PRESS ANNOUNCEMENT

GAMES WORKSHOP GROUP PLC

8 January 2016

HALF-YEARLY REPORT AND TRADING UPDATE

Games Workshop Group PLC ("Games Workshop" or the "Group") announces its half-yearly results for the six months to 29 November 2015.

Highlights:

	Six months to 29 November 2015	Six months to 30 November 2014
Revenue	**£55.3m**	£56.5m
Revenue at constant currency*	**£56.9m**	£56.5m
Operating profit pre-royalties receivable	**£4.7m**	£5.5m
Royalties receivable	**£1.5m**	£0.7m
Operating profit	**£6.2m**	£6.2m
Pre-tax profit	**£6.3m**	£6.3m
Cash generated from operations	**£8.6m**	£7.8m
Basic earnings per share	**14.9p**	14.5p
Dividend per share declared in the period	**20p**	36p

Kevin Rountree, CEO of Games Workshop, said:

"We have made some good progress on our strategic initiatives all focused on delivering long term growth. Whilst we are disappointed with the decline in return on capital reported in the period, we are all confident that we are focused on delivering the necessary changes to address this decline.

In the period we launched some great new products and our new visitor centre has performed well.

December sales were below expectations across the Group. At this stage in the Company's financial year, the Company's internal projections indicate that pre-tax profit for the year to 29 May 2016 is unlikely to exceed £16 million. A further update will be made when appropriate. "

…Ends…

For further information, please contact:

Games Workshop Group PLC **0115 900 4003**
Kevin Rountree, CEO
Rachel Tongue, Group finance director

Investor relations website investor.games-workshop.com
General website www.games-workshop.com

*Constant currency revenue is calculated by comparing results in the underlying currencies for 2014 and 2015, both converted at the average exchange rates for the six months ended 30 November 2014.

FIRST HALF HIGHLIGHTS

	Six months to 29 November 2015	Six months to 30 November 2014
Revenue	**£55.3m**	£56.5m
Revenue at constant currency*	**£56.9m**	£56.5m
Operating profit pre-royalties receivable	**£4.7m**	£5.5m
Royalties receivable	**£1.5m**	£0.7m
Operating profit	**£6.2m**	£6.2m
Pre-tax profit	**£6.3m**	£6.3m
Cash generated from operations	**£8.6m**	£7.8m
Basic earnings per share	**14.9p**	14.5p
Dividends per share declared in the period	**20p**	36p

Revenue by segment

	Six months to 29 November 2015 Constant currency	Six months to 30 November 2014 Constant currency	**Six months to 29 November 2015 Actual rates**	Six months to 30 November 2014 Actual rates
Trade	**£22.3m**	£22.0m	**£22.4m**	£22.0m
Retail	**£23.0m**	£23.4m	**£21.5m**	£23.4m
Mail Order	**£11.6m**	£11.1m	**£11.4m**	£11.1m

INTERIM MANAGEMENT REPORT

We have made some good progress on our strategic initiatives all focused on delivering long term growth. Whilst we are disappointed with the decline in return on capital reported in the period, we are all confident that we are focused on delivering the necessary changes to address this decline.

In the period we launched some great new products and our new visitor centre has performed well.

We are focused on delivering value. Our key measure of our performance is return on capital. During the period our return on capital fell from 38% at November 2014 to 36%. This was driven by both an increase in average capital employed** and a decline in operating profit before royalties receivable.

Trading update
December sales were below expectations across the Group. At this stage in the Company's financial year, the Company's internal projections indicate that pre-tax profit for the year to 29 May 2016 is unlikely to exceed £16 million. A further update will be made when appropriate.

Sales
Reported sales fell by 2.2% to £55.3 million for the period. On a constant currency basis, sales were up by 0.7% from £56.5 million to £56.9 million; split by channel this comprised: retail £23.0 million (2014: £23.4 million), trade £22.3 million (2014: £22.0 million) and mail order £11.6 million (2014: £11.1 million).

Retail
This channel showed growth in non-core retail but was offset by declines in our core retail business. However on a constant currency basis sales were broadly in line with last year. We opened, including relocations, 22 one man store format stores and three multi man format stores in the period. We also started our trial of four multi man format stores in high footfall locations; Sydney, Munich, Paris and Copenhagen. After closing 13 stores, our net total number of stores at the end of the period is 430.

