CHAIRMAN’S INTERIM STATEMENT

Pleasingly results for the half year to 31 December 2015 proved rewarding with Group revenues up 27% and operating profit up 18% from continuing operations. On a like-for-like basis, excluding Lightronics (which we acquired in April 2015), revenues and operating profits increased by 5.2% and 5.1% respectively. Including the effects of investment income and taxation, earnings per share rose by 14%.

Generally whilst underlying growth throughout most of the Group subsidiaries can be described as solid rather than astounding, good progress has been made in most quarters.

Global economies still show shakiness and whilst we are not present in many, the general malaise does not endow any of our markets with booming economies and high demand.

In our overseas markets business is, therefore, currently hard fought, your company having to persuade new customers, often with different cultures, of the benefits of using our product offering of high quality, highly sophisticated lighting systems and excellent before and after sales service.

The Thorlux offices in Dusseldorf, Germany and Dublin, Ireland are continuing to make forward strides, however, the Thorlux office in Brisbane, Australia and the Group office in the UAE are still not performing as required.

The approach of opening new Group offices abroad takes time and whilst more maturity is sought on those fronts we have widened our approach, as reported in my last statement, with the purchase of Lightronics BV the successful Netherlands based lighting company.

In the same vein I can now report that your company has just approved a €1.2m investment in a 40% shareholding in Luxintec S.L., a €3.5m revenue Spanish manufacturer of precision LED lighting lenses and a limited range of luminaires, the latter being a market in which they wish to expand.

Both the investments in Lightronics and Luxintec allow a wide scope for the interchange of products in both directions but most probably allowing a wider platform for most Group companies to participate in the Netherlands and Spanish speaking markets of which there are many.

The first half of the 2015/16 year has been driven by exceptional performance of Lightronics BV and marked further progress at TRT Lighting our road tunnel and street lighting systems manufacturer. Your Group continues to strive for growth and the Board is cautiously optimistic about the rest of the financial year.

Group results outlined above allow your company to pay a dividend for the half year to 31 December 2015 of 1.20p per share (Interim 2015: 1.10p), an increase of 9%. Further, at this time and in consideration of adequate Group reserves, a special dividend of 2.00p per share (Interim 2015: nil) will be paid at the same time as the interim dividend.

Andrew Thorpe, Chairman
21 March 2016
FW Thorpe Plc
**CONSOLIDATED INCOME STATEMENT**

for the six months to 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>31.12.15 (unaudited) £'000</th>
<th>31.12.14 (unaudited) £'000</th>
<th>30.06.15 (audited) £'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>41,370</td>
<td>32,629</td>
<td>73,554</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>6,494</td>
<td>5,510</td>
<td>13,718</td>
</tr>
<tr>
<td>Finance income</td>
<td>383</td>
<td>315</td>
<td>727</td>
</tr>
<tr>
<td>Finance expense*</td>
<td>(257)</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Share of loss of joint venture</td>
<td>(–)</td>
<td>(4)</td>
<td>(50)</td>
</tr>
<tr>
<td><strong>Profit before tax expense</strong></td>
<td>6,620</td>
<td>5,821</td>
<td>14,395</td>
</tr>
<tr>
<td>Tax expense</td>
<td>(1,446)</td>
<td>(1,283)</td>
<td>(2,691)</td>
</tr>
<tr>
<td><strong>Profit for the period from continuing operations</strong></td>
<td>5,174</td>
<td>4,538</td>
<td>11,704</td>
</tr>
<tr>
<td>Loss for the period from discontinued operations</td>
<td>–</td>
<td>(104)</td>
<td>(253)</td>
</tr>
<tr>
<td>Loss on disposal of subsidiary</td>
<td>–</td>
<td>(120)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Profit for the period</strong></td>
<td>5,174</td>
<td>4,314</td>
<td>11,451</td>
</tr>
</tbody>
</table>

*Finance expense represents payments made in relation to the acquisition of Lightronics Participaties BV.

