31 July 2013

Victoria PLC

('Victoria', the 'Company', or the 'Group')

Preliminary Results

for the year ended 30 March 2013

Focussed on reducing costs and improving cash position

Victoria PLC, a manufacturer, supplier and distributor of design-led carpets and other floorcoverings, is pleased to announce full year results for the year ended 30 March 2013.

Financial Highlights

	Year ended 30 March 2013	Year ended 31 March 2012	Change
Revenue	**£70.91m**	£77.13m	-8.1%
Operating (loss)/profit before exceptional items	**£(0.42)m**	£2.67m	-115.8%
(Loss)/profit before tax and exceptional items	**£(0.89)m**	£2.21m	-140.1%
(Loss)/profit before tax	**£(3.52)m**	£1.55m	-327.5%
(Loss)/earnings per share			
Basic	**(39.56)p**	15.64p	
Basic adjusted	**(10.95)p**	23.71p	
Dividend			
Final	**6.00p**	7.00p	
Total dividend for the year	**8.00p**	10.50p	

Operational Highlights

- Australian business remains competitive in a very tough market, with full year revenue at A$66.14m down 7.9% on prior year (A$71.84m)
- Weak trading in the UK & Ireland resulted in a 7.8% decline in revenue from £30.08m to £27.73m
- New product ranges launching in the current financial year to address developing market trends
- New Board have focussed on reducing costs and improving the Company's cash position, through stock reduction and increasing productivity of existing assets
- Completed move from Main Market to AIM Market of the London Stock Exchange

Geoff Wilding, Chairman of Victoria PLC commented:

"Over the last six months we have focussed on reducing costs and improving the Company's cash position".

"Looking ahead into 2013/14 the Board is actively seeking opportunities to grow Victoria, improve performance, and generate cash for distribution to shareholders."

"Victoria has an excellent brand and we are determined to enhance our position as a manufacturer of the finest quality carpets in both Australasia and the United Kingdom."

– Ends –

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Chairman's Statement

2013 was the year when the chickens came home to roost at Victoria. Over recent years Victoria's financial results have been sustained by overseas profits generated in a buoyant Australian economy. However, with a decline in the Australian market from early 2012, the underlying issues – poor execution of key strategies, failure to address the main issues facing the Company (as summarised in the half year results), and a lack of focus on shareholder value by previous boards and management – were exposed in the financial results for the year ended 30 March 2013:

- Group revenues declined by 8.1% (7.9% in constant currency terms) from £77.13m to £70.91m
- Group operating profit before exceptional items fell from £2.67m to a loss of £0.42m
- Group profit before tax and exceptional items decreased from £2.21m to a loss of £0.89m
- After exceptional items, the Group recorded a loss before tax of £3.52m, compared with a £1.55m profit before tax in the prior year.

So what are the new Board doing to address the situation?

Over the last six months we have focussed on reducing costs and improving the Company's cash position. Actions taken have included the following:

- In the UK, we have taken out a substantial amount of overhead (given the size of the business), and the impact of this on earnings will start to be reflected in the new financial year. There are more cost savings available but we need to balance the desire to minimise costs rapidly with the requirement to ensure changes are not made so quickly as to be disruptive to the functioning of the business.
- In Australia, the Company's two spinning mills have gone through a period of rationalisation. Earlier in the year, capacity was reduced in response to the shift away from wool to synthetic carpets. Redundancies and costs associated with this move totalled *c*£0.9m. However, the new Board did not believe this restructuring went far enough as neither mill was operating at full capacity and early in the new financial year the two mills were consolidated on to one site at Bendigo. Although this will cost approximately £0.6m, the move will reduce our yarn conversion costs (the expense of turning wool into yarn capable of being made into carpet), and will help our Australian business remain competitive in what has become a very tough market.
- Excessive stock levels have been reduced in both the UK and Australia, but there is more progress to be made. Although the disposal of excess stock (some of which was out of fashion or not of perfect quality) impacted on gross margins, its sale helped reduce the Company's debt and, in the UK, allowed the closure of an external warehouse that had been rented in Kidderminster saving *c*£0.1m in annual running costs).
- Debt has been reduced. As at 4 October 2012, when the new Board was elected to the Company, UK debt was £9.59m and Group debt stood at £8.87m. Despite having to meet substantial restructuring and exceptional costs, at year end UK debt had been reduced to £8.00m and Group debt to £7.51m.
- The carrying value of some assets has been written down to more accurately reflect their market value. This has had no impact on the Company's cash position and should give shareholders some comfort as to the strength of the Company's balance sheet.

