Victrex plc

Half-yearly Financial Report 2012

With over 30 years of experience, Victrex is a provider of innovative, high performance thermoplastic polymers.

We work with customers and end users globally to deliver technology driven solutions to the challenges and opportunities they face. Our Victrex Polymer Solutions business unit focuses on our transport, industrial and electronics markets and our Invibio® Biomaterial Solutions business unit focuses on providing specialist solutions for medical device manufacturers.

The headquarters of the Group and business units are based in the United Kingdom along with our manufacturing, research and customer support facilities. We have invested in an integrated supply chain providing flexibility, control over quality and capacity and reassurance to our customers over security of supply. This is complemented by a growing network of sales, distribution and technical centres serving more than 40 countries worldwide.

Our business units

Victrex Polymer Solutions ('VPS') is focused on developing our major industrial markets. We work with customers and end users to provide innovative and technical solutions that help meet their most difficult design challenges and leverage the benefits from the unique combination of properties and forms that our range of products provide.

Invibio Biomaterial Solutions ('Invibio') is an established and proven worldwide leader in providing biomaterial solutions for the surgical and medical device markets. With over a decade of experience, Invibio is committed to facilitating PEEK based device solutions in spine and developing medical markets.

Financial Highlights

Strong recovery in VPS drives **record quarterly Group sales volume**

Invibio revenue up 5% to new half year record

Group revenue down 2% to £105.6m (2011: £107.9m)

Earnings per share down 2% to 41.6p (2011: 42.4p)

Cash of £58.0m at 31 March 2012 and **no debt**

Interim dividend up 13% to 9.0p (2011: 8.0p)

Contents

Interim Management Report

We are pleased to report that Victrex has recovered strongly from the de-stocking we reported in the first quarter of our financial year to deliver record Group sales volume in the second quarter and revenue growth in our Invibio Biomaterial Solutions business ('Invibio') to a new half-yearly record. We have also seen a significant increase in the commercialisation of new applications and further growth in our development pipeline.

Group results

Second quarter sales volume was 795 tonnes and reflected a strong recovery across all of the major markets for our Victrex Polymer Solutions business ('VPS') following the de-stocking reported in the first quarter (582 tonnes). Resulting first half sales volume of 1,377 tonnes was 4% below the first half of 2011 (1,434 tonnes).

Invibio delivered revenue growth of 5% compared to the first half of last year, largely driven by developing markets such as arthroscopy, despite the continuing uncertainties in the US healthcare market.

Accordingly, Group revenue for the first half was £105.6m (H1 2011: £107.9m).

As expected, gross margin of 66.8% was in line with the second half of the prior year (H2 2011: 66.9%) and 2 percentage points down on the first half of the prior year (H1 2011: 68.8%). This reflects the investment in resources to increase available production capacity, underpinning security of supply for our customers, as well as increased raw material input costs previously reported.

We have continued to invest in resources to support new application development and our key growth programmes for the future. However, this has been more than offset by a reduction in costs associated with elements of staff remuneration that are linked to the financial performance of the business. As a consequence, sales, marketing and administrative expenses reduced by 5% to £24.7m (H1 2011: £26.1m).

Resulting Group profit before tax decreased by 4% to £46.2m (H1 2011: £48.3m) and basic earnings per share was down 2% at 41.6p (H1 2011: 42.4p), with the effective tax rate for the year expected to be 24.5% following a further reduction in the UK corporation tax rate.

Cash flow

Cash flow from operations was £31.5m (H1 2011: £41.0m) reflecting the reduction in Group operating profit together with an increase in working capital.

Working capital reflects a planned increase in inventory, an increase in trade and other receivables in line with record second quarter sales levels, and a reduction in trade and other payables.

Capital expenditure cash payments amounted to £12.1m (H1 2011: £4.2m). This predominantly reflects the initial phase of investment in the capacity of our supply chain together with the investment in our technology facilities at our UK and Japanese locations.

Tax paid was broadly in line with the first half of last year at £13.7m (H1 2011: £13.6m) and dividend payments of £20.5m (H1 2011: £57.1m) represent the final dividend for 2011 of 24.5p per ordinary share (H1 2011: final dividend for 2010 of 18.6p and special dividend of 50.0p per ordinary share).