**Dividend rate per share:**

<table>
<thead>
<tr>
<th></th>
<th>Interim</th>
<th>Final</th>
<th>Special</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.20p</td>
<td>–</td>
<td>2.00p</td>
</tr>
</tbody>
</table>

**Earnings per share – basic (continuing operations) – diluted**

|                  | 4.47p   | 3.90p | 10.11p |

**Earnings per share – basic – diluted**

|                  | 4.47p   | 3.71p | 9.89p  |

FW Thorpe Plc Interim Report 2016
GROUP STATEMENT OF COMPREHENSIVE INCOME
for the six months to 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>31.12.15 Six months to (unaudited) £’000</th>
<th>31.12.14 Six months to (unaudited) £’000</th>
<th>30.06.15 Twelve months to (audited) £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit for the year</strong></td>
<td>5,174</td>
<td>4,314</td>
<td>11,451</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that may be reclassified to profit or loss</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Arising in period*</td>
<td>(207)</td>
<td>(46)</td>
<td>(152)</td>
</tr>
<tr>
<td>- Reclassified in period</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Exchange rate movement on investment in joint venture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Arising in period</td>
<td>58</td>
<td>(3)</td>
<td>(21)</td>
</tr>
<tr>
<td>- Reclassified in period</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Taxation</td>
<td>103</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(46)</td>
<td>(40)</td>
</tr>
<tr>
<td><strong>Items that will not be reclassified to profit or loss</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial gain on pension scheme</td>
<td>–</td>
<td>–</td>
<td>(247)</td>
</tr>
<tr>
<td>Movement on unrecognised pension surplus</td>
<td>–</td>
<td>–</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>–</td>
<td>–</td>
<td>(229)</td>
</tr>
<tr>
<td>Other comprehensive income for the year, net of tax</td>
<td>(46)</td>
<td>(40)</td>
<td>(372)</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td>5,128</td>
<td>4,274</td>
<td>11,079</td>
</tr>
</tbody>
</table>

All comprehensive income is attributable to the owners of the company.

* The loss on items that may be reclassified to profit or loss of £207,000 is due to the decrease in market value of available for sale financial assets.
## CONSOLIDATED BALANCE SHEET

as at 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>As at 31.12.15 (unaudited) £’000</th>
<th>As at 31.12.14 (unaudited) £’000</th>
<th>As at 30.06.15 (audited) £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>14,192</td>
<td>13,190</td>
<td>13,834</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>14,160</td>
<td>6,678</td>
<td>14,349</td>
</tr>
<tr>
<td>Investment property</td>
<td>2,140</td>
<td>2,135</td>
<td>2,171</td>
</tr>
<tr>
<td>Loans and receivables</td>
<td>4,968</td>
<td>1,340</td>
<td>4,760</td>
</tr>
<tr>
<td>Investment in joint venture</td>
<td>–</td>
<td>50</td>
<td>–</td>
</tr>
<tr>
<td>Available for sale financial assets</td>
<td>3,218</td>
<td>3,124</td>
<td>3,018</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>26</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>38,704</td>
<td>26,543</td>
<td>38,149</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>16,813</td>
<td>13,794</td>
<td>17,762</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>13,908</td>
<td>13,513</td>
<td>19,698</td>
</tr>
<tr>
<td>Other financial assets at fair value through profit or loss</td>
<td>398</td>
<td>388</td>
<td>389</td>
</tr>
<tr>
<td>Short term financial assets – deposits</td>
<td>12,560</td>
<td>14,605</td>
<td>9,358</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>21,606</td>
<td>19,341</td>
<td>19,176</td>
</tr>
<tr>
<td><strong>Total current assets (excluding non-current assets and disposal groups held for sale)</strong></td>
<td>65,276</td>
<td>61,641</td>
<td>66,383</td>
</tr>
<tr>
<td><strong>Non-current assets and disposal groups held for sale</strong></td>
<td>–</td>
<td>1,772</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>103,980</td>
<td>89,956</td>
<td>104,532</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>(11,545)</td>
<td>(9,258)</td>
<td>(14,656)</td>
</tr>
<tr>
<td>Current tax liabilities</td>
<td>(2,197)</td>
<td>(1,717)</td>
<td>(2,051)</td>
</tr>
<tr>
<td><strong>Total current liabilities (excluding liabilities associated with non-current assets and disposal groups held for sale)</strong></td>
<td>(13,742)</td>
<td>(10,975)</td>
<td>(16,707)</td>
</tr>
<tr>
<td>Liabilities associated with non-current assets and disposal groups held for sale</td>
<td>–</td>
<td>(553)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td>51,534</td>
<td>51,885</td>
<td>49,676</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retirement benefit deficit</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other payables</td>
<td>(4,044)</td>
<td>–</td>
<td>(3,838)</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>(259)</td>
<td>(222)</td>
<td>(102)</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>(857)</td>
<td>(911)</td>
<td>(1,021)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>(18,902)</td>
<td>(12,661)</td>
<td>(21,668)</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>85,078</td>
<td>77,295</td>
<td>82,864</td>
</tr>
<tr>
<td><strong>Equity attributable to owners of the company</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued share capital</td>
<td>1,189</td>
<td>1,189</td>
<td>1,189</td>
</tr>
<tr>
<td>Share premium account</td>
<td>656</td>
<td>656</td>
<td>656</td>
</tr>
<tr>
<td>Capital redemption reserve</td>
<td>137</td>
<td>137</td>
<td>137</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>83,096</td>
<td>75,313</td>
<td>80,882</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>85,078</td>
<td>77,295</td>
<td>82,864</td>
</tr>
</tbody>
</table>
GROUP STATEMENT OF CHANGES IN EQUITY
for the six months to 31 December 2015

