



RESULTS FOR THE SIX MONTHS TO 30 JUNE 2011 (unaudited)

Laird, a global leader in the supply of products and technology solutions used in network infrastructure, wireless connectivity, displays and industrial controls, today announces results for the six months to 30 June.

Highlights:

- Strong performance from core businesses[†]
 - Organic revenue growth[†] of 20%
 - Revenue[†] £243 million, up 24% on 2010
 - Underlying profit before tax[†] up 65% to £25.4 million
- Performance Materials revenue up 15%; underlying operating profit up 20% - both at constant currency; organic revenue growth of 13%
- Wireless Systems[†] revenue up 70%; underlying operating profit up 228% - both at constant currency; organic revenue growth of 33%
- Return on sales[†] of 11.7% (2010: 9.6%)
- Interim dividend declared of 2.7 pence (2010: 2.1 pence), up 29% on 2010

Targets:

Reflecting the Board's confidence in the future growth prospects for the Company ("Laird"), Laird today announces medium to long-term targets** of:

- 2011 basic underlying EPS expected to be not less than 16.0 pence* (2010: 11.8 pence)
- Organic revenue growth averaging 10% per annum
- Underlying return on sales margin of 15%
- 2011 full year dividend of 8.0 pence to be recommended, up 27% (2010: 6.3 pence)
- 2012 full year dividend of 10.0 pence, and 2013 full year dividend of 12.0 pence to be recommended
- Resulting Annual compound dividend growth 2010 to 2013 of 24%

Peter Hill, Chief Executive, said:

"We have a compelling investment case based on the strong market positions of our core Performance Materials and Wireless Systems businesses. Together, these growth businesses have delivered a strong performance in revenue and underlying profits, up 24% and 65% respectively[†] and are well placed in fast growing end markets. This, and our current strong trading performance, underpins our confidence to deliver on the targets we have set out today.

"Laird is a broad-based business, with a strong financial profile and multiple capabilities, serving multiple customers in multiple end-markets. The decisive action we have taken in the first half of 2011, including the cash positive exit from our Handset Antennae business which has masked the advances of our underlying core businesses, enables us to focus on our growth platform to benefit from the continued demand in our end-markets, and the additional demand for our products from new market applications."

[†] Excluding Handset Antennae and Mechanisms

	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	
Total Revenue	288.2	274.6	5%
Revenue ex Handset Antennae and Mechanisms ⁽ⁱⁱ⁾	243.1	196.2	24%
Underlying profit before tax ⁽ⁱ⁾	22.3	15.1	48%
Underlying profit before tax ⁽ⁱ⁾ ex Handset Antennae and Mechanisms ⁽ⁱⁱ⁾	25.4	15.4	65%
Statutory loss before tax	(109.6)	(9.5)	
Operating cash flow	26.2	13.1	100%
Operating cash conversion	103%	71%	
Net borrowings	122.7	62.8	
Shareholders' equity	443.8	595.5	
	p/share⁽ⁱⁱⁱ⁾	p/share ⁽ⁱⁱⁱ⁾	
Total underlying earnings ⁽ⁱ⁾	6.9	4.4	
Statutory basic earnings	(42.6)	(4.6)	
Dividend	2.7	2.1	29%

Explanatory notes:

* This statement constitutes a profit forecast and should be read in conjunction with and subject to the reports, bases and assumptions set out in the appendix at the end of this announcement. The reporting accountant and financial advisers have given and not withdrawn their consent to the publication of these reports.

** Growth and margin targets in this statement do not in any way constitute a forecast of future earnings

i) Laird uses underlying results as key performance indicators. Underlying profit before tax and underlying earnings per share are stated before exceptional items, the amortisation of acquired intangible assets, deferred tax on acquired intangible assets and goodwill, the gain or loss on disposal of businesses, the impact arising from the fair valuing of financial instruments and acquisition transaction costs. The narrative is based on underlying operating profit, profit before tax and earnings per share, as the directors believe that these provide a more consistent measure of operating performance.

ii) 2011 numbers and 2010 comparisons restated to exclude the Handset Antennae business and Mechanisms.

iii) The weighted average number of shares used to calculate earnings per share was 266.2 million in 2010 and 265.4 million in the first half of 2011.

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A live webcast for Shareholders and Analysts will be available at 10.30am (UK time) at:
<http://www.laird-plc.com/laird/investor/results-centre/>

STRATEGIC PROGRESS

Laird's strategy has been to progress from an industrial conglomerate with a number of unrelated businesses, to a focussed business developing niche positions in high growth markets. We have achieved this through organic investments and complementary acquisitions.

Following our announcement to exit the Handset Antennae business, which had masked the speed of our recovery from the recession, our focus is on our two market leading technology Divisions which have proved resilient due to their breadth of product offering, and whose revenue and long-term margin opportunities remain attractive. Our results today demonstrate that our strategy is working.

TARGETS

We believe our capabilities and the growth potential of our business will drive overall performance.

The demand growth in our end markets expected by industry forecasters underpins our confidence in setting out new targets for top-line growth, while the continuing efficiencies from our restructuring actions taken in 2009 and 2010 will continue to help improve return on sales margin to 15%. Our expected basic underlying earnings per share of not less than 16.0 pence* for 2011 reflect the profitable growth we can achieve in Laird.

As a result, we will be recommending the payment of dividends to shareholders averaging annual compound growth rate of 24% from 2010 to 2013.

APPROACH FROM COOPER INDUSTRIES[†]

On 1 June 2011 Laird received an approach from Cooper Industries PLC ("Cooper") regarding a possible offer for the entire issued share capital of Laird at a nominal 185 pence per share in cash. The approach was subject to a number of preconditions including due diligence and the unanimous recommendation of the Board of Laird and did not allow for future dividend payments.

The Board, together with its financial advisers, considered the indicative approach and concluded that it substantially undervalued the Company and its prospects. Accordingly the Board unanimously rejected this proposal.

The Board has remained open to any constructive conversation in the interests of shareholder value creation. As such, certain high level information, designed to allow Cooper to better assess the fundamental value of Laird, has been released to Cooper.

[†] Note 7 on Rule 2.4 of the Code requires the Company to point out that this statement is being made by the Company without the prior agreement of Cooper and that there can be no certainty whether any offer will be made nor as to the terms of any offer, even if the preconditions are satisfied or waived.

END MARKET GROWTH

Our end markets have continued to show good growth prospects and we are benefitting from our customer diversification strategy. In the first half of 2011 we achieved a strong performance in our Performance Materials Division, particularly from increased volume demand from the IT, telecoms, industrial and medical markets. Our Wireless Systems Division showed very strong growth from a pick-up in end markets, particularly the Industrial, automotive and Control segments.

As increasing numbers of our products benefit from the demand for greater connectivity, the increasing power and speed of devices and our diverse product portfolio, our innovation road

map ensures we are well placed to continue to provide technology and solutions for existing and emerging customers.

Industry commentators are forecasting growth in all our end markets, with particularly strong projections for markets that require our Telematics, EMI and Thermal and Infrastructure and controls products. As a provider across multiple markets, we expect to realise economies of scale in supplying components to a number of markets and customers.

PERFORMANCE

Our Performance Materials Division holds market leading positions in electromagnetic interference shielding (“EMI”), in active and passive thermal management and solutions. We are at the forefront of emerging high-technology applications such as tablets, LED lighting and electric vehicles.

Our Wireless Systems Division holds leading positions in telematics, infrastructure and mobile antennae (non-handset) and wireless controls. We have been increasingly working to incorporate these into advanced wireless systems, controls and software-based solutions, which deliver expansion opportunities and service and aftermarket revenues.

