YULE CATTO & CO PLC
INTERIM REPORT
FOR THE SIX MONTHS ENDED 30 JUNE 2007

Being part of all our lives

YULE CATTO

WE ARE A LEADING CHEMICALS GROUP AND A TRUSTED PARTNER FOR MANUFACTURERS AROUND THE WORLD. THEY USE OUR RAW MATERIALS TO PRODUCE A WIDE RANGE OF PRODUCTS THAT ARE AN ESSENTIAL PART OF EVERYDAY LIFE. GLOVES, CARPETS, PAPER, PVC, ADHESIVES, PLASTICS, FRAGRANCES, DETERGENTS, DRUGS, COSMETICS... OUR TECHNOLOGY CONTRIBUTES TO EVERY ASPECT OF MODERN LIFE.

The successful relationships we have with our customers are based on:
– Our technical excellence we recently won the Queen's Award for Enterprise;
– Our quality recognised and valued by manufacturers;
– Our financial stability we manage our business responsibly; and
– Our environmental record we are fully compliant.

POLYMER CHEMICALS

Polymer Chemicals is a leading supplier of water-based polymers to the surface coatings, paper, adhesives and textile industries.

PHARMA CHEMICALS

Pharma Chemicals manufactures and develops active pharmaceutical ingredients and fine chemical intermediates for the generic 'big pharma' and biotech sectors of the life science market.

IMPACT CHEMICALS

Impact Chemicals brings an improved world of colour, taste and smell to consumer products.

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OPERATING HIGHLIGHTS

– Underlying total sales* increased by 4.4% to £294.2 million (2006: £281.8 million)
– Underlying profit before taxation* increased by 5.1% to £17.0 million (2006: £16.2 million)
– Earnings per share* of 8.1 pence (2006: 7.6 pence)
– Interim dividend 3.9 pence (2006: 3.8 pence)
– Net borrowings* reduced to £164.3 million (2006: £175.8 million)
– Polymer Chemicals shows continued expansion
– Continued investment in Pharma Chemicals pipeline
– Impact Chemicals beginning to show benefits of restructuring initiatives

EARNINGS PER SHARE*

+6.6%

DIVIDEND PER SHARE

3.9p

*Before special items as defined in the Glossary of terms on page 11.

Results summary

	Underlying performance[a]		IFRS	
Six months to 30 June	**2007 £'000**	2006 £'000	**2007 £'000**	2006 £'000
Total sales	**294,181**	281,835	**294,181**	290,264
EBITDA[b]	**30,368**	31,859	**30,368**	31,859
Total operating profit	**22,754**	22,453	**15,952**	22,294
Profit before taxation	**17,029**	16,199	**12,464**	13,298
Net borrowings	**(164,283)**	(175,790)	**(144,460)**	(172,118)
Free cash flow[c]	**2,102**	(14,783)	**2,102**	(14,783)
Earnings per share	**8.1p**	7.6p	**5.0p**	5.6p
Dividend per share	**3.9p**	3.8p	**3.9p**	3.8p

(a) Underlying performance excludes special items as shown in note 3.
(b) Operating profit before depreciation, amortisation and non-recurring items.
(c) As shown in the consolidated cash flow statement.

WE CONSIDER OUR TWO CORE DIVISIONS TO BE WELL PLACED TO INCREASE SHAREHOLDER VALUE IN THE FUTURE AND PLAN TO INVEST IN THESE BUSINESSES AS WE CONTINUE TO EXTRACT VALUE FROM THE RATIONALISATION OF IMPACT CHEMICALS. OVERALL, WE EXPECT UNDERLYING PROFITS FOR THE FULL YEAR TO SHOW A MODEST IMPROVEMENT ON OUR 2006 RESULTS.

Overview

We have delivered a solid six months performance, with the Group's underlying sales increasing 4.4% to £294.2 million and underlying profit before taxation increasing 5.1% to £17.0 million, with each of the three divisions delivering against their primary objectives. Polymers continued to show good volume growth, supported by new capacity which has come on stream in Malaysia. The Pharma business maintained its leading position in Omeprazole and invested further in its long-term pipeline. Whilst, the benefits of the restructuring initiated in 2006 were evidenced by a return to profit at Impact Chemicals.

In addition, at the beginning of August, we announced the reshaping of our Fine Chemical production assets. We believe that improving the utilisation of our European assets, whilst investing in China, is a significant strategic step in the long-term development of the Group. This should accelerate sales growth in Asia and enhance the cost effective supply of intermediary products into our business.

