



InterBulk
GROUP

Interim Report
31 March 2008

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Chairman's Statement

I am pleased to present the interim results for InterBulk Group plc for the 6 months to 31 March 2008.

InterBulk is a recognised brand in intermodal logistics solutions for dry and liquid bulk materials around the world as we continue to market ourselves successfully. InterBulk is a leader in Quality, Environmental, Health and Safety management in relation to all its stakeholders and treats the sustainable improvement culture as a critical aspect of its business. This ensures that the total global operations are assessed according to the highest standards. We are working pro-actively with all employees to continually improve the working environment and performance of the whole group.

The last 6 months have been encouraging especially given the backdrop of greater economic uncertainty and cost increases relating to fuel. As previously reported in the annual report the reorganisation of the Group required some additional time to start to deliver the full financial benefits. In the last 6 months we have continued with our change programme, adding some new resources and continuing to focus on our customer service and relationships. To date we are on track with this change programme and the financial benefits are starting to become evident. We are improving our customer offering with value added services such as supply chain management and logistics terminals which will strengthen our position as a provider of more than just a basic transportation service. We expect this will lead to higher than average margins in due course. The performance of the business has significantly improved in the last 6 months with the core business in Europe performing well, supported by strong growth in Asia and the Americas. Although we have experienced volume pressures in Europe and our start-up "Inbulk" Division has yet to gain market traction, overall, I believe that the business is in a strong position for continued growth.

Financial Highlights

	6 months to 31 March 2008 £'000	6 months to 30 September 2007 £'000	Growth %
Revenue	121,696	109,865	+11%
Gross profit	17,456	14,534	+20%
EBITDA before exceptionals	10,915	9,477	+15%
Operating profit before exceptional items and amortisation	6,942	4,980	+39%
Profit before tax before unrealised exchange loss on loans and all exceptional items	1,776	759	+134%
Loss before tax	(1,622)	(1,584)	
Net debt	105,756	96,216	

- Revenue growth of 11%
- EBITDA (before exceptional items) increased to £10.9m an increase of 15%
- Operating profit (before exceptional items and amortisation) increased by £1.9m showing 39% growth
- Operating profit (before exceptional items and amortisation) as a % of turnover increased from 4.5% to 5.7%
- Profit before tax (pre unrealised non-cash exchange loss on loans and exceptional items) increased by £1.0m showing 134% growth
- Unrealised non-cash exchange loss of £3.2m on long-term loans creates an increase in the loss before taxation to £1.6m
- Increase in net debt is substantially due to Euro/£ exchange rate movement

These financial results are the first we have issued that have not been impacted significantly by an acquisition in the period and any comparison to the same period last year would be misleading as the 6 months to 31 March 2007 does not include the acquisition of United Transport International Limited (referred to as "UBC") on the 10 April 2007 which significantly increased the size of our operations. We believe that the best comparable period is the last 6 months to 30 September 2007 and this period has been presented in these interim statements in addition to the 6 months ended 31 March 2007.

InterBulk Strategy

The vision of InterBulk is to provide value added intermodal logistics solutions to customers for the movement of dry and liquid bulk materials on a global basis. We believe there are significant growth factors for intermodal supply chain solutions. This is underpinned by our global "InterBulk" branding concept and network, which was initiated last year following the acquisition of UBC.

Our strategy remains consistent which is to differentiate ourselves from other transportation service groups by having a focus on innovation which we believe is critical for the long-term success of the business. Our intermodal technology matrix is at the heart of this innovation and supports the One Vision, One Team, One Brand strategy. We have continued to invest in our ISO-Veyor technology and marketing efforts during the current period. The InBulk ISO-Veyor business provides a unique technology to transport dense, non free flowing, bulk solids. We have strengthened our team to ensure supply chain solutions are at the forefront of our discussions with our customers. Our investment in information technology will ensure we stay at the leading edge of the logistics sector in this area.

Chairman's Statement (continued)

Trading

Europe – Dry Bulk

Europe is still the major part of our Dry Bulk business. The ability to extend this activity beyond Europe provides a significant growth opportunity and one that we are only now ready to fully capitalise on. Our main focus in the last 6 months has been on improving the quality of our European performance and structure. We have been successful in our target of retaining customers and have not lost any large customers during the period and there has been a substantial improvement in the profitability of the business. One contract renewal involving a major customer was achieved during the period under review which did involve a competitive tender. Segmental analysis of Dry Bulk shows an operating profit improvement from 5% in the 6 months to September 2007 to 6.4% in the current period. This has been achieved by focus on customer service and a proactive approach to commercial rate discussions. We have improved our management of operational cost increases, such as fuel costs which continue to increase, to ensure we are not impacted by material timing issues on passing these costs on to our customers. The framework agreements we have with our larger customers include fuel escalation clauses thus providing a mechanism for rate adjustment. This equitable position for the group and our customers requires the foundation of excellent customer service and we are very focused on this objective.

