For Immediate Release **7 November 2013**

WINCANTON plc

Half Year Results for the six months ended 30 September 2013 (unaudited)

Wincanton plc ("Wincanton" or "the Group"), a leading provider of supply chain solutions in the UK and Ireland, today announces its half year results for the six months ended 30 September 2013.

	2013	2012 restated	change
Revenue (£m)	**542.3**	551.2	(1.6)%
Underlying operating profit (£m)	**24.2**	23.7	2.1%
Underlying margin (%)	**4.5%**	4.3%	20 bps
Underlying profit before tax (£m)	**12.9**	11.7	10.3%
Profit before tax (£m)	**9.7**	7.6	
Underlying EPS (pence)	**8.4**	7.0	20.0%
Basic EPS (pence)	**6.4**	4.4	
Net debt (£m)	**(87.2)**	(123.0)	29.1%

Highlights

- Underlying operating profit increased by 2.1% to £24.2m (2012: £23.7m)
- Increase in operating margin from 4.3% to 4.5%
- Underlying EPS up 20% to 8.4 pence per share
- Solid performance on new business wins and renewals across all sectors including with Morrisons, Valero and Tilda Rice
- Net debt reduced by £20.4m to £87.2m since year end (2012: £123.0m)
- Consultation process commenced over proposal to close defined benefit scheme to future accrual

Note: Comparatives have been restated for the adoption of IAS 19 Employee Benefits (Revised), see note 9. Underlying profit before tax and earnings per share are stated before amortisation of acquired intangibles of £3.2m (2012: £4.1m). Operating profit, including amortisation amounted to £21.0m (2012: £19.6m).

Eric Born, Wincanton Chief Executive commented:

"The Group has performed well in what remains a competitive market place. These results demonstrate the continued progress made to date in Wincanton's transformation journey. The business has been stabilised with revenue in the period marginally ahead of the second half of last year and we are continuing to focus on winning business with existing and new customers. We remain focused on reducing costs and improving the asset efficiency of the business for the benefit of our customers and to drive stronger Group performance. We expect the Group to continue to trade in line with market expectations in the current financial year."

For further enquiries please contact:

Wincanton plc
Eric Born, Chief Executive — Tel: 020 7466 5000 today, thereafter
Adrian Colman, Group Finance Director — Tel: 01249 710000

Buchanan
Jeremy Garcia, Gabriella Clinkard — Tel: 020 7466 5000

Half Year Review
for the six months to 30 September 2013

Introduction

The six month period to 30 September 2013 has been a further period of solid operational and financial performance by Wincanton as the Group continues to focus on its core supply chain logistics operations in the UK and Ireland. The Group continues to deliver tight cost control and increased efficiency for our customers to drive operating profit and margin growth.

Results

Revenue for the six months of £542.3m represents a 1.6 per cent decrease compared to £551.2m in the equivalent six months of 2012/13. However, when compared to the second six months of the prior year to 31 March 2013, the revenue in the period has increased by 1.3 per cent indicating a return to modest growth.

Underlying operating profit has increased by 2.1 per cent from £23.7m to £24.2m. The result after tax improved from £5.1m to £7.4m. Following the adoption of IAS 19 (Revised) with effect from 1 April 2013 the prior year underlying operating profit has been restated from £24.3m to £23.7m to account for pension scheme administration charges, previously included in financing charges, now reflected in operating profit.

Closing net debt reduced to £87.2m from £123.0m at 30 September 2012 and £107.6m at 31 March 2013. The Group continues to focus on reducing net debt and improving its balance sheet position, which also includes a significant pension scheme deficit of £142.0m (2012: £114.7m). However, the overall modest change in the balance sheet has led the Board to conclude that it is not appropriate to consider a dividend payment at this time.

Outlook

The Board anticipates that the Group will continue to trade in line with market expectations in the current financial year. In the first half there have been some improvements in volume in the Construction sector which correlate to the improvements in the UK macro economic outlook. However in other key areas within the Group such as Retail, Containers and Energy there has been no improvement to date. Additionally the Group continues to experience margin pressure on renewals in the highly competitive market place in which it operates. The Board believes that the Group is well positioned to pursue new business and that through its continued focus on cost reduction, asset efficiency and cash generation it will make continued strategic and operational progress going forward.

Performance summary

	2013 £m	2012 restated £m
Revenue	542.3	551.2
Underlying EBITDA	31.0	31.2
Underlying operating profit	24.2	23.7
Underlying margin (%)	4.5%	4.3%
Financing costs (net)	(11.3)	(12.0)
Underlying profit before tax	12.9	11.7
Amortisation of intangibles	(3.2)	(4.1)
Profit before tax	9.7	7.6
Underlying EPS (p)	8.4p	7.0p
Net debt	(87.2)	(123.0)

In the six months to 30 September 2013, Wincanton reported revenue of £542.3m (2012: £551.2m), which represents a reduction of 1.6 per cent. However, when compared to the second half of the year to 31 March 2013 revenues show a modest uplift of 1.3 per cent.

Underlying operating profit grew by 2.1 per cent to £24.2m (2012: £23.7m), providing an underlying operating profit margin of 4.5 per cent. The underlying operating margin improved from 4.3 per cent in the equivalent period last year as a result of the continuing focus on cost and operational efficiency which more than mitigates the continuing price pressure on renewals.

