

Preliminary Results for the year ended 31 December 2005

Lavendon Group is Europe's market leader in the rental of powered access equipment. Powered access provides a high degree of flexibility, thereby reducing labour costs and saving both time and money. The equipment is quick, safe, convenient and highly manoeuvrable. Consequently, it is now used to provide temporary aerial access in a variety of applications and is fast becoming industry's favoured option when compared to traditional access methods such as scaffolding, ladders and aluminium towers. It is also ideal for a wide range of other applications including industrial and building maintenance, construction, sign erection, outside broadcasting, telecommunications, tree surgery and highway maintenance.

Highlights

- Return to profitability
- Restructuring complete with margins improving
- Net debt reduced by £27.3m to £61.7m (2004: £89.0m)
- Since the year end two earnings enhancing acquisitions in the UK completed
- Resumption of dividend payments

Financial:

- Operating profit increased by 28% to £7.3m (2004: £5.7m)
- PBT of £2.9m (2004: loss of £0.1m before exceptional costs)
- Gearing stands at 80% (2004: 118%)
- Outlook for the year expecting further progress both in terms of revenue growth and profitability

Outlook**John Gordon, Chairman, said today:**

"Strong cash flows over recent years have strengthened the Group's balance sheet and are now providing the necessary resources to enable us to make acquisitions should we so choose. Since the year end we have made two acquisitions in the UK, both of which are earnings enhancing and it is this investment combined with organic growth that will deliver a significant increase in shareholder value in the medium term.

Trading so far this year is in line with our expectations and we look forward to being able to report further progress in the coming months."

Lavendon Group plc
Kevin Appleton, Chief Executive
Alan Merrell, Group Finance Director

Weber Shandwick Square Mile
Terry Garrett/Nick Dibden

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CHAIRMAN'S STATEMENT

Summary

Increased operating margins have produced an improved trading performance in 2005, in line with our expectations. Our strategy is to seek to grow through a combination of selective fleet investment and the acquisition of existing market capacity when the appropriate opportunities arise, to further enhance our margins and return on capital. The financial capacity to support this strategy for growth is now available, as over the past three years, the Group has generated significant free cash and reduced its debt levels by some £52 million, thereby leaving it well placed to respond to improving market conditions.

Financial Results

The Group's results for the year ended 31 December 2005 are the first annual results to be prepared under International Financial Reporting Standards ("IFRS"). All financial data contained in this statement, including comparisons with the previous year, reflect the conversion to IFRS, with reconciliations from IFRS to UK GAAP forming part of these financial statements.

The Group's turnover for the year was £100.0 million (2004: £108.0 million) following the restructuring of our German operation and the sale of our Austrian business. Despite this decline in revenues, operating profits increased by 28% to £7.3 million (2004: profit of £5.7 million before exceptional costs and a loss of £8.8 million after exceptional costs). Operating profit margins improved to 7.3% (2004: 5.3% before exceptional costs and a negative margin of 8.1% after exceptional costs).

Net interest charges reduced by £1.4 million to £4.4 million (2004: £5.8 million), reflecting the £27.3 million reduction in the Group's borrowing levels. The improved trading performance, combined with the reduced interest charges, produced a profit before tax of £2.9 million (2004: loss of £0.1 million before exceptional costs and a loss of £14.6 million after exceptional costs). The earnings per share were 2.40 pence (2004: loss per share of 3.43 pence before exceptional costs and a loss of 34.63 pence after exceptional costs).

Earnings before interest, tax, depreciation and amortisation ("EBITDA") were £29.8 million (2004: £31.3 million before exceptional costs and £25.6 million after exceptional costs). Cash generated from operations increased by 7% to £31.2 million (2004: £29.1 million), despite absorbing a cash flow outflow of £2.5 million during the year relating to the exceptional costs accrued, principally associated with the restructuring of our German business, at the 2004 year end. The net cash generated from operating activities, after payment of interest and taxation due, increased to £25.3 million (2004: £24.2 million).

The net cash inflow from investing activities of £5.1 million (2004: outflow of £0.3 million) resulted from the proceeds of the sale of the Austrian business, the sale of retired rental units and the sale of 410 surplus German rental units identified at the end of 2004, exceeding the capital expenditure incurred during the year.