The key priority is store manager recruitment. On 9 November 2015, I appointed an expert in recruitment to my management team. This person will ensure we have a constant supply of retail store managers and trade recruiters and account developers. She will also work with me to review our global people strategy.

Trade
All key territories were broadly in line with last year. In the period, our net number of trade outlets increased by 61 accounts.

To broaden our core trade product reach, in the period, we have designed a small new product range and are at present actively signing up distribution agents to sell this product into North America. We continue to work on other product formats to optimise other opportunities.

Mail order
Sales in our online shops were up 5.3%.

Non-core
This includes licensing, digital, export, the visitor centre, non-strategic trade accounts, book trade, magazine and mass-market opportunities. Non-core sales were down by 2.5% from £7.8 million to £7.6 million due to declines in sales in digital, export and the book trade offset by growth in visitor centre and non-strategic trade sales. In the period, royalties receivable from licensing increased from £0.7 million to £1.5 million.

Operating profit
Core business operating profit (operating profit before royalty income) fell by £0.8 million to £4.7 million (2014: £5.5 million). On a constant currency basis, core business operating profit increased by £0.1 million to £5.6 million. The net impact in the six months to 29 November 2015 of exchange rate fluctuations was a loss of £0.9 million. It is not the Group's policy to hedge against foreign exchange exposure.

Operating expenses increased by £0.3 million due to an investment in sales facing activities relating to new retail store costs. Costs remain a key area of focus.

Capital employed
Average capital employed** increased by £3.3 million to £40.8 million. The book value of tangible and intangible assets increased by £2.6 million, mainly due to the refurbishment of the visitor centre whilst trade and other receivables increased by £1.0 million, inventory increased by £0.6 million, provisions fell by £0.6 million and current liabilities increased by £1.5 million.

Cash generation
During the period, the Group's core operating activities generated £6.6 million of cash after tax payments (2014: £5.5 million). The Group also received cash of £1.1 million in respect of royalties in the year (2014: £1.0 million). After purchases of tangible and intangible assets and product development costs of £6.3 million (2014: £5.1 million) and dividends of £6.4 million (2014: £11.5 million) there were net funds at the end of the period £7.8 million (2014: £8.4 million).

Projects
We have three major projects being implemented currently:

European ERP system replacement (enterprise resource planning) - on track.
Forge World mail order store - this store was launched in August 2015 on time and within cash limits.
Mail order warehouse system replacement - complicated project currently postponed until after the busy December trading period.

Risks and uncertainties
The board has overall responsibility for ensuring risk is appropriately managed across the Group. As discussed in the 2015 annual report, the top five risks to the Group are reviewed at each board meeting. The risks are rated as to their business impact and their likelihood of occurring. In addition, the Group has a disaster recovery plan to ensure ongoing operations are maintained in all circumstances. The principal risks for the balance of the year are the same as those identified in the 2015 annual report and are discussed below:

ERP change. This is a complicated project with the risk of widespread business disruption if it is not implemented well.
Store manager recruitment. This comprises both recruitment of managers for new stores as well as replacing poor performing managers. Retail is our primary method of recruiting new customers and so we need great managers in all our stores.
Supply chain. We are changing our mail order warehouse system. This is part of an ongoing programme of continuous improvement for these warehouse systems. As with any system change there are risks associated with the transition.
Range management. We constantly review our range to ensure that we are exploring all opportunities.
Distractions. Anything else that gets in the way of us delivering our goals.

The greatest risk is the same one that we repeat each year, namely, management. So long as we have great people we will be fine. Problems will arise if the board allows egos and private agendas to rule. I will do my utmost to ensure that this does not happen.

Going concern

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing this condensed consolidated interim financial information.

Statement of directors' responsibilities

The directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely: an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of (i) the principal risks and uncertainties for the remaining six months of the financial year; (ii) material related-party transactions in the first six months and (iii) any material changes in the related-party transactions described in the last annual report.

There have been no other changes to the board since the annual report for the year to 31 May 2015. A list of all current directors is maintained on the investor relations website at investor.games-workshop.com.

By order of the board

K D Rountree
CEO

R F Tongue
Group finance director

8 January 2016

*Constant currency revenue is calculated by comparing results in the underlying currencies for 2014 and 2015, both converted at the average exchange rates for the six months ended 30 November 2014.