We have successfully diversified our customer base and reduced our customer concentration. In the first half of 2010, the percentage of our total revenues from our “Top 5” customers was 41%. In the first half of 2011, the percentage of our revenues from our core businesses, excluding handset antennae and mechanisms, was 30%. As a result, we now service a wide range of customers in multiple end-markets, where our technology and solutions remain critical to the effectiveness of their electronic devices. We continue to win new business from both existing leading players in certain key end-markets, and also smaller players with good growth prospects. Our global platform and low-cost manufacturing base ensure we remain an attractive international supplier of choice and our capabilities have allowed us to move with the changing requirements of the electronics industry.

RESULTS

As a result of the decision to exit the Handset Antennae business, results have been stated by Division (Performance Materials and Wireless Systems) and as “discontinued” businesses.

Revenue (excluding the Handset Antennae and Mechanisms businesses) in the six months to June 2010 was £243.1 million, up 24% (2010: £196.2 million). Revenue in US Dollars, in the half year, increased by 30%. Organic revenue growth in the half year was 20%.

Underlying operating profit (excluding the Handset Antennae and Mechanisms businesses) was £28.5 million in the first half of 2011, up 52% (2010: £18.8 million). Underlying operating profit margin percentage, before interest and tax, in the half year was 11.7% (2010: 9.6%).

Underlying profit before tax (excluding the Handset Antennae and Mechanisms businesses) in the six months to June 2011 was £25.4 million, up 65% (2010: £15.4 million). We saw good growth in operating profits from our Performance Materials Division and strong growth from the Wireless Systems Division.

Total underlying profit before tax (including the discontinued Handset Antennae and Mechanisms businesses) was £22.3 million (2010: £15.1 million).

Statutory loss before tax from continuing operations in the six months to 30 June 2011, after exceptional items, the amortisation of acquired intangibles, the gain or loss on the disposal of businesses and the fair valuing of financial instruments was a loss of £109.6 million (2010: loss of £9.5 million). The exceptional charge in respect of the Handset Antennae closure is

£122.5 million, of which £116.5 million is non-cash. The exit is however expected to be cash positive.

Total underlying earnings per share (including the discontinued Handset Antennae and Mechanisms businesses) in the period were 6.9 pence (2010: 4.4 pence). This gives us confidence to announce a basic underlying EPS target for the full year 2011 to be not less than 16.0 pence*.

Total operating cash flow after capital expenditure, including discontinued businesses, in the six months to 30 June 2011 was £26.2 million (2010: £13.1 million). There was a working capital outflow in the half year but at a low level, and we have maintained good inventory management. Capital expenditure was held below depreciation. Operating cash conversion after capital expenditure in the half year was 103% (2010: 71%).

Net borrowings at the end of June 2011 were £122.7 million (December 2010: £103.6 million). Approximately £21.0 million for the Klüver Aggregatebau GmbH ("Klüver") acquisition contributed to this increase.

DIVIDEND

The Board has declared an interim dividend of 2.7 pence per share, payable on 2 December 2011 to shareholders registered on 4 November 2011. This represents growth of 29% compared with 2010.

A full year dividend of 8.0 pence is to be recommended for 2011, an increase of 27% on 2010. We will also be recommending a full year dividend of 10.0 pence and 12.0 pence for 2012 and 2013 respectively.

These dividends will represent annual compound dividend growth of 24% between 2010 and 2013.

PERFORMANCE MATERIALS DIVISION

Six months to 30 June	2011 £m	2010 £m
Revenue	150.4	138.6
Underlying operating profit	21.4	18.9
Return on sales	14.2%	13.6%

The Division designs and supplies a full range of EMI shielding materials, Thermal management solutions and Signal Integrity products. These provide critical protection for a wide range of electronic devices, allowing them to function and connect effectively. We hold strong positions in major markets such as IT/datacomm/telecomm and emerging positions in medical and military.

The Division has performed well across all of its product lines, growing revenues by 9% in the first half of 2011 to £150.4 million (2010: £138.6 million). Expressed in US Dollars, revenue in the half year increased by 15% compared with 2010. Underlying operating profit for Performance Materials, in sterling, increased in the first half by 13% (US Dollars: 20%). Return on sales in the Division increased to 14.2% in the first half of 2011.

Despite the market remaining competitive, and some limited visibility of orders, we have secured high volume orders with leading customers. Demand from the telecommunications industry, and that for notebooks and tablets, has continued to drive IT and computing revenues. We have also benefitted from the increasing trend towards hybrid and electric cars in the automotive sector, which require more EMI and Thermal products.

EMI shielding materials provided 66% of Divisional revenues in the period, Thermal management solutions 25% and Signal Integrity products 9%.

By market segment, over 42% of the Division's revenues were to the IT, telecommunications and datacomm sectors, consumer electronics 10%, industrial 7%, with the balance to medical, automotive, aerospace and defence markets. The acquisition of Klüber earlier this year has allowed us to enter medical markets predominantly with our Thermal products.

Our EMI shielding product lines performed well in the first half. Revenue was up 14% on the same period in 2010, driven by increasing demand from tablets and smartphones.

Within our Thermal product lines, both interface materials and thermoelectric coolers performed well. Our Thermal revenues in the first half were up some 21% compared with the same period in 2010 and we have made market share gains with new product launches. We have introduced gap filler products and thermal insulators specifically designed for high-wattage electronic applications, such as automotive components, and in applications involving high frequency used within microprocessors, notebook PCs, desktop PCs, servers, memory modules and automotive and optical electronics. We remain well placed to benefit from the continued demand in the IT and telecoms sector. We have also recently been approved as a supplier in thermoelectric assembly for hybrid vehicle production. Klüber, acquired in March this year, has been successfully integrated and is driving growth in the medical sector.

Sales in our Signal Integrity product line were up some 7% on the first half of 2010. We have experienced significant competition within our Toroids product line, decreasing our automotive sector sales, but are working to manage our customer base despite this. We have also increased our distribution sales, which now represent a third of overall sales in the Signal Integrity product line and will introduce a new flexible ferrite product line early in the second half of the year used for Near Field Communication ("NFC"). Such development allows us to continue to broaden our product offering and attract new customers.

We anticipate the higher power, speed and performance of electronic devices to drive the ongoing demand for our Performance Materials Division's products. There is already a good demand for IT, Telecoms and consumer products and we are seeing environmental technological trends continue to emerge, driving demand for products used in LED lighting. We are confident we can maintain our competitive position in this Division and are well placed to make further progress in the second half of 2011.

WIRELESS SYSTEMS DIVISION

Six months to 30 June	2011 £m	2010 £m
Revenue	92.7	57.6
Underlying operating profit	10.9	3.5
Return on sales	11.8%	6.1%

We design and supply a range of telematics and infrastructure antennae products and machine-to-machine (“M2M”) wireless modules and software enabled wireless control systems, for the infrastructure, automotive and asset management, transportation and rail, municipal, industrial and instrumentation, mining, datacomm, security, medical, and retail markets.

Divisional revenues increased by 61% in the first half of 2011 to £92.7 million (2010: £57.6 million). When expressed in US Dollars, Divisional revenues increased by 70%. The Division's underlying operating profit increased by 211% in the first half. Return on sales increased to 11.8% in the first half of 2011 (2010: 6.1%), driven by sales of our higher margin solutions and economies of scale.

Telematics/M2M provided 59% of the Division's revenue. Industrial remote control, 23% and Infrastructure Antennae contributed 18%.

Sales from Telematics antennae have been particularly strong, with revenue growth up 42% in the first half of 2011 led by a strong automotive segment. We have made market share gains in Telematics antennae and improving vehicle sales continued to drive demand for our products. We have confidence in continued success in the second half of 2011 as new models come on stream and the number of electronic components within automotive continues to build. M2M and module devices also exceeded sales targets in the first half.

In May we launched an enhanced Bluetooth® module for our Telematics/M2M customers, integrating high quality Bluetooth® audio into embedded solutions for stereo audio and demonstrating our ability to converge products.