The resulting cash balance as at 31 March 2012 was £58.0m with no debt (H1 2011: £43.3m). The Group has a committed bank facility of £40m, all of which was undrawn as at 31 March 2012. This facility expires in September 2012 and funding options are being considered in light of medium-term investment requirements.

Dividend

We are pleased to report that the interim dividend for 2012 will be 9.0p per ordinary share, representing a 13% increase over last year (H1 2011: 8.0p per ordinary share). This reflects our confidence in the future growth prospects for our business and our intention to maintain a progressive dividend. The interim dividend will be paid on Tuesday 3 July 2012 to all shareholders on the register at the close of business on Friday 8 June 2012.

Victrex Polymer Solutions

	Six months ended 31 March 2012 £m	Six months ended 31 March 2011 £m	Change
Revenue	80.1	83.6	-4%
Gross profit	47.9	52.5	-9%
Operating profit	32.6	34.6	-6%

VPS revenue decreased by 4% to £80.1m (H1 2011: £83.6m) with the impact of customer de-stocking in the first quarter, largely offset by the strong recovery in the second quarter.

Gross margin decreased to 59.8% (H1 2011: 62.8%) predominantly due to the increased cost of manufacturing previously reported. This represents further investment in production and engineering resources to increase available production capacity together with an increase in raw material input costs.

We have continued to invest during the period in resources targeted at growth initiatives around the business. However, this has been more than offset by lower costs associated with elements of staff remuneration which are linked to underlying business performance. Resulting sales, marketing and administrative expenses decreased by 15% to £15.3m (H1 2011: £17.9m).

The resulting operating profit of £32.6m decreased by 6% compared to the first half of last year (H1 2011: £34.6m) but was slightly ahead of the second half (H2 2011: £32.2m).

Markets

Group sales volume in Europe of 710 tonnes was 8% below the prior year (H1 2011: 774 tonnes) with the de-stocking reported in the first quarter of our financial year being largely offset by the subsequent strong recovery since January across all end use markets. In the US, sales volume of 404 tonnes was 3% ahead of the prior year (H1 2011: 393 tonnes) with strong sales for the period in the oil and gas sector and growth in the second quarter in the commercial aircraft sector more than offsetting the de-stocking experienced in the first quarter and lower sales in the semiconductor sector previously reported. In Asia, sales volume of 263 tonnes was broadly in line with the prior year (H1 2011: 267 tonnes) with continued growth across Asia, particularly in the electronics market, offset by lower sales volume into Japan in the second quarter as customers adjusted inventory levels now that recent supply chain issues in the region are settling down.

Industrial sales volume of 552 tonnes was broadly in line with last year (H1 2011: 562 tonnes). The oil and gas sector showed growth in the period with investment underpinned by high oil prices and steady fuel demand. However, this was offset by marginally lower volume for the half year in other sectors such as industrial machinery which reflected the de-stocking noted above in the first quarter being largely offset by a strong recovery in the second quarter.

Transport sales volume was also broadly in line with the prior year at 362 tonnes (H1 2011: 370 tonnes) with strong sales

Interim Management Report continued

Victrex Polymer Solutions continued

Markets continued

into automotive and commercial aerospace in the second quarter offsetting the impact of de-stocking in the first quarter.

Electronics sales volume was 310 tonnes, down 9% on last year (H1 2011: 339 tonnes) due to lower sales in the consumer electronics sector where volumes are driven by application life cycles. Sales into the semiconductor manufacturing sector have recovered to similar levels as H1 2011, following weaker volume in the second half of last year. This has been driven by increased investment, especially in Asia.

Product and market development

We continue to work closely with customers and end users to drive opportunities where our products can help to solve their problems and facilitate innovation.

New business generation has increased significantly in the first half. The estimated mature annualised volume ('MAV') of new VICTREX® PEEK polymer applications commercialised from our development pipeline was 244 tonnes (329 new applications) compared with 146 tonnes (271 applications) in the second half of 2011. Of particular note has been the commercial aerospace sector where we have closed a number of applications associated with the Boeing 787 following establishment of production.