Our Dry Bulk business was founded on and is still focused on the Polymer market. There has been higher levels of volatility of demand from our customers due to their own market challenges plus strategies for specific operating plants around Europe and our volume (in terms of number of loads) has fallen slightly, although this has been offset by improved rates, such that our profitability has improved. The volatility that we have experienced reinforces our strategy of identifying new markets and reducing our reliance on the Polymer market. There are other large volume dry bulk materials that can be moved using our intermodal technologies both chemical and food. We have already established a Food division which has continued to see growth in the current period mainly from the Sugar market and we continue to look to expand into new areas.

We currently operate 6 on-site terminals for customers in Europe. This value added service is an important part of our strategy to ensure we provide a total supply chain solution. In the last 6 months the activity level has increased from these 6 European sites and delivered improved profitability. We are currently working with a number of customers on potential new developments in this area.

Asia – Dry Bulk

The dry bulk business started by United Transport Bulk ("utb") was in direct competition to the joint venture UBC has in Malaysia. Discussions with the joint venture partner did not prove satisfactory and we are in the process of terminating the joint venture agreement and taking direct control of the dry bulk business in the region. We had expected a small positive contribution from this business, instead a small operating loss has arisen in the 6 month period.

ISO-Veyors Dry Bulk

The ISO-Veyor technology continues to grow in terms of customer awareness and technological acceptance. We continue to invest in the business in terms of internal resources and R&D as we believe this technology can provide a unique solution for many of our customers. During the period we secured a 40 unit order from our alliance partners, Norbert Dentressangle. These units started to come into service from May 2008 providing intermodal deliveries of cement in Europe for the largest cement company in the world. This is the first large project in mainland Europe and represents a valuable reference for others to follow. We still include a capital sales option for this technology and we are currently working on a number of interesting prospects, although the conversion of these to orders has taken longer than expected and predicting the exact timing of order bookings remains difficult. Overall, this business has incurred an operating loss of £0.3m during the last 6 months.

Europe - Liquid Bulk

Our liquid bulk business in Europe has grown by 10% from the 6 months to September 2007. Our business mix has also changed slightly from prior periods with more containers being utilised on Inter-Continental moves as opposed to Intra-European activity. The Intra-European market has shown a downward economic trend which resulted in lower general activity across the full European transportation sector in the second quarter of our financial year. Our ability to adapt to this with a flexible and integrated European and global fleet has allowed our utilisation of equipment to remain high and for profitability to grow. The decline of the Intra-European activity was more than compensated for by increases in European Inter-Continental activity. Fuel costs kept rising world-wide and reached an all time high in previous months. A positive development from the prior period is that we have managed to reach agreement with our customers on an equitable basis for reflecting these costs in our rates.

Asia - Liquid Bulk

We continued to achieve positive growth in Asia with a growth of 25% from the 6 months to 30 September 2007. Following the major trend in the chemical industry our business is concentrating more on the North East Asia region where China is our largest export country. Also in this area a natural imbalance of more exported than imported volume has an effect on our balance of flows. The mix between our Intra-Asian, our new domestic Chinese traffic flows and Inter-Continental business provide us with opportunities to mitigate the imbalance and let us concentrate on taking advantage of the equipment shortage by increasing our rate level reflecting the imbalance and thus safeguarding our margins.

Americas - Liquid Bulk

Our Americas business continues to be profitable, however as highlighted in the annual report we reported that the lack of containers going to the Americas was creating challenges in terms of the balance of our equipment. Over the last 6 months we have improved the balance but a shortage of equipment in the USA is still causing operational challenges. The increased activity in our South America business had a positive effect on our traffic flows and resulted in two way loaded traffic between North and South America. We have been successful in improving the rates on export business from the USA to Europe and Asia which is positive in terms of allowing us to meet these operational challenges from other regions. The revenue from the Americas in the last 6 months has grown by 16% from the 6 months to 30 September 2007.