The combination of cash inflows from both operating and investing activities produced "free cash" ¹ of £25.0 million (2004: £20.9 million) which, when combined with a favourable foreign exchange movement of £2.3 million (2004: adverse movement of £0.5 million), enabled the Group to reduce its net debt to £61.7 million from £89.0 million at the end of 2004. The resultant debt to equity ratio, following this debt reduction, is 80%, compared with 118% at the previous year-end.

Dividend

In light of the Group's improved trading performance, the Board is intending to resume the payment of dividends, and accordingly, will propose to pay a final dividend of 2.25 pence per share, which, if approved at the Annual General Meeting on 28 April 2006, will be paid on 2 June 2006 to shareholders on the register at the close of business on 17 March 2006.

In accordance with IAS 10, dividends are only recognised in the financial statements when they are approved.

Aquisitions

Since the year end, the Group has secured additional revenue streams and fleet capacity by acquiring two businesses in the UK, Panther Work Platforms Limited and Kestrel Powered Access Limited, for an aggregate consideration of up to £17.0 million. Both companies have excellent market positions in sectors experiencing strong growth, established over a number of years by very experienced management teams, and we look forward to leveraging their market positions by providing access to the larger rental fleet and depot network available from the Group's existing UK operations.

Board Changes

In September last year, my predecessor and the founder of the Group, David Price, retired upon reaching the age of 60 after a career with the Company spanning some 13 years.

David established the Lavendon Group in 1992 with the acquisition of Nationwide Access Limited, an operation of six depots, 430 machines and 40 employees. Based mainly upon his earlier experiences in the USA and Australia, he designed and implemented a business model that enabled Lavendon to become the European market leader in powered access rental within nine years, operating in nine countries with a rental fleet of some 11,000 machines and employing over 1,000 people. Throughout this period, David made a unique contribution to the development of the powered access rental market in Europe and beyond, becoming a widely known and greatly respected advocate of the industry. The Board wishes David a long and happy retirement.

Following David's retirement, I was pleased to accept the position of Chairman, with John Standen, who joined the Board in May 2005, becoming the Group's Senior Non-Executive Director and Chairman of the Audit Committee. In October 2005, Timothy Ross joined the Board as a Non-Executive Director and became a member of both the Audit Committee and the Remuneration and Nomination Committee.

John Heywood, who has been a Non-Executive Director since the Company's flotation in 1996, will retire at the end of his third term of appointment at the forthcoming Annual General Meeting. Prior to John's retirement, we intend to appoint a replacement Non-Executive Director.

Outlook

The case for the use of powered access remains compelling. The recognised attributes of efficiency and cost effectiveness are being underpinned by ever more stringent health and safety legislation. In 2005, the introduction of the Work at Height Regulations in the UK, which seeks to ensure that any work at height is undertaken in the safest possible manner, will reinforce the established trend of powered access being preferred over other means of access. Similar legislation exists across the European Union where the added pressure of limited working weeks and high labour costs means that the use of powered access will be further embraced as a means of enhancing labour productivity in construction and refurbishment projects. In the Middle East, the pressure to deliver huge projects, both on time and on budget, continues to drive the use of powered access in the region.

There are now encouraging signs in certain markets that the correction in the imbalance between the capacity to supply and demand levels is under way, although until this is well established pressure on hire rates is expected to remain. By concentrating our efforts in areas where the competitive environment is less aggressive and pricing more attractive, we have been able to deliver improvements in trading profitability and, at the same time, develop our operations to ensure that they can generate sustainable and superior margins from future investment.

Strong cash flows over recent years have strengthened the Group's balance sheet, and are now providing the necessary resources to secure the additional capacity required to drive revenue growth and increased profits at rates above those available from the existing fleet. It is this investment in both organic and acquisitive growth that will deliver a significant increase in shareholder value in the medium term.

Trading so far this year is in line with our expectations and we look forward to being able to report further progress in the coming months.

John Gordon
Chairman
7 March 2006

(1) Free cash is defined as net cash inflow from continuing operating activities less interest, taxation, dividends paid, and capital expenditure before inception of new hire purchase agreements.

Free Cash	2005	2004
	£million	£million
Net cash generated from operating activities	25.3	24.2
Net cash generated from/(used by) investing activities	5.1	(0.3)
Dividends paid	-	(2.6)
Capital expenditure financed by hire purchase agreements	(5.4)	(0.4)
Free cash	25.0	20.9

CHIEF EXECUTIVE'S REVIEW

The past year has seen the Group return to profitability through operating margin enhancement, driven by operational efficiencies and concentrating on our competitive strengths. At the same time as securing an improved trading performance, we have maintained our focus on the

prudent management of cash flows by limiting capital expenditure to continue the reduction in net debt. As a result, the Group is well positioned to take advantage of growth opportunities that are becoming available, not only by having the financial resource available, but also by having a solid operating platform with proven processes from which to develop.