The Group reported nil exceptionals in both the current and comparative periods.

Net financing costs were £11.3m (2012: £12.0m), £0.7m lower year on year. Financing charges principally comprise interest payable on loans plus other financing items, £8.0m in total (2012: £9.3m) plus a £3.3m (2012: £2.7m) net pension charge, which is a non cash item, in respect of the financing item arising from the UK defined benefit schemes. This latter item for 2012 has been restated from a credit of £2.1m to a charge of £2.7m following the adoption, on 1 April 2013, of IAS 19 (Revised).

Profit before tax of £9.7m compares to £7.6m in the prior year. Tax in the year was a charge of £2.3m compared with £2.5m in the prior year, which is also restated from £3.8m following the adoption of IAS 19 (Revised).

Underlying earnings per share of 8.4p represents an increase of 20 per cent from 7.0p in the prior year. Basic earnings per share increased from 4.4p to 6.4p (45 per cent).

Trading

		2013 £m			2012 £m restated	
	Contract logistics	Specialist businesses	Total	Contract logistics	Specialist businesses	Total
Revenue	461.8	80.5	542.3	465.0	86.2	551.2
Underlying operating profit	19.7	4.5	24.2	19.6	4.1	23.7
Margin (%)	4.3%	5.6%	4.5%	4.2%	4.8%	4.3%

The Group's internal management structure aligns the Group under two sectors; Contract logistics which is a provider of supply chain logistics solutions and services and Specialist businesses of Containers, Wincanton Records Management and Pullman Fleet Services. This structure has been constant in the period and the segments disclosure remains aligned to these management responsibilities.

Contract logistics

The Contract logistics business reported revenues of £461.8m in the period, down 0.7 per cent on the £465.0m reported in the prior year, however up 0.8 per cent on the £458.2m reported in the second half of 2012/13.

The split of Contract logistics activities by industry sector it serves is as follows:

	2013 £m	2012 £m
Construction	64.7	55.2
FMCG	83.7	88.5
Retail grocery	116.0	106.4
Retail general merchandise	117.9	115.3
Tankers & bulk	50.5	63.2
Other	29.0	36.4
	461.8	465.0

Revenue reduced by 0.7 per cent compared with the equivalent six month period last year. This was driven primarily by a lost energy contract in Tankers & Bulk in the first half of the prior year. This was partly mitigated by stronger volumes and contract wins in the Construction sector together with contract wins with Morrisons and Sainsbury's in the Retail grocery sector.

Underlying operating profit for the period was £19.7m up 0.5 per cent on the £19.6m reported last year. The improvement in profitability reflects the continuing drive to improve operational efficiency and minimise costs.

In the six month period to 30 September the business successfully concluded a number of important renewals and extensions of services offered with key customers. The Valero fuel distribution contract, a long standing customer previously known as Chevron, was renewed for 5 years. Significantly and for the first time for that industrial sector, the customer outsourced the scheduling and planning of the deliveries including management of customer orders. Other renewals included the Pernod Ricard national warehousing operation which is a key part of the Group's duty management offer, based in the Corby shared user facility.

Specialist businesses

The Specialist businesses segment of the Group comprises Container transport activities, Wincanton Records Management, which provides a full suite of document storage, and associated scanning and shredding services, and the vehicle maintenance and repair business Pullman Fleet Services.

These Specialist businesses operate almost entirely under a closed book model. The revenue split is given below for information, however these are managed as one segment.

	2013 £m	2012 £m
Containers	38.6	42.2
Pullman Fleet Services	31.6	34.8
Records Management	10.3	9.2
	80.5	86.2

Revenue for this segment was £80.5m, a reduction of £5.7m or 6.6 per cent on the equivalent six month period last year of £86.2m, however compared to the £77.4m reported in the second half of 2012/13 this represents a 4.0 per cent increase.

The Container transport market continues to be weak in the UK with an overall decline in volume reflected in the lower revenue reported here. The prospects for the remainder of 2013/14 are subdued and hence the business remains focused on cost reductions and fleet efficiency.

Pullman Fleet Services trading was solid in the period, aided both by a small increase in new vehicle registrations driving pre delivery work and by increased maintenance work on ageing fleets as users delay replacement. The decline in revenue of £3.2m since the comparable period last year was due to the loss of a contract and closure of a loss making site in the prior year. The continuing growth in home delivery fleets is expected to offset this decline in the second half.

Records Management produced a strong performance despite some slowing in the rate of increase in box storage, offset by gains on the destruction and shredding activities following delivery of new mobile shredding units.

A tight focus on cost control and asset efficiency in this sector ensured that underlying operating profit margin improved to 5.6 per cent (2012: 4.8 per cent) and underlying operating profit of £4.5m was achieved compared to £4.1m in the equivalent period last year.

Net financing costs

	2013 £m	2012 £m
Interest payable on loans/leases	7.0	8.3
Interest receivable	(0.2)	(0.3)
Net interest payable	6.8	8.0
Provisions discount unwinding	1.2	1.3
Pension financing item (net)	3.3	2.7
Total	11.3	12.0

Net financing costs were £11.3m, £0.7m lower overall compared to the prior year charge of £12.0m. Financing costs related to the Group's debt of £7.0m compared to the prior year charge of £8.3m. The reduction primarily reflects a lower average debt achieved in the six month period of £175m compared to £197m for the equivalent six month period last year, the result of continuing efforts to improve the Group's working capital position plus the benefit of lighter capital expenditure flows in the first half of this year.