While the above commentary on the Liquid Bulk activities is described by geography, the tank container liquid bulk business is global and performance of the regions (Europe, Asia and the Americas) is characterised by interdependency. Traffic flows and prices are monitored closely both centrally and regionally by our fleet management function and pricing is used as the main tool in controlling the balance. Despite the focus on fleet balance the tightness on equipment availability is manifesting itself in nearly all our geographic areas and supports the requirement for additional investments in our liquid bulk fleet.

Flexi-tanks liquid

We continued to penetrate the flexi-tank sector in Asia. Flexi-tanks are a rapidly growing market with low capital cost requirements. As a result, we believe this represents an important organic growth area. However, we are still in the development phase and recorded a small operating loss in the 6 month period.

Net Debt

The Group has net debt (defined as bank loans, overdrafts and obligations under finance leases less cash and cash equivalents) at 31 March 2008 of £105.8m (30 September 2007: £96.2m).

This net debt position is split as:

	31 March 2008 £'000	30 September 2007 £'000
Bank of Scotland senior debt	84,564	79,090
Other bank loans	2,580	2,384
Asset finance lease creditor	25,855	22,143
Less: Cash and cash equivalents	(7,243)	(7,401)
	105,756	96,216

During the 6 months to 31 March 2008 we have continued to make all scheduled loan repayments. The increase in our net debt position is driven by the Euro/£ exchange rate movement as the majority of our financial liabilities are denominated in Euros. The majority of this increase is recorded in the consolidated balance sheet and reserves along with the increase in the value of certain assets. However, there is a charge of £3.2m in the Income Statement associated with an unrealised non-cash exchange loss on the translation of an element of the loans. A change in designation of this Euro loan to a balance sheet hedge will be adopted after the period end. The increase in our GBP debt position did require us to review our bank facility as it impacted future maximum leverage ratios. This review has been positively concluded with amendments to our bank facility. The result is a revised facility which provides us with long-term stability but did require some adjustment to the terms of the senior debt package. This includes a reclassification of €7m from our term debt to second lien debt plus a small increase in our bank margins charged.

Outlook

We are seeing positive sustainable results from our change programme and expect to see further improvements in the second half of this year and for several years to come.

The core business in Europe has performed well over the last 6 months and the changes we have made to management and organisation will stand us in good stead for the coming period. Whilst we have experienced a slow down in main trade flows around Europe which is consistent with the European wide transport sector we are able to compensate for this on our Liquid Bulk business by the fact we have a flexible business model and a global fleet. Overall, we believe that volumes in Europe may be lower than expected in the next 6 months but we are actively working to minimise the effect on the whole business by expanding our geographic reach and growing other areas of our operations.

Asia and the Americas have seen strong growth in the last 6 months and we believe this will remain strong in the next 6 months. We are working on a number of business initiatives around the world including rapidly expanding economies such as China and Russia. During the period InterBulk won its first domestic customer contract in China for the distribution of bulk chemicals for 3 to 5 years. We are building up a strong team in our offices in Beijing and Shanghai and expect to see further contract wins in liquid bulk and to start to establish the foundations for our first dry bulk business. In Russia we are establishing a company to take on the increasing levels of business that we have been enjoying in the last 6 to 12 months.

InterBulk continues to invest in new technologies to add to our portfolio such as Flexi-Tanks and ISO-Veyors. Flexi-Tanks are going through a fast growing phase of development and we want to be in a position to offer this service to our customers on a global basis. InterBulk also enjoyed some success with our ISO-Veyor technology during the period although the pick-up in orders has been slower than wished. Today we have a number of exciting opportunities for the ISO-Veyor technology that if secured should make a positive contribution.

Chairman's Statement (continued)

Transportation of chemicals in Europe is closely associated with economic activity, GDP and growth of the chemical industry output. Historically, transportation of goods has grown at least as fast as GDP. GDP growth in Europe is forecast to grow at 2.6% in 2008 while the European petrochemicals growth is forecast at approximately 2.7% and polymers, the main product we carry in our dry bulk business in Europe, is forecast a growth of 1.7%. In the developing countries the growth rates are higher. The Middle East has rapid expansion of production capacity based on the low cost feed-stocks and large scale facilities. We believe the majority of production will be exported first to Asia and then to Europe and we are developing deep sea solutions to capture these flows.