UK

The UK remains the Group's largest and most important market, representing some 60% of the total revenue. During 2005, the operation delivered solid profit growth from broadly stable revenues of £61.1 million (2004: £61.5 million). Operating profits increased by 14% to £8.3 million (2004: £7.3 million before exceptional costs and £5.3 million after exceptional costs), with operating margins improving to 14% from 12% in 2004. This margin improvement has been achieved despite the increase in fuel costs, and is as a result of actions taken to increase the average length of hire, thereby reducing both workshop and transport workloads, removing low margin-generating assets from the fleet and further refining operational and IT systems.

The UK management has completed the restructuring of the business and it is now able to deliver superior customer service to higher-margin revenue streams and to avoid the intense competition present in the highly price-sensitive local construction market. This concentration of effort has undoubtedly, in the short term, meant that we have been unable to capitalise on growth opportunities in other more attractive sectors of the local market and future strategic initiatives in the UK will be aimed at allowing us to attack these sectors with greater vigour.

To provide a platform for this market penetration, we have recently completed the acquisitions of Panther Work Platforms Limited and Kestrel Powered Access Limited, which together increase the UK's rental fleet by 1,650 machines and add seven depots to our network. These businesses have developed strong market positions, with excellent operational management, in local service and maintenance sectors that are enjoying robust growth. We will seek to maximise the opportunities that these market sectors present by providing support, both operationally and financially, to allow the respective management teams to continue to grow these businesses.

The combination of the existing UK business, with the recent acquisitions, should ensure further substantial progress is made in 2006, both in terms of revenue growth and profitability.

Germany

Our German operation came into 2005 with the least auspicious of operating scenarios – a declining market, tough economy and coming towards the end of a major restructuring programme that saw the sale of the Austrian subsidiary, the closure of 45% of the depot network and a 25% reduction in fleet and staff numbers. It was critical for the business that it “re-invented” itself in 2005 in a leaner, more streamlined form and laid the foundations for significant financial progress in the coming years. It was also necessary, given the scale and cost of the restructuring, that management reverse a trend of declining or static trading performance dating back to 2001. Against all of these benchmarks, the German operation has made progress.

The restructuring of the company has produced an operation costing around £8 million less per year to run than its previous incarnation. The attrition in customer revenue that the restructuring precipitated was worse than we had anticipated, but the contraction of the cost base enabled a reduction in operating losses compared to 2004 of some £0.3 million for the German business in isolation and £0.6 million when combined with the operational saving produced from the sale of the Austrian subsidiary.

Revenues for the year declined by 25% to £21.2 million (2004: £28.3 million), but operating losses reduced to £3.1 million (2004: loss of £3.4 million prior to exceptional costs and a loss of £13.9 million after exceptional costs).

The business does not require significant capital investment to function effectively and will not do so for some time. This feature, combined with the fact that the operation remains cash generative, despite incurring operating losses, will enable the business to operate its way back to acceptable levels of profitability before we need to consider any further investment.

As part of the restructuring of the German operation towards the end of 2004, a total of 717 rental machines were removed from the fleet and a disposal programme commenced with the aim of selling these units into markets outside of our current areas of operation. At the end of 2005, a total of 410 machines had been sold, with the remainder being scheduled for sale in 2006 to complete this process.

France

The objective this year for our French operation was to move the business closer to breakeven, by increasing the scale of its rental fleet to allow sufficient revenues to be generated over time to cover the high fixed costs of the operation.

Revenues for the year increased by 26% to £6.7 million (2004: £5.3 million), reducing operating losses to £0.5 million (2004: £0.6 million). The costs of the increased fleet and the two new depot openings placed a drag on profits in the first half of the year, which was progressively reversed in the second half. The business exited the year with encouraging volume levels and, providing the market stays relatively robust, the outlook for 2006 is for further progress.

There are no short-term requirements for further investment and the business now has the scale to demonstrate that it can achieve acceptable returns in the current market conditions.

