News Release

Avon Rubber p.l.c.

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Strictly embargoed until 07:00 29 November 2007

Avon Rubber p.l.c.

Preliminary results for the year ended 30 September 2007

	30 Sept 2007 £Millions	30 Sept 2006 £Millions
CONTINUING OPERATIONS		
Revenue	**66.7**	63.1
Operating profit/(loss) before exceptional items	**1.2**	(0.1)
Operating profit after exceptional items	**1.2**	2.5
Profit/(loss) for the year	**2.2**	(0.8)
PROFIT/(LOSS) FOR THE YEAR	**1.1**	(19.1)
EARNINGS/(LOSS) PER SHARE		
Basic	**3.9p**	(68.9)p
Continuing operations	**7.9p**	(2.1)p
Diluted	**3.8p**	(68.9)p
DIVIDENDS PER SHARE	**8.5p**	8.5p

- Dividend maintained
- Full rate production decision reached by DoD for the new JSGPM respirator
- US approval for Viking Z Seven product
- Engineered Fabrications performed extremely well
- Dairy business delivered an improved performance
- Planned exit from mixing facility

Commenting on the results, Terry Stead, Chief Executive said: "Since the interim announcement, the Group has reached a number of significant milestones. The second half of 2007 has shown improvement over the first half. With the approval of the new product at Avon-ISI and once the full rate production starts at our Cadillac facility, we expect this to continue. The Board is confident that this, together with continued investment in new product development, will lead to a period of sustainable and profitable growth for the Group."

For further enquiries, please contact:

Avon Rubber p.l.c

Terry Stead, Chief Executive	020 7067 0700
Peter Slabbert, Group Finance Director	(until 2.00pm)
	From 30 November: 01225 896 831
Fiona Stewart, Corporate Communications Executive	01225 896 871

Weber Shandwick Financial

Richard Hews	020 7067 0700
Rachel Martin	
Hannah Marwood	

An analyst meeting will be held at 09:15 for 09:30 am this morning at the offices of Weber Shandwick Financial, Fox Court, 14 Gray's Inn Road, London, WC1X 8WS

NOTES TO EDITORS: Avon Rubber p.l.c. is an international polymer engineering group adding value through material, manufacturing and industry sector expertise. The Group is currently capitalised at approximately £47 million. Avon supplies a range of advanced CBRN respiratory protection solutions through Avon Protection Systems Inc. to the world's military and police forces, as well as first responders and emergency services. Avon Rubber p.l.c. owns Avon-ISI, which designs, develops and manufactures a range of SCBA equipment for fire, rescue and law enforcement, as well as military applications. Avon Rubber p.l.c. also owns Avon Engineered Fabrications manufacturing products including hovercraft skirting and flexible storage tanks, an aerosol gasket business and a world leading dairy business manufacturing dairy liners and tubing.

AVON RUBBER p.l.c.

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2007

INTRODUCTION

The Group has made significant progress this year following our major restructuring in 2006, including the exit from the Automotive market and decision to focus on our chosen Protection and Defence and Dairy markets. In particular, the full rate production (FRP) decision has been made by our major customer, the US Department of Defence (DoD), for the new Joint Service General Purpose Mask (JSGPM) military respirator. This will generate sustainable long term revenue for the Group. Whilst we have yet to realise the full financial benefits of these changes the Group has returned to profit in the year with a profit for the year from continuing operations of £2.2 million (2006: £0.8 million loss) and the Board is recommending an unchanged dividend.

The Engineered Fabrications operation performed well during the year and we experienced strong demand for our legacy respirators manufactured in the UK. We have also made considerable progress on the JSGPM contract. Importantly the FRP decision was made in September, allowing the DoD to exercise this portion of its contract with us and commence full rate production under the new designation M50. Introduction to service is expected before the end of the calendar year. The first multi-year order is planned at a rate of 100,000 masks per annum for an initial contract period of five years with additional orders for both masks and spares to follow. It is anticipated that orders in the first year will exceed $40 million. Less positively, the UK police did not take expected quantities of our new EH20 emergency hood, the fire market for our self contained breathing apparatus (SCBA) products was weak in the US and we experienced significant production start up delays and costs in the new Cadillac facility.

The Dairy business performed strongly particularly in the European market. The profit and cash generated from this business continues to underpin our plans for Protection and Defence. The losses in our other operations remain a concern and with the plans to eliminate losses at our UK Mixing facility proving unsuccessful, we have committed to the sale of this entity at the earliest opportunity. If a solution cannot be reached we will close this facility.

