LUXFER HOLDINGS PLC

Unaudited Interim Financial Statements

for the period 1 January 2012 to 30 June 2012

ENVIRONMENTAL ⬆ HEALTHCARE ⬆ PROTECTION ⬆ SPECIALITY

LUXFER HOLDINGS PLC

FINANCIAL HIGHLIGHTS

	Half year to 30 June 2012	Half year to 30 June 2011
Revenue	**£168.7m**	£149.9m
Trading profit	**£22.9m**	£18.6m
Trading margin	**13.6%**	12.4%
Profit before taxation	**£20.6m**	£15.7m
Net cash inflow / (outflow) from operating activities	**£28.5m**	£(4.5)m
Net Debt	**£47.9m**	£78.9m
Ratio of LTM EBITDA : Net debt	**0.9**	1.9
Basic earnings per share	**£1.41**	£1.12
LTM ratio of Return on Capital Employed (ROCE) [(1)]	**30.1%**	24.5%

[(1)] The ratio of return on capital employed is defined as the LTM trading profit of £45.2 million (LTM ended 30 June 2011: £32.7 million) divided by the average capital employed by quarter of £150.4 million (30 June 2011: £133.7 million). Capital employed is defined as equity plus net debt, pension and taxation liabilities, less taxation assets.

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INTRODUCTION

Luxfer Group delivered a strong first half performance for 2012. Underlying revenue was up 10% on the first half of 2011, underlying trading profit up 21% and profit before tax increased by 31%. A combination of achieving revenue growth added value product areas in Healthcare, Environmental and Protection and the ability to manage through a period of volatile raw material prices helped secure this record first half result.

BUSINESS REVIEW

Revenue.

Our revenue from continuing operations was £168.7 million in the first six months of 2012, an increase of £18.8 million from £149.9 million in the first six months of 2011. The underlying revenue increase was 10% or £13.8 million when measured at constant exchange rates and excluding increases due to rare earth surcharges of £4.1 million. The stronger U.S. dollar had a translation benefit of £0.9 million. In the first six months of 2011, the rare earth surcharge was £15.2 million. During 2011, as the cost of rare earth increased, the surcharge we levied to recover these higher costs rose as well, peaking during the second half of 2011 before falling towards the end of the year as the costs of rare earths reduced. Although the surcharge levied in the first half of 2012, at £19.5 million was much lower than in the second half of 2011, it is still rather higher than in the first half of 2011, when the full impact of higher rare earth prices was yet to be felt. The increase of £13.8 million net of rare earth surcharges was a result of increased sales volumes combined with changes in sales mix and pricing across a range of major market sectors, which is explained below in more detail by division.

Analysis of revenue variances from first six months of 2011 to first six months of 2012 for continuing operations:

REVENUE CHANGES: **Six months to June**	Gas Cylinders £M	Elektron £M	**Group** **£M**
2011 REVENUE - as reported YTD	**67.9**	**82.0**	**149.9**
FX Translation impact - on non-UK operating results	0.4	0.5	**0.9**
REVENUE subtotal - 2011 YTD adjusted	**68.3**	**82.5**	**150.8**
Increase in rare earth surcharge	-	4.1	**4.1**
Underlying trading variances - 2012 v 2011	6.3	7.5	**13.8**
2012 REVENUE - as reported YTD	**74.6**	**94.1**	**168.7**

The above table shows the change in each division's revenue between the first six months of 2012 and the first six months of 2011. It separates the impact of changes in average exchange rates on overseas operations when translated into GBP sterling consolidated results. The following discussion provides an explanation of our increase in revenue by division.

Gas Cylinders Revenue.

The Gas Cylinder division's revenue was £74.6 million in the first six months of 2012, an increase of £6.7 million from £67.9 million in the first six months of 2011. Excluding a £0.4 million beneficial impact of exchange rate translation, revenue grew by £6.3 million, or 9.2%. This increase was driven by higher gas cylinders revenues which grew by 11.1%. Superform revenues were equal to those in the first six months of 2011.

In some traditional aluminum cylinder markets we have focused on improving our sales mix, shifting sales away from lower priced sectors. In the medical market, our focus continued to be on growing sales of the higher-pressure L7X aluminum cylinders, with some mix change away from lower pressure small cylinders. These strategies improved the margins we achieved on a similar number of cylinder sales, and enabled better utilization of production capacity.

Sales volumes of our composite cylinders increased significantly in the first six months of 2012 compared to the first six months of 2011. The healthcare sector proved to be a strong area of growth, with increased sales of composite medical cylinders. This included more than doubling the sales of our patented L7X composite cylinders in Europe, when compared to the first six months of 2011. Demand has been helped by the finalisation of U.K. National Health Service tenders in the fourth quarter of 2011 to supply the home oxygen therapy market, and we have won cylinder supply contracts with all the newly appointed U.K. home oxygen service providers. In the first six months of 2012, we completed our largest order to date for cylinders used in gas transportation modules. Superform sales of formed components showed modest growth in the first six months of 2012 compared to the first six months of 2011, mainly as a result of increased demand from the civil aerospace sector in the United States, although sales to the European automotive and rail markets were lower.