Spain

The Spanish operation consolidated its depot network at the start of 2005 and now has two sizeable depots in Madrid and Murcia, with a satellite operation in Santiago, serving the niche market of Galicia. The decision to limit our ambitions in this market to a small number of strong regional positions has stabilised the performance of the business, with revenues in line with the previous year at £3.6 million (2004: £3.6 million) and a break-even operating result (2004: breakeven).

The achievement of high utilisation, combined with a tight control over operating costs, is a prerequisite to delivering acceptable levels of profitability. Our operation is starting to make progress in both of these areas and we anticipate an improved performance in 2006.

Middle East

Our Middle East business, with operations in Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates, produced another excellent performance. Revenues increased to £7.5 million (2004: £7.2 million), with operating profits, due to the timing of fleet additions and the cost of strengthening the management team, in line at £2.7 million (2004: £2.7 million).

The region finished 2005 with increasing levels of demand, a trend which is continuing into the new year and which has led to additional equipment being transferred from our European operations in the first few weeks of 2006. The increasing level of activity in the region allows us to look forward with confidence for the foreseeable future.

Summary

It is pleasing to be able to report good progress in a number of areas during the last twelve months. It is worth emphasising that this progress has been achieved without recourse to any substantial capital investment, indicating the improved quality of the business' operational disciplines. The strategy of rigid fiscal self-discipline over the last three years has positioned the

Group financially to support investment going forward, to drive revenue growth above average levels of general economic activity and deliver superior profit performance.

With the acquisition of Panther Work Platforms Limited and Kestrel Powered Access Limited, we have started the process of consolidating our position in the UK market where we have the best-developed infrastructure, the largest fleet, the largest customer base and a strong management team. We anticipate this process will provide the platform for profitable growth for the Group over the coming years, and, with prudent management of the balance sheet, will enable the Group to deliver enhanced returns to our shareholders.

Kevin Appleton
Chief Executive
7 March 2006

Consolidated profit and loss account

For the year ended 31 December 2005

	2005	2004
	£000	£000
Revenue	100,009	108,013
Cost of sales before exceptional cost of sales	(58,652)	(63,960)
Exceptional cost of sales	-	(6,396)
Total cost of sales	(58,652)	(72,078)
Gross Profit	41,357	35,935
Operating expenses before exceptional operating expenses	(34,013)	(38,326)
Exceptional operating expenses	-	(6,396)
Total operating expenses	(34,013)	(44,722)
Operating profit/(loss)	7,344	(8,787)
Interest receivable	46	30
Interest payable	(4,491)	(5,810)
Profit/(loss) before taxation	2,899	(14,567)
Taxation on profit/(loss)	(2,010)	1,753
Profit/(loss) after taxation	889	(12,814)
Profit/(loss) per ordinary share		
- basic	2.40p	(34.63)p

- diluted

2.38p (34.63)p

There is no difference between the profit / (loss) on ordinary activities before taxation and the profit/(loss) for the year as stated above, and their historical cost equivalents.

All of the Group's trading activities relate to continuing operations for the year.

Consolidated balance sheet
at 31 December 2005

	2005	2004
	£000	£000
Assets		
Non-current assets		
Intangible assets	1,107	1,218
Property, plant and equipment	143,292	166,157
	144,399	167,375
Current assets		
Inventories	749	873
Trade and other receivables	23,406	26,024
Cash and cash equivalents	7,980	7,534
	32,135	34,431
Liabilities		
Current Liabilities		
Financial Liabilities		
- borrowings	(14,162)	(15,673)
- derivative financial instruments	(9)	-
Trade and other payables	(15,879)	(16,782)
Current tax liabilities	(1,879)	(250)
	(31,929)	(32,705)
Net current assets	206	1,726
Non-current liabilities		
Financial liabilities – borrowings	(55,514)	(80,870)
Deferred tax liabilities	(12,028)	(12,831)
	(67,542)	(93,701)

Net Assets	77,063	75,400
Shareholders equity		
Ordinary shares	370	370
Share premium	70,449	70,412
Capital redemption reserve	4	4
Other reserves	(431)	(841)
Retained earnings	6,671	5,455
Total equity	77,063	75,400

Consolidated cash flow statement

For the year ended 31 December 2005

	2005	2004
	£000	£000
Cash flows from operating activities:		
Profit/(loss) after taxation	889	(12,814)
Taxation charge/(credit)	2,010	(1,753)
Net interest expense	4,445	5,780
Amortisation and depreciation	22,428	26,230
Gain on sale of plant, property and equipment	(307)	(119)
Other non-cash movements	178	74
Provision against German assets held for resale	-	6,443
Provision against Austrian subsidiary	-	1,675
Net decrease in working capital	1,582	3,588
Cash generated from operations	31,225	29,104
Interest paid	(4,898)	(5,404)
Interest received	46	-
Taxation	(1,035)	542