These steps have not been without some pain – reflected in the exceptional items – but were essential for future value creation. Further progress is needed (and the drive to minimise costs never ends) but the Board believes a satisfactory start has been made.

Looking ahead into 2013/14 the Board is actively seeking opportunities to grow Victoria, improve performance, and generate cash for distribution to shareholders. These are not mutually exclusive objectives and early indications of the impact the changes have made are encouraging. The Board was fortunate in finding some really talented and committed people at Victoria and it has certainly made our job easier having some people that can be relied upon to deliver on their promises.

Finally, it is important to note that Victoria remains well regarded by its customers and it continues to manufacture a high quality product. Victoria's carpets are in Buckingham Palace, Balmoral Castle, and several other Royal residences. It made the carpet that graced Westminster Abbey for the Royal Wedding a couple of years ago. These are fantastic achievements – we make some of the finest carpets in the world – and, earlier this year, Victoria was granted a Royal Warrant to Her Majesty The Queen.

The whole Company is now working to turn that success into financial success and wealth creation for shareholders.

Dividend

The Board declares a final dividend of 6.00p per share (2012: 7.00p), which, subject to shareholder approval, will be paid on 3 October 2013 to members on the Register at the close of business on 6 September 2013.

Geoffrey Wilding

Executive Chairman

30 July 2013

Operating and Financial Review

Operating Review

United Kingdom & Ireland

Tough market conditions and economic uncertainty both in the UK and the Eurozone has continued to have a detrimental effect on consumer confidence and discretionary spend on ‘big ticket’ items including carpet. Consequentially UK & Ireland experienced a 7.8% decline in revenue from £30.08m to £27.73m.

With wage growth lagging behind inflation rates, consumers’ disposable income continues to be squeezed and, as a result, we are seeing a market trend towards less expensive products. Victoria will be launching a number of product ranges in the current financial year to address this market trend.

Gross margins were impacted in the period by the stock rationalisation in the second half of the year. Underlying margins (after adjusting for the stock rationalisation) showed a slight improvement on the prior year, reflecting some easing in wool prices.

A number of operational initiatives were identified by the new Board in the second half that will result in substantial cost savings and the full benefits will flow into future financial periods.

As a result of the above, the UK & Ireland recorded a loss before tax and exceptional items of £2.03m. This result is unacceptable but Victoria management are confident the actions already taken and plans in place will address this.

Australia

The Australian economy is being impacted by the decline in the key resources sector as a direct result of slowing growth in China. The tough market conditions flagged at the half year have continued through the second half and are the most difficult faced by local manufacturers for 25 years.

The major factors affecting the business are;

- Reduced residential and commercial construction activity;
- Lower real estate sale activity levels;
- Increased import competition on the back of the strong Australian dollar;
- Consumer trend away from wool to synthetics; and
- Competition eroding producer margins in an overall weak market.

Consumers remain cautious about personal debt levels and household savings levels continue to rise despite lower interest rates. Expectations are that this trend will continue and the improvement in household balance sheets certainly provides a solid foundation for a revival in the building and construction sector in Australia. There are some early signs that residential building activity and property clearance rates are improving which should provide some momentum into the calendar year of 2014.

The rate of decline in revenue on the previous year slowed in the second half with the second half revenue down 4.2% on the same period last year, whilst full year revenue at A$66.14m was down 7.9% on the prior year (A$71.84m). Intense competition has impacted margins through compressed selling prices.

With demand for 'softer handle' products on the rise our new range of synthetic products, such as EverSoft®, continues to bring success and improve our share of that market.

Similarly we have produced some encouraging results with our range of tile products and see further opportunities ahead.

With tight and effective stock control, we have been able to reduce inventory levels by A$2.46m (-10.7%) against prior year. The Australian business continues to generate good cash flows and was effectively debt free at year end.

Canada

Revenue in our Canadian associate company, Colin Campbell, was up by 5.5% from C$7.62m to C$8.04m with growth underpinned by relatively strong commercial contract sales. The company recorded a pre-tax profit of C$0.29m compared to C$0.31m in the comparative period last year.

