SCOTT TECHNOLOGY LTD

2015 HALF YEAR REPORT

FOR THE SIX MONTHS ENDED
28 FEBRUARY 2015

SCOTT

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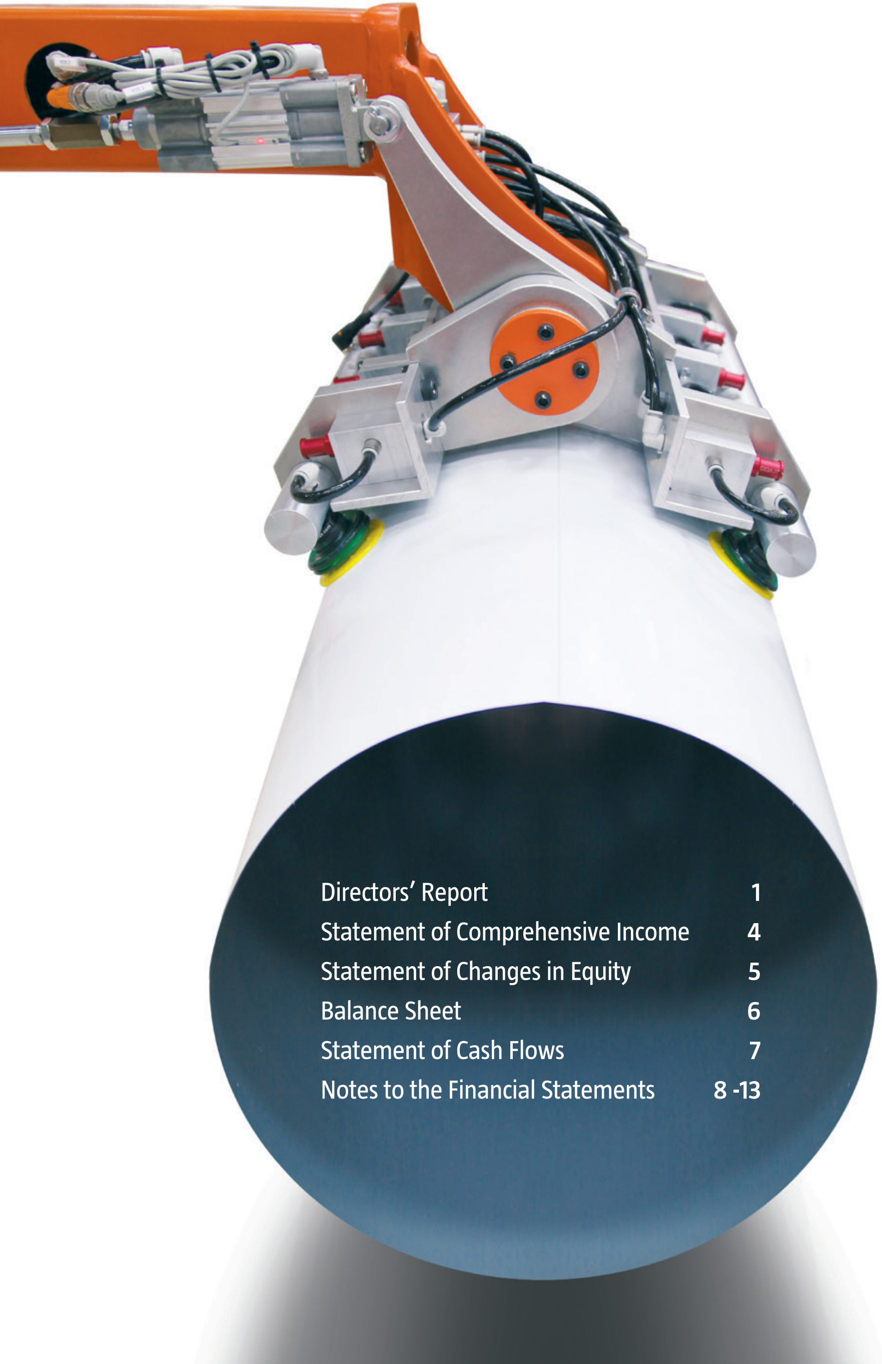


DIRECTORS' REPORT

Financial Commentary

The Directors are pleased to report a surplus after tax of $1.1 million for the first half of the 2015 financial year, an increase of 40% on the $0.8 million recorded for the first half of the 2014 financial year. Earnings per share were 2.5 cents, a 92% increase on the corresponding period last year. As an international company operating in global markets, the overall economic conditions for the Company were as volatile as they were in 2014. The Company has seen the benefit of its diversification strategy and the recent acquisitions have also assisted the overall performance of the business.