The oil price has doubled in the last 12 months requiring a pro-active approach with our customers to pass on fuel price increases in a timely manner. We believe a sustained high oil price will encourage more producers and receivers to transport their raw materials in bulk to reduce transportation costs and will increase the drive towards intermodal transport which is also much more fuel efficient. For InterBulk other factors also positively influence its potential such as the growth of intermodal freight transport is attributed to congestion on roads, driver shortage, the expected increase in road transportation costs (mainly because of fuel increases and driver wages), the environmental issues and the proliferation of driving restrictions on heavy goods vehicles on designated roads. There continue to be challenges in the current environment with short term issues, especially in Europe, and higher interest costs. Despite continued progress on financial performance and our programme of change there are short-term volume volatility issues, especially in Europe, that are likely to mean our growth expectations may be lower than expected in the short-term. We still expect a continued improvement in our revenue growth and profitability in the next 6 months but given recent market trends the speed of growth is likely to be lower than our plans. In addition, we expect our interest costs to be slightly higher. Our programme for change is resulting in improved operating efficiencies and our growth drivers, including higher fuel costs, are still positive. Accordingly, InterBulk remains optimistic about delivering continued positive progress regarding the Group's long-term prospects.



William Thomson
Executive Chairman

9 June 2008

Consolidated Income Statement

For the 6 months ended 31 March 2008 (unaudited)

	Notes	6 months to 31 March 2008 (unaudited) £'000	6 months to 31 March 2007 (unaudited) £'000	Year to 30 September 2007 (audited) £'000	6 months to 30 September 2007 (unaudited) £'000
Revenue	3	121,696	52,264	162,129	109,865
Cost of sales		(104,240)	(44,071)	(139,402)	(95,331)
Gross profit		17,456	8,193	22,727	14,534
Administrative expenses		(10,705)	(4,811)	(14,542)	(9,731)
Operating profit before exceptional items	3	6,751	3,382	8,185	4,803
Analysed as:					
Operating profit before exceptional items, depreciation & amortisation		10,915	4,828	14,305	9,477
Depreciation of tangible assets		(3,973)	(1,412)	(5,909)	(4,497)
Amortisation of intangible assets		(191)	(34)	(211)	(177)
Exceptional items		-	-	(849)	(849)
Operating profit		6,751	3,382	7,336	3,954
Finance income		167	77	319	242
Finance expenses	4	(5,333)	(1,879)	(6,342)	(4,463)
Profit/(loss) before taxation, unrealised exchange loss on loans and finance expense exceptional items		1,585	1,580	1,313	(267)
Finance expenses – exchange loss on loans	4	(3,207)	-	(600)	(600)
(Loss)/profit before taxation and finance expense exceptional items		(1,622)	1,580	713	(867)
Exceptional items	4	-	-	(717)	(717)
(Loss)/profit before taxation		(1,622)	1,580	(4)	(1,584)
Taxation	6	486	(474)	279	753
(Loss)/profit for the period		(1,136)	1,106	275	(831)
Earnings per share (pence)					
- Basic	5	(0.37p)	1.1p	0.14p	(0.29)p
- Diluted	5	(0.37p)	1.1p	0.14p	(0.29)p

Prior period comparatives

The 6 month period to 31 March 2007 is prior to the acquisition of United Transport International Ltd ("UBC") on 10 April 2007. As a result, it does not represent a relevant comparative to the current period. The year to 30 September 2007 only includes the results of the UBC acquisition from 10 April 2007 so does not represent the enlarged group annual performance. As a result, it is believed that the 6 months to 30 September 2007 is the most appropriate comparison to understand the current period results to 31 March 2008. Accordingly this period is shown in the consolidated income statement above

Consolidated Statement of Recognised Income and Expenses

For the 6 months ended 31 March 2008 (unaudited)

	6 months to 31 March 2008 (unaudited) £'000	6 months to 31 March 2007 (unaudited) £'000	Year to 30 September 2007 (audited) £'000	6 months to 30 September 2007 (unaudited) £'000
Net exchange differences on retranslation of foreign operations	4,097	(111)	362	473
Net losses on net investment hedge taken to equity	(1,470)	(8)	(383)	(375)
Net gains on cashflow hedge taken to income statement net of tax	-	-	80	80
Net (losses)/gains on cashflow hedge taken to equity, net of tax	(558)	153	(452)	(605)
Actuarial gains/(losses) on retirement benefit obligations	81	93	48	(45)
Movement of deferred tax on retirement benefit obligations	28	(28)	(12)	16
Net gains/(losses) not recognised in income statement	2,178	99	(357)	(456)
(Loss)/profit for the financial period	(1,136)	1,106	275	(831)
Total recognised income/(expense) for the period	1,042	1,205	(82)	(1,287)