We have had continued success in generating a broad range of potential new opportunities across all our end use markets, especially in consumer electronics. As a result, the MAV of applications in the development pipeline as at 31 March 2012 has increased by 6% to 2,460 tonnes (30 September 2011: 2,328 tonnes) and contained 2,762 potential applications (30 September 2011: 3,416).

Invibio Biomaterial Solutions

	Six months ended 31 March 2012 £m	Six months ended 31 March 2011 £m	Change
Revenue	25.5	24.3	+5%
Gross profit	22.6	21.7	+4%
Operating profit	15.0	15.1	-1%

Invibio generated record revenue of £25.5m, an increase of 5% over H1 2011 (£24.3m). Gross margins have remained strong and broadly stable at 88.6% (H1 2011: 89.3%).

Sales, marketing and administrative expenses increased by £1.0m to £7.6m, primarily due to investment in resources to drive growth programmes. We continue to invest in resources to support growth in Asia-Pacific as well as expertise to deliver next generation materials solutions in both our core markets and targeted application areas.

Resulting operating profit of £15.0m was broadly in line with both the first half (£15.1m) and the second half (£15.2m) of last year.

Markets

The growth achieved in the first half of 2012 was ahead of that experienced within the US medical device market, in particular the US spine market. A combination of pricing pressure, procedural coverage and regulatory challenge all contributed to reduced growth for the market as a whole.

Our strengthening position in the arthroscopy market was the primary contributor to the growth achieved. However, an increasing percentage of our total revenue growth was delivered from applications outside of spine such as cardiovascular, cranial-maxillo facial and neurology.

Furthermore we have strengthened our regulatory expertise on a global basis to support our customers in expanding their geographical reach, resulting in the increased use of our biomaterials in emerging geographies, including Asia-Pacific.

Product and market development

Invibio is focused on maintaining and growing our success in spine and arthroscopy applications whilst accelerating the adoption of our biomaterials in developing areas such as trauma, dental and orthopaedics. We work closely with medical device manufacturers, surgeons and clinicians to drive awareness of our biomaterials and their benefits in new application areas. We continue to expand our scientific network through close partnerships with world class research groups and key opinion leaders to increase the pace and probability of successful innovation with our biomaterials.

We are working with a key industry partner to establish and demonstrate the clinical benefits of ENDOLIGN® in trauma applications and we are encouraged by both the regulatory and clinical milestones that have been achieved.

Our understanding of the dental market continues to evolve and we believe that our PEEK-OPTIMA® based material solutions have a potential fit in a number of growth applications in this market. We are also identifying future orthopaedic devices which we believe could use our materials to offer superior performance and better alignment with current and future healthcare economics.

Invibio entered into 21 additional long-term supply assurance agreements with implantable medical device manufacturers during H1 2012. These agreements were with manufacturers based in the United States (7), Europe (7) and increasingly in emerging geographies (7).

Since its introduction over ten years ago Invibio has entered into 426 long-term supply assurance agreements and more than three million devices containing Invibio's PEEK-OPTIMA polymer have been implanted in patients.

Risks, trends, factors and uncertainties

Victrex's business and share price may be affected by a number of risks, trends, factors and uncertainties, not all of which are in our control. The process Victrex has in place for identifying, assessing and managing risks through the Risk Management Committee is set out in the Corporate Governance Report on page 31 of the Annual Report and Accounts 2011.

The specific principal risks, trends, factors and uncertainties (which could impact the Group's revenues, profits and reputation) and relevant mitigating factors, as currently identified by Victrex's risk management process, have not changed since the year end. Detailed explanations can be found in the Annual Report and Accounts 2011 on pages 11, 12 and 13. Broadly these risks include: the economic environment; technological change; operational disruption; insufficient capacity; product specifications; competitor activity; and currency exposure. Other risks may also adversely affect the Group.

Accordingly, actual results may differ materially from anticipated results because of a variety of risk factors, including: changes in interest and exchange rates; changes in global, political, economic, business, competitive and market forces; changes in raw material pricing and availability; changes to legislative and tax rates; future business combinations or disposals; relations

Interim Management Report continued

Risks, trends, factors and uncertainties continued

with customers and customer credit risk; events affecting international security, including global health issues and terrorism; changes in regulatory environment; and the outcome of litigation.