Reported revenue for the first half of 2015 was $29.3 million, an increase of 16% on the $25.3 million recorded in the first half of 2014.

Around the world there is a significant trend toward automation and robotics. This is in addition to the renewed emphasis on manufacturing in our key North American market. Scott Technology, with a larger skill base and business locations within its key markets, is now well positioned to take advantage of these trends.

A strong operating cash inflow of $4.0 million recorded for the first half of 2015 is a significant turnaround from the $4.2 million outflow in the first half of 2014.

The half year to 28 February 2015 includes a full six months result for RobotWorx and one month's result for the recently acquired Machinery Automation and Robotics Pty Ltd ("MAR").

Review of Operations

Operating performance across the group continued to lift with the first half of the year in 2015 producing an EBITDA to sales ratio of 9.0% compared to 8.3% in the first half of 2014. All areas of the business are successfully managing the high value of the New Zealand dollar and the economic cycles that are affecting the Company's customers, particularly those that operate in the resources (mining) and appliance manufacturing sectors. The Company has seen a significant increase in the level of enquiry for automation and robotics across a wide range of industries and geographies driven by the trends noted above.

During the half year the Company completed the integration of RobotWorx and is adding resources in Ohio in preparation for the planned growth in the North American market. The demand for robotics and automation has been steadily increasing with an elevated level of sales enquiry. Technologies acquired as part of MAR are applicable to the North American market and we have seen early uptake and strong demand. The Company has relocated engineering skills and management from New Zealand to Ohio, USA to help drive the Company's future growth.

The recent acquisition of MAR has provided the Company with a basket of advanced technologies and products, along with highly skilled people and direct in-market access to the Australian manufacturing sector. The integration of MAR has just commenced and is already providing synergies in our operations and contributing to our results. Australia is a key market for the

Company's automation and robotics, particularly as it is applied to customers who operate in the meat processing and mining sectors. The engineering technology and solutions that Scott provides are sought after, not only in times of increased production and output, but also to increase productivity, quality and yield at times when the focus of customers shifts to cost control and performance improvement.

In China, the Company continues to expand its focus on applying advanced technology to a wider range of customers and applications. The management team has been strengthened with the addition of skilled engineers relocated from New Zealand. Like North America, there is a desire to rebuild and enhance manufacturing utilising integrated automation and robotics such as that provided by Scott. The Company is in the process of moving the business to new larger premises within the same area of Qingdao.

To meet the expected continued growth in demand for Scott Technology's skills, expertise and experience in automation and robotics, the Company remains focused on implementing innovation and improvement processes across all areas of the business.

The Company's development of the robotic milking system progressed with the installation of a second production prototype during the period. These systems are undergoing full production trials and we expect to take the technology to wider trials in the 2015 / 2016 season, followed by commercialisation.

Dividend

The Directors have approved an interim dividend of 2.5 cents per share, full imputed, payable on 26 May 2015. This is the same dividend level as the prior year and shows the Directors' confidence in the strategic direction of the Company and their recognition of many shareholders' requirement for a stable dividend yield. The Dividend Reinvestment Plan introduced by the Company in 2011 will apply to this payment.

Capital Raising

A capital raising has been signalled at the Company's annual meeting in December 2014 and also in the announcement of the completion of the successful acquisition of MAR. This acquisition and the acquisition of RobotWorx in May 2014 were primarily debt funded. The planned capital raise will assist to reduce the Company's bank borrowings to a level that will enable the Company to continue its growth strategy.

Looking Ahead

Scott Technology Ltd continues to develop and implement its strategic intent. The global conditions for automation and robotics continue to improve and the signals for future growth and demand have never been stronger. The Company has a programme to train and recruit people with the right skills and to develop the technologies that will help shape the future of not only Scott, but also of our customers and partners.

The Directors are confident of converting the Company's opportunities into growth and profits that support the development of skills and technologies in demand by our customers and the results required by all stakeholders.