The Board believes that these results confirm the strengthening position of the Group and, as a result, has declared an interim dividend of 3.9 pence per share, being an increase of 3%.

Polymer Chemicals

Polymer division has maintained its strong growth performance with sales increasing by 5% over the same period last year.

Within Aqueous Polymers, a 30% increase in nitrile latex capacity in Malaysia at the end of the first quarter underpinned sales growth in this business area. A further expansion of the Malaysian plant is now under way which we expect to commission later this year. The demand for latex and dispersions was good throughout all our geographic regions driven by demand in the surface coatings, adhesives and construction industries.

Auxiliary polymer sales reduced year-on-year owing to competitive pricing. The Group's natural rubber business also experienced margin pressures caused by the escalating price of natural rubber.

Feedstock supplies were restricted by outages at crackers in Europe and the USA, combined with some monomer suppliers experiencing production difficulties. The situation is expected to improve in the second half. Overall, the growth in business has been in line with respective market growth and geographic expansion. However, this volume growth did not translate into increased operating profit in the first half as escalating raw material costs and shortages impacted profitability late in the period.

Pharma Chemicals

A sound first half year was underpinned by our generic Omeprazole business posting good volume growth although, as expected, price erosion continues to be a factor in both the USA and European markets. The Spanish and Mexican operations both performed well and at the end of the first half we saw the launch of generic Zolpidem in the USA. This launch has progressed as we had envisaged and we are now working with our customers to maintain their position in the market.

Pricing pressure has affected the competitive position of our Italian operation and we have previously announced the proposed closure of the main Milan Italian facility, with the subsequent transfer of most products to sister plants in Spain and Mexico.

We continue to see a number of enquiries from the biotech and pharma sectors for potential inclusion in our future portfolio. Our commitment to development of new products in these sectors continues apace with two drug master file (DMF) registrations in the first half of the year.

Impact Chemicals

The Impact Chemicals division has made steady progress following the previously announced restructuring programmes. The division continues to focus on margin improvement and cost reduction and, whilst the second half remains challenging, we anticipate improved performance in a number of areas.

As previously announced, the Hull site of Holliday Pigments has been unable to return to satisfactory levels of profitability, resulting in the decision to close the facility and focus production in Comines, France. However, strong market demand for ultramarine pigment gives us confidence for the underlying performance of this business in the second half.

UK pension fund

The triennial valuation of the UK pension fund has been concluded and we have agreed a schedule of contributions for the next three years with the Trustees. These have been set at a similar level to existing contributions. We have also successfully concluded the review of the package of benefits provided to members of the fund, which has reduced the deficit by £10.5 million.

Borrowings

Net borrowings, adjusted for movements in the mark-to-market of financial derivatives, have decreased since the year end by £2.0 million to £164.3 million. We are pleased with this result, reflecting the strong focus that we have placed on reducing working capital. This action restricted the seasonal growth in working capital over the first six months to £6.2 million compared with the increase of £23.8 million in 2006.

The closures of both the Hapton site of William Blythe Ltd and the UK plant of the James Robinson business were completed in the period.

We continue to expect that, following the sale of properties at the Hull, Dieburg and Milan plants, these recently announced closures will be cash neutral. However, the next six months will see a modest cash outflow as the closure process at each site continues.

Dividend

The interim dividend of 3.9 pence per ordinary share (2006: 3.8p) will be paid on 16 November 2007 to members on the register at close of business on 19 October 2007.

Board and management

Jeremy Maiden and Dr Alexander Dobbie were appointed Non-Executive Directors with effect from 20 August 2007. The search for a Finance Director is well advanced. Other significant personnel changes include the appointment of Frank Siddle as Director of Group HR and Derick Whyte as Chief Executive of Impact Chemicals. Frank joins the Company from Caterpillar (UK) and Derick joins us from ICI where he was Vice President of Acheson Industries. (As previously announced the businesses previously organised under Fine Chemicals and Performance Chemicals have been combined under the heading of Impact Chemicals). Internal promotions include the appointment of Andrew Lanham as Managing Director of Synthomer Europe and Brendan Catlow as Managing Director, Synthomer Malaysia.

Outlook

We expect our Polymer business will continue to see good volume growth as we invest in additional new capacity in Asia. In parallel, we are focused on increasing profitability by improving the operating efficiency and commercial strengths of this business.