Management changes

As a Board we continually review and look to develop the skills and experience of our management team in light of the evolving opportunities for our business. To this end we are delighted to welcome Suzana Koncarevic and Hichem M'Saad to the team.

Suzana joined the Group as General Counsel and Company Secretary in April. She brings extensive experience to the role, most recently acquired as General Counsel and Company Secretary of Speedy Hire plc.

Hichem will join our team on 18 June 2012 as Managing Director of Invibio. He will succeed Michael Callahan who will remain with Invibio as leader of the spine business. Hichem's wealth of experience of general management and new product development in technology driven businesses, including 14 years at Applied Materials Inc., will help him lead the strategic development of the business.

Safety, health and environment

At Victrex we believe that all employees should be able to work safely in a healthy workplace and that the Group's activities should not harm the public or the environment. Everyone in the Group is expected to place the highest priority on achieving these aims. It is therefore a fitting tribute to the dedication and sustained efforts of all our employees that the Group has recently been awarded the Royal Society for the Prevention of Accidents ('RoSPA') Order of Distinction in recognition of sustained occupational health and safety achievement after winning 15 consecutive RoSPA Gold Awards.

People

The passion, dedication and talent of our employees are critical to our success. We invest in both the development of our existing employees as well as bringing in new talent to complement the skills and experience within the business.

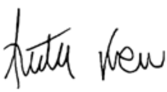
I would like to thank all our employees for their continued support and hard work.

Outlook

Since the end of the first half Group sales volume has remained strong and new business development activity continues to be encouraging. This further reinforces the positive underlying trends in our VPS business. In our Invibio business we expect sustained growth for the second half, as we make further progress in developing markets and emerging geographies.

We remain vigilant of the uncertain economic environment, particularly in Europe. However, with our strong balance sheet and healthy cash generation, we are well placed to continue investment in the key opportunities across our business which underpin our growth aspirations for the future.

The Company's second interim management statement, covering the period from 1 April 2012, will be issued on 26 July 2012.



Anita Frew
Chairman
21 May 2012

Condensed Consolidated Income Statement

	Note	Unaudited six months ended 31 March 2012 £m	Unaudited six months ended 31 March 2011 £m	Audited year ended 30 September 2011 £m
Revenue	5	105.6	107.9	215.8
Cost of sales		(35.0)	(33.7)	(69.4)
Gross profit		70.6	74.2	146.4
Sales, marketing and administrative expenses		(24.7)	(26.1)	(52.6)
Operating profit	5	45.9	48.1	93.8
Financial income		0.3	0.2	0.5
Financial expenses		–	–	(0.1)
Profit before tax		46.2	48.3	94.2
Income tax expense	6	(11.3)	(13.0)	(23.0)
Profit for the period attributable to owners of the parent		34.9	35.3	71.2
Earnings per share				
Basic	7	41.6p	42.4p	85.3p
Diluted	7	41.4p	41.9p	84.4p
Dividends				
Year ended 30 September 2010:				
Final dividend paid February 2011 at 18.6p per share		–	15.5	15.5
Special dividend paid February 2011 at 50.0p per share		–	41.6	41.6
Year ended 30 September 2011:				
Interim dividend paid July 2011 at 8.0p per share		–	–	6.7
Final dividend paid February 2012 at 24.5p per share		20.5	–	–
		20.5	57.1	63.8

An interim dividend of 9.0p per share will be paid on 3 July 2012 to shareholders on the register at the close of business on 8 June 2012. This dividend will be recognised in the period in which it is approved.