Elektron Revenue.

The Elektron division's revenue was £94.1 million in the first six months of 2012, an increase of £12.1 million from £82.0 million in the first six months of 2011. The beneficial impact of exchange rate translation differences was £0.5 million. There was a £4.1 million increase in relation to higher rare earth surcharges in the first six months of 2012 as compared to the first six months of 2011. Revenue (excluding the rare earth surcharges) increased by an additional £7.5 million, or 11.1% as a result of favorable underlying trading variances helped by achieving higher sales prices and a favorable change in sales mix, along with growth in newer product areas. Zirconium underlying revenue grew 12.9% and magnesium revenue by 10.2%. The revenue growth was driven by new business in zirconium-based industrial catalysts and specialty ceramic applications and there was higher demand for our light-weight magnesium alloys and high-performance powders.

Whilst total volume measured by tonnage of zirconium and magnesium products sold across the division was slightly down in the first six months of 2012 compared to the first six months of 2011, the change in sales mix contributed to the increase in revenue. Higher sales volume of industrial catalysts and ceramic oxides replaced some automotive catalysis sales. Also a better sales mix of the more specialist magnesium alloys and increased volumes of powders replaced lower grade commercial alloys and powders.

Gross Profit.

Gross profit was £41.2 million in the first six months of 2012, an increase of £5.6 million from £35.6 million in the first six months of 2011. Overall gross profit margin increased slightly to 24.4% in the first six months of 2012 from 23.7% in the first six months of 2011, which was mainly a result of the favorable sales mix changes achieved in the period.

Distribution costs, Administrative expenses and Other income.

Net costs were £18.3 million in the first six months of 2012, an increase of £1.3 million, or 8%, from £17.0 million in the first six months of 2011. The increase is mainly attributable to higher retirement benefit costs, increased spending on new product marketing, research and development and other general inflationary increases.

Trading and Operating Profit.

Our trading profit was £22.9 million in the first six months of 2012, an increase of £4.3 million, or 23.1%, from £18.6 million in the first six months of 2011. Operating profit was also £22.9 million in the first six months of 2012, an increase of £4.3 million, or 23.1%, from £18.6 million in the first six months of 2011.

Analysis of trading profit and operating profit variances from first six months of 2011 to first six months of 2012 for continuing operations:

TRADING & OPERATING PROFIT CHANGES: **Six months to June**	Gas Cylinders Trading Profit	Elektron Trading Profit	**Group Trading Profit**	Restructuring & Other Income (Expense)	**Group Operating Profit**
	£M	£M	**£M**	£M	**£M**
2011 YTD - as reported under IFRS	**3.7**	**14.9**	**18.6**	**-**	**18.6**
FX Translation impact - on non-UK operating results	0.1	0.3	0.4	-	**0.4**
Subtotal – 2011 YTD adjusted	**3.8**	**15.2**	**19.0**	**-**	**19.0**
Underlying sales and purchase variances	3.0	4.9	**7.9**	-	**7.9**
Employment & other cost variances	(2.1)	(1.9)	**(4.0)**	-	**(4.0)**
Trading variances for ongoing operations - 2012 v 2011	**0.9**	**3.0**	**3.9**	**-**	**3.9**
2012 YTD - as reported under IFRS	**4.7**	**18.2**	**22.9**	**-**	**22.9**

The above table shows the change in each division's trading profit, group trading profit and operating profit between the first six months of 2012 and the first six months of 2011. The table also provides a reconciliation of group trading profit to group operating profit.

Changes in translation exchanges rates had a profit benefit of £0.4 million. At constant translation exchange rates, both trading profit and operating profit increased by £3.9 million or 20.5%.

Higher sales volumes, a better sales pricing mix of our products, as explained above under our discussion of revenue, and a favorable impact from our increases in sales prices had a positive impact of £8.0 million on our trading profit and operating profit in the first six months of 2012 when compared to the first six months of 2011.

The overall impact of foreign exchange transaction rates on sales and purchases in the first six months of 2012 compared to the first six months of 2011 was a negative £0.1 million, net of the benefit of utilising foreign currency derivative contracts.

We had a number of cost changes that together resulted in reducing the increase in trading profit and operating profit by a net £4.0 million in the first six months of 2012. The main reasons for these changes were as follows:

- There was £0.9 million of higher accounting charges for our defined benefit plans in the first six months of 2012, as a result of a higher deficit position at the start of the financial year.
- Employment and other costs increased by a net £3.1 million in the first six months of 2012, reflecting additional costs in product development, maintenance and general inflationary increases of our operations. There were also higher accruals for profit related bonuses across our business due to significantly improved profits.

The segment trading profit results by division are further explained in more detail below:

Gas Cylinders Trading Profit.

The Gas Cylinders division's trading profit of £4.7 million in the first six months of 2012 represents an increase of £1.0 million, or 27.0%, from £3.7 million in the first six months of 2011.