Within our Pharma business the medium-term outlook is improved, following the rationalisation of our European asset base, together with the planned investment in China. However, given the phasing of customer orders, we expect trading to be quieter in the second half.

We consider our two core divisions to be well placed to increase shareholder value in the future and plan to invest in these businesses as we continue to extract value from the rationalisation of Impact Chemicals. Overall, we expect underlying profits for the full year to show a modest improvement on our 2006 results.

Anthony Richmond-Watson
6 September 2007

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Six months ended 30 June 2007		Six months ended 30 June 2006		Year ended 31 December 2006	
	Unaudited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000	Audited £'000	Audited £'000
Group revenue		287,018		283,567		551,655
Share of joint ventures' revenue		7,163		6,697		14,131
Total sales		294,181		290,264		565,786
Group revenue		287,018		283,567		551,655
Company and subsidiaries before impairments		15,454		21,853		40,079
Impairment of non-current assets		–		–		(19,699)
Company and subsidiaries		15,454		21,853		20,380
Share of joint ventures		498		441		1,071
Operating profit		15,952		22,294		21,451
Interest payable	(7,419)		(6,692)		(13,564)	
Interest receivable	1,694		438		2,121	
	(5,725)		(6,254)		(11,443)	
Fair value adjustment	2,237		(2,742)		3,618	
Finance costs		(3,488)		(8,996)		(7,825)
Profit before taxation		12,464		13,298		13,626
Taxation		(4,428)		(4,488)		(8,855)
Profit for the year		8,036		8,810		4,771
Profit attributable to minority interests		757		576		1,344
Profit attributable to equity holders of the parent		7,279		8,234		3,427
		8,036		8,810		4,771
Earnings per share – Basic		5.0p		5.6p		2.4p
– Diluted		5.0p		5.6p		2.3p

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2007

	30 June 2007 Unaudited £'000	30 June 2006 Unaudited £'000	31 December 2006 Audited £'000
Non-current assets			
Goodwill	172,443	172,443	172,443
Other intangible assets	381	691	439
Property, plant and equipment	111,297	129,229	110,167
Deferred tax assets	1,220	2,607	1,179
Investments in joint ventures	3,673	3,700	3,300
	289,014	308,670	287,528
Current assets			
Inventories	63,582	67,473	66,080
Trade and other receivables	112,966	119,419	105,166
Cash and cash equivalents	84,755	49,322	65,917
	261,303	236,214	237,163
Current liabilities			
Borrowings	(74,563)	(50,796)	(57,802)
Trade and other payables	(128,979)	(117,102)	(124,892)
Current tax liability	(53,850)	(53,488)	(52,100)
Dividends	(8,010)	(7,717)	–
Derivatives at fair value	(24,488)	(16,486)	(22,336)
Net current liabilities	(28,587)	(9,375)	(19,967)
Non-current liabilities			
Borrowings	(154,652)	(170,644)	(158,771)
Trade and other payables	(366)	(509)	(372)
Deferred tax liability	(6,407)	(6,143)	(6,316)
Post-retirement benefit obligations	(33,731)	(61,744)	(77,884)
	(195,156)	(239,040)	(243,343)
Net assets	65,271	60,255	24,218
Equity			
Called up share capital	14,566	14,565	14,566
Share premium	33,034	33,026	33,034
Capital redemption reserve	949	949	949
Hedging and translation reserve	(7,703)	(4,015)	(7,371)
Retained earnings	19,597	11,260	(21,031)
Equity attributable to equity holders of the parent	60,443	55,785	20,147
Minority interests	4,828	4,470	4,071
Total equity	65,271	60,255	24,218
Analysis of net borrowings			
Cash and cash equivalents	84,755	49,322	65,917
Current borrowings	(74,563)	(50,796)	(57,802)
Non-current borrowings	(154,652)	(170,644)	(158,771)
Net borrowings	(144,460)	(172,118)	(150,656)
Add back: special items	(19,823)	(3,672)	(15,615)
Net borrowings (underlying performance)	(164,283)	(175,790)	(166,271)