Industrial remote control sales were up 37% year on year, helped by clear demand in the Rail and Industrial end markets as rail customers have been catching up on rail replacement programmes that were deferred during the financial crisis, particularly in North America. Mining and Industrial segments also showed good levels of demand. CattronConnect, our software which monitors equipment and collates information in custom reports, is gaining traction. We are also looking to introduce a new product line later this year to supply the Industrial segment – CattronControl is a complex radio remote control system that has the ability to store, analyse and feed back two-way data.

Sales in our Infrastructure Antennae products have increased 5% compared to 2010. Distribution sales within the product line have progressed and now represent over one third of sales and we expect shipments of non-distribution sales to pick up during the second half of 2011. We have benefitted from the deployment of WiFi programmes for the Telecom/Data segment and are encouraged by the plans for further programmes. We have also rolled out printed circuit board antennae used to provide invisible solutions in wireless terminals, ePOS machines, M2M and meter reading.

We are experiencing increasing demand to create new solutions for customers who can use our components “bundled” together in a more efficient way and will continue to focus on growing sustainable revenue streams, including services and aftermarket revenues, through an increasing focus on systems and controls that combine hardware, software and assemblies. This innovation will continue to serve us well as customers look to broaden their programmes and should allow us to improve existing margins in the Division.

DISCONTINUED BUSINESSES

Six months to 30 June	2011 £m	2010 £m
Revenue	45.1	78.4
Underlying operating loss	(3.1)	(0.3)

Discontinued businesses include Mechanisms (exit announced July 2010) and Handset Antennae (exit announced June 2011). Prior year numbers have been restated for ease of comparison.

Overall revenues for these businesses decreased by 42% in the first half of 2011 to £45.1 million (2010: £78.4 million).

The Handset Antennae business suffered further reduced demand from its major customer, with ASPs down nearly a third. Despite the decisive action from Management to improve profitability in this business, it still resulted in the business making a loss in the first half. After reviewing all strategic options, we announced in June that we would exit the business and fulfil existing contractual obligations with customers. We expect the exit to be cash positive.

FINANCIAL POSITION

In April this year we successfully re-financed £205 million of our existing bilateral facilities. The new facilities consist of five bilateral multi-currency revolving credit facilities with a maturity of five years. This further strengthens the maturity profile of our banking facilities and increases the weighted average maturity to four years (31 December 2010: 2.4 years).

The key covenant ratio of Net Debt:EBITDA has been held at 3.5 times providing us with ample headroom, while also serving to underline the quality and strength of the relationship between Laird and its banking group.

OUTLOOK

Industry commentators are forecasting strong growth in all of our end markets. With our current leading market positions, Laird is in a good position to benefit from this increasing demand both from existing and new emerging applications. Following the decision to exit the Handset Antennae business, which had masked the overall speed of our recovery from the financial crisis, we are able to focus on the organic strength of our underlying core businesses, and our targets reflect our confidence to deliver future growth.

We have made good progress in the first half of 2011, notwithstanding losses in the “discontinued” businesses. Our underlying profit before tax from our core businesses was up 65%, driven by good organic growth, and strong performance from our recent Cattron and Klüber acquisitions.

Our strategy has succeeded in allowing us to expand into growing markets where we have ensured we have the right products in the right markets to drive profitable growth. Although we are not immune to the wider economic changes that could potentially affect our markets, we continue to expect further progress through the rest of 2011 and beyond.

FINANCE DIRECTOR'S REPORT

Revenue

Following the announcement on 17 June 2011 that the Handset Antennae business is being closed, the results of this business unit are no longer included in Wireless Systems and are disclosed in Discontinued businesses along with the Mechanisms product line.

Total Revenue increased by 5% to £288.2 million in the first half of 2011 from £274.6 million in 2010. In US Dollars, the increase was 11% and excluding Discontinued businesses the increase was 31%. Performance Materials revenues were 15% higher in the first half of 2011 and Wireless Systems revenues were 70% higher.

	Performance Materials \$m	Wireless Systems \$m	Total Core businesses \$m	Discontinued businesses \$m	Total \$m
2010 revenue	212.0	88.0	300.0	119.9	419.9
2011 revenue	243.4	149.9	393.3	73.0	466.3
% increase/(decrease)	+15%	+70%	+31%	(39%)	11%

Organic growth in the first six months of 2011 was 20%. Organic growth is defined as the increase in revenue year on year including revenue growth from newly acquired companies and basing such growth on the revenue level for the comparable period in 2010, as if we had owned those acquired companies in that period.

Underlying Profit

Underlying profit before tax in the half year was £22.3 million (2010: £15.1 million). Underlying profit is defined as profit before tax, exceptional items, amortisation of acquired intangible assets, the gain or loss on sale of businesses, the impact arising from the fair valuing of financial instruments, and acquisition transaction costs. Underlying profit excluding the results from Discontinued Businesses was £25.4 million, 65% up on £15.4 million in the first six months of 2010.

Exceptional Items

As a result of the decision to exit the Handset Antennae business a non-cash asset impairment charge of £116.5 million plus a £6.0 million restructuring charge have been provided for in the first half of 2011. Overall, a cash surplus is expected to result from the decision taken to close the business and arises from surpluses from the run out of the order book and the monetising of working capital and fixed assets. The cash outlay on exceptional items in the first six months, the majority of which is in respect of exceptional costs provided for in 2010, was £6.6 million.

Loss

The loss before tax was £109.6 million (2010: £9.5 million).

Finance Costs

Finance costs were £3.1 million (2010: £3.4 million). Interest cover was 11 times, compared to the minimum of 3.0 times required by the covenant in Laird's principal loan agreements.

Taxation

The underlying tax charge on underlying profit before tax is equivalent to an average tax rate of 17.5% (2010: 21.9%) being the best estimate of the outcome for the full year in 2011.

The reduction in the tax rate reflects higher profits in the USA which benefits from goodwill amortisation as well as higher profits from European businesses which benefit from tax incentives.

Underlying Earnings

Continuing underlying earnings per share were 6.9p (2010: 4.4p). Underlying earnings are based on underlying profit less underlying tax. There were 265.4 million shares in issue in the first half of 2011 compared with an average of 266.2 million in the first half of 2010.

Cash Flow

In the first half of 2011, Laird produced a healthy operating cash flow surplus of £26.2 million, a cash conversion of 103% of operating profit.

Analysis of cash flow

	2011 £m
Operating profit	25.4
Depreciation	9.3
Amortisation of capitalised development costs	4.0
Other non-cash	0.7
	<hr/>
	39.4
Increase in working capital*	(1.0)
Capitalised development costs	(4.5)
Capital expenditure less disposals	(7.7)
Operating cash flow	<hr/>
	26.2
Finance costs	(3.3)
Taxation	(5.9)
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Trading cash flow surplus	17.0
Dividends	(11.2)
Acquisitions / disposals	(20.8)
Exceptional costs	(6.6)
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Increase in net borrowings before exchange movement	(21.6)
Exchange translation movement	2.5
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Increase in net borrowings since 31 December 2010	(19.1)

* after adjusting for creditor increases on exceptional items of £0.8 million.

At the end of March 2011, Laird acquired Klüver which more than accounts for the increase in net borrowings in the period.

Net Borrowings and Debt Facilities

Overall, net borrowings increased during the half year by £19.1 million, to £122.7 million.

A cornerstone of Laird's financial planning is to ensure that it maintains committed loan finance which provides sufficient headroom above expected borrowing requirements and has a significant proportion with terms that exceed one year. In April 2011, Laird refinanced £205 million of its bilateral revolving credit facilities with new five year facilities which will not expire until April 2016. In addition, Laird has in issue \$140 million (£87.2 million) of US Dollar Private Placement loan notes which have remaining terms in excess of three years (2014, \$97 million) and five years (2016, \$43 million).

