Embargoed until 7.00am 3 August 2009

XP Power Limited
("XP" or "the Group")

Interim Results for the six months ended 30 June 2009

XP, one of the world's leading developers and manufacturers of critical power control components for the electronics industry, today announces its interim results for the six-month period ended 30 June 2009.

	Six months ended 30 June 2009 (Unaudited)	Six months ended 30 June 2008 (Unaudited)
Income and Expenditure		
Revenue	**£33.1m**	£34.8m
Gross profit	**£14.9m**	£14.9m
Gross margin	**45.0%**	42.8%
Adjusted (*) profit before tax	**£3.8m**	£4.4m
Adjusted (*) profit after tax	**£3.5m**	£3.5m
Diluted earnings per share adjusted (*) (see Note 10)	**18.6p**	18.4p
Interim dividend per share (see Note 9)	**10.0p**	10.0p

(*) Adjusted for amortisation of intangibles associated with acquisitions of £0.2 million (2008: £0.1 million) and one off non-cash foreign exchange gains of nil (2008: £2.1 million)

- Strong financial performance in difficult market conditions – adjusted earnings per share ahead of prior year
- Significant further investment made in engineering development resource - 50 new XP developed product ranges included in latest catalogue launch
- Record gross margins of 45.0% (2008: 42.8%) driven by expansion of in-house developed, XP brand products
- New Chinese manufacturing facility now on stream facilitating further penetration of key blue chip customer base
- Maintained earnings and strong cash flows provide basis for a robust interim dividend of 10.0p per share, in line with 2008

Larry Tracey, Executive Chairman, commented:

"While the trading environment in the first half has been challenging, I am pleased to report that XP is weathering the storm well, producing a resilient performance. The launch of our second in-house manufacturing facility in China during the period was a major milestone in the Group's development and we expect it to play a crucial role in helping drive our revenue growth going forward. Looking ahead, we expect that the ongoing implementation of our strategy will continue to underpin our resilience whilst simultaneously positioning the Group to prosper in the eventual cyclical recovery."

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Note to editors

XP designs and manufactures power controllers, the essential hardware component in every piece of electrical equipment that converts the power from the electricity grid into the right form for the equipment to function.

XP typically designs in power control solutions into the end products of major blue chip OEMs, with a focus on the industrial (circa 49% of sales), healthcare (circa 29% sales) and technology (circa 22% of sales) sectors. Once designed into a program, XP has a revenue annuity over the life cycle of the customer's product which is typically 5 to 7 years depending on the industry sector.

XP has invested in research and development and its own manufacturing facility in China, to develop a range of tailored products based on its own intellectual property that provide its customers with significantly improved functionality and efficiency.

Headquartered in Singapore and listed on the Main Market of the London Stock Exchange since 2000, XP serves a global blue chip customer base from 27 locations in Europe, North America and Asia.

For further information, please visit www.xppower.com

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XP Power Limited
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Interim Results for the six months ended 30 June 2009

CHAIRMAN'S STATEMENT

Overview

While the trading environment in the first half has continued to be challenging, I am pleased to report that XP is weathering the storm well, producing a resilient performance and reporting adjusted earnings per share ahead of the comparable period in 2008. Our strategy of investing in the development of our own products continued to have a positive impact on gross margin, which increased to another record, underpinned by a further expansion of our own product ranges. In addition, programs won in 2008 with a number of blue chip customers generated new revenues in the period and helped mitigate the effects of the downturn.

The addition of a larger low cost in-house manufacturing capability was a natural extension of this strategy. We successfully commenced production at our new manufacturing facility in China during the first half. This exciting development is a crucial step in our plans to secure preferred supplier status with larger customers. It will drive future sales growth as we increase our penetration of key customer programmes.

Markets

Revenues for the period were £33.1 million compared with £34.8 million in the same period a year ago. Healthcare revenues grew by 25% and were particularly strong in North America, compensating for reduced demand in other sectors. The Healthcare sector continues to go from strength to strength. We are beginning to capitalise on the expansion of our medical product portfolio over the last few years. We now have the widest medical product offering in our industry, featuring products with market leading performance on key criteria such as electronic noise levels and efficiency, both of which are becoming increasingly important to our customers for environmental and technical reasons. The Industrial and Technology sectors suffered as our customers' experienced very weak demand and started aggressively reducing their inventories.

