Company name	**CPL Resources PLC**
Headline	**Interim Results**

RNS Number : 1495A
CPL Resources PLC
27 January 2011

Cpl RESOURCES plc
Results for the Half Year Ended 31 December 2010

Cpl Resources plc, Ireland's leading employment services group, today announced results for the half year ended 31st December 2010.

Chairman's Statement

Operating highlights	**Half Year ended 31-Dec-10 €'000 (Unaudited)**	**Half Year ended 31-Dec-09 €'000 (Unaudited)**
Revenue	***111,896***	***91,378***
Gross profit	***17,116***	***12,958***
Profit before tax	***3,885***	***2,374***
Conversion Ratio before Interest	***20%***	***13%***
Conversion Ratio after Interest	***23%***	***18%***
EPS	***9.1 cent***	***5.5 cent***

Permanent fees	***31%***	***26%***
Temporary fees	***69%***	***74%***

I am pleased to inform our shareholders that tight cost control coupled with strong top line growth has resulted in a significant increase in our profits in the 6 months to 31 December 2010. Our sales increased by 22% year on year and by 14% over the preceding 6 months. Our profit before tax of €3.9 million represents 33% sequential growth when compared to the six months to June 2010. The PBIT achieved in the 6 months ended 31 December 2010 is double the PBIT for the same period last year.

Permanent fees continued to improve in the six months to December 2010. The fees in the six months to December 2010 were 57% higher than the same period last year and 22% higher than the six months to June 2010. While companies are looking to recruit again, their decision making process is much longer than it used to be. Certain specialist areas showed the biggest pick-up in recruiting activity in the 6 months period to December 2010.

Our revenues in H1 2011 from our temporary business were 21% higher than the same period last year and 13% higher than the 6 months to June 2010. The gross profit earned in our temporary business in the period to December 2010 was 23% higher year on year. While our temporary staff numbers and rostered hours are increasing, we are still experiencing significant price pressure with continued margin erosion. However, our temporary fees in the six months to December 2010 were 8% higher than the six months to June 2010. We have grown the fees, despite the pressure on our price, by delivering new services to our clients, by focusing on delivering efficient and innovative solutions and by managing our costs.

The Group had cash balances of €42.4 million at 31 December 2010. The business generated €3.7 million from operating activities in the six months to December 2010. The Group paid dividends of €930,000 while €735,000 was spent on acquisitions in the same period. We continue to manage our debtor book actively and carefully, and we have not experienced any significant increase in bad debts. However given the growth in revenue our working capital needs increased in the first six months.

In November 2010 Cpl Resources plc acquired PHC Care Management Limited, "PHC". PHC provides high quality, person-centred care and support to individuals in their own homes, enabling them to continue to live independently. The acquisition of PHC represents a further step in Cpl's strategy of extending the Group's footprint in the healthcare sector, and will enhance our position as the leading provider of healthcare professionals in the market. We anticipate significant benefits for our patients, their families and the communities within which we operate, from the strong infrastructure and support of the combined companies.

I would like to take this opportunity to thank our clients. It has been a difficult time for businesses in Ireland and we value their continued support and look forward to delivering more services in the coming year. I would also like to thank all our staff for their loyalty, enthusiasm and commitment to our clients and candidates. Finally I would like to thank our candidates for continuing to let us work with them to develop their future.

The marketplace remains uncertain and highly competitive, and we continue to experience pressure on our margins. These challenges are being offset by growth in certain specialist areas. As a consequence, the Group is unlikely to experience significant changes in profitability in the near term.

The Board is recommending an interim dividend of 2.5 cent per share. The dividend will be payable on 4th March 2010 to shareholders on the company's register at the close of business on the record date of 4 th February 2010.

John Hennessy

27th January 2011

Group income statement
for the period ended 31 December 2010

	Half Year ended 31 Dec 2010 €'000 (Unaudited)	Half Year ended 31 Dec 2009 €'000 (Unaudited)	Year ended 30 Jun 2010 €'000 (Audited)
Revenue	111,896	91,378	189,856
Cost of sales	(94,780)	(78,420)	(161,640)
Gross profit	17,116	12,958	28,216
Distribution expenses	(1,052)	(762)	(1,677)
Administrative expenses	(12,721)	(10,514)	(22,574)
Operating profit	**3,343**	**1,682**	**3,965**
Financial income	546	694	1,335
Financial expenses	(4)	(2)	(9)
Profit before tax	3,885	2,374	5,291
Income tax expense	(505)	(309)	(793)
Profit for the Financial Year	3,380	2,065	4,498
Attributable to:			
Equity Shareholders	3,376	2,054	4,525
Non-controlling interest	4	11	(27)
	3,380	2,065	4,498
Basic earnings per share	9.1 cent	5.5 cent	12.2 cent
Diluted earnings per share	9.1 cent	5.5 cent	12.2 cent