**We use average capital employed to take account of the significant fluctuation in working capital which occurs as the business builds both inventories and trade receivables in the pre-Christmas trading period. Return is defined as pre-exceptional operating profit before royalty income, and the average capital employed is adjusted by deducting assets and adding back liabilities in respect of cash, borrowings, exceptional provisions, taxation and dividends.

CONSOLIDATED INCOME STATEMENT

	Notes	**Six months to 29 November 2015 £000**	Six months to 30 November 2014 £000	Year to* 31 May 2015 £000
Revenue	2	**55,259**	56,503	119,132
Cost of sales		**(16,802)**	(17,526)	(36,988)
		----------	----------	----------
Gross profit		**38,457**	38,977	82,144
Operating expenses		**(33,753)**	(33,451)	(67,165)
Other operating income – royalties receivable		**1,536**	711	1,498
		----------	----------	----------
Operating profit	2	**6,240**	6,237	16,477
Finance income		**47**	48	109
Finance costs		**-**	-	(1)
		----------	----------	----------
Profit before taxation	4	**6,287**	6,285	16,585
Income tax expense	5	**(1,506)**	(1,643)	(4,328)
		----------	----------	----------
Profit attributable to owners of the parent		**4,781**	4,642	12,257
		======	======	======
Basic earnings per ordinary share	6	**14.9p**	14.5p	38.3p
Diluted earnings per ordinary share	6	**14.9p**	14.5p	38.3p
Basic earnings per ordinary share – pre-exceptional items	6	**14.9p**	14.5p	38.2p
Diluted earnings per ordinary share – pre-exceptional items	6	**14.9p**	14.5p	38.1p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

	Six months to 29 November 2015 £000	Six months to 30 November 2014 £000	Year to 31 May 2015 £000
Profit attributable to owners of the parent	**4,781**	4,642	12,257
Other comprehensive (expense)/income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations	**(140)**	409	(473)
	----------	----------	----------
Other comprehensive (expense)/ income for the period	**(140)**	409	(473)
	----------	----------	----------
Total comprehensive income attributable to owners of the parent	**4,641**	5,051	11,784
	======	======	======

The following notes form an integral part of this condensed consolidated interim financial information.

*Results for the year to 31 May 2015 include an exceptional credit of £42,000 being the release of amounts previously provided for the continental european reorganisation. These are included within operating expenses within the product and supply segment.

CONSOLIDATED BALANCE SHEET

	Notes	**As at 29 November 2015 £000**	As at 30 November 2014 £000	As at 31 May 2015 £000
Non-current assets				
Goodwill		**1,433**	1,433	1,433
Other intangible assets	8	**9,409**	8,030	8,262
Property, plant and equipment	9	**22,588**	21,370	22,719
Trade and other receivables		**1,220**	1,263	1,195
Deferred tax assets		**3,289**	4,455	3,621
		37,939	36,551	37,230
Current assets				
Inventories		**9,404**	8,794	7,625
Trade and other receivables		**10,195**	9,211	9,425
Current tax assets		**833**	885	600
Cash and cash equivalents		**7,781**	8,410	12,561
		28,213	27,300	30,211
Total assets		**66,152**	63,851	67,441
Current liabilities				
Trade and other payables		**(12,555)**	(11,066)	(13,131)
Current tax liabilities		**(1,950)**	(840)	(1,434)
Provisions	10	**(674)**	(1,279)	(529)
		(15,179)	(13,185)	(15,094)
Net current assets		**13,034**	14,115	15,117
Non-current liabilities				
Other non-current liabilities		**(308)**	(332)	(364)
Provisions	10	**(577)**	(569)	(458)
		(885)	(901)	(822)
Net assets		**50,088**	49,765	51,525
Capital and reserves				
Called up share capital		**1,605**	1,603	1,603
Share premium account		**10,435**	10,177	10,218
Other reserves		**1,042**	2,064	1,182
Retained earnings		**37,006**	35,921	38,522
Total equity		**50,088**	49,765	51,525