RESULTS

Revenue on continuing business increased by £3.6 million (5.7%) to £66.7 million from £63.1 million in 2006. The first half year is up 2.4% on the corresponding period last year and the second half year, 9.6% higher than the previous year. We delivered an operating profit on continuing business of £1.2 million (2006: £0.1 million loss before exceptional items) in the year. The second half profit of £1.3 million improved on the £0.1 million loss in the first half year and the £1.5 million loss in the second half of 2006.

Net interest costs reduced to £0.8 million (2006: £3.4 million) on lower average net debt levels following the disposal of Automotive in August 2006. The finance credit arising from the accounting for pensions increased by £0.3 million to £2.5 million (2006: £2.2 million) with a lower UK pension scheme deficit at the start of the year and lower US retirement obligations with the reduced US workforce. This pension credit will reduce in 2008 with changed actuarial assumptions. This resulted in a profit before tax on continuing business of £2.9 million (2006: £1.2 million) and a profit after tax of £2.2 million (2006: £0.8 million loss). The loss on discontinued business was £1.1 million (2006: £18.3 million) giving a Group profit for the year of £1.1 million (2006: £19.1 million loss).

The earnings per share on continuing operations was 7.9p (2006: 2.1p loss).

Net debt increased from £1.1 million at the 2006 year end to £10.4 million at 30 September 2007. Cash outflows in the first half held over from the sale of the Automotive business, the sale of our UK property and restructuring charges - all reflected in the 2006 report and accounts - amounted to £3.4 million. Capital investment remained high at £5.3 million (2006: £14.8 million) primarily relating to fixed assets in the Cadillac facility and the development of our filter and respiratory protection product range. We will continue to invest in order to access additional markets with a more comprehensive product range. This investment will be at a lower rate in the future with the focus being on product development rather than capital equipment. Existing facilities are well equipped with sufficient capacity to meet short term growth targets.

Working capital increased in the year due to both the increased level of business and the delay in year end low rate initial production (LRIP) deliveries.

Following the disposal of Automotive in 2006, the Group has amended the primary segmental analysis to reflect the remaining business sectors of Protection and Defence, Dairy and Other Engineered Products.

PROTECTION AND DEFENCE

The Protection and Defence segment includes our respiratory protection businesses in the US and UK together with our US based fabrications operation, representing in total 57% of Group revenues. Revenue of £37.8 million (2006: £32.4 million) grew by 17%. A loss of £1.0 million (2006: £0.2 million) was incurred although the reduced loss of £0.2 million in the second half of the year (2006: £1.1 million) was an improvement compared with the first half loss of £0.8 million (2006: £0.9 million profit).

Revenue growth was achieved in the fabrications business where military demand for our Nitrile tank products increased. This has resulted in improved profitability at this operation. We are optimistic that this trend will continue and that profitable long term revenue streams will be secured from these products although the risks associated with long term contracts, most notably the unpredictability of contract start dates, may increase.

The new Cadillac facility supplied the initial LRIP order of M50 military respirators and further follow-on orders from the DoD for the M53 derivative as well as some commercial sales of the C50 variant for which we obtained National Institute of Occupational Safety and Health (NIOSH) and CE approval. Production of the follow-on LRIP order was achieved to schedule in the second half year but deliveries were deferred until after the year end pending completion of final production testing. One of the purposes of LRIP orders prior to the long term production order is to test and prove the product design and production capability in a normal production environment. Successful completion of this led to the FRP decision being made by the DoD in September. Achieving this required greater than expected resources, particularly in the first quarter of the financial year. We did, however, make rapid progress during the second quarter towards achieving targeted manufacturing process efficiencies and production costs in the second half year were significantly lower. The consistent demand of the multi-year contract together with an increase in volumes will drive further efficiency improvements in 2008.

Our UK Protection operation was profitable despite the UK government not meeting its expected volume commitments for the newly introduced emergency hood. Discussions to resolve this continue. These shortfalls were offset by continuing demand for our existing S10 and FM12 products, particularly from the MOD and UK police. A memorandum of understanding entered into for the provision of respirators to the Turkish armed forces may well extend the life of these products significantly.

Challenging market conditions existed for much of the year for ISI which supplies SCBA to the fire services market in the US. Delays in the release of Federal grants throughout the 2006 calendar year and the introduction of new regulatory standards in September 2007 led to delays in procurement decisions.