Stuart J McLauchlan *CHAIRMAN*

Christopher C Hopkins *MANAGING DIRECTOR*

Acquisition

MACHINERY AUTOMATION & ROBOTICS PTY LTD

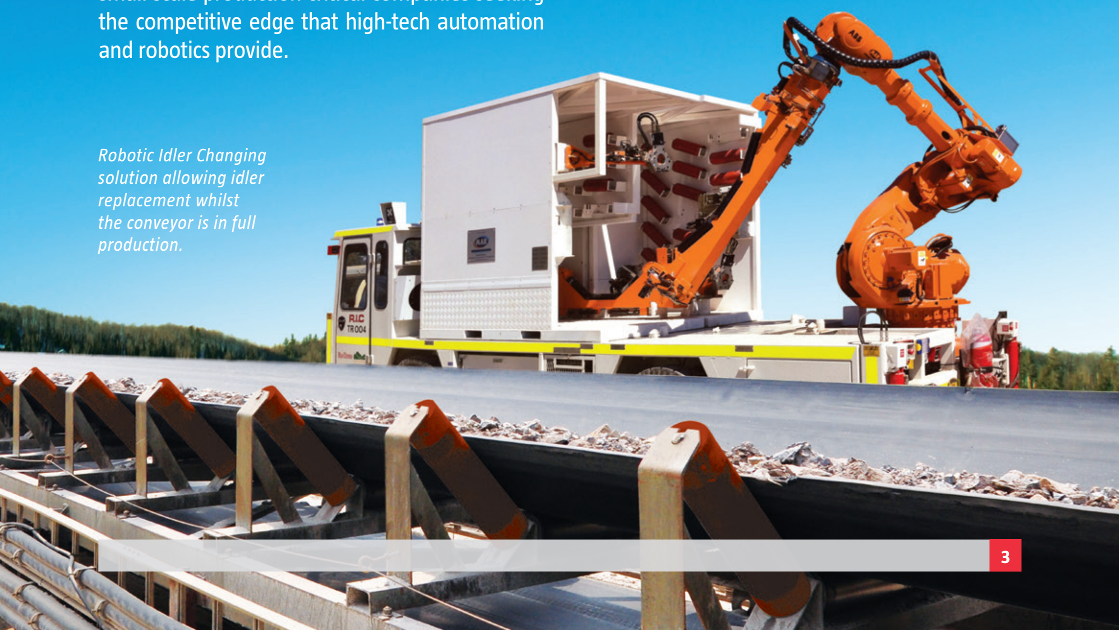
In January 2015 Scott Technology acquired Machinery Automation and Robotics ("MAR"). MAR is an established and very successful Australian automation and robotics company that is closely aligned to Scott, with complementary products and markets. This is a key development and fulfils our strategic expansion through a stronger presence in our international markets and our strategy to move up the value chain by providing smarter, interconnected robotics and automation.

MAR designs and manufactures industrial automation and robotic solutions for large and small scale production-critical companies seeking the competitive edge that high-tech automation and robotics provide.

MAR provides robotic and automation solutions and systems to a variety of industries including mining and meat processing, which are also key areas of focus for Scott. Other industries served by MAR include food production and packaging.

Similar to Scott, MAR offers a complete service from design, manufacture and project management through to implementation and on-going 24 hour support.

MAR's strengths in electrical, programming and controls, complement Scott's strengths in mechanical design and vision.



Robotic Idler Changing solution allowing idler replacement whilst the conveyor is in full production.

STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended 28 February 2015

	6 mths 28 Feb 15 (Unaudited) $'000s	6 mths 28 Feb 14 (Unaudited) $'000s	12 mths 31 Aug 14 (Audited) $'000s
Revenue	29,322	25,276	60,316
Other income	373	697	1,596
Share of joint ventures' and associates' net surplus/(deficit)	(26)	(215)	(38)
Raw materials, consumables used and other expenses	(15,460)	(13,582)	(35,810)
Employee benefits expense	(11,569)	(10,074)	(19,983)
Depreciation and amortisation	(693)	(641)	(1,336)
Finance costs	(376)	(213)	(514)
NET SURPLUS BEFORE TAXATION	1,571	1,248	4,231
Taxation expense	(425)	(428)	(1,205)
NET SURPLUS FOR THE PERIOD AFTER TAX	1,146	820	3,026
Other Comprehensive Income			
Movement in cash flow hedge reserve	(24)	225	72
Translation of foreign operations	340	40	(173)
Other comprehensive income for the period net of tax	316	265	(101)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD NET OF TAX	1,462	1,085	2,925
Net surplus for the period is attributable to:			
Members of the parent entity	1,062	541	2,548
Non controlling interest	84	279	478
	1,146	820	3,026
Total comprehensive income is attributable to:			
Members of the parent entity	1,378	806	2,447
Non controlling interest	84	279	478
	1,462	1,085	2,925
Net surplus (attributable to members of the parent entity) per share:			
Basic (cents per share)	2.5	1.3	6.2
Diluted (cents per share)	2.5	1.3	6.2
Net tangible assets per ordinary share:			
Basic (cents per share)	30.8	71.7	61.6
Diluted (cents per share)	30.8	71.7	61.6

STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended 28 February 2015

	Fully Paid Ordinary Shares $'000s	Retained Earnings $'000s	Cashflow Hedge Reserve $'000s	Foreign Currency Translation Reserve $'000s	Non Controlling Interest $'000s	Total $'000s
Six Months Ended 28 February 2015 (Unaudited)						
Balance at 31 August 2014	28,804	18,495	(27)	(83)	76	47,265
Net surplus/(deficit) for the period after tax	-	1,062	-	-	84	1,146
Other comprehensive income for the period net of tax	-	-	(24)	340	-	316
Dividends paid (5.00 cents per share)	-	(2,421)	-	-	-	(2,421)
Issue of ordinary shares under dividend reinvestment plan	711	-	-	-	-	711
Issue of ordinary shares on acquisition of Machinery Automation & Robotics Pty Ltd	1,061	-	-	-	-	1,061
Balance at 28 February 2015	30,576	17,136	(51)	257	160	48,078
Six Months Ended 28 February 2014 (Unaudited)						
Balance at 31 August 2013	24,005	18,985	(99)	90	771	43,752
Net surplus/(deficit) for the period after tax	-	541	-	-	279	820
Other comprehensive income for the period net of tax	-	-	225	40	-	265
Dividends paid (7.50 cents per share)	-	(3,083)	-	-	-	(3,083)
Issue of ordinary shares under dividend reinvestment plan	807	-	-	-	-	807
Acquisition of non controlling interest in subsidiary	-	1,083	-	-	(1,173)	(90)
Balance at 28 February 2014	24,812	17,526	126	130	(123)	42,471
Twelve Months Ended 31 August 2014 (Unaudited)						
Balance at 31 August 2013	24,005	18,985	(99)	90	771	43,752
Net surplus/(deficit) for the year after tax	-	2,548	-	-	478	3,026
Other comprehensive income for the year net of tax	-	-	72	(173)	-	(101)
Dividends paid (10.00 cents per share)	-	(4,121)	-	-	-	(4,121)
Issue of ordinary shares under dividend reinvestment plan	1,092	-	-	-	-	1,092
Issue of ordinary shares on acquisition of RobotWorx business	3,707	-	-	-	-	3,707
Acquisition of non controlling interest in subsidiary	-	1,083	-	-	(1,173)	(90)
Balance at 31 August 2014	28,804	18,495	(27)	(83)	76	47,265