The following notes form an integral part of this condensed consolidated interim financial information.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
At 31 May 2015	1,603	10,218	1,182	38,522	51,525
Profit for the six months to 29 November 2015	-	-	-	4,781	4,781
Exchange differences on translation of foreign operations	-	-	(140)	-	(140)
Total comprehensive (expense)/income for the period	**-**	**-**	**(140)**	**4,781**	**4,641**
Transactions with owners:					
Share-based payments	-	-	-	77	77
Shares issued under employee sharesave scheme	2	217	-	-	219
Deferred tax credit relating to share options	-	-	-	30	30
Current tax credit relating to exercised share options	-	-	-	9	9
Dividends paid to Company shareholders	-	-	-	(6,413)	(6,413)
Total transactions with owners	**2**	**217**	**-**	**(6,297)**	**(6,078)**
At 29 November 2015	**1,605**	**10,435**	**1,042**	**37,006**	**50,088**

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 June 2014	1,593	9,490	1,655	42,656	55,394
Profit for the six months to 30 November 2014	-	-	-	4,642	4,642
Exchange differences on translation of foreign operations	-	-	409	-	409
Total comprehensive income for the period	-	-	409	4,642	5,051
Transactions with owners:					
Share-based payments	-	-	-	94	94
Shares issued under employee sharesave scheme	10	687	-	-	697
Deferred tax credit relating to share options	-	-	-	30	30
Current tax charge relating to exercised share options	-	-	-	(30)	(30)
Dividends paid to Company shareholders	-	-	-	(11,471)	(11,471)
Total transactions with owners	10	687	-	(11,377)	(10,680)
At 30 November 2014	1,603	10,177	2,064	35,921	49,765

	Called up share capital £000	Share premium account £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 June 2014	1,593	9,490	1,655	42,656	55,394
Profit for the year to 31 May 2015	-	-	-	12,257	12,257
Exchange differences on translation of foreign operations	-	-	(473)	-	(473)
Total comprehensive (expense)/income for the period	-	-	(473)	12,257	11,784
Transactions with owners:					
Share-based payments	-	-	-	232	232
Shares issued under employee sharesave scheme	10	728	-	-	738
Deferred tax charge relating to share options	-	-	-	(71)	(71)
Current tax credit relating to exercised share options	-	-	-	49	49
Dividends paid to Company shareholders	-	-	-	(16,601)	(16,601)
Total transactions with owners	10	728	-	(16,391)	(15,653)
At 31 May 2015	1,603	10,218	1,182	38,522	51,525

The following notes form an integral part of this condensed consolidated interim financial information.

CONSOLIDATED CASH FLOW STATEMENT

	Notes	**Six months to 29 November 2015 £000**	Six months to 30 November 2014 £000	Year to 31 May 2015 £000
Cash flows from operating activities				
Cash generated from operations	7	**8,569**	7,791	25,579
UK corporation tax paid		**(747)**	(1,169)	(1,912)
Overseas tax paid		**(121)**	(113)	(393)
Net cash from operating activities		**7,701**	6,509	23,274
Cash flows from investing activities				
Purchases of property, plant and equipment		**(2,641)**	(2,739)	(6,783)
Proceeds on disposal of property, plant and equipment		**-**	10	26
Purchases of other intangible assets		**(1,485)**	(90)	(1,012)
Expenditure on product development		**(2,185)**	(2,284)	(4,579)
Interest received		**47**	45	115
Net cash from investing activities		**(6,264)**	(5,058)	(12,233)
Cash flows from financing activities				
Proceeds from issue of ordinary share capital		**219**	697	738
Interest paid		**-**	-	(1)
Dividends paid to company shareholders		**(6,413)**	(11,471)	(16,601)
Net cash from financing activities		**(6,194)**	(10,774)	(15,864)
Net decrease in cash and cash equivalents		**(4,757)**	(9,323)	(4,823)
Opening cash and cash equivalents		**12,561**	17,550	17,550
Effects of foreign exchange rates on cash and cash equivalents		**(23)**	183	(166)
Closing cash and cash equivalents		**7,781**	8,410	12,561

The following notes form an integral part of this condensed consolidated interim financial information.

NOTES TO THE FINANCIAL INFORMATION

1. Basis of preparation

The Company is a limited liability company, incorporated and domiciled in the United Kingdom. The address of its registered office is Willow Road, Lenton, Nottingham, NG7 2WS.

The Company has its listing on the London Stock Exchange.

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 May 2015 were approved by the board of directors on 27 July 2015 and have been 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 either section 498 (2) or section 498 (3) of the Companies Act 2006.

