2 August 2012

4imprint Group plc
Half year results for the period ended 30 June 2012

4imprint Group plc (the 'Group'), an international promotional products business, announces today its half year results for the period ended 30 June 2012

Financial highlights

- **Revenue up 17% at £88.36m (H1 2011: £75.84m)†**
- **Underlying* operating profit up 21% at £3.39m (H1 2011: £2.80m)†**
- **Underlying* profit before tax up 26% at £3.32m (H1 2011: £2.62m)†**
- **Profit before tax up 50% at £2.46m (H1 2011: £1.64m)†**
- **Net cash £11.39m, prior year end £5.46m**
- **Underlying* basic earnings per share up 25% at 8.61p (H1 2011: 6.89p)†**
- **Basic earnings per share, including the profit on disposal of Brand Addition, was 38.79p (H1 2011: 10.91p)**
- **Dividend per share 5.25p, an increase of 5%**

Operational highlights

- **4imprint Direct Marketing**
    - **Continued growth in market share**
    - **More than 274,000 orders received, 17% ahead of half year 2011**
    - **Underlying* operating profit up 12% at £3.95m (H1 2011: £3.52m)**

- **SPS**
    - **8% revenue growth and underlying* operating profit £0.35m (H1 2011: £0.10m)**

- **Brand Addition sale completed on 23 March 2012**

- **£11.40m of sale proceeds deposited in a cash escrow account for pension scheme risk reduction**

† Continuing operations

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

John Poulter, Chairman said:

"The first half of this year has been a period of substantial positive change for the Group. Brand Addition has been sold, enabling the Group to strengthen its balance sheet, to focus on the continued organic growth of 4imprint Direct Marketing and SPS and to reduce the risk of the pension deficit.

We are well positioned to take advantage of the growth opportunities presented by 4imprint Direct Marketing's large and highly fragmented market and, notwithstanding any significant macroeconomic changes to the markets it serves, the Group remains on track for a continued good performance in the second half year."

– Ends –

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4imprint Group

4imprint is a UK listed promotional products Group with two operations: 4imprint Direct Marketing (92% of revenue); and SPS (8% of revenue).

The Group's strategy is continued organic growth, gaining market share in the highly fragmented markets in which the Group operates.

4imprint Direct Marketing

4imprint is a leading direct marketer of promotional products in the USA, headquartered in Oshkosh, Wisconsin and servicing a wide range of customers in the USA and Canada. European customers are serviced through its base in Manchester, England.

SPS

SPS is a UK based trade supplier selling promotional products to distributors in the UK and Europe for onward sale to their customers. The business has specialist manufacturing and sourcing capability together with an extensive range of printing and branding facilities.

Chairman's statement

The first half of this year has been a period of substantial positive change for the Group. Brand Addition has been sold, enabling the Group to strengthen its balance sheet, to focus on the continued organic growth of 4imprint Direct Marketing and SPS and to reduce the risk of the pension deficit.

Strategy

The Board's strategy is to pursue further development and profitable organic growth of 4imprint Direct Marketing and to take appropriate steps to reduce the burden of the legacy defined benefit pension scheme.

Results summary

The Group delivered an encouraging performance from continuing operations in the first half of the year, with revenue* up 17% and underlying operating profit* up 21%. Both 4imprint Direct Marketing and SPS contributed to the increase. In addition, the Group completed the sale of Brand Addition for a consideration of £24m. That business has been reported as a discontinued activity.

Profit before tax* was up 50% at £2.46m. Underlying basic earnings per share* was up 25% at 8.61p and basic earnings per share, including the profit on disposal of Brand Addition, was 38.79p.

4imprint Direct Marketing (92% of revenue)

4imprint Direct Marketing continued to demonstrate the strength and momentum of its business model, with North American revenue in the first half of the year up 14% in US dollars as the business continued to gain market share. 4imprint Direct Marketing UK revenue increased by 15% in the first half of the year as a result of increased marketing activity.

Total Direct Marketing revenue was 17% ahead in sterling, consistent with the Group's organic growth strategy and underlying operating profit at £3.95m was 12% ahead.

SPS (8% of revenue)

Total revenue in SPS increased by 8% in the first half of the year despite a difficult economic background. This was due to increased focus on marketing, selling and customer service activities, together with modest investment in moulding and printing equipment to support the launch of new products. Underlying operating profit at £0.35m compared to £0.10m in the first half of 2011.