BALANCE SHEET

As at 28 February 2015

	6 mths 28 Feb 15 (Unaudited) $'000s	6 mths 28 Feb 14 (Unaudited) $'000s	12 mths 31 Aug 14 (Audited) $'000s
CURRENT ASSETS			
Cash and cash equivalents	2,012	509	1,370
Trade debtors	11,615	18,317	14,640
Other financial assets	1,311	1,860	1,179
Sundry debtors and prepayments	1,426	758	652
Inventories	10,587	7,732	11,809
Contract work in progress	7,946	2,883	8,858
Receivable from joint ventures and associates	1,524	88	1,243
	36,421	32,147	39,751
NON CURRENT ASSETS			
Property, plant and equipment	15,529	14,356	14,679
Investment in joint ventures and associates	582	739	759
Other financial assets	7	31	-
Goodwill	20,081	10,813	16,657
Deferred tax asset	1,948	1,718	1,751
Receivable from joint ventures and associates	1,536	768	1,696
Intangible assets	12,131	186	1,733
	51,814	28,611	37,275
TOTAL ASSETS	88,235	60,758	77,026
CURRENT LIABILITIES			
Bank overdraft	5,180	6,388	6,258
Trade creditors and accruals	7,571	4,612	9,230
Other financial liabilities	91	246	45
Employee entitlements	3,465	1,972	3,446
Provision for warranty	750	750	750
Payable to associates	329	-	329
Taxation payable	1,585	96	968
Current portion of bank loans	13,547	-	982
	32,518	14,064	22,008
NON CURRENT LIABILITIES			
Bank loans	7,404	3,200	7,442
Other financial liabilities	7	-	-
Employee entitlements	228	1,023	311
	7,639	4,223	7,753
EQUITY			
Share capital	30,576	24,812	28,804
Retained earnings	17,136	17,526	18,495
Cash flow hedge reserve	(51)	126	(27)
Foreign currency translation reserve	257	130	(83)
Equity attributable to equity holders of the parent	47,918	42,594	47,189
Non controlling interest	160	(123)	76
TOTAL EQUITY	48,078	42,471	47,265
TOTAL LIABILITIES and EQUITY	88,235	60,758	77,026

STATEMENT OF CASHFLOWS

For the Six Months Ended 28 February 2015

	Notes	6 mths 28 Feb 15 (Unaudited) $'000s	6 mths 28 Feb 14 (Unaudited) $'000s	12 mths 31 Aug 14 (Audited) $'000s
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash was provided from/(applied to):				
Receipts from operations		35,294	22,793	57,019
Interest received		11	80	98
Net GST received/(paid)		310	68	608
Payments to suppliers and employees		(31,252)	(25,980)	(56,263)
Interest paid		(361)	(213)	(490)
Taxation paid		(5)	(928)	(851)
Net cash outflow from operating activities	2	3,997	(4,180)	121
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash was provided from/(applied to):				
Purchase of property, plant, equipment and intangible assets		(324)	(4,386)	(4,430)
Sale of property, plant and equipment		6	34	33
Advance from joint ventures and associates		(121)	569	(1,055)
Repayment of advance to Employee Share Purchase Scheme		17	22	47
Purchase of non controlling interest in subsidiary		-	(90)	(90)
Investment in joint ventures and associates		-	(99)	(72)
Purchase of business		(12,823)	-	(6,164)
Repayment of investment in joint venture		151	-	-
Net cash outflow from investing activities		(13,094)	(3,950)	(11,731)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash was provided from/(applied to):				
Proceeds from borrowings		12,708	3,200	8,434
Repayment of borrowings		(181)	-	(10)
Dividends paid		(2,421)	(3,083)	(4,121)
Issue of share capital, net of issue costs		711	807	1,092
Net cash inflow/(outflow) from financing activities		10,817	924	5,395
Net decrease in cash held		1,720	(7,206)	(6,215)
Add cash and cash equivalents at beginning of the period		(4,888)	1,327	1,327
Balance at end of the period		(3,168)	(5,879)	(4,888)
Comprised of:				
Cash and cash equivalents		2,012	509	1,370
Bank overdraft		(5,180)	(6,388)	(6,258)
		(3,168)	(5,879)	(4,888)

NOTES TO THE FINANCIAL STATEMENTS

For the Six Months Ended 28 February 2015

1. FINANCIAL STATEMENTS

Statement of Compliance

The unaudited interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standard 34 ("NZ IAS-34") "Interim Financial Reporting" and other applicable financial reporting standards as appropriate for profit orientated entities. Compliance with NZ IAS-34 ensures compliance with International Accounting Standard 34 "Interim Financial Reporting".

These financial statements have been prepared using the same accounting policies as the previously published annual financial statements as at 31 August 2014. These interim financial statements should be read in conjunction with the policies disclosed in the annual financial statements.