The net pension financing item for the six months to 30 September 2012 has been restated for the adoption of IAS 19 Employee Benefits (Revised), see note 9.

Taxation

In accordance with accounting standards, the effective tax rate applied at the half year is an estimate of the expected full year rate. The overall tax charge for the half year has reduced to £2.3m (2012: £2.5m) and the underlying effective tax rate has reduced to 24.5 per cent (2012: 30.5 per cent).

Since September 2012, the standard UK rate of corporation tax has reduced from 26 per cent to 23 percent, with legislation enacted in July 2013 to further reduce this to 20 per cent by 2015/16.

The period on period reduction in the underlying effective tax rate is largely a result of this decline in the standard rate. All other factors influencing the group's effective tax rate are expected to remain reasonably constant, resulting in an effective tax rate continuing slightly above the standard UK rate for the foreseeable future.

Profit after tax, earnings and dividend

The profit after tax reported for the Group for the period of £7.4m compares to £5.1m in 2012/13.

These retained earnings translate to a basic EPS of 6.4p (2012: 4.4p). The Group reports an alternative, underlying EPS figure which excludes amortisation of acquired intangibles and, where relevant, exceptionals this has increased year on year by 20 per cent to 8.4p from 7.0p.

The Group has not declared or paid a dividend in the six month period in line with its continuing objective to reduce net debt.

Financial position

The summary financial position of the Group is set out below;

	30 Sept 2013 £m	30 Sept 2012 £m	31 March 2013 £m
Non-current assets	201.1	216.1	220.4
Net current liabilities (ex net debt)	(196.3)	(174.9)	(191.2)
Non-current liabilities (ex net debt / pensions)	(50.7)	(63.1)	(59.4)
Net debt	(87.2)	(123.0)	(107.6)
Pensions deficit (gross)	(142.0)	(114.7)	(148.7)
Net liabilities	(275.1)	(259.6)	(286.5)

The movement over the full year from 30 September 2012 of £(15.5)m is principally due to retained profit of £12.4m and the actuarial movement in the pension deficit net of deferred tax of £(30.2)m which was primarily driven by the lower discount rate of 4.6 per cent used to value the liabilities of the scheme at 30 September 2013 compared to 5.0 per cent at 30 September 2012 (31 March 2013: 4.5 per cent).

Financing and covenants

The Group's committed facilities at 30 September 2013 are unchanged from 31 March 2013 at £314m. Headroom in committed facilities at 30 September 2013 was £226.8m. The Group also has limited operating overdrafts which provide day-to-day flexibility and amount to a further £12m in uncommitted facilities and £0.8m in finance leases.

The Group's facilities comprise the following; a main bank facility of £185m, which expires in November 2015, £75m from the Prudential / M&G UK Companies Financing Fund LP, which expires in 2021 with 4 equal repayments commencing in 2018 and the balance of the US Private Placement debt of £54m which expires in tranches in December 2015 and November 2016.

The Group maintains a mix of hedging instruments (swaps) to give an appropriate level of protection against changes in interest rates. At the half year £95m of debt was at fixed rates and the balance at floating rates.

Wincanton operates comfortably within its banking covenants, as summarised in the table below:

Covenant	Ratio	At 30 September 2013
Adjusted net debt : EBITDA	<3.0:1	1.9
Interest cover	>3.5:1	4.8
Fixed charge cover	>1.4:1	1.8

Adjusted net debt to EBITDA covenant moves to < 2.75:1 on 31 March 2014.

Net debt and cash flows

Group net debt at the period end was £87.2m (2012: £123.0m) a net inflow of £35.8m over the intervening 12 months, £20.4m since 31 March 2013.

The Group's cash flows for the six months to 30 September can be summarised in the following table;

	2013 £m	2012 £m
Underlying operating profit	24.2	23.7
Depreciation / amortisation	6.8	7.5
EBITDA	31.0	31.2
Capital expenditure net of asset disposals	2.9	2.8
Net financing costs	(6.9)	(8.8)
Pension deficit payment	(2.0)	(1.3)
Provisions outflows	(4.9)	(9.6)
Working capital movement / other	0.3	(22.8)
Total	20.4	(8.5)

The Group's reporting period end debt position is some £90m lower than the average debt position in intervening months, a reduction from the average £100m previously reported. Average debt levels have continued to fall and were £175m in the six month period to 30 September 2013 compared to £201m in the prior full financial year. The average borrowing rate on debt including all fees, but excluding the non-cash items of discounts unwinding and pension financing charges, has remained consistent at 7.3 per cent over both the six months to 30 September 2013 and the equivalent prior year period.

Capital expenditure totalled £3.0m (2012: £3.4m). The spend in the period included £0.8m in respect of expansion projects and £2.2m for replacement capital. Of the latter £1.6m has been spent on the continuing upgrade of certain of the Group's IT assets and infrastructure. The balance of spend covered a variety of other smaller projects. Capital spend in the second half of the year is expected to be higher than the first half which will bring the year to a level nearer prior years. The capital expenditure in the period was more than offset by the inflows from asset sales of which the only significant item was the disposal of a surplus freehold site at Preston Brook for £4.8m, a level approximately equal to the net book value.