Cash

The Group had net cash at the half year of £11.39m, an increase of £5.93m from year end. Net cash generated from continuing operating activities was £4.88m in the first half. £11.40m of the Brand Addition proceeds were deposited into escrow to be used for risk reduction of the defined benefit pension scheme.

Dividend

The Board has declared an interim dividend of 5.25p (H1 2011: 5.00p).

Board

Kevin Lyons-Tarr was appointed to the Board as an Executive Director and Steve Gray and John Warren were appointed to the Board as Non-Executive Directors on 11 June 2012. The Board reiterates its thanks to Ian Brindle and Nick Temple who retired as Non-Executive Directors on 30 June 2012.

Outlook

The Group continues to take advantage of the growth opportunities presented by 4imprint Direct Marketing's large and highly fragmented markets as well as continuing to drive the recovery of SPS.

Following the Group's encouraging first half performance, and notwithstanding any significant macroeconomic changes to the markets it serves, the Group remains on track for a continued good performance in the second half year.

John Poulter

Chairman

2 August 2012

* Continuing operations

Operating and financial review

Operating review - continuing operations

Revenue	**Half year 2012 £'000**	Half year 2011 restated† £'000	Change
4imprint Direct Marketing	**81,297**	69,400	+17%
SPS	**7,802**	7,193	+8%
Inter-segment	**(742)**	(751)	
	88,357	75,842	+17%

Underlying operating profit	**Half year 2012 £'000**	Half year 2011 restated† £'000	Change
4imprint Direct Marketing	**3,954**	3,521	+12%
SPS	**354**	103	+244%
Head office	**(921)**	(826)	
Total	**3,387**	2,798	+21%

† restated to exclude discontinued operations.

Group revenue for the first half of the year was 17% ahead of H1 2011, 14% ahead at constant currency, with organic growth from both 4imprint Direct Marketing and SPS. Underlying operating profit increased by 21% (18% at constant currency).

4imprint Direct Marketing

4imprint Direct Marketing revenue increased by 17% over the first half of 2011. At constant currency, revenue increased by 14%. In both North America and the UK, the Direct Marketing business is growing faster than the overall market, expanding share in the highly fragmented markets it serves.

In North America, in the first half of 2012, new customer orders increased 11% over the same period last year and circa 66,000 new customers were acquired. The business continues to develop and refine an array of marketing techniques used in new customer acquisition, ranging from circulation increases of 'Specialty' print catalogues, a rapidly expanding online presence, search engine optimisation, e-mail marketing and social media all underpinned by database analytics.

Existing customer orders in the first half of 2012 were 22% up over the same period last year, indicative of customer retention rates that are slightly ahead of historical experience. These consistent retention rates are an important facet of the business model as the number of new customers acquired continues to increase.

In the UK, revenue increased 15% over the same period, despite an unhelpful economic environment. The growth was driven primarily through a modest increase in marketing investment, further optimisation of both on and offline marketing activities and emphasis on increasing the product range. Order counts for new customers and retained customers were both up over the first half of 2011.

Operating profit was 12% ahead of the same period in the prior year, 10% at constant currency. Gross margins have remained stable throughout the first half of 2012 and marketing costs have moved broadly in line with the increase in revenue.

SPS

SPS revenue increased by 8% over the first half of 2011, in a market place which remains competitive. The business continues to focus on improved customer service which is a prerequisite to achieving growth within a demanding marketplace. Marketing activities have been focused on opportunities for revenue growth across both product and customer segments. Continued investment in manufacturing capability has resulted in a number of new products being added to the portfolio. In addition, the business has further developed its printing capability and extended its range of bought-in products.

Underlying operating profit increased by £0.25m compared to first half of 2011 as a result of a stable gross margin and control over costs. Underlying operating profit before depreciation for the first half of 2012 at £0.66m, compared with £0.42m in the first half of 2011.

Financial review

Group results

Continuing operations	**Half year 2012 underlying* £'000**	Half year 2011 underlying* restated† £'000	**Half year 2012 £'000**	Half year 2011 restated† £'000
Revenue	**88,357**	75,842	**88,357**	75,842
Underlying operating profit	**3,387**	2,798	**3,387**	2,798
Share option charges			**(340)**	(152)
Exceptional items			**-**	(548)
Net interest payable	**(72)**	(177)	**(72)**	(177)
Net pension finance charge			**(516)**	(286)
Profit before tax	**3,315**	2,621	**2,459**	1,635

* underlying is before share option charges, exceptional items and defined benefit pension charge.

† restated to exclude discontinued operations.