In addition, approval for our Viking Z Seven product was only obtained in October 2007 which left us (and most of the competition) without approved product to sell in September. With the standard now in place and our product having achieved National Fire Protection Association (NFPA) certification, we expect demand at ISI to improve.

DAIRY

Our Dairy business delivered an improved performance this year despite the effect of a weaker dollar. Revenue was unchanged at £19.1 million with the negative effect of the weaker US dollar on revenues from our US business offsetting growth in the European operation. Operating profit increased to £3.0 million (2006: £1.6 million) with the revenue growth in Europe coming primarily from our higher margin own brand Milk-Rite products. This business also benefited from the lower cost base in our Hampton Park West facility following the restructuring last year. The consistent and improved delivery from this business reflects continued rigorous cost control and innovative product and marketing developments.

OTHER ENGINEERED PRODUCTS

This segment includes our aerosol gasket business and the remaining business machines products. The mixing operation is shown as assets held for sale and its results have been treated as discontinued. Revenue reduced to £9.8 million (2006: £11.6 million) with the significantly weaker US dollar slowing planned growth in sales of aerosol gaskets from our UK manufacturing base. Our remaining contract for business machines products ended in September 2007 with sales reducing in the second half in the run up to its termination. We will not be pursuing further activity in this market in line with our strategy of concentrating on our core businesses. The losses incurred reduced to £0.7 million (2006: £1.5 million) due to cost reductions. We will continue to seek strategies to eliminate losses in this area of business.

DIVIDENDS

The Board is recommending an unchanged final dividend of 4.8p per share payable on 4 February 2008 to holders of ordinary shares on the register at the close of business on 11 January 2008. With an interim dividend of 3.7p (2006: 3.7p), the total dividend is unchanged at 8.5p per share. The Board recognises that the dividend is not fully covered by current earnings but continues to believe that progress in current trading and opportunities available to the Group will lead to the restoration of adequate levels of cover in due course.

PENSIONS

After a number of years of final salary scheme pension deficits, highlighted by the requirement to account for these deficits on company balance sheets, it is especially pleasing to record the positive results of actions taken by the Group together with the Trustees of our schemes and market improvements. The net financial position of our retirement benefit obligations as measured under International Accounting Standard 19 Employee Benefits (IAS 19) had improved at the half year with the deficit reducing to £7.7 million from £14.6 million at September 2006, and this improvement has continued resulting in a surplus of £14.7 million at 30 September 2007. The triennial valuation of the UK fund on 1 April 2006 was also agreed during the financial year with improved asset returns together with the effects of recent actions leading to a fund surplus of £2.4 million (2003 valuation £45.4 million deficit) despite more prudent mortality assumptions. The Group will continue to work closely with the Trustees of the fund to manage this risk.

BOARD CHANGES

As the Group makes its transition to be focused on the Protection and Defence and Dairy markets, the Board has felt the need to alter its composition to reflect these changes. In particular we have sought independent directors with experience of operating in defence and related markets.

In January Sir Richard Needham was appointed as Chairman. Sir Richard was Northern Ireland Economy Minister for three years and UK Minister for Trade for a further three years. He was International Director for GEC Marconi for two years and a Non-Executive Director with Meggitt plc for five years. His experience is proving invaluable in supporting the changing Group.

In addition David Evans was appointed as a Non-Executive Director with effect from 1 June 2007. David is a Non-Executive Director of Chemring Group PLC, having previously been their Chief Executive during a period of significant growth. Earlier in his career he spent seventeen years with GEC-Marconi in the defence industry and has been a member of the Executive Committee of the Defence Manufacturers' Association for the last nine years.

Brian Duckworth, having completed his full five year appointed term as Non-Executive Director and latterly as Senior Independent Director and Chairman of the Remuneration Committee, steps down from the Board on 30 November 2007. His experience and contribution will be missed.

OUTLOOK

Since the interim announcement, the Group has reached a number of significant milestones.

In October 2007 we announced the FRP decision on our new military respirator by the US DoD. We also announced that we had received NFPA certification for our new SCBA product manufactured at Avon-ISI in Georgia. We further announced that, in the event we are unable to sell the Mixing facility, it will be closed.