Increased sales volumes together with increased selling prices and an improved sales mix offset an increase in raw material prices, such as carbon fiber. The net impact of these factors was to increase trading profit by £3.0 million.

The increase in retirement benefit charges allocated to the Gas Cylinders division was £0.3m in the first six months of 2012. The allocation for the Gas Cylinders division was less than the allocation to the Elektron division because the former has fewer members in the relevant plans.

Other costs increased by a net £1.8.million, which include increased expenditures on research and development, maintenance, bonus provisions and general inflationary pressures.

Elektron Trading Profit.

The Elektron division's trading profit of £18.2 million in the first six months of 2012 was an increase of £3.3 million, or 22.1%, from £14.9 million in the first six months of 2011. Changes in exchange rates used to translate segment profit into GBP sterling led to a £0.3 million increase in the first six months of 2012. Profits at constant exchange rates increased by £3.0 million, or 19.7%.

The main contributing factor in the higher trading profit was the underlying growth in revenue as explained in the revenue analysis above. Underlying trading performance in sales revenue increased profits by £5.0 million. The cost of magnesium in the first six months of 2012 was slightly lower than the first six months of 2011, whilst the cost of zirconium raw materials was significantly higher due to the increased rare earth and other material costs in the first six months of 2012 compared to the first six months of 2011. The scale of the rare earth cost increases required that we levy a surcharge on our customers, reviewed quarterly, to prevent any negative impact on the profit and loss account. We also implemented price increases to cover other inflationary costs, including other raw material costs, maintenance and employment costs. These actions enabled the business to maintain its profit margin.

For the first six months of 2012, the foreign exchange transaction rates on sales and purchases had a negative impact of £0.1 million, net of the benefit of utilising foreign currency exchange derivative contracts, compared to the first six months of 2011.

The increase in retirement benefit charges allocated to the Elektron division was £0.6 million in the first six months of 2012. The allocation for the Elektron division was greater than the allocation to the Gas Cylinders division because the former has more members in the relevant plans.

Other costs increased by a net £1.3 million, which includes increased expenditures on research and development, maintenance, bonus provisions and general inflationary pressures.

Disposal costs of Intellectual Property.

We made a non-operating exceptional charge of £0.1 million in the first six months of 2012 relating to advisory costs incurred by the Elektron division in relation to the sale of Intellectual Property rights acquired in 2007 upon the acquisition of Revere Graphics.

Finance costs — interest costs.

The finance costs of £2.2 million that we incurred in the first six months of 2012 decreased from £2.9 million in the first six months of 2011. This was a result of the lower cost of the new finance facilities secured in June 2011 and the falling level of net debt.

The finance costs we incurred in the first six months of 2012 included £1.7 million of interest payable on our new financing facilities, £0.2 million of interest payable on our Revolving Credit Facility and £0.3 million of amortization relating to finance costs. The finance costs that we incurred in the first six months of 2011 included £2.0 million of interest payable on our Senior Notes due 2012, £0.3 million of interest payable on our former revolving credit facility, £0.4 million of amortization related to historic finance costs and £0.2 million interest payable on our new financing facilities.

Profit before tax

Profit before tax in the first six months of 2012 was £20.6 million, an increase of £4.9 million, or 31%, over of the £15.7 million profit before tax in the first six months of 2011.

Taxation.

In the first six months of 2012, our tax expense was £6.7 million on profit before tax of £20.6 million. The effective tax rate was 32.5%. Of the charge of £6.7 million, £4.7 million related to current cash taxes payable (an effective rate of 22.8%) and £2.0 million was a deferred taxation charge (a 9.7% effective rate).

In the first six months of 2011, our tax expense was £4.6 million on profit before tax of £15.7 million. The effective tax rate was 29.3%. Of the charge of £4.6 million, £3.6 million related to current cash taxes payable (an effective rate of 22.9%) and £1.0 million was a deferred taxation charge (an effective rate of 6.4%).

Net profit for the period.

After tax, the Group made a net profit of £13.9 million for the first six months of 2012, a £2.8 million, or 25% increase of the £11.1 million net profit in the first six months of 2011.

Interim dividend.

Based on the Group's continued strong performance, in July, the Board of Directors declared an interim dividend for the first six months of 2012 of 25 pence for each £1 ordinary share, equal to £2.5 million in total. This was paid on the 10th August 2012.

