

General Industries plc

Interim Report

30 September 2006

Registered number 05679987

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Directors and Advisers

Directors

J Richard Wollenberg, *Chairman*
Anthony J Shakesby, *Finance Director*
Derek M Joseph, *Non-Executive Director*
Ian T Reynolds, *Non-Executive Director*

Company Secretary

Anthony J Shakesby

Head and Registered Office

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Egham
TW20 9LF
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E-mail: webmaster@general-industries.co.uk
Web: www.general-industries.co.uk

Registered Number

05679987

Auditor

KPMG Audit Plc
Chartered Accountants
Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE

Corporate Adviser

Beaumont Cornish Limited
5th Floor
10 – 12 Copthall Avenue
London
EC2R 7DE

Bankers

Bank of Scotland
New Uberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Registrars and Transfer Office

Neville Registrars
Neville House
18 Laurel Lane
Halesowen
West Midlands
B63 3DA

Chairman's Statement

Dear shareholder

General Industries plc is quoted on PLUS Markets with a strategy to acquire one or more growing, unquoted companies that wish to seek capital for expansion of their business and a public market for their shares.

As at 30 September 2006, the company's cash deposits, amounting to just under £1 million, were placed on bank deposit with interest linked to base rate.

For the period from incorporation on 19 January 2006 to 30 September 2006, turnover was £nil. Profit before taxation was £19,044 and comprised interest from cash on deposit of £24,040 less administrative expenses of £4,996. Profit after taxation amounted to £16,896. Earnings per share was 0.22p.

The directors do not recommend the payment of a dividend.

During the period under review a number of potential acquisitions have been and continue to be analysed including companies involved in renewable energy, the management and development of real estate, naturally derived environmentally organic compliant products, early pharmaceutical products, manufacturing of consumer items and human resource companies. In one case, the potential acquisition received a private overseas equity approach, which completed at a much higher level than that attributed by your directors.

The rating and support for smaller companies has experienced a setback over recent months and it is therefore important to value potential acquisitions at realistic levels.

J Richard Wollenberg

Chairman

23 November 2006

Profit and Loss Account
for the period ended 30 September 2006

	Period ended 30 September 2006 (Unaudited) £
Administrative expenses being loss on ordinary activities before interest	(4,996)
Interest receivable and similar income	24,040
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Profit on ordinary activities before taxation	19,044
Tax on profit on ordinary activities	(2,148)
	<hr/>
Profit on ordinary activities after taxation being profit for the financial period	16,896
	<hr/> <hr/>
 Earnings per share	
<i>On profit for the period</i>	
Basic	0.22
Diluted	0.21
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The above results relate entirely to continuing activities. There were no acquisitions or disposals of businesses in the period.

Balance Sheet
as at 30 September 2006

	At 30 September 2006 (Unaudited) £
Current assets	
Debtors	3,290
Cash at bank and in hand	985,476
	<hr/>
	988,766
Creditors: amounts falling due within one year	<hr/> (2,559)
	<hr/>
Net current and net assets	986,207
	<hr/> <hr/>
Capital and reserves	
Called up share capital	510,002
Share premium account	459,309
Profit and loss account	16,896
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Shareholders' funds - equity	986,207
	<hr/> <hr/>
Net assets per share	9.67p
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Cash Flow Statement
for the period ended 30 September 2006

	Period ended 30 September 2006 (Unaudited)
	£
Cash outflow from operating activities	(7,875)
Returns on investment and servicing of finance	24,040
Taxation	-
	<hr/>
Cash inflow before financing	16,165
Financing	969,311
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Increase in cash in the period	985,476
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Reconciliation of Net Cash Flow to Movement in Net Funds

	Period ended 30 September 2006 (Unaudited) £
Increase in cash and movement in net funds in the period resulting from cash flows	985,476
Net funds at beginning of period	-
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Net funds at end of period	985,476
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**Reconciliation of Operating Loss to Net Cash Flow from Operating Activities
for the period ended 30 September 2006**

	Period ended 30 September 2006 (Unaudited) £
Operating loss	(4,996)
Increase in debtors	(3,290)
Increase in creditors	411
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	(7,875)
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Notes to the Financial Statements
for the period ended 30 September 2006

1. Basis of preparation

The figures for the period from incorporation on 19 January to 30 September 2006, which were approved by the board on 23 November 2006, are unaudited. The following principal accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and with the Companies Act 1985.

The company was incorporated on 19 January 2006 and did not commence trading until the company was listed on PLUS Markets in March 2006.

2. Dividends

As stated in the prospectus, the directors do not intend to pay any dividend until completion of a significant acquisition. Following such an acquisition, the directors will determine an appropriate dividend policy.

3. Taxation

The tax position for the period is estimated on the basis of the anticipated tax rates applying for the full year.

4. Reconciliation of Movements in Shareholders' Funds

	Period ended 30 September 2006 (Unaudited) £
At beginning of period	-
Profit after tax for the period	16,896
Share premium on shares issued in period (net of expenses)	459,309
Shares issued in period	510,002
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At 30 September 2006	986,207
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