Covenants

A key consideration for financial planning is to maintain sufficient headroom between borrowings and the ceiling set by the covenants. Laird's bank facilities and US Private Placement loan notes contain two principal financial covenants; net debt / EBITDA (earnings before exceptional items, interest, tax, depreciation and amortisation), and interest cover.

For the six months ended 30 June 2011, net borrowings were 1.4 times EBITDA under the bank facilities and 1.6 times under the US Private Placement, against the maximum permitted of 3.5 times. Interest cover was 11 times under the bank facilities and 9 times under the Private Placement against the minimum requirement of 3.0 times and 2.5 times respectively.

We routinely estimate our expected headroom against the covenants and we test their sensitivity to a number of alternative scenarios to ensure ongoing compliance. We do not anticipate approaching our covenant limits in the foreseeable future.

Currencies in 2011

The average and period end exchange rates are set out in note 4. In the first half of 2011, some two thirds of revenues were negotiated in US Dollar and 20% in Renminbi with a further 9% in Euro. In the first half of 2011 there was a US Dollar and Euro surplus, but in most other currencies costs exceeded revenues, the most significant being the Renminbi and the Swedish Krona which together accounted for 47% of costs.

We aim to balance local currency exposures but we operate a global business and this can create some currency imbalances where we cannot always match operating costs with revenues in that currency. The US Dollar weakened against most currencies relevant to Laird throughout the first half of 2011.

We aim to cover forward at least 75% of the unmatched cash flows one quarter ahead. However, at the beginning of 2011 Laird hedged all of its anticipated Renminbi exposure for the whole of 2011. Furthermore, in July 2011, steps were taken to hedge this exposure for the first six months of 2012 as well.

In addition, there is a translation impact in converting profits into our reporting currency (Pound Sterling); each US \$0.01 appreciation against Sterling approximates to an annual increase in operating profit of £0.3 million.

The majority of Laird's assets are held overseas and these are hedged in part by foreign currency loans.

Principal Risks

Laird operates globally in varied markets. The principal risks and uncertainties that are or may be faced are disclosed in the 2010 Annual Report, (Directors' report), and these are expected to continue to be relevant for the remaining six months of the year.

The risks set out in the 2010 Annual Report, include the competitive markets in which we operate, the need to respond to technological change, the macro economic and political factors and exposure to increases in labour costs in China and commodity prices, and the requirement to meet increasingly stringent environmental laws and regulations.

Shareholders' Equity

Shareholders' equity at 30 June 2011 was £443.8 million (30 June 2010: £595.5 million). The reconciliation is set out in the Group statement of changes in equity.

Jonathan Silver
Finance Director
26 July 2011

Statement of directors' responsibilities

The directors confirm that to the best of their knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report set out on pages 1-12 herein includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure and Transparency Rules. The Board of directors of Laird PLC that served during the six months to 30 June 2011 and their respective responsibilities are set out in the Laird PLC 2010 Annual Report.

By Order of the Board:

P J Hill, Chief Executive
J C Silver, Finance Director
26 July 2011

INDEPENDENT INTERIM REVIEW REPORT TO LAIRD PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim report for the six months ended 30 June 2011 which comprises the Group income statement, Group statement of comprehensive income, Group statement of changes in equity, Group statement of financial position, Group cash flow statement and the related notes 1 to 12. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim report based on our review.

Scope of review

We conducted our review in accordance with ISRE (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP
London
26 July 2011

Group income statement
(unaudited)

Note		6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
	Continuing operations			
3	Revenue	288.2	274.6	567.4
	Operating profit before amortisation of acquired intangible assets and exceptional items	25.4	18.5	46.4
	Amortisation of acquired intangible assets	(7.5)	(6.6)	(13.1)
5	Exceptional items	(124.3)	(18.0)	(36.9)
	Operating loss	(106.4)	(6.1)	(3.6)
	Finance revenue	0.2	-	0.1
	Finance costs	(3.5)	(3.7)	(6.7)
	Financial instruments – fair value adjustments	(0.1)	-	1.2
	Other net finance revenue – pension	0.2	0.3	0.4
	Loss before tax from continuing operations	(109.6)	(9.5)	(8.6)
7	Taxation	(3.4)	(2.8)	(7.4)
	Loss for the period	(113.0)	(12.3)	(16.0)
6	Earnings per share			
	Basic on loss for the period	(42.6)p	(4.6)p	(6.0)p
	Diluted on loss for the period	(42.6)p	(4.6)p	(6.0)p
7	Underlying profit before tax*	22.3	15.1	40.2
	Continuing			
	Underlying earnings per share*			
	Basic from continuing operations	6.9p	4.4p	11.8p
	Diluted from continuing operations	6.9p	4.4p	11.7p

* before amortisation of acquired intangible assets, exceptional items, deferred tax on acquired intangible assets and goodwill, the gain or loss on disposal of businesses, the impact arising from the fair valuing of financial instruments and acquisition transaction costs.

Group statement of comprehensive income
(unaudited)

Note	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Loss for the period	(113.0)	(12.3)	(16.0)
12 Actuarial gains/(losses) on retirement benefit obligations	0.3	(2.5)	2.5
Exchange differences on retranslation of overseas net investments	(11.1)	44.1	24.7
Exchange differences on net investment hedges	3.1	(7.4)	(3.3)
Other comprehensive income / (loss) for the period	(7.7)	34.2	23.9
Total comprehensive income / (loss) for the period - attributable to equity shareholders	(120.7)	21.9	7.9

Group statement of changes in equity
(unaudited)

	Ordinary share capital £m	Share premium £m	Retained earnings £m	Translation reserve £m	Treasury shares £m	Total £m
for the 6 months to 30 June 2011						
At 1 January 2011	74.9	269.7	121.0	110.7	(1.4)	574.9
Loss for the period	-	-	(113.0)	-	-	(113.0)
Other comprehensive (loss)/ income	-	-	0.3	(8.0)	-	(7.7)
Total comprehensive (loss)	-	-	(112.7)	(8.0)	-	(120.7)
Share based payments	-	-	0.7	-	-	0.7
Treasury shares	-	-	-	-	0.1	0.1
Vesting of LTIPs	-	-	(0.2)	-	0.2	-
Dividends paid	-	-	(11.2)	-	-	(11.2)
At 30 June 2011	74.9	269.7	(2.4)	102.7	(1.1)	443.8
for the 6 months to 30 June 2010						
At 1 January 2010	74.9	269.7	145.9	89.3	(0.2)	579.6
Loss for the period	-	-	(12.3)	-	-	(12.3)
Other comprehensive (loss)/ income	-	-	(2.5)	36.7	-	34.2
Total comprehensive (loss)/ income	-	-	(14.8)	36.7	-	21.9
Share based payments	-	-	0.7	-	-	0.7
Vesting of LTIPs	-	-	(0.1)	-	0.1	-
Dividends payable	-	-	(6.7)	-	-	(6.7)
At 30 June 2010	74.9	269.7	125.0	126.0	(0.1)	595.5
for the 12 months to 31 December 2010						
At 1 January 2010	74.9	269.7	145.9	89.3	(0.2)	579.6
Loss for the year	-	-	(16.0)	-	-	(16.0)
Other comprehensive income	-	-	2.5	21.4	-	23.9
Total comprehensive (loss)/ income	-	-	(13.5)	21.4	-	7.9
Share based payments	-	-	1.0	-	-	1.0
Treasury shares	-	-	-	-	(1.3)	(1.3)
Vesting of LTIPs	-	-	(0.1)	-	0.1	-
Dividends paid	-	-	(12.3)	-	-	(12.3)
At 31 December 2010	74.9	269.7	121.0	110.7	(1.4)	574.9

Group statement of financial position
(unaudited)