Profit before tax

Underlying profit before tax from continuing operations was £3.32m compared to £2.62m in the first half of 2011, an increase of 26%. Net interest payable was £0.07m. Profit before tax from continuing operations was £2.46m compared to £1.64m in the first half of 2011, an increase of 50%.

Discontinued operations

On 23 March 2012 the Group completed the disposal of Brand Addition to H.I.G., a private equity investment firm. The aggregate consideration was £24m (subject to a normalised level of working capital and on a cash and debt free basis). £1.25m of the consideration is deferred for 12 months and is guaranteed under an irrevocable letter of credit from the Bank of Montreal.

In line with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', Brand Addition has been presented as a discontinued operation and half year 2011 results have been restated accordingly.

Revenue generated by Brand Addition in 2012 up to the date of sale was £11.31m and post tax profit was £9,000.

Profit on disposal of Brand Addition in the half year was £8.63m, net assets sold were £12.28m and net cash inflow from the disposal (after fees, working capital and cash at date of disposal adjustments) was £18.60m.

Taxation

Continuing operations tax charge for the half year was £0.93m at a rate of 38% (H1 2011: 38%), this relates predominantly to taxation chargeable in respect of profit earned in the USA.

Basic earnings per share

Underlying earnings per share from continuing operations was 8.61p (H1 2011: 6.89p), an increase of 25% and earnings per share from continuing operations were 5.82p, 48% ahead.

Earnings per share from discontinued operations, including profit on the disposal of Brand Addition, were 32.97p, resulting in total earnings per share of 38.79p

Cash flow

The Group's net cash at 30 June 2012 was £11.39m, following a net cash inflow of £5.93m in the half year period.

Net cash generated from operating activities was £1.67m, (£4.88m inflow from continuing operations and £(3.21)m cash outflow for discontinued operations). 4imprint Direct Marketing remains highly cash generative, with low working capital requirements. SPS working capital increased in the period to support revenue growth.

Net cash generated from investing activities was £6.18m (£18.60m net cash inflow on business disposal, £(11.40)m cash deposited into an escrow account for the pension fund and £(1.02)m capital expenditure); dividends paid to shareholders were £(2.52)m and proceeds from issue of ordinary shares were £0.54m (exercise of share options).

Balance sheet and Shareholders' funds

	30 June 2012 £'000	31 December 2011 £'000
Non current assets	**30,743***	19,019
Working Capital	**5,377**	5,157
Net cash	**11,391**	5,463
Pension deficit	**(26,981)**	(23,547)
Other liabilities	**(1,657)**	(951)
Net assets held for sale	**-**	7,916
Net assets	**18,873**	13,057

* includes £11.40m pension scheme bank account.

Net assets and Shareholders' funds increased by £5.82m to £18.87m. Profit for the half year period of £10.16m (including £8.63m profit on disposal of business) was offset by £3.17m actuarial losses on the pension scheme, Shareholder dividend of £2.52m and £1.35m other items.

Pension deficit

The Group sponsors a UK defined benefit pension scheme, closed to new members and future accruals. At 5 April 2012 (the date of the scheme accounts), the scheme had 1,291 pensioners and 646 deferred pensioners.

Finance costs included a £0.52m charge in relation to the scheme (H1 2011: £0.29m).

At 30 June 2012 the deficit for the scheme, calculated in accordance with IAS 19, was £26.98m (31 December 2011: £23.55m). The increase was principally due to a reduction in the discount rate to 4.5% (31 December 2011: 4.9%). Liabilities of the scheme at 30 June 2012 were £96.10m and assets of the scheme were £69.12m.

Following the sale of Brand Addition, £11.40m was placed on bank deposit for the benefit of the pension fund. This amount is held in escrow to be used for pension scheme risk reduction exercises to be agreed between the Trustee and the Company. Under the terms of the escrow agreement it cannot be returned to the Company.

The Company cash contribution to the scheme in the first half of the year was £0.26m. In line with the schedule of contributions, a further payment of £2.90m will be made into the scheme out of the escrow cash account by 31 December 2012 if the escrow monies have not been paid into the scheme for risk reduction exercises by that date.

Exchange

The average US dollar exchange rate for the half year period was 1.58 (H1 2011: 1.62; FY 2011: 1.60). The closing rate at 30 June 2012 was 1.57 (2 July 2011: 1.60; 31 December 2011: 1.55).

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 policies are pensions, deferred taxation and goodwill.

