

Company name  
Headline

**CPL Resources PLC**  
**Half Yearly Report**

RNS Number : 2723W  
CPL Resources PLC  
27 January 2012

**Cpl Resources plc**  
**Results for the Half Year Ended 31 December 2011**

Cpl Resources plc, Ireland's leading employment services group, today announced results for the half year ended 31st December 2011.

*Chairman's statement*

I am pleased to report that in the six months to 31 December 2011 the Cpl Group ('Cpl' or the 'Group') delivered a strong operating performance and recorded increases in revenues and profits.

**Highlights**

- 28% increase in revenues to €143 million
- 27% increase in operating profit to €4.2 million
- Interim dividend per share of 3 cent (2010: 2.5 cent)

<b>Highlights</b>	<b>Half Year Ended</b>	<b>Half Year Ended</b>	<b>% change</b>
	<b>31-Dec-11</b>	<b>31-Dec-10</b>	
	<b>€000's</b>	<b>€000's</b>	
Revenue	142,718	111,896	28%
Gross profit	20,837	17,116	22%
Operating profit	4,237	3,343	27%
Interest	291	542	(46%)
Profit before tax	4,528	3,885	17%
EPS	10.9 Cent	9.1 Cent	20%
Dividend per share	3.0 Cent	2.5 Cent	20%
Net cash at year end	21,517	42,358	
<b>Split of Gross Profit</b>			
Permanent Fees	30%	31%	
Temporary Fees	70%	69%	
<b>Conversion Ratio</b>			
Gross profit to operating profit	20.3%	19.5%	

The economic uncertainty in Ireland and in other markets in which we operate has not abated in the six months to December 2011. As with many businesses this uncertainty and its effects on

employment and on business confidence generally have given rise to very challenging trading conditions.

Against this background the Group's performance in the six months to 31 December 2011 has been strong. We have concentrated our efforts on meeting the changing needs of companies and candidates while managing our own cost base carefully. We have recorded an increase in our fees from permanent placements by 16.3% over the same period last year, while we have continued to experience significant pressure on prices and margins we are pleased to report a 24.2% increase in net fees from the placement of temporary employees. I am also pleased to report the continued profitable growth in our businesses outside Ireland.

The achievement of strong results and the maintenance of positive momentum in such uncertain times reflect outstanding commitment to the provision of excellent service across the whole Group. On behalf of the Board I would like to thank the management and staff of Cpl, in Ireland and overseas, for all of their continuing efforts. I would also like to extend the appreciation of the Board to our customers for their continued loyalty and support.

### **Tender Offer**

During the six months to 31 December 2011 we announced a Tender Offer to return up to €20 million in surplus capital to shareholders by acquiring some of their shares in Cpl. The Board was pleased to note that the Tender Offer was fully taken up. The Group purchased 6,666,666 shares at €3 per share. All shares acquired have been cancelled, and this has given rise to a positive effect on the Group's earnings per share.

### **Earnings per Share**

Our reported basic EPS of 10.9 cent per share was based on a weighted average number of shares in issue over the course of the six months of 36.10 million shares. The Group had 37.211 million shares in issues prior to the Tender Offer. The number of issued shares at 31 December 2011 is 30.545 million shares.

### **Dividend & Dividend Policy**

As previously indicated, the Group's dividend policy is unaffected by the return of capital to shareholders. The Board is declaring an interim dividend of 3 cent per share. The dividend will be payable on 12 March 2012 to shareholders on the company's register at the close of business on the record date of 10 February 2012. The Group has a progressive dividend policy which reflects underlying earnings growth and the continued strength of the Group's balance sheet.

### **Outlook**

Notwithstanding the Group's strong performance in the six months to 31 December 2011, very significant uncertainties remain in our principal markets. Although we expect to maintain our position in those markets, we do not anticipate that those markets themselves will grow significantly in the near future. As a consequence, it's not possible to forecast future performance with any certainty. We will, however, continue to focus on the delivery of excellent service to clients and candidates and to position ourselves to take advantage of any opportunities for growth that may arise.