The new range of military respirators for the US armed forces, together with the associated filters, is now in full production at Cadillac, Michigan. We expect the multi-year contract at an annual rate of 100,000 to be confirmed shortly with deliveries commencing in our second quarter, followed by additional requirement orders. At Avon-ISI we are seeing enquiries increasing for our NFPA approved product and expect this to lead to increased demand. We are continuing to develop exciting new products and are exploring new market opportunities to secure the long-term future.

Our Dairy business continues to perform strongly. Avon Hi-Life in Wisconsin, US had another good year and we have seen significant improvements in our European Dairy business. We expect both of these businesses to continue to perform at these levels.

The second half of 2007 has shown improvement over the first half. With the approval of the new product at Avon-ISI and once the full rate production starts at our Cadillac facility, we expect this to continue. The Board is confident that this, together with continued investment in new product development, will lead to a period of sustainable and profitable growth for the Group.

CONSOLIDATED INCOME STATEMENT

	Note	Year to 30 Sept 07 (unaudited) £'000	Year to 30 Sept 06 (unaudited) £'000
Continuing operations			
Revenue	2	66,715	63,112
Operating profit from continuing operations	2	1,238	2,466
Operating profit is analysed as:			
Before exceptional items		1,238	(79)
Exceptional operating items		-	2,545
Interest receivable		114	123
Interest payable		(915)	(3,493)
Other finance income		2,489	2,151
Profit before tax		2,926	1,247
Taxation	3	(717)	(2,045)
Profit/(loss) for the year from continuing operations		2,209	(798)
Discontinued operations			
(Loss) for the year from discontinued operations	4	(1,114)	(18,329)
Profit/(loss) for the year		1,095	(19,127)
Profit/(loss) attributable to minority interest		1	(209)
Profit/(loss) attributable to equity shareholders		1,094	(18,918)
		1,095	(19,127)
Earnings/(loss) per share	6		
Basic		3.9p	(68.9)p
Diluted		3.8p	(68.9)p
Earnings/(loss) per share from continuing operations			
Basic		7.9p	(2.1)p
Diluted		7.7p	(2.1)p

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

	Year to 30 Sept 07 (unaudited)	Year to 30 Sept 06 (unaudited)
	£'000	£'000
Profit/(loss) for the financial year	**1,095**	(19,127)
Actuarial gain/(loss) recognised in retirement benefit schemes	**26,187**	(2,075)
Movement on deferred tax relating to retirement benefit liabilities	**(4,606)**	115
Net exchange differences offset in reserves	**(2,441)**	(809)
Net gains/(losses) not recognised in income statement	**19,140**	(2,769)
Total recognised income/(expense) for the year	**20,235**	(21,896)
Attributable to:		
Equity shareholders	**20,234**	(21,687)
Minority interest	**1**	(209)
Total recognised income/(expense) for the year	**20,235**	(21,896)

Adoption of IAS39 attributable to:		
Equity shareholders	**-**	(12)
Minority interests	**-**	-
	-	(12)

CONSOLIDATED BALANCE SHEET

	Note	**As at 30 Sept 07 (unaudited)**	As at 30 Sept 06 (unaudited)
		£'000	£'000
Assets			
Non-current assets			
Intangible assets		**17,305**	17,054
Property, plant and equipment		**20,041**	20,864
Deferred tax assets		**334**	1,101
Retirement benefit assets		**16,380**	-
		54,060	39,019
Current assets			
Inventories		**11,526**	11,257
Trade and other receivables		**12,773**	15,530
Cash and cash equivalents		**957**	6,893
		25,256	33,680
Assets classified as held for sale		**2,173**	-
		27,429	33,680
Liabilities			
Current liabilities			
Financial liabilities - borrowings		**11,393**	8,000
Trade and other payables		**13,906**	18,505
Deferred tax liabilities		**265**	-
Current tax liabilities		**744**	736
		26,308	27,241
Liabilities directly associated with assets classified as held for sale		**1,707**	-
		28,015	27,241
Net current (liabilities)/assets		**(586)**	6,439
Non-current liabilities			
Deferred tax liabilities		**6,251**	2,293
Other non-current liabilities		**-**	1,071
Retirement benefit obligations		**1,730**	14,598
Provisions		**2,037**	3,426
		10,018	21,388
Net assets		**43,456**	24,070
Shareholders' equity			
Ordinary shares		**29,125**	28,275
Share premium account		**34,707**	34,191
Capital redemption reserve		**500**	500
Translation reserve		**(2,644)**	(203)
Profit and loss account		**(18,789)**	(39,249)
Equity shareholders' funds	**7**	**42,899**	23,514
Minority interests (equity interests)		**557**	556
Total equity		**43,456**	24,070