LIQUIDITY & CAPITAL RESOURCES

Cash flow

Cash flow summary for the first six months of 2012 and the first six months of 2011

Cash flow summary: Six months to June	2012 £M	2011 £M
TRADING PROFIT	**22.9**	**18.6**
Depreciation & amortisation	4.6	**4.4**
EBITDA	**27.5**	**23.0**
Working capital decrease/(increase)	6.3	(17.6)
Movement in retirement benefit obligations	(3.2)	(5.7)
Decrease in provisions	(0.1)	(0.1)
Income tax paid	(2.0)	(4.1)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**28.5**	**(4.5)**
Purchase of plant, property & equipment	(3.7)	(3.5)
Investment in joint venture	(0.3)	-
Proceeds from sale of business (net of costs)	0.5	0.5
NET CASH FLOW BEFORE FINANCING	**25.0**	**(7.5)**

Net cash flows from operating activities increased by £33.0 million to £28.5 million, in the first six months of 2012, from (£4.5) million, in the first six months of 2011. Trading profit for the first six months of 2012 of £22.9 million increased by £4.3 million from £18.6 million in the first six months of 2011, and there was a net working capital inflow of £6.3 million in the first six months of 2012 as compared to an outflow of (£17.6) million in the first six months of 2011, an improvement of £23.9 million. Working capital in 2011 had been significantly increased due to higher rare earth costs and the need to buy forward material to cover agreed surcharge pricing. The improved availability of rare earths and a fall in prices has reduced the need for strategic stockholdings, benefiting cash flow. The increased sales in the period resulted in an outflow in receivables of £1.0 million in the first six months of 2012. The inventory reduction resulted in an £11.5 million cash inflow, a £22.4 million improvement from outflow of £10.9 million in the first six months of 2011. There was a decrease in payables of £4.2 million in the first six months of 2012, an increase of £4.9 million from the £0.7 million inflow in the first six months of 2011.

In the first six months of 2011, as part of the June 2011 refinancing, we agreed to make advanced payments, for the twelve month period ended March 31, 2012, of £4.3 million into our retirement benefit pension plans. In the first six months of 2012 we paid £2.0 million in respect of income taxes which is £2.1 million less than the first six months of 2011. The payment in the first six months of 2011 included a payment in respect of the previous year's U.S. tax liability. Capital expenditure in the first six months of 2012 was £3.7 million compared to £3.5 million in the first six months of 2011.We also invested a further £0.3 million into our Indian joint venture in the first six months of 2012.

There was an inflow of net cash before financing of £25.0 million in the first six months of 2012 compared to an outflow of (£7.5) million in the first six months of 2011, an improvement of £32.5 million.

Net Debt

As at 30th June 2012, the Group had a net debt position of £47.9 million, comprising of £68.9 million of long-term debt, net of finance costs and cash and cash equivalents of £21.0 million. In the first six months of 2012 the group fully paid offthe December 2011 revolving credit facilities of £15.3 million and paid the schedules £1.0 million repayment of the term loan.

As at 30th June 2011, the Group had a net debt position of £78.9 million, comprising of long-term debt £67.8 million, net of finance costs, a draw-down on the revolving credit facilities of £24.1 million and cash and cash equivalents of £13.0 million.

Net Debt: LTM EBITDA ratio

The ratio of net debt to LTM EBITDA was 0.9x, compared to 1.4x at 31 December 2011 and 1.9x as at 30 June 2011.

Retirement Benefits

The IAS 19 deficit for the retirement benefits across the Group was £52.3 million at 30 June 2012, which is equal to the deficit at 31 December 2011. The UK IAS 19 deficit increased by £1.4 million to £39.1 million in the first six months of 2012, with a fall in bond yields being offset by asset returns and decreases in long term UK inflation expectations. The US IAS 19 deficit has reduced by £1.4m in the first six months of 2012 mainly due to the Group making additional payments into the scheme of £2.0 million. Better asset returns were offset by a fall in bond yields.

A deficit remediation programme for the UK scheme was agreed with the scheme's Trustees which involves annual payments ranging between £2.25 million and (capped at) £4.0 million in the next few years, depending on net earnings being achieved by the Group. The cap can be raised to £5.0 million if payments are at the £4.0 million cap for two successive years. As part of the refinancing of June 2011 we agreed to make an advance payment of £4.0 million into the UK retirement benefit in respect of the twelve month period ended 31 March 2012 and thereafter we have resumed monthly deficit payments into the scheme at a rate equivalent to £4.0 million per annum.

ACQUISITION

On July 31, 2012, we entered into an arrangement agreement with Dynetek Industries Ltd.(''Dynetek''), a Canadian business listed on the Toronto Stock Exchange, to acquire all of the common shares of Dynetek at a price of CAD$0.24 per share, for a total equity value of CAD$5 million. We also expect to assume approximately CAD$7 million of bank debt, resulting in a total purchase cost of approximately CAD$12 million. The board of directors of Dynetek has unanimously recommended that shareholders approve the transaction, and we expect the completion of the acquisition to occur before the end of September 2012. Dynetek designs and manufactures high-pressure aluminum and carbon fibre gas cylinders and systems for compressed natural gas, low emission vehicles and compressed hydrogen, zero-emission fuel cell vehicles. Dynetek's system applications include, but are not limited to, passenger automobiles, light and heavy-duty trucks, transit vehicles and school buses, bulk hauling of compressed gases and stationary storage or ground storage refuelling applications. Its publicly reported 2011 sales revenue was CAD$19.8 million, generated from two manufacturing sites in Calgary, Canada and Ratingen, Germany, near Dusseldorf.