(paid)/received

Net cash generated from operating activities	25,338	24,242
Cash flows from investing activities:		
Proceeds from sale of subsidiary	2,665	-
Proceeds from sale of property, plant and equipment	4,113	1,542
Purchase of property, plant and equipment	(1,657)	(1,881)
Net cash generated from/(used by) investing activities	5,121	(339)
Cash flows from financing activities:		
Repayment of loans	(18,220)	(5,032)
Repayment of principal under hire purchase agreements	(11,802)	(12,807)
Equity dividends paid	-	(2,572)
Proceeds from equity shares issued	37	-
Net cash used by financing activities	(29,985)	(20,411)
Net increase in cash and cash equivalents before exchange differences	474	3,492
Effects of exchange rates	(28)	4
Net increase in cash and cash equivalents after exchange differences	446	3,496
Cash and cash equivalents at start of period	7,534	4,038
Cash and cash equivalents at end of period	7,980	7,534

Shareholders funds' and statement of changes in equity

For the year ended 31 December 2005

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Translation Reserve £'000	Cash flow Hedge Reserve £'000	Investment Hedge Reserve £'000	Net Retained Earnings £'000	Total £'000
Balance at 31 December 2004	370	70,412	4	(841)	-	-	5,455	75,400
Profit for the year	-	-	-	-	-	-	889	889
Share based payments	-	-	-	-	-	-	178	178
Deferred tax movement on share based payments	-	-	-	-	-	-	149	149
Cash flow hedges – fair value losses in period	-	-	-	-	(9)	-	-	(9)
Proceeds from shares issued	-	37	-	-	-	-	-	37
Currency translation differences	-	-	-	(1,391)	-	1,810	-	419
Balance at 31 December 2005	370	70,449	4	(2,232)	(9)	1,810	6,671	77,063

For the year ended 31 December 2004

	Share Capital £'000	Share Premium £'000	Capital Redemption Reserve £'000	Translation Reserve £'000	Cash flow Hedge Reserve £'000	Investment Hedge Reserve £'000	Net Retained Earnings £'000	Total £'000
Balance at 1 January 2004	370	70,412	4	-	-	-	20,789	91,575
Loss for the year	-	-	-	-	-	-	(12,814)	(12,814)
Dividends	-	-	-	-	-	-	(2,572)	(2,572)

Share based payments	-	-	-	-	-	-	74	74
Deferred tax movement on share based payments	-	-	-	-	-	-	(22)	(22)
Currency translation differences	-	-	-	(841)	-	-	-	(841)
Balance at 31 December 2004	370	70,412	4	(841)	-	-	5,455	75,400

Reconciliation of net cash flow movement to movement in net debt

	2005	2004
	£000	£000
Net increase in cash	446	3,496
Outflow from decrease in debt	30,022	17,839
Change in net debt resulting from cash flows	30,468	21,335
Non-cash items:		
New hire purchase and finance lease agreements	(5,374)	(369)
Currency translation differences - on cash and net debt	2,219	(515)
Movement in net debt in the period	27,313	20,451
Net debt at 1 January	(89,009)	(109,460)
Net debt at 31 December	(61,696)	(89,009)

Primary segmental analysis – geographical segments

Year ended 31 December 2005

	UK £'000	Germany £'000	France £'000	Spain £'000	Middle East £'000	Group £'000
Revenue	61,106	21,153	6,661	3,614	7,475	100,009
Operating profit/(loss)	8,313	(3,130)	(521)	(27)	2,709	7,344
Interest receivable						46
Interest payable						(4,491)
Profit before tax						2,899
Taxation on profit						(2,010)
Profit for the year attributable to shareholders						889
Total assets	86,250	40,600	19,050	11,732	18,902	176,534
Total liabilities	(87,145)	(6,381)	(4,495)	(960)	(639)	(99,620)
Net(liabilities)/assets	(895)	34,219	14,555	10,772	18,263	76,914
Capital expenditure	4,785	761	2,479	38	127	8,190
Depreciation	12,095	5,068	1,824	1,313	1,690	21,990
Amortisation of intangible assets	209	174	22	23	10	438

Notes:

The assets and depreciation charge shown for the Middle East includes rental equipment owned by the UK operation, but which is used by and costed to the Middle East operation. The inclusion of the assets and depreciation charge in the Middle East more accurately reflects the commercial nature of the arrangement.