Note		As at 30 June 2011 £m	As at 30 June 2010 £m	As at 31 Dec 2010 £m
	Assets			
	Non-current assets			
	Property, plant and equipment	85.8	112.5	110.2
	Intangible assets	510.0	554.7	597.1
	Deferred tax assets	1.8	3.4	3.6
12	Retirement benefit assets	6.2	0.1	5.5
	Other non-current assets	1.5	2.0	1.6
		605.3	672.7	718.0
	Current assets			
	Derivative financial instruments	0.2	-	0.4
	Inventories	61.8	59.3	60.9
	Trade and other receivables	124.2	128.4	136.0
	Income tax receivable	1.6	1.3	1.8
11(a)	Cash	45.2	48.2	54.6
		233.0	237.2	253.7
	Liabilities			
	Current liabilities			
11	Borrowings	(5.9)	(4.5)	(4.1)
	Derivative financial instruments	-	(0.8)	-
	Trade and other payables	(115.3)	(104.0)	(124.7)
	Current tax liabilities	(2.8)	(3.6)	(4.7)
	Provisions	(4.6)	(4.8)	(4.7)
		(128.6)	(117.7)	(138.2)
	Net current assets	104.4	119.5	115.5
	Non-current liabilities			
11	Borrowings	(162.0)	(106.5)	(154.1)
	Income tax payable	(28.0)	(26.9)	(28.3)
	Deferred tax liabilities	(65.6)	(52.9)	(65.7)
12	Retirement benefit obligations	(5.8)	(4.8)	(5.6)
	Other non-current liabilities	-	(0.3)	(0.4)
	Provisions	(4.5)	(5.3)	(4.5)
		(265.9)	(196.7)	(258.6)
	Net assets	443.8	595.5	574.9
	Capital and reserves			
	Equity share capital	74.9	74.9	74.9
	Share premium	269.7	269.7	269.7
	Retained earnings	(2.4)	125.0	121.0
	Translation reserve	102.7	126.0	110.7
	Treasury shares	(1.1)	(0.1)	(1.4)
	Total shareholders' equity	443.8	595.5	574.9

Group cash flow statement
(unaudited)

Note	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m	
10	Cash flows from operating activities			
	Cash generated from operations	31.8	22.3	61.5
	Tax paid	(5.9)	(4.7)	(8.5)
	Net cash flows from operating activities	25.9	17.6	53.0
	Cash flow from investing activities			
	Interest received	0.2	-	0.1
10	Acquisition of businesses (net of cash acquired)	(19.0)	-	(55.5)
	Purchase of property, plant and equipment	(7.7)	(8.4)	(17.8)
	Purchase of intangible assets (internally developed)	(4.5)	(4.8)	(9.5)
10	Outflow from sale of businesses	(0.1)	(0.5)	(0.7)
	Proceeds from sales of property, plant and equipment	-	-	0.1
	Net cash flows from investing activities	(31.1)	(13.7)	(83.3)
	Cash flows from financing activities			
	Interest and other finance costs paid	(3.5)	(3.5)	(6.7)
	Movement in treasury shares	-	-	(1.3)
	Increase in borrowings	11.1	4.1	55.5
	Dividends paid to shareholders	(11.2)	(13.8)	(19.4)
	Net cash flows from financing activities	(3.6)	(13.2)	28.1
	Effects of movements in foreign exchange rates	(0.6)	3.8	3.1
11(a)	(Decrease) / increase in cash and cash equivalents for the period	(9.4)	(5.5)	0.9
	Cash and cash equivalents brought forward	54.6	53.7	53.7
	Cash and cash equivalents carried forward	45.2	48.2	54.6

Notes to the Interim Report (unaudited)

1 Authorisation of interim financial statements

The Group's interim financial statements for the period ended 30 June 2011 were authorised for issue by the Board of Directors on 26 July 2011. Laird PLC is a public limited company incorporated and domiciled in England and Wales and its ordinary shares are traded on the London Stock Exchange.

The comparative financial information for the period to 30 June 2010 and the year ended 31 December 2010 has been extracted from the published financial statements of Laird PLC. The consolidated interim financial information does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. These interim results are unaudited but have been reviewed by the Group's auditor. The statutory accounts for the year ended 31 December 2010 have been reported on by the Group's auditor and delivered to the registrar of companies. The report of the auditor was unqualified and did not contain the statements under section 498(2) or (3) of the Companies Act 2006.

Further copies of the Interim announcement may be obtained from Laird PLC's registered office at 100 Pall Mall, London SW1Y 5NQ.

2 Basis of preparation

Laird PLC prepares its Annual Report and Accounts on the basis of IFRS as adopted for use by the EU. The financial information presented in this Interim Report has been prepared in accordance with the accounting policies expected to be used in preparing the 2011 Annual Report and Accounts which do not differ significantly from those used in the preparation of the 2010 Annual Report and Accounts.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason, they continue to adopt the going concern basis in preparing the financial statements of the Group.

The condensed set of financial statements included in this Interim Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the EU.

Notes to the Interim Report
(unaudited)

3 Segmental analysis

In 2010, the Group reported the following segments: Performance Materials, Wireless Systems and Mechanisms.

In June 2011, the Group announced the exit from the Handset Antennae business.

Following this change, the reportable segments for continuing operations (as defined by IFRS5) for 2011 are as follows:

Performance Materials – designs and supplies a range of EMI shielding materials, thermal management solutions and signal integrity products to a wide variety of electronic devices.

Wireless Systems – designs and supplies a range of high specification wireless antennae, and machine-to-machine (“M2M”) wireless modules for a number of markets including infrastructure and automotive markets.

Discontinued businesses – this is comprised of the Handset Antennae business, previously included within Wireless Systems, and the Mechanisms product line.

	Performance Materials			Wireless Systems			Discontinued businesses		
	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Continuing operations									
Revenue from customers	150.4	138.6	282.8	92.7	57.6	130.9	45.1	78.4	153.7
Segment profit before:	21.4	18.9	38.8	10.9	3.5	10.3	(3.1)	(0.3)	4.1
Amortisation of acquired intangible assets	(2.0)	(1.8)	(3.6)	(4.0)	(2.9)	(5.7)	(1.5)	(1.9)	(3.8)
Exceptional items	(0.5)	-	(4.0)	-	-	(3.3)	(122.5)	(18.0)	(26.5)
Operating profit / (loss)*	18.9	17.1	31.2	6.9	0.6	1.3	(127.1)	(20.2)	(26.2)

* before unallocated costs and unallocated exceptional items.

	Total		
	6 months To 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Continuing operations			
Revenue from customers	288.2	274.6	567.4
Segment profit before:	29.2	22.1	53.2
Amortisation of acquired intangible assets	(7.5)	(6.6)	(13.1)
Exceptional items	(123.0)	(18.0)	(33.8)
	(101.3)	(2.5)	6.3
Unallocated costs	(3.8)	(3.6)	(6.8)
Unallocated exceptional items	(1.3)	-	(3.1)
Operating loss	(106.4)	(6.1)	(3.6)
Finance revenue	0.2	-	0.1
Finance costs	(3.5)	(3.7)	(6.7)
Financial instruments – fair value adjustments	(0.1)	-	1.2
Other net finance revenue – pension	0.2	0.3	0.4
Loss before tax	(109.6)	(9.5)	(8.6)
Taxation	(3.4)	(2.8)	(7.4)
Loss for the period	(113.0)	(12.3)	(16.0)

Unallocated costs are central costs related to managing the parent company.

Notes to the Interim Report
(unaudited)

3 Segmental analysis (continued)

For the 6 months to June 2011 Handset Antennae revenues were £42.1m (6 months to June 2010, £68.4m, 12 months to December 2010, £136.0m) and underlying losses before tax for the same period were £3.5m (6 months to June 2010, £1.2m profit, 12 months to December 2010, £4.6m profit). Revenues for the Mechanisms business for the 6 months to June 2011 were £3.0m (6 months to June 2010, £10.0m, 12 months to December 2010, £17.7m) and underlying profits before tax were £0.4m (6 months to June 2010, £1.5m loss, 12 months to December 2010, £0.5m loss).