Consolidated Balance Sheet

At 31 March 2008 (unaudited)

	Notes	31 March 2008 (unaudited) £'000	31 March 2007 (unaudited) £'000	30 September 2007 (audited) £'000
ASSETS				
Non-current assets				
Goodwill		118,922	49,343	113,212
Other intangible assets		4,222	900	4,342
Property, plant and equipment		62,935	28,301	57,705
Deferred tax assets		434	332	434
Investments		46	-	46
Retirement benefit assets		-	-	133
		186,559	78,876	175,872
Current assets				
Inventories		4,607	152	3,054
Trade and other receivables		40,701	16,885	38,195
Financial assets		-	114	-
Current tax		943	-	1,158
Cash and cash equivalents		7,243	4,202	7,401
		53,494	21,353	49,808
Total assets		240,053	100,229	225,680
LIABILITIES				
Current liabilities				
Financial liabilities		(11,220)	(4,184)	(9,960)
Trade and other payables		(60,769)	(22,146)	(56,348)
Current tax liabilities		-	(411)	-
		(71,989)	(26,741)	(66,308)
Non-current liabilities				
Financial liabilities		(103,286)	(46,931)	(94,916)
Deferred tax liabilities		(5,002)	(2,285)	(5,811)
Retirement benefit obligations		(75)	(779)	-
		(108,363)	(49,995)	(100,727)
Total liabilities		(180,352)	(76,736)	(167,035)
Net assets		59,701	23,493	58,645
SHAREHOLDERS' EQUITY				
Ordinary shares	8	30,289	9,789	30,289
Share premium	8	26,431	8,079	26,431
Earn-out shares	8	-	3,850	-
Consideration warrants	8	1,424	-	1,424
Retirement benefit obligations reserve	8	169	89	60
Share option reserve	8	41	14	27
Cumulative translation reserve	8	2,618	(107)	(9)
Hedge reserve	8	(1,004)	79	(446)
Retained earnings	8	(267)	1,700	869
Total equity attributable to shareholders		59,701	23,493	58,645

Consolidated Cash Flow Statement

For the 6 months ended 31 March 2008 (unaudited)

	Notes	6 months to 31 March 2008 (unaudited) £'000	6 months to 31 March 2007 (unaudited) £'000	Year to 30 September 2007 (audited) £'000
Cashflows from operating activities				
Cash generated from operations	7	10,608	1,841	13,438
Tax received/(paid)		215	2	(465)
Net cash flow from operating activities		10,823	1,843	12,973
Cashflows from investing activities				
Interest received		167	53	319
Sale of property, plant and equipment		29	20	115
Payment of deferred consideration		(543)	(509)	(509)
Acquisition of subsidiary		-	(309)	(4,702)
Cash acquired on purchase of subsidiary		-	5	(1,531)
Purchases of property, plant and equipment (net of finance lease)		(1,326)	(581)	(1,376)
Payments to acquire intangible fixed assets		(10)	-	(27)
Net cash flow from investing activities		(1,683)	(1,321)	(7,711)
Cashflows from financing activities				
Interest paid		(5,405)	(1,805)	(6,100)
Proceeds from share issues (net of expenses)		-	-	25,853
Proceeds from borrowings		-	342	78,622
Repayment of borrowings		(987)	(634)	(100,238)
Repayment of capital element of finance leases		(3,281)	(974)	(2,945)
Finance lease proceeds from refinancing of equipment		-	-	340
Net cash flow from financing activities		(9,673)	(3,071)	(4,468)
(Decrease)/increase in cash and cash equivalents		(533)	(2,549)	794
Effect of exchange rates on cash and cash equivalents		375	199	55
Cash and cash equivalents at the beginning of the period		7,401	6,552	6,552
Cash and cash equivalents at the end of the period		7,243	4,202	7,401

Notes to the Interim Financial Statements

1. Basis of preparation

The interim financial information has been prepared in accordance with the AIM Rules for companies and has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. As permitted, the Group has chosen not to adopt IAS 34 – Interim Financial Statements, in preparing these interim financial statements, and therefore this information is not wholly compliant with International Financial Reporting Standards.

The interim financial statements are unaudited and do not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The interim financial report should be read in conjunction with the financial statements for the year ended 30 September 2007.