<table>
<thead>
<tr>
<th>Share Capital £’000</th>
<th>Share Premium £’000</th>
<th>Capital Redemption Reserve £’000</th>
<th>Retained Earnings £’000</th>
<th>Total Equity £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 30 June 2014</td>
<td>1,189</td>
<td>656</td>
<td>137</td>
<td>75,305</td>
</tr>
</tbody>
</table>

Comprehensive income
Profit for six months to 31 December 2014
Other comprehensive income
Total comprehensive income

Transactions with owners
Dividends paid to shareholders
Share-based payment charge
Total transactions with owners

Balance at 31 December 2014

Comprehensive income
Profit for six months to 30 June 2015
Actuarial loss on pension scheme
Movement on unrecognised pension surplus
Revaluation of available-for-sale financial assets
Movement on associated deferred tax
Exchange rate movement on joint venture
Total comprehensive income

Transactions with owners
Dividends paid to shareholders
Share-based payment charge
Total transactions with owners

Balance at 30 June 2015

Comprehensive income
Profit for six months to 31 December 2015
Other comprehensive income
Total comprehensive income

Transactions with owners
Dividends paid to shareholders
Share-based payment charge
Total transactions with owners

Balance at 31 December 2015
### GROUP STATEMENT OF CASH FLOWS

For the six months to 31 December 2015

<table>
<thead>
<tr>
<th></th>
<th>31.12.15 Six months to (unaudited) £’000</th>
<th>31.12.14 Six months to (unaudited) £’000</th>
<th>30.06.15 Twelve months to (audited) £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before income tax</td>
<td>6,620</td>
<td>5,821</td>
<td>14,395</td>
</tr>
<tr>
<td>Adjustments for</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Depreciation charge</td>
<td>705</td>
<td>709</td>
<td>1,288</td>
</tr>
<tr>
<td>- Amortisation of intangibles &amp; investment property</td>
<td>1,085</td>
<td>651</td>
<td>1,484</td>
</tr>
<tr>
<td>- Profit on disposal of property, plant and equipment</td>
<td>(48)</td>
<td>(16)</td>
<td>(104)</td>
</tr>
<tr>
<td>- Finance income</td>
<td>(383)</td>
<td>(315)</td>
<td>(727)</td>
</tr>
<tr>
<td>- Retirement benefit contributions in excess of current and past service charge</td>
<td>(85)</td>
<td>(77)</td>
<td>(229)</td>
</tr>
<tr>
<td>- Share of loss from joint venture</td>
<td>–</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>- Share-based payment expense</td>
<td>88</td>
<td>14</td>
<td>76</td>
</tr>
<tr>
<td>- Effects of exchange rate movements</td>
<td>110</td>
<td>–</td>
<td>(28)</td>
</tr>
<tr>
<td><strong>Changes in working capital</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Inventories</td>
<td>949</td>
<td>406</td>
<td>(1,707)</td>
</tr>
<tr>
<td>- Trade and other receivables</td>
<td>5,799</td>
<td>1,107</td>
<td>(3,659)</td>
</tr>
<tr>
<td>- Trade and other payables</td>
<td>(2,838)</td>
<td>(1,422)</td>
<td>2,215</td>
</tr>
<tr>
<td><strong>Discontinued operations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td>12,002</td>
<td>6,889</td>
<td>13,315</td>
</tr>
<tr>
<td><strong>Tax paid</strong></td>
<td>(1,374)</td>
<td>(184)</td>
<td>(1,280)</td>
</tr>
<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(1,113)</td>
<td>(1,976)</td>
<td>(3,271)</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>71</td>
<td>63</td>
<td>167</td>
</tr>
<tr>
<td>Purchase of intangibles</td>
<td>(836)</td>
<td>(623)</td>
<td>(1,621)</td>
</tr>
<tr>
<td>Purchase of subsidiary net of cash acquired</td>
<td>–</td>
<td>–</td>
<td>(6,392)</td>
</tr>
<tr>
<td>Disposal of subsidiary</td>
<td>–</td>
<td>–</td>
<td>(561)</td>
</tr>
<tr>
<td>Purchase of investment property</td>
<td>(19)</td>
<td>–</td>
<td>(36)</td>
</tr>
<tr>
<td>Net sale/(purchase) of available for sale financial assets</td>
<td>(407)</td>
<td>271</td>
<td>271</td>
</tr>
<tr>
<td>Property rental and similar income</td>
<td>40</td>
<td>78</td>
<td>154</td>
</tr>
<tr>
<td>Dividend income</td>
<td>93</td>
<td>69</td>
<td>149</td>
</tr>
<tr>
<td>Net sale/(purchase) of deposits</td>
<td>(3,202)</td>
<td>1,033</td>
<td>6,280</td>
</tr>
<tr>
<td>Interest received</td>
<td>114</td>
<td>90</td>
<td>301</td>
</tr>
<tr>
<td>Receipt of loans notes</td>
<td>11</td>
<td>–</td>
<td>1,261</td>
</tr>
<tr>
<td><strong>Net cash (used in)/generated from investing activities</strong></td>
<td>(5,248)</td>
<td>(995)</td>
<td>(3,298)</td>
</tr>
<tr>
<td><strong>Cash flow from financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>–</td>
<td>–</td>
<td>(1,920)</td>
</tr>
<tr>
<td>Dividends paid to company shareholders</td>
<td>(2,950)</td>
<td>(4,280)</td>
<td>(5,552)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(2,950)</td>
<td>(4,280)</td>
<td>(7,472)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>2,430</td>
<td>1,430</td>
<td>1,265</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the beginning of the period</strong></td>
<td>19,176</td>
<td>17,911</td>
<td>17,911</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the period</strong></td>
<td>21,606</td>
<td>19,341</td>
<td>19,176</td>
</tr>
</tbody>
</table>
NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated interim financial statements for the six months to 31 December 2015 have been prepared in accordance with the recognition and measurement principles of applicable International Financial Reporting Standards (IFRS) in issue as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board and the AIM Rules for Companies.