The financial statements were approved by the Board of Directors and authorised for issue on 6 September 2007.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Six months ended 30 June 2007		Six months ended 30 June 2006		Year ended 31 December 2006	
	Unaudited £'000	Unaudited £'000	Unaudited £'000	Unaudited £'000	Audited £'000	Audited £'000
Operating						
Cash generated from operations		19,178		2,782		46,376
Interest received	1,694		438		2,121	
Interest paid	(7,205)		(6,786)		(13,581)	
Net interest paid		(5,511)		(6,348)		(11,460)
UK corporation tax received	954		–		–	
Overseas corporation tax paid	(3,537)		(4,065)		(9,196)	
Total tax paid		(2,583)		(4,065)		(9,196)
Net cash inflow/(outflow) from operating activities		11,084		(7,631)		25,720
Investing						
Dividends received from joint ventures		78		631		1,385
Purchase of property, plant and equipment	(9,060)		(7,102)		(18,468)	
Sale of property, plant and equipment	–		–		1,539	
Net capital expenditure and financial investment		(9,060)		(7,102)		(16,929)
Sale of businesses	–		3,849		3,660	
Net cash impact of acquisitions and disposals		–		3,849		3,660
Net cash outflow from investing activities		(8,982)		(2,622)		(11,884)
Financing						
Equity dividends paid		–		–		(13,251)
Dividends paid to minority interests		–		(681)		(1,697)
Purchase of own shares		(25)		(140)		(246)
Issue of shares		–		1,282		1,291
Proceeds of non-current borrowings		–		–		154
Net cash (outflow)/inflow from financing activities		(25)		461		(13,749)
Increase/(decrease) in cash and bank overdrafts during the year		2,077		(9,792)		87
Comprised of:						
Cash and cash equivalents		18,838		5,021		23,160
Bank overdrafts		(16,761)		(14,813)		(23,073)
		2,077		(9,792)		87

RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO MOVEMENT IN NET BORROWINGS

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Six months ended 30 June 2007 Unaudited £'000	Six months ended 30 June 2006 Unaudited £'000	Year ended 31 December 2006 Audited £'000
Net cash inflow/(outflow) from operating activities	11,084	(7,631)	25,720
Dividends received from joint ventures	78	631	1,385
Net capital expenditure and financial investment	(9,060)	(7,102)	(16,929)
Dividends paid to minority interests	–	(681)	(1,697)
Free cash flow	2,102	(14,783)	8,479
Net cash impact of acquisitions and disposals	–	3,849	3,660
Purchase of own shares	(25)	(140)	(246)
Issue of shares	–	1,282	1,291
Equity dividends paid	–	–	(13,251)
Exchange movements	(89)	(407)	(613)
Movement in net borrowings (underlying performance)	1,988	(10,199)	(680)

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Six months ended 30 June 2007 Unaudited			Six months ended 30 June 2006 Unaudited		
	Minority interests £'000	Equity holders of the parent £'000	Total £'000	Minority interests £'000	Equity holders of the parent £'000	Total £'000
Actuarial gains and losses	–	41,358	41,358	–	5,901	5,901
Tax on items recognised directly in equity	–	–	–	–	–	–
Exchange differences	–	(332)	(332)	(146)	3,534	3,388
Profit for the year	757	7,279	8,036	576	8,234	8,810
Total recognised income for the period	757	48,305	49,062	430	17,669	18,099

	Year ended 31 December 2006 Audited		
	Minority interests £'000	Equity holders of the parent £'000	Total £'000
Actuarial gains and losses	–	(13,551)	(13,551)
Tax on items recognised directly in equity	–	(1,409)	(1,409)
Exchange differences	(296)	(6,890)	(7,186)
Profit for the year	1,344	3,427	4,771
Total recognised income/(expenditure) for the period	1,048	(18,423)	(17,375)

1 Basis of presentation

The accompanying consolidated financial statements of Yule Catto & Co plc have been prepared in accordance with recognition and measurement principles required by International Financial Reporting Standards (IFRS). The consolidated financial statements have been prepared using accounting policies consistent in all material respects with those applied in the Company's Annual Report for the year ended 31 December 2006. This statement does not seek to comply with IAS 34 'Interim Financial Reporting'. The financial statements for the six months ended 30 June 2007 are unaudited and do not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985.

