014: 10.51c; final 2014: 21.90c) will be paid on 11 September 2015 to ordinary Shareholders on the register at the close of business on 14 August 2015.

12 Employee pension schemes

The Group operates defined contribution pension plans for the majority of its UK and US employees. The regular contributions are charged to the income statement as they are incurred.

The Group also sponsors a legacy UK defined benefit pension Scheme which is closed to new members and future accruals. The funds of the Scheme are administered by a trustee company and are independent of the Group's finances.

The last full actuarial valuation was carried out by a qualified independent actuary as at 5 April 2013 and this has been updated on an approximate basis to 27 June 2015 on an IAS 19 basis. There have been no changes in the valuation methodology adopted for this period's disclosures compared to previous periods' disclosure.

The amounts recognised in the income statement are:

	Half year 2015	Half year 2014	Full year 2014
	$'000	$'000	$'000
Defined benefit pension administration charges	**236**	347	544
Net pension finance charge	**407**	591	903
Exceptional items – Settlement charge re flexible early retirement offer	**-**	477	472
– Pension risk reduction exercise costs paid by the Scheme	**-**	229	1,078
Total recognised in the income statement	**643**	1,644	2,997

The principal assumptions applied by the actuaries at 27 June 2015 were:

	Half year 2015	Half year 2014	Full year 2014
Rate of increase in pensions in payment	**2.86%**	3.00%	2.71%
Rate of increase in deferred pensions	**1.86%**	2.00%	1.71%
Discount rate	**3.67%**	4.04%	3.47%
Inflation assumption - RPI	**2.96%**	3.10%	2.81%
- CPI	**1.96%**	2.10%	1.81%

Notes to the interim financial statements

12 Employee pension schemes continued

The mortality assumptions adopted at 27 June 2015 imply the following life expectancies at age 65:

	Half year 2015	Half year 2014	Full year 2014
Male currently aged 40	**24.8 yrs**	24.7 yrs	24.7 yrs
Female currently aged 40	**27.3 yrs**	27.2 yrs	27.2 yrs
Male currently aged 65	**22.5 yrs**	22.5 yrs	22.5 yrs
Female currently aged 65	**24.9 yrs**	24.8 yrs	24.8 yrs

Analysis of the movement in the balance sheet liability:

	Half year 2015 $'000	Half year 2014 $'000	Full year 2014 $'000
At start of period	**24,015**	27,398	27,398
Administrative expenses	**236**	347	544
Net finance charge	**407**	591	903
Exceptional item – flexible early retirement and buy-in costs paid by Scheme	**-**	229	1,078
Settlement charge on flexible early retirement offer – exceptional charge	**-**	477	472
Contributions by employer	**-**	(3,275)	(26,544)
Remeasurement (gains)/losses on post employment obligations	**(2,711)**	7,725	15,128
Return on pension scheme assets (excluding interest income)	**2,025**	(2,549)	(6,047)
Remeasurement loss on pension buy-in	**-**	-	12,622
Exchange loss/(gain)	**260**	936	(1,539)
At end of period	**24,232**	31,879	24,015

13 Analysis of net cash

	Half year 2015 $'000	Half year 2014 $'000	Full year 2014 $'000
Other financial assets – bank deposits	**-**	14,634	-
Cash at bank and in hand	**22,604**	24,047	12,466
Short term deposits	**5,521**	5,785	5,835
Cash and cash equivalents	**28,125**	29,832	18,301
Net cash	**28,125**	44,466	18,301

Notes to the interim financial statements

14 Cash generated from operations

	Half year 2015	Half year 2014 (restated)	Full year 2014
	$'000	$'000	$'000
Operating profit - continuing operations	**11,797**	7,796	24,142
- discontinued operation	**-**	(98)	(118)
Adjustments for:			
Depreciation charge	**638**	678	1,276
Amortisation of intangibles	**256**	280	552
Profit on sale of property, plant and equipment	**(81)**	-	-
Exceptional non cash items	**-**	706	1,550
Decrease in exceptional accrual/provisions	**(99)**	(40)	(24)
Share option non cash charges	**140**	494	653
Defined benefit scheme administration costs – non cash charge	**236**	347	544
Contributions to defined benefit pension scheme	**-**	(3,275)	(26,544)
Changes in working capital:			
Decrease/(increase) in inventories	**226**	(130)	(1,107)
Decrease/(increase) in trade and other receivables	**389**	142	(6,838)
Increase in trade and other payables	**6,792**	7,263	6,600
Cash generated from operations	**20,294**	14,163	686

15 Discontinued operation

On 10 February 2014, the Group completed the sale of SPS to the SPS senior management team, backed by Maven Capital Partners. The final adjusted consideration was $12.28m.

The profit from the discontinued operation was as follows:

	Half year 2014* $'000	Full year 2014* $'000
Operating loss	(98)	(118)
Profit on disposal of business	1,513	1,499
Profit before tax	1,415	1,381
Taxation	-	-
Profit for the period from discontinued operation	1,415	1,381

* To date of sale.

Included within the cash flow statement for H1 2014 and FY 2014 are the following cash flows from discontinued operations: H1 2014: $(217,000); FY 2014: $(214,000) from operating activities and H1 2014: $9,721,000; FY 2014: $9,717,000 from the sale of the business.

Notes to the interim financial statements

16 Share capital

No shares have been issued in the period. In May 2014 the Company issued 1,220,583 shares, with a nominal value of $789,000, to the 4imprint Employee Benefit Trust for a consideration of $789,000 to satisfy exercises of share options under the Performance Share Plan.

17 Capital commitments

The Group had capital commitments contracted but not provided for in these financial statements of $6.6m (28 June 2014: $nil; 27 December 2014: $nil).

18 Related party transactions

The Group did not participate in any related party transactions that require disclosure.

Statement of Directors' responsibilities

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

- An indication of the important events that have occurred during the first half year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

- Material related-party transactions in the first half year and any material changes in the related-party transactions described in the last annual report.

The Directors of 4imprint Group plc are as listed in the Group's Annual Report for 27 December 2014, except that Gillian Davies resigned on 31 March 2015 and David Seekings was appointed in her place on the same date and that Charles Brady was appointed as a Non-Executive Director on 11 June 2015. A list of current Directors of 4imprint Group plc is maintained on the Group website: http://investors.4imprint.com.

By order of the Board

John Poulter
Executive Chairman

David Seekings
Chief Financial Officer

29 July 2015