The cash outflows in respect of provisions represents primarily the cash cost of onerous lease liabilities plus insurance claims managed within the Group's captive insurer. The cash outflows in respect of these onerous property liabilities in the next 18 months to 31 March 2015 are anticipated to fall in the range £20.0m to £25.0m. Thereafter the annual payment reduces materially as these onerous leases begin to expire.

Pensions

The Group operates a number of pension schemes in the UK and Ireland including Defined benefit and Defined contribution.

Defined benefit schemes

The defined benefit schemes, which are closed to new entrants, have an IAS 19 deficit of £142.0m (£113.6m net of deferred tax) at 30 September 2013 (September 2012: £114.7m, March 2013: £148.7m). The movement in the deficit is primarily due to the movement in the discount rate used to value the liabilities, from 5.0 per cent at 30 September 2012 to 4.5 per cent at 31 March 2013 and 4.6 per cent at 30 September 2013. Each 0.1 per cent drop in the rate increases the liabilities of the Scheme by 1.9 per cent, currently approximately £17m.

The additional cash contribution in the current year to 31 March 2014 to fund the deficit will be £14.0m as part of the recovery period agreed with the Trustee (2013: £13.6m) of which £2.0m was paid in the first half.

On 16 October 2013 the Group announced that it will enter into consultation with active members of the defined benefit scheme over its proposed closure to future accrual. Current active members will be offered alternative pension provision within the Group's range of defined contribution pension arrangements. Subject to this consultation the Group expects the proposed change to take effect from 1 April 2014. Pension benefits built up to the proposed date of closure will be preserved.

Defined contribution schemes

The Group's defined contribution schemes include the Retirement Savings section, Pension Builder Plan and since June 2013 the new Auto enrolment section introduced in line with the Government's requirement to offer suitable pension arrangements to all employees.

These arrangements are unchanged by the above announcement and current active members of the defined benefit scheme will be invited to join a suitable defined contribution scheme.

Risks

The key risks and uncertainties facing Wincanton in the second half of the current financial year have not changed materially from those outlined in the Annual Report for the year ended 31 March 2013. The principal commercial and operational risks are the Group's ability to source new contracts, at an appropriate financial return for an acceptable level of risk, and subsequent performance of new and existing contracts. The average net debt level and the desire to reduce the debt level will assist in achieving a long term sustainable capital structure.

Statement of Directors' responsibilities

The Board confirms to the best of their knowledge:

- that the consolidated half year financial statements for the six months to 30 September 2013 have been prepared in accordance with IAS 34 'Interim Financial Reporting' amended in accordance to changes in IAS 1 'Presentation of Financial Statements', as adopted by the EU; and

- that the Half Year Report includes a fair review of the information required by sections 4.2.7R and 4.2.8R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the period and their impact on the consolidated half year financial statements; a description of the principal risks and uncertainties for the remainder of the current financial year; and the disclosure requirements in respect of material related party transactions.

The composition of the Board of Directors has not changed since the publication of the Annual Report in June 2013.

The above Statement of Directors' responsibilities was approved by the Board on 6 November 2013.

Consolidated income statement

for the six months to 30 September 2013 (unaudited)

	Note	**Six months to 30 Sept 2013 £m**	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Revenue	*2*	**542.3**	551.2	1,086.8
Underlying operating profit	*2*	**24.2**	23.7	45.3
Amortisation of acquired intangibles		**(3.2)**	(4.1)	(7.3)
Operating profit		**21.0**	19.6	38.0
Financing income	*3*	**0.2**	0.3	0.6
Financing cost	*3*	**(11.5)**	(12.3)	(24.6)
Net financing costs		**(11.3)**	(12.0)	(24.0)
Profit before tax		**9.7**	7.6	14.0
Income tax expense	*4*	**(2.3)**	(2.5)	(3.9)
Profit for the period		**7.4**	5.1	10.1
Attributable to equity shareholders of Wincanton plc		**7.4**	5.1	10.1
Earnings per share - basic	*5*	**6.4p**	4.4p	8.7p
Earnings per share - diluted	*5*	**6.0p**	4.4p	8.4p

All operations in the above financial periods were continuing.

The Directors do not recommend the payment of a dividend in respect of the above period (2012: nil).

Consolidated statement of comprehensive income

for the six months to 30 September 2013 (unaudited)

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Profit for the period	**7.4**	5.1	10.1
Other comprehensive income/(expense)			
Items which will not subsequently be reclassified to the income statement			
Actuarial gains/(losses) on defined benefit pension schemes, net of deferred tax	**2.7**	3.0	(29.9)
Items which are or may subsequently be reclassified to the income statement			
Net foreign exchange (loss)/gain on investment in foreign subsidiaries net of hedged items	**(0.1)**	0.3	0.4
Effective portion of changes in fair value of cashflow hedged items	**-**	(1.0)	(0.7)
Net change in fair value of cashflow hedges transferred to profit or loss	**0.8**	0.8	1.4
	0.7	0.1	1.1
Total other comprehensive income/(expense) for the period, net of income tax	**3.4**	3.1	(28.8)
Total comprehensive income/(expense) for the period	**10.8**	8.2	(18.7)
Attributable to equity shareholders of Wincanton plc	**10.8**	8.2	(18.7)