2 Consolidated income statement analysis

	Six months ended 30 June 2007 Continuing operations Unaudited			Six months ended 30 June 2006 Continuing operations Unaudited		
	Underlying performance £'000	Special items £'000	IFRS £'000	Underlying performance £'000	Special items £'000	IFRS £'000
Group revenue	287,018	–	287,018	275,138	8,429	283,567
Share of joint ventures' revenue	7,163	–	7,163	6,697	–	6,697
Total sales	294,181	–	294,181	281,835	8,429	290,264
Group revenue	287,018	–	287,018	275,138	8,429	283,567
Company and subsidiaries	22,256	(6,802)	15,454	22,012	(159)	21,853
Share of joint ventures	498	–	498	441	–	441
Operating profit/(loss)	22,754	(6,802)	15,952	22,453	(159)	22,294
Finance costs	(5,725)	2,237	(3,488)	(6,254)	(2,742)	(8,996)
Profit/(loss) before taxation	17,029	(4,565)	12,464	16,199	(2,901)	13,298
Taxation	(4,428)	–	(4,428)	(4,536)	48	(4,488)
Profit/(loss) for the year	12,601	(4,565)	8,036	11,663	(2,853)	8,810
Profit attributable to minority interests	757	–	757	576	–	576
Profit attributable to equity holders of the parent	11,844	(4,565)	7,279	11,087	(2,853)	8,234
	12,601	(4,565)	8,036	11,663	(2,853)	8,810
Earnings per share – Basic	8.1p	(3.1)p	5.0p	7.6p	(2.0)p	5.6p
– Diluted	8.1p	(3.1)p	5.0p	7.6p	(2.0)p	5.6p

Discontinued operations

There are no discontinued operations. A number of businesses were sold or closed during the period. However, these do not satisfy the criteria of IFRS 5 to be treated as discontinued operations.

3 Special items

The special items disclosed are made up as follows:

	Six months ended 30 June 2007 Unaudited £'000	Six months ended 30 June 2006 Unaudited £'000	Year ended 31 December 2006 Audited £'000
Total sales			
Revenue of businesses sold or closed during the period	–	8,429	8,429
Operating profit			
Operating profit of businesses sold or closed during the period	–	146	117
Profit or loss arising from the sale or closure of operations	(6,802)	(305)	(1,926)
Impairment of non-current assets	–	–	(19,699)
	(6,802)	(159)	(21,508)

The special item of £6,802,000 relates to the closure of Holliday Pigments Ltd's manufacturing site in Hull.

4 Segmental analysis (underlying performance)

	Six months ended 30 June 2007 Unaudited £'000	Six months ended 30 June 2006 Unaudited* £'000	Year ended 31 December 2006 Unaudited* £'000
Total sales by activity			
Polymer Chemicals	210,739	199,419	399,084
Pharma Chemicals	36,140	32,487	64,404
Impact Chemicals	47,302	49,929	93,869
	294,181	281,835	557,357
Operating profit by activity			
Polymer Chemicals	19,844	20,300	38,749
Pharma Chemicals	4,424	3,941	8,133
Impact Chemicals	1,356	1,108	964
Unallocated corporate expenses	(2,870)	(2,896)	(4,887)
Operating profit	22,754	22,453	42,959
Finance costs	(5,725)	(6,254)	(11,443)
Underlying profit before taxation	17,029	16,199	31,516

*The underlying performance of the Pharma Chemicals and Impact Chemicals divisions has been adjusted to reflect the reclassification of companies between these divisions announced on 17 May 2007, in line with internal management structures. The effect has been to reclassify the results of the Fine Chemicals companies, Oxford Chemicals Limited and PFW Aroma Chemicals BV, from their historic inclusion in the Pharma Chemicals division, into the new division, Impact Chemicals. The remaining companies in the Impact Chemicals division are those historically reported within the Performance Chemicals division.

5 Reconciliation of profit from operations to cash generated from operations

	Six months ended 30 June 2007 Unaudited £'000	Six months ended 30 June 2006 Unaudited £'000	Year ended 31 December 2006 Audited £'000
Operating profit	15,952	22,294	21,451
Less: share of profit of joint ventures	(498)	(441)	(1,071)
	15,454	21,853	20,380
Impairment of non-current assets	–	–	19,699
Depreciation and amortisation	7,614	9,406	18,313
Profit or loss arising from the sale or closure of operations	6,802	305	1,926
Cash impact of termination of businesses	(1,692)	(3,233)	(6,096)
Loss/(profit) on sale of fixed assets	70	83	(794)
Share-based payments	25	140	299
Decrease/(increase) in inventories	2,408	(3,107)	(3,947)
Increase in trade and other receivables	(7,810)	(21,365)	(10,496)
Pension funding in excess of IAS 19 charge	(2,928)	(1,272)	(3,181)
(Decrease)/increase in trade payables and provisions	(772)	655	10,547
Unrealised exchange losses/(gains)	7	(683)	(274)
Cash generated from operations	19,178	2,782	46,376