2. NOTES TO THE CASHFLOW STATEMENT

	6 mths 28 Feb 15 (Unaudited) $'000s	6 mths 28 Feb 14 (Unaudited) $'000s	12 mths 31 Aug 14 (Audited) $'000s
Net surplus for the period	1,146	820	3,026
Adjustments for non-cash items:			
Depreciation and amortisation	693	641	1,336
Net loss/(gain) on sale of property, plant and equipment	(2)	(23)	(26)
Deferred tax	(197)	316	298
Share of net deficit/(surplus) of joint ventures and associates	26	215	38
Movement in exchange translation reserve	340	40	(173)
Add/(less) movement in working capital:			
Trade debtors	3,025	(6,034)	(2,357)
Other financial assets - derivatives	(156)	(892)	(475)
Sundry debtors and prepayments	(774)	795	901
Inventories	1,222	1,316	(2,761)
Contract work in progress	912	3,945	(2,030)
Taxation payable	617	(816)	56
Trade creditors and accruals	(1,659)	(3,000)	1,618
Other financial liabilities - derivatives	29	(161)	(389)
Employee entitlements	(64)	(1,342)	(580)
Working capital relating to business purchases/amalgamation	(1,161)	-	1,639
Net cash inflow/(outflow) from operating activities	3,997	(4,180)	121

3. CONTINGENT LIABILITIES

	6 mths 28 Feb 15 (Unaudited) $'000s	6 mths 28 Feb 14 (Unaudited) $'000s	12 mths 31 Aug 14 (Audited) $'000s
Payment guarantees and performance bonds	151	1,163	-
Stock Exchange bond	75	75	75
Maximum contract penalty clause exposure	436	2,283	2,719
Guarantee of joint venture's banking facilities	-	750	-
Guarantee of subsidiary's banking facilities	-	660	-

For the Six Months Ended 28 February 2015

3. CONTINGENT LIABILITIES (CONT.)

Payment guarantees are provided to customers in respect of advance payments received by the Group for contract work in progress, while performance bonds are provided to some customers for a period of up to one year from final acceptance of the equipment.

Scott Technology Limited has a payment bond to the value of $75,000 in place with ANZ Bank New Zealand Limited in favour of the New Zealand Stock Exchange.

The Group has exposure to penalty clauses on its projects. These clauses relate to delivery criteria and are becoming increasingly common in international contractual agreements. There is a clearly defined sequence of events that needs to occur before penalty clauses are imposed.

Scott Technology Limited had provided a guarantee of up to $750,000 in respect of joint venture borrowings by Robotic Technologies Limited from the Bank of New Zealand Limited. These borrowings totalled $Nil as at 28 February 2015 (28 February 2014: $Nil). The guarantee arrangement ceased during the 2014 year.

Scott Technology Limited had provided a guarantee of up to $660,000 in respect of QMT Machinery Technology (Qingdao) Co Limited's banking facilities under a letter of credit arrangement. These borrowings totalled $Nil as at 28 February 2015 (28 February 2014: $Nil). The guarantee arrangement ceased during the 2014 year.

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

		Ownership Interest			Carrying Value		
Name of Entity	**Country of Incorporation**	**28 Feb 15 %**	**28 Feb 14 %**	**31 Aug 14 %**	**28 Feb 15 $'000s**	**28 Feb 14 $'000s**	**31 Aug 14 $'000s**
Joint Ventures							
Robotic Technologies Limited (i)	New Zealand	50	50	50	580	455	543
Scott Technology Euro Limited (ii)	Ireland	50	50	50	66	69	65
NS Innovations Pty Limited (iii)	Australia	50	50	50	14	14	14
Scott Separation Technology Limited (iv)	New Zealand	50	50	50	31	26	37
XRock Automation Pty Limited (v)	Australia	50	50	50	-	175	158
Scott Technology S.A. (vi)	Chile	50	50	50	(67)	-	(48)
Rocklabs Automation Canada Limited (vii)	Canada	50	50	50	(19)	-	13
Associates							
Robot Vision Lab Limited (viii)	New Zealand	40	40	40	(23)	-	(23)
					582	739	759

4. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT.)

(i) Scott Technology Limited's joint venture with Silver Fern Farms Limited, Robotic Technologies Limited (RTL), was formed in October 2003 and has a balance date of 31 August. RTL's principal activity is the marketing and development of (primarily lamb) meat processing equipment and the management of the intellectual property associated with these developments. Scott Technology Limited's share of RTL's net surplus was $37,000 for the six months ended 28 February 2015 (six months ended 28 February 2014: net deficit of $32,000).