	Performance Materials			Wireless Systems			Discontinued businesses		
	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Segment assets	478.2	476.3	468.4	324.5	255.7	328.9	18.4	162.3	151.2
							Total		
							6 months to 30 June 2011 £m	6 months To 30 June 2010 £m	12 months to 31 Dec 2010 £m
Segment assets							478.2	476.3	468.4
Performance Materials							324.5	255.7	328.9
Wireless Systems							18.4	162.3	151.2
Discontinued businesses							821.1	894.3	948.5
Unallocated assets							17.2	15.6	23.2
Total assets							838.3	909.9	971.7

The analysis of assets attributable to Wireless Systems and Discontinued businesses in 2010 has been restated to a basis consistent with 2011.

4 Exchange rates

The results and cash flows of overseas subsidiaries are translated into sterling using weighted average rates of exchange for the period. The principal rates used were as follows:

	6 months to 30 June 2011	Average 6 months to 30 June 2010	12 months to 31 Dec 2010	At 30 June 2011	Closing At 30 June 2010	At 31 Dec 2010
Czech Koruna	28.03	29.65	29.50	26.94	31.37	29.28
Euros	1.15	1.15	1.17	1.11	1.22	1.17
Japanese Yen	132.75	139.91	135.89	129.66	132.39	126.98
Renminbi ("RMB")	10.58	10.43	10.47	10.38	10.15	10.32
Swedish Krona	10.28	11.28	11.14	10.13	11.64	10.53
US Dollars	1.62	1.53	1.55	1.61	1.50	1.57

Notes to the Interim Report
(unaudited)

5 Exceptional items

	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Continuing operations:			
Performance Materials			
Business acquisition transaction costs	(0.5)	-	-
Property, plant and equipment write downs	-	-	(2.2)
Other restructuring costs	-	-	(1.8)
	(0.5)	-	(4.0)
Wireless Systems			
Business acquisition transaction costs	-	-	(2.2)
Property, plant and equipment write downs	-	-	(0.1)
Other restructuring costs	-	-	(1.0)
	-	-	(3.3)
Discontinued businesses			
Property, plant and equipment write downs	(22.4)	(3.7)	(3.3)
Capitalised development costs write downs	(8.7)	(0.3)	(0.3)
Acquired intangible assets write downs	(4.0)	(5.5)	(5.5)
Goodwill write downs	(80.3)	(8.5)	(8.4)
Inventory write downs	(1.1)	-	(1.3)
Other closure costs	(6.0)	-	(7.7)
	(122.5)	(18.0)	(26.5)
Unallocated costs			
Other restructuring costs	(1.3)	-	(3.1)
	(124.3)	(18.0)	(36.9)

Note

- (a) The exceptional costs in 2011 within the Discontinued businesses segment relate to the impairment of assets and other closure costs as a result of the decision taken in June 2011 to exit from the Handset Antennae business. The goodwill allocated to the Handset Antennae business has been reassessed and a portion attributed to Wireless Systems. The remaining goodwill has been written down.
- (b) The total cash outlay for exceptional costs in 2011 was £6.6m (June 2010, £4.0m) of which £4.4m (June 2010, £4.0m) relates to restructuring costs and £2.2m (June 2010, £nil) to acquisition transaction costs.
- (c) The tax effect on exceptional items in 2011 is a £0.9m tax credit (June 2010, £1.5m).
- (d) Other restructuring costs include redundancy and site closure costs.

Notes to the Interim Report
(unaudited)

6 Earnings per share

The calculation of basic and diluted earnings per share is based on the loss for the period divided by the daily average of the number of shares in issue during the period. Diluted earnings per share is based on the same loss but with the number of shares increased to reflect the daily average effect of relevant share options granted but not yet exercised where performance conditions have been met and shares contingently issuable.

	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Loss			
Loss for the period	(113.0)	(12.3)	(16.0)
	Number of shares (m)	Number of shares (m)	Number of shares (m)
Weighted average shares			
Basic weighted average shares	265.4	266.2	266.0
Options	2.6	1.4	1.9
Diluted weighted average shares*	268.0	267.6	267.9
	Pence	Pence	Pence
Earnings per share			
Basic on loss for the period	(42.6)	(4.6)	(6.0)
Diluted on loss for the period	(42.6)	(4.6)	(6.0)

* Any anti-dilutive shares would be unlikely to impact earnings per share in the future

Notes to the Interim Report
(unaudited)

7 Underlying results and taxation

Underlying profit and earnings per share are shown as the Board considers them to be relevant guides to the performance of the Group.

	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Profit			
Continuing operating profit before amortisation of acquired intangible assets and exceptional items	25.4	18.5	46.4
Finance revenue	0.2	-	0.1
Finance costs	(3.5)	(3.7)	(6.7)
Other finance revenue – pension	0.2	0.3	0.4
Continuing underlying profit before tax	22.3	15.1	40.2
Tax			
The underlying tax charge is calculated as follows:			
Underlying tax on continuing operations	3.9	3.3	8.8
Underlying tax on discontinued operations	-	-	-
Total underlying tax	3.9	3.3	8.8
Continuing underlying tax rate	17.5%	21.9%	21.9%
Tax relief on exceptional items	(0.9)	(1.5)	(2.6)
Deferred tax on goodwill and acquired intangible assets	0.4	1.0	1.2
Total tax charge	3.4	2.8	7.4
Earnings per share			
Continuing underlying earnings per share - basic	6.9	Pence 4.4	Pence 11.8
Continuing underlying earnings per share - diluted	6.9	Pence 4.4	Pence 11.7

The tax charge for the period was based on the estimated tax rate for the full year and the amount of overseas tax charged in the period was £3.4m (June 2010, £2.8m, December 2010, £7.4m).

Notes to the Interim Report
(unaudited)

8 Dividends paid and proposed

On 26 July 2011 the Board declared an interim dividend of 2.7p per share (2010, 2.1p). The interim dividend will be paid on 2 December 2011 to shareholders registered on 4 November 2011. Dividends paid are charged to retained earnings on the earlier of the date of payment or the date on which they become a legal liability of the Company.

Total Dividends	Dividends paid			Dividends declared / proposed*		
	6 months to 30 June 2011	6 months to 30 June 2010	12 months to 31 Dec 2010	6 months to 30 June 2011	6 months to 30 June 2010	12 months to 31 Dec 2010
	£m	£m	£m	£m	£m	£m
Interim 2009	-	7.1	7.1	-	-	-
Final 2009	-	6.7	6.7	-	-	-
Interim 2010	-	-	5.6	-	5.6	5.6
Final 2010	11.2	-	-	-	-	11.2
Interim 2011	-	-	-	7.2	-	-
	11.2	13.8	19.4	7.2	5.6	16.8

Dividends per share	Dividends paid			Dividends declared / proposed*		
	6 months to 30 June 2011	6 months to 30 June 2010	12 months to 31 Dec 2010	6 months to 30 June 2011	6 months to 30 June 2010	12 months to 31 Dec 2010
	Pence	Pence	Pence	Pence	Pence	Pence
Interim 2009	-	3.47	3.47	-	-	-
Final 2009	-	2.53	2.53	-	-	-
Interim 2010	-	-	2.1	-	2.1	2.1
Final 2010	4.2	-	-	-	-	4.2
Interim 2011	-	-	-	2.7	-	-
	4.2	6.0	8.1	2.7	2.1	6.3

* attributable to the period

Notes to the Interim Report
(unaudited)

9 Business combinations

Acquisition of businesses in 2011

On 31 March 2011, Klüver Aggregatebau GmbH, which designs and supplies active cooling systems for medical equipment such as XRay and CT machines, was acquired for a total consideration of £21.0m. This purchase has been accounted for as an acquisition and all intangible assets were recognised at their respective fair values. The fair values are provisional. The residual excess over the net assets acquired is recognised as goodwill in the financial statements.