6 Changes in equity (unaudited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Own shares £'000	Hedging and translation reserve £'000	Minority interests £'000	Retained earnings £'000	Total £'000
At 1 January 2007	14,566	33,034	949	–	(7,371)	4,071	(21,031)	24,218
Profit for the year	–	–	–	–	–	757	7,279	8,036
Actuarial gains and losses	–	–	–	–	–	–	41,358	41,358
Exchange differences on translation of overseas operations	–	–	–	–	(339)	–	1	(338)
Net investment hedging	–	–	–	–	7	–	–	7
Total recognised (expenditure)/income for the period	–	–	–	–	(332)	757	48,638	49,063
Dividends paid	–	–	–	–	–	–	(8,010)	(8,010)
Shares purchased by ESOP Trust	–	–	–	25	–	–	–	25
Share-based payments	–	–	–	(25)	–	–	–	(25)
At 30 June 2007	**14,566**	**33,034**	**949**	**–**	**(7,703)**	**4,828**	**19,597**	**65,271**

7 Further information

The financial information for the year ended 31 December 2006 has been extracted from the statutory accounts, which have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under section 237 of the Companies Act 1985.

The financial statements were approved by the Board of Directors on 6 September 2007.

The proposed interim dividend was approved by the Board on 6 September 2007 and has not been included as a liability as at 30 June 2007 in these financial statements.

This statement can be obtained by the public from the Company's registered office at Temple Fields, Harlow, Essex CM20 2BH, or on the Company website www.yulecatto.com

Earnings per ordinary share are based on the attributable profit for the period and the weighted average number of shares in issue during the period to June 2007 of 145.7 million (2006: 145.3 million).

GLOSSARY OF TERMS

Total sales	Total sales represents the total of revenue from Yule Catto & Co plc, its subsidiaries, and its share of the revenue of joint ventures.
EBITDA	EBITDA is calculated as operating profit before depreciation, amortisation and non-recurring items.
Operating profit	Operating profit represents profit before finance costs and taxation.
Non-recurring items	Non-recurring items are defined as: – Profit or loss impact arising from the sale or closure of an operation; – Impairment of non-current assets; and – Other non-operating or one-off items.
Special items	The following are disclosed separately as special items in order to provide a clearer indication of the group's underlying performance: – Non-recurring items; – Mark-to-market adjustments in respect of cross currency and interest rate derivatives used for hedging purposes where IAS 39 hedge accounting is not applied; – Revaluation of US Dollar loan notes from the rate of the related cross currency swaps to the period end rate; and – The transitional adjustment required to reflect movements in fair value caused by variations in interest rates, and subsequent amortisation thereof, to the extent that these constituted effective hedges under UK GAAP.
Underlying performance	Underlying performance represents the statutory performance of the Group under IFRS, excluding special items.
Free cash flow	Free cash flow represents cash flow before cash impact of acquisitions and disposals, purchase and issue of own shares, equity dividends paid and exchange movements.
Net borrowings	Net borrowings represents cash and cash equivalents together with short and long-term borrowings, as adjusted for the effect of related derivative instruments irrespective of whether they qualify for hedge accounting.

YULE CATTO WORLDWIDE

Belgium
Synthomer SA

China
Yule Catto Asia Ltd

England
Holliday Pigments Ltd
James Robinson Ltd
Oxford Chemicals Ltd
Synthomer Ltd
William Blythe Ltd

France
Holliday France SA
Holliday Pigments SA

Germany
James Robinson GmbH
Synthomer GmbH

India
James Robinson India (Pvt) Ltd
Revertex-KA Latex (India) Private Ltd

Italy
Uquifa Italia SpA

Malaysia
Revertex Finewaters Sdn Bhd
Revertex (Malaysia) Sdn Bhd
Synthomer Sdn Bhd

Mexico
Uquifa Mexico S.A.C.V.

Netherlands
PFW Aroma Chemicals BV
Synthomer BV
Synthomer Hasselt BV

Saudi Arabia
Dhahran Harco Chemical Industries Ltd

South Africa
Arkem (Pty) Ltd
Revertex Chemicals (Pty) Ltd

Spain
Holliday Chemical España SA
Union Quimico Farmaceutica SA (UQUIFA)

Thailand
Revertex (Thailand) Ltd

USA
Synthomer LLC

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