Outlook

United Kingdom & Ireland

We anticipate economic and market conditions to remain difficult in the short to medium term as household incomes continue to get squeezed.

On a more positive note, one of the key drivers of carpet sales is house sales resulting in new buyers redecorating and we are encouraged by recent reports that housing sales are increasing.

We see the UK well positioned to significantly improve its performance in the new financial year and will be focussing on the cost reduction initiatives discussed elsewhere, together with the active management of the business.

Australia

Given the current performance and state of the Australian economy, we continue to see a difficult trading environment in the short term. The low interest rates and potential softening of the Australian Dollar are, however, likely to lead to an increase in building and construction activity providing uplift for the sector and our business.

We remain focussed on developing new and innovative products, reviewing all costs to ensure we are competitive and prudently managing working capital to position ourselves for an improved operating environment.

Summary

Victoria has an excellent brand and we are determined to enhance our position as a manufacturer of the finest quality carpets in both Australasia and the United Kingdom.

Financial Review

The Group's financial performance for the year ended 30 March 2013 is summarised as follows:

	2013	2012	
	£'m	£'m	Change
Revenue	**70.91**	77.13	-8.1%
Operating (loss)/profit before exceptional items	**(0.42)**	2.67	-115.8%
Finance costs	**(0.47)**	(0.46)	0.9%
Loss/(profit) before tax and exceptional items	**(0.89)**	2.21	-140.1%
Exceptional items	**(2.63)**	(0.66)	+299.1%
(Loss)/profit before tax	**(3.52)**	1.55	-327.5%
Tax	**0.74**	(0.46)	+260.1%
(Loss)/profit after tax	**(2.78)**	1.09	-356.2%
Net debt	**7.51**	7.75	-3.1%

Revenue and profitability have been described in detail in the Operating Review above.

Exceptional Items

The exceptional charge for 2013 is made up of the following items:

	2013	2012
	£m	£m
Restructuring of Australia's spinning mills	**0.87**	-
Move to AIM	**0.23**	-
Incentive plan	**0.23**	-
General Meeting costs	**0.60**	0.29
Write off of certain intangible assets	**0.44**	-
Impairment of investment in associate company	**0.26**	-
Ireland restructuring costs	**-**	0.37
	2.63	0.66

Some restructuring of the two Australian spinning mills was undertaken in April 2012 as a result of declining demand for woollen yarns. With the trend away from wool to synthetic carpets continuing, the decision was taken to close the smaller of the two mills and relocate key equipment to improve efficiencies at the larger mill. As a result, further exceptional costs will be incurred in the new financial year to consolidate the two sites.

The Company's shares were transferred from the Official List to the AIM market of the London Stock Exchange on 17 January 2013.

The incentive plan costs relate to a proposed remuneration scheme that was subsequently withdrawn and a Contract for Difference between the Company and Mr G Wilding which received shareholder approval in the year. The contract was entered into in April 2013 and set up to establish a direct link between the remuneration of Mr G Wilding and the creation of value for all shareholders.

General Meeting costs in 2013 relate to expenses incurred in holding the General Meeting on 3 October 2012 (that resulted in changes to the Board composition) and expenditure by the previous Board in their unsuccessful attempts to generate shareholder support.

The write off of certain intangible assets principally relates to the intangible asset recognised on acquisition of certain assets of C&H Distribution in September 2011 and was in respect to the customer list, brand name and an exclusive supplier agreement. The asset was written off in the period on the basis that the C&H brand and products have largely been replaced by the launch of our own Victoria Luxury Flooring ('VLF') branded products.

The Board has reviewed its investment in the Canadian associate company Colin Campbell & Sons Limited, and that assessment has resulted in impairment in value of the investment held.

Taxation

The tax credit in the year was £0.74m (2012: tax charge of £0.46m), equivalent to an effective tax rate of 21.0%. The tax credit is lower than the current UK standard rate of 24% primarily due to the tax effect of permanently disallowable items, the effect of bringing in our share of the Canadian associate after tax and the effect of a different standard tax rate in Australia.