The figures for the period to 31 December 2015 and the comparative period to 31 December 2014 have not been audited or reviewed and are therefore disclosed as unaudited. The figures for 30 June 2015 have been extracted from the financial statements for the year to 30 June 2015, which have been delivered to the Registrar of Companies. The interim financial statements do not constitute statutory accounts within the meaning of the Companies Act 2006.

The financial statements are prepared in Pounds Sterling, rounded to the nearest thousand.

The interim financial statements are prepared under the historical cost convention, modified by the revaluation of certain current and non-current investments at fair value through profit or loss.

The accounting policies set out in the financial statements for the year ended 30 June 2015 have been applied consistently throughout the Group during the period.

2. SEGMENTAL ANALYSIS

The segmental analysis is presented on the same basis as that used for internal reporting purposes. For internal reporting FW Thorpe is organised into eight operating segments, based on the products and customer base in the lighting market. The largest business is Thorlux which manufactures professional lighting systems for the industrial, commercial and controls market. The recently acquired Lightronics business is the next largest business. The six remaining continuing operating segments have been aggregated into the 'other companies' segment based on their size and comprise Compact Lighting Limited, Philip Payne Limited, Solite Europe Limited, Portland Lighting Limited, TRT Lighting Limited and Thorlux LLC.

FW Thorpe’s chief operating decision-maker (CODM) is the Group board. The Group board reviews the Group’s internal reporting in order to monitor and assess the performance of the operating segments for the purpose of making decisions about resources to be allocated. Performance is evaluated based on a combination of revenue and operating profit. Assets and liabilities have not been segmented which is consistent with the Group’s internal reporting.
2. SEGMENTAL ANALYSIS (continued)

<table>
<thead>
<tr>
<th></th>
<th>Thorlux £’000</th>
<th>Lightronics £’000</th>
<th>Other Companies £’000</th>
<th>Inter-Segment Adjustments £’000</th>
<th>Total Continuing Operations £’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months to 31 December 2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue to external customers</td>
<td>26,846</td>
<td>7,027</td>
<td>7,497</td>
<td>–</td>
<td>41,370</td>
</tr>
<tr>
<td>Revenue to other Group companies</td>
<td>594</td>
<td>3</td>
<td>1,083</td>
<td>(1,680)</td>
<td>–</td>
</tr>
<tr>
<td>Total revenue</td>
<td>27,440</td>
<td>7,030</td>
<td>8,580</td>
<td>(1,680)</td>
<td>41,370</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>5,166</td>
<td>703</td>
<td>428</td>
<td>197</td>
<td>6,494</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td></td>
<td></td>
<td>383</td>
<td></td>
</tr>
<tr>
<td>Finance expense</td>
<td></td>
<td></td>
<td></td>
<td>(257)</td>
<td></td>
</tr>
<tr>
<td>Share of loss in joint venture</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before tax expense</td>
<td></td>
<td></td>
<td></td>
<td>6,620</td>
<td></td>
</tr>
</tbody>
</table>