(ii) Scott Technology Euro Limited (Scott Euro) is Scott Technology Limited's European sales agency and is a joint venture between Scott Technology Limited and Industrial Process Solution of Italy. Scott Euro was formed in 2008 and has a balance date of 31 August. Scott Technology Limited's share of Scott Euro's net surplus was $1,000 for the six months ended 28 February 2015, (six months ended 28 February 2014: $2,000).

(iii) NS Innovations Pty Limited (NSIL) is a joint venture between Scott Technology Limited and Northern Co-Operative Meat Company Limited of Australia. NSIL was formed in August 2010 and has a balance date of 31 August. NSIL's principal activity is the marketing and development of (primarily beef) meat processing equipment and the management of the intellectual property associated with these developments. Scott Technology Limited's share of NSIL's net surplus was $Nil for the six months ended 28 February 2015 (six months ended 28 February 2014: $Nil).

(iv) Scott Separation Technology Limited (SSTL) is a joint venture between Scott Technology Limited and private individuals. SSTL was formed in December 2011 and has a balance date of 31 August. SSTL's principal activity is the marketing and development of patented centrifuge technology which has particular application to the honey and fish processing industries. Scott Technology Limited's share of SSTL's net deficit was $6,000 for the six months ended 28 February 2015 (six months ended 28 February 2014: net deficit of $12,000).

(v) XRock Automation Pty Limited (XRA) was a joint venture between Scott Technology Limited and XRF Scientific Limited, an Australian publicly listed company. XRA commenced trading in July 2012 and had a balance date of 30 June. XRA's principal activity is the development and marketing of automated laboratory sampling equipment for the mining industry in Australia. Scott Technology Limited's share of XRA's net deficit was $7,000 for the six months ended 28 February 2015 (six months ended 28 February 2014: net deficit of $12,000). The joint venture ceased trading and was wound up during the six months ended 28 February 2015 and the share capital was repaid.

(vi) Scott Technology S.A. (STSA) is a joint venture between Scott Technology Limited and Canadian private company STG Holdings Limited. STSA commenced trading in June 2013. STSA is a sales agency for mining equipment in the Americas. Scott Technology Limited's share of STSA's net deficit for the six months ended 28 February 2015 was $19,000 (six months ended 28 February 2014: net deficit of $137,000).

(vii) Rocklabs Automation Canada Limited (RAC) is a joint venture between Scott Technology Limited and Canadian private company STG Holdings Limited. RAC commenced trading in 2013. RAC is a sales agency for mining equipment in the Americas. Scott Technology Limited's share of RAC's net deficit for the six months ended 28 February 2015 was $32,000 (six months ended 28 February 2014: net deficit of $20,000).

(viii) Robot Vision Lab Limited (RVL) was established in the 2011 financial year to provide specialised vision and robotics services to its customers. Scott Technology Limited's 40% shareholding in RVL provides the Group with preferred access to RVL's services. Scott Technology Limited's share of RVL's net deficit was $Nil for the six months ended 28 February 2015 (six months ended 28 February 2014: net deficit of $14,000).

For the Six Months Ended 28 February 2015

5. CAPITAL COMMITMENTS

There were no capital commitments as at 28 February 2015 (28 February 2014: $Nil).

6. SEGMENT INFORMATION

6.1 Products and Services from which Reportable Segments Derive Their Revenues
The Group's reportable segments under NZ IFRS-8 are as follows:

- Standard production equipment
- Automated production systems and robotics (designed and manufactured to order)

Information regarding the Group's reporting segments is presented below. Amounts reported for the prior periods have been restated to conform to the requirements of NZ IFRS-8.

6.2 Segment Revenues and Results
The following is an analysis of the Group's revenue and results by reportable segment. Design and manufacturing activities for all segments are undertaken at all of the Group's manufacturing sites (Dunedin, Christchurch, Wellington, Auckland, China and USA), with projects being allocated to manufacturing sites based on available resources, rather than by segment. The Group does not allocate certain resources and shared support services by segment for internal reporting purposes. For the purposes of NZ IFRS-8 allocations are based on a combination of revenue contribution by segment, gross margin and senior management's contribution to the segment. These allocations may not result in a meaningful and comparable measure of profitability by segment.