PRINCIPAL RISKS & UNCERTAINTIES

The Directors do not consider that the principal risks and uncertainties of the Group have changed since the publication of the annual report for the year ended 31 December 2011. The risks and associated risk management processes can be found on pages 20, 21, 22, 23, 82, 83, 84 and 85 of the 2011 Report & Accounts which is available at www.luxfer.com

The risks referred to and which could have a material impact on the Group's performance for the remainder of the current financial year relate to:

- Exposure to economic conditions
- Reliance on major customers
- Competition
- Reliance on key suppliers
- Retirement benefit funds
- Protection and development of IP
- Environmental
- Product liability
- Key personnel
- Fluctuation in raw material & utility prices
- Effect of international currency markets

OUTLOOK

Given the strong first half result, which is a record for this business, and based on current market conditions, we remain confident that we will achieve our expectations for this financial year. We believe the key markets in which the Group operates remain attractive with significant long-term growth opportunities.

Brian Purves, Chief Executive, Luxfer Holdings PLC, commented:

"*Luxfer has enjoyed an excellent first half of 2012, with both sales and profits exceeding the guidance that we gave last December. All parts of the Group continue to contribute to a high level, with the growth in the Gas Cylinders sales and the margin improvement being especially pleasing. Despite the backdrop of macro-economic uncertainty, we continue to expect 2012 to be a year of good progress for Luxfer.*"

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding the Group's results of operations and financial condition, (ii) statements of plans, objectives or goals of the Group or its management, including those related to financing, products or services, (iii) statements of future economic performance and (iv) statements of assumptions underlying such statements. Words such as "believes", "anticipates", "expects", "intends", "forecasts" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. The Group cautions that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: (i) the ability of the Group to reduce costs; (ii) changes in raw material and labour prices and restrictions in their availability, (iii) the effects of competition; (iv) the timely development of and acceptance of new products and services by the Group; (v) the Group's leverage; (vi) the disruption impact of rationalisation activities; (vii) shifts in consumer and economic demand and (viii) the Group's success at managing the risks of the foregoing. The Group cautions that the foregoing list of important factors is not exhaustive; when relying on forward-looking statements to make decisions with respect to the Group, investors and others should carefully consider the foregoing factors and other uncertainties and events. Such forward-looking statements speak only as of the date on which they are made, and the Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2012 AND 2011

Continuing operations	6 months to 30 June 2012 £M	6 months to 30 June 2011 £M
Revenue by division:		
Gas Cylinders	**74.6**	67.9
Elektron	**94.1**	82.0
	168.7	149.9
Cost of sales	**(127.5)**	(114.3)
Gross profit	**41.2**	35.6
Distribution costs	**(2.2)**	(2.6)
Administrative expenses	**(16.1)**	(14.9)
Other income	**-**	0.5
TRADING PROFIT	**22.9**	18.6
Trading profit by division:		
Gas Cylinders	**4.7**	3.7
Elektron	**18.2**	14.9
	22.9	18.6
Restructuring and other income/(expense)	**-**	-
OPERATING PROFIT	**22.9**	18.6
Disposal costs of intellectual property	**(0.1)**	-
PROFIT ON OPERATIONS BEFORE INTEREST AND TAX	**22.8**	18.6
Finance costs & income:		
Interest costs (net)	**(2.2)**	(2.9)
PROFIT BEFORE TAXATION	**20.6**	15.7
Taxation	**(6.7)**	(4.6)
NET PROFIT FOR THE PERIOD	**13.9**	11.1
Attributable to:		
Equity shareholders	**13.9**	11.1
Earnings per share:		
Basic		
Unadjusted	**£1.41**	£1.12
Diluted		
Unadjusted	**£1.39**	£1.12
OTHER GROUP FIGURES:		
Adjusted EBITDA	**27.5**	23.0
Return on sales - (Trading profit as % of Revenue)	**13.6%**	12.4%

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2012 AND 2011

	6 months to 30 June 2012	6 months to 30 June 2011
	£M	£M
Net Profit for the period	**13.9**	11.1
Other Comprehensive Income movements:		
Exchange differences on translation of foreign operations	**(0.5)**	(0.8)
Fair value movements in cash flow hedges	**(1.0)**	(0.2)
Transfers to income statement on cash flow hedges	**0.2**	(0.3)
Deferred tax on cash flow hedges	**0.2**	-
Hedge accounting income adjustments	**(0.6)**	(0.5)
Actuarial (losses)/gains on defined benefit retirement schemes	**(3.4)**	4.3
Deferred tax on actuarial (losses)/gains	**0.6**	(1.3)
Retirement benefit expenses	**(2.8)**	3.0
Total Other Comprehensive Income movements for the period	**(3.9)**	1.7
Total Comprehensive Income for the period	**10.0**	12.8
Attributed to:		
Equity shareholders	**10.0**	12.8

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2012, 30 JUNE 2011 AND 31 DECEMBER 2011