|                      |               |                   |                       |                                  |                                 |
| 6 months to 31 December 2014 |               |                   |                       |                                  |                                 |
| Revenue to external customers | 26,601        | –                 | 6,028                 | –                                | 32,629                          |
| Revenue to other Group companies | 572           | –                 | 831                   | (1,403)                          | –                               |
| Total revenue         | 27,173        | –                 | 6,859                 | (1,403)                          | 32,629                          |
| Operating Profit      | 5,105         | 283               | 122                   | 5,510                            |                                 |
| Net finance income    |               |                   |                       | 315                              |                                 |
| Share of loss in joint venture | (4)           |                   |                       |                                  |                                 |
| Profit before tax expense |             |                   |                       | 5,821                            |                                 |

|                      |               |                   |                       |                                  |                                 |
| Year to 30 June 2015  |               |                   |                       |                                  |                                 |
| Revenue to external customers | 54,192        | 3,275             | 16,077                | –                                | 73,544                          |
| Revenue to other group companies | 2,329         | –                 | 1,781                 | (4,110)                          | –                               |
| Total revenue         | 56,521        | 3,275             | 17,858                | (4,110)                          | 73,544                          |
| Operating Profit      | 11,267        | 481               | 1,944                 | 26                               | 13,718                          |
| Net finance income    |               |                   |                       | 727                              |                                 |
| Share of profit in joint venture | (50)          |                   |                       |                                  |                                 |
| Profit before tax expense |             |                   |                       | 14,395                           |                                 |

Inter-segment adjustments to operating profit consist of property rentals on premises owned by FW Thorpe Plc, adjustments to profit related to stocks held within the Group that were supplied by another segment and adjustments to investment provisions relating to Group companies.
3. POST BALANCE SHEET EVENT – INVESTMENT IN ASSOCIATE
On 9 March 2016, subsequent to the period end, the Group invested €1,200,000 for a 40% shareholding in a luminaire and specialist lens manufacturer based in Spain, Luxintec S.L. This investment provides a platform to sell the Group’s products in Spain and secures a part of the supply chain for the Group in the future. In 2015 Luxintec’s annual revenues were €3.5m with operating profit of €0.3m.

The Group intends to apply the equity method of accounting to recognise this interest.

4. INCOME TAX EXPENSE
For the period ending 30 June 2015, the effective tax rate for the Group was 18.7% however the effective tax rate applied for the period ended 31 December 2015 has increased to 21.8%. The main reasons for this increase are:

• The Group is no longer being classified as a Small or Medium sized Enterprise resulting in a lower rate of tax relief for research and development expenses;

• An increasing share of the Group’s profits are being generated in the Netherlands where the main corporate tax rate is 25%; and

• No adjustment in 31 December 2015 for prior year tax credit.

5. EARNINGS PER SHARE
The basic earnings per share is calculated on profit after taxation and the weighted average number of ordinary shares in issue of 115,675,590 (Interim 2015: 115,675,590) during the period.

The diluted earnings per share is calculated on profit after taxation and the weighted average number of potentially dilutive ordinary shares in issue of 115,791,614 (Interim 2015: 116,313,090) during the period.

6. DIVIDEND
The interim dividend is at the rate of 1.20p per share (Interim 2015: 1.10p), and based on 115,675,590 shares in issue at the announcement date the dividend will amount to £1,388,000 (Interim 2015: £1,272,000). A special dividend of 2.00p per share (Interim 2015: nil) will also be declared and based on 115,675,590 shares in issue at the announcement date the dividend will amount to £2,314,000 (Interim 2015: £nil). The interim and special dividends will be paid on 5 April 2016 to shareholders on the register at the close of business on 29 March 2016, and the shares become ex-dividend on 24 March 2016.

The company has obtained dispensation from the Stock Exchange to pay the dividends within a reduced timetable due to the Easter bank holidays and operational commitments preventing the earlier announcement of these results. This enables the dividend to be paid in a similar timeframe to the previous year.

A final dividend for the year ended 30 June 2015 of 2.55p (2014: final of 2.20p) per share, amounting to £2,950,000 (2014: £2,545,000) was paid on 19 November 2015.

7. AVAILABILITY OF INTERIM STATEMENT
Copies of this report are being sent to shareholders and will also be available from the company’s registered office or on the company’s website (www.fwthorpe.co.uk) from 7 April 2016.
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