Group Balance Sheet

At 31 December 2010

	31 Dec 2010 €'000 (Unaudited)	31 Dec 2009 €'000 (Unaudited)	30 Jun 2010 €'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	1,254	1,426	1,424
Goodwill and Intangible assets	12,594	10,668	11,293
Deferred tax asset	325	229	325
Total non-current assets	**14,173**	**12,323**	**13,042**
Current assets			
Trade and other receivables	40,028	29,666	33,703
Cash and cash equivalents	42,358	16,531	43,461
Short-term bank deposits	-	25,535	-
Corporation tax refundable	-	135	322
	-		
Assets classified as held for sale	-		150
Total current assets	**82,386**	**71,867**	**77,636**
Total assets	**96,559**	**84,190**	**90,678**
Equity			
Share capital	3,720	3,720	3,720
Share premium	1,705	1,705	1,705
Other reserves	(3,300)	(3,300)	(3,300)
Retained earnings	63,315	58,956	60,869
	65,440	**61,081**	**62,994**
Non-controlling interest	75	109	71
Total equity	**65,515**	**61,190**	**63,065**
Liabilities			
Non-current liabilities			
Financial liabilities	100	68	158
Provisions	529	-	700
Total non-current liabilities	**629**	**68**	**858**
Current liabilities			
Financial liabilities	105	32	126
Trade and other payables	29,302	22,870	26,620
Corporation tax payable	158	-	-
Provisions	850	30	9
Total current liabilities	**30,415**	**22,932**	**26,755**
Total liabilities	**31,044**	**23,000**	**27,613**
Total equity and liabilities	**96,559**	**84,190**	**90,678**

Group Cash Flow statement	**Half Year ended**	**Half Year ended**	**Year ended**
for the period ended 31 December 2010	**31 Dec 2010**	**31 Dec 2009**	**30 Jun 2010**
	€'000	**€'000**	**€'000**
	(Unaudited)	**(Unaudited)**	**(Audited)**
Cash flows from operating activities			
Profit for the financial year	3,380	2,066	4,498
Adjustments for:			
Depreciation on property, plant and equipment	301	287	463
Amortisation of Intangible assets	35	83	594
Deferred Consideration write back	-	(317)	(317)
Financial income	(546)	(694)	(1,335)
Financial expense	4	2	9
Loss on disposal of property plant and equipment	-	-	7
Income tax expense	505	309	793
Operating profit before changes in working capital and provisions	**3,679**	**1,736**	**4,712**
Decrease/(Increase) in trade and other receivables	(6,458)	483	(1,685)
(Decrease)/Increase in trade and other payables and provisions	2,547	(979)	924
Cash generated from operations	(232)	1,240	3,951
Interest paid	(4)	(2)	(9)
Income tax refund / (paid)	-	-	(800)
Interest received	873	495	1,078
Net cash from operating activities	**637**	**1,733**	**4,220**
Cash flows from investing activities			
Acquisition of business, net of cash acquired	(735)	(1,198)	(1,628)
Deferred consideration paid	(10)	(127)	(162)
Purchase of property, plant and equipment	(131)	(199)	(236)
Sale of property , plant and equipment	150	-	-
Purchase of intangible assets	(5)	(70)	(87)
Transfer from/(to) short term deposits	-	(5,540)	19,995
Net cash used in investing activities	(731)	(7,134)	17,882
Cash flows from financing activities			
Repayment of borrowings	(79)	(15)	-
Decrease in finance leases	-	-	(30)
Dividends paid	(930)	(558)	(1,116)
Net cash used in financing activities	**(1,009)**	**(573)**	**(1,146)**
Net /(decrease) increase in cash and cash equivalents	(1,103)	(5,974)	20,956
Cash and cash equivalents at beginning of period / year	43,461	22,505	22,505
Cash and cash equivalents end of period / year	**42,358**	**16,531**	**43,461**

Notes supporting interim financial statements

1. Basis of preparation

The consolidated financial information of the Group has been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS), including interpretations issued by the International Accounting Standards Board ("IASB") and its committees and adopted by the EU.

The figures for the half year ended 31 December 2010 are unaudited. The comparative figures for the half year ended 31 December 2009 are also unaudited. The amounts for the year ended 30 June 2010 represent an abbreviated version of the Group's full financial statements for the year on which the auditors issued an unqualified audit report.

The preparation of financial information in conformity with IFRS 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 experience 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.

2. Dividends to equity shareholders

	Half Year ended 31 Dec 2010 €'000	**Half Year ended 31 Dec 2009 €'000**	**Year ended 30 June 2010 €'000**
Ordinary dividends:			
Interim dividends paid	**-**	**-**	558
Final dividend paid	**930**	558	558
	930	558	1,116

3. Earnings per ordinary share

The earnings per ordinary share is calculated on the basis that the weighted average number of shares in issue for the half year ended 31 December 2010 is 37,211,825 (*period ended 31 December 2009* - 37,211,825; *year ended 30 June 2010* - 37,211,825*)*. It has been calculated based on the profit for the financial period ended 31 December 2010 of €3,376,000 (*period ended 31 December 2009* - €2,054,000*; year ended 30 June 2010 - €4,525,000).*

4. Acquisition of business undertakings

In November 2010, the Group acquired PHC Care Management Ltd. The carrying value of the assets which were acquired, determined in accordance with IFRS at the acquisition dates was €85,000. Total consideration amounted to €1 million.

The initial assignment of fair values to identifiable net assets acquired has been performed on a provisional basis in respect of the above business combination. Any amendments to these fair values within the twelve month timeframe from the date of acquisition will be disclosable in the 2011 Annual Report as stipulated by IFRS 3, *Business Combinations.*

5. Provisions

Deferred and contingent consideration	**Group €'000**
Balance at 30 June 2010	709
Amount recognised during the year (note 4)	680
Paid during the year	(10)
Balance at 31 December 2010	**1,379**
Current	850
Non-current	529
	1,379

For Further Information:

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