This condensed consolidated interim financial information has not been audited or reviewed pursuant to the Auditing Practices Board guidance on 'Review of Interim Financial Information' and does not include all of the information required for full annual financial statements.

This condensed consolidated interim financial information for the six months ended 29 November 2015 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 May 2015 which have been prepared in accordance with IFRSs as adopted by the European Union.

After making appropriate enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing this condensed consolidated interim financial information.

This condensed consolidated interim financial information was approved for issue on 8 January 2016.

This condensed consolidated interim financial information is available to shareholders and members of the public on the Company's website at investor.games-workshop.com.

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 May 2015.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 May 2015, as described in those financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no new standards, amendments to standards or interpretations which have had, or are expected to have a significant impact on the Group.

2. Segment information

Segment information reported for the six months to 30 November 2014 has been restated since the last half-yearly report to better reflect the move to a channel based structure.

The chief operating decision-maker has been identified as the executive directors. They review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the segments based on these reports.

As Games Workshop is a vertically integrated business, management assesses the performance of sales channels and manufacturing and distribution channels separately. At 29 November 2015, the Group is organised as follows:

- Sales channels. These channels sell product to external customers, through the Group's network of retail stores, independent retailers and directly via the global web store. The sales channels have been aggregated into segments where they sell products of a similar nature, have similar production processes, similar customers, similar distribution methods, and if they are affected by similar economic factors. The segments are as follows:
  - Trade. This sales channel sells globally to independent retailers and also includes the Group's magazine newsstand business and the distributor sales from the Group's publishing business (Black Library).
  - Retail. This includes sales through the Group's retail stores, the Group's visitor centre in Nottingham and global exhibitions.
  - Mail order. This includes sales through the Group's global web stores and digital sales through external affiliates.
- Product and supply. This includes the design and manufacture of the products and incorporates the production facility in the UK and the Group logistics and stock management costs.
- Central costs. These include the Company overheads, head office site costs, and the costs of running the Games Workshop Academy. This also includes adjustments for the profit in stock arising from inter-segment sales.
- Service centre costs. Provides support services (IT, accounting, payroll, personnel, procurement, legal and customer services) to activities across the Group and undertakes strategic projects.
- Royalties. This is royalty income earned from third party licensees after deducting associated licensing costs.

The chief operating decision-maker assesses the performance of each business based on operating profit, excluding share option charges recognised under IFRS 2, 'Share-based payment' and charges in respect of the Group's profit share scheme. This has been reconciled to the Group's total profit before taxation below.

The segment information reported to the executive directors for the periods included in this financial information is as follows:

	Six months to 29 November 2015 £000	Restated Six months to 30 November 2014 £000	Year to 31 May 2015 £000
External revenue			
Trade	**22,418**	21,967	43,940
Retail	**21,457**	23,406	49,597
Mail order	**11,384**	11,130	25,595
Total external revenue	**55,259**	56,503	119,132

For information, we analyse external revenue further below:

	Six months to 29 November 2015 £000	Restated Six months to 30 November 2014 £000	Year to 31 May 2015 £000
Trade			
UK and Continental Europe	**8,424**	7,965	15,420
North America	**8,716**	8,248	17,740
Australia and New Zealand	**871**	1,058	2,000
Asia	**323**	268	584
Non-core trade	**4,084**	4,428	8,196
Total Trade	**22,418**	21,967	43,940
Retail			
UK	**7,776**	8,023	17,496
Continental Europe	**5,116**	6,844	13,879
North America	**4,438**	4,486	9,806
Australia and New Zealand	**2,350**	2,714	5,619
Asia	**165**	166	317
Non-core retail	**1,612**	1,173	2,480
Total Retail	**21,457**	23,406	49,597
Mail order			
Citadel and Forge World	**9,508**	8,961	21,120
Non-core mail order	**1,876**	2,169	4,475
Total Mail order	**11,384**	11,130	25,595
Total external revenue	**55,259**	56,503	119,132

Operating expenses by segment are regularly reviewed by the executive directors and are provided below:

	Six months to 29 November 2015 £000	Restated Six months to 30 November 2014 £000	Year to 31 May 2015 £000
Trade	**(4,086)**	(3,806)	(7,945)
Retail	**(17,055)**	(17,056)	(33,934)
Mail order	**(2,207)**	(2,404)	(4,135)
Product and supply	**(1,583)**	(1,501)	(3,069)
Central costs	**(2,697)**	(3,043)	(6,206)
Service centre costs	**(5,822)**	(5,328)	(11,215)
Royalties	**(226)**	(219)	(429)
Total segment operating expenses	**(33,676)**	(33,357)	(66,933)
Share-based payment charge	**(77)**	(94)	(232)
Total group operating expenses	**(33,753)**	(33,451)	(67,165)

Total segment operating profit is as follows and is reconciled to profit before taxation below:

	Six months to 29 November 2015 £000	Restated Six months to 30 November 2014 £000	Year to 31 May 2015 £000
Operating profit			
Trade	**5,789**	5,977	10,971
Retail	**(2,535)**	(1,093)	(1,010)
Mail order	**6,231**	5,934	14,432
Product and supply	**4,129**	3,528	8,643
Central costs	**(2,697)**	(3,044)	(6,179)
Service centre costs	**(5,822)**	(5,329)	(11,217)
Royalties	**1,222**	358	1,069
Total segment operating profit	**6,317**	6,331	16,709
Share-based payment charge	**(77)**	(94)	(232)
Finance income	**47**	48	109
Finance costs	**-**	-	(1)
Profit before taxation	**6,287**	6,285	16,585

The results to 31 May 2015 include an exceptional credit of £42,000 being the release of amounts previously provided for the continental european reorganisation. These are included within operating expenses within the product and supply segment.

3. Dividends

A dividend of £6,413,000 (20 pence per share) was declared and paid in the six months to 29 November 2015.

A dividend of £6,372,000 (20 pence per share) and a dividend of £5,099,000 (16 pence per share) were declared and paid in the six months to 30 November 2014.

Dividends of £16,601,000 were declared and paid during the year ended 31 May 2015.

4. Profit before taxation

The following costs have been incurred in the reported periods in respect of ongoing redundancies, inventory provisions, impairments and loss-making retail stores:

	Six months to 29 November 2015 £000	Six months to 30 November 2014 £000	Year to 31 May 2015 £000
Redundancy costs and compensation for loss of office	**275**	620	1,569
Impairment of property, plant and equipment	**46**	37	9
Net charge to property provisions including closed or loss-making retail stores	**377**	56	236
Net inventory provision creation	**286**	163	1,247

5. Tax

The taxation charge for the six months to 29 November 2015 is based on an estimate of the full year effective rate of 24.0% reflecting overseas tax rates which are higher than the UK rate of 20% (2014: 26.1%, reflecting higher overseas tax rates offset by the UK tax rate reducing from 21% to 20% from 1 April 2015).

6. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue throughout the relevant period.

	Six months to 29 November 2015	Six months to 30 November 2014	Year to 31 May 2015
Profit attributable to owners of the parent (£000)	**4,781**	4,642	12,257
Weighted average number of ordinary shares in issue (thousands)	**32,070**	31,971	31,975
Basic earnings per share (pence per share)	**14.9**	14.5	38.3

Basic earnings per share – pre-exceptional items

Basic earnings per share – pre-exceptional items is calculated by dividing the profit attributable to owners of the parent, before exceptional items, by the weighted average number of ordinary shares in issue throughout the relevant period.

	Six months to 29 November 2015	Six months to 30 November 2014	Year to 31 May 2015
Pre-exceptional profit attributable to owners of the parent (£000)	**4,781**	4,642	12,215
Weighted average number of ordinary shares in issue (thousands)	**32,070**	31,971	31,975
Basic earnings per share – pre-exceptional items (pence per share)	**14.9**	14.5	38.2

Diluted earnings per share

The calculation of diluted earnings per share has been based on profit attributable to owners of the parent and the weighted average number of shares in issue throughout the relevant period, adjusted for the dilution effect of share options outstanding at the period end.

	Six months to 29 November 2015	Six months to 30 November 2014	Year to 31 May 2015
Profit attributable to owners of the parent (£000)	**4,781**	4,642	12,257
Weighted average number of ordinary shares in issue (thousands)	**32,070**	31,971	31,975
Adjustment for share options (thousands)	**74**	81	50
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**32,144**	32,052	32,025
Diluted earnings per share (pence per share)	**14.9**	14.5	38.3

Diluted earnings per share – pre-exceptional items

The calculation of diluted earnings per share has been based on profit attributable to owners of the parent, before exceptional items, and the weighted average number of shares in issue throughout the relevant period, adjusted for the dilution effect of share options outstanding at the period end.