Cash Flow and Debt

	2013	2012
	£'m	£'m
Operating (loss)/profit before exceptional items	**(0.42)**	2.67
Depreciation and non-cash items	**2.69**	2.99
Foreign exchange	**0.12**	0.01
Movement in working capital	**2.12**	(2.24)
Operating cash flow (before exceptional items)	**4.51**	3.43
EBITDA*	**2.33**	5.64
Operating cash flow conversion % (against EBITDA*)	**193.7%**	60.8%

**Earnings before interest, tax, depreciation, amortisation and exceptional items*

The Group recorded strong operating cash flows in the period (before exceptional items) relative to EBITDA (before exceptional items), driven by reduced working capital levels. The Group has focussed on reducing inventory levels and at year-end inventory was £5.10m below prior year at £20.87m.

Capital expenditure remained relatively modest at £0.75m (2012: £1.38m) and significantly below depreciation levels. The Group remains well invested with modern plant and equipment and capital expenditure levels are expected to remain at a relatively low level in the new financial period.

Net debt levels reduced slightly to £7.51m (2012: £7.75m) and headroom against current facilities is at a comfortable level.

A refinancing of the Group's UK facilities occurred in July 2012 which converted the majority of UK borrowings from short term overdraft to a committed three year revolving credit facility expiring in July 2015. The facilities are subject to financial covenants measured against Group results and at 30 March 2013 all lending covenants were satisfied.

Future funding

The Group's renewal of banking facilities was completed in June 2012 in Australia and facilities were renegotiated in the UK in July 2012. Australia facilities are due for renewal in September 2013 and there are no problems anticipated on renewal given Australia's current cash position. The current facilities across the Group provide sufficient capacity in Australian Dollars, Sterling and Euros to cover all anticipated capital expenditure and working capital requirements in the year ahead.

Going concern

The consolidated financial statements have been prepared on a going concern basis. The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chairman's Statement and this Operating and Financial Review.

Having reviewed the Group's budgets, projections and funding requirements, and taking account of reasonable possible changes in trading performance, the Directors believe they have reasonable grounds for stating that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Directors are of the view that the Group is well placed to manage its business risks despite the difficult economic and market conditions. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual Report and Accounts.

Accounting standards

The financial information in this announcement has been produced in accordance with International Financial Reporting Standards (IFRS), as endorsed and adopted for use in the EU. There have been no changes to IFRS this year that have a material impact on the Group's results. There have been no changes in the accounting policies of the Group and its subsidiaries this year.

Key performance indicators (KPIs)

The KPIs monitored by the Group Board are set out in the table below.

KPI	2013	2012	2011
Sales growth (constant currency)	**-7.9%**	+4.6%	+3.3%
Operating margin (pre exceptional items)	**-0.6%**	3.5%	3.4%
Return on operating assets (pre exceptional items)	**-0.9%**	5.6%	5.2%
(Loss)/earnings per share (basic adjusted – refer to note 2 of this announcement)	**-11.0p**	23.7p	18.4p
Net debt to EBITDA*	**3.3 times**	1.4 times	1.2 times
Interest cover	**4.8 times**	12.1 times	11.4 times

** Earnings before interest, tax, depreciation, amortisation and exceptional items*

Principal risks and uncertainties

The principal risks facing the business are set out as follows:

Competition

The Group companies operate in mature and highly competitive markets, resulting in pressure on pricing and margins. Management regularly review competitor activity to devise strategies to protect the Group's position as far as possible.

Global economic conditions

The operating and financial performance of the Group is influenced by economic conditions in the geographic areas it operates, particularly the UK, Eurozone, Australia and the USA. The Group is managing the current downturn in our markets through operational efficiency improvements, cost reductions and product development to better align operations with current market conditions.

Key input prices

Material adverse changes in certain raw material prices, in particular wool prices, could affect the Group's profitability. These prices are closely monitored and forward contracts placed to help manage shorter term volatility.

Fluctuations in currency exchange rates

A significant amount of the Group's purchases are made in US Dollars and Euros and therefore the Group is exposed to foreign currency fluctuations. The Group manages this risk through the use of forward contracts where appropriate.