The information disclosed for the UK operation, includes centralised Group costs, assets and liabilities which may relate to the operation and financing of overseas subsidiaries.

Primary segmental analysis – geographical segments**Year ended 31 December 2004**

	UK £'000	Germany £'000	France £'000	Spain £'000	Austria £'000	Middle East £'000	Group £'000
Revenue	61,512	28,339	5,297	3,549	2,128	7,188	108,013

Operating profit/(loss) before exceptional costs	7,334	(3,351)	(599)	(62)	(289)	2,694	5,727
Exceptional costs	(2,040)	(10,550)	-	-	(1,924)	-	(14,514)
Operating profit/(loss) after exceptional costs	5,294	(13,901)	(599)	(62)	(2,213)	2,694	(8,787)
Interest receivable							30
Interest payable							(5,810)
Loss before tax							(14,567)
Taxation on loss							1,753
Loss for the year attributable to shareholders							(12,814)
Total assets	96,690	54,405	15,896	13,429	3,220	15,665	199,305
Total liabilities	(107,323)	(12,197)	(2,486)	(1,010)	(487)	(402)	(123,905)
Net(liabilities)/assets	(10,633)	42,208	13,410	12,419	2,733	15,263	75,400
Capital expenditure	336	1,047	423	48	88	375	2,317
Depreciation	12,903	7,293	1,429	1,314	574	1,559	25,072
Amortisation of intangible assets	242	188	17	18	25	13	503

Notes

1. The consolidated accounts of the Group are prepared under the historical cost convention and in accordance with the Companies Act 1985, and applicable International Financial Reporting Standards in the United Kingdom.

2. Earnings per share calculations are based on:

(a) the profit for the year, after deducting taxation, of £889,000 (2004: loss of £12,814,000); and

(b) the weighted average of 37,021,112 ordinary shares in issue during the year (2004: 37,003,383)

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume issue of all dilutive potential ordinary shares, based on the average market price of the Company's shares of £1.844 (2003: £1.377). The Group has only one category of potential dilutive ordinary shares: those options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the year. The effect of this dilution is to increase the weighted average number of ordinary shares to 37,370,394 (2004: 37,123,889).

This dilution cannot be applied to a loss and the stated EPS is hence equal to the basic EPS for the prior year.

Exceptional cost of sales and operating expenses charged to the profit and loss account in the prior year do not relate to the profitability of the Group on an ongoing basis. Therefore the earnings per ordinary share before exceptional cost of sales and operating expenses has been calculated after adjustment for these costs and the related tax effect based on the basic number of shares in issue.

	2005	Earnings per	2004	
	Profit	share	Loss	Loss per
	£000	pence	£000	share
				pence
Profit/(loss) / earnings per share	889	2.40	(12,814)	(34.63)
Exceptional cost of sales:				
Provision against German assets held for resale	-	-	6,443	17.41
Write down of Austrian assets	-	-	1,675	4.53
	-	-	8,118	21.94
Exceptional operating expenses:				
Bank fees	-	-	495	1.34
Refinancing advisory fees	-	-	843	2.27
Restructuring costs	-	-	4,403	11.90
Goodwill write down	-	-	655	1.77
	-	-	6,396	17.28
Total exceptional costs	-	-	14,514	39.22
Taxation effect from exceptional costs	-	-	(2,968)	(8.02)
Total exceptional costs net of taxation	-	-	11,546	31.20
Earnings/(loss) per share before exceptional costs	889	2.40	(1,268)	(3.43)

- The financial information set out in this announcement does not constitute the Group statutory accounts for the year ended 31 December 2005 or 31 December 2004, but is derived from these accounts. The statutory accounts for the Group for the year ended 31 December 2005 and 2004 were reported on by the auditors without qualification and such reports did not contain any statement under section 237(2) or (3) of the Companies Act

1985. The accounts for 2004 have been delivered to the Registrar of Companies and those for 2005 will be delivered in due course.

2. The Annual General Meeting of Lavendon Group plc will be held at PricewaterhouseCoopers LLP, Cornwall Court, 19 Cornwall Street, Birmingham B3 2DT on 28 April 2006 at 10:30.