The statutory accounts for the year ended 30 September 2007 have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under either Section 237(2) or 237(3) of the Companies Act 1985.

2. Accounting policies

The accounting policies adopted are consistent with those of the financial statements for the year ended 30 September 2007 and are applied as described on pages 32 to 39 in those financial statements.

3. Segment information

The Directors consider that the risks and rates of return are strongly affected by both differences in its services and differences in the geographical areas in which it operates. The Directors consider that there are two business segments being the provision of logistics services for Dry Bulk material and Liquid Bulk material. Other activities such as capital sales of specialist dry bulk containers ("ISO-Veyors") are business segments, but are below 10% of the Group's activity, and therefore are not reportable segments.

The operations are based on three geographical areas. The analysis by geographical area of the Group's turnover and segment result is set out below. The sales analysis set out below is based on the location where the order is received and invoiced and where the assets are located.

6 months to 31 March 2008

Geographic

	Europe £'000	Americas £'000	Asia £'000	Total £'000
Revenue				
Sales to external customers	105,361	9,022	7,313	121,696
Results				
Segment result	6,238	582	324	7,144
Unallocated expenses				(393)
Group operating profit				6,751
Net finance expenses				(8,373)
Loss before taxation				(1,622)
Taxation				486
Net loss for the period				(1,136)

Business

	Dry Bulk £'000	Liquid Bulk £'000	Others £'000	Total £'000
Revenue				
Sales to external customers	62,154	58,925	617	121,696
Results				
Segment result	4,039	3,422	(317)	7,144
Unallocated expenses				(393)
Group operating profit				6,751
Net finance expenses				(8,373)
Loss before taxation				(1,622)
Taxation				486
Net loss for the period				(1,136)

Notes on the Interim Financial Statements (continued)

3. Segment information (continued)

6 months to 31 March 2007

Geographic

	Europe £'000	Americas £'000	Asia £'000	Total £'000
Revenue				
Sales to external customers	39,314	7,869	5,081	52,264
Results				
Segment result	3,084	506	106	3,696
Unallocated expenses				(314)
Group operating profit				3,382
Net finance expenses				(1,802)
Profit before taxation				1,580
Taxation				(474)
Net profit for the period				1,106

In the period to 31 March 2007 the Directors considered there to be only one business segment being the provision of logistics services for liquid bulk activities. Consequently, no business segments were presented.

Year to 30 September 2007

Geographic

	Europe £'000	Americas £'000	Asia £'000	Total £'000
Revenue				
Sales to external customers	135,554	15,680	10,895	162,129
Results				
Segment result before exceptional items	8,658	455	(84)	9,029
Exceptional items	(600)	(149)	(100)	(849)
Segment result after exceptional items	8,058	306	(184)	8,180
Unallocated expenses				(844)
Group operating profit (after exceptional items)				7,336
Net finance expenses (including exceptional items)				(7,340)
Loss before taxation				(4)
Taxation				279
Net profit for the period				275

Business

	Dry Bulk £'000	Liquid Bulk £'000	Others £'000	Total £'000
Revenue				
Sales to external customers	58,388	101,556	2,185	162,129
Results				
Segment result before exceptional items	2,903	6,417	(291)	9,029
Exceptional Items	(125)	(724)	-	(849)
Segment results after Exceptional Items	2,778	5,693	(291)	8,180
Unallocated Expenses				(844)
Group Operating profit (after exceptional items)				7,336
Net Finance Expenses (including exceptional items)				(7,340)
Loss before taxation				(4)
Taxation				279
Net profit for the year				275

6 months to 30 September 2007

Geographic

	Europe £'000	Americas £'000	Asia £'000	Total £'000
Revenue				
Sales to external customers	96,240	7,811	5,814	109,865
Results				
Segment result before exceptional items	5,574	(51)	(190)	5,333
Exceptional Items	(600)	(149)	(100)	(849)
Segment result after Exceptional Items	4,974	(200)	(290)	4,484
Unallocated Expenses				(530)
Group Operating profit (after exceptional items)				3,954
Net Finance Expenses (including exceptional items)				(5,538)
Loss before taxation				(1,584)
Taxation				753
Net loss for the period				(831)