The 15% gain in revenues from the relative changes in exchange rates from 2008 was more than offset by its detrimental effects on expenses. The overall affect of exchange rates compared to 2008 was to reduce our reported earnings.

For the six months ended 30 June 2009, 49% of our revenues were generated from Industrial (2008: 54%), 29% from Healthcare (2008: 22%) and 22% from Technology (2008: 24%).

Gross Margins

Our strategy of steadily increasing the proportion of higher margin in-house developed products in our revenue mix has enabled XP Power to improve gross margins every year since its public listing in 2000. In the six months ended 30 June 2009, 83% of the product we sold was under the XP Power brand compared to 77% in the same period a year ago. As a result, gross margin increased further in the first half to another new record of 45.0% compared with 42.8% in the same period a year ago. With the proportion of XP product in the mix continuing to grow, we expect this positive trend in gross margin to continue.

Our move into manufacturing will not only allow us to secure bigger blue chip customers to drive future revenue growth but will also enable us to capture the available manufacturing margin. In addition, control of manufacturing has allowed us to gain a better understanding of the cost and availability of components in Asia. The result is that our design engineers are now able to design in new components that are both lower cost and on shorter lead times, further enhancing the margins we can earn while providing our customers with competitively priced, leading edge products.

Product Development

During May XP Power launched its latest product catalogue, containing over 100 product ranges, the largest product offering of any company in our industry. The breadth of our offer demonstrates both our leading position in the market and the substantial investment we have made in engineering development resource to expand our intellectual property, with 50 new product ranges represented in this catalogue launch compared to the previous edition.

We launched 12 new product families in the first half. In line with customer requirements for improved efficiency and environmental performance, our design teams are focusing on developing new products that reduce power wastage, reduce heat, and consume less raw material.

Our Singapore design centre was only established in June 2008 and was able to release its first product family less than a year from commencing operations, a considerable achievement.

Manufacturing

In June production commenced at the new manufacturing facility constructed on our existing site close to Shanghai, China. This new facility is critical to enable us to win more of the available business from our existing Blue Chip customer base and to attract new larger customers where we have yet to gain preferred supplier status. These customers demand that their suppliers have complete control over their supply chain and product manufacture to ensure the highest levels of quality. The new facility also provides much needed additional capacity for the manufacture of our new and recently launched own products which now make up the majority of our revenues. The new facility, which is certified under the ISO14001 Environmental Management Standard, delivers manufacturing capabilities which match the strongest of our competitors.

Customer audits of the facility have already taken place and all have been successful, paving the way for XP to secure approved and/or preferred supplier status with a number of new key customers. Launch of the in-house manufacturing facility is a major milestone in the Group’s development and we expect it to play a crucial role in helping drive our revenue growth going forward.

Dividend

Our strong financial performance and confidence in the Group’s prospects have enabled us to maintain the interim dividend. An interim dividend of 10 pence per share (2008: 10 pence per share) will be paid on 6 October 2009 to shareholders on the register of members on 4 September 2009.

Outlook

Market conditions remain challenging. Against this background, we expect the ongoing implementation of our strategy to continue to underpin a resilient performance whilst simultaneously positioning the Group to prosper in the eventual cyclical recovery.

As we enter the second half XP has a portfolio of new products using the latest technology components, manufactured in a "state of the art" production facility in China. Our product families give our customers lower cost, higher reliability and higher efficiency solutions to their power control requirements, whilst also helping them to reduce power consumption to comply with the latest governmental environmental standards. These critical factors will enable XP to continue to deliver above average returns for our shareholders as we successfully navigate the current perfect economic storm.