Geoffrey Wilding

Chairman

VICTORIA PLC

Consolidated Income Statement

For the 52 weeks ended 30 March 2013			Notes	**52 weeks ended 30 March 2013**	52 weeks ended 31 March 2012
				£000	£000
Continuing operations					
Revenue			1	**70,909**	77,126
Cost of sales				**(53,679)**	(56,787)
Gross profit				**17,230**	20,339
Distribution costs				**(14,041)**	(14,070)
Administrative expenses				**(6,230)**	(4,730)
Other operating income				**168**	384
Share of results of associated company			1	**(182)**	85
Operating (loss)/profit				**(3,055)**	2,008
Analysed between:					
Operating (loss)/profit before exceptional items			1	**(421)**	2,668
Exceptional items			3	**(2,634)**	(660)
Finance costs				**(465)**	(461)
(Loss)/profit before tax			1	**(3,520)**	1,547
Taxation				**738**	(461)
(Loss)/profit for the period				**(2,782)**	1,086
(Loss)/earnings per share -	pence	basic	2	**(39.56)**	15.64
		diluted	2	**(39.56)**	14.12

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 30 March 2013	**52 weeks ended 30 March 2013**	52 weeks ended 31 March 2012
	£000	£000
Exchange differences on translation of foreign operations	**1,597**	72
Other comprehensive income for the period	**1,597**	72
(Loss)/profit for the period	**(2,782)**	1,086
Total comprehensive (loss)/income for the period	**(1,185)**	1,158

VICTORIA PLC

Consolidated and Company Balance Sheets

As at 30 March 2013	Group		Company	
	30 March 2013	31 March 2012	**30 March 2013**	31 March 2012
	£000	£000	**£000**	£000
Non-current assets				
Intangible assets	**248**	742	**------**	------
Property, plant and equipment	**23,778**	24,978	**4,966**	5,027
Investment property	**180**	180	**180**	180
Investment in subsidiary undertakings	**------**	------	**3,322**	3,322
Deferred tax asset	**1,323**	812	**------**	------
Total non-current assets	**25,529**	26,712	**8,468**	8,529
Current assets				
Inventories	**20,866**	25,966	**------**	------
Trade and other receivables	**11,163**	11,676	**4,281**	4,812
Current tax assets	**361**	------	**------**	------
Cash at bank and in hand	**1,091**	806	**------**	------
Assets held for sale	**389**	558	**56**	56
Total current assets	**33,870**	39,006	**4,337**	4,868
Total assets	**59,399**	65,718	**12,805**	13,397
Current liabilities				
Trade and other payables	**9,624**	13,467	**229**	1,055
Current tax liabilities	**------**	31	**------**	------
Other financial liabilities	**7,709**	8,165	**4,246**	3,078
Total current liabilities	**17,333**	21,663	**4,475**	4,133
Non-current liabilities				
Trade and other payables	**1,954**	2,253	**------**	------
Other financial liabilities	**890**	388	**500**	------
Deferred tax liabilities	**749**	1,094	**471**	784
Total non-current liabilities	**3,593**	3,735	**971**	784
Total liabilities	**20,926**	25,398	**5,446**	4,917
Net assets	**38,473**	40,320	**7,359**	8,480
Equity				
Share capital	**1,758**	1,736	**1,758**	1,736
Share premium	**829**	829	**829**	829
Retained earnings	**35,724**	37,575	**4,669**	5,802
Share-based payment reserve	**162**	180	**103**	113
Total equity	**38,473**	40,320	**7,359**	8,480

VICTORIA PLC

Consolidated statement of Changes in Equity

For the 52 weeks ended 30 March 2013

	Share capital £000	Share premium £000	Retained earnings £000	Share-based payment reserve £000	Total equity £000
At 1 April 2012	1,736	829	37,575	180	40,320
Loss for the period	----	----	(2,782)	----	(2,782)
Other comprehensive income for the period	----	----	1,597	----	1,597
Dividends paid	----	----	(627)	----	(627)
Movement in share based payment reserve	----	----	----	(18)	(18)
Deferred tax on share option scheme	----	----	(39)	----	(39)
Issue of share capital in connection with exercise of share options under LTIP plan	22	----	----	----	22
At 30 March 2013	**1,758**	**829**	**35,724**	**162**	**38,473**
At 3 April 2011	1,736	829	37,067	130	39,762
Profit for the period	----	----	1,086	----	1,086
Other comprehensive income for the period	----	----	72	----	72
Dividends paid	----	----	(660)	----	(660)
Movement in share based payment reserve	----	----	----	50	50
Deferred tax on share option scheme	----	----	10	----	10
At 31 March 2012	1,736	829	37,575	180	40,320