Book and fair values of the net assets of the business acquired, stated at rates of exchange at the date of acquisition, were as follows:

	Book values £m	Provisional fair values to the Group £m
Property, plant and equipment	0.3	0.3
Intangible assets	-	8.8
Inventories	1.7	1.7
Trade and other receivables	1.9	1.9
Trade and other payables	(1.6)	(1.6)
Deferred tax liabilities	-	(3.1)
Provisions	(0.3)	(0.3)
Net assets acquired	<u>2.0</u>	<u>7.7</u>
Goodwill arising on acquisition		<u>13.3</u>
Consideration		<u>21.0</u>
Consideration satisfied by:		
Cash consideration		(20.6)
Net cash acquired		<u>1.3</u>
		(19.3)
Borrowings acquired		<u>(1.7)</u>
		<u>(21.0)</u>

The Group has acquired a 100% interest in the acquisition noted above. Underlying profits before tax for the entity acquired were £1.2m following acquisition. Profit before tax for the entity acquired following acquisition on an IFRS basis was £1.0m. Included in the £13.3m of goodwill recognised above are certain assets that cannot be individually separated and reliably measured due to their nature. These items include the expected value of synergies.

Notes to the Interim Report
(unaudited)

9 Business combinations (continued)

Acquisition of businesses in 2010

On 22 November 2010, Cattron Group International, Inc., which designs, develops and manufactures wireless controlled automation systems, was acquired for a total consideration of £53.7m. This purchase has been accounted for as an acquisition and all intangible assets were recognised at their respective fair values. The fair values are provisional. The residual excess over the net assets acquired is recognised as goodwill in the financial statements.

Book and fair values of the net assets of the business acquired, stated at rates of exchange at the date of acquisition, were as follows:

	Book values £m	Provisional fair values to the Group £m
Property, plant and equipment	1.4	1.4
Intangible assets	2.4	37.6
Deferred tax assets	0.8	-
Inventories	4.7	4.7
Trade and other receivables	5.9	5.9
Income tax recoverable	0.7	0.7
Trade and other payables	(5.3)	(5.3)
Income tax payable	(0.6)	(1.5)
Deferred tax liabilities	(0.4)	(14.2)
Retirement benefit obligations	(0.6)	(0.6)
Provisions	(0.3)	(0.3)
Net assets acquired	<u>8.7</u>	<u>28.4</u>
Goodwill arising on acquisition		<u>25.3</u>
Consideration		<u>53.7</u>
Consideration satisfied by:		
Cash consideration		(55.5)
Net cash acquired		<u>1.8</u>
		<u>(53.7)</u>

The Group acquired a 100% interest in the acquisition noted above. Underlying profits before tax for the entity acquired were £1.2m following acquisition. If the acquisition had been held for the full year, 2010 revenues would have been £32.3m higher, at £599.7m and the loss before tax would have been £4.0m lower, at £4.6m. Profit before tax for the entity acquired following acquisition on an IFRS basis was £0.9m. Included in the £25.3m of goodwill recognised above are certain assets that cannot be individually separated and reliably measured due to their nature. These items include the expected value of synergies.

Notes to the Interim Report
(unaudited)

10 Additional cash flow information

Cash generation from operations

Continuing operations	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Loss after taxation	(113.0)	(12.3)	(16.0)
Depreciation and other non-cash items			
Depreciation	9.2	9.1	18.5
Loss on disposal of property, plant and equipment write downs	0.1	-	0.8
Amortisation of capitalised development costs	4.0	4.3	8.3
Exceptional property, plant and equipment write downs	22.4	3.7	5.6
Exceptional capitalised development costs write downs	8.7	0.3	0.3
Exceptional acquired intangible assets write downs	4.0	5.5	5.5
Exceptional goodwill write downs	80.3	8.5	8.4
Exceptional inventory write downs	1.1	-	1.3
Share based payments	0.7	0.7	1.0
Amortisation of acquired intangible assets	7.5	6.6	13.1
Financial instruments – fair value adjustments	0.1	-	(1.2)
Pension charges	0.2	0.2	0.4
Other net finance costs	3.1	3.4	6.2
Taxation	3.4	2.8	7.4
Pension contributions	(0.2)	(0.2)	(0.4)
Changes in working capital			
Inventories	(0.4)	(6.2)	(5.2)
Trade and other receivables	12.7	0.8	(2.7)
Trade, other payables and provisions	(12.1)	(4.9)	10.2
	0.2	(10.3)	2.3
Cash generated from continuing operations	31.8	22.3	61.5
Discontinued operations			
Loss after taxation	-	-	-
Loss on disposal of businesses before taxation	-	-	-
Cash flow from discontinued operations	-	-	-
Cash generated from operations	31.8	22.3	61.5

Changes in working capital from continuing operations are after creditor increases of £0.8m (June 2010, £4.0m decrease) in respect of exceptional costs of redundancy and restructuring.

Notes to the Interim Report
(unaudited)

10 Additional cash flow information (continued)

Net cash outflow on acquisitions and disposals

	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Acquisition of businesses			
Consideration:			
Cash consideration	(20.3)	-	(57.3)
Net cash acquired	1.3	-	1.8
	(19.0)	-	(55.5)
Deferred consideration paid	-	-	-
Net cash outflow on acquisition of businesses	(19.0)	-	(55.5)
Borrowings acquired	(1.7)	-	-
Disposal of businesses			
Consideration:			
Net cash consideration			
Prior year disposals	(0.1)	(0.5)	(0.7)
Net cash outflow on disposal of businesses	(0.1)	(0.5)	(0.7)

11 Borrowings

(a) Reconciliation of net borrowings

	At 30 June 2011 £m	At 30 June 2010 £m	At 31 Dec 2010 £m
(Decrease) / increase in cash and cash equivalents (net of bank overdrafts)	(9.4)	(5.5)	0.9
Movement in borrowings	(11.1)	(4.1)	(55.5)
Borrowings on businesses acquired	(1.7)	-	-
Differences on exchange on borrowings	3.1	(7.8)	(3.6)
Movement in net borrowings during the period	(19.1)	(17.4)	(58.2)
Net borrowings brought forward	(103.6)	(45.4)	(45.4)
Net borrowings carried forward	(122.7)	(62.8)	(103.6)
Cash and cash equivalents (net of bank overdrafts)	45.2	48.2	54.6
Current borrowings	(5.9)	(4.5)	(4.1)
Non-current borrowings	(162.0)	(106.5)	(154.1)
Net borrowings carried forward	(122.7)	(62.8)	(103.6)

Notes to the Interim Report
(unaudited)

11 Borrowings (continued)

(b) Committed borrowing facilities

The Group had total committed loan facilities of £360.0m at 30 June 2011 (June 2010, £367.3m), of which £292.2m (June 2010, £64.8m) was available for more than three years and £167.9m was drawn at 30 June 2011 (June 2010, £111.0m). Committed facilities include £3.7m (June 2010, £2.0m) of promissory notes issued to third parties in part satisfaction of acquisition consideration.

12 Retirement benefit obligations

A review of the main assumptions affecting the Group's defined benefit obligations was carried out at 30 June 2011, by the Group's actuary.

The expected long term rates of return on gilts and bonds are estimated at 4.4% per annum (December 2010, 4.4%) and those for equities at 8.1% per annum (December 2010, 8.1%).

The mortality assumption used at 30 June 2011 is the same as that used at 31 December 2010. This is based on 92 series tables with an allowance for improvements in line with the medium cohort based on each member's year of birth, subject to a minimum level of future improvement of 1.5%. Executive and director members have an age rating of -1 years and all other members have an age rating of +2 applied to the base table.