Consolidated balance sheet
at 30 September 2013 (unaudited)

	Note	**30 Sept 2013 £m**	30 Sept 2012 £m	31 March 2013 £m
Non-current assets				
Goodwill and intangible assets		**110.0**	118.8	114.4
Property, plant and equipment	*6*	**64.4**	73.8	73.1
Deferred tax assets		**26.7**	23.5	32.9
		201.1	216.1	220.4
Current assets				
Inventories		**6.7**	6.9	7.1
Trade and other receivables		**154.2**	163.9	144.6
Cash and cash equivalents	*7*	**121.1**	146.6	103.2
		282.0	317.4	254.9
Current liabilities				
Income tax payable		**(9.8)**	(7.1)	(7.5)
Borrowings and other financial liabilities	*7*	**(12.4)**	(60.0)	(13.9)
Trade and other payables		**(319.4)**	(312.0)	(312.3)
Employee benefits		**(0.3)**	(0.5)	(0.3)
Provisions		**(27.7)**	(26.1)	(22.8)
		(369.6)	(405.7)	(356.8)
Net current liabilities		**(87.6)**	(88.3)	(101.9)
Total assets less current liabilities		**113.5**	127.8	118.5
Non-current liabilities				
Borrowings and other financial liabilities	*7*	**(195.9)**	(209.6)	(196.9)
Employee benefits		**(142.0)**	(114.7)	(148.7)
Provisions		**(49.7)**	(62.0)	(58.4)
Deferred tax liabilities		**(1.0)**	(1.1)	(1.0)
		(388.6)	(387.4)	(405.0)
Net liabilities		**(275.1)**	(259.6)	(286.5)
Equity				
Issued share capital		**12.2**	12.2	12.2
Share premium		**12.8**	12.8	12.8
Merger reserve		**3.5**	3.5	3.5
Hedging reserve		**(2.8)**	(4.5)	(3.6)
Translation reserve		**0.3**	0.3	0.4
Retained earnings		**(301.1)**	(283.9)	(311.8)
Total equity deficit		**(275.1)**	(259.6)	(286.5)

Consolidated statement of changes in equity
at 30 September 2013 (unaudited)

	Issued share capital £m	Share premium £m	Merger reserve £m	Hedging reserve £m	Translation reserve £m	Retained earnings £m	Total equity deficit £m
Balance at 1 April 2013	**12.2**	**12.8**	**3.5**	**(3.6)**	**0.4**	**(311.8)**	**(286.5)**
Total comprehensive income/(expense)	**-**	**-**	**-**	**0.8**	**(0.1)**	**10.1**	**10.8**
Increase in IFRS 2 reserve	**-**	**-**	**-**	**-**	**-**	**0.6**	**0.6**
Balance at 30 September 2013	**12.2**	**12.8**	**3.5**	**(2.8)**	**0.3**	**(301.1)**	**(275.1)**
Balance at 1 April 2012	12.2	12.8	3.5	(4.3)	-	(292.6)	(268.4)
Total comprehensive income/(expense)	-	-	-	(0.2)	0.3	8.1	8.2
Increase in IFRS 2 reserve	-	-	-	-	-	0.6	0.6
Balance at 30 September 2012	12.2	12.8	3.5	(4.5)	0.3	(283.9)	(259.6)
Balance at 1 April 2012	12.2	12.8	3.5	(4.3)	-	(292.6)	(268.4)
Total comprehensive income/(expense)	-	-	-	0.7	0.4	(19.8)	(18.7)
Increase in IFRS 2 reserve	-	-	-	-	-	0.6	0.6
Balance at 31 March 2013	12.2	12.8	3.5	(3.6)	0.4	(311.8)	(286.5)

Consolidated statement of cash flows

for the six months to 30 September 2013 (unaudited)

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Operating activities			
Profit before tax	**9.7**	7.6	14.0
Adjustments for			
- depreciation and amortisation	**10.0**	11.6	24.5
- interest expense	**11.3**	12.0	24.0
- share-based payments fair value charges	**0.6**	0.6	0.6
	31.6	31.8	63.1
Increase in trade and other receivables	**(9.6)**	(5.2)	14.5
Decrease/(increase) in inventories	**0.4**	(0.2)	(0.4)
Increase/(decrease) in trade and other payables	**7.2**	(18.5)	(22.3)
Decrease in provisions	**(4.9)**	(9.6)	(18.0)
Increase in employee benefits before pension deficit payment	**1.0**	0.2	0.5
Income taxes (paid)/received	**(0.1)**	0.4	(0.3)
Cash generated/(utilised) before pension deficit payment	**25.6**	(1.1)	37.1
Pension deficit payment	**(2.0)**	(1.3)	(13.6)
Cash flows from operating activities	**23.6**	(2.4)	23.5
Investing activities			
Proceeds from sale of property, plant and equipment	**5.9**	6.5	6.5
Interest received	**0.1**	0.3	0.6
Additions of property, plant and equipment	**(3.0)**	(3.7)	(10.3)
Additions of computer software costs	**-**	-	(0.8)
Cash flows from investing activities	**3.0**	3.1	(4.0)
Financing activities			
Decrease in borrowings	**(0.5)**	(6.9)	(63.7)
Payment of finance lease liabilities	**(1.2)**	(3.7)	(4.0)
Interest paid	**(7.0)**	(9.1)	(14.2)
Cash flows from financing activities	**(8.7)**	(19.7)	(81.9)
Net increase/(decrease) in cash and cash equivalents	**17.9**	(19.0)	(62.4)
Cash and cash equivalents at beginning of the period	**103.2**	165.6	165.6
Cash and cash equivalents at end of period	**121.1**	146.6	103.2
Represented by			
- cash at bank and in hand	**105.2**	131.5	88.2
- restricted cash, being deposits held by the Group's captive insurer	**15.9**	15.1	15.0
	121.1	146.6	103.2