	Standard Equipment $'000s	Automated Equipment $'000s	Unallocated $'000s	Total $'000s
Six Months Ended 28 February 2015				
Revenue	7,244	22,078	-	29,322
Segment profit	1,866	1,601	-	3,467
Depreciation and amortisation	(110)	(298)	(285)	(693)
Share of surplus/(deficit) of joint ventures	-	-	(26)	(26)
Interest revenue	-	-	11	11
Government grants	-	-	362	362
Central administration costs	-	-	(1,174)	(1,174)
Finance costs	-	-	(376)	(376)
Net profit before taxation	1,756	1,303	(1,488)	1,571
Taxation expense	(475)	(352)	402	(425)
Net profit after taxation	1,281	951	(1,086)	1,146

For the Six Months Ended 28 February 2015

6. SEGMENT INFORMATION (CONT.)

6.2 Segment Revenues and Results (CONT)

	Standard Equipment $'000s	Automated Equipment $'000s	Unallocated $'000s	Total $'000s
Six Months Ended 28 February 2014				
Revenue	8,201	17,075	-	25,276
Segment profit	1,666	855	-	2,521
Depreciation and amortisation	(105)	(330)	(206)	(641)
Share of surplus/(deficit) of joint ventures	-	-	(215)	(215)
Interest revenue	-	-	80	80
Government grants	-	-	617	617
Central administration costs	-	-	(901)	(901)
Finance costs	-	-	(213)	(213)
Net profit before taxation	1,561	525	(838)	1,248
Taxation expense	(535)	(180)	287	(428)
Net profit after taxation	1,026	345	(551)	820

	Standard Equipment $'000s	Automated Equipment $'000s	Unallocated $'000s	Total $'000s
Twelve Months Ended 31 August 2014				
Revenue	21,239	39,077	-	60,316
Segment profit	3,636	5,342	-	8,978
Depreciation and amortisation	(285)	(653)	(398)	(1,336)
Share of surplus/(deficit) of joint ventures	-	-	(38)	(38)
Interest revenue	-	-	98	98
Central administration costs	-	-	(2,957)	(2,957)
Finance costs	(87)	-	(427)	(514)
Net profit before taxation	3,264	4,689	(3,722)	4,231
Taxation expense	(930)	(1,335)	1,060	(1,205)
Net profit after taxation	2,334	3,354	(2,662)	3,026

Revenue reported above represents revenue generated from external customers. Inter-segment sales were $Nil for the six months ended 28 February 2015 (six months ended 28 February 2014: $Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. Segment profit represents the profit earned by each segment without allocation of central administration costs, share of profits of joint ventures and associates, investment revenue and finance costs.

For the Six Months Ended 28 February 2015

7. ACQUISITION OF BUSINESS

7.1 Business Acquired & Cost of Acquisition

On 30 January, 2015 the Company acquired 100% of the shares in Australian company Machinery Automation and Robotics Pty Limited (MAR) for $3.53 million with $2.47 million paid in cash and $1.06 million of shares in Scott Technology Limited issued to the vendor. A further $10.41 million was advanced to MAR to repay existing loans relating to the purchase of intellectual property.

7.2 Analysis of Assets & Liabilities Acquired

Financial information in respect of the net assets acquired on acquisition of MAR is set out below:

	Book Value $'000s	Fair Value Adjustment $'000s	Fair Value Acquisition $'000s
CURRENT ASSETS			
Cash & bank balances	60	-	60
Trade & other receivables	1,959	-	1,959
Inventories	544	-	544
NON CURRENT ASSETS			
Property, plant & equipment	1,204	-	1,204
Intangible assets	10,417	-	10,417
CURRENT LIABILITIES			
Trade & other payables	(3,116)	-	(3,116)
Contract work in progress	(548)	-	(548)
Advances	(10,417)	-	(10,417)
Total assets & liabilities	103	-	103
Goodwill on acquisition			3,424
Cost of acquisition			3,527

7.3 Goodwill arising on Acquisition

Goodwill arose in the acquisition of MAR because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies and MAR revenue growth. These benefits are not recognised separately from goodwill as the future economic benefits arising from them cannot be reliably measured and they do not meet the definition of identifiable intangible assets.

8. SUBSEQUENT EVENTS

On 14 April 2015 the Board of Directors approved an interim dividend of two and a half cents per share with full imputation credits attached to be paid for the 2015 year (2014 interim dividend: two and a half cents per share).

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