Risks

The Group continues to be affected by a number of risks. These have not changed since the year end and are detailed on pages 11 and 12 of the Group's Annual Report and Accounts 2011, a copy of which is available on the Group's website, http://investors.4imprint.com. The risks include: macroeconomic conditions, market competitors; operational risks; purchase of materials and services; and potential litigation and complaints.

Gillian Davies

Group Finance Director

2 August 2012

Condensed consolidated income statement (unaudited)

	Note	**Half year 2012 £'000**	Half year 2011 restated £'000	Full year 2011 £'000
Continuing operations				
Revenue	5	**88,357**	75,842	158,824
Operating expenses		**(85,310)**	(73,744)	(157,533)
Operating profit	5	**3,047**	2,098	1,291
Operating profit before exceptional items		**3,047**	2,646	7,969
Exceptional goodwill impairment		**-**	-	(4,743)
Exceptional items	7	**-**	(548)	(1,935)
Operating profit	5	**3,047**	2,098	1,291
Interest receivable		**37**	-	-
Interest payable		**(109)**	(177)	(352)
Net pension finance charge	12	**(516)**	(286)	(581)
Net finance cost		**(588)**	(463)	(933)
Profit before tax		**2,459**	1,635	358
Taxation	8	**(934)**	(625)	(1,950)
Profit/(loss) for the period from continuing operations		**1,525**	1,010	(1,592)
Discontinued operations				
Profit on disposal of business	6	**8,625**	-	-
Profit from discontinued operations	6	**9**	1,801	3,777
Profit for the period		**10,159**	2,811	2,185

Earnings/(loss) per share				
Basic				
From continuing operations	9	**5.82p**	3.92p	(6.18)p
From continuing and discontinued operations	9	**38.79p**	10.91p	8.48p
Diluted				
From continuing operations	9	**5.73p**	3.83p	(6.03)p
From continuing and discontinued operations	9	**38.19p**	10.65p	8.28p
Underlying				
From continuing operations	9	**8.61p**	6.89p	22.01p

Condensed consolidated statement of comprehensive income (unaudited)

	Note	**Half year 2012 £'000**	Half year 2011 restated £'000	Full year 2011 £'000
Profit for the period		**10,159**	2,811	2,185
Other comprehensive (expense)/income:				
Exchange differences on translation of foreign subsidiaries		**(48)**	(43)	10
Actuarial (losses)/gains on defined benefit scheme	12	**(3,175)**	396	(3,855)
Tax relating to components of other comprehensive income		**730**	(105)	1,022
Effect of change in UK tax rate		**(220)**	(208)	(462)
Other comprehensive (expense)/income net of tax		**(2,713)**	40	(3,285)
Total comprehensive income/(expense) for the period		**7,446**	2,851	(1,100)

Condensed consolidated balance sheet (unaudited)

	Note	**At 30 June 2012 £'000**	At 2 July 2011 £'000	At 31 Dec 2011 £'000
Non current assets				
Property, plant and equipment		**11,794**	12,358	11,959
Goodwill		**-**	9,084	-
Other intangible assets		**988**	1,564	945
Investments		**-**	9	-
Pension scheme bank account	11	**11,400**	-	-
Deferred tax assets		**6,561**	5,870	6,115
		30,743	28,885	19,019
Current assets				
Assets held for resale		**-**	-	20,680
Inventories		**3,328**	7,618	2,728
Trade and other receivables		**20,948**	31,000	17,828
Cash and cash equivalents	13	**13,108**	5,637	12,492
		37,384	44,255	53,728
Current liabilities				
Trade and other payables		**(18,899)**	(25,838)	(15,399)
Current tax		**(961)**	(874)	(159)
Borrowings	13	**(1,636)**	(2,016)	(4,095)
Provisions for other liabilities and charges		**(236)**	(266)	(257)
Liabilities held for sale		**-**	-	(12,764)
		(21,732)	(28,994)	(32,674)
Net current assets		**15,652**	15,261	21,054
Non current liabilities				
Retirement benefit obligations	12	**(26,981)**	(20,304)	(23,547)
Borrowings	13	**(81)**	(5,658)	(2,934)
Provisions for other liabilities and charges		**(460)**	(272)	(535)
		(27,522)	(26,234)	(27,016)
Net assets		**18,873**	17,912	13,057
Shareholders' equity				
Share capital	15	**10,155**	9,939	9,939
Share premium reserve	15	**38,344**	38,016	38,016
Capital redemption reserve		**208**	208	208
Cumulative translation differences		**148**	178	231
Retained earnings		**(29,982)**	(30,429)	(35,337)
Total equity		**18,873**	17,912	13,057