Larry Tracey
Executive Chairman
3 August 2009

XP Power Limited
Consolidated Income and Expenditure Statement
For the six months ended 30 June 2009

£ Millions	Note	**Six months ended 30 June 2009 (Unaudited)**	Six months ended 30 June 2008 (Unaudited)
Revenue	6	**33.1**	34.8
Cost of sales	7	**(18.2)**	(19.9)
Gross profit		**14.9**	14.9
Operating expenses	7	**(10.6)**	(10.0)
Other operating income	7	**-**	2.4
Operating profit		**4.3**	7.3
Finance cost	7	**(0.7)**	(0.9)
Profit before taxation	6	**3.6**	6.4
Tax on profit	8	**(0.3)**	(0.9)
Profit for the period		**3.3**	5.5
Attributable to:			
- equity holders of the company		**3.3**	5.5
- minority interest		**-**	-
		3.3	5.5
Earnings per share for profit from continuing operations attributable to equity holders of the Company		**Pence per Share**	Pence per Share
Basic	10	**17.6**	29.0
Diluted	10	**17.5**	28.9

XP Power Limited
Consolidated Balance Sheet
At 30 June 2009

£ Millions	Note	At 30 June 2009 (Unaudited)	At 31 December 2008	At 30 June 2008 (Unaudited)
Assets				
Current assets				
Inventories	5, 6	**13.6**	17.5	12.3
Trade and other receivables	6	**10.0**	12.1	11.6
Derivative financial instruments	6	**-**	1.0	0.1
Cash and cash equivalents	6	**1.8**	3.4	4.0
Other current assets	6	**1.2**	1.8	1.7
Total current assets		**26.6**	35.8	29.7
Non-current assets				
Goodwill	6	**30.0**	29.9	30.2
Other intangible assets	11	**4.0**	3.6	3.3
Property, plant and equipment		**6.8**	6.7	4.2
Interests in associates		**0.1**	0.1	0.1
Deferred tax assets	6	**0.1**	0.1	0.4
ESOP loans to employees		**2.7**	2.7	2.7
Total non-current assets		**43.7**	43.1	40.9
Total assets		**70.3**	78.9	70.6
Liabilities				
Current liabilities				
Trade and other liabilities	6	**6.6**	12.3	9.0
Current income tax liabilities		**2.8**	3.1	2.9
Bank loans and overdraft	13	**6.5**	7.3	3.2
Derivative financial instruments	6	**0.3**	-	-
Total current liabilities		**16.2**	22.7	15.1
Non-current liabilities				
Borrowings	13	**20.3**	23.9	21.0
Deferred tax liabilities		**1.6**	1.4	1.5
Provision for other liabilities and charges	6	**2.0**	1.9	2.4
Total non-current liabilities		**23.9**	27.2	24.9
Total liabilities		**40.1**	49.9	40.0
Equity				
Capital and reserves attributable to equity holders of the Company				
Share capital	15	**27.2**	27.2	27.2
Treasury shares	15	**(0.8)**	(0.8)	(0.6)
Merger reserve	15	**0.2**	0.2	0.2
Hedging reserve	15	**(0.3)**	1.0	0.2
Translation reserve	15	**(7.2)**	(8.5)	(5.0)
Retained earnings	15	**10.9**	9.7	8.4
		30.0	28.8	30.4
Minority interest	15	**0.2**	0.2	0.2
Total equity		**30.2**	29.0	30.6
Total equity and liabilities		**70.3**	78.9	70.6

XP Power Limited
Consolidated Statement of Changes in Equity
For the six months ended 30 June 2009 (Unaudited)