Company Statement of Changes in Equity

For the 52 weeks ended 30 March 2013

	Share capital £000	Share premium £000	Retained earnings £000	Share-based payment reserve £000	Total equity £000
At 1 April 2012	1,736	829	5,802	113	8,480
Loss for the period	------	------	(467)	------	(467)
Dividends paid	------	------	(627)	------	(627)
Movement in share based payment reserve	------	------	------	(10)	(10)
Deferred tax on share option scheme	------	------	(39)	------	(39)
Issue of share capital in connection with exercise of share options under LTIP plan	22	------	------	------	22
At 30 March 2013	**1,758**	**829**	**4,669**	**103**	**7,359**
At 3 April 2011	1,736	829	6,115	87	8,767
Profit for the period	------	------	337	------	337
Dividends paid	------	------	(660)	------	(660)
Movement in share based payment reserve	------	------	------	26	26
Deferred tax on share option scheme	------	------	10	------	10
At 31 March 2012	1,736	829	5,802	113	8,480

VICTORIA PLC

Consolidated and Company Statement of Cash Flows

For the 52 weeks ended 30 March 2013	Group		Company	
	52 weeks ended 30 March 2013	52 weeks ended 31 March 2012	**52 weeks ended 30 March 2013**	52 weeks ended 31 March 2012
	£000	£000	**£000**	£000
Net cash inflow/(outflow) from operating activities	**1,611**	885	**(1,049)**	1,285
Investing activities				
Purchases of property, plant and equipment	**(850)**	(1,464)	**-----**	(13)
Acquisition of intangible assets	**----**	(400)	**-----**	-----
Proceeds on disposal of property, plant and equipment	**96**	85	**8**	-----
Investment in subsidiary	**----**	----	**----**	(1)
Net cash (used)/generated in investing activities	**(754)**	(1,779)	**8**	(14)
Financing activities				
Increase/(decrease) in long term loans	**500**	(973)	**500**	-----
Receipts from financing of assets	**-----**	321	**-----**	-----
Repayment of obligations under finance leases/HP	**(327)**	(872)	**-----**	-----
Dividends paid	**(627)**	(660)	**(627)**	(660)
Net cash used in financing activities	**(454)**	(2,184)	**(127)**	(660)
Net increase/(decrease) in cash and cash equivalents	**403**	(3,078)	**(1,168)**	611
Cash and cash equivalents at beginning of period	**(6,920)**	(3,866)	**(3,078)**	(3,689)
Effect of foreign exchange rate changes	**42**	24	**-----**	-----
Cash and cash equivalents at end of period	**(6,475)**	(6,920)	**(4,246)**	(3,078)

VICTORIA PLC

Notes to the Accounts

1 Segmental information

The Group is organised into two operating divisions, the UK & Ireland and Australia. Our share of the Canadian associate result is also presented separately.

Geographical segment information for revenue, operating (loss)/profit and a reconciliation to entity net (loss)/profit is presented below.

Income statement	**For the 52 weeks ended 30 March 2013**					For the 52 weeks ended 31 March 2012				
	Revenue	**Segmental operating (loss)/ profit**	**Exceptional operating items**	**Finance costs**	**Loss before tax***	Revenue	Segmental operating profit	Exceptional operating items	Finance costs	Profit before tax*
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	£000	£000	£000	£000	£000
UK & Ireland	**27,729**	**(1,820)**	**(442)**	**(206)**	**(2,468)**	30,080	308	(369)	(128)	(189)
Australia	**43,180**	**2,027**	**(1,082)**	**(154)**	**791**	47,046	3,134		(231)	2,903
	70,909	**207**	**(1,524)**	**(360)**	**(1,677)**	77,126	3,442	(369)	(359)	2,714
Share of Canadian associate		**77**	**(259)**		**(182)**		85			85
Unallocated central expenses		**(705)**	**(851)**	**(105)**	**(1,661)**		(859)	(291)	(102)	(1,252)
Total continuing operations	**70,909**	**(421)**	**(2,634)**	**(465)**	**(3,520)**	77,126	2,668	(660)	(461)	1,547
Tax					**738**					(461)
(Loss)/profit after tax from continuing activities					**(2,782)**					1,086

* The share of results of the associated company is shown net of tax as required by IAS1.