Consolidated statements of changes in Shareholders' equity (unaudited)

	Share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Cumulative translation differences £'000	Retained earnings: Own shares £'000	Retained earnings: Profit and loss £'000	Total equity £'000
At 2 January 2011	9,939	38,016	208	221	(161)	(31,012)	17,211
Profit for the period						2,811	2,811
Other comprehensive income				(43)		83	40
Total comprehensive income for the period				(43)		2,894	2,851
Share based payment charge						168	168
Own shares utilised					21	(21)	-
Dividends						(2,318)	(2,318)
At 2 July 2011	9,939	38,016	208	178	(140)	(30,289)	17,912
Loss for the period						(626)	(626)
Other comprehensive expense				53		(3,378)	(3,325)
Total comprehensive expense for the period				53		(4,004)	(3,951)
Share based payment charge						384	384
Own shares utilised					16	(16)	-
Dividends						(1,288)	(1,288)
At 31 December 2011	9,939	38,016	208	231	(124)	(35,213)	13,057
Profit for the period						**10,159**	**10,159**
Other comprehensive expense				**(48)**		**(2,665)**	**(2,713)**
Total comprehensive income for the period				**(48)**		**7,494**	**7,446**
Share based payment charge						**379**	**379**
Cumulative translation differences of businesses sold				**(35)**			**(35)**
Shares Issued (note 15)	**216**	**328**					**544**
Own shares utilised					**3**	**(3)**	**-**
Dividends						**(2,518)**	**(2,518)**
At 30 June 2012	**10,155**	**38,344**	**208**	**148**	**(121)**	**(29,861)**	**18,873**

Condensed consolidated cash flow statement (unaudited)

	Note	**Half year 2012 £'000**	Half year 2011 £'000	Full year 2011 £'000
Cash flows from operating activities				
Cash generated from operations	14	**1,910**	1,530	12,974
Net tax paid		**(112)**	(53)	(1,414)
Finance income		**8**	-	-
Finance costs		**(136)**	(186)	(367)
Net cash generated from operating activities		**1,670**	1,291	11,193
Cash flows from investing activities				
Sale of business	6	**18,597**	-	-
Payment into pension scheme bank account	11	**(11,400)**	-	-
Purchases of property, plant and equipment		**(706)**	(550)	(1,142)
Purchases of intangible assets		**(309)**	(270)	(652)
Net cash used in investing activities		**6,182**	(820)	(1,794)
Cash flows from financing activities				
Repayment of borrowings		**(5,200)**	(916)	(1,590)
Capital element of finance lease payments		**(70)**	(64)	(132)
Proceeds from issue of ordinary shares		**544**	-	-
Dividends paid to Shareholders		**(2,518)**	(2,318)	(3,606)
Net cash used in financing activities		**(7,244)**	(3,298)	(5,328)
Net movement in cash and cash equivalents		**608**	(2,827)	4,071
Cash and cash equivalents at beginning of the period		**12,492**	8,465	8,465
Exchange gains/(losses) on cash and cash equivalents		**8**	(1)	(44)
Cash and cash equivalents at end of the period		**13,108**	5,637	12,492
Analysis of cash and cash equivalents				
Cash at bank and in hand	13	**8,500**	5,637	6,992
Short term deposits	13	**4,608**	-	5,500
		13,108	5,637	12,492

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 1 August 2012.

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 year ended 31 December 2011 were approved by the Board of Directors on 7 March 2012 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 30 June 2012 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services 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 year ended 31 December 2011, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

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 year ended 31 December 2011, as described in those annual financial statements.

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

4 Restatement

The half year 2011 income statement and notes have been restated to classify the Brand Addition segment as a discontinued operation.

In addition the net interest charge in respect of the defined benefit pension scheme has been reclassified to finance costs from operating expenses to reflect the nature of the charge more accurately.

5 Segmental analysis

The chief operating decision maker has been identified as the Board, and the segmental analysis is presented based on the Group's internal reporting to the Board.

The continuing operations of the Group are reported in two primary business segments:

Revenue	Total			Inter segment			External		
	Half year 2012	Half year 2011 restated	Full year 2011	**Half year 2012**	Half year 2011 restated	Full year 2011	**Half year 2012**	Half year 2011 restated	Full year 2011
	£'000	£'000	£'000	**£'000**	£'000	£'000	**£'000**	£'000	£'000
4imprint Direct Marketing	**81,297**	69,400	146,030	**-**	-	-	**81,297**	69,400	146,030
SPS	**7,802**	7,193	14,221	**(742)**	(751)	(1,427)	**7,060**	6,442	12,794
Total	**89,099**	76,593	160,251	**(742)**	(751)	(1,427)	**88,357**	75,842	158,824

Inter segment revenues are on an arms-length basis.