	Share capital	Company treasury shares	Merger reserve	Hedging reserve	Translation reserve	Retained earnings	Total attributable to equity holders of the parents	Minority interest	Total Equity
Balance at 1 January 2008	27.2	(0.3)	0.2	-	(2.5)	5.0	29.6	0.2	29.8
Exchange differences on the translation of foreign operations	-	-	-	-	(0.2)	-	(0.2)	-	(0.2)
Release of translation gain to income statement	-	-	-	-	(2.3)	2.3	-	-	-
Gain on cash flow hedge-interest rate swap	-	-	-	0.2	-	-	0.2	-	0.2
Net income recognised directly in equity	**-**	**-**	**-**	**0.2**	**(2.5)**	**2.3**	**-**	**-**	**-**
Profit for the period	-	-	-	-	-	3.2	3.2	-	3.2
Total recognised income for the period 30 June 2008	**-**	**-**	**-**	**0.2**	**(2.5)**	**5.5**	**3.2**	**-**	**3.2**
Dividends relating to 2007 paid in Apr 2008	-	-	-	-	-	(2.1)	(2.1)	-	(2.1)
Purchase of treasury shares	-	(0.3)	-	-	-	-	(0.3)	-	(0.3)
Balance at 30 June 2008	**27.2**	**(0.6)**	**0.2**	**0.2**	**(5.0)**	**8.4**	**30.4**	**0.2**	**30.6**
Balance at 1 January 2009	**27.2**	**(0.8)**	**0.2**	**1.0**	**(8.5)**	**9.7**	**28.8**	**0.2**	**29.0**
Exchange differences on translation of foreign operations	-	-	-	-	1.3	-	1.3	-	1.3
Loss on cash flow hedge-interest rate swap	-	-	-	(0.2)	-	-	(0.2)	-	(0.2)
Loss on cash flow hedges-currency forward	-	-	-	(1.1)	-	-	(1.1)	-	(1.1)
Net income recognised directly in equity	-	-	-	(1.3)	1.3	-	-	-	-
Profit for the period	-	-	-	-	-	3.3	3.3	-	3.3
Total recognised income for the period 30 June 2009	-	-	-	(1.3)	1.3	3.3	3.3	-	3.3
Dividends relating to 2008 paid in Apr 2009	-	-	-	-	-	(2.1)	(2.1)	-	(2.1)
Balance at 30 June 2009	**27.2**	**(0.8)**	**0.2**	**(0.3)**	**(7.2)**	**10.9**	**30.0**	**0.2**	**30.2**

XP Power Limited
Consolidated Cash Flow Statement
For the six months ended 30 June 2009

£ Millions	Note	**Six months ended 30 June 2009 (Unaudited)**	Six months ended 30 June 2008 (Unaudited)
Cash flows from operating activities			
Total profit		**3.3**	5.5
Adjustments for			
- Income tax expense		**0.3**	0.9
- Amortisation and depreciation		**0.9**	0.4
- Finance cost		**0.7**	0.7
- (Gain)/loss on fair valuation of derivative financial instruments		**(0.1)**	0.2
- Foreign exchange gain transferred from reserve		**-**	(2.4)
Change in the working capital, net effects from acquisition of subsidiary			
- Inventories		**3.9**	(1.4)
- Trade and other receivables		**2.7**	0.2
- Trade and other payables		**(5.6)**	0.5
- Income tax paid		**(0.3)**	(0.3)
Net cash provided by operating activities	12	**5.8**	4.3
Cash flows from investing activities			
Acquisition of a subsidiary, net of cash acquired		**-**	(1.0)
Purchases and construction of property, plant and equipment		**(0.8)**	(0.8)
Purchases of intangible assets	6	**(0.8)**	(0.3)
ESOP loan repaid		**-**	0.3
Interest received		**-**	0.1
Net cash used in investing activities		**(1.6)**	(1.7)
Cash flows from financing activities			
(Repayment)/Proceeds from borrowings		**(1.8)**	0.6
Purchase of treasury shares by ESOP		**-**	(0.3)
Interest paid		**(0.7)**	(0.8)
Dividends paid		**(2.1)**	(2.1)
Net cash used in financing activities		**(4.6)**	(2.6)
Effects of currency translation		**1.2**	(0.2)
Net increase/(decrease) in cash and cash equivalents		**0.8**	(0.2)
Cash and cash equivalents at start of period		**(3.9)**	0.9
Effects of currency translation on cash and cash equivalents		**0.2**	-
Cash and cash equivalents at the end of the period	12	**2.9**	0.7

XP Power Limited
Notes to the Interim Results for the six months ended 30 June 2009

1. General information

XP Power Limited (the "Company") is listed on the London Stock Exchange and incorporated and domiciled in Singapore. The address of its registered office is 401 Commonwealth Drive, Lobby B #02-02, Haw Par Technocentre, Singapore 149598.

The nature of the Group's operations and its principal activities is to provide power supply solutions to the electronics industry.

These condensed consolidated interim financial statements are presented in Pounds Sterling (GBP).

2. Basis of preparation

This condensed consolidated interim financial statements for the period ended 30 June 2009 has been prepared in accordance with the Listing Rules of the Financial Services Authority and with IAS 34, Interim Financial Reporting as adopted by the European Union.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

3. Accounting policies

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the fair value of derivatives in accordance with IAS 39, "Financial Instruments: Recognition and Measurement".