Notes to the consolidated half year financial statements

for the six months to 30 September 2013 (unaudited)

1 Basis of preparation and Statement of compliance

Wincanton plc (the 'Company') is a company incorporated in England and Wales. The consolidated half year financial statements of the Company for the six months to 30 September 2013 comprise the Company and its subsidiaries (together referred to as the 'Group') and, where relevant, the Group's interests in jointly controlled entities.

These consolidated half year financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. As required by the Disclosure and Transparency Rules of the Financial Services Authority, the half year financial statements have been prepared on the basis of the accounting policies adopted by the Group and applied and disclosed in its consolidated financial statements for the year ended 31 March 2013. As stated in the financial statements for the year ended 31 March 2013 the following amendments have been applied where applicable: IAS 19 Employee Benefits (Revised), IFRS 13 Fair Value Measurement, IFRS 7 Disclosures: Offsetting Financial Assets and Liabilities and IAS 1 Presentation of Items of other Comprehensive Income. Except for the amendment of IAS 19 Employee Benefits (Revised) the adoption of these amendments have not had a significant effect on the consolidated results or financial position of the Group. The effect on the financial statements of adopting IAS 19 Employee Benefits (Revised) is disclosed in Note 9. These policies are in accordance with IFRS as adopted by the EU (Adopted IFRS).

These consolidated half year financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 March 2013. The comparative figures for the year ended 31 March 2013 have been extracted from those accounts (restated for IAS 19 Employee Benefits (Revised)) but do not comprise the full statutory accounts for that financial year. Except for the 31 March 2013 comparatives, the financial information set out herein is unaudited but has been reviewed by the auditors and their report to the Company is set out on page 22.

The consolidated financial statements for the year ended 31 March 2013 have been reported on by the Group's auditor; delivered to the Registrar of Companies; and are available upon request from the Company's registered office at Methuen Park, Chippenham, Wiltshire, SN14 0WT or at www.wincanton.co.uk. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

The preparation of these consolidated half year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these consolidated half year financial statements, the significant judgements made by management in applying the Group's accounting policies and the key areas of estimation were the same as those that applied to the consolidated financial statements for the year ended 31 March 2013.

The consolidated half year financial statements have been prepared on a going concern basis, which assumes the Group will be able to meet its liabilities as they fall due for the foreseeable future. The Directors have prepared cash flow forecasts on the basis of which they expect that the Group will continue as a going concern.

The Half Year Report, which includes the consolidated half year financial statements, was approved by the Board on 6 November 2013.

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2013 (unaudited)

2 Operating segments

Wincanton plc provides contract logistics services in the UK and Ireland. The Group manages its operations in two distinct operating segments; Contract logistics (the majority of activities including transport and warehousing for various market sectors including retail, manufacturing, defence and construction) and Specialist businesses (Pullman Fleet Services, Containers, and Wincanton Records Management).

The results of the operating segments are regularly reviewed by the Board to allocate resources to these segments and to assess their performance. The Group evaluates performance of the operating segments on the basis of underlying operating profit.

	Contract logistics			Specialist businesses			Consolidated		
	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m	**Six months to 30 Sept 2013 £m**	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m	**Six months to 30 Sept 2013 £m**	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Revenues from external customers [1]	**461.8**	465.0	923.2	**80.5**	86.2	163.6	**542.3**	551.2	1,086.8
Depreciation	**(4.2)**	(6.0)	(12.6)	**(1.5)**	(1.5)	(2.5)	**(5.7)**	(7.5)	(15.1)
Amortisation of software intangibles	**(1.0)**	-	(2.1)	**(0.1)**	-	-	**(1.1)**	-	(2.1)
Reportable segment underlying operating profit [2]	**19.7**	19.6	36.9	**4.5**	4.1	8.4	**24.2**	23.7	45.3

[1] Included in segment revenue is £529.2m (2012: £537.0m) in respect of customers based in the UK.

[2] Underlying operating profit is stated before amortisation of acquired intangibles.