CONSOLIDATED CASH FLOW STATEMENT

	Note	**Year to 30 Sept 07 (unaudited)**	Year to 30 Sept 06 (unaudited)
		£'000	£'000
Cash flows from operating activities			
Cash (used in)/generated from operations	**8**	**(1,894)**	7,835
Interest received		**114**	123
Interest paid		**(896)**	(3,890)
Tax paid		**(438)**	(1,679)
Net cash (used in)/from operating activities		**(3,114)**	2,389
Cash flows from investing activities			
Proceeds from sale of subsidiaries (less cash transferred)		**-**	51,972
Proceeds from sale of property, plant and equipment		**14**	12,970
Purchase of property, plant and equipment		**(2,874)**	(8,963)
Purchase of intangible assets		**(2,445)**	(5,791)
Net cash (used in)/from investing activities		**(5,305)**	50,188
Cash flows from financing activities			
Net proceeds from issues of ordinary share capital		**1,441**	275
Net movements in loans and finance leases		**(2,488)**	(51,264)
Decrease in derivatives		**-**	24
Dividends paid to shareholders		**(2,353)**	(2,332)
Net cash used in financing activities		**(3,400)**	(53,297)
Effects of exchange rate changes		**(111)**	(89)
Net decrease in cash and cash equivalents		**(11,930)**	(809)
Cash and cash equivalents at beginning of the year		**6,893**	7,702
Cash and cash equivalents at end of the year	**9**	**(5,037)**	6,893

NOTES TO THE PRELIMINARY FINANCIAL STATEMENTS

1. Basis of preparation

Financial Reporting

(a) The figures and financial information for the year ended 30 September 2007 do not constitute the statutory financial statements for that year. Those financial statements have not yet been delivered to the Registrar, nor have the auditors reported on them.

(b) The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union (collectively "IFRS") and with those parts of the Companies Act 1985 applicable to companies reporting under IFRS.

(c) As permitted IFRIC 14, "IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" has been adopted early.

2. Segmental analysis

Due to the differing natures of the products and their markets, Avon Rubber p.l.c.'s primary reporting segment is by business. The secondary reporting format comprises the geographical segments by origin.

	Year to 30 Sept 07	Year to 30 Sept 06
	£'000	£'000
Revenue by business sector		
Protection and Defence	**37,838**	32,438
Dairy	**19,071**	19,116
Other Engineered Products	**9,806**	11,558
	66,715	63,112
Operating profit/(loss) by business sector		
Protection and Defence	**(1,037)**	(189)
Dairy	**2,975**	1,619
Other Engineered Products	**(700)**	(1,509)
	1,238	(79)
Exceptional operating items		
Protection and Defence	**-**	896
Dairy	**-**	789
Other Engineered Products	**-**	860
	-	2,545
Total operating profit from continuing operations	**1,238**	2,466

	Year to 30 Sept 07	Year to 30 Sept 06
Revenue by origin		
Europe	**23,351**	20,336
North America	**43,364**	42,776
	66,715	63,112

3. Taxation

The split of the tax charge/(credit) between UK and overseas is as follows:

	Year to 30 Sept 07 Total £'000	Year to 30 Sept 06 Continuing £'000	Year to 30 Sept 06 Discontinued £'000	Year to 30 Sept 06 Total £'000
United Kingdom	**88**	1,011	(634)	377
Overseas	**629**	1,034	52	1,086
	717	2,045	(582)	1,463

4. Results from discontinued operations

	Year to 30 Sept 07 £'000	Year to 30 Sept 06 £'000
Revenue	**7,006**	167,644
Operating loss from discontinued operations	**(1,114)**	(885)
Operating loss is analysed as:		
Before exceptional items	**(1,114)**	3,041
Exceptional operating items	**-**	(3,926)
Taxation on profits from discontinued operations	**-**	582
Loss on disposal	**-**	(18,026)
Loss for the year from discontinued operations	**(1,114)**	(18,329)

The discontinued operations consist of the UK Mixing operation which was being actively marketed for sale at the year end and additionally, in 2006, the disposed Automotive components and business machine businesses.