The same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the presentation of the Group's financial statements for the year ended 31 December 2008.

On 1 January 2009, the Group adopted the following amended standards that are mandatory for application from that date:

IAS 1	Presentation of Financial Statements
IFRS 8	Operating Segments

The adoption of the above standards did not result in any substantial changes to the Group's accounting policies or any significant impact on these financial statements.

4. Property, plant and equipment

Items of property, plant and equipment, including leasehold land and buildings, are stated at cost less accumulated depreciation and any recognised impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Freehold land and property under development are not depreciated. Depreciation on other items of property, plant and equipment is charged so as to write off the cost or valuation of the assets over their estimated useful lives, using the straight line method, on the following bases:

4. Property, plant and equipment (continued)

Plant and equipment	10 – 33%
Motor vehicles	20 – 25%
Building improvements	10% or over the life of the lease if shorter
Buildings	2 – 5%
Leasehold land	2% or over the life of the lease if shorter

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

5. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

Cost is calculated using weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution and reductions for estimated irrecoverable amounts.

6. Segmented analysis

The Group operates substantially in one class of business, the provision of power control solutions to the electronics industry. Analysis of total Group operating profit, net assets, revenue and total group profit before taxation by geographical region is set out below.

£ Millions	**Six months ended 30 June 2009 (Unaudited)**	Six months ended 30 June 2008 (Unaudited)
Revenue		
Europe	**16.1**	16.7
USA	**15.8**	17.1
Asia	**1.2**	1.0
Total revenue	**33.1**	34.8
Segment result		
Europe	**3.4**	3.6
USA	**3.6**	3.8
Asia	**(0.2)**	0.3
Interest, corporate operating costs, amortisation of goodwill and share of profit/loss from associates	**(3.2)**	(1.3)
Profit before taxation	**3.6**	6.4
Tax	**(0.3)**	(0.9)
Total profit	**3.3**	5.5

Total profit for 2008 includes a one off non cash foreign exchange gain of £2.4 million.

6. Segmented analysis (continued)

£ Millions	At June 2009 (Unaudited)				At June 2008 (Unaudited)			
	Europe	**USA**	**Asia**	**Total**	Europe	USA	Asia	Total
Other information								
Capital additions	**-**	**-**	**0.8**	**0.8**	0.2	0.1	0.9	1.2
Depreciation	**0.2**	**0.1**	**0.2**	**0.5**	0.2	0.1	-	0.3
Intangible additions	**-**	**0.8**	**-**	**0.8**	-	0.6	0.5	1.1
Amortisation	**0.2**	**0.2**	**-**	**0.4**	0.1	-	-	0.1
Balance Sheet								
Goodwill	**9.3**	**19.6**	**1.1**	**30.0**	9.4	19.6	1.2	30.2
Other non-current assets	**5.0**	**4.2**	**4.4**	**13.6**	8.4	0.4	1.5	10.3
Inventories	**1.6**	**6.0**	**6.0**	**13.6**	1.3	5.6	5.4	12.3
Trade and other receivables	**5.0**	**4.4**	**0.6**	**10.0**	6.0	5.2	0.4	11.6
Derivative asset	**-**	**-**	**-**	**-**	-	-	0.1	0.1
Other current assets	**0.5**	**0.3**	**0.4**	**1.2**	0.8	0.2	0.7	1.7
Cash and cash equivalents	**1.2**	**0.2**	**0.4**	**1.8**	2.0	0.7	1.3	4.0
Segment assets	**22.6**	**34.7**	**12.9**	**70.2**	27.9	31.7	10.6	70.2
Unallocated deferred tax assets	**-**	**-**	**-**	**0.1**	-	-	-	0.4
Consolidated total assets	**-**	**-**	**-**	**70.3**	-	-	-	70.6
Trade and other payables	**(1.7)**	**(1.4)**	**(3.5)**	**(6.6)**	(2.5)	(2.3)	(4.2)	(9.0)
Derivative liability	**-**	**(0.2)**	**(0.1)**	**(0.3)**	-	-	-	-
Deferred consideration	**(2.0)**	**-**	**-**	**(2.0)**	(2.4)	-	-	(2.4)
Segment liabilities	**(3.7)**	**(1.6)**	**(3.6)**	**(8.9)**	(4.9)	(2.3)	(4.2)	(11.4)
Unallocated corporate liabilities	**-**	**-**	**-**	**(26.8)**	-	-	-	(24.2)
Unallocated deferred and current tax liabilities	**-**	**-**	**-**	**(4.4)**	-	-	-	(4.4)
Consolidated total liabilities	**-**	**-**	**-**	**(40.1)**	-	-	-	(40.0)

Operating net assets are defined as net assets adjusted for net borrowings.