For IAS 19 the schemes' liabilities have been calculated under the projected unit method and the main financial assumptions were inflation of 3.8% per annum (December 2010, 3.7%), salary increases of 4.8% to 5.8% per annum (December 2010, 4.7% to 5.7%) and a discount rate for liabilities of 5.6% per annum (December 2010, 5.5%).

The change in the overall net (deficit) / surplus and the impact of these changes can be seen below:

	6 months to 30 June 2011 £m	6 months to 30 June 2010 £m	12 months to 31 Dec 2010 £m
Defined benefit net (deficit) / surplus at period start	(0.1)	(2.5)	(2.5)
Net pension income / (expense)	-	0.1	-
Employer contributions	0.2	0.2	0.3
Actuarial gain / (loss)	0.3	(2.5)	2.5
Acquisition loss	-	-	(0.4)
Defined benefit net (deficit) / surplus at period end	0.4	(4.7)	(0.1)

The credit of £0.3m (June 2010, £2.5m charge) recognised in the statement of comprehensive income for the period is comprised of £0.6m gain (June 2010, £3.7m loss) recognised on actuarial assumptions, less £0.3m charge (June 2010, £1.2m credit) in respect of tax provided on surpluses. The net surplus of £0.4m at 30 June 2011 (June 2010, £4.7m net deficit) is comprised of a net surplus of £5.8m (June 2010, £0.1m) which relates to funded plans and a deficit of £5.4m (June 2010, £4.8m) which relates to an unfunded plan.

Definition

Group Laird PLC and its subsidiary undertakings

APPENDIX

27 July 2011

The Directors
Laird PLC
100 Pall Mall
London SW1Y 5NQ
Attention: Jonathan Silver

N M Rothschild & Sons Limited
New Court
St Swithin's Lane
London EC4P 4DU

Evercore Partners Limited
10 Hill Street
London W1J 5NQ

J.P. Morgan Limited (which conducts its UK investment banking activities as J.P Morgan Cazenove)
125 London Wall
London EC2Y 5AJ

Dear Sirs

We report on the profit forecast comprising underlying basic earnings per shares ("EPS") of Laird PLC (the "Company") and its subsidiaries (together the "Group") for the year ending 31 December 2011 (the "Profit Forecast"). The Profit Forecast, comprises the profit forecast on page 1 together with the bases of preparation and assumptions set out on page 33 of this announcement issued by the Company dated 27 July 2011. This report is required by Rule 28.3(b) of The City Code on Takeovers and Mergers (the "Code") and is given for the purpose of complying with that rule and for no other purpose.

1.1 Responsibilities

It is the responsibility of the directors of the Company to prepare the Profit Forecast in accordance with the requirements of the Code.

It is our responsibility to form an opinion as required by the Code as to the proper compilation of the Profit Forecast and to report that opinion to you.

1.2 Basis of preparation of the Profit Forecast

The Profit Forecast has been prepared on the basis stated on page 33 of this announcement and is based on the unaudited management accounts for the five months ended 31 May 2011 and a forecast to 31 December 2011. The Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Group.

1.3 Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included evaluating the basis on which the historical financial information included in the Profit Forecast has been prepared and considering whether the Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. Whilst the assumptions upon which the Profit Forecast are based are solely the responsibility of the Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the Profit Forecast have not been disclosed or if any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Profit Forecast has been properly compiled on the basis stated.

Since the Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the Profit Forecast and differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

1.4 Opinion

In our opinion, the Profit Forecast has been properly compiled on the basis of the assumptions made by the Directors and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully

Ernst & Young LLP

N. M. Rothschild & Sons Limited
New Court
St Swithin's Lane
London EC4P 4DU

Evercore Partners Limited
10 Hill Street
London W1J 5NQ

J.P. Morgan Limited
125 London Wall
London EC2Y 5AJ

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Financial Services Authority

Registered in England and Wales
No. 05308745
Authorised and regulated by the
Financial Services Authority

Registered in England and Wales
No. 248609
Authorised and regulated by the
Financial Services Authority

To:
**The Board of Directors
Laird PLC
100 Pall Mall
London SW1Y 5NQ**

27 July 2011

Dear Sirs

REPORT ON THE PROFIT FORECAST OF LAIRD PLC (THE "COMPANY")

We refer to the profit forecast comprising forecasts of underlying basic earnings per share ("EPS") for the Company and its subsidiaries for the 12 months ending 31 December 2011 (the "Profit Forecast"), marked by an asterisk in the announcement to which this letter is appended. The material bases and assumptions upon which the Profit Forecast has been prepared are set out on page 33 of this announcement.

We have discussed the Profit Forecast and the bases and assumptions on which it has been prepared with you as directors of the Company and with Ernst & Young LLP ("EY"), the Company's reporting accountants. We have also discussed the accounting policies and bases of calculation for the Profit Forecast with you and with EY. We have also considered EY's letter of 27 July 2011 addressed to you and to us on these matters. We have relied upon the accuracy and completeness of all the financial and other information discussed with us and we have assumed such accuracy and completeness for the purposes of providing this letter.

On the basis of the foregoing, we each consider that the Profit Forecast, for which you, as directors of the Company, are solely responsible, has been made with due care and consideration.

This letter is provided to you solely in connection with Rule 28.3(b) and Rule 28.4 of the City Code on Takeovers and Mergers and for no other purpose. No person other than the directors of the Company can rely on the contents of this letter and we accept no responsibility and, to the fullest extent permitted by law, we exclude all liability to any other person other than to you, in your capacity as directors of the Company, in respect of this letter or the work undertaken in connection with this letter.

Yours faithfully,

N. M. Rothschild & Sons

Evercore Partners Limited

J.P. Morgan Limited

BASES AND ASSUMPTIONS OF THE PROFIT FORECAST

1. Bases of preparation of the Profit Forecast

- 1.1 The profit forecast has been prepared on a basis consistent with the accounting policies of Laird which were applicable for the financial statements for the years ended 31 December 2009 and 2010 and which are expected to be applicable for the year ending 31 December 2011.
- 1.2 The Profit Forecast is based on underlying performance and is consistent with the definitions set out in pages 10 and 11 of the 2010 Annual Report and Accounts. The Profit Forecast is based on the unaudited management accounts for May 2011 and a forecast of the results for the seven months to 31 December 2011.

2. Assumptions

- 2.1 There will be no material changes to general trading and economic conditions.
- 2.2 The principal rate of exchange used to translate overseas profits will be US\$1.65.
- 2.3 There will be no material change in legislation or regulatory requirements that will have a material impact on operations.
- 2.4 There will be no major disruptions to the business of Laird, its suppliers or customers by reason of natural disaster, extreme weather conditions, industrial disruption, civil disturbance or government action.
- 2.5 There will be no material change in current levels of expected demand in the Group's principal markets.
- 2.6 There will be no material change in the present management or control of the Group or its existing operational strategy.
- 2.7 The Handset Antennae business will be closed as per the announcement of 17 June 2011.
- 2.8 There will be no material changes in accounting policy.
- 2.9 There will be no material acquisitions or disposals of business during the financial year ending 31 December 2011 other than those already reported

Rothschild, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Laird PLC as financial adviser in relation to the subject matter of this announcement and is not acting for or advising any other person and accordingly will not be responsible to any person other than Laird PLC for providing the protections afforded to the clients of Rothschild or for providing advice in relation to the contents of this announcement or any offer or arrangements referred to herein. Neither Rothschild nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild in connection with this announcement, any statement contained herein or otherwise.

J.P. Morgan Limited, which conducts its UK investment banking business as J.P. Morgan Cazenove and is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser to Laird and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Laird for providing the protections afforded to its clients nor for providing advice in relation to the matters set out in this announcement.

Evercore Partners Limited is authorised and regulated in the United Kingdom by the Financial Services Authority and is acting as financial adviser to Laird and no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Laird for providing the protections afforded to its clients nor for providing advice in relation to the matters set out in this announcement.

Disclosure requirements of the Takeover Code (the “Code”)

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.