Condensed Consolidated Statement of Comprehensive Income

	Unaudited six months ended 31 March 2012 £m	Unaudited six months ended 31 March 2011 £m	Audited year ended 30 September 2011 £m
Profit for the period	34.9	35.3	71.2
Other comprehensive income			
Currency translation differences for foreign operations	(0.7)	(0.1)	0.4
Effective portion of changes in fair value of cash flow hedges	4.6	(0.4)	(1.6)
Net change in fair value of cash flow hedges transferred to profit or loss	0.2	(0.2)	(0.7)
Defined benefit pension schemes actuarial (losses)/gains	(0.6)	3.6	1.1
Tax on other comprehensive income	(1.8)	(0.6)	0.3
Total other comprehensive income for the period	1.7	2.3	(0.5)
Total comprehensive income for the period attributable to owners of the parent	36.6	37.6	70.7

Condensed Consolidated Balance Sheet

	Unaudited 31 March 2012 £m	Unaudited 31 March 2011 £m	Audited 30 September 2011 £m
Assets			
Non-current assets			
Property, plant and equipment	132.5	125.0	125.5
Intangible assets	10.1	10.1	10.1
Deferred tax assets	7.6	8.1	9.0
	150.2	143.2	144.6
Current assets			
Inventories	50.7	37.6	45.0
Current income tax assets	1.5	1.0	0.8
Trade and other receivables	28.3	23.2	24.2
Derivative financial instruments	3.3	2.4	0.9
Cash and cash equivalents	58.0	43.3	72.3
	141.8	107.5	143.2
Total assets	292.0	250.7	287.8
Liabilities			
Non-current liabilities			
Deferred tax liabilities	(14.5)	(15.3)	(14.8)
Retirement benefit obligations	(5.8)	(3.6)	(6.2)
	(20.3)	(18.9)	(21.0)
Current liabilities			
Derivative financial instruments	(0.6)	(2.3)	(3.2)
Current income tax liabilities	(11.6)	(14.2)	(12.5)
Trade and other payables	(20.4)	(23.0)	(29.5)
	(32.6)	(39.5)	(45.2)
Total liabilities	(52.9)	(58.4)	(66.2)
Net assets	239.1	192.3	221.6
Equity			
Share capital	0.8	0.8	0.8
Share premium	28.3	25.1	27.1
Translation reserve	2.3	2.5	3.0
Hedging reserve	2.0	(0.3)	(1.6)
Retained earnings	205.7	164.2	192.3
Total equity attributable to owners of the parent	239.1	192.3	221.6

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Condensed Consolidated Cash Flow Statement

	Note	Unaudited six months ended 31 March 2012 £m	Unaudited six months ended 31 March 2011 £m	Audited year ended 30 September 2011 £m
Cash flows from operating activities				
Cash generated from operations	9	31.5	41.0	91.2
Interest and similar charges paid		–	–	(0.1)
Interest received		0.2	0.2	0.5
Tax paid		(13.7)	(13.6)	(25.7)
Net cash flow from operating activities		18.0	27.6	65.9
Cash flows from investing activities				
Acquisition of property, plant and equipment		(12.1)	(4.2)	(9.0)
Net cash flow from investing activities		(12.1)	(4.2)	(9.0)
Cash flows from financing activities				
Premium on issue of ordinary shares exercised under option		1.2	0.8	2.8
Purchase of own shares held		(0.5)	(1.0)	(1.0)
Dividends paid		(20.5)	(57.1)	(63.8)
Net cash flow from financing activities		(19.8)	(57.3)	(62.0)
Net decrease in cash and cash equivalents		(13.9)	(33.9)	(5.1)
Effect of exchange rate fluctuations on cash held		(0.4)	(0.1)	0.1
Cash and cash equivalents at beginning of period		72.3	77.3	77.3
Cash and cash equivalents at end of period		58.0	43.3	72.3

Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Equity at 1 October 2011	0.8	27.1	3.0	(1.6)	192.3	221.6
Total comprehensive income for the period						
Profit	–	–	–	–	34.9	34.9
Other comprehensive income						
Currency translation differences for foreign operations	–	–	(0.7)	–	–	(0.7)
Effective portion of changes in fair value of cash flow hedges	–	–	–	4.6	–	4.6
Net change in fair value of cash flow hedges transferred to profit or loss	–	–	–	0.2	–	0.2
Defined benefit pension schemes actuarial losses	–	–	–	–	(0.6)	(0.6)
Tax on other comprehensive income	–	–	–	(1.2)	(0.6)	(1.8)
Total other comprehensive income for the period	–	–	(0.7)	3.6	(1.2)	1.7
Total comprehensive income for the period	–	–	(0.7)	3.6	33.7	36.6
Contributions by and distributions to owners of the Company						
Share options exercised	–	1.2	–	–	–	1.2
Equity-settled share-based payment transactions	–	–	–	–	0.7	0.7
Purchase of own shares held	–	–	–	–	(0.5)	(0.5)
Dividends to shareholders	–	–	–	–	(20.5)	(20.5)
Equity at 31 March 2012	0.8	28.3	2.3	2.0	205.7	239.1