Notes to the interim financial statements

5 Segmental analysis (continued)

Operating profit	Underlying operating profit/(loss)			Exceptional items			Operating profit/(loss)		
	Half year 2012	Half year 2011 restated	Full Year 2011	**Half year 2012**	Half year 2011 restated	Full Year 2011	**Half year 2012**	Half year 2011 restated	Full year 2011
	£'000	£'000	£'000	**£'000**	£'000	£'000	**£'000**	£'000	£'000
4imprint Direct Marketing	**3,954**	3,521	10,004	**-**	-	-	**3,954**	3,521	10,004
SPS	**354**	103	228	**-**	(189)	(203)	**354**	(86)	25
Head office	**(921)**	(826)	(1,746)	**-**	(359)	(1,732)	**(921)**	(1,185)	(3,478)
	3,387	2,798	8,486	**-**	(548)	(1,935)	**3,387**	2,250	6,551
Share option charge							**(340)**	(152)	(517)
Goodwill impairment - SPS							**-**	-	(4,743)
Total							**3,047**	2,098	1,291

Net finance costs totalling £588,000 (H1 2011: £463,000, FY 2011: £933,000), and taxation charge of £934,000 (H1 2011: £625,000, FY 2011: £1,950,000) cannot be separately allocated to individual segments.

Segmental assets	**Half year 2012 £'000**	Half year 2011 £'000	Full year 2011 £'000
4imprint Direct Marketing	**23,459**	21,258	21,734
SPS	**12,122**	16,418	11,116
Unallocated assets	**8,038**	6,454	6,725
Pension scheme escrow account	**11,400**	-	-
Cash	**13,108**	5,637	12,492
	68,127	49,767	52,067
Discontinued operations – Brand Addition	**-**	23,373	20,680
Total	**68,127**	73,140	72,747

Unallocated assets include head office items and tax.

6 Discontinued operations

On 23 March 2012 the Group disposed of the Brand Addition business to H.I.G., a leading global private equity investment firm. The aggregate consideration was £24m (based on a normalised level of working capital and on a cash and debt free basis). £1.25m of the consideration is deferred for twelve months, there are no conditions attaching to this payment and it is guaranteed under an irrevocable letter of credit from the Bank of Montreal.

Notes to the interim financial statements

6 Discontinued operations (continued)

	Half year 2012 £'000	Half year 2011 £'000	Full year 2011 £'000
Revenue	**11,313**	27,791	63,004

Operating profit before exceptional items	**9**	2,016	5,022
Exceptional items - costs of disposal	**-**	-	(943)
Operating profit	**9**	2,016	4,079
Taxation	**-**	(215)	(302)
Profit for the period from discontinued operations	**9**	1,801	3,777

Profit on disposal of business	**Half year 2012 £'000**
Consideration	**24,000**
Adjustment for working capital and cash at date of sale	**(1,722)**
Adjusted consideration*	**22,278**
Cost of disposal	**(1,409)**
	20,869
Assets held for resale	**(20,203)**
Liabilities	**7,924**
Cumulative translation differences of businesses sold	**35**
Profit on disposal of business	**8,625**

* £1.25m deferred until March 2013.

Included within the cash flow statement are the following cash items from discontinued operations:

	Half year 2012 £'000	Half year 2011 £'000	Full year 2011 £'000
Net cash (used in)/generated from operating activities	**(3,206)**	496	8,608
Cash flows from investing activities			
Purchase of property, plant and equipment	**(279)**	(185)	(450)
Proceeds from sale of business:			
Adjusted consideration received	**21,028**	**-**	**-**
Cash costs of disposal	**(1,599)**	**-**	-
Cash in subsidiaries sold	**(832)**	**-**	-
Net proceeds from sale of business	**18,597**	-	-
Net cash generated from/(used in) investing activities	**18,318**	(185)	(450)
Net movement in cash, cash equivalents and bank overdrafts	**15,112**	311	8,158

Notes to the interim financial statements

7 Exceptional items

	Half year 2012	Half year 2011	Full year 2011
	£'000	£'000	£'000
Enhanced transfer value exercise	**-**	(359)	(1,732)
SPS restructuring costs	**-**	(189)	(203)
	-	(548)	(1,935)

The Company made an enhanced transfer value (ETV) offer to deferred members of the defined benefit pension scheme during the prior year and 307 members accepted the offer and transferred out of the scheme.