	At 30 June 2012 £M	At 30 June 2011 £M	At 31 Dec 2011 £M
ASSETS			
Non-current assets			
Property, plant and equipment	**71.7**	68.0	73.7
Intangible assets	**23.7**	23.7	23.7
Investments	**0.6**	0.2	0.3
Deferred tax assets	**13.3**	3.8	14.6
Other non-current assets	**-**	0.4	0.4
	109.3	96.1	112.7
Current assets			
Inventories	**52.8**	59.7	64.8
Trade and other receivables	**42.5**	40.5	42.1
Income tax receivable	**-**	0.3	0.8
Cash and cash equivalents	**21.0**	13.0	14.3
	116.3	113.5	122.0
TOTAL ASSETS	**225.6**	209.6	234.7
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Ordinary share capital	**10.0**	10.0	10.0
Deferred share capital	**76.9**	76.9	76.9
Own shares held by ESOP	**(0.3)**	(0.3)	(0.3)
Retained earnings	**163.6**	164.7	152.5
Translation reserve	**9.1**	11.0	9.6
Hedging reserve	**(0.1)**	(0.4)	0.5
Merger reserve	**(207.5)**	(207.5)	(207.5)
Equity attributable to the equity holders of the parent	**51.7**	54.4	41.7
Total equity	**51.7**	54.4	41.7
Non-current liabilities			
Bank and other loans	**66.9**	90.9	83.3
Preference shares	**-**	0.1	-
Retirement benefits	**53.0**	16.2	53.1
Provisions	**1.7**	1.8	1.9
	121.6	109.0	138.3
Current liabilities			
Bank and other loans	**2.0**	1.0	2.0
Trade and other payables	**46.7**	43.3	51.1
Current income tax liabilities	**2.1**	0.4	0.2
Provisions	**1.5**	1.5	1.4
	52.3	46.2	54.7
Total liabilities	**173.9**	155.2	193.0
TOTAL EQUITY AND LIABILITIES	**225.6**	209.6	234.7

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2012 AND 2011

	6 months to 30 June 2012 £M	6 months to 30 June 2011 £M
RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	**13.9**	11.1
Adjustments to reconcile net profit for the period to net cash from operating activities:		
Income taxes	**4.7**	3.6
Deferred income taxes	**2.0**	1.0
Depreciation and amortisation	**4.6**	4.4
Net finance costs	**2.2**	2.9
Disposal costs of intellectual property	**0.1**	-
Changes in operating assets and liabilities:		
Increase in receivables	**(1.0)**	(7.4)
Decrease/(increase) in inventories	**11.5**	(10.9)
Decrease/(increase) in payables	**(4.2)**	0.7
Movement in retirement benefit obligations	**(3.2)**	(1.4)
Accelerated deficit contributions into retirement benefit obligations	**-**	(4.3)
Decrease in provisions	**(0.1)**	(0.1)
Income tax paid	**(2.0)**	(4.1)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**28.5**	(4.5)
Net cash flows from continuing operating activities	**28.5**	(4.5)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(3.7)**	(3.5)
Investment in joint venture	**(0.3)**	-
Proceeds from sales of business (net of costs)	**0.5**	0.5
NET CASH USED IN INVESTING ACTIVITIES	**(3.5)**	(3.0)
NET CASH FLOW BEFORE FINANCING	**25.0**	(7.5)
FINANCING ACTIVITIES		
Interest paid on banking facilities	**(0.6)**	(0.2)
Interest paid on Senior Notes due 2012	**-**	(2.8)
Interest paid on Loan Notes due 2018	**(1.3)**	-
Drawdown on previous banking facilities	**-**	17.7
Repayment of previous banking facilities	**-**	(23.5)
Draw down on new banking facilities and other loans	**-**	94.3
Repayment of Senior Notes due 2012	**-**	(68.2)
Payment of banking facilities and other loans – financing costs	**-**	(2.8)
Repayment of new banking facilities and other loans	**(16.3)**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	**(18.2)**	14.5
NET INCREASE IN CASH AND CASH EQUIVALENTS	**6.8**	7.0
Net increase in cash and cash equivalents	**6.8**	7.0
Net foreign exchange difference	**(0.1)**	(0.6)
Cash and cash equivalents at 1 January	**14.3**	6.6
Cash and cash equivalents at 30 June	**21.0**	13.0