Condensed Consolidated Statement of Changes in Equity continued

	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Equity at 1 October 2010	0.8	24.3	2.6	0.1	183.5	211.3
Total comprehensive income for the period						
Profit	–	–	–	–	35.3	35.3
Other comprehensive income						
Currency translation differences for foreign operations	–	–	(0.1)	–	–	(0.1)
Effective portion of changes in fair value of cash flow hedges	–	–	–	(0.4)	–	(0.4)
Net change in fair value of cash flow hedges transferred to profit or loss	–	–	–	(0.2)	–	(0.2)
Defined benefit pension schemes actuarial gains	–	–	–	–	3.6	3.6
Tax on other comprehensive income	–	–	–	0.2	(0.8)	(0.6)
Total other comprehensive income for the period	–	–	(0.1)	(0.4)	2.8	2.3
Total comprehensive income for the period	–	–	(0.1)	(0.4)	38.1	37.6
Contributions by and distributions to owners of the Company						
Share options exercised	–	0.8	–	–	–	0.8
Equity-settled share-based payment transactions	–	–	–	–	0.7	0.7
Purchase of own shares held	–	–	–	–	(1.0)	(1.0)
Dividends to shareholders	–	–	–	–	(57.1)	(57.1)
Equity at 31 March 2011	0.8	25.1	2.5	(0.3)	164.2	192.3

	Share capital £m	Share premium £m	Translation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m
Equity at 1 October 2010	0.8	24.3	2.6	0.1	183.5	211.3
Total comprehensive income for the year						
Profit	–	–	–	–	71.2	71.2
Other comprehensive income						
Currency translation differences for foreign operations	–	–	0.4	–	–	0.4
Effective portion of changes in fair value of cash flow hedges	–	–	–	(1.6)	–	(1.6)
Net change in fair value of cash flow hedges transferred to profit or loss	–	–	–	(0.7)	–	(0.7)
Defined benefit pension schemes actuarial gains	–	–	–	–	1.1	1.1
Tax on other comprehensive income	–	–	–	0.6	(0.3)	0.3
Total other comprehensive income for the year	–	–	0.4	(1.7)	0.8	(0.5)
Total comprehensive income for the year	–	–	0.4	(1.7)	72.0	70.7
Contributions by and distributions to owners of the Company						
Share options exercised	–	2.8	–	–	–	2.8
Equity-settled share-based payment transactions	–	–	–	–	1.6	1.6
Purchase of own shares held	–	–	–	–	(1.0)	(1.0)
Dividends to shareholders	–	–	–	–	(63.8)	(63.8)
Equity at 30 September 2011	0.8	27.1	3.0	(1.6)	192.3	221.6

Notes to the Half-yearly Financial Report

1. Reporting entity

Victrex plc (the 'Company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of the Registered Office is Victrex Technology Centre, Hillhouse International, Thornton Cleveleys, Lancashire, FY5 4QD, United Kingdom. The Company is listed on the London Stock Exchange.

This Half-yearly Financial Report is an interim management report as required by DTR 4.2.3 of the Disclosure and Transparency Rules of the UK Financial Services Authority.

These condensed consolidated interim financial statements as at and for the six months ended 31 March 2012 comprise the Company and its subsidiaries (together referred to as the 'Group').

The comparative figures for the financial year ended 30 September 2011 are extracted from the Company's statutory accounts for that year. Those accounts have been reported on by the Company's auditor, filed with the Registrar of Companies and are available on request from the Company's Registered Office or to download from www.victrex.com. The auditor's report on those accounts was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and did not contain any statement under sections 498 (2) or (3) of the Companies Act 2006.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by KPMG Audit Plc and their report is set out on page 20.

2. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 – Interim Financial Reporting as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 30 September 2011.