SPS restructuring costs in 2011 related to a reduction in headcount.

8 Taxation

The taxation charge for continuing operations for the period to 30 June 2012 was 38% (H1 2011: 38%; FY 2011: 38%, after adjusting profit before tax for the non-taxable goodwill impairment). Tax paid in the period was £112,000 (H1 2011: £53,000; FY 2011: £1,414,000).

9 Earnings per share

Basic, underlying and diluted

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

	Half year 2012	Half year 2011 restated	Full year 2011
	£'000	£'000	£'000
Profit/(loss) after tax – continuing operations	**1,525**	1,010	(1,592)
Profit from discontinued operations after tax	**8,634**	1,801	3,777
Profit after tax	**10,159**	2,811	2,185

	Half year 2012	Half year 2011 restated	Full year 2011
	£'000	£'000	£'000
Profit/(loss) after tax – continuing operations	**1,525**	1,010	(1,592)
Add back:			
Impairment of goodwill	**-**	-	4,743
Defined benefit net pension finance charge	**516**	286	581
Share option charge	**340**	152	517
Exceptional items	**-**	548	1,935
Tax relating to above items	**(126)**	(221)	(513)
Underlying continuing operating profit after interest and tax	**2,255**	1,775	5,671

Notes to the interim financial statements

9 Earnings per share (continued)

	Half year 2012 Number 000's	Half year 2011 Number 000's	Full year 2011 Number 000's
Basic weighted average number of shares	**26,193**	25,760	25,760
Dilutive potential ordinary shares – employee share options	**408**	643	626
Diluted weighted average number of shares	**26,601**	26,403	26,386
Basic earnings/(loss) per share from continuing operations	**5.82p**	3.92p	(6.18)p
Basic earnings per share from discontinued operations	**32.97p**	6.99p	14.66p
	38.79p	10.91p	8.48p
Diluted earnings/(loss) per share from continuing operations	**5.73p**	3.83p	(6.03)p
Diluted earnings per share from discontinued operations	**32.46p**	6.82p	14.31p
	38.19p	10.65p	8.28p
Underlying basic earnings per share from continuing operations	**8.61p**	6.89p	22.01p

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 75,856 (H1 2011: 80,984; FY 2011: 79,109).

10 Dividends

	Half year 2012 £'000	Half year 2011 £'000	Full year 2011 £'000
Dividends paid in the period	**2,518**	2,318	3,606
Dividends per share declared - Interim	**5.25p**	5.00p	5.00p
- Final	**-**	-	9.60p

The interim dividend for 2012 of 5.25p per ordinary share (interim 2011: 5.00p; final 2011: 9.60p) will be paid on 14 September 2012 to ordinary Shareholders on the register at the close of business on 10 August 2012.

11 Pension scheme bank account

Following the sale of Brand Addition, under the terms of an escrow agreement with the Trustee of the defined benefit pension scheme, the Company deposited £11.40m into a bank account held jointly with the defined benefit pension scheme Trustee. This amount will be used for pension scheme risk reduction exercises as agreed between the Company and the Trustee and no payment may be made to the Company from the account.

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 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.

During the period the financial position of the defined benefit pension scheme has been updated in line with the expected return on scheme assets, the interest on scheme liabilities and cash contributions made to the scheme. The last full actuarial valuation was carried out by a qualified independent actuary as at 5 April 2010 and this has been updated on an approximate basis to 30 June 2012.

Notes to the interim financial statements

12 Employee pension schemes (continued)

The amounts recognised in the income statement are:

	Half year 2012 £'000	Half year 2011 £'000	Full year 2011 £'000
Enhanced transfer value (ETV) exercise settlement cost – exceptional items - continuing operations	**-**	-	575
Interest cost on defined benefit obligations	**2,217**	2,669	5,174
Expected return on scheme assets	**(1,701)**	(2,383)	(4,593)
Net pension finance charge – continuing operations	**516**	286	581
Current service cost – discontinued operations	**-**	9	9
Total recognised in the income statement	**516**	295	1,165

The principal assumptions made by the actuaries at 30 June 2012 were:

	Half year 2012	Half year 2011	Full year 2011
Rate of increase in pensionable salaries	**n/a**	4.5%	3.9%
Rate of increase in pensions in payment	**2.6%**	3.5%	2.8%
Rate of increase in pensions in deferred pensions	**1.6%**	3.5%	1.8%
Discount rate	**4.5%**	5.6%	4.9%
Inflation assumption - RPI	**2.7%**	3.5%	2.9%
- CPI	**1.7%**	n/a	1.9%