	30 June 2009 (Unaudited)	30 June 2008 (Unaudited)
Net assets	**30.2**	30.6
Net debts	**25.0**	20.2
Total operating net assets	**55.2**	50.8

7. Expenses by nature

£ Millions	**Six months ended 30 June 2009 (Unaudited)**	Six months ended 30 June 2008 (Unaudited)
Profit for the period is after charging:		
Research and development expenses	1.2	1.1
Amortisation of intangible assets	0.4	0.1
Depreciation of property, plant and equipment	0.5	0.3
Foreign exchange gains transferred from reserve	-	(2.3)
Foreign exchange loss	0.2	0.1
Foreign exchange losses/(gains) on forward contracts	(0.1)	0.2
Cost of inventories recognised as expense	18.2	19.9
Charge for doubtful debts	(0.1)	-
Fees paid to auditors:		
Audit	0.2	0.1
Other services – tax	-	0.1
All other charges	9.0	8.6
Total	**29.5**	**28.4**

8. Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax expected for the full financial year. The estimated average annual tax rate used for 2009 is 9% (2008: 21%). The 2009 rate is reduced by certain factors some of which will not recur in the future.

£ Millions	**Six months ended 30 June 2009 (Unaudited)**	Six months ended 30 June 2008 (Unaudited)
Singapore	0.2	0.2
Other overseas taxation	0.1	0.7
Total taxation	0.3	0.9

9. Dividends

Amounts recognised as distributions to equity holders in the period

	Six months ended 30 June 2009 (Unaudited)		Six months ended 30 June 2008 (Unaudited)	
	Pence per share	**£ Millions**	Pence per share	£ Millions
Prior year final dividend paid	**11.0**	**2.1**	11.0	2.1

The dividend payable recognised in the interim financial statements relates to the 2008 year-end dividend.

9. Dividends (continued)

	Six months ended 30 June 2009 (Unaudited)		Six months ended 30 June 2008 (Unaudited)	
	Pence per share	**£ Millions**	Pence per share	£ Millions
Proposed interim dividend	**10.0**	**1.9**	10.0	1.9

The interim dividend of 10.0 pence per share (2008: 10.0 pence per share) will be paid on 6 October 2009 to shareholders on the register of members on 4 September 2009.

10. Earnings per share

Earnings per share attributable to equity holders of the company arise from continuing operations as follows:

£ Millions	**Six months ended 30 June 2009 (Unaudited)**	Six months ended 30 June 2008 (Unaudited)
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to equity shareholders of the company)	**3.3**	**5.5**
Amortisation of intangibles associated with acquisitions	**0.2**	**0.1**
Non-cash foreign exchange	**-**	**(2.1)**
Earnings for adjusted earnings per share	**3.5**	**3.5**
Number of shares	**'000**	'000
Weighted average number of shares for the purposes of basic earnings per share (thousands)	18,795	18,928
Effect of potentially dilutive share options (thousands)	22	78
Weighted average number of shares for the purposes of dilutive earnings per share (thousands)	18,817	19,006
Earnings per share from operations		
Basic	17.6	29.0
Diluted	17.5	28.9
Diluted adjusted	18.6	18.4

11. Other intangible assets

Other intangible assets comprises development expenditure capitalised when it meets the criteria laid out in IAS 38, "Intangible Assets", trademarks and non-contractual customer relationships.

