

General Industries plc

Interim Report

30 September 2007

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

56 Station Road
Egham
TW20 9LF
Telephone: 01784 437444
Fax: 01784 439157
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 Cophall Avenue
London
EC2R 7DE

Bankers

Bank of Scotland
New Ueberior 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 2007, the company's cash deposits, amounting to just over £1 million, were placed on bank deposit with interest linked to base rate.

During the six months under review, a number of potential acquisitions were assessed. Your directors are currently carrying out further due diligence in respect of one of these companies. At the time of writing, I am unable to report any substantial information, as the process is in its early days. However, your board will immediately inform shareholders, if these investigations and negotiations prove successful.

Financial

The company was incorporated on 19 January 2006. From that date to 30 September 2007 the company has not traded therefore turnover was £nil. Profit before taxation for the six months ended 30 September 2007 was £14,610 (period to 30 September 2006: £19,044) and comprised interest from cash on deposit of £27,942 (2006: £24,040) less administrative expenses of £13,332 (2006: £4,996). Profit after taxation amounted to £7,397 (2006: £16,896). Earnings per share was 0.07p (2006: 0.22p).

Dividend

The directors do not recommend the payment of a dividend.

J Richard Wollenberg

Chairman

21 November 2007

Profit and Loss Account
for the period ended 30 September 2007

	Six months ended 30 September 2007 (Unaudited) £	Period ended 30 September 2006 (Unaudited) £	Period ended 31 March 2007 (Audited) £
Administrative expenses being operating loss and loss on ordinary activities before interest	(13,332)	(4,996)	(21,924)
Interest receivable and similar income	27,942	24,040	49,091
Profit on ordinary activities before taxation	14,610	19,044	27,167
Tax on profit on ordinary activities	(7,213)	(2,148)	(4,243)
Profit on ordinary activities after taxation being profit for the six months	7,397	16,896	22,924
Earnings per share			
<i>On profit for the six months</i>			
Basic	0.07p	0.22p	0.26p
Diluted	0.07p	0.21p	0.25p

The above results relate entirely to continuing activities. There were no acquisitions or disposals of businesses in the period. The profit for the financial period represents the total gains and losses and the total historical cost profit recognised for the period.

Balance Sheet
as at 30 September 2007

	At 30 September 2007 (Unaudited) £	At 30 September 2006 (Unaudited) £	At 31 March 2007 (Audited) £
Current assets			
Debtors	3,872	3,290	5,034
Cash at bank and in hand	1,017,291	985,476	1,004,377
	1,021,163	988,766	1,009,411
Creditors: amounts falling due within one year	(16,281)	(2,559)	(13,676)
Net current assets being total assets less current liabilities and net assets	1,004,882	986,207	995,735
Capital and reserves			
Called up share capital	510,002	510,002	510,002
Share premium account	459,309	459,309	459,309
Profit and loss account	35,571	16,896	26,424
Shareholders' funds — equity	1,004,882	986,207	995,735
Net assets per share	9.85p	9.67p	9.76p

Cash Flow Statement
for the period ended 30 September 2007

	Six months ended 30 September 2007 (Unaudited)	Period ended 30 September 2006 (Unaudited)	Period ended 31 March 2007 (Audited)
	£	£	£
Cash outflow from operating activities	(15,028)	(7,875)	(14,025)
Returns on investment and servicing of finance	27,942	24,040	49,091
	<hr/>	<hr/>	<hr/>
Cash inflow before financing	12,914	16,165	35,066
Financing	—	969,311	969,311
	<hr/>	<hr/>	<hr/>
Increase in cash in the six months	12,914	985,476	1,004,377
	<hr/>	<hr/>	<hr/>

Reconciliation of Net Cash Flow to Movement in Net Funds

	At 30 September 2007 (Unaudited) £	At 30 September 2006 (Unaudited) £	At 31 March 2007 (Audited) £
Increase in cash and movement in net funds in the six months resulting from cash flows	12,914	985,476	1,004,377
Net funds at beginning of period	1,004,377	—	—
Net funds at end of period	1,017,291	985,476	1,004,377

Reconciliation of Operating Loss to Net Cash Flow from Operating Activities

for the six months ended 30 September 2007

	Six months ended 30 September 2007 (Unaudited) £	Period ended 30 September 2006 (Unaudited) £	Period ended 31 March 2007 (Audited) £
Operating loss	(13,332)	(4,996)	(21,924)
Decrease/(increase) in debtors	1,162	(3,290)	(4,369)
(Decrease)/increase in creditors	(4,608)	411	8,768
Fair value of share options granted	1,750	—	3,500
	(15,028)	(7,875)	(14,025)

Notes to the Financial Statements for the period ended 30 September 2007

1. Basis of preparation

The figures for the six months to 30 September 2007, which were approved by the board on 21 November 2007, 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 comparative figures for the financial period ended 31 March 2007 are extracted from the statutory financial statements for that year which have been filed with the Registrar of Companies and on which the auditor gave an unqualified report, without any statement under section 237 (2) or (3) of the Companies Act 1985.

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

	Six months ended 30 September 2007 (Unaudited) £	Period ended 30 September 2006 (Unaudited) £	Period ended 31 March 2007 (Audited) £
At beginning of period	995,735	—	—
Profit after tax for the six months	7,397	16,896	22,924
Share premium on shares issued in six months (net of expenses)	—	459,309	459,309
Shares issues in six months	—	510,002	510,002
Fair value of share options granted	1,750	—	3,500
	1,004,882	986,207	995,735