John Hennessy  
Chairman  
27 January 2012

**Condensed group statement of Comprehensive Income  
for the period ended 31 December 2011**

	Half Year ended 30 Dec 2011 €000 ( Unaudited)	Half Year ended 30 Dec 2010 €000 ( Unaudited)	Year ended 30 Jun 2011 €000 (Audited)
<b>Revenue</b>	142,718	111,896	235,311
Cost of sales	(121,881)	(94,780)	(198,270)
<b>Gross profit</b>	20,837	17,116	37,041
Distribution expenses	(1,366)	(1,052)	(2,354)
Administrative expenses	(15,234)	(12,721)	(27,498)
<b>Operating profit</b>	4,237	3,343	7,189
Financial income	292	546	967
Financial expenses	(1)	(4)	(24)
<b>Profit before tax</b>	4,528	3,885	8,132
Income tax expense	(589)	(505)	(973)
<b>Profit for the financial period/year</b>	3,939	3,380	7,159
<b>Attributable to:</b>			
Equity shareholders	3,939	3,376	7,159
Minority interest	-	4	-
	3,939	3,380	7,159
<b>Other Comprehensive Income</b>			
Foreign currency translation difference - foreign operations	-	-	28
<b>Total comprehensive Income for the period</b>	<b>3,939</b>	<b>3,380</b>	<b>7,187</b>
<b>Basic earnings per share</b>	10.9 cent	9.1 cent	19.2 cent
<b>Diluted earnings per share</b>	10.9 cent	9.1 cent	19.2 cent

**Condensed group Balance Sheet**  
*at 31 December 2011*

	31 Dec 2011 €000 ( Unaudited)	31Dec 2010 €000 ( Unaudited)	30 Jun 2011 €000 ( Audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1,111	1,254	1,236
Goodwill and intangible assets	11,682	12,594	11,709
Deferred tax asset	467	325	467
<b>Total non-current assets</b>	<b>13,260</b>	<b>14,173</b>	<b>13,412</b>
<b>Current assets</b>			
Trade and other receivables	51,443	40,028	41,106
Cash and cash equivalents	13,543	42,358	38,372
Short-term bank deposits	8,000	-	8,000
<b>Total current assets</b>	<b>72,986</b>	<b>82,386</b>	<b>87,478</b>
<b>Total assets</b>	<b>86,246</b>	<b>96,559</b>	<b>100,890</b>
<b>Equity</b>			
Issued capital	3,054	3,720	3,720
Share premium	1,705	1,705	1,705
Capital redemption reserve	666	-	-
Other reserves	(3,272)	(3,300)	(3,272)
Retained earnings	49,188	63,315	66,179
	<b>51,341</b>	<b>65,440</b>	<b>68,332</b>
Non- controlling interest	-	75	-
<b>Total equity</b>	<b>51,341</b>	<b>65,515</b>	<b>68,332</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities	40	100	45
Provisions	625	529	625
<b>Total non-current liabilities</b>	<b>665</b>	<b>629</b>	<b>670</b>
<b>Current liabilities</b>			
Financial liabilities	97	105	79
Bank overdraft	26	-	48
Trade and other payables	33,696	29,302	31,235
Corporation tax payable	116	158	121
Provisions	305	850	405
<b>Total current liabilities</b>	<b>34,240</b>	<b>30,415</b>	<b>31,888</b>
<b>Total liabilities</b>	<b>34,905</b>	<b>31,044</b>	<b>32,558</b>
<b>Total equity and liabilities</b>	<b>86,246</b>	<b>96,559</b>	<b>100,890</b>

Condensed group Cash Flow statement	Half year ended	Half year ended	Year ended
<i>for the period ended 31 December 2011</i>	31 Dec 2011	31 Dec 2010	30 Jun 2011
	€000	€000	€000
	( Unaudited)	( Unaudited)	( Audited)
<b>Cash flows from operating activities</b>			
Profit for the financial period/ year	3,939	3,380	7,159
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	239	301	467
Amortisation of intangible assets	62	35	874
Financial income	(292)	(546)	(967)
Financial expense	1	4	24
Income tax expense	589	505	973
<b>Operating profit before changes in working capital and provisions</b>	4,538	3,679	8,530
(Increase) in trade and other receivables	(10,079)	(6,458)	(6,945)
Increase in trade and other payables and provisions	2,461	2,547	3,978
<b>Cash generated from operations</b>	(3,080)	(232)	5,563
Interest paid	(1)	(4)	(24)
Income tax/ ( paid)	(594)	-	(697)
Interest received	-	873	1,470
<b>Net cash from operating activities</b>	<b>(3,675)</b>	<b>637</b>	<b>6,312</b>
<b>Cash flows from investing activities</b>			
Acquisition of business, net of cash acquired	-	(735)	(1,215)
Deferred consideration paid	(100)	(10)	(9)
Purchase of property, plant and equipment	(114)	(131)	(264)
Proceeds from sale of land previously classified as held for sale	-	150	150
Purchase of intangible assets	(1)	(5)	(31)
Transfer from/(to) short term deposits	-	-	(8,000)
<b>Net cash used in investing activities</b>	<b>(215)</b>	<b>(731)</b>	<b>(9,369)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings	-	(79)	-
Increase / (decrease) in finance leases	13	-	(160)
Acquisition of non-controlling interests	-	-	(60)
Dividends paid	(930)	(930)	(1,860)
Redemption of share capital	(20,000)	-	-
<b>Net cash used in financing activities</b>	<b>(20,917)</b>	<b>(1,009)</b>	<b>(2,080)</b>
Net (decrease) in cash and cash equivalents	(24,807)	(1,103)	(5,137)
Cash and cash equivalents at beginning of period / year	38,324	43,461	43,461
Cash and cash equivalent end of period / year	<b>13,517</b>	<b>42,358</b>	<b>38,324</b>