12. Cash and cash equivalents

For the purpose of presenting the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

£ Millions	**Six months ended 30 June 2009 (Unaudited)**	Six months ended 30 June 2008 (Unaudited)
Cash and bank balances	**1.8**	4.0
Less: Bank overdrafts	**(6.5)**	(3.2)
Cash and cash equivalents per consolidated cash flow statement	**(4.7)**	0.8
Reconciliation to free cash flow:		
Net cash inflow from operating activities	**5.8**	4.3
Development expenses capitalised	**(0.8)**	(0.8)
Net interest expense	**(0.7)**	(0.8)
Free cash flow	**4.3**	2.7

13. Borrowings and loans

£ Millions	**30 June 2009 (Unaudited)**	31 December 2008	30 June 2008 (Unaudited)
Non-Current	**20.3**	23.9	21.0
Current	**6.5**	7.3	3.2
Total	**26.8**	31.2	24.2

14. Derivative financial instruments

a. Forward foreign exchange contracts

The Group utilised currency derivatives to hedge highly probable forecast transactions. The instruments purchased were denominated in the currencies of the Group's principal markets.

As at 30 June 2009, the total notional amount of outstanding currency forward contracts that the Group has committed is £0.8 million (31 December 2008: £14.2 million; 30 June 2008: Nil). These contracts are to hedge against exchange movements on future cost of sales and qualify for hedge accounting.

The fair value of the currency forward contracts which qualify for hedge accounting is as follows:

£ Millions	**30 June 2009 (Unaudited)**	31 December 2008	30 June 2008 (Unaudited)
Current portion	(0.2)	0.8	-
Non-current portion	-	0.2	-
Total	**(0.2)**	1.0	-

14. Derivative financial instruments (continued)

a. Forward foreign exchange contracts (continued)

Certain currency forward contracts were taken up to protect against exchange movements on future purchases of goods. These contracts did not qualify for hedge accounting.

The total notional amount and fair value asset of the forward contracts is as follows:

£ Millions	**30 June 2009 (Unaudited)**	31 December 2008	30 June 2008 (Unaudited)
Contract notional amount	**1.9**	2.2	9.9
Fair value asset/(liability) of the contracts	**0.1**	-	(0.2)

b. Interest rate swap

On 17 March 2009, the Group entered into an interest rate swap agreement to swap its variable US$ LIBOR interest rate on US$30.6 million (£18.8 million) for a fixed rate of interest of 1.99% plus applicable margin to manage exposure to interest rate movements. Fair value gains and losses on the interest rate swap are recognised in the hedging reserve and are transferred to the income statement as part of interest expense over the period of the borrowings.

£ Millions	**30 June 2009 (Unaudited)**	31 December 2008	30 June 2008 (Unaudited)
Contract notional amount	**18.8**	-	16.3
Fair value asset/(liability) of the interest rate swap	**(0.2)**	-	0.2

15. Share capital and reserves

£ Millions	**30 June 2009 (Unaudited)**	30 June 2008 (Unaudited)
Called up share capital		
Allotted and fully paid 19,242,296 ordinary shares	**27.2**	27.2
Merger Reserve		
Balance at 30 June	**0.2**	0.2
Treasury shares		
Balance at 1 January	**(0.8)**	(0.3)
Purchase of own shares	**-**	(0.3)
Balance at 30 June	**(0.8)**	(0.6)
Hedging reserve		
Balance at 1 January	**1.0**	-
Gain/(loss) on cash flow hedge – interest rate swap	**(0.2)**	0.2
(Loss) on cash flow hedge – currency forward	**(1.1)**	-
Balance at 30 June	**(0.3)**	0.2

15. Share capital and reserves

£ Millions	30 June 2009 (Unaudited)	30 June 2008 (Unaudited)
Translation reserve		
Balance at 1 January	**(8.5)**	(2.5)
Exchange differences arising on translation of overseas operations	**1.3**	(2.5)
Balance at 30 June	**(7.2)**	(5.0)
Retained earnings		
Balance at 1 January	**9.7**	5.0
Profit for the period	**3.3**	5.5
Dividends	**(2.1)**	(2.1)
Balance at 30 June	**10.9**	8.4
Minority interest		
Balance at 30 June	**0.2**	0.2
Total Equity	**30.2**	30.6

16. Directors' responsibility statement

The interim financial statements were approved by the board of directors on 3 August 2009.

The directors confirm that to the best of their knowledge this unaudited condensed financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report herein includes a fair view of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors of XP Power Limited are as listed in the company's Annual Report 2008.