Business

	Dry Bulk £'000	Liquid Bulk £'000	Others £'000	Total £'000
Revenue				
Sales to external customers	58,388	49,292	2,185	109,865
Results				
Segment result before exceptional items	2,903	2,721	(291)	5,333
Exceptional Items	(125)	(724)	-	(849)
Segment results after Exceptional Items	2,778	1,997	(291)	4,484
Unallocated Expenses				(530)
Group Operating profit (after exceptional items)				3,954
Net Finance Expenses (including exceptional items)				(5,538)
Loss before taxation				(1,584)
Taxation				753
Net loss for the period				(831)

4. Finance Expenses

	6 months to 31 March 2008 £'000	6 months to 31 March 2007 £'000	Year to 30 September 2007 £'000	6 months to 30 September 2007 £'000
Interest payable on bank loans and overdrafts	4,283	1,319	4,877	3,558
Amortisation of deferred finance costs	130	59	188	129
Finance charges payable under finance leases and hire purchase contracts	916	482	1,268	786
Interest on pension scheme assets / liabilities	4	19	9	(10)
Finance expense (before unrealised exchange loss and exceptional items)	5,333	1,879	6,342	4,463
Unrealised exchange loss on long term bank debt	3,207	-	600	600
Finance expense (before exceptional items)	8,540	1,879	6,942	5,063
Exceptional Item	-	-	717	717
Total finance expense	8,540	1,879	7,659	5,780

Notes on the Interim Financial Statements (continued)

4. Finance expenses (continued)

Included in the finance expense is an unrealised non-cash exchange loss of £3.2m (year to 30 September 2007: £0.6m) on an element of long-term debt denominated in Euros to create a hedge against annual Euro trading income. This has not proven to be effective due to the large variance between the average exchange rate and the closing rate. In addition, the loan value designated as a hedge was based on an estimate of the annual Euro income thus the half year position is not a comparable basis. The associated bank loan is repayable on the 31 March 2014 so any exchange movements are 6 years away from becoming realised unless an earlier redenomination was deemed appropriate. A change in designation of this Euro loan to a balance sheet hedge will be adopted after the period end. This unrealised non-cash exchange loss also includes a £0.5m unrealised exchange loss (year to 30 September 2007: £nil) relating to some asset finance which is maintained in currencies other than sterling to match cash inflows.

The group's bank loans are borrowed at floating rates of interest and can use forward rate agreements or interest rate swaps to generate the desired interest profile and to manage the group's exposure to interest rate fluctuations. At 31 March 2008, 91% (30 September 2007: 90%) of the Group's financial liabilities were at fixed rates after taking account of interest rate swaps.

5. Earnings per ordinary share

The basic earnings per share are calculated by dividing the profit for the financial period attributable to shareholders by the weighted average number of shares in issue. In calculating the diluted profit per share, warrants and options outstanding have been taken into account.

	6 months to 31 March 2008 £'000	6 months to 31 March 2007 £'000	Year to 30 September 2007 £'000	6 months to 30 September 2007 £'000
(Loss)/profit for the period (£'000)	(1,136)	1,106	275	(831)
The weighted average number of shares were (number)	302,892,041	97,892,040	194,494,780	290,569,637
Effect of outstanding warrants / options	-	-	-	-
Adjusted weighted average number of ordinary shares (number)	302,892,041	97,892,040	194,494,780	290,569,637
Basic (loss)/profit per share (pence)	(0.37p)	1.1p	0.14p	(0.29p)
Diluted (loss)/profit per share (pence)	(0.37p)	1.1p	0.14p	(0.29p)

In all of the above periods the effects of outstanding warrants and options increase the profit per share and thus are anti-dilutive. As a result, the diluted profit per share is the same as the basic profit per share. The outstanding warrants and options are not added to the adjusted weighted average number of ordinary shares.

InterBulk Group plc assesses the performance of the Group by adjusting earnings per share, calculated in accordance with IAS 33, to exclude items it considers to be non-recurring and believes that the exclusion of such items provides a better comparison of business performance. The calculation of earnings per ordinary share on this basis is based on the following adjusted earnings:

	6 months to 31 March 2008 £'000	6 months to 31 March 2007 £'000	Year to 30 September 2007 £'000	6 months to 30 September 2007 £'000
(Loss)/profit for the period (£'000)	(1,136)	1,106	275	(831)
Exclude administrative cost exceptional items (net of attributable taxation)	-	-	594	594
Exclude exchange loss on loans (net of attributable taxation)	2,245	-	420	420
Exclude finance cost expense exceptional items (net of attributable taxation)	-	-	502	502
Exclude amortisation of intangible assets	191	34	211	177
Adjusted earnings	1,300	1,140	2,002	862
An adjusted earnings per share figure is presented below:				
Adjusted basic earnings per share (pence)	0.43p	1.2p	1.03p	0.30p
Adjusted diluted earnings per share (pence)	0.43p	1.2p	1.03p	0.30p

6. Taxation

The taxation charge for the period is based on an estimate of the Group's expected annual effective rate of tax for the year to 30 September 2008 which is currently estimated to be 30% (6 months to 31 March 2007 : 30%).