3 Net financing costs

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Recognised in the income statement:			
Interest income	**0.2**	0.3	0.6
Interest expense	**(6.7)**	(8.0)	(16.1)
Finance charges payable in respect of finance leases	**(0.3)**	(0.3)	(0.5)
Unwinding of discount on insurance and other provisions	**(1.2)**	(1.3)	(2.4)
Expected return on defined benefit pension scheme assets	**16.6**	21.3	42.4
Interest on defined benefit pension scheme obligations	**(19.9)**	(24.0)	(48.0)
	(11.5)	(12.3)	(24.6)
Net financing costs	**(11.3)**	(12.0)	(24.0)

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2013 (unaudited)

4 Income tax expense

Recognised in the income statement:	**Six months to 30 Sept 2013 £m**	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Current tax expense/(credit)			
Current year	**2.4**	0.1	0.3
Adjustments for prior years	**-**	(0.5)	0.2
	2.4	(0.4)	0.5
Deferred tax (credit)/expense			
Current year	**0.2**	2.1	3.8
Adjustments for prior years	**(0.3)**	0.8	(0.4)
	(0.1)	2.9	3.4
Total income tax expense in the income statement	**2.3**	2.5	3.9

Recognised in other comprehensive income	**Six months to 30 Sept 2013 £m**	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Tax on actuarial gains/(losses) on defined benefit pension schemes	**(6.3)**	2.4	12.8

In accordance with IAS 34 the tax expense recognised in the income statement for the half year is calculated on the basis of the estimated effective full year tax rate.

The main UK Corporation tax rate will reduce from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2014. The closing UK deferred tax provision is calculated based on the rate of 20% which was substantively enacted at the balance sheet date.

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2013 (unaudited)

5 Earnings per share

Earnings per share are calculated on the basis of earnings attributable to the equity shareholders of Wincanton plc of £7.4m (2012: £5.1m) and the weighted average of 116.0m (2012: 115.6m) shares which have been in issue throughout the period.

The diluted earnings per share calculation is based on there being 7.4m (2012: nil) additional shares deemed to be issued at £nil consideration under the Company's share option schemes.

The weighted average number of ordinary shares for both basic and diluted earnings per share are calculated as follows:

Weighted average number of ordinary shares (basic)	**Six months to 30 Sept 2013 millions**	Six months to 30 Sept 2012 millions	Year ended 31 March 2013 millions
Issued ordinary shares at the beginning of the period	**116.0**	115.5	115.5
Net effect of shares issued and purchased during the period	**-**	0.1	0.3
	116.0	115.6	115.8
Weighted average number of ordinary shares (diluted)			
Weighted average number of ordinary shares at the end of the period	**116.0**	115.6	115.8
Effect of share options on issue	**7.4**	-	4.3
	123.4	115.6	120.1

An alternative earnings per share number is set out below, being before amortisation of acquired intangibles, since the Directors consider that this provides further information on the underlying performance of the Group:

	Six months to 30 Sept 2013 pence	Six months to 30 Sept 2012 restated pence	Year ended 31 March 2013 restated pence
Underlying earnings per share			
- basic	**8.4**	7.0	13.3
- diluted	**7.9**	7.0	12.8

5 Earnings per share *(continued)*

Underlying earnings are determined as follows:

	Six months to 30 Sept 2013 £m	Six months to 30 Sept 2012 restated £m	Year ended 31 March 2013 restated £m
Profit for the period attributable to equity shareholders of Wincanton plc	**7.4**	5.1	10.1
Amortisation of acquired intangibles	**3.2**	4.1	7.3
Tax on the above item	**(0.8)**	(1.1)	(2.0)
Underlying earnings	**9.8**	8.1	15.4

6 Property, plant and equipment

Additions and disposals

During the half year to 30 September 2013 the Group acquired assets with a cost of £3.0m (2012: £3.4m).

Assets with a carrying amount of £5.9m were disposed of during the half year to 30 September 2013 (2012: £6.3m).

Capital commitments

At 30 September 2013 the Group had entered into contracts to purchase property, plant and equipment for £2.7m (2012: £4.1m); delivery is expected in the second half of the year to 31 March 2014.

7 Net debt

	At 1 April 2013 £m	**Movement £m**	**At 30 Sept 2013 £m**
Cash and cash equivalents	**103.2**	**17.9**	**121.1**
Borrowings and other financial liabilities	**(210.8)**	**2.5**	**(208.3)**
Net debt	**(107.6)**	**20.4**	**(87.2)**

	At 1 April 2012 £m	Movement £m	At 30 Sept 2012 £m
Cash and cash equivalents	165.6	(19.0)	146.6
Borrowings and other financial liabilities	(280.1)	10.5	(269.6)
Net debt	(114.5)	(8.5)	(123.0)

	At 1 April 2012 £m	Movement £m	At 31 March 2013 £m
Cash and cash equivalents	165.6	(62.4)	103.2
Borrowings and other financial liabilities	(280.1)	69.3	(210.8)
Net debt	(114.5)	6.9	(107.6)

Notes to the consolidated half year financial statements *(continued)*
for the six months to 30 September 2013 (unaudited)

7 Net debt *(continued)*

	30 Sept 2013 £m	30 Sept 2012 £m	31 March 2013 £m
Cash and cash equivalents			
Cash at bank and in hand	**105.2**	131.5	88.2
Restricted cash, being deposits held by the Group's captive insurer	**15.9**	15.1	15.0
	121.1	146.6	103.2
Borrowings			
Current			
US$ private placement	**-**	(55.9)	-
Bank loans and overdrafts	**(10.5)**	(0.2)	(10.7)
Finance lease liabilities	**(0.5)**	(1.9)	(1.5)
Other financial liabilities	**(1.4)**	(2.0)	(1.7)
	(12.4)	(60.0)	(13.9)
Non-current			
US$ private placement	**(53.5)**	(56.5)	(53.5)
Bank loans	**(140.7)**	(150.0)	(140.9)
Finance lease liabilities	**(0.3)**	(0.4)	(0.5)
Other financial liabilities	**(1.4)**	(2.7)	(2.0)
	(195.9)	(209.6)	(196.9)
Total borrowings	**(208.3)**	(269.6)	(210.8)
Total net debt	**(87.2)**	(123.0)	(107.6)