5. Dividends

The directors are proposing a final dividend in respect of the year ending 30 September 2007 of 4.8p which will absorb an estimated £1,325,000 of shareholders' funds. The dividend will be paid on 4 February 2008 to shareholders on the register at noon on 11 January 2008.

In accordance with IFRS the proposed final dividend is not recorded as a liability nor reflected in the income statement.

6. Earnings per share

Basic earnings per share is based on a profit attributable to ordinary shareholders of £1,094,000 (2006: £18,918,000 loss) and 27,885,127 (2006: 27,454,995) ordinary shares, being the weighted average of the shares in issue during the period on which dividends are paid.

Earnings per share on continuing operations is based on a profit of £2,208,000 (2006: £589,000 loss).

The company has dilutive potential ordinary shares in respect of the Sharesave Option Scheme and Performance Share Plan. The diluted earnings per share is based on a profit of £1,094,000 and 28,727,000 ordinary shares being the weighted average of the shares in issue during the year adjusted to assume conversion of all dilutive potential ordinary shares.

7. Reconciliation of changes in equity

	Year to 30 Sept 07 £'000	Year to 30 Sept 06 £'000
At the beginning of the year	**23,514**	46,934
Profit/(loss) for the period attributable to equity shareholders	**1,094**	(18,918)
Dividends	**(2,353)**	(2,331)
Actuarial gain/(loss) recognised in retirement benefit schemes	**26,187**	(2,075)
Movement on deferred tax relating to retirement benefit liabilities	**(4,606)**	115
Net exchange differences offset in reserves	**(2,441)**	(809)
New share capital subscribed	**1,366**	275
Movement in respect of employee share scheme	**138**	323
At the end of the year	**42,899**	23,514

8. Cash generated from operations

	Year to 30 Sept 07 £'000	Year to 30 Sept 06 £'000
Continuing operations		
Profit/(loss) for the financial year	**2,209**	(798)
Adjustments for:		
Tax	**717**	2,045
Depreciation	**2,142**	1,356
Impairment of fixed assets	**250**	433
Amortisation and impairment of intangibles	**1,054**	1,132
Net interest expense	**801**	3,370
Other finance income	**(2,489)**	(2,151)
Profit on disposal of property, plant and equipment	**-**	(4,391)
Movements in working capital and provisions	**(5,663)**	(2,480)
Other movements	**(245)**	(417)
Cash used in continuing operations	**(1,224)**	(1,901)
Discontinued operations		
(Loss)/profit for the financial year	**(1,114)**	(18,329)
Adjustments for:		
Tax	**-**	(582)
Depreciation	**41**	5,494
Impairment of fixed assets	**-**	3,009
Loss on sale of subsidiaries	**-**	18,026
Amortisation and impairment of intangibles	**-**	1,128
Movements in working capital and provisions	**403**	431
Other movements	**-**	559
Cash (used in)/generated from discontinued operations	**(670)**	9,736
Cash (used in)/generated from operations	**(1,894)**	7,835

9. Analysis of net debt

	As at 30 Sep 06 £'000	Cash Flow £'000	Exchange movements £'000	As at 30 Sep 07 £'000
Cash at bank and in hand	1,823	(957)	(75)	**791**
Overdrafts	-	(6,019)	25	**(5,994)**
Current asset investments classified as cash equivalents	5,070	(4,843)	(61)	**166**
Cash and cash equivalents	6,893	(11,819)	(111)	**(5,037)**
Debt due within 1 year	(8,000)	2,488	113	**(5,399)**
	(1,107)	(9,331)	2	**(10,436)**

The net debt above can be reconciled to the balance sheet as follows: cash and cash equivalents shown on the balance sheet comprise cash at bank and in hand plus current assets classified as cash equivalents. Borrowings shown on the balance sheet comprise overdrafts and debt due within one year.

Borrowing facilities (expiring within one year)	**Total facility £'000**	**Utilised £'000**	**Undrawn £'000**
United Kingdom	14,000	9,820	**4,180**
North America	2,086	877	**1,209**
Utilised in respect of guarantees	368	368	**-**
	16,454	11,065	**5,389**

Facilities expiring within one year have been renegotiated subsequent to the year end with commitment periods extended to 31 March 2009.

10. Copies of the directors' report and the audited financial statements for the year ended 30 September 2007 will be posted to shareholders and may also be obtained from the company's registered office at Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB, England. (Telephone +44 1225 896871), or via the corporate website (www.avon-rubber.com).