This Half-yearly Financial Report was approved by the Board of Directors on 21 May 2012.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied in the Company's published consolidated financial statements for the year ended 30 September 2011 except for the application of relevant new standards.

A number of new standards and amendments to existing standards are effective for the financial year ending 30 September 2012. None of these have had a material impact.

A number of amendments to standards and interpretations have been issued during the period, which are either not yet endorsed, or endorsed but not yet effective, and accordingly the Group has not yet adopted.

Going concern

The Directors are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis for preparing this Half-yearly Financial Report.

4. Estimates

The preparation of condensed consolidated interim 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 September 2011.

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5. Segment reporting

The Group's business is strategically organised as two business units: Victrex Polymer Solutions, which focuses on our transport, industrial and electronics markets; and Invibio Biomaterial Solutions, which focuses on providing specialist solutions for medical device manufacturers.

	Unaudited six months ended 31 March 2012			Unaudited six months ended 31 March 2011			Audited year ended 30 September 2011		
	Victrex Polymer Solutions £m	Invibio Biomaterial Solutions £m	Group £m	Victrex Polymer Solutions £m	Invibio Biomaterial Solutions £m	Group £m	Victrex Polymer Solutions £m	Invibio Biomaterial Solutions £m	Group £m
Revenue from external sales	80.1	25.5	105.6	83.6	24.3	107.9	166.1	49.7	215.8
Segment operating profit	32.6	15.0	47.6	34.6	15.1	49.7	66.8	30.3	97.1
Unallocated central costs			(1.7)			(1.6)			(3.3)
Operating profit			45.9			48.1			93.8
Net financing income			0.3			0.2			0.4
Profit before tax			46.2			48.3			94.2
Income tax expense			(11.3)			(13.0)			(23.0)
Profit for the period attributable to owners of the parent			34.9			35.3			71.2

6. Income tax expense

Taxation of profit before tax in respect of the six months ended 31 March 2012 has been provided at the estimated effective rates chargeable for the full year in the respective jurisdiction.

	Unaudited six months ended 31 March 2012 £m	Unaudited six months ended 31 March 2011 £m	Audited year ended 30 September 2011 £m
UK corporation tax	10.0	11.4	21.0
Overseas tax	0.8	1.1	2.5
Deferred tax	0.5	0.5	(0.5)
	11.3	13.0	23.0

7. Earnings per share

	Unaudited six months ended 31 March 2012 £m	Unaudited six months ended 31 March 2011 £m	Audited year ended 30 September 2011 £m
Earnings per share – basic	41.6p	42.4p	85.3p
– diluted	41.4p	41.9p	84.4p
Profit for the financial period (£m)	34.9	35.3	71.2
Weighted average number of shares used – basic	83,824,130	83,241,694	83,392,732
– diluted	84,251,660	84,077,521	84,329,295

8. Exchange rates

The most significant Sterling exchange rates used in the accounts under the Group's accounting policies are:

	Unaudited six months ended 31 March 2012		Unaudited six months ended 31 March 2011		Audited year ended 30 September 2011	
	Average	Closing	Average	Closing	Average	Closing
US Dollar	1.59	1.60	1.57	1.60	1.57	1.56
Euro	1.18	1.20	1.15	1.13	1.16	1.16
Yen	130	131	138	133	135	120

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continued

9. Reconciliation of profit to cash generated from operations

	Unaudited six months ended 31 March 2012 £m	Unaudited six months ended 31 March 2011 £m	Audited year ended 30 September 2011 £m
Profit after tax for the period	34.9	35.3	71.2
Income tax expense	11.3	13.0	23.0
Net financing income	(0.3)	(0.2)	(0.4)
Operating profit	45.9	48.1	93.8
Adjustments for:			
Depreciation	4.7	4.3	8.8
Increase in inventories	(6.3)	(3.5)	(9.7)
Increase in trade and other receivables	(3.8)	(4.0)	(5.5)
(Decrease)/increase in trade and other payables	(8.6)	(1.6)	4.5
Equity-settled share-based payment transactions	0.7	0.7	1.6
Changes in fair value of derivative financial instruments	(0.2)	(0.7)	(0.1)
Retirement benefit obligations charge less contributions	(0.9)	(2.3)	(2.2)
Cash generated from operations	31.5	41.0	91.2

10. Related party transactions

The Group's related parties are as disclosed in the Annual Report and Accounts 2011. There were no material differences in related parties or related party transactions in the six months ended 31 March 2012 except for transactions with key management personnel. The most significant of these was on 12 December 2011, under the 2009 Long Term Incentive Plan ('LTIP'), when 48,301 and 21,622 share option awards were granted to D R Hummel and A S Barrow respectively at an option price of nil p per share when the market price was 1,100.0p per share.