Intersegment sales between the UK & Ireland and Australia were immaterial in the current and comparative periods.

Management information is reviewed on a segmental basis to (loss)/profit before tax.

1 Segmental information (continued)

Balance Sheet	As at 30 March 2013		As at 31 March 2012	
	Segment assets £000	**Segment liabilities £000**	Segment assets £000	Segment liabilities £000
UK & Ireland	**22,203**	**7,965**	27,649	10,480
Australia	**36,627**	**7,912**	37,255	9,889
Assets held for sale	**389**	**----**	558	----
Unallocated central assets/liabilities	**180**	**5,049**	256	5,029
	59,399	**20,926**	65,718	25,398

Assets held for sale relates to the investment in the associated company, which is held directly by the parent entity and does not relate specifically to any geographic segment.

Other segmental information	52 weeks ended 30 March 2013 £000	52 weeks ended 31 March 2012 £000
Depreciation and amortisation		
UK & Ireland	**792**	821
Australia	**1,960**	2,149
Unallocated central	**------**	4
	2,752	2,974

No other significant non-cash expenses were deducted in measuring segment results.

	52 weeks ended 30 March 2013 £000	52 weeks ended 31 March 2012 £000
Capital expenditure		
UK & Ireland	**593**	361
Australia	**257**	1,090
Unallocated central	**------**	13
	850	1,464

Business Segments

The Directors consider that substantially all of the Group's operations relate to a single activity, that of the manufacture and sale of carpets and other floorcoverings.

2 (Loss)/earnings per share

The calculation of the basic, adjusted and diluted (loss)/earnings per share is based on the following data:

	Basic 2013 £'000	**Adjusted 2013 £'000**	Basic 2012 £'000	Adjusted 2012 £'000
(Loss)/profit attributable to ordinary equity holders of the parent entity	**(2,782)**	**(2,782)**	1,086	1,086
Exceptional items (net of tax effect):				
Restructuring of Australia's spinning mills	**----**	**608**	----	----
Move to AIM	**----**	**177**	----	----
Incentive plan	**----**	**173**	----	----
General Meeting costs	**----**	**459**	----	216
Write off of certain intangible assets	**----**	**336**	----	----
Impairment of investment in associate company	**----**	**259**	----	----
Ireland restructuring costs	**----**	**----**	----	344
(Loss)/earnings for the purpose of basic, adjusted and diluted (loss)/earnings per share	**(2,782)**	**(770)**	1,086	1,646

Weighted average number of shares

	2013 Number of shares ('000)	2012 Number of shares ('000)
Weighted average number of ordinary shares for the purposes of basic (loss)/earnings per share	**7,033**	6,944
Effect of dilutive potential ordinary shares:		
Long Term Incentive Plan and Performance Share Plan *	**----**	747
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	**7,033**	7,691

The Group's (loss)/earnings per share are as follows:

	2013 Pence	2012 Pence
Basic adjusted	**(10.95)**	23.71
Diluted adjusted *	**(10.95)**	21.40
Basic	**(39.56)**	15.64
Diluted *	**(39.56)**	14.12

* There was no difference in the weighted average number of shares used for the calculation of basic and diluted loss per share in 2013 as the effect of all potentially dilutive shares outstanding was anti-dilutive.

3 Exceptional Items

	52 weeks ended 30 March 2013 £000	52 weeks ended 31 March 2012 £000
(a) Restructuring of Australia's spinning mills	**869**	------
(b) Move to AIM	**233**	------
(c) Incentive plan	**227**	------
(d) General Meeting costs	**604**	291
(e) Write off of certain intangible assets	**442**	------
(f) Impairment of investment in associate company	**259**	------
(g) Ireland restructuring costs	**------**	369
	2,634	660

All exceptional items are classified within administrative expenses.

(a) Relate to costs associated with "right-sizing" and reorganising the two spinning mills to meet reduced volume requirements as a result of declining demand for woollen yarns.

(b) Relate to costs incurred in the move from the Official List to the AIM market of the London Stock Exchange.

(c) Relate to professional fees in connection with a proposed incentive remuneration plan subsequently withdrawn, and a Contract for Difference between the Company and Mr Wilding which received shareholder approval in February 2013. The contract was signed in April 2013.

