

**Pochin's PLC**  
**(the "Group")**

**Half year report for the six months to 30 November 2010**

**Headlines**

- Revenue £41.8m (2009: £47.5m)
- Loss before tax £0.47m (2009: £4.37m loss)
- Net asset value decreased by £0.3m in the period to £25.6m

**Chairman's Statement**

The results for the six months ended 30 November 2010 show a loss before tax of £0.47m (2009: £4.37m loss) on turnover of £41.8m (2009: £47.5m).

No interim dividend is declared (2009: Nil)

After the substantial provisions which resulted in the heavy losses for the year ended 31<sup>st</sup> May 2010, it is encouraging to be able to report an improved performance in the first six months of the current year. Nonetheless, conditions in the regional property market and construction sector generally remain subdued.

The construction division has again performed creditably, turning in a near break even result on reduced levels of turnover. The forward order book, remains healthy, although the start dates for a number of key contracts have been delayed, making a profitable outcome for the division in the second half of the year increasingly challenging.

The concrete pumping division, though still loss making, has shown signs of improvement, with better margins and tighter cost control. The results for the full year should show the benefit of the re-organisation which took place last summer but will inevitably be influenced by the level of public sector spending.

The Group's property investment and development activities are centred largely in North West England which, like most regions, is experiencing only a slow improvement in the market for commercial property. The income from the division's portfolio is proving resilient with low levels of void space, but opportunities for development remain limited by weak occupier demand and tight credit conditions. Steady progress is being made with disposals of stock in the former homes division.

I am pleased to be able to confirm that the sale of the development site at Birkenhead, previously held in joint venture and highlighted in the 2010 annual report and accounts, was successfully completed in October. Issues in current joint ventures, also emphasised in that report, largely remain to be resolved and discussions continue with funders to bring to an end the Group's financial exposure associated with these schemes.

With the continuing support of the Group's bankers, The Royal Bank of Scotland, and no renewed decline in confidence in the regional construction and commercial property markets, the Group should make further progress in the second half of the year.

Richard Fildes  
Chairman