7. Cashflows from operations

	6 months to 31 March 2008 £'000	6 months to 31 March 2007 £'000	Year to 30 September 2007 £'000
Net (loss)/profit	(1,136)	1,106	275
Adjustments for:			
Taxation	(486)	474	(279)
Depreciation	3,973	1,412	5,213
Impairment of other fixed assets	-	-	696
(Profit)/loss on disposal of property plant & equipment	(29)	2	96
Amortisation of intangibles			
assets: patents	191	34	211
Finance income	(167)	(77)	(319)
Finance expenses	8,540	1,879	7,659
Non cash element of retirement benefit obligations	-	26	-
(Increase)/decrease in inventories	(1,305)	1,121	1,237
Increase in trade & other receivables	(3,099)	(2,060)	(3,447)
Increase in retirement benefit obligations	-	-	(890)
Increase/(decrease) in payables	4,126	(2,076)	2,986
Cash generated from operations	10,608	1,841	13,438

Notes on the Interim Financial Statements (continued)

8. Reconciliation of movements in equity

	Equity share capital £'000	Share premium account £'000	Consideration Warrants £'000	Earn-out shares £'000	Performance Share Plan £'000	Retirement benefit obligation reserve £'000	Cumulative translation adjustment £'000	Hedge reserve £'000	Retained earnings £'000	Total equity £'000
At 31 March 2007	9,789	8,079	-	3,850	14	89	(107)	79	1,700	23,493
Total recognised income and expense for the period	-	-	-	-	-	(29)	98	(525)	(831)	(1,287)
Performance Share Plan	-	-	-	-	13	-	-	-	-	13
Warrant Consideration	-	-	1,424	-	-	-	-	-	-	1,424
Allotted for cash	14,000	14,000	-	-	-	-	-	-	-	28,000
Expenses of Issue	-	(2,148)	-	-	-	-	-	-	-	(2,148)
Shares Issued as Consideration	6,500	6,500	-	-	-	-	-	-	-	13,000
Earn-out Shares	-	-	-	(3,850)	-	-	-	-	-	(3,850)
At 30 September 2007	30,289	26,431	1,424	-	27	60	(9)	(446)	869	58,645
Total recognised income and expense for the period	-	-	-	-	-	109	2,627	(558)	(1,136)	1,042
Performance Share plan	-	-	-	-	14	-	-	-	-	14
As at 31 March 2008	30,289	26,431	1,424	-	41	169	2,618	(1,004)	(267)	59,701

IFRS 2 "Share-based Payments" requires the recognition of share-based payments (which in the case of the group during the period are share options only) at fair value at the date of grant. The exercise price of the options is 20 pence. The options vest after 3 years. The number of options that vest depends on the growth of the Company's earning per share compared to CPI. The fair value of the options to be expensed has been determined by a Black-Scholes option pricing model using a volatility factor of 64% and an option life of 3 years as the significant assumptions.

9. Interim Statements

This interim statement is being sent to all shareholders and is available on the Company's website. Copies may be obtained from the Company Secretary at the Registered Office of the Company: One London Wall, London, EC2Y 5AB.

Independent review report to InterBulk Group plc

Introduction

We have been engaged by the directors of InterBulk Group plc (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2008 which comprises the consolidated interim balance sheet as at 31 March 2008 and the related consolidated interim statements of income, cash flows and changes in statement of recognised income and expenses for the six months then ended and related 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.

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 AIM Rules for Companies which require that the financial information must be presented and prepared in a form consistent with that which will be adopted in the company's annual financial statements.

This interim report has been prepared in accordance with the basis set out in Note 1.

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. This report, including the conclusion, has been prepared for and only for the company for the purpose of the AIM Rules for Companies and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 United Kingdom. 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 2008 is not prepared, in all material respects, in accordance with the basis set out in Note 1 and the AIM Rules for Companies.



PricewaterhouseCoopers LLP

Chartered Accountants
Glasgow

9 June 2008

- a) The maintenance and integrity of the InterBulk Group plc website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