The mortality assumptions adopted at 30 June 2012 imply the following life expectancies at age 65:

	Half year 2012	Half year 2011	Full year 2011
Male currently aged 40	**24.5 yrs**	24.4 yrs	24.4 yrs
Female currently aged 40	**28.0 yrs**	27.9 yrs	27.9 yrs
Male currently aged 65	**22.1 yrs**	22.0 yrs	22.0 yrs
Female currently aged 65	**25.4 yrs**	25.3 yrs	25.3 yrs

Analysis of the movement in the balance sheet liability:

	Half year 2012 £'000	Half year 2011 £'000	Full year 2011 £'000
At start of period	**23,547**	21,905	21,905
Current service cost	**-**	9	9
Net finance charge	**516**	286	581
Settlement charge	**-**	-	575
Normal contributions paid	**(257)**	(1,500)	(3,000)
Exceptional contributions in respect of ETV exercise	**-**	-	(378)
Actuarial losses/(gains) recognised in other comprehensive income	**3,175**	(396)	3,855
At end of period	**26,981**	20,304	23,547

Notes to the interim financial statements

13 Analysis of net debt

	Half year 2012 £'000	Half year 2011 £'000	Full year 2011 £'000
Cash at bank and in hand	**4,608**	5,637	6,992
Short term deposits	**8,500**	-	5,500
Cash, cash equivalents and bank overdrafts	**13,108**	5,637	12,492
Current finance leases	**(142)**	(135)	(143)
Current bank loans	**(1,494)**	(1,881)	(3,952)
Current borrowings	**(1,636)**	(2,016)	(4,095)
Non current finance leases	**(81)**	(218)	(152)
Non current bank loans	**-**	(5,440)	(2,782)
Non current borrowings	**(81)**	(5,658)	(2,934)
Net cash/(debt)	**11,391**	(2,037)	5,463

14 Cash generated from operations

	Half year 2012 £'000	Half year 2011 £'000	Full Year 2011 £'000
Operating profit - continuing operations	**3,047**	2,098	1,291
- discontinued operations	**9**	2,016	4,079
Adjustments for:			
Impairment of goodwill	**-**	-	4,743
Depreciation charge	**651**	648	1,338
Amortisation of intangibles	**252**	323	656
Exceptional non cash items	**-**	-	575
Decrease in exceptional accrual/provisions	**(256)**	(315)	(310)
Share option non cash charges – continuing operations	**340**	152	517
– discontinued operations	**39**	16	35
IAS 19 current service cost	**-**	9	9
Contributions to defined benefit pension scheme – normal	**(257)**	(1,500)	(3,000)
– exceptional re ETV exercise	**-**	-	(378)
Changes in working capital:			
Increase in inventories	**(863)**	(1,264)	(297)
(Increase)/decrease in trade and other receivables	**(642)**	(1,245)	1,480
(Decrease)/increase in trade and other payables	**(410)**	592	2,236
Cash generated from operations	**1,910**	1,530	12,974

Cash flows relating to discontinued operations are shown in note 6.

Notes to the interim financial statements

15 Share capital

During the period 561,519 shares, with a nominal value of £216,000, were issued for a consideration of £544,000 to satisfy exercises of share options under the UK SAYE and US Sharesave Schemes (2011: no shares issued in year).

16 Capital commitments

The Group had capital commitments of £43,000 contracted but not provided for in these financial statements (2 July 2011: £44,000, 31 December 2011: £213,000, of which £134,000 was in respect of discontinued operations).

17 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, this condensed consolidated set of interim financial statements has 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 rules 4.2.7R and 4.2.8R of the Disclosure Rules and Transparency Rules of the United Kingdom's Financial Services Authority, namely:

- An indication of the important events that have occurred during the first six months 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.

- Disclosure of material related party transactions and changes therein.

The names of the Directors of 4imprint Group plc are as listed in the Group's Annual Report for 31 December 2011, apart from Mr K. Lyons-Tarr who was appointed an Executive Director and Mr J.A. Warren and Mr S.J. Gray who were appointed as Non-Executive Directors on 11 June 2012. Mr I. Brindle and Mr N. Temple resigned as Non-Executive Directors on 30 June 2012. 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
Chairman

Gillian Davies
Group Finance Director

2 August 2012