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2012 AND 2011

	Equity attributable to the equity holders of the parent					
	Ordinary share capital	Deferred share capital	Retained earnings	Own shares held by ESOP	Other reserves [1]	Total equity
	£M	£M	£M	£M	£M	£M
At 1 January 2011	**10.0**	**76.9**	**150.6**	**(0.3)**	**(195.6)**	**41.6**
Profit for the period	-	-	11.1	-	-	11.1
Currency translation differences	-	-	-	-	(0.8)	(0.8)
Decrease in fair value of cash flow hedges	-	-	-	-	(0.2)	(0.2)
Transfer to income statement on cash flow hedges	-	-	-	-	(0.3)	(0.3)
Actuarial gains and losses on pension plans	-	-	4.3	-	-	4.3
Deferred tax on items taken to other comprehensive income	-	-	(1.3)	-	-	(1.3)
Total comprehensive income for the period	**-**	**-**	**14.1**	**-**	**(1.3)**	**12.8**
At 30 June 2011	**10.0**	**76.9**	**164.7**	**(0.3)**	**(196.9)**	**54.4**
At 1 January 2012	**10.0**	**76.9**	**152.5**	**(0.3)**	**(197.4)**	**41.7**
Profit for the period	-	-	13.9	-	-	13.9
Currency translation differences	-	-	-	-	(0.5)	(0.5)
Decrease in fair value of cash flow hedges	-	-	-	-	(1.0)	(1.0)
Transfer to income statement on cash flow hedges	-	-	-	-	0.2	0.2
Actuarial gains and losses on pension plans	-	-	(3.4)	-	-	(3.4)
Deferred tax on items taken to other comprehensive income	-	-	0.6	-	0.2	0.8
Total comprehensive income for the period	**-**	**-**	**11.1**	**-**	**(1.1)**	**10.0**
At 30 June 2012	**10.0**	**76.9**	**163.6**	**(0.3)**	**(198.5)**	**51.7**

[1] Other reserves include a hedging reserve of a loss of £0.1 million (30 June 2011: loss of £0.4 million), a translation reserve of £9.1 million (30 June 2011: £11.0 million) and a merger reserve of £207.5 million (30 June 2011: £207.5 million).

1. BASIS OF PREPARATION

The unaudited condensed financial statements are consolidated interim financial statements for Luxfer Holdings PLC and its subsidiary undertakings and have been prepared in accordance with IAS 34 Interim Financial Reporting. They have been prepared using accounting policies which are consistent with those disclosed in the preparation of the Group's audited financial statements as at 31 December 2011 and included in Luxfer Holdings PLC's Annual Report and Accounts for 2011 which have been filed with the Registrar of Companies. They do not include all of the information and footnotes required by IFRS for full financial statements and should be read in conjunction with the Group's Annual Report and Accounts for 31 December 2011. The Directors signed the statutory financial statements of Luxfer Holdings PLC, for the year ended 31 December 2011, on 27 March 2012 and the auditors' report thereon was unqualified. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the six months ended 30 June 2012 are not necessarily indicative of the results that may be expected for the year ending 31 December 2012. The financial information contained in this interim statement is unaudited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006.

Significant accounting policies

The accounting policies adopted in preparation of the interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011, except for the following new and amended standards and interpretations during the year. Adoption of these revised standards and interpretations did not have any effect on the financial statements of the Group.

International Accounting Standards		Effective date
IAS 12	Income Taxes	1 January 2012
IFRS 7	Financial Instruments: Disclosures	1 July 2011

New standards and amendments to standards not applied

During the year, the IASB has issued the following standards and amendments to standards with an effective date after the date of these financial statements:

International Accounting Standards		Effective date
IAS 1	Financial Statements Presentation	1 July 2012
IAS 19	Employee Benefits (Amendment)	1 January 2013
IAS 27	Separate Financial Statements (Revised)	1 January 2013
IAS 28	Investments in Associates and Joint Ventures (Revised)	1 January 2013
IAS 32	Financial Instruments: Presentation	1 January 2014
IFRS 7	Financial Instruments: Disclosure	1 January 2013
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2015
IFRS 10	Consolidated Financial Statements	1 January 2013
IFRS 11	Joint Arrangements	1 January 2013
IFRS 12	Disclosure of Involvement with Other Entities	1 January 2013
IFRS 13	Fair Value Measurement	1 January 2013
IFRIC 20	Stripping Cost in the Production Phase of a Surface Mine	1 January 2013

The Directors do not anticipate that the adoption of these standards and interpretations will have a material effect on the Group's financial statements in the period of initial application, with the exception of the following amendment:

IAS 19 Employee Benefits

Under the amended standard, the charge to the income statement in relation to defined benefit costs will change, with only current year service costs being charged to operating profit and an interest expense calculated on the outstanding accounting deficit being charged to finance costs. Currently a net actuarial charge is made to operating profit based on the aggregation of the service cost, plus an expected interest cost on the liabilities, net of an expected return (or gain) on assets. Whilst it is difficult to predict the full impact in future periods of the change to IAS 19 (amended), due to changing actuarial assumptions and fund valuations, whilst the Group defined benefit plans remain in deficit, it is expected there will be increased net finance costs. For the six month period to 30 June 2012, the increase in net finance costs is estimated to be £1.2 million, and prior periods, including 2012, would be restated when the new accounting standard is adopted for 2013. The new standard may also lead to a change in the amount credited or charged to Other Comprehensive Income, mainly in relation to where expected gains on plan assets are different to the discount rate used to calculate the finance cost charge on the deficit in the income statement.