(d) Relate to costs in connection with various General Meetings of the Company, resulting in changes to the Board composition.

(e) Relates to the write off of intangible assets held in relation to 1) the acquisition of certain assets of C&H Distribution and 2) the Munster brand in respect to the UK contract market where it is no longer used.

(f) The board has reviewed its investment in the associate company and that assessment has resulted in impairment in the value of the investment held.

(g) Relate to closure costs associated with the restructuring, with the largest cost relating to redundancies. The Irish business and brands are now being marketed and traded under a distribution model and reported within the UK operation.

4 Rates of exchange

The results of overseas subsidiary and associated undertakings have been translated into Sterling at the average exchange rates prevailing during the periods. The balance sheets are translated at the exchange rates prevailing at the period ends:

	2013		2012	
	Average	**Year end**	Average	Year end
Australia - A$	**1.5317**	**1.4565**	1.5270	1.5423
Ireland - €	**1.2215**	**1.1825**	1.1559	1.1998
Canada - C$	**1.5841**	**1.5427**	1.5870	1.5969

5 Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities

	Group		Company	
	2013	2012	**2013**	2012
	£000	£000	**£000**	£000
Operating (loss)/profit from continuing operations	**(3,055)**	2,008	**(714)**	254
Adjustments for:				
- Depreciation charges	**2,700**	2,932	**60**	64
- Amortisation of intangible assets	**52**	42	**----**	----
- Impairment of intangible assets	**442**	----	**----**	**----**
- Share based payment charge	**----**	47	**----**	26
- Share of loss/(profit) of associated company	**182**	(85)	**----**	----
- Loss/(profit) on disposal of property, plant and equipment	**13**	59	**(8)**	----
- Exchange rate difference on consolidation	**124**	4	**----**	----
Operating cash flows before movements in working capital	**458**	5,007	**(662)**	344
Decrease/(increase) in working capital	**2,124**	(2,239)	**(282)**	1,061
Cash generated/(used) by operations	**2,582**	2,768	**(944)**	1,405
Interest paid	**(465)**	(478)	**(105)**	(120)
Income taxes paid	**(506)**	(1,405)	**----**	----
Net cash inflow/(outflow) from operating activities	**1,611**	885	**(1,049)**	1,285

6 Analysis of net debt

	At 31 March 2012	Cash flow	Other non-cash changes	Exchange movement	**At 30 March 2013**
	£000	£000	£000	£000	**£000**
Cash	806	240	----	45	**1,091**
Bank loans payable less than one year and overdrafts	(7,726)	163	----	(3)	**(7,566)**
Cash and cash equivalents	(6,920)	403	----	42	**(6,475)**
Finance leases and hire purchase agreements					
- Payable less than one year	(439)	327	(20)	(11)	**(143)**
- Payable more than one year	(388)	----	20	(22)	**(390)**
Bank loans payable more than one year	----	(500)	----	----	**(500)**
Net debt	(7,747)	230	----	9	**(7,508)**

7 The results have been extracted from the audited financial statements of the Group for the 52 weeks ended 30 March 2013. The results do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Whilst the financial information included in this Preliminary announcement has been computed in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU, IFRIC interpretations and Companies Act 2006 that applies to companies reporting under IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The Group will publish full financial statements that comply with IFRS. The audited financial statements incorporate an unqualified audit report. The Auditor's report on these accounts did not draw attention to any matters by way of emphasis and did not contain statements under S498(2) or (3) Companies Act 2006.

Statutory accounts for the 52 weeks ended 31 March 2012, which incorporated an unqualified auditor's report, have been filed with the Registrar of Companies. The Auditor's report on these accounts did not draw attention to any matters by way of emphasis and did not contain statements under S498(2) or (3) Companies Act 2006. The accounting policies applied are consistent with those described in the Annual Report & Accounts for the 52 weeks ended 31 March 2012.

8 The Annual Report & Accounts will be posted to shareholders in due course. Further copies will be available from the Company's Registered Office: Worcester Road, Kidderminster, Worcestershire, DY10 1JR or via the website: www.victoriaplc.com.

9 The Annual General Meeting is being held at the Registered Office of the Company, as above, at 11.00am on Tuesday, 24 September 2013.