Responsibility Statement of the Directors

The Directors confirm that to the best of our knowledge:

> the condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by the European Union; and

> the Interim Management Report includes a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure and Transparency Rules of the Financial Services Authority, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated financial statements and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules of the Financial Services Authority, being:

i. related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and

ii. any changes in the related party transactions described in the last Annual Report that have done so.

The Directors of Victrex plc are detailed on pages 22 and 23 of the Victrex plc Annual Report 2011. As announced in that Annual Report, Peter Bream stepped down from the Board as Finance Director in October 2011 and Steve Barrow joined the Board as Peter's successor.

By order of the Board

Steve Barrow
Finance Director
21 May 2012

Forward-looking Statements

Sections of this Half-yearly Financial Report contain forward-looking statements, including statements relating to: future demand and markets for the Group's products and services; research and development relating to new products and services; and liquidity and capital resources. These forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future. Accordingly, actual results may differ materially from anticipated results because of a variety of risk factors, including: changes in interest and exchange rates; changes in global, political, economic, business, competitive and market forces; changes in raw material pricing and availability; changes to legislation and tax rates; future business combinations or disposals; relations with customers and customer credit risk; events affecting international security, including global health issues and terrorism; changes in regulatory environment; and the outcome of litigation.

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Independent Review Report
to the members of Victrex plc

Introduction
We have been engaged by the Company to review the condensed set of financial statements in the Half-yearly Financial Report for the six months ended 31 March 2012 which comprises the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Balance Sheet, Condensed Consolidated Cash Flow Statement, Condensed Consolidated Statement of Changes in Equity and the related explanatory notes. We have read the other information contained in the Half-yearly Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of 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-yearly Financial Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half-yearly Financial Report in accordance with the DTR of the UK FSA.

The annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this Half-yearly Financial Report has 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 condensed set of financial statements in the Half-yearly Financial 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 condensed set of financial statements in the Half-yearly Financial Report for the six months ended 31 March 2012 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

David Bills (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc
Chartered Accountants
St James' Square
Manchester M2 6DS
21 May 2012

Shareholder Information

The Company's Annual Reports and Half-yearly Financial Reports are available on request from the Company's Registered Office or to download from www.victrex.com.

Financial calendar

Ex dividend date for interim dividend	6 June 2012
Record date for interim dividend*	8 June 2012
Payment of interim dividend	3 July 2012
2012 year end	30 September 2012
Announcement of 2012 full year results	December 2012
Annual General Meeting	February 2013
Payment of final dividend	February 2013

* The date by which shareholders must be recorded on the share register to receive the dividend.

Victrex plc

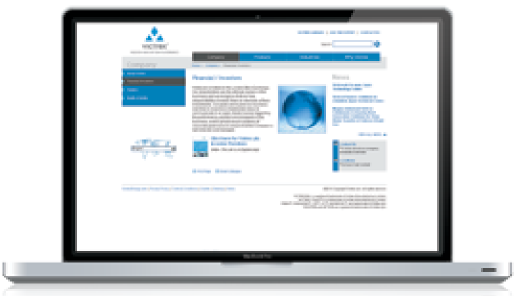
Registered in England
Number 2793780

Registered Office

Victrex Technology Centre
Hillhouse International
Thornton Cleveleys
Lancashire
FY5 4QD
United Kingdom

Tel: +44 (0) 1253 897700
Fax: +44 (0) 1253 897701

For more info log on to www.victrex.com



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Victrex plc
Victrex Technology Centre
Hillhouse International
Thornton Cleveleys
Lancashire
FY5 4QD
United Kingdom

Tel: +44 (0) 1253 897700
Fax: +44 (0) 1253 897701
Web: www.victrex.com

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