## Condensed group Statement of Changes in Equity

For the period ended 31 December 2011

	Share capital €000	Share premium €000	Capital redemption reserve fund €000	Capital conversion reserve fund €000	Merger reserve €000	Currency translation reserve €000	Retained earnings €000	Share holders equity €000	Non-controlling interest €000	Total equity €000
Balance at 1 July 2010	3,720	1,705	-	57	(3,357)	-	60,869	62,994	71	63,065
<i>Total comprehensive income for the period</i>										
Profit for the financial period	-	-	-	-	-	-	3,376	3,376	4	3,380
Dividends paid	-	-	-	-	-	-	(930)	(930)	-	(930)
Balance at 31 December 2011	<b>3,720</b>	<b>1,705</b>	-	<b>57</b>	<b>(3,357)</b>	-	<b>63,315</b>	<b>65,440</b>	<b>75</b>	<b>65,515</b>
Balance at 1 July 2011	3,720	1,705	-	57	(3,357)	28	66,179	68,332	-	68,332
<i>Total Comprehensive income for the period</i>										
Profit for the financial period	-	-	-	-	-	-	3,939	3,939	-	3,939
<i>Transactions with owners</i>										
Capital redemption	(666)	-	666	-	-	-	(20,000)	(20,000)	-	-
Dividends paid	-	-	-	-	-	-	(930)	(930)	-	(930)
Balance at 31 December 2011	<b>3,054</b>	<b>1,705</b>	<b>666</b>	<b>57</b>	<b>(3,357)</b>	<b>28</b>	<b>49,188</b>	<b>51,341</b>	-	<b>51,341</b>

## Notes supporting condensed 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 2011 are unaudited. The comparative figures for the half year ended 31 December 2010 are also unaudited. The amounts for the year ended 30 June 2011 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

	<b>Half Year ended 31 Dec 2011 €000</b>	<b>Half Year ended 31 Dec 2010 €000</b>	<b>Year ended 30 June 2011 €000</b>
<b>Ordinary dividends:</b>			
Interim dividends paid	-	-	930
Final dividend paid	<b>930</b>	930	930
	<b>930</b>	930	1,860

### 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 2011 is 36,100,714 (period ended 31 December 2010 - 37,211,825; year ended 30 June 2011 - 37,211,825). It has been calculated based on the profit for the financial period ended 31 December 2011 of €3,939,000 (period ended 31 December 2010 - €3,376,000; year ended 30 June 2011 - €7,159,000).





#### 4. Share capital, share premium, and other reserves

	31-Dec-11 €000	30-Jun-11 €000
<i>Authorised</i>		
50,000,000 ordinary shares at €0.10 each	<b>5,000</b>	5,000
	<b>2011</b>	2010
	<b>€000</b>	€000
<i>Allotted, called up and fully paid</i>		
30,545,159 ( 30 June 2011: 37,211,825) ordinary shares at €0.10 each	<b>3,054</b>	3,720

#### 5. Tender Offer

The Tender Offer described in the circular issued by the Company to its shareholders on 3 October 2011 (the "EGM Circular") closed on 1 November 2011 in accordance with its published timetable. A total of 14,372,768 Ordinary Shares were validly tendered at the Tender Price pursuant to the Tender Offer which equates to approximately 38.6 per cent of the 37,211,825 Ordinary Shares in issue at that time. The total number of Ordinary Shares purchased by the Company pursuant to the Tender Offer was 6,666,666 for a total consideration, before expenses, of approximately €20 million.

This information is provided by RNS  
The company news service from the London Stock Exchange

END

IR BQLLLLFFFBBD