2. REVENUE AND SEGMENTAL ANALYSIS

For management purposes, the Group is organised into two operational divisions, Gas Cylinders and Elektron. The products and services provided by these divisions and the operating segments they comprise are described in the Directors' Report of the Luxfer Holdings PLC's Annual Report and Accounts for the year ended 31 December 2011. The tables below set out information on the results of these two reportable segments.

Management monitors the operating results of its divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on trading profit or loss, defined as operating profit or loss before restructuring and other income/expense, and is measured consistently with trading profit or loss in the consolidated financial statements.

All inter-segment sales are made on an arms length basis.

BUSINESS SEGMENTS:

	Unaudited six months ended 30 June 2012				Unaudited six months ended 30 June 2011			
	Gas Cylinders £M	Elektron £M	Un-allocated £M	Total Continuing Activities £M	Gas Cylinders £M	Elektron £M	Un-allocated £M	Total Continuing Activities £M
Revenue								
Segment Revenue	74.6	94.1	-	**168.7**	67.9	82.0	-	**149.9**
Inter-segment sales	-	-	-	**-**	-	-	-	**-**
Sales to external customers	74.6	94.1	-	**168.7**	67.9	82.0	-	**149.9**
Result								
Trading profit	4.7	18.2	-	**22.9**	3.8	14.8	-	**18.6**
Restructuring and other income/(expense) (Note 4)	-	-	-	**-**	-	-	-	**-**
Operating profit	4.7	18.2	-	**22.9**	3.8	14.8	-	**18.6**
Other segment information:								
Segment assets	89.8	97.8	38.0	**225.6**	86.6	104.3	18.7	**209.6**
Segment liabilities	(23.2)	(21.0)	(129.7)	**(173.9)**	(23.9)	(31.6)	(99.7)	**(155.2)**
Depreciation & amortisation	1.9	2.7	-	**4.6**	1.9	2.5	-	**4.4**

	Audited year ended 31 December 2011			
	Gas Cylinders £M	Elektron £M	Un-allocated £M	Total Continuing Activities £M
Revenue				
Segment Revenue	138.8	178.7	-	**317.5**
Inter-segment sales	-	(0.2)	-	**(0.2)**
Sales to external customers	138.8	178.5	-	**317.3**
Result				
Trading profit	7.4	33.5	-	**40.9**
Restructuring and other income/(expense)	-	-	0.2	**0.2**
Operating profit	7.4	33.5	0.2	**41.1**
Other segment information:				
Segment assets	88.0	111.3	35.4	**234.7**
Segment liabilities	(25.7)	(25.8)	(141.5)	**(193.0)**
Depreciation & amortisation	4.0	5.0	-	**9.0**

3. NOTES TO GROUP CASH FLOW STATEMENT

Reconciliation of net cash flow to movement in net debt	6 months to 30 June 2012 £M	6 months to 30 June 2011 £M
Increase in net cash for the period	**6.8**	7.0
Cash inflow from drawdown of previous banking facilities	**-**	(17.7)
Cash outflow from repayment of previous banking facilities	**-**	23.5
Cash outflow from repayment of Senior Notes due 2012	**-**	68.2
Cash inflow from drawdown of new banking facilities and other loans	**-**	(94.3)
Cash outflow from repayment of new banking facilities and other loans	**16.3**	-
Change in net debt resulting from cash flows	**23.1**	(13.3)
Translation differences	**0.3**	(0.5)
Finance costs on new banking facilities and other loans	**-**	2.9
Amortisation of Senior Notes due 2012 finance costs	**-**	(0.1)
Amortisation of banking facilities and other loans finance costs	**(0.3)**	(0.3)
Movement in debt in the period	**23.1**	(11.3)
Net debt at the beginning of the period	**(71.0)**	(67.6)
Net debt at the end of the period	**(47.9)**	(78.9)

4. RESTRUCTURING AND OTHER INCOME/(EXPENSE)

Non-operating income/(expense)	Half year to 30 June 2012 £M	Half year to 30 June 2011 £M
Charged to Non-operating profit:		
Disposal costs of intellectual property	**(0.1)**	-

For the six months ended 30 June 2012, £0.1 million of costs were incurred by the Elektron division in relation to the sale process of intellectual property in the U.S. acquired as part of the 2007 acquisition of Revere Graphics.

5. DECLARATION OF AN INTERIM DIVIDEND

In July 2012, our board of directors declared an interim dividend for the first six months of 2012 of £0.25 per ordinary share, a total of £2.5 million, was paid on the 10th August 2012.

CORPORATE DETAILS

GROUP FINANCE DIRECTOR
Andrew M Beaden

COMPANY SECRETARY
Linda F Seddon

REGISTERED OFFICE
Anchorage Gateway
5 Anchorage Quay
Salford M50 3XE

AUDITORS
Ernst & Young LLP
100 Barbirolli Square
Manchester M2 3EY

ADDITIONAL INFORMATION

Information regarding the financial statements:
Andy Beaden
Group Finance Director
Telephone: 0161 300 0620
Email: andy.beaden@luxfer.com