8 Provisions

	Insurance £m	**Property £m**	**Other provisions £m**	**Total £m**
At 1 April 2013	**37.9**	**42.2**	**1.1**	**81.2**
Effect of movement in foreign exchange	**-**	**(0.1)**	**-**	**(0.1)**
Provisions used during the year	**(3.4)**	**(5.8)**	**-**	**(9.2)**
Unwinding of discount	**0.5**	**0.7**	**-**	**1.2**
Provisions made during the year	**4.3**	**-**	**-**	**4.3**
At 30 September 2013	**39.3**	**37.0**	**1.1**	**77.4**
Current	**10.7**	**15.9**	**1.1**	**27.7**
Non-current	**28.6**	**21.1**	**-**	**49.7**
	39.3	**37.0**	**1.1**	**77.4**

9 Employee benefits

Pension schemes

Movements in the net pension obligations recognised:

		30 Sept 2013 £m	30 Sept 2012 restated £m	31 March 2013 restated £m
Opening deficit		**(148.7)**	(118.2)	(118.2)
Current service cost		**(6.5)**	(6.4)	(12.7)
Contributions	- normal	**5.5**	6.1	11.7
	- additional	**2.0**	1.3	13.6
Net financing charge		**(3.3)**	(2.7)	(5.6)
Actuarial gain/(loss)		**9.0**	5.2	(37.5)
		(142.0)	(114.7)	(148.7)

The movement in the above net pension scheme obligations in the period was primarily the result of the change in the discount rate. The net pension scheme obligations, after taking into account the related deferred tax asset, are £113.6m (2012: £88.3m).

The principal actuarial assumptions for the Scheme and for the UK unfunded arrangement at the balance sheet date were as follows:

	30 Sept 2013 %	30 Sept 2012 %	31 March 2013 %
Discount rate	**4.60**	5.00	4.50
Price inflation rate – RPI	**3.25**	3.15	3.25
Price inflation rate – CPI	**2.25**	2.15	2.25
Pensionable salaries rate	**3.25**	3.15	3.25
Rate of increase of pensions in payment and deferred pensions			
- for service to 31 March 2006	**3.10**	3.00	3.10
- for service from 1 April 2006	**2.35**	2.30	2.35

For the majority of Scheme members increases in pensionable salaries are now capped at the same level as price inflation (RPI).

Notes to the consolidated half year financial statements *(continued)*

for the six months to 30 September 2013 (unaudited)

Impact of adoption of IAS 19 Employee Benefits (Revised)

The Group adopted IAS 19 Employee Benefits (Revised) from 1 April 2013. This standard has replaced the expected return on scheme assets and interest on scheme liabilities with a single net interest component, calculated using the discount rate at the start of the period. In addition, scheme administration costs, which were deducted from the expected return on scheme assets have been included within operating expenses.

The half year financial statements at 30 September 2012 and the full year financial statements at 31 March 2013 have been restated accordingly. The effect on the financial statements is summarised below.

	30 September 2012				31 March 2013			
	As reported	Amended return on assets	Re-classified admin charges	Incorp-orating IAS 19 adjustment	As reported	Amended return on assets	Re-classified admin charges	Incorp-orating IAS 19 adjustment
	£m	£m	£m	£m	£m	£m	£m	£m
Operating profit	20.2	-	(0.6)	19.6	39.2	-	(1.2)	38.0
Net finance charges	(7.2)	(5.4)	0.6	(12.0)	(14.4)	(10.8)	1.2	(24.0)
Profit before tax	13.0	(5.4)	-	7.6	24.8	(10.8)	-	14.0
Tax	(3.8)	1.3	-	(2.5)	(6.5)	2.6	-	(3.9)
Profit for the period	9.2	(4.1)	-	5.1	18.3	(8.2)	-	10.1
Other comprehensive income: Actuarial losses on defined benefit pension schemes, net of deferred tax	(1.1)	4.1	-	3.0	(38.1)	8.2	-	(29.9)
Basic EPS	8.0p			4.4p	15.8p			8.7p
Underlying EPS	10.6p			7.0p	20.4p			13.3p

Independent review report to Wincanton plc

Introduction

We have been engaged by the Company to review the consolidated half year financial statements in the Half Year Report for the six months to 30 September 2013 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and the related explanatory notes. We have read the other information contained in the Half Year Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated half year financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The Half Year Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half Year Report in accordance with the DTR of the UK FSA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The consolidated half year financial statements included in this Half Year Report have been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the consolidated half year financial statements in the Half Year Report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated half year financial statements in the Half Year Report for the six months to 30 September 2013 are not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Andrew Campbell-Orde
for and on behalf of KPMG Audit Plc
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

6 November 2013

Shareholders' enquiries

All administrative enquiries relating to shareholdings should, in the first instance, be directed to the Registrar at the following address:

Computershare Investor Services plc
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Telephone: 0870 707 1788   Fax: 0870 703 6101
Text phone: 0870 702 0005
Web queries: www.investorcentre.co.uk/contactus