	Six months to 29 November 2015	Six months to 30 November 2014	Year to 31 May 2015
Profit attributable to owners of the parent (£000)	**4,781**	4,642	12,215
Weighted average number of ordinary shares in issue (thousands)	**32,070**	31,971	31,975
Adjustment for share options (thousands)	**74**	81	50
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**32,144**	32,052	32,025
Diluted earnings per share – pre-exceptional items (pence per share)	**14.9**	14.5	38.1

7. Reconciliation of profit to net cash from operating activities

	Six months to 29 November 2015 £000	Six months to 30 November 2014 £000	Year to 31 May 2015 £000
Operating profit	**6,240**	6,237	16,477
Depreciation of property, plant and equipment	**2,611**	2,446	4,991
Net impairment charge on property, plant and equipment	**46**	37	9
Loss on disposal of property, plant and equipment	**8**	124	33
Loss on disposal of intangible assets	**-**	-	24
Amortisation of capitalised development costs	**1,831**	2,335	4,728
Amortisation of other intangibles	**595**	696	1,362
Share-based payments	**77**	94	232
Changes in working capital:			
-(Increase)/decrease in inventories	**(1,697)**	(350)	882
-(Increase)/decrease in trade and other receivables	**(1,004)**	88	(242)
-Decrease in trade and other payables	**(413)**	(2,215)	(395)
-Increase/(decrease) in provisions	**275**	(1,701)	(2,522)
Net cash from operating activities	**8,569**	7,791	25,579

8. Other intangible assets

	29 November 2015 £000	30 November 2014 £000	31 May 2015 £000
Net book value at beginning of period	**8,262**	8,683	8,683
Additions	**3,566**	2,372	5,695
Exchange differences	**7**	6	(2)
Disposals	**-**	-	(24)
Amortisation charge	**(2,426)**	(3,031)	(6,090)
Net book value at end of period	**9,409**	8,030	8,262

9. Property, plant and equipment

	29 November 2015 £000	30 November 2014 £000	31 May 2015 £000
Net book value at beginning of period	**22,719**	21,027	21,027
Additions	**2,551**	2,914	6,753
Exchange differences	**(17)**	46	(2)
Disposals	**(8)**	(134)	(59)
Charge for the period	**(2,611)**	(2,446)	(4,991)
Impairment	**(46)**	(37)	(9)
Net book value at end of period	**22,588**	21,370	22,719

10. Provisions

Analysis of total provisions:

	29 November 2015 £000	30 November 2014 £000	31 May 2015 £000
Current	**674**	1,279	529
Non-current	**577**	569	458
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	1,251	1,848	987
	======	======	======

	Exceptional Items £000	Employee benefits £000	Property £000	Total £000
As at 1 June 2014	2,470	568	488	3,526
Charged to the income statement	-	18	56	74
Exchange differences	-	(3)	14	11
Decrease in provision – discount unwinding	-	-	(4)	(4)
Utilised	(1,640)	(46)	(73)	(1,759)
	----------	----------	----------	----------
As at 30 November 2014	830	537	481	1,848
	======	======	======	======

	Exceptional Items £000	Employee benefits £000	Property £000	Total £000
As at 1 June 2014	2,470	568	488	3,526
(Credited)/charged to the income statement	(42)	(3)	236	191
Exchange differences	44	(26)	8	26
Utilised	(2,446)	(47)	(263)	(2,756)
	----------	----------	----------	----------
As at 31 May 2015	26	492	469	987
Charged to the income statement	-	65	377	442
Exchange differences	-	(7)	(3)	(10)
Utilised	(26)	(1)	(141)	(168)
	----------	**----------**	**----------**	**----------**
As at 29 November 2015	**-**	**549**	**702**	**1,251**
	======	**======**	**======**	**======**

11. Seasonality

The Group's monthly sales profile demonstrates an element of seasonality around the Christmas period which impacts sales in the month of December.

12. Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is £867,000 (2014: £3,302,000). The committed spend includes the replacement of the local area network in Nottingham and tooling and machinery spend.

13. Related-party transactions

There were no material related-party transactions during the period.